

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA259-18-AP-3450

1. Contracting Activity:

Agency:

Department of Veterans Affairs
Veterans Health Administration
Office of Community Care
3773 Cherry Creek North Drive
Denver CO 80209

Contracting Activity:

Department of Veterans Affairs
Network Contracting Office 19
Rocky Mountain Acquisition Center
6162 South Willow Drive, Suite 300
Greenwood Village, CO 80111

Requisition No: 741-18-2-352-0011

2. Nature and/or Description of the Action Being Processed: This acquisition is for an unrestricted Firm Fixed Price (FFP) 6-month sole source bridge contract with Conduent Federal Solutions, LLC; utilizing simplified acquisition procedures allowed by FAR Part 13.5. This acquisition will provide continued electronic web portal interconnected Home Health Pricing Services for the Office of Community Care (OCC) to 09-30-2018, ensuring, there will not be a lapse of service from contract VA741-13-C-0053. The loss of Home Health Pricing Services will impair Veteran care and HH providers ability to monthly premiums. A sole source bridge contract would also ensure continuity of services without loss of vital VA programs and HH provider recoupment funding until the new contract is in place. The VA is simultaneously working on a 3 year re-compete and anticipates an award by 09-30-2018.

FAR13.5 -- Simplified Procedures for Certain Commercial Items: This acquisition is for Home Health Pricing Services and is in accordance with FAR Part 13.5 -- Simplified Procedures for Certain Commercial Items and specifically FAR 13.501 -- Special Documentation Acquisitions, where acquisitions conducted under Simplified Acquisition Procedures (SAP) are exempt from the acquisitions 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: This acquisition was received by Contracting on 01-30-2018 with a need date of 04-01-2018. The Government proposes to award a 6-month sole source bridge to Conduent Federal Solutions, LLC, for \$1.4M from 04-01-2018 to 09-30-2018 and is currently working on a 3 year re-compete; anticipating an award by 09-30-2018. This acquisition will provide continued electronic web portal interconnected Home Health Pricing Services for the Office of Community Care (OCC) until 09-30-2018; ensuring, there will not be a lapse of service

from contract VA741-13-C-0053. Meanwhile, the VA is simultaneously working on a 3 year re-compete and anticipates an award by 09-30-2018.

The incumbent, Conduent Federal Solutions, LLC, already has the specialized software, necessary staff, equipment, and procedures to continue services. It would not be feasible to compete a short-term contract in time due to the magnitude and complexity of services required. Any lapse in service would be detrimental to the Government since these services ensure compliance with electronic secure web portal interconnections between the contractor and the Veterans Affairs (VA). Therefore, no other company can perform these services by the need date.

4. Statutory Authority Permitting Other than Full and Open Competition:

- (x) 1. Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Acquisitions 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; or
- () 7. Public Interest per FAR 6.302-7;

FAR13.5 -- Simplified Procedures for Certain Commercial Items: The statutory authority permitting other than full and open competition is 41 U.S.C. 1901. It has been determined that the utilization of this authority is appropriate pursuant to FAR Part 13.501(a)(1)(ii); Prepare sole source (including brand name) justifications using the format at [6.303-2](#), modified to reflect that the procedures in FAR subpart 13.5 were used in accordance with 41 U.S.C. 1901 or the authority of 41 U.S.C. 1903.

5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority): It has been determined that a 6-month sole source contract is in the Governments interest due to insufficient funding that caused a delay in awarding a new contract. Any lack in continuity of services would cause the HH program to lose \$8.7M in provider monthly funding if a contract is not awarded by 04-01-2018. This would be a significant impact to HH Veteran recipients and their providers who rely on these services.

These services provide continued electronic web portal interconnected Home Health Pricing Services for the OCC and are highly specialized in nature where few concerns have the ability to do the work outlined in the Performance Work Statement (PWS). The time it would take to solicit, award and transition to a new contract would cause unacceptable delays in fulfilling the agency's mission needs. Any contract transition would require time and access to Medicare patient and provider data, compatible extract software, submission of a definitive Medicare pricing extraction plan, the ability to receive and electronically price home care claims, utilization of appropriate Medicare payment system methodology, and configuration of inbound EDI claim submission files and processing/adjudication logic including pending claims, adjustments and denial codes. Any loss of Home Health Pricing Services will impair the VHA's ability to recoup EDI claim submissions that fund vital VA programs. A sole source bridge contract would ensure continuity of services without loss of vital VA recoupment funding until the new contract is in place.

