

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA260-16-AP-6002

1. **Contracting Activity:** Department of Veterans Affairs, VISN 20, VA Portland Healthcare System (VAPORHCS), Pathology and Lab (648/P2PATH); Purchase Request # 648-17-1-065-0001
2. **Nature and/or Description of the Action Being Processed:** This is a request for other than full and open competition to establish a short-term bridge contract for Blood and Blood Products to be provided by the American Red Cross as needed for transfusion services throughout the hospital.

FAR13.5 Simplified Procedures for Certain Commercial Items: This procurement is for blood and blood products in accordance with FAR 13.5 Simplified Procedures 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:** This contract is needed so that the laboratory transfusion service (Blood Bank) can continue to supply blood and blood products as required throughout the hospital. The American Red Cross will supply blood and blood products to the VAPORHCS on a Routine, ASAP and STAT basis. Approximately 4500 units of leukocyte reduced RBCs, 3500 units Frozen Plasma and other blood/blood products are needed by the facility per year. The estimated value of this purchase order will be \$1,000,000. This needs to be awarded by October 1, 2016, to ensure no disruption in providing transfusion services for clinical, emergency, and surgical units. The estimated period of performance for this purchase order is October 1, 2016 to March 31, 2017. FAR clause 52.217-8, Option to Extend Services, will be included to ensure that there will be no break in service and sufficient time exists to establish a new long-term IDIQ contract for blood and blood products.

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

- ☐ () (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
- ☒ (X) (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;

FAR13.5 Simplified Procedures for Certain Commercial Items: The authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. 1901 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):** The Government would be seriously injured in addressing critical patient care if the agency complies with the time periods required in FAR 5.203. The proposed vendor is the American Red Cross (ARC). The American Red

Cross (ARC) has a proven record of providing the necessary blood products to the VAPORHCS. ARC has sufficient collection capability to provide the volume of blood products required by this medical center and meets the strict collection and screening requirements of the FDA, American Association of Blood Banks (AABB), and College of American Pathologists (CAP) as required by the Veterans Administration to ensure a safe blood supply. ARC has the ability to deliver the blood products in the required timeframe and has the ability to deliver the blood products from other geographic regions when blood is in short supply in this region. Furthermore, ARC is the only vendor in the region who has proven their capability to meet the required delivery time for emergency units of blood.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** A search using VetBiz, the SBA's Dynamic Small Business Search, and Google was conducted to identify potential blood suppliers and determined that there are only two contractors capable of fulfilling this requirement for the VAPORHCS, The American Red Cross and Southwest Washington Blood Program, a division of Americas Blood Banks. American Red Cross is the only Contractor that has submitted proposals in prior attempts to compete this requirement.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The ARC is a world-wide supplier of blood and blood products with well-established prices. The Government intends on requesting the best available prices offered to ARC customers in the region and will ensure that prices obtained are at the very least equal to those offered to other commercial companies/agencies. While the cost of blood products in the market can be volatile, this will be a Firm Fixed Price contract where the per-unit prices are predetermined and the government only pays for consumables it actually uses. Therefore, the cost to the Government is based solely on the volume of blood actually needed. It is therefore, anticipated that the cost to the Government will be fair and reasonable.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** A review of the acquisition history of blood and blood products for the VAPORHCS was conducted. The incumbent contract is an IDIQ, VA260-13-D-0097 expiring September 30, 2016, competitively solicited using FAR 15 procedures. Because of the strict regulatory requirements of this acquisition, a thorough evaluation of technical evaluation factors was conducted and the procurement process was lengthy. Further market research was not conducted beyond the efforts described in paragraphs 5 and 6 above. The quality control, processing and handling of blood products for use requires the highest degree of product confidence. Only the ARC can reasonably satisfy both the confidence and responsiveness criteria of this requirement. Lastly, in accordance with FAR Part 10, a synopsis of the proposed acquisition, advising industry of the pending acquisition was posted on FBO.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** The overall purpose of this requirement is to ensure the availability of life-saving blood and blood products when needed for routine and emergency situations. This requires a supplier with the ability to establish and make use of a large network of blood collection, handling, testing, treatment, storage, and distribution capabilities in order to address the needed responsiveness for quality and timely delivery of blood and blood products with very little notice. A competitive acquisition cannot be accomplished by the needed start date; to delay the requirement for the sake of promoting competition is both dangerous and contrary to the VA's mission.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** No other sources expressed interest in the Acquisition.

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: This purchase order is being issued in order to meet the minimum requirements and prevent catastrophic blood shortages while competitive negotiations are conducted for blood and blood products.

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.

Krystal K. Weeks
Contract Specialist

08-23-2016

Date

13. Approvals in accordance with VAAR 806.304 Deviation Memorandum (dated Aug 8, 2016).

a. **Contracting Officer:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Thomas M. Ebenhoh
Contracting Officer
Network Contracting Office 20

23 August 2016

Date

b. **Director of Contracting /Designee:** I certify the justification meets requirements for other than full and open competition.

Thomas R. Guyer, CFCM, CPCM
Chief, Division 1 Contracting
Network Contracting Office 20

24 Aug 16

Date