

## JUSTIFICATION FOR SOLE SOURCE

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 Action:

The proposed action is for award of a sole source five month firm fixed-price purchase order in the amount of \$614,655.00 for the continuation of accreditation services for VA Medical Facilities. The Joint Commission (TJC) is the only company that can maintain VA's accreditation while market research is conducted to determine if a competitive follow on award is possible. Pursuant to The Services Acquisition Reform Act of 2003 this requirement is defined as a commercial item. This requirement is being procured under FAR 13.5 Test Program for Certain Commercial Items utilizing simplified acquisition procedures for awarding sole source. In addition to using simplified acquisition procedures, the special documentation requirements of 13.501 (a) have been followed including preparing a sole source justification using the format at 6.303-2 and making the justification publically available required by 6.305(a) within 14 days after contract award.

3. Description of Supplies or Services:

The proposed action is to ensure VA continues the requirement to have its Hospitals, Community Living Centers (LTC), Home Based Primary Care (Home Care), Laboratories, Behavioral Health Care, Ambulatory Care, Opioid Treatment Programs (OTP), Patient Aligned Care Team (Patient Centered Medical Home), Rehabilitation, Partial Hospitalization and Consolidated Mail Outpatient Pharmacies (CMOP) undergo an accreditation process whereby a professional association or nongovernmental agency grants recognition to the health care institution for demonstrated ability to meet predetermined criteria for established standards. VA's policy (VA Handbook 1100.16) states that its medical facilities are to be accredited by TJC in order to ensure that certain standards of quality and safety are met. Hospital accreditation also mandates compliance with health care quality, pay or standards, both public (e.g., Medicare) and commercial. In addition, the American College of Graduate Medical Education (ACGME) requires that health care organizations sponsoring or participating in GME (residency) programs be accredited by TJC or another recognized body with reasonably equivalent standards.

The accreditation process is a complex system of related and interdependent activities. It includes pre-survey activities (e.g., application, self-assessment submission, the accreditation survey itself), post survey activities (e.g., communication of and response to survey findings), and ongoing activities (e.g., quality data submission). It involves unannounced accreditation surveys which occur, on average, every 3 years but may fall

at any time between 18 – 39 months from the last survey, with an additional 5 percent of all programs undergoing a random off-cycle survey. For-Cause Surveys can also be performed for “Quality Events,” which occur when complaints are received and attention is directed at specific concerns with care. As a result of varying timeframes for surveys, the possibility of random surveys, and the possibility of For-Cause Surveys, continual survey readiness is an absolute imperative.

In order to ensure proper and on-going accreditation services VA requires the following services:

- Dedicated Corporate Account Representative and backup – purpose is to ensure consistency and continuity throughout the accreditation process.
- Per TJC, The Department of Veterans Affairs uses standards that improve the quality of the care provided to the Veterans. TJC standards are the basis of an objective evaluation process that can help health care organizations measure, assess and improve performance. The standards focus on important patient, individual or resident care and organization functions that are essential to providing safe, high quality care. TJC’s standards set expectations for organization performance that are reasonable, achievable and surveyable. TJC uses self defined performance standards. Ref: [http://www.jointcommission.org/accreditation/accreditation\\_main.aspx](http://www.jointcommission.org/accreditation/accreditation_main.aspx)
- On-Site Surveys – purpose to assess standards compliance by conducting patient and system tracers.
- In order to achieve accreditation, VA medical facility and Ambulatory Health Care Systems require an accreditation provider to focus on:
  - National Patient Safety Goals.
  - Patient-Focused Functions, including Ethics; Rights and Responsibilities; Provision of Care, Treatment, and Services; Medication Management; Surveillance, Prevention, and Control of Infection.
  - Organization Functions, including Improving Organization Performance; Leadership; Management of the Environment of Care: Management of Human Resources; and Management of Information.
  - Structures with Functions, including Medical Staff and Nursing.
  - Performance Measurement (Process and Outcomes).

Accreditation 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 commercial.

This purchase order includes the below surveys:

HCO ID	HCO NAME	Due Month	Due Date	Gross Projected Fee	10% Discount	Net Projection
97570	(V8) (548) West Palm Beach, FL					
2319	(V15) (657) Poplar Bluff, MO					
198416	(V23) (636) Central Iowa, IA					
328001	(V22) (691) West Los Angeles, CA					
246194	(V8) (573) Gainesville, FL					
325644	(V23) (636) Nebraska-W Iowa, NE					
2553	(V19) (442) Cheyenne, WY					
4487	(V15) (589) Columbia, MO					
2532	(V15) (657) St. Louis, MO					
2914	(V8) (672) San Juan, PR					
2474	(V23) (438) Sioux Falls, SD					
6435	(V9) (581) Huntington, WV					
2315	(V9) (596) Lexington, KY					
336123	(V15) (589) Eastern KS HCS, KS					
66	(V21) (459) Honolulu, HI					
4506	(V08) (546) Miami, FL					

\*Costs for April through June surveys PO that were outstanding; includes 1 July survey

4. Statutory Authority:

Pursuant to The Services Acquisition Reform Act of 2003 this requirement is defined as a commercial item. This requirement is being procured under FAR 13.5 Test Program for Certain Commercial Items utilizing simplified acquisition procedures for awarding sole source. In addition to using simplified acquisition procedures, the special documentation requirements of 13.501 (a) have been followed including preparing a sole source justification using the format at 6.303-2 and making the justification publically available required by 6.305(a) within 14 days after contract award.

