

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval For Other Than Full and Open Competition

1. Contracting Activity:

Department of Veterans Affairs, Office of Acquisition Operations Strategic Acquisition Center, 10300 Spotsylvania Avenue, Suite 400, Fredericksburg, VA 22408.

2. Description of the Action:

The Strategic Acquisition Center, on behalf of Veterans Health Administration (VHA) requests a sole source procurement of Healthcare Accreditation Services. This effort is proposed to be awarded to The Joint Commission, 1 Renaissance Blvd, Villa Park, IL 60181-4294. This requirement is proposed as a single award Firm Fixed Price Requirements Contract for one base year and four one-year option periods. This is a follow-on contract to the existing Firm Fixed contract with The Joint Commission (VA119-14-C-0004). The estimated ceiling for this contract action is \$33,115,858.14

3. Description of Supplies or Services:

The Department of Veterans Affairs (VA) facilities have been accredited for over 35 years. The healthcare accreditation process is a complex system of related and dependent activities. It includes pre-survey/review activities (e.g., education on accreditation process, application); survey/review activities (e.g., on-site survey/reviews, survey/review notification to VHA's Contracting Officer Representative).

The Contractor provides all personnel, equipment, supplies, facilities, transportation, tools, materials, supervision, and other items and non-personal services necessary to perform Accreditation of Healthcare Services as defined in this Performance Work Statement. The Contractor shall be recognized by the Centers for Medicare and Medicaid Services (CMS) and the Accreditation Council for Graduate Medical Education (ACGME) and are approved as an Opioid Treatment Program accrediting body by the Substance Abuse and Mental Healthcare Services Administration (SAMHSA).

The objective of this contract is to supply accreditation services for VHA healthcare facilities. Maintaining healthcare accreditation is consistent with one of VA strategies to "continuously improve the quality and safety of health care for veterans." Healthcare accreditation confers recognition that health care organizations meet certain standards of quality and safety, it also confers deemed compliance with healthcare quality standards of payors, both public (e.g., Medicare) and private. VHA has an active residency program, and the ACGME requires that health care organizations sponsoring or participating in GME programs be accredited by the Joint Commission or by another recognized body with reasonable equivalent standards. For VHA, procedural requirements for residency programs, per VHA Handbook 1400.01 (Resident Supervision) indicate "VHA must comply with the institutional requirements and accreditation standards of the Joint Commission and other health care accreditation bodies."

This requirement covers healthcare accreditation for all VHA Medical Facilities, Ambulatory Care Facilities, Consolidated Mail Outpatient Pharmacies (CMOPs), Laboratories, and Opioid Treatment Programs (OTPs). Programs that fall under this requirement include accreditation of: Hospital, Ambulatory, Behavioral Health, Home Care, Laboratory, and other specialties, special programs, or areas of emphasis unique to VHA.

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

The statutory authority permitting other than full and open competition is 41 USC §3304(a)(1), as implemented by FAR 6.302-1 entitled, "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements."

- (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 Rational Supporting Use of Authority Cited Above:

Per VHA policy VHA 1100.16, health care facilities providing care to our nation's Veterans maintain ongoing compliance with regulatory standards that demonstrate the provision of safe advanced standard quality-oriented health care delivery. Healthcare accreditation provided by an external accrediting body not only confers recognition that health care organizations meet certain standards of quality and safety but also confers deemed compliance with the health care quality standards of payors, both public and private. Healthcare accreditation is required for all VHA Medical Facilities, Ambulatory Care Facilities, Consolidated Mail Outpatient Pharmacies (CMOPs), Laboratories, and Opioid Treatment Programs (OTPs).

To fulfill the services outlines in the contact, the healthcare accreditation vendor is required to:

1. Provide services to all applicable VHA facilities and programs: approximately 140 Medical Facilities, 19 Ambulatory Care Facilities, 14 Laboratories, 7 Consolidated Mail Outpatient Pharmacies, and 9 Opioid Treatment Programs (NOTE: Current volume provided and slight fluctuation may occur)
2. Provide healthcare accreditation in all of the following programs: Hospital, Ambulatory, Behavioral Health, Home Care, and Laboratory
3. Be recognized as an approved accrediting body by all of the following: the Centers for Medicare and Medicaid Services (CMS), Accreditation Council for Graduate Medical Education (ACGME), and Substance Abuse and Mental Healthcare Services and Administration (SAMHSA) for Opioid Treatment Programs (OTP).

After extensive market research, it was found that The Joint Commission is the only known entity that can meet VHA's requirements to obtain and maintain safety and quality healthcare standards. During our Market research, only two vendors in the marketplace provide comparable healthcare accreditation services as detailed in the market research section, however neither provided the services to meet all criteria required in the contract (listed above). Specifically, alternative vendors 1) did not provide accreditation of all programs required to evaluate the VHA enterprise (Hospital, Ambulatory, Behavioral Health, Home Care, Laboratory, CMOPs, OTP), and 2) were not recognized by CMS, ACGME, and/or SAMSHA. The Joint Commission is the only known vendor that provides healthcare accreditation meeting all criteria as required in this contract for VHA.

6. Efforts to obtain Competition:

Market research was conducted as described in Section 8 of this document. Two vendors were found; Accreditation Commission for Healthcare (ACHC) and DNV GL Healthcare. In both instances, website review of services provided did not include all criteria required in the contract. Specifically, alternative vendors 1) did not provide accreditation of all programs required to evaluate the VHA enterprise (Hospital, Ambulatory, Behavioral Health, Home Care, Laboratory, CMOPs, OTP), and 2) were not recognized by CMS, ACGME, and/or SAMSHA. An Intent to Sole Source notice was published to further identify potential alternate sources, but no replies were received.

