

DEPARTMENT OF VETERANS AFFAIRS (VA)

Sole Source Justification For Soliciting From a Single Source (>\$150K)

Acquisition Plan Action ID: [REDACTED]

- Contracting Activity:** Department of Veterans Affairs (VA)
Network Contracting Office 16 (NCO 16)
2002 Holcombe Boulevard
Houston, TX 77030
No 2237, this requirement is paid through 1358

- Nature and/or Description of the Action Being Processed:**

Central Arkansas Veterans Healthcare System (CAVHS) located at 2200 Fort Roots Drive, North Little Rock, AR 72114 requires long-term Nursing Home Services in the Little Rock, AR 72205 catchment area. This proposed single award Indefinite Delivery, Indefinite Quantity (IDIQ) contract will be for Nursing Home Services through a sole source acquisition to White River Healthcare, LLC in accordance with Federal Acquisition Regulation (FAR) 13.106-1(b)(2) and FAR 13.5.

This procurement is for Nursing Home Services in accordance with FAR 13.5 Simplified Procedures for Certain Commercial Items and specifically FAR 13.501 Special Documentation Requirements, where acquisitions conducted under Simplified Acquisition Procedures are exempt from the requirements of FAR Part 6, but still require a justification using the format of FAR 6.303-2.

- Description of Supplies/Services Required to Meet the Agency's Needs:**

Nursing Home Services are required to be provided twenty-four (24) hours per day and seven (7) days per week. The period of performance for the IDIQ contract will be a five (5) year term from May 1, 2018 through April 30, 2023. This proposed IDIQ has an estimated total order value of \$352,000.00 with a minimum guarantee quantity of one (1) Veteran and maximum quantity of twenty (20) Veterans. Without the contracted services, eligible Veterans will not receive the specific Nursing Home Services needed.

- Statutory Authority Permitting Other than Full and Open Competition:**

The statutory 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).

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

The CAVHS CNH team visited two (2) CNH facilities within the catchment area as a part of the mandatory initial inspection requirements. The first facility was not recommended for use as they failed to meet certain VA standards, resulting in performance concerns. White River Healthcare was inspected and found to meet the VA exclusion review quality of care standards to provide treatment to CAVHS veterans. In accordance with FAR 13.106-1(b)(2) and FAR 13.5, this requirement for Nursing Homes Services will be restricting competition to White River Healthcare, LLC as they are

the only CNH facility within the CAVHS catchment area with 1) passing inspection ratings and 2) meets the VA quality of care standards for our veterans.

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

A sources sought notice was posted to Federal Business Opportunities (FBO) on February 1, 2018 to determine available CNH facilities in the CAVHS catchment area who were potentially interested in this requirement. Only one (1) contractor, White River Healthcare, LLC, responded to the notice. As intent to sole source has been posted to FBO to publish/synopsisize this requirement as soliciting from a single source.

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 13.106-3. Pricing will be evaluated to be fair and reasonable based on a comparison to the Independent Government Cost Estimate (IGCE) and established Medicaid rates by the state of Arkansas for nursing home facilities and established VA nursing home rates. The Government estimate was prepared based on 1) established Medicaid rates for various levels of care and 2) VA nursing home expenditures at CNHs in the local vicinity, and 3) established rates based on VA national guidelines for determining cost for VA nursing home contracts.

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

A search on Vetbiz.gov was conducted on February 7, 2018 using NAICS code 623110 with the keyword "Community Nursing Home" (CNH). The search (with Arkansas as a qualifier) resulted in no SDVOSBs nor VOSBs using the applicable search criteria identified above. Another inquiry was made with the same search criteria (without Arkansas as a qualifier), which resulted in twenty-two (22) verified SDVOSBs and VOSBs, however, none of the twenty-two (22) identified are located within the Central Arkansas Veterans Healthcare Services (CAVHS) catchment area as required.

Furthermore, the program office conducted market research previously and found there were two (2) CNHs within the CAVHS catchment area who had interest in this requirement. CNHs are required to pass a VA initial inspection to be considered for award. Normally, only one (1) facility is needed in a particular area of the state to accommodate the veteran population within that area. Once a facility is willing to do so, the VA will send an inspection team consisting of a social worker, registered nurse, registered dietician, contract specialist, and a safety representative to conduct the inspection. Based on the team's inspection of both facilities, only White River Healthcare was considered to meet safety and performance needs, and was subsequently recommended for use.

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

None.

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

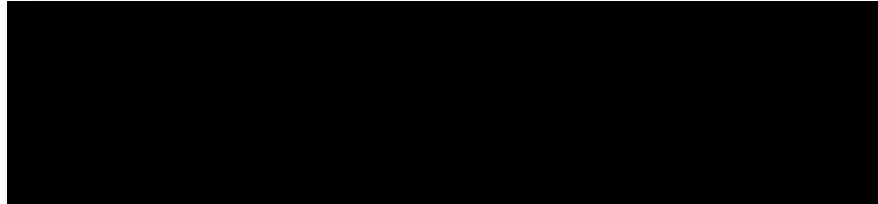
White River Healthcare, LLC
1569 AR Highway 56
Calico Rock, AR 72519

10. 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 Government will continue to conduct market research to ascertain if there are changes in the market place that would enable future actions to be competed.

11. Requirements Certification:

I certify that the requirement outlined in this justification is a Bona Fide Need of the VA and that the supporting data under my cognizance, which are included in the Justification is accurate and complete to the best of my knowledge and belief.



12. Approvals in accordance with the FAR 13.106-1(b)(2) and FAR 13.5:

- 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.

