



## JUSTIFICATION AND APPROVAL FOR EXPEDITED PROCEDURES PACKAGE

**TO:** M/OAA/GHSC – Eduardo Elia, Division Chief

**CC:** M/OAA – Deborah Broderick, Agency Competition Advocate

**FROM:** GH/OHA/SCH – Dianna Edgil, GHSC-RTK COR and Division Chief

**DATE:** December 2, 2022

**RE:** Task Order No. AID-OAA-TO-15-00004 (TO 1) of the Global Health Supply Chain – Rapid Test Kit (GHSC–RTK) Contract (Contract No. AID-OAA-I-15-00002) with Remote Medical International (RMI)

**SUBJECT:** Justification for Other than Full and Open Competition under the “Expedited Procedures Package (EPP) for Programs Managed by the U.S. Agency for International Development (USAID) for the Prevention, Care, and Treatment of HIV/AIDS under the President's Emergency Plan for AIDS Relief (PEPFAR)”

### RECOMMENDATION

That you approve this Revised Justification and Approval for use of other than full and open competition under the “Expedited Procedures Package (EPP) for Programs Managed by the U.S. Agency for International Development (USAID) for the Prevention, Care, and Treatment of HIV/AIDS under the President's Emergency Plan for AIDS Relief (PEPFAR) approved on December 31, 2019. Your approval of this Revised Justification and Approval (J&A) constitutes the justification for other than full and open competition as required by Tab 1 (D&F for the Authorization of Less than Full and Open Competitive Procedures for Contracts) of the EPP.

Approve: \_\_\_\_\_ Disapprove \_\_\_\_\_ Date: \_\_\_\_\_

### **Purpose of Revision**

On July 8, 2022 you approved a J&A for a modification to the GHSC-RTK Contract to extend the Period of Performance (PoP) from February 28, 2023, to December 31, 2024, and increase the contract ceiling by \$62,299,684 from \$374,878,996 to \$437,178,681.

However, the contract ceiling needs to be increased by \$82,203,042 from \$374,878, 996 to \$457,082,042 because the Kenya Mission did not submit its budget for approximately \$20 million until after the initial IGCE was prepared and you had approved the initial J&A.

There is no change in the PoP and the other terms and conditions of the J&A continue to apply. For ease of reference, the original J&A is set forth below in its entirety, except for increase in the contact ceiling in the revised Paragraph 2.

**1. This document sets forth the facts and rationale justifying the use of other than full and open competition.**

Approval is requested for the justification for use of other than full and open competition pursuant to the authorities under the “Expedited Procedures Package (EPP) for Programs Managed by the U.S. Agency for International Development (USAID) for the Prevention, Care, and Treatment of HIV/AIDS under the President's Emergency Plan for AIDS Relief (PEPFAR) (also referred to as Expedited Procedures Package or EPP for HIV/AIDs) approved December 31, 2019 and effective through December 31, 2024. Your approval of this J&A constitutes the justification for other than full and open competition as required by Tab 1 (Determinations and Finding (D&F) for the Authorization of Less than Full and Open Competitive Procedures for Contracts) of the EPP.

**RECOMMENDATION**

It is recommended that you approve this justification for use of other than full and open competition pursuant to “Expedited Procedures Package (EPP) for Programs Managed by the U.S. Agency for International Development (USAID) for the Prevention, Care, and Treatment of HIV/AIDS under the President's Emergency Plan for AIDS Relief (PEPFAR) approved on December 31, 2019. Your approval of this Justification and Approval (J&A) constitutes the justification for other than full and open competition as required by Tab 1 (D&F for the Authorization of Less than Full and Open Competitive Procedures for Contracts) of the EPP.

**2. The nature and/or description of the action being approved:**

This is a request to approve a contract modification to Task Order No. AID-OAA-TO-15-00004 (TO 1) of the Global Health Supply Chain – Rapid Test Kit (GHSC–RTK) Contract (Contract No. AID-OAA-I-15-00002) to extend the period of performance (PoP) from February 26, 2023 to December 31, 2024, and (ii) increase the TO ceiling by \$82,203,042 from \$374,878, 997 to \$457,082,042. Under this action the GHSC-RTK contractor will continue to provide HIV Rapid Test Kits (RTKs) for USAID’s global health commodity supply chain.

