

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA260-16-AP-6496/531-17-030-0001

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

Contractor: Laboratory Corporation of America

Contractor POC & phone number: Dave Wilson, 916-350-0487 (wilsd15@labcorp.com)

Contractor Address: 231 Maple Ave, Burlington NC 27215

☒ The requested material or service represents the minimum requirements of the Government.

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs

Contracting Officer (10F-ACO)

1495 Wilmington Drive, STE 360

Dupont, WA 98327

Network Contracting Office 20

VISN:

20

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

a. This procurement under Purchase Request (2237) 531-17-1-030-0001 is for Reference Laboratory and Courier Services. This service is for the Boise Veteran Affairs Medical Center.

b. The justification is prepared in accordance with Federal Acquisition Regulation (FAR) 8.405-6 and the Veteran Affairs Standard Operation Procedures for Other than Full and Open Competition Procurements.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

This procurement is for a Contractor to provide Reference Laboratory Testing and Courier Services for the Boise Veteran Affairs Medical Center. The Contractor shall furnish all labor, equipment, supervision, management, supplies, and facilities necessary to provide Reference Lab Testing and Courier Services. This service shall include pre-analytic processing as defined in its laboratory manual; analysis, reporting of analytical results, interpretation and consultation regarding selection, collection, transportation, result interpretation and the pickup of specimens and transport of specimens to its laboratory. All Reference Laboratory Testing shall be provided in accordance with all applicable federal, state, and local regulations, laws, and ordinances, and in accordance with the specifications outlined for accreditation certification if applicable, patient specimen testing for the specific range of referral testing within their capability.

(b) ESTIMATED DOLLAR VALUE: \$404,317.48

(c) REQUIRED DELIVERY DATE: October 1, 2016 – September 30, 2017

(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.

☒ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

a. In accordance with FAR 8.405-6(a)(1)(i)(A) an urgent and compelling need exists and soliciting this new requirement would result in unacceptable delays. The justification for limited sources is based on the following information below:

b. The materials/service must be compatible in all aspects with existing systems presently installed. LabCorp, as the incumbent reference lab for this station, is able to continue providing these services without any lapse in services. In order provide fair opportunity among the multiple award schedule awardees, the VA needs to allow time for the electronic interface to be established between the VA's Vista system and its own EDI system to deliver lab orders to the reference lab and to deliver results to the VA. This interconnection must be approved by VA IT security and reference ranges loaded into to the system. This is a VA administrative burden that will take a minimum of 6 months to complete for any vendor who has not previously performed at this station. Attempting to use a Lab Contractor without this task completed would require each test to be manually entered into the vendor's system, allowing for the potential for human error and resulting in an unacceptable level of risk to VA patient care.

c. The use of any other reference lab would require the exchange of the interface, all reference ranges loaded in the system, and test-specific consumables. These requirements cannot be accomplished prior to the current order expiring. This new delivery order will allow for services to continue while an award subject to fair opportunity can be placed.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

a. The estimated dollar amount for this Federal Supply Schedule delivery order is \$404,317.48 and has been determined to be commercial in accordance with FAR 2.101. In accordance with FAR 8.404(d) these prices have already been determined to be fair and reasonable and have been established as fixed price under the Federal Supply Schedule contract.

b. The previous task order price for Laboratory Reference Testing and Courier Services (VA260-15-J-3798) for the Boise Veteran Affairs Medical Center for the period of performance of October 1, 2015 through September 30 2016 was for \$360,000.00. Price reasonableness for VA260-15-J-3798 was based on FAR 8.404(d) where GSA has already negotiated fair and reasonable pricing. The increase of price from the previous delivery order price of \$360,000.00 to the new quoted price of \$404,317.48 is because the reference laboratory testing volume increased.

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

a. The Government awarded a VISN 20 firm fixed price Blanket Purchase Agreement (BPA) to Laboratory Corporation of America on 1 September 2013 under GSA Schedule Contract Number V797P-7041A VA260-13-A-0095. The period of performance for the VISN 20 BPA was for 1 September 2016 through 31 August 2018. The task order number issued under the VISN 20 BPA for the Boise Veteran Affairs Medical Center location was VA260-15-J-3798. The period of performance for the task order was for 1 October 2015 through 30 September 2016. Although a VISN 20 BPA was issued for a base year plus four

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(4) one-year option periods, the third and fourth option periods were not exercised due to the expiration of the underlying Federal Supply Schedule (FSS) contract.

b. Laboratory Corporation of America currently holds a Western States Network Consortium (WSNC) BPA that was issued competitively from FSS/NAC Schedules as a multiple award (V797D-50532).

c. Market research was conducted and determined the NAICS code for this procurement, outlined the objective of the procurement, reviewed the background/procurement history, websites were visited to determine possible resources for service, and commerciality was determined. Market research determined that although there are numerous Contractors for Reference Laboratory Testing and Courier Services that could potentially provide these services it is more advantageous to the Government to award the new delivery order to Laboratory Corporation of America due to the urgent and compelling need of the Government. Boise Veteran Affairs Medical Center is needing services by October 1, 2016. Soliciting this new requirement would result in unacceptable delays.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

The purpose of this requirement is to ensure the availability of reference lab testing when needed for diagnostic purposes beginning October 1, 2016. This requires a Contractor with established and approved electronic interface capabilities with the Veteran Affairs. The average amount of time to convert a Veteran Affairs lab from one reference lab to another is 3-4 months. This delivery order is being issued in order to meet the minimum requirements and prevent lapses in service.

(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

On future procurements for this service, the contract specialist will continue to seek competition to the fullest extent possible.

(9) 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. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

SIGNATURE

DATE

NAME

TITLE

SERVICE LINE/SECTION

FACILITY

(10) APPROVALS IN ACCORDANCE WITH THE VHAPM, Volume 6, Chapter VI: OFOC SOP: *This part if filled out by Contracting Staff as part of the Justification*

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a. CONTRACTING OFFICER'S CERTIFICATION (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Thomas M. Ebenhoh
996911

Digitally signed by Thomas M. Ebenhoh 996911
DN: dc=gov, dc=va, o=internal, ou=people,
0.9.2342.19200300.100.1.1=thomas.ebenhoh@va.gov,
cn=Thomas M. Ebenhoh 996911
Date: 2016.10.13 07:19:06 -07'00'

CONTRACTING OFFICER/DESIGNEE'S SIGNATURE

13 October 2016

DATE

Thomas M. Ebenhoh
NAME AND TITLE

NCO 20
FACILITY

b. Director of Contracting/DESIGNEE: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Thomas R. Guyer
901226

Digitally signed by Thomas R. Guyer 901226
DN: dc=gov, dc=va, o=internal, ou=people,
0.9.2342.19200300.100.1.1=tom.guyer@va.gov,
cn=Thomas R. Guyer 901226
Date: 2016.10.07 13:03:40 -06'00'

SIGNATURE

7 Oct 16

DATE

Thomas R. Guyer
Chief, Division One Contracting