

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval (J&A) For Other Than Full and Open Competition

Acquisition Plan Action ID: VA261-17-AP-9228, VA261-17-P-1788

1. **Contracting Activity:** Department of Veterans Affairs, VISN 21, Veterans Affairs Palo Alto Health Care System (VAPAHCS), funded through procurement request ID 640-17-3-531-0082
2. **Nature and/or Description of the Action Being Processed:** This is for a proposed out of scope modification on a sole source basis to extend existing services from June 5, 2017 through August 31, 2017. VAPAHCS has an existing contract with a LEAN consulting contractor, through VA261-17-P-1788, and has a need for continued service.

This procurement is in accordance with FAR 13.5 Simplified Procedures for Certain Commercial Items and specifically FAR 13.501 Special Documentation Requirements, where acquisitions conducted under Simplified Acquisition Procedures are exempt from the requirements of FAR Part 6, but still require a justification using the format of FAR 6.303-2.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The VA Palo Alto Health Care System currently operates an existing outpatient clinic in Monterey, California and is in process of constructing and activating a new health care clinic (HCC) replacement facility scheduled to open August 14, 2017. The new HCC will be a convenient one-stop 150,000 square foot facility: a 3-level clinic providing primary care and integrated mental health, and specialty care to include audiology, podiatry, dermatology and optometry services. The clinic will also provide ancillary services including physical therapy, occupational therapy and prosthetics as well as diagnostic services, including general radiology, lab, pharmacy and tele-health. The HCC will be the first outpatient clinic in the VA to fully utilize the new VA Patient Aligned Care Team (PACT) model and Lean management principles. PACT is the cornerstone of the New Models of Care transformation initiative intended to transform the way Veterans receive their care. The initiative assists VHA in transforming Veterans' care by providing patient-driven, proactive, personalized, team-based care oriented toward wellness and disease prevention resulting in improvements in Veteran satisfaction, improved healthcare outcomes and costs. Lean management focuses on the principles of reducing waste and maximizing value as well as improving quality and reducing time to accomplish tasks. PACT combines physicians, nurses, clinical specialists, and support specialists to deliver patient centered, integrated care to Veteran patients. Clinic designs based on the PACT model include universal exam/consult rooms, group care rooms, and shared team work spaces to foster team collaboration and communication. These clinic designs will improve the patient experience by bringing care to the patient, improve the efficiency of health care providers, and reduce the cost of providing care. This modification request for additional services is to provide continued LEAN consulting services to train VA clinical personnel on the PACT model for the facility. The VA initially procured the services with an end date in coordination with the completion of the facility. However, the completion of the HCC has been delayed through a construction project, and as a result continued training and services are required.
4. **Statutory Authority Permitting Other than Full and Open Competition:** The authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. 1901 and is implemented by for restricting competition on this procurement via FAR 13.106-1(b)(2).

(X) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy

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- 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 anticipation of the completion of the HCC and to prepare for its activation, VAPAHCS contracted with a firm to provide space planning and LEAN consulting to clinical personnel to train on the PACT model as previously described. As an ongoing highly specialized program, the training has been a critical component of preparing the staff for the opening of the HCC. The firm providing the training has an intimate, in-depth knowledge of the PACT model and through performance has developed a highly effective training model created specifically for VAPAHCS personnel for the HCC. The Government would incur a substantial duplication of costs that is not expected to be recovered through competition, so this proposed modification is being done on a sole source basis. Any other lean consulting firm would have a significant learning curve to not only become familiar with VAPAHCS and its planned PACT model for HCC, but also to determine the current status of the training program and its future needs. Moreover, the training service is required on an on-going basis through the completion of the HCC which is anticipated to be August 2017. Any attempt to compete the additional training services through August 2017 would result in unacceptable delays. The only contractor that can provide the training on an uninterrupted basis through the end of August is the current contractor. In order to ensure VAPAHCS staff are prepared for the HCC by the estimated completion date of the facility's activation, VAPAHCS requires the current contractor to continue to perform the PACT training without interruption or delay.
- 6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** Due to the ongoing nature of the specialized training developed specifically for the opening of HCC using the PACT model, the need for uninterrupted service, and the significant learning curve, no additional effort was made to contact other LEAN consulting providers.
- 7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** LEAN consulting services are traditionally paid on a per hour basis, and there is ample information in the commercial market place to assess the hourly rates the contractor quoted. The Contracting Officer will compare the rates quoted versus the published prices for similar services to ensure the cost to the Government is fair and reasonable.
- 8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Additional market research was not conducted due to the expectation that competition would not result in a cost savings to the Government. Due to the highly specialized nature of the service as it is consulting specifically geared toward a PACT model for the HCC, and due to the significant learning curve for any new contractor, the Government did not attempt to seek additional competition to avoid delays in opening the HCC facility.
- 9. Any Other Facts Supporting the Use of Other than Full and Open Competition:** Once the facility is efficiently operating and VAPAHCS personnel have been adequately trained by opening, any future LEAN consulting services for that facility will be competed among other potential sources. For now, though, the facility requires the continued service of the existing contractor through HCC completion to avoid delaying the opening of the facility.
- 10. 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:** Once the HCC has been completed and is fully functional, any additional LEAN consulting services will be procured through competitive procedures. The current training need is primarily due to

unforeseen construction delays and this modification is to continue the training services through the opening of the facility.



11. **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.


Andrew Stillwell
Associate Chief | OFPD
VA Palo Alto Health Care System

06/02/2017
Date



12. **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.


 Nick Kluch
Contracting Officer, NCO 21

6/5/2017
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.



Paul Griffin
Acting Director of Contracting, NCO 21

6/5/2017
Date