

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA263-17-AP-9172

1. **Contracting Activity:** Department of Veterans Affairs, VISN 23, Black Hills Medical Center. 2237 ID 499-18-2-5768-0001; VISN 23 Medical Centers
2. **Nature and/or Description of the Action Being Processed:** The Department of Veterans Affairs, VISN 23, has a need to procure support in the form of an organizational membership from an organization that provides assistance in addressing strategic issues, operational issues and management issues. A need exist for comprehensive performance improvement support that includes best practice research, consulting and training services, on-demand experts available for support via phone/email during normal business hours, technology and survey assessments, unique research opportunities conducted on-site alongside the provided related field expert researchers, and business intelligence tools that will provide evidence-based solutions necessary to make informed business decision and provide a platform to identify and leverage emerging healthcare trends and technology.

The organization will have an extensive membership base including many of the country's largest and most progressive hospitals and health care systems; membership should be representative of the public, private and academic community. The focus of the organization will be to offer a variety of services to support comprehensive performance improvement based on information gathered from membership and beyond. Published studies and customized research briefs on progressive healthcare management and clinical practices in health care will also be a major product/service of the organization. In general, the research focuses on the best (and worst) demonstrated practices, helping member institutions benefit from one another's shared experiences and learning curves. As part of the membership, the organization will make available, a team of multidisciplinary and cross functional industry experts who will offer consultative services either in-person and/or on conference calls as required by the specific request for assistance.

The contract is contemplated to be a firm-fixed price monthly membership; base plus four option years. This base plus option year contract would replace annual sole source purchase orders that have been consecutively awarded since 2012.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** VISN 23 seeks the requisite services through a membership with a vendor/company with suitable past performance and membership options that will be able to provide expert technical services to support executive education and leadership development, decision support tools and consultation services to the

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health system staff. The vendor/company must have demonstrated success in offering an extensive membership base including many of the country's largest and most progressive hospitals and health care systems with a focus on comprehensive performance improvement. Additionally, the vendor/company has proven previous successful performing as supported by recent and comprehensive research including operational analysis, market analysis, technology assessment and the development of business intelligence tools. The vendor/company will:

- a. have shown evidence of demonstrated competence in providing assistance in the area of strategic, operational and management issues with a major focus on continuous performance improvement in the healthcare industry;
- b. have shown evidence of well-developed Policy and Procedure guidance and technical assistance, which reflect a philosophy and understanding of cultural transformation;
- c. have provided staff and executive leadership development and training that demonstrate experience in successfully transformation of organizations and the culture of staff;
- d. have provided on site leadership training, implementation training, clinic support team training, strategic development and implementation sessions with formal curriculum and "train the trainer" components.
- e. have a minimum of 3 years' experience in partnering with the Department of Veterans Affairs.

The estimated total value of a base plus four option year contract is \$811,000.00, with the breakdown of period of performance/dollar values as follows:

Base year: 03/01/2018 – 02/28/2019; Value \$150,000.00

Option Year One: 03/01/2019 – 02/28/2020; Value \$156,000.00

Option Year Two: 03/01/2020 – 02/28/2021; Value \$162,000.00

Option Year Three: 03/01/2021 – 02/28/2022; Value \$168,000.00

Option Year Four: 03/01/2022 – 02/28/2023; Value \$175,000.00

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 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):** The Health Care Advisory Board and Nursing Executive Center memberships are the only source of vetted, best practices-based research with a full suite of services proprietary to the Advisory Board Company and its membership programs, including, among others, proprietary hospital data and analytics, benchmarks, step-by-step toolkits, on-site education and training, on-demand consultative services, national meetings, webinars, and access to a Dedicated Team of research experts for all VA Midwest Health Care Network employees in an unlimited quantity as a unified engagement.

It would create a substantial duplication of costs to the government to procure multiple separate specialty companies to fulfill the combined provided services of the recommended sole source company, The Advisory Board Company.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** Several different searches were completed on the VetBiz database using two different NAICS codes and keyword descriptions:
Historical NAICS 541618: This NAICS code resulted in 2276 matches.
Alternative NAICS 611710: This NAICS code resulted in 615 matches.
Keyword Medical Advisory: This search resulted in 1461 matches
Keyword Medical Support website: This search resulted in 4535 results.

A Sources Sought/RFI (#9302) was published to the FBO.gov website on 1/11/18, with responses due 1/25/2018 using the detailed performance work statement. No responses were received. Follow-up with the companies on the recommended source list that was submitted by the requesting service was done by researching their websites to match their offerings with the requested services of the performance work statement. Only one large business on the list could match at least 75% of the requested services needed to fulfill this requirement.

7. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:** The anticipated cost was estimated using the costs of the prior contracts that have been in place. The pricing submitted in the IGCE takes into consideration an expected minimum increase per option year over the life of the contract.

The costs have been deemed fair and reasonable by the CO, as no other pricing could be found that would be comparable to the services offered.

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

A recommended source list was submitted by the requesting service, as well as a verbal discussion with their "representing technical experts" for this requirement. Past history of this requirement indicates several short-term contracts, dating from 1/11/2012 – 1/30/2017, that have been awarded as sole source 12 month purchase orders to a large business.

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The VetBiz database search resulted in an unmanageable number of possible vendors. Due to the Kingdomware requirement, the large amount of returned search matches for the historical NAICS code (541618), a possible alternative NAICS code (611710), and keywords, a Request for Information (RFI) will be published to FBO to narrow down proven viable sources for this requirement. Several different searches were completed on the VetBiz database using two different NAICS codes and keyword descriptions:

Historical NAICS 541618: This NAICS code resulted in 2276 matches.

Alternative NAICS 611710: This NAICS code resulted in 615 matches.

Keyword Medical Advisory: This search resulted in 1461 matches

Keyword Medical Support website: This search resulted in 4535 results.

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9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** This requirement was initially submitted by the requesting service as a sole source. Since this requirement has been awarded annually as 12 month sole source POs since 2012, it was deemed by the CO to complete current market research to ensure no other companies have entered the workforce that can provide the services of the requirement.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** The Advisory Board Company, 2445 M Street NW, Washington, DC, was the only company to submit written interest in performing the scope of the requirements. This letter was sent to the requesting service during their market research efforts.
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:** N/A.
12. **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.

Pamela Phillips
Contracting Officer
VISN 23, Black Hills Healthcare System

01/30/2018

Date

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- 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.

Jonathan Allen
NCO 23 Facility Branch Chief
Black Hills Healthcare System

Date