

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, Network Contracting Activity 10 and VISN 10, Chillicothe Veterans Affairs Medical Center, 17273 State Route 104, Chillicothe, OH 45601, requests Justification for Other Than Full and Open Competition. The purchase request number is 538-12-1-772-0003.

2. **Nature and/or Description of the Action Being Processed:** The purpose of this short term contract is to provide medically necessary Teleradiology Healthcare Services and is recommended for sole source procurement to Columbus Radiology Corporation, 471 East Broad Street, Columbus, Ohio 43215. The new contract will be a Firm-Fixed Price, Indefinite Delivery/Indefinite Quantity (ID/IQ) contract based upon the estimated number of procedures for Teleradiology services to provide interpretations of electronic medical images for X-ray, computed tomography (C.T.), Magnetic Resonance Imaging (MRI) Studies, Ultrasounds, Nuclear Medicine and Plain Film - as well as intermittent on-site Radiology Services as needed by the Department of Veterans Affairs Medical Center, Chillicothe, Ohio 45601.

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

The total estimated value for this short-term contract is \$307,692.50; the estimated period of performance will be 90-days starting from 1 October 2011.

Services are to supplement current capabilities by remote interpretation during regular operating hours and during nights, weekends, and holidays. Services to be provided also include intermittent, scheduled and unscheduled on-site coverage during extended absence of staff radiologists.

These services include interpretation of routine, urgent and stat plain films, CT scans, MRI studies, ultrasound, and nuclear medicine studies; and performing a regular schedule of fluoroscopy exams. The contractor will provide (board certified preferred) radiologists to read stat, urgent and routine imaging studies twenty four (24) hours a day to include weekends and federal holidays by VA provided remote access, CD, or hardcopy including plain films, CT scans, MRI studies, ultrasound and nuclear medicine studies. When requested, the contractor will provide a (board certified preferred) radiologist to provide on-site coverage at the VA Medical Center, 17273 State Route 104, Chillicothe, Ohio 45601 between the hours of 8:00 a.m. and 4:30 p.m. weekdays during extended remote access interruptions lasting for 4 hours or longer and during planned or unplanned absences of the Chillicothe VA radiologists which may continue for a period of time not to exceed four (4) consecutive weeks.

4. **Statutory Authority Permitting Other than Full and Open Competition:**

- () (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
- (X) (2) Unusual and Compelling Urgency per FAR 6.302-2;
- () (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
- () (4) International Agreement per FAR 6.302-4
- () (5) Authorized or Required by Statute FAR 6.302-5;
- () (6) National Security per FAR 6.302-6;
- () (7) Public Interest per FAR 6.302-7;

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

The Chillicothe VAMC is a rural location with limited access to radiology resources. Columbus Radiology's close proximity to the Chillicothe VAMC provides for 24-hour 7-days a week (24/7) on-site availability within a 2-hour notice when necessary/as needed. In addition to general radiology, sub-specialty radiologists for musculoskeletal, body-imaging, and neuro-radiology are on Columbus Radiology staff and are also available 24/7.

Chillicothe VAMC has an established Memorandum of Understanding (MOU) OI&T Waiver with VHA (Chief Information Officer (National CIO) approval for Columbus Radiology to access our Information Technology (IT) systems; this required approximately 9-months prep work to accomplish. If other than short-term sole-source acquisition isn't pursued a new VHA MOU OI&T Waiver request and approval to access our IT systems will need to be completed. Furthermore, setting up new fiber connections, workstations and working out the inherent problems associated with newly established links with a different vendor will be onerous, time consuming (approximately 6-9 months) and costly (upwards of 50K per reading station/equipment, does not include technicians labor time/cost). Additionally close proximity of the Columbus Radiology location allows for monthly (or when needed) inspection, inventory, up-dates, troubleshooting, etc. of the equipment on-site. In addition, Columbus Radiology is thoroughly familiar with the Chillicothe VA's IT infrastructure, our dictation system, Computerized Patient Record System (CPRS), Vista and other related minutiae within the process by which studies are opened, read and reported.

