

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA263-16-AP-10809, VA263-16-AP-12025, VA263-17-AP-0880

1. Contracting Activity:

Department of Veterans Affairs
Network Contracting Office 23
2501 W. 22nd Street
Sioux Falls, South Dakota 57105
2237s: 438-17-1-4224-0002, 636-17-2-5041-0003, 636-17-3-6430-0008
Procurement Title: Medical Transcription Services to support the VA Central Iowa Health Care System, VA Nebraska-Western Iowa Health Care System, and Sioux Falls VA Health Care System.

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

This is an individual sole source justification and approvals for the procurement of medical transcription services to support the VA Central Iowa Health Care System, VA Nebraska-Western Iowa Health Care System, and Sioux Falls VA Health Care System. VA will award one, single award, fixed price, indefinite delivery, indefinite quantity contract for the services.

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

The VA Central Iowa Health Care System, VA Nebraska-Western Iowa Health Care System, and Sioux Falls VA Health Care System are requiring contracted services to provide traditional and speech recognition, correction editing medical transcription services. The contractor shall provide medical transcription services via a remote connection while meeting VA's information security requirements. The independent government cost estimate (IGCE) for the procurement is \$421,049.20 for the period of performance from 01/01/2017 to 12/31/2017.

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

Citation 38 U.S.C. 8127 (c) and (i)(1), as implemented by VAAR 819.7007, Sole source awards to a verified service-disabled veteran-owned small business.

5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):

In accordance with 38 U.S.C. 8127 (c) and (i)(1), as implemented by VAAR 819.7007, Sole source awards to a verified service-disabled veteran-owned small business (SDVOSB), a contracting officer may award a contract to a verified SDVOSB concern using procedures other than competitive procedures.

The estimated award price of the total contract is \$421,049.20; no options are included in the contract. This estimated award price is less than the \$5.0 million limitation.

This justification will be posted to the government point of entry, also known as the Federal Business Opportunities website at www.FBO.gov, per FAR subpart 5.301(d).

The VA Health Care System is proposing to contract with Transcriptions, Inc., doing business as Alpha Transcription (DUNS 150798051), a verified service-disabled veteran-owned small business. The business is currently providing medical transcription services to approximately 30 VA Health Care Systems and is very familiar with the VA requirements, processes, and procedures for it. Additionally, Alpha Transcription has the personnel readily available to provide the medical transcription services to the VA Central Iowa Health Care System, VA Nebraska-Western Iowa Health Care System, and Sioux Falls VA Health Care System. An internal contractor responsibility determination has been completed by the contracting officer and has determined that Alpha Transcription is a responsible contractor to provide the medical transcription services.

The price offered by Alpha Transcription has been determined by the contracting officer to be a fair and reasonable price. The determination was made by surveying other contracts for medical transcription services to support the VA Health Care System with a similar scope as the instant procurement. A fair and reasonable price determination is available in the contract file with full details.

Furthermore, in accordance with VAAR 819.7007, the contracting officer's determination to make a sole source award is a business decision wholly within the discretion of the contracting officer. This authority is being used judiciously and in the best interest of the Government. The VA Central Iowa Health Care System, VA Nebraska-Western Iowa Health Care System, and Sioux Falls VA Health Care System were previously receiving medical transcription services under Contract VA263-16-C-0066, which expired on 12/31/2016. Prior to the expiration of the contract, the VA Health Care System anticipated extending the contract, using the final option period, until 03/31/2017. However, after consideration of price and other factors, it was determined to be in the Government's best interest not to continue services under Contract VA263-16-C-0066. With that, there was very little time, approximately two weeks, in which a new contract would need to commence to continue providing the medical transcription services to the VA Central Iowa Health Care System, VA Nebraska-Western Iowa Health Care System, and Sioux Falls VA Health Care System. It was imperative to find a contractor that was readily available to provide the services, was well-versed in medical transcription services for the VA, and could do so at a fair and reasonable price. Alpha Transcription was determined to fit all of the qualities needed to ensure there was no lapse in the medical transcription services and to continue providing quality of care for veterans and other beneficiaries.

The determination that only one SDVOSB can meet the requirements is not required, per VAAR 819.7007. It is recognized by VA, through completed market research, that there are other verified SDVOSB concerns in the marketplace that provide medical transcription services. Given the timeframe in which the services under a new contract needed to commence, it was determined to be in the best interest of the Government to award a contract on a sole source basis.

