

DEPARTMENT OF VETERANS AFFAIRS

LIMITED SOURCES JUSTIFICATION**ORDER >\$150,000****FAR PART 8.405-6****Acquisition Plan Action ID: VA259-15-A-0057 P00005**

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:Manufacturer/Contractor: LABORATORY CORPORATION OF AMERICAManufacturer/Contractor POC & phone number: Oran L. Coghill/ 469-404-0462Mfgr/Contractor Address: 231 MAPLE AVE, BURLINGTON NC 27215Dealer/Rep address/phone number: Same as above

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

(1) AGENCY AND CONTRACTING ACTIVITY:Department of Veterans AffairsRocky Mountain Acquisition Center4100 East Mississippi Avenue, Suite 900Glendale, CO 80246**VISN:**19**(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:**

The procurement is a requirement for reference lab testing services, previously provided under Blanket Purchase Agreement (BPA) VA256-16-A-0119 for Muskogee VA Medical Center (MUSK VAMC) and Oklahoma City VA Medical Center (OKC VAMC). The OKC and MUSK VAMC require continuous services of the Reference Laboratory and Analysis Testing Services from Laboratory Corporation of America Inc. (Lab Corp) (Incumbent). NCO 16 previously administered OKC and MUSK VAMC reference lab BPA with Lab Corp. Due to the transition of the two stations to VISN 19/NCO 19, NCO 16 provided a four month extension in the services. The BPA expired on January 31, 2017, and the call orders VA256-17-J-0316 for MUSK VAMC and VA256-17-J-0315 for OKC VAMC expires March 31, 2017. VISN 19/NCO19 has a VISN-Wide BPA with Lab Corp for these reference laboratory services and want to modify MUSK VAMC and OKC VAMC into the existing BPA. Also, NCO 19 requests for an increase BPA Contract V797P-7041A VA259-15-A-0057 total dollar limitation by 12.8% (\$1.28M) to accommodate OKC and MUSK VAMC in this transition and the increased usage of the services by the existing VISN 19 Medical Centers for the full period of the BPA, which expires March 31, 2020.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

The requirement is for medical laboratory testing and analysis services. The contractor shall provide pickup and transport of specimens, pre-analytical processing as defined in its laboratory manual, analysis, reporting of analytical results and interpretation for clinical and anatomical pathological specimens. The contractor must be able to provide a wide range of testing services as well as specialized testing in areas of hematology, chemistry, coagulation, microbiology, molecular, genetics, virology, clinical interpretation, cytology and anatomic pathology, oncology, and specialized pathology support in specialized pathology areas.

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(b) ESTIMATED DOLLAR VALUE: \$ 1,280,000.00(c) REQUIRED DELIVERY DATE: 4/1/2017**(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.**

☐ 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.

NA

☐ 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.)

NA

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

NA

☐ 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.

NA

☒ 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.

This requirement is a logical follow-on for NCO 16 BPA VA256-16-A-0019 because of the unpredictable time period that the NCO 19 received and transitioned MUSK VAMC and OKC VAMC. The NCO 16 BPA expired on January 31, 2017, and the call orders VA256-17-J-0316 for MUSK VAMC and VA256-17-J-0315 for OKC VAMC expires March 31, 2017. Re-soliciting these services is not viable because it will delay the reference lab testing services. By modifying OKC VAMC and MUSK VAMC into the existing NCO 19 BPA, it will continue with services and increase the laboratory's ability to support patient care by providing access to specialized tests that due to cost of reagents, equipment, and low volume are not performed within the VA Medical Centers MUSK and OKC. VISN 19 is required to standardize the referral laboratory services for all medical centers and outpatient clinics in the VISN 19 catchment area and to decrease the costs associated with referral laboratory testing and analysis. As of October 1, 2016, OKC VAMC and MUSK VAMC became part of the VISN 19 catchment area, therefore needs to be modified

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into the existing BPA to continue with medical laboratory testing and analysis services in support of patient care.

☐ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

NA

(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:

The aggregated annual estimate for MUSK VAMC and OKC VAMC is around \$1.28 Million for receiving reference laboratory services from Lab Corp. This cost and pricing calculation are consistent with FSS established pricing of BPA V797P-7041A VA259-15-A-0057, which has already been determined to be fair and reasonable with the considered additional discounts.

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

Due to time constraint, Contracting did not do a full market research. Contracting understands from a previous market research conducted in March, 30, 2014, there are 2 SDVOSBs and one VOSB that are under the NAICS code 621511 Medical Laboratories, one small business and zero SDVOSB/VOSB and multiple large businesses in the VA NAC FSS schedule 621 II. Sources Sought was posted on FBO for NAICS 621511 and GSA eBUY under SIN category 621 II on May 2, 2014. Two large businesses responded to the FBO Sources sought and four large businesses responded to the GSA eBUY sources sought. No small businesses or SDVOSB/VOSB responded to the sources sought. SDVOSB/VOSB were listed under the NAICS code for Reference Laboratory, but did not respond because they do not provide the specialized medical tests required. There is one small business on GSA eBUY that performs medical laboratory testing and analysis services, but they cannot support the volume that VISN 19 requires.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

OKC VAMC and MUSK VAMC need to be modified into the existing BPA and also the total dollar limitation needs to be increased by 12.8% (\$1.28M), while NCO 19 works on a new VISN Wide BPA for the Reference Laboratory and Analysis Testing Services. The NCO 19 BPA VA259-15-A-0057 expires March 31, 2020, but the total dollar limitation will be reached by late 2018 or early 2019 due to additions of two new VA Medical Centers, higher veteran populations, more than anticipated services usage, and human capital strain. By consolidating the OKC VAMC and MUSK VAMC into NCO 19 BPA VA259-15-A-0057, it will allow time for NCO 19 to put a new VISN Wide BPA in place. By increasing the total dollar limitation, it will allow for capacity while a new VISN Wide BPA is being created. Adding OKC VAMC and MUSK VAMC will also allow for greater volume discount per GSA schedule.

This justification also identifies VISN 19 catchment area inclusion as OKC and MUSK VAMC. At the time of solicitation, it was known that there would be new VA Medical Centers added to VISN 19, but the actual locations were not known yet. Languages were incorporated in the solicitation to accommodate the augmentation. "As requirements change, facilities or clinics within the network may be added or deleted as required to accommodate growth or reorganization within the network."

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(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:

Contracting will compete future procurements for Reference Laboratory and Analysis Testing Services. Contracting understands from historical acquisitions and previous market research that there are competitions for this service. This limited source requirement is a one-time action to support OKC and MUSK VAMC in their transition from VISN 16 to VISN 19, while NCO 19 work on a new VISN Wide BPA.

(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

Lisa A. Foster

Chief Medical Technologist, P&LM

NAME

TITLE

Pathology & Laboratory Medicine ServiceOKC VA Health Care System

SERVICE LINE/SECTION

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.

CONTRACTING OFFICER/DESIGNEE'S SIGNATURE

3/29/2017

DATE

Bai Perney, Branch Chief Services II

NCO 19

NAME AND TITLE

FACILITY

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

SIGNATURE

03-29-2017

DATE

Curis M. Jordan (for)

NAME

NCO 19 Director of Contracting

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HIGHER LEVEL APPROVAL (Required *For orders over \$700,000*):

c. **VHA SAO HCA REVIEW AND APPROVAL (over \$700,000 to \$13.5 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

Delia A. Adams, MBA, CPCM
Director, Service Area Office West
Head of Contracting Activity

Date