

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval
For
Other Than Full and Open Competition

1. **Contracting Activity:**

Department of Veterans Affairs, NCO 16 Biloxi on behalf of
Southeast Louisiana Veterans Healthcare Systems
1555 Poydras Street
New Orleans, LA 70112

Fiscal Year 2017 -- Purchase request transaction #: 629-17-3-179-0045


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

This proposed sole source acquisition is to obtain, by use of other than full and open competition, the procurement of a Community Based Outpatient Clinic (CBOC) for Primary Care and Mental Health Care services by means of a bridge one year contract to the incumbent contractor who is currently performing under contract VA256-16-D-0071. This is due to the unforeseen delay in completion of a new long-term contract. We are seeking a bridge contract for one year with the current provider Concentra/VALOR from 4-1-17-3/31/18. This will allow sufficient time to issue a new competitive solicitation VA256-16-R-0015, receive offers, evaluate, award and allow for any necessary build-outs and hiring of staff. The service shall be provided at the established CBOC in the city of Houma, Louisiana.

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

The proposed action is to provide continued Primary Care, Women's Care, and Mental Health services to maintain the CBOC operations to bridge the gap until the new solicitation VA256-16-R-0015 can be awarded. Contractor provides the facility, clinical staff, administrative support, equipment, and labor necessary to support the clinical environment. This clinic services the Veterans throughout Terrebonne Parish. The NAICS code for this procurement is 621498 - All Other Outpatient Care Centers with a small business size standard of \$20.5 Million.

The proposed sole source action will be awarded for the period of April 1, 2017 through March 31, 2018, as a new firm-fixed price bridge contract.

Estimated Value: 

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

5. **Rationale Supporting Use of Authority Cited Above:** The original CBOC was established in 2004 in order to improve Veteran access to primary and mental health care and to meet the increasing demand for outpatient services in the Central Southern market for VISN16. Interim contract #VA256-16-D-0071 is expiring March 31, 2017, but currently provides the needed services and has proven to be beneficial to the Veteran constituents of Houma, LA, and Terrebonne Parish.

VALOR Healthcare is the Incumbent Contractor and has been providing services since the opening of this CBOC in 2004. They have worked very closely with the SLVHCS's staff, patients, and resources within the SLVHCS. They have also gained significant knowledge of the current CBOC operations. This continued relationship is crucial until the new long term contract is put into place. VALOR has an intimate knowledge of the patients, VA requirements, and SLVHCS Infrastructure. If another vendor is selected, additional risk would be incurred as the new contractor's staff may not fully understand the care required nor have the experience to care for our unique Veteran population. Furthermore, another source would require at least a minimum of ninety (90) to one-hundred twenty (120) days start up time to include backgrounds and credentialing/privileging and also a learning curve while gaining familiarity with the SLVHCS computerized patient record system (CPRS) and our Veterans. This is time that is not available except with the new long term solicitation which is contemplated for a base period of one year with four (4) renewable option periods.

The new solicitation VA256-16-R-0015, is still under review by the VA Contract Review Board (CRB) and also the primary Contract Specialist has retired and so the undersigned Contract Specialist has taken over. There has been an unforeseeable delay in moving this forward; primarily with recent changes that Patient Care Services have made known to the CRB. These requested changes, that have been identified, are required to be addressed and corrected before the new long term contract VA256-16-R-0015 can be issued/released to www.fbo.gov. Without this bridge, the SLVHCS would have to completely shut down this CBOC which would cause our Veterans to have to seek their healthcare elsewhere. This could also negatively affect our Veterans continuity of care and would also have economic repercussions on the Government as the cost of their outside healthcare would be significantly higher than providing "in-house". With services at a VA established CBOC, the VA has quality monitoring in place to measure the exceptional care that our Veterans receive and deserve. This same quality monitoring is not afforded to the VA when care is provided outside in the community which could deem fatal for our Veterans in certain cases.

The new long term contract is anticipated to be awarded by NLT September 31, 2017, with an effective date of April 1, 2018, at which time the Bridge Contract would have expired (April 1, 2018).

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

Market research was conducted, details of which are in the market research section of this document. In accordance with FAR 5.301 and 6.302-2, this action will be synopsized at award on the Federal Business Opportunities Page (FBO) and the justification will be made publicly available.

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

The Contracting Officer will determine that the anticipated price to the Government will be fair and reasonable based on the fact that the Bridge pricing will be based on the current contract price with an increase for current requirements and staffing.

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

Formal Market Research was not conducted for this bridge based on the urgency of the requirement. This J&A shall be posted to www.fbo.gov and any interested parties shall be referred to the future posting of the new long term solicitation VA256-16-R-0015 that will be issued for competition.

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

Requirement is not suitable for competition among all other interested parties at this time. This is due to the amount of time it requires to credential the physicians and to process their background checks along with the other staff. If there are no current physicians that meet those specific requirements then this would truly cause undue harm to the patients and to the Government if not acquired from the current contractor, Valor Healthcare, at this time.

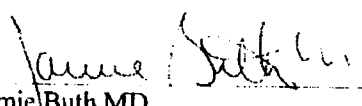
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:**

VALOR Healthcare Inc.; Sterling Medical Group; HHM Medical Services; Wise Staff; Onsite Occupational Health Services

11. **A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barrier to Competition before Making subsequent acquisitions for the supplies or services required:**

A new long term contract is being anticipated upon solicitation VA256-16-R-0015 being provided clearance from the Contract Review Board whereas it can be publized to www.fbo.gov . A presolicitation notice will issued to provide potential offerors an expected release date. The undersigned Contract Specialist projects the actual release date of the solicitation to be on or around April 15, 2017.

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.


Jamie Buth MD
Associate Chief of Staff for Clinics
SLVHCS

3-3-2017
Date

13. Approvals in accordance with the

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

Bennett W.
Smith 934403

Digitally signed by Bennett W. Smith
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*for Melanie Hawley
Contract Specialist
Network Contracting Office 16, Biloxi

03/14/2017
Date

- b. **Director of Contracting /Designee (Required \$150K and above):** I certify the justification meets requirements for other than full and open competition.

AARON VILLALPANDO
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Aaron Villalpando
Director of Contracting
Network Contracting Office 16, SAO Central

03/14/2017
Date

- c. VHA SAO HCA Review 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 recommend approval (if over \$13.5 million) or approve (\$700K to 13.5 million) for other than full and open competition.



Linda S. Greaves
Acting Director, SAO Central Region
SAO Central Head of Contracting Activity (HCA)

Date