Conduent Federal Solutions, LLC is the incumbent and only contractor capable of providing these services described in section 3 by the need date because they already have the accreditation, necessary

staff, software program, equipment and procedures in place to continue service. It would not be beneficial to the Government to pursue a short-term contract due the magnitude and complexity of work required it would take to transition to a new contractor because there is not adequate time.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable: This acquisition will not be synopsized IAW 5.202(a)(2) due to the magnitude and complexity of service required by the need date. The proposed contract action is made under the conditions described in [6.302-2](#) and time periods specified in [5.203](#). The funding delay promoted the need for a sole source bridge so the Government would have adequate time to synopsize a new contract. Any lapse in service would impede the VHA's ability to recoup EDI claim submissions that fund vital VA programs. Therefore, a sole source bridge has been contemplated. Meanwhile, the VA is simultaneously working on a 3 year re-compete and anticipates an award by 09-30-2018.

Conduent Federal Solutions, LLC was awarded a 3-year (base plus 2 option year) contract by PCO-East from 09-30-2013 to 09-29-2017 for over \$13,665,186. A 6-month extension was cut from 09-30-2017 to 03-31-2018 for \$1,500,000 by NCO 19. The prior re-compete yielded 2 large business (LB) concern proposals where the incumbent was rated higher during the source selection board (SSB). No other small business concerns submitted proposals and no protests were filed by any concern during any part of the re-compete phase.

7. Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable: Pursuant to FAR Part 6.303-2(b)(7), the anticipated \$1.4M cost of the sole source bridge is in line with current contract pricing. Historical acquisition data and survey of the market place has deemed the price fair and reasonable. Conduent Federal Solutions, LLC is the only contractor that has necessary staff, software program, equipment, and procedures in place to receive and process electronic home care claims to ensure there is no lapse in services. Therefore, no other company can perform these services by the need date or provide a fair or reasonable price.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted: Market research was conducted IAW FAR Part 10. Market research conducted on VIP, GSA e-Buy, SBA, and FBO did not find 2 or more SDVOSB /VOSB's or any SB concerns that were able to meet the urgency and complexity of this requirement. The complexity and time required for a new contractor of any concern to provide electronic claims processing that would comply with Medicare regulations and negotiated fee schedules is limited and precludes any SDVOS/VOSB to meeting the rule of 2.

Various contractors were registered under NAICS 524291. However, the complexity and magnitude increased the PALT to a point where it would take upwards of 204 calendar days to solicit, award, and transition a follow-on contract to any concern. Furthermore, a tiered evaluation scheme would not provide a different outcome due to the time it would take to solicit, award, and transition a contract or contractor in place by the need date. Therefore, it would not be beneficial to the Government to compete a short-term contract due the magnitude and complexity of work required or the time it would take to transition to a new contractor. However, the VA is simultaneously working a 3 year re-compete and anticipates an award by 09-30-2018.

Any contract transition would require access to Medicare patient and provider data, compatible extract software, submission of a definitive Medicare pricing extraction plan, the ability to receive and electronically price home care claims, utilization of appropriate Medicare payment system methodology, and configuration of inbound EDI claim submission files and processing/adjudication logic including pending claims, adjustments and denial codes.

VHAPM Part 806.3 Other Than Full and Open Competition (OFOC) SOP
Attachment 2: Request for Sole Source Justification Format >\$150K

Conduent Federal Solutions, LLC is the only contractor that has necessary staff, software program, equipment, and procedures in place to receive and process electronic price home care claims to ensure there is no lapse in services. The time it would take to procure this type of service would cause unacceptable delays in fulfilling the agency's acquisition. The loss of Home Health Pricing Services will impair the VHA's ability to recoup EDI claim submissions that fund vital VA programs. A sole source bridge contract would ensure continuity of services without loss of vital VA recoupment funding until the new contract is in place.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition: A lapse of medical claims adjudication would be detrimental to the VHA since these services comply with Medicare claims processing and negotiated fee schedules. If services lapse, the VHA would have to process these claims. Currently the VHA does not have the resources or expertise to properly adjudicate these claims which would cause a loss of third party recoupments.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition: Conduent Federal Solutions LLC, 12410 Milestone Center Drive FL 5, Germantown, MD 20876 is the only source that has expressed interest in this acquisition.

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: The VHA is committed to the acquisition of competitive acquisitions. It is the VHA's policy to seek full and open competition to meet mission acquisitions. An unrestricted follow-on contract is contemplated that will be synopsized on FBO with an anticipated award date of 09-30-2018.

12. Acquisitions Certification: I certify that the acquisition 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.

Barry P. Brooks
Barry Brooks
Program Officer

3/8/2018
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.

Erica A Blake
Erica A Blake
Contracting Officer

03-08-2018
Date

VHAPM Part 806.3 Other Than Full and Open Competition (OFOC) SOP
Attachment 2: Request for Sole Source Justification Format >\$150K

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

Curtis Jordan
NCO 19 Director of Contracting

03/08/2018
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, Services Area Office West
Head of Contracting Activity (HCA)

Date