

**DEPARTMENT OF VETERANS AFFAIRS**

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

**Acquisition Plan Action ID:** VA241-15-AP-1709

1. **Contracting Activity:** Department of Veterans Affairs, VISN 1, NCO1 for the New England Healthcare System, Network Consolidated Laboratory.

Transaction# 523-16-1-2765-0002

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

The purpose of this procurement is to establish an IDIQ contract for a 12 month base with (4) annual option years between the VA White River Junction (WRJ), VT and the Dartmouth Hitchcock Memorial Hospital (DHMH). The required Anatomic Pathology Laboratory Services are only available from DHMH since they have the unique capabilities to satisfy VA WRJ needs' to provide STAT and other specialty time-sensitive testing. This contractor is an affiliate of the White River Junction VA and is located in close geographic proximity in nearby Lebanon, NH which is required to meet the STAT testing needs. The current stand-alone contract is due to expire December 31, 2015.

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

Obtain specialized Anatomic Laboratory Testing services needed by the VA WRJ Pathology & Laboratory Medicine Service for STAT and other time-sensitive testing with courier transportation on an as needed basis for a 12 month base plus (4) annual option year IDIQ contract. DHMH, due to their proximity, is able to provide time sensitive testing that requires a rapid turnaround time for clinical and therapeutic decision-making. The specialized anatomic pathology testing by this affiliated hospital provides results to VA WRJ pathologists prior to final interpretation to aid in the clinical decision-making, especially over weekends. If the testing were sent to the West Roxbury VA Laboratory, they would not be processed or tested until the next regular business day (Monday – Friday) resulting in a delay in patient care. VA WRJ also requires DHMH to act as their back-up testing facility as part of their contingency plan should a catastrophic event occur disabling all testing at the WRJ VA lab.

Services to be provided including CPT codes, approximate yearly count, cost per test and total cost based on FY 2015 workload: **Estimated yearly cost:**

Estimated Total Cost of Contract:

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

- (X) (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 the Authority Cited Above (applicability of authority):

The contractor, DHMH, has provided these services under prior annual or shorter term stand-alone contracts. Their responsiveness, promptness, accuracy, skills and experience in addition to their close geographic proximity make DMHM particularly well suited to continue under a long term contract. The contractor will thus be able to continue to provide essential and unique capabilities for these specialized services which would not be otherwise reasonably available, to the VAMC in this remote geographic area. The contractor is less than 10 miles, or 15 minutes from the White River Junction VA. In particular, DHMH's close physical proximity to this VA remote location makes it the sole provider who can provide the services with the required rapid turnaround time. As this VA's affiliate, the contractor has extensive knowledge of this VAMC's needs, culture and orientation.

The contractor has the facilities, personnel and capacity to provide prompt responses to the VAMC WRJ. Their close proximity reduces the cost to transport samples to DHMH and allows for prompt transportation of specimens. In addition, the contractor's skills, accuracy and timeliness have been demonstrated in the previous contracts and from past experience. They are the only laboratory in this geographic area that is capable of providing the level of proficiency and expert consultative services required by the VAMC's WRJ patient care needs.

Specifically, 2 categories of laboratory testing are required by the proposed contract with DHMH: (1) those that require test results to be reported STAT or within 6 hours or less of the specimen's delivery by the VAMC to the DHMH laboratory, and (2) specialized testing services by DHMH that are not available elsewhere.

This affiliate relationship adds a dimension of depth and professional understanding that cannot be duplicated by other testing laboratories. For example, the contractor's laboratory maintains a full complement of antibodies for ancillary immunodiagnosis and methods for which the VA laboratory fixation techniques are compatible and the interpreting pathologists are familiar. Similarly, technologists and laboratory administrators at both facilities have developed mutual trust relationships over time and can therefore rely on one another for expertise. This multi-dimensional resource-sharing is invaluable in diagnostic medicine and makes the contractor the only vendor in the geographic locale who can provide for these contracted tests and services.

VA WRJ also requires DHMH to serve as their back up testing facility as documented in their contingency plan should a catastrophic event occur disabling all testing at the VAMC Laboratory.

