

JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Identify the agency and contracting activity.

This justification is executed by the Naval Medical Logistics Command, Fort Detrick, Maryland on behalf of the Naval Health Clinic, Hawaii hereafter referred to as the medical treatment facility (MTF).

2. Nature/description of the action/contract type.

The government intends to negotiate a logical follow-on Task Order with Kuhana Spectrum Health Joint Venture, LLC for the existing medical services currently being provided under Contract N6264510D5010, Task Order 0003. The contract has an ordering period ending 15 August 2015.

3. Description of supplies/services.

The follow-on task order will mirror the following services that Kuhana Spectrum Health Joint Venture, LLC is currently providing: Family Practice Physicians (2.5 Individuals-Coverage) services at Branch Health Clinic Kaneohe Bay, Family Practice Physicians (5 Individuals-Coverage) services at Branch Health Clinic Makalapa, Pediatrician (1.5 individuals-Coverage) services at Branch Health Clinic Kaneohe Bay, Pediatrician (3.5 individuals-Coverage) services at Branch Health Clinic Makalapa, OB/GYN (1 Individual-Coverage) services at Branch Health Clinic Makalapa, Phlebotomist (1 Individual-Coverage) services at Branch Health Clinic Makalapa, Optometrist (.80 Individual-Coverage) services at Branch Health Clinic Makalapa, Physical Therapist (1 Individual-Coverage) services at Branch Health Clinic Makalapa, LPN/LVN (1 Individual-Coverage) services at Branch Health Clinic Makalapa. The follow-on task order will have a performance period of 01 October 11 through 30 September 12. The estimated value of this requirement is \$3,504,752.16.

4. Identification of the exception to fair opportunity.

In accordance with 16.505(b)(2)(i)(c), the new work is a logical follow-on to an original order which was competed in accordance with the applicable contract ordering procedures. Due to the nature of the acquisition for medical services currently being performed by Kuhana Spectrum Health Joint Venture, LLC under the NW Medical MATO, it is in the best interest of the Government to negotiate a logical follow-on allowing for the most effective use of resources. Re-competing the services currently being filled would result in substantial duplication of cost to the Government that is not expected to be recovered through competition. Such costs include the time of technical and contracting personnel to review and evaluate the requirement, proposal and task order; as well as the costs associated with re-credentialing if a new contractor is chosen. The current positions will be followed on with Kuhana Spectrum Health Joint Venture, LLC based on there being no change in scope to the current requirement.

5. Determination by the ordering activity Contracting Officer that the anticipated cost to the Government will be fair and reasonable.

In order to determine whether the contractor's proposed price is fair and reasonable, the Contract Specialist and Contracting Officer will review the proposed price against current market research information available. If the contractor's proposed price appears to be questionable for reasonableness, a justification from the contractor will be required in order to determine whether the proposed price is fair and reasonable. The Contracting Officer will determine the price to be fair and reasonable before awarding a new task order.

6. Any other facts supporting the justification.

This contractor is successfully providing services and has already worked through recruitment costs and has established a system for tracking and providing staff that works well at the requiring MTF. Changing

contractors could require a complete change in current staff, adding the costs associated with reviewing new credentialing packages and conducting orientation (during which time no services are provided).

7. Statement of actions to remove or overcome barriers to exception to fair opportunity.

At this time there are no actions being taken to remove or overcome barriers leading to the exception to fair opportunity under this contract. However, depending on the success under other contracts, it is possible that option periods may be added to future competitive task order proposal requests (TOPRs) to allow contractors to propose pricing and competitively be awarded a task order that would include services for the current and subsequent years of service. The use of options for TOPRs would eliminate the need to issue logical follow-on task orders which require the use of the exception to fair opportunity.

8. By signing in block 11, the Contracting Officer certifies that this justification is accurate and complete to the best of their knowledge and belief.

9. By signing below, the technical or requirements personnel certify that any supporting data that is their responsibility and which forms a basis for the justification is complete and accurate.