An Intent to Sole Source Notice was published on FedBizOpps on July 16, 2019 with responses due by August 5, 2019; no responses were received. Based upon market research conducted, this requirement is recommended for a sole-source procurement action

7. Fair and Reasonable Determination:

In accordance with FAR 15.404-1(b) (2) (v), the Contracting Officer is responsible for using whatever price analysis techniques that will ensure a fair and reasonable price. The Contracting Officer has utilized comparison of the historical prices and proposed price with the independent government cost estimate.

8. Market Research:

Market research included internet searches to identify all appropriate clinical criteria available in the marketplace. Market Research was conducted on July 23, 2019 by the Program Office. Through extensive market research it has been determined that there are at least two or more small business interests capable of performing accreditation surveying services, but in both instances, the services provided do not meet all criteria required by VHA.

9. Other Facts:

The complexity in transition with awarding to another accreditation vendor is related to implementing new vendor-specific accreditation standards and requirements as well as accreditation processes. Current accreditation standards and requirements applied within VHA, ensuring the highest standard of care is being delivered, are proprietary of The Joint Commission. Contract award to an alternative vendor will result in the immediate loss of all The Joint Commission accreditation accessories and support, resulting in lack of needed resources to maintain previous practice standards and quality patient care.

The transition will result in a lapse in accreditation status, as currently The Joint Commission healthcare accreditation would expire at the end of each organization's survey cycle. The anticipated lapse in accreditation status as well as the transition needed to alter VHA practice, including changes in organizational policy to prescribe VHA expectation to accommodate new accreditation standards, presents a vulnerability for enterprise-wide decreased quality of care; treatment, and services, directly impacting patient outcomes and organizational performance.

Additionally, for VHA, procedural requirements for residency programs, per VHA Handbook 1400.01 (*Resident Supervision*) indicate "VHA must comply with the institutional requirements an accreditation standard of the Joint Commission and other health care accreditation bodies." During a lapse in accreditation status, VHA organizations will not be able to participate with ACGME residency programs, which requires healthcare accreditation for participation. As VHA currently has nearly 44,000 physician residents working each year in clinical activities, the inability to participate in graduate programs will dramatically reduce the number of trainees providing care, potentially

permanently, with the high likelihood of negative impact both the quality of care and access to care for Veterans, in all VHA organizations.

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

On July 16, 2019 an Intent to Sole Source RFI was publicized to gauge market availability of capable and responsible vendors that can successfully satisfy this requirement, no responses were received by the deadline of the RFI.

11. Actions to Overcome Barriers to Competition:

The Joint Commission has accredited VHA facilities and program for 35+ years, consistently meeting all VHA required elements for healthcare accreditation. At present, no market changes have occurred to result in competition that meets all elements required by VHA. As The Joint Commission accreditation confer VHA's programs and facilities provide care that meets national safety and quality standards, we will maintain our present strategy and monitor changes in policy and/or regulatory guidelines for any changes that will allow for an alternative in obtaining and maintaining healthcare accreditation.

12. Certification:

Technical and 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.

Kate Gagliardi 151190 Digitally signed by Kate Gagliardi
151190
Date: 2019.10.11 09:42:59 -04'00'

Kate Gagliardi
Director, External Accreditation Services and Programs
Office of Quality, Safety, and Value (VACO)

Date

Procuring Contracting Officer Certification: In accordance with FAR Subpart 6.303-2(b) (12), I hereby certify that this justification is accurate and complete to the best of my knowledge and belief.

TWILLIE L CURRY 698373 Digitally signed by TWILLIE L CURRY 698373
Date: 2019.10.11 09:58:05 -04'00'

TWILLIE L. CURRY III
Contracting Officer, Acquisition Services Division 5A
Office of Procurement Acquisitions and Logistics (OPAL)
Strategic Acquisition Center (SAC)
U.S. Department of Veterans Affairs

Date

Procuring Contracting Officer Determination: In accordance with FAR Subpart 6.303-2 (b)(7), I hereby determine that the anticipated cost to the Government will be fair and reasonable

TWILLIE L CURRY 698373

Digitally signed by TWILLIE L CURRY

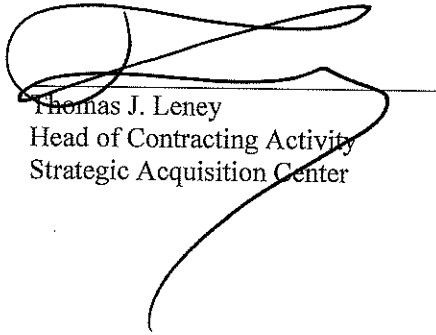
Date: 2019.10.11 09:58:50 -04'00'

Date

TWILLIE L. CURRY III
Contracting Officer, Acquisition Services Division 5A
Office of Procurement Acquisitions and Logistics (OPAL)
Strategic Acquisition Center (SAC)
U.S. Department of Veterans Affairs

Approval

In my role as Executive Director, Office of Acquisition Operations, Agency Competition Advocate, based on the foregoing justification, I hereby approve the acquisition of Hospital Accreditation Services, on another than full and open competition basis pursuant to the statutory authority cited in paragraph 4 above, subject to availability of funds, and provided that the property and services herein described have otherwise been authorized for acquisition.


Thomas J. Leney
Head of Contracting Activity
Strategic Acquisition Center

10/17/19
Date