Award Notice – The Department of Veterans Affairs, NCO 2 awarded Contract #V797D50532/BPA VA242-16-A-0041 to Laboratory Corporation of America dba LabCorp for Laboratory Reference Testing for VA Hudson Valley Healthcare System, VA New Jersey Healthcare System, VA New York Harbor Healthcare System, James J. Peters VA Medical Center and VA Medical Center - Northport. The period of performance is broken down as (base period) October 1, 2016 – March 31, 2017; (option period 1) April 1, 2017 – June 30, 2017 and (option period 2) July 1, 2017 – September 30, 2017.

See attached approved *redacted* Limited Sources Justification.

LIMITED SOURCES JUSTIFICATION
ORDER >$150,000
FAR PART 8.405-6

Acquisition Plan Action ID: VA243-16-AP-1563

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.

Restricted to the following source: Provide *original manufacturer's* name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, *ALSO* provide dealer information.)

Manufacturer/Contractor: LABORATORY CORPORATION OF AMERICA – LABCORP OF AMERICA
Manufacturer/Contractor POC & phone number: RENNIE QUARLES, 516-238-2032
Mfgr/Contractor Address: 358 S MAIN ST # 458, BURLINGTON, NC, 24215-5837
Dealer/Rep address/phone number:

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

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs
Network Contracting Office 3
James J. Peters VAMC
130 W. Kingsbridge Road
Bronx, NY 10468

VISN: 3

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:
Seeking a Bridge Contract for continuation of referral laboratory services for VISN 3. The period of performance for this project will be a base year blanket purchase agreement (BPA) for six months with two three month option periods to be executed as needed. All facilities in the VISN utilize these services at this time. The period of performance will include from April 1,2016 to September 30,2016 as the base followed by two three month options from October 1,2016 to December 31,2016 and January 1,2017 to March 31,2017. Continuity of services will be included as a "phase in" period is required if the incumbent does not win the new long term contract award.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:
Referral laboratory provides the daily transportation of clinical laboratory specimens to the contractor's laboratory(s) to perform the testing. Reports the test results and provides consultative services as needed. The contractor also provides necessary supplies and forms required for specimen shipment.

1.Basic services shall include the transportation of clinical laboratory specimens to the Vendor's laboratory(s),

performance of analytical testing as defined by the Vendor's reference test manual, reporting of analytical test results, and consultative services as required to provide the full scope of its laboratory operations for VISN 3. The Laboratory must be capable of performing routine and emergency (request and result within four hours) tests, as well as specialized and esoteric tests.

2. The vendor has a bi-directional data interface between its Laboratory Information System (LIS) and the VA's Hospital Information System (VistA), such that electronic lab orders placed in VistA are securely transmitted to vendor's LIS, and test results from vendor's LIS are securely transmitted back to VistA electronically. This interface utilizes industry standards, such as HL7. Support for the interface (hardware and software) must be directly from the vendor, and not via a third party. Secure transmission implies compliance with HIPAA and other relevant laws and VA regulations.

3. Reference laboratories are licensed/accredited by the College of American Pathologists, the Nuclear Regulatory Commission, Center for Disease Control, Medicare and/or other state regulatory agencies as mandated by federal and state statutes and are certified as meeting the requirements of the Clinical Laboratory Improvement Act of 1988.

(b) ESTIMATED DOLLAR VALUE: $ 6,500,000.00

(c) REQUIRED DELIVERY DATE: April 1, 2016

(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. (CHECK ALL THAT APPLY AND COMPLETE)

☒ Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.
Laboratory Corporation of America (LabCorp) is our current contracted reference lab. It is vital to patient care to keep them as our reference lab while a new contract is being competed. Thousands of tests are sent out every month by the VISN 3 laboratories. When converting to a new reference lab there are many logistics to be worked out and this takes a long time. Schedules for specimen pick- ups have to be arranged. Supplies have to be ordered and delivered to the VISN 3 labs. Printers and interfaces for ordering and receiving results have to be installed. Building files for the interface and setting it up takes many months to complete. Personnel then have to be trained in the use of the new systems. In the meantime, patient care cannot be interrupted. The current contract will expire on March 31,2016 and the new long term contract is expected to be awarded by September 30,2016.

☐ A patent, copyright or proprietary data limits competition. The proprietary data is:
(If FAR 8.405-6(a) (2) iii before posting. Do not include specific proprietary data. Only mention the type of equipment, procedure, etc. to show that proprietary supplies or services are being procured.)

☐ These are "direct replacements" parts/components for existing equipment.

☒ The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.
Each reference lab provides its own computers and printers to their clients and builds an interface specific to their lab and their client's lab and computer system. Currently each test must be manually input into the system initially for processing to occur. There are adpacs available at this time who are trained and have hands on experience with this type of implementation and they will have to assist their peers which is also incorporated in the year long process that is necessary for the sites to go "live" when the long term contract is awarded. The software and VISTA must be incorporated together to work seamlessly, this will require an interface to be developed by the vendor that will work with the VA's current system.

☐ The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

☒ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.
If a Bridge contract is not executed, patient care would be severely interrupted and compromised. All of the Medical Centers in the VISN send out thousands of patient samples monthly to a reference lab. These are tests that are not performed in house by the sending laboratories. Without a Bridge contract, none of these specimens can be sent out which means that the physicians will not receive the results they need to treat their patients. Since a new contract can take many months to be awarded and implemented, without a Bridge Contract all of this testing would be unavailable and halted, severely compromising patient care as there would be no means available to test these samples.

(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 quote was previously requested from Laboratory Corporation of America, and negotiations were conducted. FSS pricing was considered "best value" pricing, and contracting officers are encouraged to seek discounts. The current pricing offers additional discounts for NCO 3 ranging from 3% to 87% for tests identified as the "Top 30" reference tests and 0 to 57% for additional FSS tests that are available on the current contract . LabCorp offered to continue pricing under the previous BPA agreement for the duration of the emergency bridge contract, which was already determined to be fair and reasonable.

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

Although there are multiple vendors capable of providing this service this would result in an unacceptable break in the provision of services, thereby risking patient health and safety.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

These tests are vital for the delivery of patient care within the entire VISN 3 Network as services must be available for use.

(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:

This contract is only an interim contract and any future contracts will be competed. It is critical to continue service throughout the competition process. NCO 3 is currently working on the long term solicitation and that this procurement is expected to be competed between NAC contract holders.

(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
LYNNE MARQUIS	ADMINISTRATIVE OFFICER	PATHOLOGY/LAB MEDICINE
NAME	TITLE	SERVICE LINE/SECTION
VISN 3/ NEW JERSEY HEALTH CARE SYSTEM		
FACILITY		

(10) 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.

NICOLE HOWERTON, SUPERVISORY CONTRACTING SPECIALIST	Bronx
	FACILITY

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

CHERIE WIDGER-KRESGE
DIRECTOR OF CONTRACTING, NCO 3

HIGHER LEVEL APPROVAL (Required *For orders over $650,000)*:

c. **SAO**: I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

JOSEPH P. MALETTA
SAO EAST DIRECTOR

d. **VHA HCA REVIEW AND APPROVAL (over $650,000 to $12.5 million)**: I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4

RANDY HAYS
Acting VHA Head of Contracting Activity (HCA)

DATE