

reDEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA259-17-AP-10233, Community Nursing Home Castle Rock, CO

1. **Contracting Activity:** Department of Veterans Affairs, Network Contracting Office 19 (NCO19) in support of the VA Eastern Colorado Healthcare Center (DENVER).
2. **Nature and/or Description of the Action Being Processed:** This procurement is the establishment of a sole source Firm-fixed price Indefinite-quantity contract (IDC) for Community Nursing Home (CNH) Services to Castle Rock Senior Living, LLC. (DBA: Castle Rock Care Center) in the city of Castle Rock, Colorado. The current Purchase Order (PO) expires on February 28, 2018. The IDC will be written for five (5) five years with a base and four option years.

FAR13.5 Simplified Procedures for Certain Commercial Items: This procurement is for a CNH in Denver, Colorado 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.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** This procurement is for a Community Nursing Home in Castle Rock, Colorado. The CNH must meet the program requirements stated in VA Handbook 1143.2. All potential CNH's must pass an initial inspection conducted by the Medical Center and comply with the requirements of VA Handbook 1143.2. Additionally, the CNH must be certified under Centers for Medicare and Medicaid Services (CMS) and licensed by the State of Colorado. The Performance Period for this IDC will be 5 years from date of award. We anticipate awarding the IDC prior to February 28, 2018. The estimate performance period will be from March 1, 2018 to February 28, 2023. The estimated total dollar limitation for the IDC is \$1,837,592.50.
4. **Statutory Authority Permitting Other than Full and Open Competition:** 41 USC §3304(a)(1), as implemented by FAR 6.302-1 (a)(2).

(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;

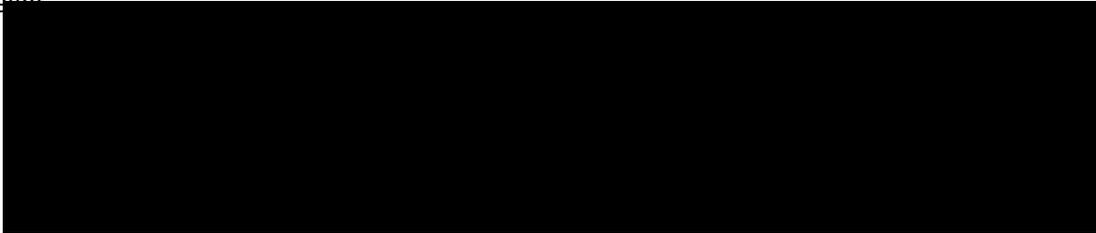
FAR13.5 Simplified Procedures for Certain Commercial Items: The authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. 1901 and is implemented by restricting competition on this procurement via FAR 13.106-1(b)(2).

5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):** Castle Rock Senior Living, LLC. (DBA: Castle Rock Care Center) currently has 1 Veterans being treated at their nursing home facility under an existing PO. The community nursing home facility meets VA exclusion review quality of care standards to provide treatment to Veterans. The community nursing home has had a contract with the VA since 2012. They have consistently provided care to our Veterans. The VA patients at this facility cannot be move without causing undue medical hardship. An attempt to move the patients would cause a disruption in treatment plans and stress on family members if relocated to a different facility. In accordance with FAR 6.302-1 this requirement for Community Nursing Homes Services will be sole sourced to Castle Rock Senior Living, LLC. (DBA: Castle Rock Care Center). They are meeting the needs of the VA Medical Center and Veterans in the area.
6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** A sources sought was posted on Federal Business Opportunities (FBO) on November 21, 2017 and closed on November 27, 2017. No potential offerors responded to the sources sought. The Small Business Administration website and the VA's Vendor Information Pages (VetBiz) were used to determine if potential offeror exists to determine additional competition. However, both sites failed to produce any results for Castle Rock, Colorado.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The Medicaid rates are used as the basis for pricing for CNH contracts. The Medicaid rates are established by each state. The VA Geriatrics and Extended Care Office publish the maximum add-on percentages that can be negotiated for each Medicaid category or Resource Utilization Group (RUG). The IDC CLIN structure will reflect the RUGS IV levels of care (VA Base Rate) plus an add-on percentage that makes up the per-diem rate for each level of care. The Contracting Officer will determine that prices are fair and reasonable for each level of care, when it negotiates both the VA Base rate and an add-on percentage for each level of care. Prices are determined to be fair and reasonable based on a negotiated mark-up percentage that does not exceed the maximum allowable percentage established by VA. The add-on percentages do not change through the life of the contract. These maximum add-on percentages can be found in the Veterans Health Administration Procurement Manual Community Nursing SOP (Attachment 17)
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** As described in Section 6 above, market research, in accordance with FAR Part 10, was conducted by synopsis of the proposed acquisition, advising industry of the pending acquisition and soliciting inquiries from interested parties. Sources sought was posted on Federal Business Opportunities (FBO) on November 21, 2017 and closed on November 27, 2017. No potential offerors responded to the sources sought. The Small Business Administration website and the VA's Vendor Information Pages (VetBiz) were used to determine if competition exists. However, both sites failed to produce any results for Castle Rock, Colorado. A search of the Medicare Nursing Home Compare website (<https://www.medicare.gov/nursinghomecompare/search.html>) resulted in 2 CNH within the city of Castle Rock.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** There are currently 1 patient in the Castle Rock Senior Living, LLC. (DBA: Castle Rock Care Center) home which cannot be relocated or moved because of continuity of care and, medical complexity. Also, this CNH facilitates a location near the families of these Veterans.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition: No nursing home has expressed interest in this Acquisition.

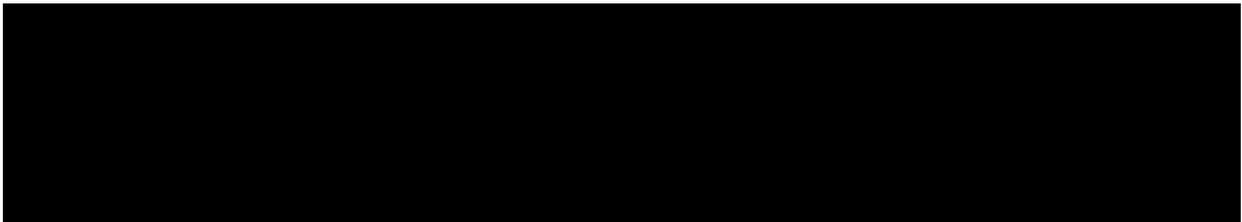
11. A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required: There is currently only one (1) facility capable of providing the specialty care and medical needs of the existing patients. The contracting office will continue to canvas the market for new CNH entrants capable of meeting program requirements.

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.



13. Approvals in accordance with the VHAPM, Volume 6, Chapter VI: 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.



b. **Director of Contracting/Designee (Required over \$150K but not exceeding \$700K):** I certify the justification meets requirements for other than full and open competition.



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.

