

**LIMITED SOURCES JUSTIFICATION**

**ORDER >\$150,000**

**FAR PART 8.405-6**

**Acquisition Plan Action ID: VA731-16-AP-0006**

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

**Restricted to the following source:**

Manufacturer/Contractor: Receivia Inc

Manufacturer/Contractor POC & phone number: Craig Fetner/678-325-1725

Mfgr/Contractor Address: 5655 Peachtree Pkwy, Ste 211, Norcross, GA

Dealer/Rep address/phone number: 678-325-1735

☒ The requested material or service represents the minimum requirements of the Government.

**(1) AGENCY AND CONTRACTING ACTIVITY:**

Department of Veterans Affairs

Program Contracting Office East (PCOE)

Washington

1100 First Street, NE, Suite 733D

Washington, DC 20002

**VISN/PCOE:**

MSCPAC, NCCPAC, NECPAC, CPCPAC, WCPAC

**(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:**

Request approval for an urgent and compelling award to Receivia, Inc, to provide medical billing services to support five of the seven Consolidated Patient Account Centers (CPACs): North Central (NCCPAC), North East (NECPAC), Central Plains (CPCPAC), Mid-South (MSCPAC) and West (WCPAC). The long term contract for all seven CPAC regions is currently being prepared by the customer and will be submitted to the contracting office. This short term contract action is to provide required services for an interim period. This award is a new firm-fixed- priced contract. An additional 6 months option to extend services is being included as a backup plan if required.

**(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:**

Contract services required are Medical Billing services to assist the NCCPAC, NECPAC, CPCPAC, MSCPAC and WCPAC in billing to, and collecting from, insurance companies for

medical treatment provided to veterans for non-service connected conditions. A need exists to start services at the MSCPAC which has been waiting since March 2014. Contract (VA731-14-F-0028) was awarded in September 2014, but was tied up in protest litigation until November 2015. GAO directed that the contract be cancelled and a new solicitation be issued for the requirement. The requested services are urgent and compelling are needed to support the CPAC's portion of the Operating Budget affecting staffing costs, costs to support veterans' medical services/equipment, as well as, support of veterans programs. Services include, but are not limited, to:

- Authorizing and releasing claims to third party carriers in accordance with VA established guidelines;
- Submitting claims to payers electronically whenever possible via a clearing house and/or mailed hard copy;
- Providing secondary billing services to include posting transactions to first party accounts;
- Ensuring claims acknowledgement and status reports are retrieved and reposted at the claims and summary levels and assist in follow-up and account reconciliation by the CPAC.

(b) **ESTIMATED DOLLAR VALUE:** \$ 2,144,356.20, Option Period 1: \$1,072,178.10, Option Period 2: \$1,072,178.10, Total: \$4,288,712.40 for five CPACs. Options will be exercised at current rate and volume if required.

(c) **REQUIRED PERIOD OF PERFORMANCE:** Base POP: January 29, 2016 through July 28, 2016 with two (2) three (3) months option periods to extend services. Option 1 POP: July 29, 2016 through October 28, 2016. Option 2 POP: October 29, 2016 through January 28, 2017. A Notice to Proceed was issued on January 28, 2016.

**(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.**

☐ Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.

☐ A patent, copyright or proprietary data limits competition. The proprietary data is:

☐ These are "direct replacements" parts/components for existing equipment.

☐ The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

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☐ The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

☒ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.  
The agency need for this service is urgent and compelling that providing a fair opportunity would result in unacceptable delays and it would have a major financial impact. The Department of Veterans Affairs (VA) has historically relied on contract services in an effort to improve collections through timely and accurate billing of third party claims. Delayed billing would result in delayed collections which would cause Veterans to be charged and required to pay their co-pays that are normally offset by the payments from their insurance carriers. Without continued services, CPAC estimates VA would be losing approximately \$100,800 per day in revenue as a result of not having all of the billing requirements completed timely in accordance with established performance standards. At one CPAC location, there are approximately 700 bills that are not able to be worked on a given day (regular tour) by a CPAC biller and the current contractor. The average bill is \$395 and we collect on average 36.5% according to Power Plus data, which means approximately \$144 in revenue for each bill. The backlog has caused an increase in overtime costs, over the past 4 pay periods on average the outpatient billers have worked 27.3 hours at a cost of \$730 per day. Approval of this justification would be more cost effective than re-soliciting for a short-term contract to continue the current work. Receivia's employees have active background investigations, security requirements and experienced personal to perform the work. This would allow for services to continue immediately with no start-up costs or delays.

