

DEPARTMENT OF VETERANS AFFAIRS

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

**Acquisition Plan Action ID: 36C259-19-AP-4898. Volunteers of America Care Facilities dba: Laurel Manor Care Center, INC. Community Nursing Home, VA Eastern Colorado Health Care System (ECHS), Denver, CO**

1. **Contracting Activity:** Department of Veterans Affairs, Network Contracting Office 19 (NCO19), 6162 South Willow Drive, Greenwood Village, CO 80111. This action is in support of the VA Eastern Colorado Health Care System (ECHS) in Denver, CO.
2. **Nature and/or Description of the Action Being Processed:** This procurement is for the establishment of a sole source Firm-Fixed Price Indefinite Delivery Contract (IDC) for Community Nursing Home (CNH) Services for Volunteers of America Care Facilities dba: Laurel Manor Care Center, Inc located in the city of Colorado Springs, CO. The current contract VA259-14-A-0157 expires December 31, 2019. The IDC will be written for a two (2) year period.

**FAR13.5 Simplified Procedures for Certain Commercial Items:** This procurement is for a Community Nursing Home in Colorado Springs, CO 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 sole source contract for a Community Nursing Home in Colorado Springs, 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 VA Medical Center and comply with the requirements of the 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. We anticipate awarding the IDC prior to 31 December 2019. The IDC will be written for a two (2) year period. The estimated performance period will be from 1 January 2020 to 31 December 2020. The estimated value for this IDC is [REDACTED].
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 for 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):** Currently there are 28 Veterans being housed/treated at the Laurel Manor Care Center under an existing five-year BOA. The community nursing home facility meets VA Exclusionary Review quality of care standards to provide treatment to Veterans. The community nursing home has had a contract with the VA since 2014. They have consistently provided care to our Veterans. The VA patients at this facility cannot be moved without causing undue medical hardship. An attempt to move the patients would cause a disruption in treatment plans and stress on the patient and family members. In accordance with FAR 6.302-1, this requirement for Community Nursing Home Services will be sole sourced to Volunteers of America Care Facilities DBA: Laurel Manor Care Center. They are currently meeting the needs of the VA Medical Center and Veterans in the area. Accordingly, Volunteers of America Care Facilities DBA: Laurel Manor Care Center is the only firm capable of providing the services described in Section III above without the Veteran's Health Administration experiencing unacceptable delays in fulfilling its requirements.
  
6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** The CNH program coordinator has not identified any new CNHs to be considered for the Colorado Springs, CO area. A search of the Medicare Nursing Home Compare website <https://www.medicare.gov/nursinghomecompare/search.html> resulted in 24 community nursing homes within the zip code of 80910, where the current CNH is located. However, 21 out of the 24 CNH's in Colorado Springs, CO have not had inspections required by the VA to be determined as a possible home to place Veterans in. The other three homes currently have contracts with the VA. The Small Business Administration and the VA's Vendor Information Page (VetBiz) websites were used to determine if potential future offerors existed to determine additional competition. VetBiz failed to produce any results for the Colorado Springs, CO area. The SBA website found two potential sources that if VA required inspections were conducted, could be potential sources for future procurements. The incumbent is owned by a large business and did not appear on VetBiz or the SBA results list. The J&A will be posted on FBO.
  
7. **Determination by the CO 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 proposed for each Medicaid category or Resource Utilization Group (RUG). The IDC CLIN structure will reflect the RUGS IV levels of care. 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 Home SOP (Attachment 17). Since pricing will be based entirely on State-established Medicaid rates, the published VA Geriatrics & Extended Care Office maximum add-on percentages, and the RUG Classification per-diems for levels of care, the Contracting Officer determines that the anticipated cost to the Government will be fair and reasonable.

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. The Small Business Administration website and the VA's Vendor Information Pages (VetBiz) were used to determine if competition exists. However, only SBA provided two potential sources for future consideration pending required VA inspections and need. A search of the Medicare Nursing Home Compare website (<https://www.medicare.gov/nursinghomecompare/search.html>) resulted in 24 CNH within the city of Colorado Springs, CO. A sources sought (36C25920Q0029) was posted on FedBizOpps on 17 October 2019 and closed on 1 November 2019. There were five responses to the sources sought. Two of the responses were for staffing services, such as for nurses and doctors, and therefore, did not apply to this acquisition. The other three responses were from a company who currently holds at least two contracts with the VA. They responded with three of their CNH's, two of which are within the same county as Laurel Manor. These CNH's have not been vetted through the CNH inspection process to date but could be potential sources in the future.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** There are currently 28 Veterans placed in Volunteers of America Care Facilities DBA: Laurel Manor Care Center that cannot be relocated due to continuity of care and medical complexity. Also, the CNH facilitates a location near the families of these Veterans.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** Three new Community Nursing Homes expressed interest in the acquisition for this area. However, these three CNHs have not been vetted through the inspection process to be viable sources at this time. Volunteers of America Care Facilities DBA: Laurel Manor Care Center is the incumbent and currently providing care to 28 Veterans and will be awarded the sole source IDC contract for 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 facility capable of providing the specialty care and medical needs of the existing patients and that is the incumbent Volunteers of America Care Facilities DBA: Laurel Manor Care Center. The contracting office will continue to canvas the market for new CNH entrants capable of meeting future program requirements. If any interested CNHs are identified, the steps for an initial review of the contract nursing homes per VHA Handbook 1143.2 will be conducted. The contract process will move forward if a letter of recommendation to contract is received by NCO 19 from the CNH Coordinators initial review process is completed.
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.

[Redacted]

[Redacted]

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.

[Redacted]

17 Dec 2019

[Redacted]

- 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.

[Redacted]

Date

- 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.

[Redacted]

[Redacted]