

DEPARTMENT OF VETERANS AFFAIRS

Other than Full and Open Competition(>SAT) Sole Source Justification Under Simplified Procedure For Certain Commercial Items in Accordance With FAR 13.5

Acquisition Plan Action ID: 36C260-22-AP-2587, PROVIDENCE EXTENDED CARE

Contracting Activity:

Department of Veterans Affairs, Veterans Integrated Service Network (VISN) 20, Anchorage VA Medical Center, Regional Procurement Office (RPO) West, Network Contracting Office 20 (NCO 20).

1. Nature and/or Description of the Action Being Processed:

This is a justification and approval for Other Than Full and Open Competition to establish a follow-on Community Nursing Home (CNH) contract to service Veteran patients of the Anchorage VA Health Care System.

The awarded contract will be a Firm Fixed Price (FFP), Indefinite Delivery/Indefinite Quantity (ID/IQ) with Economic Price Adjustment (EPA) consisting of a Two (2) year base ordering period with no option years for Period of Performance 09/01/2023-08/31/2025.

FAR 13.5 Simplified Procedures for Certain Commercial Items: This procurement will be accomplished IAW 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.

2. Description of Supplies/Services Required to Meet the Agency's Needs:

38 U.S.C. § 1720 creates the expectation that qualified Veterans will receive CNH services in their community. Providence Health & Services, Providence Extended Care (The Facility) provides care to Veterans whose primary residence is a nursing home. The VA CNH Program is designed to assist Veterans and their families in making the transition from an episode of hospital care, nursing home care, or domiciliary care to the community. The primary goal of the CNH program is to maintain or restore the Veteran to the highest level of health and well-being attainable. VA often has a particular need for specialty care services in the CNH program. 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 Government estimated value of this acquisition is \$6,500,000.00 The IDIQ maximum Limit is \$6,500,000.00 to allow for possible increases due to an Economic Price Adjustment over the term of the ID/IQ consisting of a Two (2) year base ordering period with no option years for Period of Performance 09/01/2023-08/31/2025. The guaranteed minimum for the contract is one (1) room for one (1) Veteran for one (1) day.

3. Statutory Authority Permitting Restricted Competition:

FAR 13.5 Simplified Procedures for Certain Commercial Items. The statutory authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. § 1901 and is implemented by FAR 13.106-1(b)(2) for restricting competition on this procurement. **Competition is restricted on this procurement for the reason below:**

- Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements
- Unusual and Compelling Urgency
- Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services
- International Agreement
- Authorized or Required by Statute
- National Security
- Public Interest

4. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):

The VHA Community Nursing Home Oversight Procedures have maintained two cornerstones for 36 years: Some level of 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 to a nursing home in close proximity of the Veteran's residence and family. Notably, in the VA's community nursing home program, the Veteran placement decision is made by the VA clinician(s)/provider(s), the Veteran, and the Veteran's family. The placement decision will be based on established VA contracts within the catchment area where the Veteran resides. The geographic factor in these circumstances makes this requirement unique and, therefore, not subject to competition. The facility is currently providing a much-needed service to Veterans within the immediate geographical location of the facility. Retaining the current facility will lessen the burden and concerns of the Veterans, the Veteran's family, and the VA clinician(s)/provider(s), by continuing a much-needed unique service, in a particular locale. Moving a Veteran to a different facility may disrupt treatment plans and become a burden to family members of the Veteran. To avoid disruption of Veteran care, the VA must award a new contract to the named facility in this document.

On July 5th 2022, VACO issued a draft letter to be sent to all CNHs with a current BOA. The letter offered the CNH a choice between an IDIQ or Veterans Care Agreement (VCA). The facility responded to the letter with a signed Acknowledgment form marked with their selection for an IDIQ Contract.

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

Potential sources are dependent on the needs of the patient. The Social Worker and the CNH Review Team identify which CNHs can fulfill the patients' needs. IAW FAR 13.501(a)(1)(iii), this action will be synopsisized at award on SAM.gov and the justification will be made publicly available.

6. Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:

The rate is established by the current Medicaid rate for Medicaid approved nursing home care plus a fair market amount (percentage) to cover the costs of supplies, services, and equipment above that provided under Medicaid established by the local State Medicaid Agency (SMA). Rates established after the effective date of this contract will constitute a modification to the contract.

The rate(s) will apply throughout the term of this contract, including extension period(s). The rate(s) may be adjusted only to reflect a change in a Medicaid rate as authorized by the SMA. Normally, this will be on an annual basis. The percentage above the Medicaid rate, to cover the all-inclusive nature of the contract, will be negotiated before award.

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

A review of the acquisition history showed the previous procurement was awarded as a sole source Basic Ordering Agreement (BOA) with FFP EPA. A search in Vendor Information Pages (VIP) yielded 56 results. After a review of the results, it was determined the listed Service-Disabled Veteran Owned Small Businesses (SDVOSB) and Veteran Owned Small Businesses (VOSB) were not skilled nursing facilities or located in VISN 20 so it would not be feasible to include the SDVOSB/VOSBs in a competitive action.

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

The facility has been providing consistent care to Veterans in this geographical area for several years. It employs many local people who have known many of their residents and families for many years. It has been surveyed annually by a VA CNH Survey Team and whatever deficiencies that were noted have been corrected in a timely manner each year. The CNH Coordinators have retained the survey reports

for this facility the past several years.

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

Based on the inherent nature of the service and in line with VA policy where the Veteran and their family play a role in determining which nursing home facility will provide treatment for the Veteran, the opportunity to increase competition is limited. The Contractor is currently providing CNH services and is willing to continue providing services.

10. 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:

Should other sources for these types of services be needed in this facility, the VA will perform a search to try to locate such a contractor that can best fulfill the needs of our Veterans and their families.

11. 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.

<hr/> Kimberly Sumabat	<hr/> 7/10/2023 Date
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Community Nursing Home Coordinator/COR
Anchorage VA Medical Center

12. 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.

<hr/> Bethany Ireton	<hr/> Date
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Contracting Officer
Network Contracting Office 20 (NCO20)

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- b. **One Level Above the Contracting Officer (Required over SAT but not exceeding \$750K):** I certify the justification meets requirements for other than full and open competition.

Peggy Corcoran

Date

Division Chief

Network Contracting Office 20 (NCO20)

- 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 approve (\$750K to \$7.5 million (or \$15.0 million for acquisitions described in FAR 13.500(c)) for other than full and open compet

Curtis M. Jordan

Date

Executive Director,
Regional Procurement Office West
Head of Contracting Activity (HCA)