

DEPARTMENT OF VETERANS AFFAIRS

**Justification and Approval (J&A)
For
Other Than Full and Open Competition (>\$150K)**

Acquisition Plan Action ID: VA256-16-AP-2805

1. Contracting Activity:

Department of Veterans Affairs, VISN 16, Network Contracting Office 16
510 East Stoner Avenue
Shreveport, LA 71101

For New Orleans VA Medical Center 629-16-2-363-0019

2. Nature and/or Description of the Action Being Processed:

This acquisition is to obtain a contract, by use of other than full and open competition, with Gateway Systems LLC for a residential Substance Abuse Treatment Program (SATP) for thirty-six (36) veterans. The Contractor shall provide residential treatment for homeless and Substance Abuse (SA) veterans who are participating in either the Homeless or SA program with the Department of Veteran Affairs, Southeast Louisiana Veterans Health Care System (SLVHCS), 1601 Perdido Street, New Orleans, LA 70112. This award is necessary to meet the agency's emergent requirement. The original solicitation was canceled and there is not enough time to get another solicitation out before the end of the current contract. The original contract will completely die 03/31/2016. Service must not be interrupted or suspended. Estimated value for the requirement is \$382,104.00. The period of performance is April 1, 2016 through September 30, 2016. It is a follow on firm fixed price requirement.

FAR13.5 Test Program: This procurement is for a commercial service in accordance with FAR 13.5 Test Program for Certain Commercial Items and specifically FAR 13.501 Special Documentation Requirements, where acquisitions conducted under Simplified Acquisition Procedures are exempt from the requirements of FAR Part 6, but still require a justification using the format of FAR 6.303-2.

3. Description of Supplies/Services Required to Meet the Agency's Needs:

The contractor shall oversee Veterans to assess personal hygiene maintenance, monitoring of medication, and any other service of supplies normally provided without extra charge. The goal of the SATP program is to remove homeless Veterans from the street or habitation unfit for Veterans and place them in community-based, residential environments with sufficient therapeutic services to meet the needs of those Veterans. Care will include, but not limited to, 24-hour supervisor, an alcohol and drug free environment, and an active affiliation with a 12 Step Program. The Contractor shall provide residential treatment for homeless and Substance Abuse (SA) veterans who are participating in either the Homeless or SA program with the Department of Veteran Affairs, Southeast Louisiana Veterans Health Care System (SLVHCS), 1601 Perdido Street, New Orleans, LA 70112. Performance period is April 1, 2016 through September 30, 2016.

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

FAR13.5 Test Program: The authority for applying the Commercial Test Program of FAR 13.5 is (Section 4202 of the Clinger-Cohen Act of 1996) and is implemented by for restricting competition on this procurement via FAR 13.106-1(b)(2).

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

Gateway currently provides veterans with residential treatment and case management to include supportive housing to thirty six (36) veterans for the SLVHCS, New Orleans, LA. The Contractor provides a safe environment for housing veteran patients and offers a 2-year treatment program with diverse start dates so continuity of care if essential to patient care. Care includes, but not limited to, a supervisor, an alcohol and drug free environment, and an active affiliation with a 12 Step Program. The contractor also provides room and board, laundry facilities, Therapeutic and Rehabilitative Services, and other supplemental services. More importantly, the services provided by Gateway cohesively compliments the therapy provided by the SLVHCS to create a patient centered environment that allows veterans to recovery from a lifestyle of drug addiction. Gateway has provided these services outstandingly from 2000 to 2005 and again from 2011 to 2014 under contract. During the tenure of 2006 to 2010, the services continued under a purchase agreement. Dr. Milton Harris, the Substance Abuse Treatment Program Team Lead/ Mental Health – Psychiatrist working with the Substance Abuse Program at the Southeast Louisiana Veterans Healthcare System recommends against moving veteran patients from the program as they are progressing well as a result of the treatment being provided by Gateway. Moving the veterans would interfere with any progress in treatment to date. Gateway LLC is the only known contractor that can continue the treatment program for the thirty six (36) veteran patients without setbacks in the progress veterans have experienced in the program. They typically graduate a patient every six months. Gateway LLC's unique qualification stem from their just-in-time capability to deliver high level/quality of clinical services for addictive disorders and dual diagnosis patients. They have the ability to house and treat all 36 patients concurrently in lock step with SLVHCS treatment policy and guidelines.