The RTK contract, a single-award indefinite delivery/indefinite quantity (IDIQ) is part of the multi-billion dollar Global Health Supply Chain (GHSC) Program. The GHSC-RTK contract provides the vast majority of HIV rapid test kits (RTKs) for the PEPFAR program. RMI has procured and delivered over 158 million rapid test kits to 23 countries.

**3. Description of the supplies or services required, including an estimated value:**

USAID requires testing, treatment, and diagnostic supplies and equipment for USAID’s global health commodity supply chain.

**4. Statutory authority permitting other than full and open competition:**

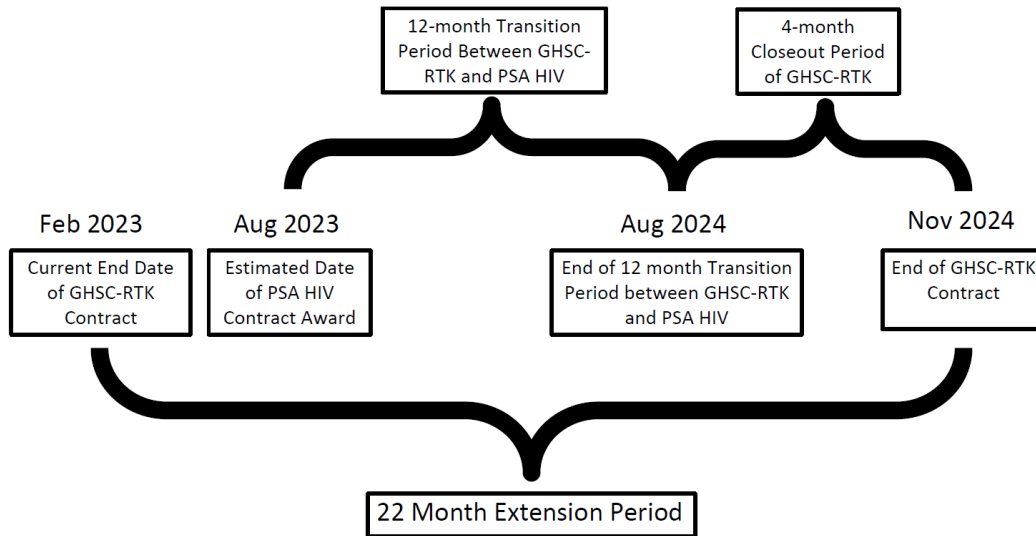
AIDAR 706.302-70(b)(3) and 40 U.S.C. §113; see Action Memorandum entitled “Expedited Procedures Package (EPP) for Programs Managed by the U.S. Agency for International Development (USAID) for the Prevention, Care, and Treatment of HIV/AIDS under the President's Emergency Plan for AIDS Relief (PEPFAR)

**5. A discussion of the proposed contractor’s unique qualifications or the nature of the acquisition that requires use of the authority cited.**

The principal reason for the extension is to avoid impairment of the foreign policy objective of ensuring that there will be no disruption in the essential product quality assurance and quality control testing services as USAID transitions from the GHSC Program to the \$16 billion-dollar NextGen Program. It is imperative that the NextGen Program contractors are able to assume 100% responsibility for USAID’s global health commodity supply chain.

One of the lessons learned during the transition from the prior SCMS contract to the current GHSC Program was the need for an extensive transition period. The other lesson learned was the need for redundancy during the transition and even after the new contractors have assumed full responsibility. The transition will be a gradual process to apply those lessons until the new contractor(s) are 100% responsible and fully operational. As the PSA HIV contractor proves through actual performance that they can be relied upon to perform, they will be given greater and greater responsibility as GHSC-RTK ramps down, as prudent redundancy. Experience has taught us that a transition period of 12-18 months is necessary for the new contractor(s) to assume full responsibility to ensure that there is no serious disruption in furnishing health commodities. The solicitation for PSA HIV has not been released and is anticipated to go public by August 2022. This means that an award will be made in the Summer of 2023, which will leave 12 months for transition from the current to the new award. Other mechanisms may have longer transition periods. The assumptions that were used to determine the 22 month period of extension are based on the following:

- a. The time period it will take the NextGen PSA HIV award to be made, i.e. one year from RFP release.
- b. The time period required to start up a contract
- c. The time period required to establish framework contracts
- d. The aforementioned delays associated with the release of the solicitation for the NextGen PSA HIV contract



**Figure 1.** Timeline of GHSC-RTK and PSA HIV contracts.

The transition from the GHSC-RTK contract to the NextGen PSA HIV contract will be more complicated and time-consuming than a regular transition. The new Control Tower is a new award included in NextGen design that will require extensive coordination among all of NextGen awards. It will be necessary for the GHSC-RTK contract to continue to provide procurement services for the GHSC-PSM contractor which is being extended through November 28, 2024, so the new PSA HIV award can concentrate on establishing working relationships and become fully operational.