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

The determination that only one SDVOSB can meet the requirements is not required, per VAAR 819.7007. It is recognized by VA, through completed market research, that there are other verified SDVOSB concerns in the marketplace that provide medical transcription services. Given the

timeframe in which the services under a new contract needed to commence, it was determined to be in the best interest of the Government to award a contract on a sole source basis.

The barriers to competition are anticipated to be overcome when a competitive solicitation is put forth by VA during the period of performance of the instant procurement. It is projected that a succession contract will be competed among responsible contractors that are capable of performing the medical transcription services for the VA Health Care Systems. Given the complexity of the procurement, the cumulative estimated dollar value, internal procedures for quality assurance, and competing priorities, it is estimated that a realistic timeframe to plan, solicit, award, and commence services of a long-term competitive procurement will be one year.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

The Contracting Officer has determined the pricing of \$0.143 per line to be fair and reasonable based on a comparison of other prices for the same or similar type services as available on GSA FSS contracts and via open market contracts. Similarly, the pricing has been determined to be fair and reasonable based on a comparison of previously paid prices for the same services as received by VA. A fair and reasonable price determination is available in the contract file.

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

The required services are commercially available in the marketplace and it is typical for a business or agency to contract for medical transcription services. As such, there are a number of firms that could provide the services for the VA Health Care System. However, the determination that only one SDVOSB can meet the requirements is not required, per VAAR 819.7007. It is recognized by VA, through completed market research, that there are other verified SDVOSB concerns in the marketplace that provide medical transcription services. Given the timeframe in which the services under a new contract needed to commence, it was determined to be in the best interest of the Government to award a contract on a sole source basis. It is anticipated that a succession contract will be competed.

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

All facts supporting the use of other than full and open competition have been provided.

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:

The barriers to competition will be overcome when a new contract for services is competed among potential contractors. It is expected that a successive, long-term acquisition for medical transcription services will be solicited and awarded during the period of performance of the sole source contract.

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.

<u>Michael K Carstens 319907</u> Michael K. Carstens Business Office Manager VA Central Iowa Health Care System	Digitally signed by Michael K Carstens 319907 DN: dc=gov, dc=va, o=internal, ou=people, 0.9.2342.19200300.100.1.1=Michael K Carstens 319907 Date: 2017.01.30 13:01:33 -06'00'
<u>Jennifer M. Rosenbalm 251118</u> Jennifer Rosenbalm Business Office Manager VA Nebraska-Western Iowa Health Care System	Digitally signed by Jennifer M. Rosenbalm 251118 DN: dc=gov, dc=va, o=internal, ou=people, 0.9.2342.19200300.100.1.1=jennifer.rosenbalm@va.gov, cn=Jennifer M. Rosenbalm 251118 Date: 2017.01.31 08:45:15 -06'00'
<u>BRIAN R. KAISER 664748</u> Brian Kaiser Acting Business Office Manager Sioux Falls VA Health Care System	Digitally signed by BRIAN R. KAISER 664748 DN: dc=gov, dc=va, o=internal, ou=people, 0.9.2342.19200300.100.1.1=brian.kaiser2@va.gov, cn=BRIAN R. KAISER 664748 Date: 2017.01.31 08:52:33 -06'00'

13. Approvals in accordance with the VHAPM, Volume 6, Chapter VI: OFOC SOP.

- a. **Contracting Officer's Certification:** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief, and recommend for other than full and open competition.

<u>Kelly E. Nussbaum 246222</u> Kelly Nussbaum Contracting Officer Network Contracting Office 23	Digitally signed by Kelly E. Nussbaum 246222 Date: 2017.01.31 08:45:15 -06'00'
	<u>01/31/2017</u> Date

- b. **Branch Chief's Certification and Approval:** 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 other than full and open competition.

<u>Heather L. Dale 990955</u> Heather Dale Division Chief Network Contracting Office 23	Digitally signed by Heather L. Dale 990955 DN: dc=gov, dc=va, o=internal, ou=people, 0.9.2342.19200300.100.1.1=heather.dale@va.gov, cn=Heather L. Dale 990955 Date: 2017.01.31 12:41:48 -06'00'
	<u>1/31/17</u> Date