

**DEPARTMENT OF VETERANS AFFAIRS**

**Justification and Approval**

**For**

**Other Than Full and Open Competition**

**1. Contracting Activity:**

The Department of Veterans Affairs, VA Medical Center, 215 North Main Street, White River Junction, VT 05009, intends to provide Justification for Other than Full and Open Competition for in house acute hemodialysis services with Fresenius Medical Care, 3500 Massillon Road Suite #400, Uniontown, OH 44685 (Attention: Jaylene Gable, Inpatient Services) referred to in the following 2237: 405-12-1-7918-0011.

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

This Justification and Approval for acute hemodialysis services has been reviewed and approved by the Chief, Medical Service. The proposed action will be awarded as a new fixed-price contract (Contract Number: TBD) with Fresenius Medical Care, 3500 Massillon Road Suite #400, Uniontown, OH 44685. The value of this contract is estimated to be \$39,425 for the period of 1 January, 2012 through 30 June, 2012. This estimate is based on past frequency of required services and potential need. The estimated cost per procedure is based the current cost negotiated with Fresenius for current contract set to expire 31 December, 2011.

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

Acute hemodialysis services will consist of professional Registered Nurse services under the supervision of a Veterans Health Administration staff physician, on an as-needed basis, with performance of said services within VA policies, regulations, and procedures. The value of these services is determined based on current cost of services provided by Contractor, but is estimated to be \$475 per treatment. The Contractor will arrive at the facility within 4 hours of notice for request of required services. Services may be requested 24 hours per day, 7 days per week.

**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(b)(3)
- ( ) (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 White River Junction VAMC seeks hemodialysis services by experienced registered nurses to provide such services in the acute setting and on short notice.

- A. To maintain continuity of patient care for the nascent section of nephrology.
- B. The specific professional hemodialysis services are highly specialized and must be provided by experienced professional hemodialysis registered nurses.
- C. Due to the time and specialty considerations involved, there is insufficient trained staff at this facility to provide regular nursing support in hemodialysis without the services of these professionals locally.
- D. The need for hemodialysis services is recurring and often emergent. Fresenius is the only immediate and available resource. This Veterans Administration Hospital is located in White River Junction, VT which is very rural – the closest alternative agencies with similar services (i.e. Burlington, VT or Concord, NH) is at least a 90-minute to two hour drive. This great distance between the rural facility and other medical institutions renders alternative providers to be cost prohibitive and untimely given the frequent emergent need and timely response required, therefore compromising patient care.
- E. Fresenius is currently the only contractor capable of providing services at this time due to the lengthy credentialing, background investigation, orientation and training processes. It is impossible to at this time for any new vendor and provider to complete these initial requirements by 1 January.
- F. Accordingly, Fresenius is the only firm capable of providing the services described in Section III above without the Veteran's Health Administration experiencing substantial duplication of cost or without experiencing unacceptable delays, undermining patient care, in fulfilling its requirements or that could not be recovered through competition.

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

The current contract, due to expire 12/31/2011 was awarded to the incumbent under competitive procedures. This sole source is only requested from 1 January 2012 through 30 June, 2012 to maintain acceptable level of patient care. Procurement of these services after the emergency interim period ending 30 June, 2012 is in process under a new competitive action with an anticipated award date to be effective 1 July, 2012.

- 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 based on previous contract costs. The pricing that is being offered by Fresenius for in house acute dialysis treatment at White River Junction under this interim contract is only marginally more expensive than pricing that has already been established by the VA's national dialysis under a national BOA for outpatient hemodialysis treatment. Additionally, under the current contract, Fresenius has encountered numerous issues with equipment maintenance due to water quality issues. These issues have resulted in unanticipated cost to Fresenius and as a result they would be well within their rights to request an increase in the cost per treatment. Instead they have agreed to honor the same pricing per treatment under the interim contract that WRJ was paying under the current contract ending 31 December, 2011

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

Due to the availability of only one responsible source, additional market research was not conducted. The current incumbent (Fresenius) was previously awarded the current contract under competitive procedures.

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

This sole source is only for an interim emergency contract for the period of January 1, 2012 through June 30, 2012. This interim contract will provide necessary patient care for the time period needed in order to process a competitive action for a new contract with a base period and option years.

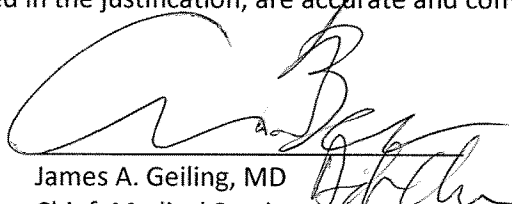
**10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:**

See Section VI above.

**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:**

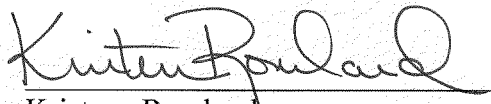
None

**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.

  
James A. Geiling, MD  
Chief, Medical Service  
White River Junction VAMC

12/21/11  
Date

**13. Approvals in accordance with FAR 6.304** *This part is filled out by Contracting Staff as part of the Justification*

  
Kristene Rowland  
Contracting Officer  
VISN 1 Contracting

12/21/2011  
Date

\_\_\_\_\_  
Mary Connors  
Quality Assurance and Compliance Officer  
VISN 1 Contracting

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Date

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Linda Ward  
Supervisory Contracting Officer  
VISN 1 Contracting

December 22, 2011  
Date