

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA261-18-AP-3982

Purchase Request/2237 Number: 662-18-3-9615-0024

1. Contracting Activity:

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

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

VISN 21's San Francisco VA Medical Center is in need of Community Nursing Home (CNH) services that specialize in behavioral and mental health care in Marin County to replace the existing basic ordering agreement with Mental Health Management I Inc., dba Canyon Manor Behavioral Healthcare Center that will expire on 31 March 2018. There are currently eleven Veterans in residence, and there are no other CNH's that specialize in behavioral and mental health care services within the catchment area of SFVAMC, which includes Humboldt, Lake, Marin, Mendocino, Napa, San Francisco, and Sonoma counties.

The proposed Single Award five-year Indefinite Delivery Indefinite Quantity (IDIQ) Contract will be an open market sole source acquisition to Canyon Manor Behavioral Healthcare Center, DUNS: 145955154, in accordance with FAR 6.302-1 Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements.

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

The proposed action is to award an IDIQ Contract with a Nursing home facility capable of furnishing the medical, nursing, and psychosocial needs of VA beneficiaries. The following are requirements of the proposed acquisition.

- All Mental Health Rehabilitation Centers (MHRC) must be licensed as a MHRC by the California Department of Health Care Services.
- The VA requires CNHs to have bed capacity to ensure their ability to take referrals when requested. The CNH also must be able to accept VA referrals in a timely fashion (ideally within 24 hours of request).
- Full attention shall be given to motivating and educating patients to achieve and maintain independence in the activities of daily living. Every effort shall be made to keep patients ambulatory and to achieve an optimal level of self-care.

The total estimated value of the proposed action is not to exceed (NTE) \$5,000,000 (inclusive of base and four ordering periods). The Independent Government Cost Estimate (IGCE) is \$3,300,000.

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 1143.2, for more than 35 years the CNH Program has maintained two cornerstones: some level of patient choice in choosing a nursing home close to the veteran's home and family, and a unique approach to local oversight of CNHs.

The quality of care for the veteran is accomplished through placement in a nursing home that is in close proximity to where the veteran and his/her family resides. Notably, in the VA's community nursing home program, the veteran's placement decision is made by VA, the veteran, and the veteran's family. The placement decision will be based on established VA contracts in the area. The geographic factor in these circumstances makes this requirement unique and, therefore, not subject to competition.

Canyon Manor Behavioral Healthcare Center currently has eleven veterans being treated at their facility. The nursing home meets VA exclusion review quality of care standards. The nursing home currently has a contract with the VA and has consistently provided excellent care to our Veterans. It would cause medical hardship on the patients to move them to facilities outside of the SFVAMC catchment area, may disrupt treatment plans, and may be disruptive to family members if relocated to a different facility that would be farther away.

The current veterans require continued care at the nursing home facility beyond the current contract 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:**

A query of Vet Biz using NAICS 623110 in the state of California, produced four service disabled veteran owned small businesses (SDVOSB), however, none of these provide nursing home services that include behavioral and mental health care. A query of the Dynamic Small Business Search site produced a total of three small businesses listed under the NAICS code 623110 in Marin and San Francisco counties. A review of the websites for all three companies confirmed that none offer CNH with behavioral and mental health care services. A query of the 2018 Q1 Institutions for Mental Diseases (IMD) List of MHRCs, as defined by the Centers of Medicare and Medicaid Services' (CMS) Manual, resulted in three other facilities that could potentially provide this service, Crestwood Center in Napa County, San Francisco Mental Health Center in San Francisco County, and Crestwood Behavioral Health Center in Humboldt county, however, moving the 11 Veterans currently residing at Canyon Manor Behavioral Healthcare Center could potentially disrupt their care and cause undue hardship by potentially moving them farther away from their families.

In accordance with FAR 5.201, a notice of intent to sole source, including the solicitation, will be posted to FBO, giving any other interested vendors and opportunity to submit a proposal.

In accordance with FAR 6.305(a), this action will be synopsisized at award on FBO and the justification will be made publicly available.

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 15.404-1(b)(2)(ii). Pricing will be evaluated to be fair and reasonable based on a comparison to prices paid for similar services on other contracts.

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

The contract specialist used the IMD list, available acquisition history and the VA's Veteran Information Pages to conduct market research.

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

VHA Handbook 1143.2 allows for a level of veteran choice in choosing a nursing home close to the veteran's home and family. The geographic factor in these circumstances makes this requirement unique and, therefore, not subject to competition. Since eleven Veterans are currently residing in the incumbent's facility, the VA does not intend on disrupting their care to place them at a different facility as it would not be in the Veteran's best interest. Further, any other facility would be outside of the SFVAMC catchment area.

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

The current provider agreement contractor, Canyon Manor Behavioral Healthcare Center, 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 service and in line with VA policy where the veteran and his/her family plays a role in determining which nursing home facility will provide treatment for the veteran, 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 the future to increase the number of community nursing home providers, so that when new beneficiaries are brought into the program they will have more available choices thereby increasing competition.

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 R.
Gaxiola 510674
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Date: 2018.03.13 09:59:49
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Stephanie Gaxiola
CNH Coordinator
San Francisco VA Medical Center

Date

13. **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.

Tracy E. Worrell
Contracting Officer
Network Contract Office (NCO) 21

Date

- 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.

Brooke C. Robison,
Director of Contracting
Network Contract Office (NCO) 21

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 \$68 million) or approve (\$700K to \$68 million) for other than full and open competition.

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

Date