

FAR 8 - JUSTIFICATION FOR LIMITING SOURCES <\$150K

Acquisition Plan Action ID: VA250-17-AP-2770

- 1. Agency and Contracting Activity:** Department of Veterans Affairs, Network Contracting Office 10, John D. Dingell VA Medical Center located in Detroit, MI. The 2237# funding this request is 553-17-2-060-0009.

2. Description of Action:

Nature: ☐ New Requirement ☒ Follow-on Order
☐ Mod to Existing Order Number

Order against: ☒ FSS Contract Number: V797P-50532

Name of Proposed Contractor: Laboratory Corporation of America
Street Address: 231 Maple Avenue
City, State, Zip: Burlington, NC 27215
Phone: Sherry Thomas, 614-210-2859

3. Description of Supplies or Services:

The estimated value of the proposed action is \$150,000.00

The action being approved is for a temporary reference laboratory testing services task order. The task order will be for laboratory testing that cannot be completed in-house and must be sent out to a laboratory that can provide more extensive testing services. For this particular requirement, the testing menu will be varied and based upon test orders placed by the clinicians. This request is for the time period of 1/1/2017 through 1/31/2017 with two (2) additional one (1) month options through 3/31/2017. The Detroit lab requires this action in order to complete the transition process from Laboratory Corporation of America, the incumbent and recommended source for these services, and ARUP, Inc., who was awarded the new Reference Laboratory Testing Services BPA in July 2016.

4. Authority:

ORDER AGAINST FSS: Authority of the Multiple Award Schedule Program, Title III of the Federal Property and Administrative Services Act of 1949 (41 USC 251, et seq.); Title 40 USC 501, Services for Executive Agencies; and Section 803 of the National Defense Authorization Act of 2002 (PL 107-107) and implemented by [FAR 8.405-6](#). Mark the applicable exception:

☐ An urgent and compelling need exists, and following the procedures would result in unacceptable delays([FAR 8.405-6\(a\)\(1\)\(i\)\(A\)](#));

☒ Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized; ([FAR 8.405-6\(a\)\(1\)\(i\)\(B\)](#)) or

☐ In the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Supply Schedule order and the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. **The original order was not previously issued under sole-source or limited-sources procedures.** ([FAR 8.405-6\(a\)\(1\)\(i\)\(C\)](#))

5. Rational/explanation to support cited authority:

The Network 10 Contracting Office awarded Blanket Purchase Agreement (BPA) VA251-16-A-0008 with ARUP, Inc. on July 5, 2016 against ARUP's Federal Supply Schedule 621 II V797P-7211A awarded by the VA National Acquisition Center on August 15, 2009. This BPA established the VISN 10 Medical Center's source of laboratory specimen send out analysis through July 2020. Part of the BPA requirements were that ARUP establish an interface with the VA utilizing the VISTA system to ensure instantaneous and automatic communication of test results from ARUP's laboratory in Salt Lake City, UT to the various Medical Centers. To establish such interface, each VISN 10 Laboratory had to manually build the interface and testing menus for over 1100 tests, which takes considerable resources to complete. VISN 10 Laboratories were given from July 5, 2016 through September 30, 2016 to complete the transition for a go-live date of October 1, 2016.

Prior to award, the John D Dingell VA Medical Center Laboratory did not have their Laboratory Information Manager (LIM) role filled, which is critical in establishing the interfaces and building the test menus. All other stations within VISN10 that had their LIM in place at time of award have successfully transitioned to ARUP, indicating how critical this role is in making the transition occur. As of this justification, the LIM role had just recently been filled.

Prior to the last bridge contract from March 31, 2016 through September 30, 2016 and again from October 1, 2016 through December 31, 2016, Laboratory Corporation of America had been performing these services via a VISN wide BPA since 2011. The services requested through this justification bridges the gap between the end of coverage for FY16 and the completion of Detroit interface build with the contractor awarded the new BPA, ARUP, Inc. In order to change from LabCorp to another vendor, there are numerous tasks that will take considerable coordination and time. Assuming a full complement of personnel, programming the new pathology lab codes, calibration, IT issues, and validation issues takes at least three (3) months to successfully change vendors. Detroit has not been able to begin the transition process due to staffing shortages, including the loss of their Laboratory Information Management. Utilizing Laboratory Corporation of America, the current reference lab testing vendor best ensures continuity of care. Conversion to a new reference laboratory contractor for this bridge period would unduly complicate the tracking of patient results and cause the VA to be at significant risk for a patient incident. Changing vendors would also require significant installation of equipment, testing, training of new employees and contractor background investigations which would take at least three (3) months to complete. Currently, Laboratory Corporation of America has all the systems/courier/IT systems/staff in place and no other vendor could be operational by 1/1/2017. Additionally, manual test entry using ARUP's online portal would be unduly burdensome on the laboratory staff at the Detroit VA Medical Center, who on an average day need to manually enter and track over 30

test specimens.

6. This buy is estimated to exceed \$25,000 and this documentation will be posted along with the RFQ on e-Buy, as required by [FAR 8.405-6\(a\)\(2\)](#).
7. Note that this determination satisfies the requirements of [FAR 8.405-6](#). The requirement to prepare a written justification [IAW FAR 6.303](#) does not apply to Federal Supply Schedules.

Jared Tritle
Contracting Officer
Netowrk Contracting Office 10