

# DEPARTMENT OF VETERANS AFFAIRS

## Justification and Approval (J&A) For Other Than Full and Open Competition (>\$150K)

**Acquisition Plan Action ID:** VA261-17-AP-8530

**Purchase Request/2237 Number:** 662-17-2-9620-0091

### 1. Contracting Activity:

Department of Veterans Affairs, VISN 21, Network Contract Office (NCO) 21 for the San Francisco VA Medical Center (SF VAMC).

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

Veterans Integrated Services Network (VISN) 21 is in need of Adult Day Health Care facilities for the beneficiaries within the SFVAMC catchment area in San Francisco. The proposed Single Award five-year Indefinite Delivery Indefinite Quantity (IDIQ) Contract will be an open market sole source acquisition to North & South of Market Adult Day Health Center located in San Francisco, DUNS: 627152387 in accordance with FAR 6.302-1 Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements. North & South of Market Adult Day Health Center operates multiple facilities in San Francisco and currently have fifteen (15) veterans at their facility in support of the SF VAMC.

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

The proposed action is to award an IDIQ Contract with an Adult Day Health Care facility capable of providing social activities, peer support and recreation for VA beneficiaries with medical or disabling conditions that do not require 24-hour skilled nursing services. These services will include medical and psycho-social treatment provision and planning as a well consultative family support as needed.

- All ADHC facilities are required to offer a stimulating program to maintain or restore the functional status of each veteran with provisions made for each individual to participate at their own optimal level of functioning and to progress at their own pace.
- All ADHC facilities in VA's ADHC program must have current State ADHC Licensure and all other necessary State operating certification.
- VA beneficiary transportation to and from the Contracted Facility will be provided in full accordance with California Code of Regulations; Title 22. Social Security; Division 6. Licensing of Community Care Facilities; Chapter 3 Adult Day Programs; Section 54333.
- ADHC facilities in the VA Contracted ADHC program shall utilize best clinical practices to ensure that care meets the healthcare needs all VA beneficiaries and promotes their maximum well-being.
- Rehabilitation services will be provided, as needed with the consultation of a qualified Physical and/or Occupational Therapist.
  - All physical, occupational and speech therapies provided must be individual therapy, rather than group therapy, unless otherwise ordered by the authorizing VA facility.

Medical Restorative criteria will be used for physical therapy, occupational therapy, and speech therapy. Therapy must be skilled, relate to safety and be restorative according to Medi-Care criteria.

The total estimated value of the proposed action is not to exceed (NTE) \$5,000,000 over the life of the IDIQ.

**4. Statutory Authority Permitting Other than Full and Open Competition: 41 USC §3304(a)(1), as implemented by FAR 6.302-1.**

- (X) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
- ( ) (2) Unusual and Compelling Urgency per FAR 6.302-2;
- ( ) (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
- ( ) (4) International Agreement per FAR 6.302-4
- ( ) (5) Authorized or Required by Statute FAR 6.302-5;
- ( ) (6) National Security per FAR 6.302-6;
- ( ) (7) Public Interest per FAR 6.302-7;

**5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**

As prescribed in VHA Handbook 1141.03, ADHC is a mode of non-intuitional long-term care and is a covered benefit for all enrolled veterans who meet nursing home level of care requirements pursuant to Title 38 United States Code (U.S.C.), Section 1720 (f) and Title 38 Code of Federal Regulations (CFR), Section 17.38(a)(1)(xi)(B).

The purposes for providing ADHC is to enable functionally impaired individuals to reside in their own homes rather than in nursing home care facilities; to facilitate the return of veterans to their own homes and coordinate long term care there by reducing readmissions to hospitals and nursing homes; to maintain veterans at the highest level of functioning possible; and to improve support for the family and/or caregivers of veterans.

North & South of Market Adult Day Health Center operates multiple facilities in San Francisco and currently has fifteen veterans receiving adult day health care services in their four facilities at 1) 301 Ellis Street, 2) 350 Golden Gate Avenue, 3) 55 Mabini Street, and 4) 930 Fourth Street. This Contractor has provided services to the VA under both provider agreements and contracts for over six years and has consistently provided excellent care to our veterans. The Adult Day Health Centers meet VA standards of care. Much like the community nursing home (CNH) program, geographic distance to the veteran's family home is of a concern. To move a veteran it would cause a hardship on the patients to move them, may disrupt treatment plans, and may be disruptive to family members if relocated to a different facility.

The current veterans require continued care at the Adult Day Health Care Center beyond the current contract's expiration date and for an unknown period of time in the future. To avoid disruption to the patients, the VA must enter into a new contract with the current contractor.

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

Vet Biz was queried for CVE businesses under NAICS 624120 in the state of California, Hawaii and Nevada. Every business found using this search was emailed and none affirmed that they are capable of providing Adult Day Health Care services.

In accordance with FAR 6.305(a), this action will be synopsisized at award on the FBO and the justification will be made publicly available. Any response to this notice will be shared with ADHC program personnel.

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

Fair and reasonable pricing will be determined in accordance with FAR 15.403-3. Pricing will be evaluated to be fair and reasonable based on a comparison to the Independent Government Cost Estimate (IGCE) and acquisition history. The VA uses all-inclusive per diem rates for ADHC services. The VA uses state Medi-Caid Rates as a reference.

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

The contract specialist conducted market research using available acquisition history and searched through the VA's Veteran Information Pages. None of the market research conducted identified any other potential vendors.

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

VHA Handbook 1141.03 recognizes that many ADHC veterans have either a debilitating chronic disease or terminal illness and limits the transit time for these veterans to one (1) hour of travel. The geographic factor in these circumstances makes this requirement unique and, therefore, not readily available for competition. Since veterans are currently receiving care in the incumbent's facility, the VA does not intend on disrupting their care in order to place them at a different facility as it would not be in the Veteran's best interest.

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

No vendors expressed an interest in the acquisition. The incumbent contractor is willing to continue to provide services for the veterans in place.

**11. 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:**

Based on the inherent nature of the veterans requiring this type of service and in line with VA policy that transit time to adult day health care centers not exceed 1 hour, the opportunity to increase competition is limited. Notwithstanding the foregoing limitations, the Government intends to post an open and continuous Request for Proposal (RFP) in fiscal year 2018 to increase the number of adult day health care providers, so that when new beneficiaries are brought into the program they will have more available choices thereby increasing competition. This RFP will further publicize the VA's need for adult day health care across the VISN. Through these efforts NCO 21 anticipates it will increase the number of eligible adult day health care centers for its geographic regions.

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.

\_\_\_\_\_  
Stephanie Gaxiola  
CNH/ADHC Program Coordinator  
San Francisco VA Medical Center

\_\_\_\_\_  
Date

13. **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.

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Tracy Worrell  
Contracting Officer  
Network Contract Office (NCO) 21

\_\_\_\_\_  
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.

Acting for:

\_\_\_\_\_  
Sam Harbin  
Director of Contracting  
Network Contracting Office (NCO) 21

9/8/2017  
\_\_\_\_\_  
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.

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

11 Sept 2017  
\_\_\_\_\_  
Date