

DEPARTMENT OF VETERANS AFFAIRS

**Justification and Approval (J&A)
For
Other Than Full and Open Competition (>SAT)**

**Acquisition Plan Action ID: 36C260-19-AP-4912; Boise VA Medical Center
36C260-19-AP-4919; VA Portland Health Care System
36C260-19-AP-4918; VA Puget Sound Health Care System
36C260-19-AP-4914; Spokane VA Medical Center
36C260-19-AP-4913; Walla Walla VA Medical Center**

1. Contracting Activity:

Department of Veterans Affairs, RPO-W, NCO 20, 1495 Wilmington Dr, Ste. 360, Dupont WA

Department of Veterans Affairs, VISN 20, Boise VA Medical Center;

531-19-4-8880-0028, \$1,285,000.00

Department of Veterans Affairs, VISN 20, VA Portland Health Care System;

648-19-4-8880-0025, \$1,214,000.00

Department of Veterans Affairs, VISN 20, VA Puget Sound Health Care System;

663-19-4-8880-0007, \$1,593,000.00

Department of Veterans Affairs, VISN 20, Spokane VA Medical Center;

668-19-4-8880-0027, \$701,100.00

Department of Veterans Affairs, VISN 20, Walla Walla VA Medical Center;

687-19-4-8880-0023, \$531,100.00

Aggregate Total: \$5,324,200.00 + \$5,324,200.00 option = \$10,648,400.00

- 2. Nature and/or Description of the Action Being Processed:** The acquisition package for the new home oxygen contract was received by Network Contracting Office 20 (NCO20) on 6-24-2019. The current home oxygen contract(s), VA260-13-D-0103 and VA260-13-D-0104, which support the above listed location, are expiring on 9-29-2019. It is expected that it will take 4 to 5 months to properly recomplete the VISN 20 Home Oxygen requirement. If the acquisition plan is approved by 11/01/2019, the solicitation would be anticipated to be posted by 12-1-2019; with the earliest possible closing date of 1-15-2020. The estimated award date of the new home oxygen contract would be expected no earlier than 2-15-2019. This would leave the Department of Veterans Affairs for the Pacific Northwest without home oxygen services during that time period. Any gap in service would result in serious injury or death for approximately 6,500 Veterans under the VISN 20's care.

As such, this contract is considered necessary to continue patient care while a new home oxygen contract solicitation/award is being processed. This justification is to approve the continued contracted services for home oxygen, for a 6 month period, on a sole source basis, with the incumbent, under an indefinite delivery indefinite quantity contract (IDIQ) that is firm-fixed-price with estimated quantities.

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

The incumbent contractor, Norco Inc., will be required to furnish, install, service all oxygen equipment as necessary for patients on home oxygen therapy. This equipment includes oxygen concentrators, liquid oxygen systems, home oxygen fill systems, portable oxygen concentrators, oxygen cylinders, ventilators, and related components.

Estimated value for these services is \$5,324,200.00 for the 6-month period. Due to the high probability of a protest, FAR Clause 52.217-8, Option to Extend Services will be included in this contract. The aggregate total of this, up-to-six-months, option is \$5,324,200.00. The grand total of \$10,648,400.00 is inclusive of all options for this award.

If a new contractor is selected a transition period will be required. This is due to the need for overlapping services between incoming and outgoing contractors. This is traditional and expected in the industry. Having a sufficient period for overlapping services will provide for improved opportunities for competition. The transition of services to a new contractor could take as long as 3 months. Due to the transition of services, FAR Clause 52.237-3, Continuity of Services, will be included in this contract which otherwise would not be available.

The estimated value for the following effected stations are as follows:

STATION:	AMOUNT:
Boise VA Medical Center – 531	\$ 1,285,000.00
VA Portland Health Care System – 648	\$ 1,214,000.00
VA Puget Sound Health Care System – 663	\$ 1,593,000.00
Spokane VA Medical Center – 668	\$ 701,100.00
Walla Walla VA Medical Center – 687	\$ 531,100.00
TOTAL:	\$ 5,324,200.00
Option to extend services (FAR 52.217-8)	\$ 5,324,200.00 (all stations combined)
Aggregated Total	\$ 10,648,400.00

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): Due to the highly specialized nature and continual need of home oxygen for patient care in the Veterans' home, the contract is

required to assure that there is no interruption of services. Failure to provide continuation of these services would be extremely detrimental to the health and safety of over 6,500 veterans.

Accordingly, Norco Inc., the incumbent, is the only firm capable of providing the supplies and services described in Section III above without interruption to the Veteran's Health Administration or putting the Veteran lives at risk.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** Regarding this contract for home oxygen, the CO will synopsise the proposed contract action in accordance with FAR 5.201 for no less than 5 business days prior to award. This approved J&A will be published to the Government Point of Entry within 15 days of award of the contract and remain posted for no less than 30 days in accordance with FAR 6.305. A Sources Sought RFI was posted to the FBO website by NCO 20 for the new VISN wide contract for home oxygen from July 11, 2019 through July 18, 2019. and it was found there are multiple vendors that can potentially provide these services for the new contract.
7. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:** The contracting officer can determine the price fair and reasonable based on prior historical pricing which was derived from competition.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Market research for this specific action was not conducted to allow for the new contract. A Sources Sought RFI was conducted for the new VISN wide contract for home oxygen and it was found to have multiple vendors that can potentially provide these services. These vendors included 3 SDVOSB concerns, 1 small business concern, and 3 large businesses. Additionally, the Veteran Information Pages were searched using the NAICS 532283 and the keyword "Oxygen" as search criteria. This search resulted in 2 firms; Commonwealth Home health Care, Inc., a VOSB; and Warrior Service Company LLC, a SDVOSB that also responded to the Sources Sought RFI. All 3 SDVOSB concerns that responded to the Sources Sought RFI were verified in the Veteran Information Pages.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:**
No additional facts.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:**
A Sources Sought RFI was conducted for the new VISN wide contract for home oxygen and it was found to have multiple vendors that expressed, in writing, an interest in the acquisition.
 1. Panakeia, LLC of Newport News, VA
 2. SolVet Services, LLC of Lafayette, LA
 3. Warrior Service Company LLC of Valley Stream, NY
 4. B&B Medical Services, Inc. of Oklahoma City, OK
 5. Lincare, Inc. of Clearwater, FL
 6. Norco, Inc. of Boise, ID
 7. Rotech Healthcare Inc. of Orlando, FL

- 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:** A new VISN wide home oxygen contract has been requested and is currently being worked on. NCO 20 has received the complete package from the customer for moving forward with the new home oxygen contract. This contract will prevent interruption of home oxygen services to our Veterans which would be an undue stress and cause life threatening conditions. There are no barriers to competition. The current contract was solicited and awarded in 2013. NCO 20 is planning to solicit and award in the first and second quarter of FY 2020.
- 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.

Robert Pavolka
VISN 20 Prosthetic Manager

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.

Jonathan D. Jewel
Chief, Prosthetics Branch
Network Contracting Office 20
RPO West Log # 2019-08-30T08:13:54

Date

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

S. Dale Allen
Director of Contracting
Network Contracting Office 20 (NCO 20)

Date

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

- c. **VHA RPO 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.

_____	_____
Curtis M. Jordan	Date
Executive Director, Regional Procurement Office West	
Head of Contracting Activity (HCA)	