

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA257-17-AP-4448

1. **Contracting Activity:** Department of Veterans Affairs, VISN 17, South Texas VA Medical Center: Network Contracting Office (NCO) 17, 5441 Babcock Rd, Suite #302, San Antonio, TX 78240.

Purchase Request Number is 671-17-4-121-0837

2. **Nature and/or Description of the Action Being Processed:** A new firm-fixed-priced contract will be issued to the University of Texas Health Science Center of San Antonio, Texas 78229. The proposed action is to provide laboratory testing services for the South Texas VA Health Care System. These testing services include muscle biopsies, nerve biopsies, renal biopsies, antifungal drug levels, brain or brain stem and necropsies.

FAR13.5 Simplified Procedures for Certain Commercial Items: *This procurement is for laboratory testing in accordance with FAR 13.5.*

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The procurement requires a contractor that can provide the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized. The Pathology Laboratory needs to operate 24 hours a day, 7 days a week, 365 days a year providing customers with a comprehensive menu of routine and specialty laboratory tests and services with the consolidated capabilities of our regional laboratories, using the additional esoteric capabilities. This procurement will be established as a Base Plus (3) Year Option contract with a period of performance of 12 months for the Base and each Option Year for a total of 48 months.

Performance Year	Pricing	Performance Period
Base	\$154,598.00	9-30-2017 – 9-29-2018
Option Year I	\$154,598.00	9-30-2018 – 9-29-2019
Option Year II	\$154,598.00	9-30-2019 – 9-29-2020
Option Year III	\$154,598.00	9-30-2020 – 9-29-2021
Total	\$618,392.00	

4. **Statutory Authority Permitting Other than Full and Open Competition:** In accordance with 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;

FAR13.5 Simplified Procedures for Certain Commercial Items: 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).

3. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):** UTHSCSA Pathology Laboratory operates 24 hours a day, 7 days a week, 365 days a year providing customers with a comprehensive menu of routine and specialty laboratory tests and services. With the consolidated capabilities of our regional laboratories, using the additional esoteric capabilities of UTHSCA offers unequaled convenience in using one laboratory for urgent diagnostic and prognostic clinical testing. The current affiliate partner of STVHCS/ALM, the University of Texas Health Science Center-San Antonio (UTHSCSA), Department of Pathology, has a Graduate Medical Residency Physician training program of which STVHCS/ALM is a part of and provides funds for pathology residents annually. The contract for the lab testing supports the education and supervision of medical residents performing the Graduate Medical Education Residency program therefore this is the only available source that can provide the required services.
4. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** The Contracting Office searched for contractors who are in immediate proximity of the STVHCS/ALM hospital using NAICS code 621511, Laboratory Testing Services, Medical (except radiological), and code words "biopsy testing". Results were negative for searches of GSA Advantage, VetBizOps, and the NAC contract catalog. A sources sought was issued and closed on 08/11/2017 with only University of Texas at San Antonio providing interest in the requirement.
5. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:** The anticipated cost will be considered fair and reasonable as a determination will be made by comparing previous contract pricing: Department of Veterans Affairs: VA257-16-C-135 in the amount of \$137,242.00 under PSC: Q301. Center For Disease Control and Prevention: HHSD2002011414400001 in the amount of \$164,942.60 under PSC: Q301. A comparison of similar lab services priced at the North Texas VA: VA257-17-P-0082 in the amount of \$150,000.00.
6. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Market Research was conducted by reviewing prior contract: VA257-16-C-0135. Contract amount after a modification to increase to total dollar value came to \$154,342.00. Contract Specialist did a query on VetBiz under NAICS: 811219. No respondents after issuing a Sources Sought. Prior requirement was issued as a sole source. Per FAR 10.001(a)(2), this report is in support of the South Texas VA Health Care System located at 7400 Merton Minter Blvd., San Antonio, Texas 78229. The objective of this procurement is to; identify vendors that are able to provide reference lab services. The results of this research will determine the method of contracting, type of contract, delivery standards, methods of inspection and acceptance, source selection organization, NAICS, and business size set aside. **"Mandatory" Medical FSC 65, 66 "Source per VAAR 808.002:** This requirement for reference lab testing is not available through mandatory schedules 65 or 66. A review of national contracts and prime vendors

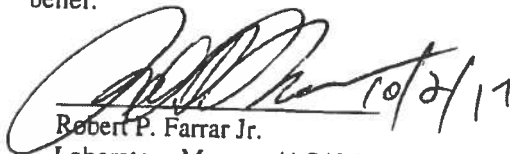
this mandatory schedule, but these labs are not able to provide the services required by the South Texas VA Medical Center.

7. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** University of Texas Health Science Center-San Antonio (UTHSCSA), Department of Pathology, has a Graduate Medical Residency Physician training program of which STVHCS/ALM is a part of and provides funds for pathology residents annually.
8. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:**

✓ University of Texas at San Antonio.

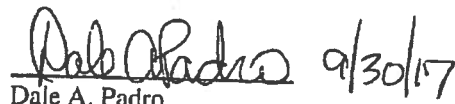
9. **A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:**
The Department of Veterans Affairs can look to partner with other local Pathology Facilities to offer a competitive field for this requirement.

10. **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.


Robert P. Farrar Jr.
Laboratory Manager/AO/COR
South Texas VA Health Care System

Approvals in accordance with the VHAPM Part 806.3 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.


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

- b. **One Level Above the Contracting Officer (Required over \$150K but not exceeding \$700K):**
I certify the justification meets requirements for other than full and open competition.



Jeff S. Morris
Chief, Division I
Network Contracting Office (NCO) 17