

DEPARTMENT OF VETERANS AFFAIRS
Justification and Approval
For
Exception to Fair Opportunity Memo

Acquisition Plan Action ID: _VA263-17-AP-6830_____

1. **Contracting Activity:** Department of Veterans Affairs, NCO 23, St. Cloud VA Health Care System, 4801 Veterans Drive, MN 56303. Organization Activity: Omaha VA Health Care System, 4101 Woolworth Ave, NE 68105, 636-17-2-5835-0030.
2. **Description of Action:** Firm fixed price delivery order to Alvarez LLC through their NASA SEWP Contract (NNG15SD19B) for a Nuance CDI Pro Software License for a base (to include training and consulting) plus 2 option years for the Omaha VA Health Care System. The Omaha VAHCS currently owns and operates the Nuance Clintegrity 360 system which interfaces with CPRS and VISTA. The CDI Pro software is an add-on to this system.
3. **Description of Supplies or Services:** The Omaha VAHCS currently owns a suite of coding software products known as Clintegrity 360. These software products interface with the medical record (CPRS) and VISTA to assist with proper coding of the medical record. The request is to purchase VA Clinical Documentation Improvement (CDI) as an add-on application to our existing suite of products. This add-on will be utilizing the same integration to help physicians and other clinical staff to improve their medical documentation. Accurate and complete medical documentation is vital to the critical pillars of healthcare delivery: clinical quality of care, workload capture and VERA and insurance reimbursement.

IGCE: [REDACTED]

Base Period of Performance: 6/1/17 – 5/31/18

4. **Statutory Authority:** The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c) as implemented by the Federal Acquisition Regulation (FAR) Subpart 16.505 Subpart 16.505(b)(2)(i):

() FAR Subpart 16.505(b)(2)(i)(A): The agency need for the supplies or services is so urgent that providing a fair opportunity would result in unacceptable delays.

(X) FAR Subpart 16.505(b)(2)(i)(B): Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized.

() FAR Subpart 16.505(b)(2)(i)(C): The order must be issued on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order.

() FAR Subpart 16.505(b)(2)(i)(D): It is necessary to place an order to satisfy a minimum guarantee.

() FAR Subpart 16.505(b)(2)(i)(E): For orders exceeding the simplified acquisition threshold, a statute expressly authorizes or requires that the purchase be made from a specified source". The statutory authority permitting an exception to fair opportunity for this action is 38 U.S.C. 8127(c), known as the Veterans First Contracting Program which provides the authority to directly contract with a Service-Disabled Veteran-Owned Small Business (SDVOSB) or a Veteran-Owned Small Business (VOSB).

() FAR Subpart 16.505(b)(2)(i)(F) In accordance with section 1331 of Public Law 111-240 (15 U.S.C. 644(r)), contracting officers may, at their discretion, set aside orders for any of the small business concerns identified in 19.000(a)(3). When setting aside orders for small business concerns, the specific small business program eligibility requirements identified in part 19 apply.

5. Rationale Supporting Use of Authority Cited Above:

The Omaha VAHCS currently owns the Nuance Clintegrity 360 software and is in need of an additional software module, CDI Pro, for physician and other clinical staff to improve their medical documentation. Nuance is the manufacturer of the Clintegrity 360 software and the CDI Pro software module that integrates with the Clintegrity 360 system. The Clintegrity 360 system is an information system that integrates with VistA and CPRS and as such no other manufacturers' software is compatible with the system. Nuance verified that Alvarez LLC is the only vendor that is authorized to distribute the CDI Pro software and that it cannot be purchased directly from Nuance. Alvarez LLC has verified that they can provide the software through their NASA SEWP contract.

6. **Efforts to Obtain Competition:** Market research was conducted, details of which are in the market research section of this document. This effort did not yield any additional sources that can meet the Government's requirements. There is no competition anticipated for this acquisition. In accordance with FAR 5.301 and 16.505(b)(2), this action will be synopsisized at award on the Federal Business Opportunities Page (FBO) and the justification will be made publicly available.

7. **Actions to Increase Competition:** The Government will continue to conduct market research to ascertain if there are changes in the market place that would enable future actions to be competed.

8. **Market Research:** VetBiz was searched under NAICS code 541519 which produced 1612 SDVOSB and VOSB results. Nuance is the manufacturer of the CDI Software and they provided documentation that the software is only distributed through Alvarez LLC and that the software cannot be purchased directly from Nuance or any other distributors. Alvarez LLC verified that the software is available through their NASA SEWP contract.

9. **Other Facts:** NA

10. **Technical and Requirements Certification:** I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

[Redacted Signature]

RN Clinical Documentation Improvement Specialist – Omaha VA

11. **Determination that Anticipated Cost is Fair and Reasonable:** It is anticipated that the price will be fair and reasonable as the purchase will be through Alvarez LLC's NASA SEWP contract and by comparing it against the IGCE and list price for the software.

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

[Redacted Signature]

Contracting Officer – NCO 23 STC

Date

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

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

[Redacted Signature]

Division Chief – NCO 23 Fargo