

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA263-17-AP-4008

1. **Contracting Activity:** Department of Veterans Affairs, VISN 23, Fargo VA Health Care System.
Contracting Agency: NCO 23
Medical Sharing Team 3 – Minneapolis
708 South Third Street, Suite 200E
Minneapolis, MN 55415
2237: 437-17-2-345-0003
2. **Nature and/or Description of the Action Being Processed:** The Fargo VA Health Care System (FVAHCS) has a need for Community Based Outpatient Clinic services in Dickinson, North Dakota. The current contract (VA263-16-D-0050) expires on 02/28/2017 with no contract extensions available. A new procurement is in process, but is currently under a Protest of the solicitation. The incumbent contractor is CRAssociates, Inc. The purpose of this award is to provide continuity of services while the new procurement is pursued. Award will be a five (5) month Indefinite Delivery, Indefinite Quantity (IDIQ) contract.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The services required are a Contractor provided Community Based Outpatient Clinic (CBOC) in the vicinity of Dickinson, North Dakota. Contractor will be required to provide all facilities, management, staffing, and operation of the CBOC. Payment will be based on a Per Member/Per Month (PM/PM) basis with an estimated patient enrollment of 1,018 Veterans. The Independent Government Cost Estimate (IGCE) for this acquisition is \$640,165.60 for the five (5) month period. The period of performance will be 03/01/2017 through 08/31/2017.
4. **Statutory Authority Permitting Other than Full and Open Competition:**

(X) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
() (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;
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 management, staffing, and daily operation of a CBOC is considered highly specialized and requires as much as 120 calendar days lead time in the establishment of a new, contractor run facility. As mentioned above, a long term procurement is currently in progress, but is on hold until a protest of the solicitation is resolved. The current contract expires on 02/28/2017. Until such time as the new procurement can be awarded,

it is not feasible for a different contractor to stand up a new CBOC for a limited time, and with the limited time available. Additionally, any new contractor would roll all start-up costs into the first period of performance, resulting in a substantial increase in cost to the Government.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** There is currently an open market procurement in process. Based on informal market research and previous procurements for CBOC services, it is anticipated that multiple offers will be received.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** Prior to award, the Contractor will provide a determination on price reasonableness. Proposed prices will be compared to previously awarded contracts for similar services (historical comparison) and a comparison to local market prices. The Fair and Reasonable Determination will be uploaded to the contract file.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Market research was conducted for the long term procurement. It was determined that the appropriate North American Industry Classification System (NAICS) code for this procurement is 621498 "All Other Outpatient Care Centers" with a size standard of \$20.5 million.

A search of the Department of Veterans Affairs Vendor Information Page (VetBiz) using NAICS 621498 and the keyword "Healthcare Clinic" yielded 13 providers. Further research determined that only one of those providers may be able to meet the Government's requirements.

A search of the Small Business Administration's Dynamic Small Business Search using NAICS 621498 and keyword "Healthcare Clinic" yielded zero providers.

Previous procurements conducted by this office for CBOC services have yielded up to five (5) different offerors providing proposals. Although these procurements were not for the current geographic location, it is anticipated that multiple proposals will be received.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** All relevant facts have been stated above.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** Nothing noted.
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:** As stated above, a long term procurement is currently in process. The solicitation was posted as "Unrestricted". This procurement is only for the purpose of providing continuity of services until such time as a long term procurement is completed.
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.

Ryan Buatala
Facility Contract Liaison
Fargo VA Medical Center

20 Jan 17

Date

13. Approvals in accordance with the [VHAPM, Volume 6, Chapter VI: OFOC SOP](#).

- a. **Contracting Officer or Designee's Certification (required)**: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Scott E. Hendrix
Contracting Officer
Network Contracting Office 23

01/23/2017

Date

- b. **Director of Contracting /Designee (Required over\$150K but not exceeding \$700K)**: I certify the justification meets requirements for other than full and open competition.

Heather Dale
Division Chief
Network Contracting Office 23

1/23/2017

Date