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

A review of the NAICS Code website showed 621420 – Outpatient Mental Health and Substance Abuse Centers with a Small Business Size Standard of \$15M. A Small Business (SBA) Search was accomplished using NAIC Code: "621420" with a profile location of "Louisiana" which revealed eleven (11) Small Businesses that met the search criteria, however, only Gateway Systems LLC is located in Harvey, LA where the thirty six (36) patients are currently housed. Several additional agencies were contacted for practicality but the risk of moving 36 patients would have a negative impact to patients' progress in the program. Dr. Milton Harris, the Substance Abuse Treatment Program Team Lead – Psychiatrist has worked extensively with the gateway organization to develop a lock-step program that really works. Additionally, Dr. Harris has recommended the veteran patients not be moved from the two year treatment program since patients are progressing well and moving them could cause setback in their progress; no further sources were contacted. Both COR and CO have knowledge that services for a Substance Abuse Centers is a commercial item but due to

the thirty six (36) patients being currently enrolled in a 2 year treatment program no solicitation will be posted. On future contracts every effort will be made to ensure competition.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

The Contracting Officer will determine that the anticipated cost to the government will be fair and reasonable. Gateway is offering to continue these services at the same or near same cost that was offered during the life of the base contract. The price received from the contractor was determined fair and reasonable when comparatively referenced to the Community/Private Mental Health Center Billing Guidelines for market rate and historical data.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:

See number 6.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition:

This acquisition will be a sole source to Gateway System LLC due to the emergent need to have a contract in place. Service cannot be interrupted or suspended. At this time it is in the best interests of the Southeast Louisiana Veterans Health Care System (SLVHCS) medical facility that this contractor be utilized. Gateway Systems LLC currently provides thirty six (36) veteran patients a treatment program and there is no other known source that could provide these tailored services without interruptions or setbacks to these veterans in their treatment program. The impact if patients are moved or split between various rehabilitation will result in diverse policies and procedures that prevent standardization of treatment. In the past, some facilities have had difficulty complying with VA procedures and regulations and have opted not to continue taking veterans. So there is a risk of that happening again. Each facility has different staffing, different levels of staff education/credentials and different levels of familiarity with veteran's issues. With Gateway's administration and staff being veterans themselves, they are intimately familiar with VA staff and procedures and are thus uniquely qualified to provide veteran-centric care. Other facilities do not have a veteran-centric program as Gateway LLC does and veterans prefer to work with other veterans and providers who are very familiar with VA services whenever possible. Other facilities would also likely be challenged to provide the amount of transportation services that Gateway provides, thereby potentially increasing issues such as missed appointments and thereby reducing access to care. Additionally, Gateway LLC provides its own in-house group and individual counseling and case management and as such offers markedly more psychosocial treatment interventions than facilities whose primary function is housing. Gateway's owners and administrators are all veterans and are alumni of SATP services in long-term successful recovery from addiction. It has been so since the inception of the organization. They have worked with SATP staff for 20+ years and are uniquely knowledgeable about SATP/VA services, personnel and procedures.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

Gateway System LLC, 4103 Lac Couture Dr., Harvey, LA 70058.

Chapter VI: Other Than Full and Open Competition (OFOC) SOP
Attachment 3: Request for Sole Source Justification Format >\$150K

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:

Approval is sought for the period April 1, 2016 through September 30, 2016. Any subsequent requirements shall be competed.

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.

William J. Spates 189268
William J. Spates
Health System Specialist
Southeast Louisiana Veterans Health Care System (SLVHCS), New Orleans, LA

February 10, 2016
Date

13. Approvals in accordance with the VHAPM, Volume 6, Chapter VI: OFOC SOP.

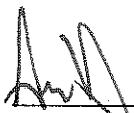
a. Contracting Officer's Certification (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

ANTHONY R.
MITCHELL 336064
Anthony R. Mitchell
Contracting Officer
Overton Brooks VAMC
Network Contracting Office 16

Digitally signed by ANTHONY R. MITCHELL
336064
DN: cn=gov, dc=va, o=internal, ou=people,
0.9.2342.19200.100.1.1=anthony.mitchell4
@va.gov, cn=ANTHONY R. MITCHELL 336064
Date: 2016.02.11 09:45:33 -0600

February 10, 2016
Date

b. Director of Contracting /Designee (Required \$150K and above): I certify the justification meets requirements for other than full and open competition.


Aaron Villalpando
NCO/PCO 16 Director of Contracting or Designee
NCO 16 Jackson MS

3/12/2016
Date