A competitive proposal (CP) multi-year contract is in the processing stage and has been for over twelve (12) months. Currently it is in a peer review within contracting and Contracting Officials have said it would be another three to six (3-6) months before a solicitation can be advertised and a selection made. In the meantime we have been asked to produce a short-term sole-source interim contract to bridge the gap between the old multi-year contract and the new Firm-Fixed Price, Indefinite Delivery/Indefinite Quantity (ID/IQ) contract currently in processing.

Failure to have a short-term sole-source interim (3-months) will impact the facility negatively by creating the need to fee out services estimating to be approximately \$500K for the fee'd out cost of services which include travel pay and technical & interpretative costs associated with the entire imaging process per procedure versus the approximate \$308K for contracted tele-radiology. In addition the delay in reported results of procedure (off-campus) could impair the

appropriate healthcare delivery capabilities and be detrimental in delaying appropriate medical care of the veteran; an additional cost of staff FTEE scanning outside reports into the system would also be incurred. If radiology services are not available locally a severe overall impact of veteran-centric care would occur due to; facility physician's limited diagnosis due to lack of timely imaging reports, veterans increased travel costs, inconvenience of scheduling delays and veteran health issues which limit their ability to travel from campus to an outside facility and back again, possibly multiple times.

This contract will provide all of the readings for general radiographs, Magnetic Resonance Imaging, Nuclear Medicine, Computed Tomography and other general Radiological Services needed for patients attending at this facility. These readings and consultation are critical for diagnosis and provision of continued care. Patient continuum of care would be severely compromised and the facility put in a position of risk with a break in tele-radiology services if unable to make readings available for patient diagnosis.

At this time, shifting to another radiology services' provider will require new negotiation and technical installation to establish a new data transmission path from the medical center to, potentially, a different physical location.

When combined with the requirement to physically relocate a workstation suite at \$50,000.00 or more, and obtaining a new MOU OI&T Waiver (a 6-9 month process) for the replacement radiology services provider, who may alternatively require more than one workstation suite which could precipitate more unplanned costly expenses, and will likely develop into outsourcing radiology transactions at significant cost to the Government and during a tenuous phase of technological conversion. Furthermore, a new radiology services' provider may not possess sufficient on-call technical expertise. A delayed or ineffective Information Technology partnership external to the VA Medical Center Chillicothe will have significant adverse effect(s) on patient continuum of care due to unacceptable performance indicators.

The new short term contract will include all services currently offered for Radiological Reading Services. Therefore, in order to maintain an adequate patient continuum of care at this facility, this contract will need to be executed without interruption while the facility continues to process a competitive proposal contract separately and concurrently along with this requested short term sole source contract.

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

A Sources Sought Notice was posted on Federal Business Opportunities (FedBizOpps) for the long-term Teleradiology Services contract as part of market research process. In the meantime we have been asked to produce a short-term sole-source interim contract to bridge the gap between the old multi-year contract and the new Firm-Fixed Price, Indefinite Delivery/Indefinite Quantity (ID/IQ) contract currently in processing.

The proposed contract action is made under the conditions described in FAR 6.302-2 and the unusual and compelling urgency precludes competition to the maximum extent practicable. The VA Medical Center would be seriously injured if the agency attempts to shift to another radiology services' provider. It would require new negotiation and technical installation to

establish a new data transmission path from the medical center to a different physical location this would require several months to complete; combined with the requirement to physically relocate a workstation suite at approximately \$50,000.00 or more; and obtaining a new MOU OI&T Waiver (at minimum a 6-9 month process) for the replacement radiology services provider, who may alternatively require more than one workstation suite which could precipitate more unplanned costly expenses at \$50K+ for each workstation, and will likely develop into outsourcing radiology transactions at significant higher cost to the Government and during a tenuous phase of technological conversion. A delayed or ineffective Information technology partnership external to the VA Medical Center Chillicothe will have significant adverse effect(s) on patient continuum of care due to unacceptable performance indicators or for physicians to be able to adequately diagnosis without critical imaging results in a timely manner.

