

DEPARTMENT OF AFFAIRS

Justification and Approval (J&A)

For

Other Than Full and Open Competition (>150K)

1. **Contracting Activity:** Department of Veterans Affairs, NCO 23, 708 S. Third Street, Suite 200E, Minneapolis, MN 55415, on behalf of the VA Nebraska Western Iowa Health Care System (NWIHCS).
2. **Nature and/or Description of the Action Being Processed:** Justification and approval for a new short term contract for Pathology and Laboratory Medicine services for VA NWIHCS. This is a justification for other than full and open competition. Award will be a firm fixed price contract. There is a current contract in place which expires on 9/30/2015. Note: The current contract was issued under VA Directive 1663 and Enhanced Medical Sharing 38 USC 8153 guidelines as a sole source contract to an affiliate, Alegent Creighton Clinic. At that time, the contractor provided both FTE hours at the VA NWIHCS, Omaha Division, and CPT code work at the contractor's site. As a result of recent hiring of multiple Pathologists, the FTE hours were no longer required. Since the work is now performed exclusively at the contractor's site, the connection with the resident program and the affiliate no longer exists, resulting in a need for open market procurement.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** To provide Pathology and Laboratory Medicine services to Veterans for VA NWIHCS and will be performed at the contractor's site. The contractor will furnish all personnel, supplies, facility and equipment to provide these services. Contractor will provide technical (cytology) processing and diagnosis of specimens to ensure the safety of our patients and provide the best care to our Veterans. Technical services will be reimbursed on an anatomic pathology fee for service basis based on provided fee schedule. Contractor will comply with all requirements of The Joint Commission (TJC), College of American Pathologists (CAP), VHA Pathology and Laboratory Medicine Services Handbook 1106.01 (Pathology and Laboratory Medicine Service Procedures), and all other applicable VA directives, policies and procedures. Care delivered will reflect the VA NWIHCS's mission, vision and values. The contractor shall provide all personnel necessary at contractor's site to support technical services in such number and level of professional experience as to assure continuity and level of quality as established by this facility to meet regulatory requirements by VA and TJC regulations. In addition, contractor shall have available at all times an adequate number of properly trained, boarded, and credentialed professional personnel to provide onsite services as necessary to support the VA facility mission. The estimated value of the procurement will be \$195,309.82. The short term contract will be for a three (3) month base period, with an option to extend up to an additional three (3) months. Alegent Creighton Clinic is currently providing these services.

4. **Statutory Authority Permitting Other than Full and Open competition:**

41 USC §253(c) (1), as implemented by FAR 6.302-1.

(1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;

(2) Unusual and Compelling Urgency per FAR 6.302-2;

(3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;

(4) International Agreement per FAR 6.302-4;

(5) Authorized or Required by Statute FAR 6.302-5;

(6) National Security per FAR 6.302-6;

(7) Public Interest per FAR 6.302-7;

5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of Authority Cited Above (applicability of authority):**

There is not enough time to allow open competition of this requirement and maintain care to Veterans. There is a current contract in place with no extensions left to cover this requirement. The effective date for this interim contract must be October 1, 2015, due to these services being patient and mission critical. The VA cannot do without these services for the patients/Veterans. The incumbent service provider, Alegent Creighton Clinic, will continue the services under contract for the time being. This contractor has the resources (credentialed manpower, experience, physical location, technical/operational knowledge and computer system access) to perform these critical mission services for the short term contract. It is anticipated that a minimum of 90 calendar days to a maximum of 6 months will be required to credential the staff of the proposed new contractor and potentially transition the current workload to another contractor without disruption in services after a complete review/evaluation of offers is completed by the MN Contracting Office and Medical Sharing Office. It would not be practicable to complete an interim competitive contract for this shorter period due to the short timeframe needed to prevent a lapse in critical services. It would not be possible for other vendors to transition the current workload, credentialing and privileging without a significant disruption in services in the time required.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** N/A

7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The Contracting Officer will determine the price fair and reasonable based on current Nebraska Centers for Medicare and Medicaid rates (Physician Fee Schedule and Clinical Diagnostic Laboratory Fee Schedule).

8. **Description of the Market Research Conducted and the Results, or Statement of the Reasons the Market Research Was not Conducted:** Current market research has determined that there are no additional vendors in the area that could provide the required

services in the short term. In addition, the contractors would have to go through significant costs and credentialing to provide the service and it would not be feasible for the short term and immediate need for this requirement. Note: The long term contract solicitation was posted on www.fedbizopps.gov to obtain competition.

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** None
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** No other vendors have expressed interest in the acquisition, in writing or otherwise to date.
11. **A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:** The NCO Contracting Officer is currently completing the paperwork and reviews required to support the award of the new long-term contract.
12. **Requirements Certification:** I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification are accurate and complete to the best of my knowledge and belief.



Bonnie Russell
COR, Chief of Staff Office
VANWIHCS

9-9-15

Date

13. **Approvals in accordance with the FAR 6.304**

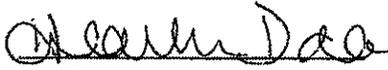
- a. **Contracting Officer's Certification (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



Julie A. Stout
Branch Chief, Medical Sharing
NC023

9/10/2015
Date

- b. **Director of Contracting/Designee (Required \$150K and above):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for other than full and open competition.



Heather Dale
Division 2 Chief
NCO23

8-24-15
Date