5. Contractor's unique qualifications or nature of acquisition that requires use of sole source:

TJC is currently providing accreditation services to the VA in all aspects of accreditation-related activities that are offered and conducted on a continuous basis. There are currently one hundred forty seven accredited VA facilities [One hundred twenty seven Hospitals, thirteen Ambulatory Centers, and seven CMOPS]. It is imperative that services and accreditation continue which can only be provided by TJC at this time. A sole source interim contract to TJC will ensure there will not be a break in accreditation support which would be detrimental to the VA medical facilities accreditation program.

Accreditation by TJC allows the ability to collect 3<sup>rd</sup> party reimbursements. 3<sup>rd</sup> party insurance carriers require the medical billing site to be accredited by TJC. There are hundreds of contracts this would be affected by the loss of this capability. Without the ability to collect 3<sup>rd</sup> party reimbursements VA stands to lose \$1M per facility unaccredited per month and \$1.847 Billion in the first year.

The ability for VA to train residents, fellows, students, and others in accordance with training certification bodies depends on the continued accreditation of healthcare facilities. Losing accreditation violates several training agreements with other organizations which results in a significant loss of workforce. The loss of workforce would ultimately effect and delay care to veterans. Specifically, pathology and laboratory medicine programs would be unable to process the millions of lab tests done by VHA.

TJC's survey process provides unique standards to review specialized areas of care and also addresses the organization as a whole, in that it is one organization with one leadership body, one set of governing policies, one medical staff, etc. TJC's survey process integrates many pieces into one organizational report, governed and managed by one organizational structure. VA's health organizational systems would lose value if not treated as a whole enterprise working together which would result in discrepancies and inconsistencies if not managed and surveyed together. TJC is the only organization capable to maintain such a standard.

VA relies heavily on contractor support to ensure the success of providing accreditation to VA medical facilities. Any delay in this support would leave "gaps" in accreditation, which would raise congressional interest on the quality of patient care that is being provided by a medical facility when it is not accredited.

Only TJC has the required background, knowledge, and experience that are critical to the successful completion of accreditation.

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

In accordance with FAR 5.201 the proposed action was synopsisized on Federal Business Opportunities April 09, 2013.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

The Contracting Officer anticipates that through comparison of the proposed price with prices found reasonable on previous purchases, current price lists, and the independent government estimate will determine the price fair and reasonable.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:

Market research was conducted in accordance with FAR Part 10 by both the end user and the contract specialist, and it was determined that a Sources Sought needed to be posted to FEDBIZOPPs. Sources Sought VA798S-13-R-0114 was posted to encourage vendors to provide VA with capability statements and for provide a transition plan if necessary. On April 09, 2013 a Sources Sought was posted with a closing date of April

19, 2013. The responses were insufficient to determine if another source would be capable to perform successfully.

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

If VA were to change accrediting bodies, it would have to account for an overlap of services, as VA is not permitted to be without accreditation at any time. The transition to another accreditor would have to be phased in while VA maintains accreditation through TJC. Each facility would have to undergo an initial, baseline survey with the new accrediting body, which would take an extended amount of time to accomplish for all one hundred forty seven facilities. VA would need to be paying for two contractors to provide accreditation services simultaneously through that transition period, which could possibly take three years (one accrediting cycle) to accomplish. The cost, for redundant services would be prohibitively high for VA. Change in accreditation cannot be accomplished abruptly or without significant cost. A thorough transition plan would have to be evaluated and managed for a successful transition to another accreditation service.

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

Distinctive Health Care has expressed interest in this requirement by responding to Sources Sought VA798S-13-R-0114. At this time it is unclear if the company would be capable of meeting the requirement in its entirety. Unrelated to the Sources Sought that was posted in FBO, Healthcare Facilitates Accreditation Program (HFAP) protested to GAO to a previous Notice Of Intent to sole source to TJC, because they felt their company could provide the services requested. HFAP as of this date has not provided the VA with a capabilities statement.

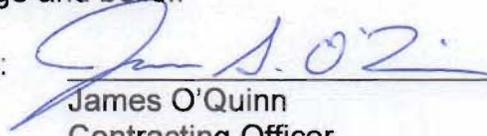
11. A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:

An Intent to Sole Source has been posted to the FBO website. Additionally, the J&A will be posted, post-award, to FBO for 30 days in accordance with FAR 6.305. The Government will continue to conduct market research to ascertain if there are changes in the market place that would enable future actions to be competed. VA will assess any capability statements received in response to Sources Sought VA798S-13-R-0114.

Contracting Officer's Certification: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Date: 31 May 13

Signature: \_\_\_\_\_



James O'Quinn  
Contracting Officer  
Strategic Acquisition Center