

LIMITED SOURCES JUSTIFICATION
ORDER >\$150,000
FAR PART 8.405-6

Acquisition Plan Action ID: 671-17-1-121-0016

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: Quest Diagnostics Inc.

Manufacturer/Contractor POC & phone number: Michael Anderton, 615-672-9798

Mfr./Contractor Address: 4770 Regent Blvd., Irving, TX 75063

Dealer/Rep address/phone number: N/A

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

(1) AGENCY AND CONTRACTING ACTIVITY: Department of Veterans Affairs
Network Contracting Activity 17
5441 Babcock Rd., Ste. 302
San Antonio, TX 78240

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

The Department of Veterans Affairs, Network Contracting Office 17, intends to place a firm-fixed price sole source Delivery/Task Order against the Western States Network Consortium (WSNC) Blanket Purchase Agreement (BPA) to Quest Diagnostics, Inc. for the requested laboratory fee based testing services. This justification is for other than full and open competition. The BPA order will be for a six-month period of performance, with an option to extend the services for an additional six months, to provide the requested testing services to the Audie L. Murphree and Kerrville VA Medical Centers.

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

The requirement is to provide a multitude of reference laboratory testing services for the South Texas VA Medical Center in San Antonio and Kerrville, Texas. This service allows the Medical Centers to process more types of laboratory testing than is possible by internal laboratory processing alone, which allows a faster turnaround of laboratory results.

(b) ESTIMATED DOLLAR VALUE: \$537,992.00

(c) REQUIRED DELIVERY DATE: September 1, 2017 thru August 31, 2018

(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.
Quest Diagnostics Inc. offers scientific expertise in performing a wide variety of medical tests which are essential to patient health as pertains to diagnosing, treating and preventing diseases. The Audie Murphy VA Medical Center is currently using the test analysis result codes from Quest Diagnostics in their patient data information system. A change in vendors would have a significant impact on patient care due to the delays caused by having to switch the test analysis result codes throughout the patient data information system and having to retrain personnel on the new coding. Additionally, changing vendors would be cost prohibitive due to the administrative hours necessary to change out all of the codes and the training necessitated due to the changeover.

A patent, copyright or proprietary data limits competition. The proprietary data is:

These are “direct replacements” parts/components for existing equipment.

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.

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.

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

(5) DETERMINATION BY THE ORDERING ACTIVITY CONTRACTING OFFICER THAT THE ORDER REPRESENTS THE BEST VALUE:

The WSNC awarded four BPA's for reference laboratory services from the VA NAC schedule for these services. The WSNC organized these BPA's so that the Veterans Health Administration's Network Contracting Offices in the Service Area West (SAO W) region can benefit from volume discounts. The WSNC awarded BPA #VA260-17-A-0035 with Quest Diagnostics will provide a 1.81% to 56.78% discount to all services from the VA NAC published

pricelist. This allows Network Contracting Office (NCO) 17 to place a BPA order off the WSNC while utilizing this discounted rate. The Contracting Officer has determined that an order placed with Quest Diagnostic Inc. to be the best value for the Government because the cost of the services on the order will not exceed the prices paid on the previous order. A comparison of randomly selected services on the Contractor's current pricelist revealed the same prices were offered on the previous pricelist during the past BPA order.

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

Market research was conducted utilizing the search engines; GSA Advantage, the VA National Acquisition Center (NAC) and the VA Office of Small and Disadvantaged Business Utilization's (OSDBU) Vetbiz. There is not any Service Disabled Veteran Owned Small Businesses (SDVOSB) or Veteran Owned Small Businesses (VOSB) available to meet the requirement. The market research conducted identified that there are five (5) NAC FSS holders that can provide the services. Market research identified that Quest Diagnostics Inc. is the only WSNC reference laboratory BPA holder that can provide test results directly to the VA through Vista.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

The proposed BPA order is being placed for the continuity of services. There is currently a lapse in services for the requested services. A short-term order will allow continuity of critical services while a long-term contract is competed.

(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:

The major barrier to competition is that diagnostics user of these tests is based on methods, reference ranges and physician input as well as the period of performance time remaining on an order. The follow-on contract to the proposed BPA order will be competed amongst the NAC FSS holders and will allow for an adequate transition time.

Chapter VI: Other Than Full and Open Competition (OFOC) SOP
Attachment 2: Request for Limited Sources Justification Format >\$150K

(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.

Robert P Farrar
159651

Digitally signed by Robert P Farrar 159651
DN: cn=robert.p.farrar@va.gov, o=Department of Veterans Affairs, ou=Internal, ou=People, email=robert.p.farrar@va.gov, c=US
Date: 2017.08.10 06:53:24 -0500

August 10, 2017

Robert Farrar
Laboratory Manager
South Texas Veterans Health Care System

Date

(10) APPROVALS IN ACCORDANCE WITH THE VHAPM, Part 806.3, 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.

 8/11/17

Dale Padro
Contracting Officer
Network Contracting Office 17 (NCO 17)

b. Director of Contracting/DESIGNEE: 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 other than full and open competition.



Gilbert J. Duran
Acting Chief, Division I
Network Contracting Office 17 (NCO 17)