

JUSTIFICATION
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 Action:

The proposed action is for the award of a sole source firm fixed-price purchase order in the amount of \$609,903.00 for the continuation of accreditation services for VA Medical Facilities. The period of performance for this action is from the date of award through October 15, 2013. The Joint Commission (TJC)), 1 Renaissance Blvd, OakBrook Terrace, IL 60181-4294, is the only company that can maintain VA's accreditation while preparations for the competitive follow-on action are being considered. This action is in accordance with the Federal Acquisition Regulation (FAR) 13.106 (b)(2) – Contracting officers may solicit from one source if the contracting officer determines that the circumstances of the contract action deem only one source reasonably available (e.g., urgency, exclusive licensing agreements, brand-name or industrial mobilization).

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, "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.

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.

This purchase order includes the below surveys:

HCO ID	HCO Name	Due Month	Due Date	Gross Projected Fee	Discount	Net Projection
4616	James A. Haley Veterans' Hospital	JULY				
194232	VA Black Hills Health Care System-Fort Meade-Hot Springs, SD	JULY				
4595	Robert J. Dole VA Medical Center	JULY				
103674	VA Puget Sound Health Care System	JULY				
8267	Iowa City VA Health Care System	JULY				
4486	Fargo VA Health Care System	JULY				
4739	VA Health Care System - Minneapolis	JULY				
2270	VA Medical Center - Carl Vinson	AUG				
2480	VA Medical Center - Chillicothe	AUG				
243936	VA Southern Oregon Rehabilitation Center and Clinics	AUG				
9294	VA Montana Healthcare System	SEPT				
7945	VA Medical Center	SEPT				
2509	Sheridan VA Medical Center	SEPT				
49464	Alaska VA Healthcare System	SEPT				
4569	Portland VA Medical Center	OCT				
	1-day OQM	10 svys				
	1s2d OQM	5 svys				
	2s1d OQM	2 svys				
	Extension Surveys	2 svys				
24	VA Medical Center - El Paso VA Health System					
60	VA Medical Center - Chalmers P. Wylie Ambulatory Care					
246194	North Florida/South GA VA Health					
	TOTAL:					\$609,903.00

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. It is imperative that services and accreditation continue which can only be provided by TJC. Only TJC as the incumbent has a baseline survey in place which is necessary to continue to provide the critical healthcare accreditation without an extended break in service. A new entity would require a minimum of twelve (12) months to perform a

baseline survey before it could provide the necessary accreditation. A new contractor would likely need to train new employees or partner with another entity to perform this effort. The accreditations which are the subject of this J&A are expiring within the next couple of months, therefore, only the incumbent can maintain those accreditations within the timeframes required while VA prepares to compete the follow-on action. No other source is currently capable of providing the services to meet VA's immediate needs within VA's required time frame. A sole source interim contract for the aforementioned surveys will ensure these facilities maintain their accredited status.

It is critical for VA facilities to maintain accreditation status for the following reasons: 1) maintain the ability to collect 3rd party reimbursements. 3rd party insurance carriers require the medical billing site to be accredited; currently there are hundreds of contracts that would be affected by the loss of accreditation. Without the ability to collect 3rd party reimbursements VA stands to lose \$1M per facility unaccredited per month and \$1.847 Billion in the first year; 2) 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 negatively affect and delay critical and needed care for Veterans. Specifically, pathology and laboratory medicine programs would be unable to process the millions of lab tests done by VHA; and 3) Any loss of accreditation status would raise congressional interest on the quality of patient care provided by VHA medical facilities.

While other sources may have the general capabilities needed to perform this type of work, only TJC has baseline surveys in place which are necessary to continue the critical healthcare accreditation for the surveys which are scheduled to expire or are required to be performed within the one (1) to two (2) months. No other source is currently capable of providing the services to meet VA's needs within VA's required timeframe. The only reasonable and viable solution to avoid a possible lapse in accreditation of healthcare facilities which could negatively impact the care of Veterans is to award a short term contract which will be solely for the performance of accreditations for facilities in the next one (1) to two (2) months. This contract is for the minimum time needed to ensure accreditations stay current until a long-term competitive contract is in place.

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 sole source action was synopsisized on Federal Business Opportunities July 16, 2013.

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

By comparing the proposed price to: 1) prices previously found reasonable for recent, similar acquisitions; 2) current, published price lists; and 3) the independent Government cost estimate, the Contracting Officer anticipates the cost of the contract 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:

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 to provide a transition plan if necessary. On April 09, 2013 a Sources Sought was posted with a closing date of April 19, 2013. The Sources Sought received five (5) responses.

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

N/A

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

The following five (5) responses were received to Sources Sought VA798S-13-R-0114: Distinctive Health Care, ELM Exchange Inc., Ascellon Corporation all expressed interest as well as TJC and Healthcare Facilities Accreditation Program (HFAP). Distinctive Health Care, ELM Exchange Inc. and Ascellon Corporation did not provide full capability statements and did not provide a transition plan that was acceptable for this requirement. They did not provide enough information to clearly demonstrate they could provide the required services. TJC is the current contractor that is providing services to the VA. HFAP provided capabilities, a transition plan and a partnering agreement with another contractor. HFAP indicated it would require twelve (12) months to perform baseline surveys, a timeframe which exceeds the needs of the VA for performance of the specific surveys addressed with this effort.

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:

The Strategic Acquisition Center is working with the Program Office to conduct a competitive follow-on acquisition for Healthcare Accreditation Services. Market Research has demonstrated the potential for a competitive environment.

12. Technical Certification: I certify 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.

Date: 7/31/2013

Signature: _____

Doris Tyler

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

Date: 7/31/2013

Signature: _____

James S. O'Quinn
Contracting Officer
Strategic Acquisition Center