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

The Contracting Officer determines that the anticipated cost of the tele-radiology and on-site radiologist will be fair and reasonable on the basis of or taking into account current market research of comparable services within the radiological community. A comparison of price per procedure analysis was completed using Radiology Society of North America, Inc. journal article; "Technical Cost of Radiological Examinations: Analysis across Imaging Modalities".

***RESULTS:** The costs per technical "RVU" for diagnostic radiography, US, CT, MR imaging, scintigraphy, and interventional radiology were \$65.06, \$28.74, \$20.95, \$17.69, \$42.19, and \$89.03, respectively. The technical costs "per examination" for diagnostic radiography, US, CT, MR imaging, scintigraphy, and interventional radiology were \$41.92, \$50.28, \$112.32, \$266.96, \$196.88, and \$692.60, respectively. "Add these two individual cost per film sums together to come up with final cost per film."*

The Department of Veterans Affairs Medical Center, Chillicothe, Ohio has experienced an increase for teleradiological services in recent years with limited personnel and resources. The Short Term Contract estimate for October – December 2011 anticipates the cost-breakdown regarding the number of procedures as required across six domains: MRI, US, CT (Routine and Urgents), CT (STATs), Plain Films and On-Site Personnel (per day) for a total estimated cost not to exceed \$307,692.50. This is based on the pricing schedule received from the current vendor, Columbus Radiology which was determined a fair and reasonable price by the Chief of Radiology who is considered our technical expert in radiology services.

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

Market research indicates that adequate firms exist for competition; however due to the short-term requirement of this contract considered an interim measure while the Competitive contract is in the review process within contracting, this factor was not the determining reason for the sole-source decision.

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

The Chillicothe VA Medical Center is a rural location with limited access to radiology resources. The VA Medical Center Chillicothe currently relies on support from outside agencies for 24-hour 7 day a week remote on-site availability within a 2-hour notice.

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

See Section 6 above.

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 proposed contract action is made under the conditions described in FAR 6.302-2 and the unusual and compelling urgency precludes competition to the maximum extent practicable. The VA medical Center would be seriously injured if the agency attempts to meet with the time periods specified in FAR 5.203.

This contract will provide all of the readings for general radiographs, Magnetic Resonance Imaging, Nuclear Medicine, Computed Tomography and other general Radiological Services needed for patients attending at this facility. These readings and consultation are critical for diagnosis and provision of continued care. Patient continuum of care would be severely compromised and the facility put in a position of risk including lack of function if unable to make readings available for patient diagnosis.

At this time, shifting to another radiology services' provider will require new negotiation and technical installation to establish a new data transmission path from the medical center to, potentially, a different physical location. An effort that would take approximately 6-months to obtain a new OI&T Waiver for the replacement radiology services provider and when combined with the requirements to physically relocate a workstation suite it would precipitate more unplanned outsourcing radiology transactions at significant raised cost "per film" to the Chillicothe VA MC. (See Section 7, *Results* note)

The new short term contract will include all services currently offered for Radiological Reading Services. Therefore, in order to maintain an adequate patient continuum of care at this facility, this contract will need to be executed without interruption while the facility continues to process a competitive proposed contract separately and concurrently along with this requested short term sole source contract.

- 12. 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.

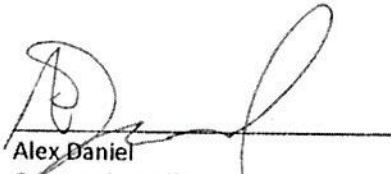


Glenn Roush, M.D.
Chief, Radiology Service
Chillicothe VA Medical Center

9/29/11
Date

13. Approvals in accordance with FAR 6.304

- a. **Contracting Officer's Certification: (required)** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.


Alex Daniel
Contracting Officer
Network Contracting Activity 10
VAMC—Cincinnati, OH

9/29/2011
Date

- b. **NCM/PCM:** I certify the justification meets requirements for other than full and open competition.


Terry L. Spitzmiller
Network Contract Manager
Network Contracting Activity 10

9/29/2011
Date