Ideally, the transition will permit incremental increases in the new PSA HIV contractor responsibility and decreases in the current contractor's responsibilities. USAID does not anticipate continuing its use of the GHSC-RTK contract once all transition activities are complete and all performance responsibilities have been successfully handed over to the new PSA HIV contractor.

It is important to extend the period of performance now to put the contractor on notice that its services will be required for a longer period; to allow sufficient time to negotiate the extension; and, most importantly, to provide timely delivery of RTKs to the Missions that these services will be available to them as part of an orderly and seamless GH and Mission transition to the PSA HIV contract.

USAID could not have reasonably anticipated the need to extend the GHSC-RTK and other GHSC contracts to December 28, 2024, at an earlier date. The Agency discussed project extensions in early 2019 for GHSC awards. These discussions were premised on assumptions about the timing of the NextGen awards. Standard Agency procurement timeframes suggested that the new NextGen awards would be fully operational by the last quarter of CY2023. However, since then, the design of the NextGen contracts has been ongoing and has increased in both size and scope due to the COVID-19 pandemic and other humanitarian crises. USAID was asked to provide supply chain support to those crises and to ensure the new design has the

capacity and flexibility to support future emergency requests. This has resulted in a prolonged design process. Finally, the GHSC-RTK contractor will need approximately four months for HQ office close-out.

**6. A description of efforts made to ensure that offers are solicited from as many potential sources as is practicable.**

The follow-on contracts to this contract and the other mechanisms of the Global Health Supply Chain GHSC Program are in the process of being competitively awarded under the Next Generation Supply Chain Suite of Programs (NextGen). Consequently, offers from other sources were not solicited.

**7. A determination by the Contracting Officer that the anticipated cost to the Government will be fair and reasonable.**

Based on an Independent Government Cost Estimate (IGCE) prepared by the COR and the costs incurred under the current contract, the Contracting Officer, in approving this J&A, has determined that the anticipated cost to the government will be fair and reasonable. There is no change in the scope of work. All previously-incurred costs have been determined to be fair and reasonable. No other types of costs are anticipated.

**8. A description of the market research conducted (see FAR Part 10) and the results or a statement of the reason(s) market research was not conducted.**

New market research was not conducted because, as discussed above, the extension is intended to provide continuity of services and a seamless transition to the follow-on NextGen contract. The GHSC-RTK contract is a small business set-aside.

**9. Sources, if any, that expressed, in writing, an interest in the acquisition.**

None.

**10. The actions the Agency may take to remove or overcome any barriers to competition before any subsequent acquisition for the supplies or services required:**

USAID is competing the follow-on to the GHSC-RTK contract and all the other NextGen contracts for the same or similar services of the GHSC Program.

**11. Technical or Requirements Personnel Certification:**

In accordance with FAR 6.303, I hereby certify that the technical statements included above and which form a basis for the justification are complement and accurate in accordance with EPP entitled Justification for Other than Full and Open Competition under the "Expedited Procedures

Package (EPP) for Programs Managed by the U.S. Agency for International Development (USAID) for the Prevention, Care, and Treatment of HIV/AIDS under the President's Emergency Plan for AIDS Relief (PEPFAR)” approved December 31, 2019 (attached).

Clear  
Dianna Edgil, COR, GH/OHA/SCH

December 1, 2022  
Date

**12. General Counsel Clearance:**

/s/  
Andrew Victor, Attorney Advisor, GC/A&A Date

12/2/2022

**13. Contracting Officer Certification:**

In accordance with FAR 6.303, I hereby certify that the justification is accurate and complete to the best of my knowledge and belief.

/s/  
Eduardo Elia, GH Contracting Officer

12/5/2022  
Date

## **CLEARANCE PAGE FOR ACTION MEMO FOR**

**RE:** Task Order No. AID-OAA-TO-15-00004 (TO 1) of the Global Health Supply Chain – Rapid Test Kit (GHSC–RTK) Contract (Contract No. AID-OAA-I-15-00002) with Remote Medical International (RMI)

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