

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: 36C261-20-AP-2219

Purchase Request/2237 Number: 612-20-2-2099-0031

1. **Contracting Activity:** Department of Veterans Affairs, Network Contracting Office (NCO) 21, VA Northern California Health Care System (VANCHCS)
2. **Nature and/or Description of the Action Being Processed:** VISN 21's VA Northern California Health Care System, is in need of Community Nursing Home (CNH) services in Yuba City, California to replace Purchase Order 36C26119P0198 at Hanalei Holdings LLC dba Bridgeview Post-Acute. The family of the one (1) Veteran who is currently located at the facility does not want to move their family member due to medical hardship on the patient, disruption in treatment plans, and disruption to family members in the local area.

In accordance with FAR 6.302-1, Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements, an open market sole source award will be made to Hanalei Holdings LLC dba Bridgeview Post-Acute, DUNS: 117023211. The type of contract will be an Indefinite Delivery Indefinite Quantity (IDIQ) contract consisting of two (2) one-year ordering periods.

FAR 13.5 Simplified Procedures for Certain Commercial Items: This procurement will be accomplished 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:** The proposed action is to award a Fixed-Price, Indefinite Delivery – Indefinite Quantity (IDIQ), with Economic Price Adjustment (EPA) where pricing is based on published Medicaid rates, with a nursing home facility capable of furnishing the total medical, nursing, and psychosocial needs of VA beneficiaries.
 - All nursing homes facility(s) must have current Center of Medicare and Medicaid Services (CMS) certification (Medicare and/or Medicaid) and a State nursing home license.
 - The VA requires CNHs to have bed capacity to ensure their ability to take referrals when requested. The CNH also must be able to accept VA referrals in a timely fashion (ideally within 24 hours of request).
 - Provider visits must be provided at the rate of one (1) visit per month. Laboratory, x-ray, and other special services will be available to VA patients as needed. In addition, the care provided will include room, meals, nursing care, and other services or supplies commensurate with the VA-authorized level of care, without extra charge.
 - The per diem rate(s) established in this IDIQ will include the cost of primary medical care, one (1) provider visit per month and needed consultation, drugs and routine supplies, laboratory, x-ray, and other special services authorized by VA, unless otherwise specifically excepted.

- Full attention shall be given to motivating and educating patients to achieve and maintain independence in the activities of daily living. Every effort shall be made to keep patients ambulatory and to achieve an optimal level of self-care.

The total estimated value of the proposed action is not to exceed (NTE) \$400,000.00 over the term of the IDIQ for two (2) one-year ordering periods and will allow for increased needs over the government's estimate.

Total Estimated Annual Cost for facility: \$ [REDACTED]

Total Estimated 2-Year Cost for facility: \$ [REDACTED]

4. **Statutory Authority Permitting Other than Full and Open Competition:** FAR 13.5 Simplified Procedures for Certain Commercial Items; the authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 USC §1901 and is as implemented by for restricting competition on this procurement via FAR 13.106-1(b)(2).

- ☒ (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):**

As prescribed in VHA Handbook 1143.2, for more than 35 years the CNH Program has maintained two cornerstones: some level of patient choice in choosing a nursing home close to the veteran's home and family, and a unique approach to local oversight of CNHs.

The quality of care for the veteran is accomplished through placement in a nursing home that is in close proximity to where the veteran and his/her family resides. Notably, in the VA's community nursing home program, the veteran's placement decision is made by VA, the veteran, and the veteran's family. The placement decision will be based on established VA contracts in the area. The geographic factor in these circumstances makes this requirement unique and, therefore, not subject to competition.

Hanalei Holdings LLC dba Bridgeview Post-Acute currently has one veteran supporting VISN 21 in their location. The nursing home meets VA exclusion review quality of care standards. The nursing home has had a contract with the VA for one (1) year or more and has consistently provided excellent care to our Veteran. It would cause medical hardship on the patient to move them, may disrupt treatment plans, and may be disruptive to family members if relocated to a different facility.

The current veteran requires continued care at the nursing home facility beyond the contract's expiration date and for an unknown period of time in the future. To avoid disruption to the patient, the VA must enter into a new contract with the current contractor.

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

- a. A query of VA's Veteran Information Pages using PSC "Q402," NAICS "623110" in California with Zip Code "95991" and "nursing home" as a keyword produced "0" Service-Disabled Veteran Owned Small Businesses (SDVOSBs) or Veteran Owned Small Businesses (VOSBs). A query on nursing home compare, made by the contracting specialist, confirmed there are a total of six nursing homes within a 25-mile radius from the center of the 95991-zip code, including Bridgeview Post-Acute.
- b. There is one fragile, elderly veteran currently residing within the existing nursing home. Relocating to another facility would negatively impact patient care and necessitates sole sourcing this procurement.
- c. In accordance with FAR 13.501(a)(1)(iii), this action will be synopsisized at award on Contracting Opportunities and the justification will be made publicly available.

7. **Determination by the CO 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(a)(2). Pricing will be evaluated to be fair and reasonable based on a comparison to the Independent Government Cost Estimate (IGCE), and established Medicare Resource Utilization Group (RUG) rates and or Medicaid rates. The Government estimate was prepared based on established Medicaid RUG rates for various levels of care and established VA nursing home 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:**

The contract specialist conducted market research using Medicare's website for nursing homes, reviewed available acquisition history and searched through the VA's Veteran Information Pages. Another form of market research conducted by the VA, is the on-going, periodic outreach with local potential vendors conducted by the Contracting Officer Representative. The query on nursing home compare, made by the contracting specialist, confirmed there are a total of six nursing homes within a 25-mile radius from the center of the 95991-zip code, including Bridgeview Post-Acute. The search of the Veteran Information Pages using PSC "Q402," NAICS "623110" in California with Zip Code "95991" and "nursing home" as a keyword produced "0" Service-Disabled Veteran Owned Small Businesses (SDVOSBs) or Veteran Owned Small Businesses (VOSBs).

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

VHA Handbook 1143.2 allows for a level of veteran choice in choosing a nursing home close to the veteran's home and family. The geographic factor in these circumstances makes this requirement unique and, therefore, not subject to competition. Since the Veteran is currently residing in the incumbent's facility, the VA does not intend on disrupting their care to place them at a different facility(s) as it would not be in the Veteran's best interest.

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

The current contractor, Hanalei Holdings LLC dba Bridgeview Post-Acute, is willing to continue to provide services for the veteran in place.

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:**

Based on the inherent nature of the service and in line with VA policy where the veteran and his/her family play a role in determining which nursing home facility will provide treatment for the veteran,

the opportunity to increase competition is limited. Notwithstanding the foregoing limitations, the Government intends to post an open and continuous Request for Proposal (RFP) in fiscal year 2020 to increase the number of community nursing home providers, so that when new beneficiaries are brought into the program, they will have more available choices thereby increasing competition. This RFP will further publicize the VA's need for nursing homes in certain geographic areas across the VISN. Through these efforts NCO 21 anticipates it will increase the number of eligible nursing homes for its geographic regions.

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.


-07/00

Cristina Ward
Supervisory Social Worker, Geriatrics and Extended Care
VA Northern California Health Care System

03/25/2020

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.


-07/00

Stephanie San Juan
Contracting Officer

03/25/2020

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.


-10/00

Mark Bultman
Division Chief

25 Mar 2020

Date