**(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:**

Based on the contracting officer finding, the price offered by Receivia is considered fair and reasonable to the Government. The results showed that Receivia's pricing was consistent with, or lower than, some prices for the same or similar services. Comparison of pricing ranged from \_\_\_\_\_ per transaction. Receivia, Inc. continues to offer discounted rates between \_\_\_\_\_ and \_\_\_\_\_ which are below their FSS BPA contract rate of \_\_\_\_\_ resulting in cost savings to the

government for these services. The contracting officer will ensure the cost is fair and reasonable.

**(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:**

Market research was conducted and reflects there are two or more vendors listed on the GSA schedule that can provide the required services. However, this is a bridge contract to keep the continuity of services going with the current contractor.

**(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:** There are no other facts to support this justification.

**(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:**

There are no barriers to overcome for the required services. There is sufficient competition available for these services via GSA, Federal Supply Schedule. The agency and contracting will ensure future requirements are procured in sufficient time to award a new contract before the current contract expires. In this case, the previous award has been bound in protest litigation.

**(9) 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. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

Melissa D. GARRICK  
539102

Digitally signed by Melissa D. GARRICK 539102  
DN: dc=gov, dc=va, o=internal, ou=people,  
0.9.2342.19200300.100.1.1=melissa.garrick@va.gov, cn=Melissa D.  
GARRICK 539102  
Date: 2016.02.25 12:53:29 -0500

2/25/2016

SIGNATURE

DATE

Melissa Garrick

Management Analyst/COR

CPAC Revenue Operations/RSM

NAME

TITLE

SERVICE LINE/SECTION

CPAC

FACILITY

**(10) APPROVALS IN ACCORDANCE WITH THE [VHAPM, Volume 6, Chapter VI: OFOC SOP](#):**

**a. CONTRACTING OFFICER'S CERTIFICATION (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

**Ronnie Hall 649570**

Digitally signed by Ronnie Hall 649570  
DN: dc=gov, dc=va, o=internal, ou=people,  
0.9.2342.19200300.100.1.1=ronnie.hall3@va.gov, cn=Ronnie Hall 649570  
Date: 2016.02.25 13:04:25 -05'00'

CONTRACTING OFFICER'S SIGNATURE

DATE



Ronnie Hall

Program Contracting Office EAST

b. **Director of Contracting/DESIGNEE:** 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.

Dowdell,  
Cassandra

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DN: dc=gov, dc=va, ou=Entities,  
ou=InternalStaff, cn=Dowdell, Cassandra  
Date: 2016.02.25 12:15:14 -07'00'

SIGNATURE

DATE

Cassandra Dowdell

Director of Contracting (Acting)  
Program Contracting Office EAST

**HIGHER LEVEL APPROVAL (Required For orders over \$650,000):**

c. **SAO:** I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

SIGNATURE

DATE

Jeffrey R. Ryan

Director, SAO E (Acting)

d. **VHA HCA REVIEW AND APPROVAL (over \$650,000 to \$12.5 million):** 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 restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4

Randy L. Hays 534204

Digitally signed by Randy L. Hays 534204  
DN: dc=gov, dc=va, o=internal, ou=people, 0.9.2342.19200300.100.1.1=randy.hays@va.gov,  
cn=Randy L. Hays 534204  
Date: 2016.02.29 13:36:34 -08'00'

VHA Head of Contracting Activity (HCA Acting) DATE