

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition (OTFOC)

Durable Medical Equipment (DME) (Interim Contract) – VA Pittsburgh Healthcare System

1. **Contracting Activity:** Department of Veterans Affairs, VISN 4, VA Pittsburgh Healthcare System (VAPHS), Contracting Office (90C-A), 1010 Delafield Road, Pittsburgh, PA 15212. Purchase request transaction number 646-12-2-4558.
2. **Nature and/or Description of the Action Being Processed:**
Justification for OTFOC applies to a short term two (2) month contract that will provide for continuation of critical DME services to meet the needs of the Veteran beneficiaries of the VAPHS while a long term contract is being competitively negotiated as a Service-Disabled Veteran-Owned Small Business (SDVOSB) set-aside procurement. The Government anticipates award of a new firm fixed price requirements interim contract to Klingensmith Healthcare, Inc., the incumbent Contractor.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:**
This contract is for DME services with an estimated contract value of \$63,575.00, and the period of performance is January 1, 2012 – February 29, 2012. The following are line items and estimated quantities for this contract:

001. Vehicle Transport of DME within 15 specified counties.	233	EA
002. Vehicle Transport of DME outside 15 specified counties.	3	EA
003. Vehicle Transport of DME to/from VAPHS facilities.	29	EA
004. Maintenance of DME, incl. all routine maintenance calls, emergency calls, maintenance per manufacturers' guidelines	20	HR
005. Vehicle Transport to reclaim unneeded DME.	67	EA
006. Maintenance and repair of reclaimed DME.	21	HR
007. Delivery, Setup, or Pickup of VA-owned Telehealth Equipment.	83	EA
008. Delivery for Bariatric Setups.	17	HR
009. Assembly and Setup of High End Power Chairs.	25	HR

The Contractor will provide a comprehensive DME Program to include furnishing all labor, equipment and facilities necessary for pick-up, delivery, cleaning, maintenance, and storage of VA-owned/provided DME for authorized VAPHS Veterans. The Contractor will transport DME and educate patients in nine (9) Pennsylvania counties (Allegheny, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, and Westmoreland); in four (4) Ohio counties (Belmont, Columbiana, Harrison, and Jefferson); and in two (2) West Virginia counties (Hancock and Marshall). Approximately 60% of DME transports are within Allegheny County with the remaining 40% of transports distributed among Ohio and West Virginia counties. The Contractor shall comply with all applicable standards of The Joint Commission, and meet or exceed all Joint Commission standards for all services provided. No DME will be purchased under this contract.

4. **Statutory Authority Permitting Other than Full and Open Competition:** Unusual and Compelling Urgency per FAR 6.302-2.

5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):** VAPHS is in the process of conducting a procurement for a long-term contract for DME services under RFP #VA-244-11-RP-0903. This procurement has been delayed due to staffing shortages in the VAPHS Contracting Office, however, it is anticipated that the solicitation will be issued in December 2011. While the long-term contract is being competitively negotiated, a short-term solution is being implemented so that these critical services for Veteran beneficiaries can continue without interruption. VAPHS Quality and Patient Safety staff has determined that a contract must be in place at all times to ensure that Joint Commission standards are met for these services and to ensure that necessary safeguards required for proper patient care are provided. This short-term solution represents a minimal period of performance to meet the unusual and compelling urgency of providing DME services to Veteran beneficiaries while the procurement for a base year plus four (4) option years is being competitively conducted. Award of this interim contract will be made to the incumbent Contractor who currently provides DME services in accordance with Joint Commission guidelines and whose service technicians have the required technical competencies for educating Veterans on VA-furnished equipment and the necessary certifications in assembly of high-end custom wheelchairs.
6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** An Intent to Sole Source advertisement was published in FedBizOpps on 12-6-11 with responses due by 12-12-11 (4:00 PM), and no responses were received. It was determined that conducting a competitive competition for this short time period could result in a potential interruption of these critical services for Veteran beneficiaries due to the time and resources required to implement services with a new contractor who is in compliance with The Joint Commission and meets all contract requirements. In addition, VA-owned DME is stored in the incumbent's warehouse under the current contract which would have to be moved if VAPHS changes contractors for this short time period and then possibly moved again when the long-term contract is awarded.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The contracting officer has determined that the anticipated cost will be fair and reasonable. It is expected that the unit prices will be the same as those under current interim contract #VA244-P-1672 awarded 2-11-11. The unit prices under contract #VA244-P-1672 are all slightly less than the Option Year 1 pricing for the period 11-5-07 – 11-4-08 for the previously competitively awarded Contract #V244P-01074 which was awarded to the same Contractor on 11-14-06. (This Option Year 1 pricing was also utilized for the 6 month extension of Contract #V244-01074 which expired 5-13-09.)
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Market research was conducted for the upcoming long-term acquisition to determine market conditions for this acquisition and the availability of small businesses to fulfill this requirement. A "Sources Sought" announcement was published in FedBizOpps on 9-23-11. The following vendors expressed interest either by e-mail, phone, or by adding their name to the Interest Vendor's List:
- V3 Technical Services, LLC (SDVOSB)
 - Eagle Home Medical Corp. (SDVOSB)
 - CBJ Development Company (SDVOSB)
 - A-Z DME, LLC (SDB, WOSB, 8A)
 - Mobility One, Inc. (WOSB)
 - Home Health Depot (SB)

Other techniques used to conduct market research included online search of the Central Contractor Registration database, VetBiz database, and an examination of the acquisition history and experience with

the marketplace under previous acquisitions for the same services. Because there are three (3) potential SDVOSB vendors, a determination was made to set-aside the long-term procurement for SDVOSBs; however, as indicated in par. 6, it was determined that conducting a competitive competition for this short time period is not practical and could result in a potential interruption of these critical DME services to our Veteran beneficiaries.

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


VAPHS has the largest volume of DME deliveries within VISN 4 and is within the top 10 VA Medical Centers in the United States. The DME Contractor must cover a tri-state area to meet the needs of all Veterans enrolled. This includes 18 counties for routine deliveries with a few additional remote locations. VAPHS has urgent medical requirements that must be met within 24 hours to facilitate patient discharges for deliveries of hospital beds, feeding pumps, etc. VAPHS also requires emergency repairs and service to be available to our Veterans 24/7. The DME contract provides for delivery, setup and education of specialty products such as telehealth equipment that requires the Contractor to maintain technical competencies for educating Veterans on equipment. The DME Contractor also must be certified in assembly of high-end custom wheelchairs and be available on a weekly basis to attend seating clinics at VAPHS, as required. In order to provide cost savings to the Government, VAPHS recycles and reuses turned-in DME equipment. The Contractor warehouse must be local and accessible in the geographic area of the VAPHS to store such equipment.

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

No responses were received to the Intent to Sole Source advertisement placed on 12-6-11.

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: A competitive solicitation is currently being prepared for DME Services, and this procurement will be conducted as an SDVOSB set-aside.

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.

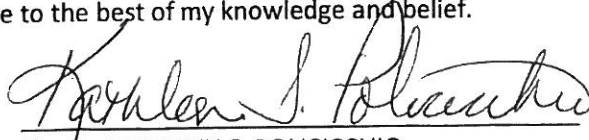

Name: CAROL MCAFEE
Title: Prosthetic Program Manager
Facility: VAPHS

12-13-11

Date

13. Approvals in accordance with 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.


Name: KATHLEEN S. POLICICCHIO
Title: Contracting Officer
Facility: VAPHS

12-13-11

Date