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

Services must be performed near the VA WRJ Medical Center to meet time sensitive testing requirements. Some of the laboratory requests are for specialized testing services which only DHMH can provide. The proposed contractor is uniquely experienced, qualified, and geographically proximate and the costs of this proposed contract are anticipated to be reasonable.

A Sources Sought Notice was posted to FBO on 10/9/2015 under Request for Information (RFI) # VA241-16-VD-0001 for Anatomic Pathology Services with Courier Transportation. A brief description of the Performance Work Statement was included with the RFI. The notice requested that interested parties provide capabilities to fulfill this requirement. The incumbent, DHMH, was the only respondent to this notice.

A Request for Information (RFI) was also posted to GSA e-Buy under RFQ1045737 under Schedule 621II Category 621-200, Anatomic Pathology Services. No responses were received in response to this notice.

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

Prices will be determined to be fair and reasonable based on comparison with pricing negotiated in previous awards with DHMH for the same service. Pricing will also be compared to similar previous awards for lab testing services.

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

The contractor, in this geographically remote area, is the most qualified, extensive, proficient, experienced and reliable in providing laboratory testing services and is the only laboratory in this geographic area which is able to meet VAMC's needs. In addition, the VAMC has had years of prior experience with this contractor and has found their contract performance to be exceptional.

No responses, other than the incumbent, DHMH, were received in response to the Sources Sought Notice posted to FBO and no responses at all were received in response to the GSA e-Buy RFI.

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

The contractor is an affiliate of the VA WRJ and has experience and expertise in the needs of the Veteran population. The affiliate relationship is the basis for a level of familiarity with contractor's technology, technical specialist's techniques, and pathologist's areas of expertise that enables the VAMC pathologists to customize their approaches to formulating accurate diagnoses with more

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Attachment 3: Request for Sole Source Justification Format >\$150K

efficiency. Testing can also be sent to the contractor on Fridays and Saturdays, which allows for more rapid diagnostic results. Staffing limitations, work hours and location prevent sending certain specimens to the West Roxbury Laboratory on Friday evenings and could delay diagnoses and treatment resulting in a delay to patients' care.

DHMH is also close in proximity to the VAMC and large enough to handle any emergency testing needs that might arise should the VAMC undergo a catastrophic event that disables all testing at their lab. Based on its proximity and depth of service, it is listed as part of a contingency during a disaster.

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

DHMH, the incumbent, was the sole contractor who responded to the Sources Sought Notice indicating an interest in pursuing a contract with the VA WRJ to continue to provide Anatomic Testing Services.

10. 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:

No actions are planned since geographic location and specialty needs are the compelling issues to exclude other sources. These reasons are also why a base plus 4 year option contract is being requested. If at any time the Contractor does not meet the standards of the VA, the Contracting Officer will be notified and the option year may not be renewed.

Any future procurement for these services will also be posted to FBO with a Sources Sought Notice. The VA will consider sources that respond to the notice, are in the local geographic proximity and can provide the level of specialty testing services currently experienced.

11. 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.

Mary-Ann  
Bridgwood 150466

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ann.bridgwood@va.gov, cn=Mary-Ann  
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Date: 2015.10.16 13:09:19 -04'00'

Mary-Ann Bridgwood  
Contracting Officer's Representative  
VA Brockton

\_\_\_\_\_  
Date

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

12. 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.

Heather L.  
Simpson  
410637

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410637  
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@va.gov, cn=Heather L. Simpson 410637  
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Heather L. Simpson  
Contracting Officer  
Branch Chief, Services South  
VA Brockton

\_\_\_\_\_  
Date

- b. QA Review:

Gary W Dilk  
231297

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Date: 2015.10.19 12:54:59 -0400'

Gary Dilk  
Procurement Analyst

\_\_\_\_\_  
Date

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

Deborah F. Mattingly  
180153

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0.9.2342.19200300.100.1.1=deborah.mattingly@va.gov,  
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Deborah Mattingly  
NCO/PCO 1 Director of Contracting  
VA Bedford

\_\_\_\_\_  
Date

- d. VHA HCA Review and Approval: I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and recommend approval (if over \$12.5 million) or approve (\$650K to 12.5 million) for other than full and open competition.

TERRY L.  
SPITZMILLER 394683

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Terry L. Spitzmiller  
VHA Head of Contracting Activity (HCA)

12.10/2015

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Date