

## Limited Source/Sole Source Justification Questionnaire

- 1. A brief description of the supplies or services required to meet the agency's needs (including the installation location, equipment, clinical need addressed, and estimated value):**

VISN 8 deploys a Philips IntelliSpace Integrated PACS thru the Defense Logistics Agency (DLA) DIN-PACS contract SPM2D1-11-D-8305-1003-01 and SPM2D1-11-D-8305-1005. VISN 8 uses the Fee Per Study model where all hardware and software is owned and maintained by Philips. VISN 8 has currently exercised option year 4 of 4, which expires 30 September 2016. The following services are required base plus one option year beginning October 1, 2016

CLIN	Supplies/Services	Qty.	Unit	Unit Price	Total Price
1	Radiology PACS Studies	890,000	EA	3.95	\$3,515,500.00
2	Cardiology Xcelera Live	50,000	EA	3.5	\$175,000.00
3	Advanced Clinical Applications (ISP)	890,000	EA	0.55	\$489,500.00
4	Intellispace Cardiology Maintenance	1	EA	1140135	\$1,140,135.00
NAC Fee 1.4%				\$74,481.89	
		Total Base		\$5,394,616.89	
		Option Year		\$5,394,616.89	
		Total		\$10,789,233.78	

- 2. Rationale for limiting sources such as Sole Source/Uniqueness, Urgency, and/or Economy/Efficiency due to logical follow-on to previous order:**

VISN 8 is the largest and most complex VISN in the Veterans Health Administration (VHA) and have been using Philips Cardiology and Radiology PACS for past five years via Defense Logistics Agency (DLA) DINPACS contract Fee Per Study per SPM2D1-11-D-8305-1003-01 and SPM2D1-11-D-8305-1005. Per a Government Accountability Office (GAO) audit GA0-15-581 dated July 2015, VISN 8 must move from DLA to the National Acquisition Center (NAC). Approval of Sole Source is urgent since the current Philips DLA contract will expire on 30 September 2016. No other vendor can be substituted within this time period due to lack of server room rack space and available electrical power. The current Uninterruptable Power Source (UPS) only has 10 minutes of run time and no additional systems are allowed to be added to the server room until a new UPS can be added. This sole source is for base plus one option year to allow for full competition when server room space and electrical power becomes available at the VISN 8 server room at Orlando, Florida. Due to extreme complexity of current Integrated PACS as listed below (e.g. Radiology, Cardiology, Advanced Apps, migration of over 10 million non-DICOM studies, lack of server room rack space, etc.), substitution of a new vendor by 1 October 2016 is not feasible.

VISN 8 is under a moratorium until June 2017 for the installation of servers due to power outages. The inability to install new servers combined with the expiration of Option Year 4 on September 30, 2016 and Philips PACS being successfully deployed in VISN 8 provide more than adequate justification for sole source procurement. These circumstances establish a bona-fide need for the requirement(s) listed in this SSJ (FAR 6.302-1 (a) ii). This SSJ is a logical follow on to an existing delivery order (FAR 16-505 (b)(2) (i) (B) (C)). The Contracting Officer has determined that the resultant Sole Source Procurement has fair and reasonable pricing under the DINPACS-IV contract with Phillips.

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The total estimated cost for this procurement is \$10,789,233.78 (Base plus one option year)  
Justification for Sole Source:

a. Patient Care: **High Risk Negative Impact**

- (1) Without a contract on or before 01 October 2016, VISN 8 would be forced to fee out 890,000 annual Radiology and 50,000 Cardiology exams. Not only would this cost about 10 times as much as the current contract, but significant life-threatening patient care issues would occur. Patient treatment would be delayed by scheduling issues to fee out all Radiology and Cardiology exams. Most importantly, the inability to capture outside imaging back into the VA system for current and historical diagnosis would cause significant risk to patient care.
- (2) The VISN has spent over \$1.5M for onsite and offsite training on the Philips Intellispace PACS and Advanced Clinical Applications over the past 48 months.

b. Technical **High Risk Failure**: Other PACS commercial contractors are unable to meet the required 1 October 2016 deployment date for these reasons:

- (1) Cardiology PACS. VISN 8 has deployed an integrated Philips PACS Solution for five years. Cardiology (Philips Xcelera PACS) uses Radiology (Philips IntelliSpace PACS) for long term archive allowing the Cardiologist to select an exam that does not reside locally from the Radiology PACS. A Radiology PACS solution **must** be coupled with an integrated Cardiology PACS Solution allowing clinician viewing both cardiology and Radiology exams from a single application and patient record. Interoperability greatly enhances Patient Care.
- (2) Centralized Server System. Currently VISN 8 has over 10 million exams (approximately 280 Tera Bytes) in a non-DICOM format. Additionally, a disaster recovery backup is located at a VA approved facility at Philadelphia, PA.
- (3) Server Room Rack Availability. The VISN Server room located at Orlando does not have rack space to support a new major PACS system
- (4) Advanced Clinical Applications. VISN 8 deploys Philips IntelliSpace Portal (ISP) for advanced post processing. System includes three servers per facility (seven facilities) with 33 software modules that cover all VISN 8 Radiology clinical requirements.

c. Cost Risk:

- (1) Integrated PACS. PACS Vendor must include a Radiology, Cardiology and Advanced Clinical Applications solution requiring adequate offsite and onsite training to minimize impact to patient care because physicians must become operationally competent with using a new system with new processes. Transitioning to a new vendor would require extensive training and acclimation. Continued use of the current system requires no hardware, software or training. Radiology PACS hardware/software was changed out in July 2015 and Cardiology PACS Hardware is currently being upgraded.

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- (2) Exam Migration. PACS Vendor must migrate approximately 10 million non-DICOM Cardiology and Radiology exams (approximately 280 Tera Bytes) from the current PACS system and provide a disaster recovery solution outside of VISN 8.
- (3) Advanced Clinical Applications. PACS Vendor must provide a complete suite and adequate initial and follow up training to replace the following current IntelliSpace Portal Applications: AutoQuant, NM/CTA Cedars Fusion, Corridor 4DM, Corridor 4DM CT, CT Advanced Brain Perfusion, CT AVA Stenosis, CT AVA Stent Planning, CT Body Perfusion, CT BP Time Insensitive Maps, CT Calcium Scoring, CT Cardiac Plaque Assmt, CT Cardiac Viewer, CT Comp Cardiac Analysis, CT Liver Analysis, CT Lung Density, CT Lung Nodule Analysis, CT Myocard Defect Asmt, CT Virtual Colonoscopy, CT-NM MPI Cardiac Fusion, Emory Cardiac Toolbox, MR Cartilage Assessment, MR Diffusion, MR Echo Accumulation, MR Mobiview, MR Neuro Perfusion, MR Subtraction, MR T1 Perfusion, Multimodality Tumor Tracking, NM Astonish Recon Suite, NM Processing App Suite and NM Review.
3. **What market research was performed and what were the results (be specific)?** If market research was not performed, please provide a statement indicating the reason market research was not conducted.
- (a) Market Research is based upon current DIN-PACS contract with DLA. In addition, see item three (3) below for special circumstances.
4. **Are there any special considerations?**
- (a) **Complexity:** VISN 8 is the largest and most complex VISN in the VA. For the past five years the VISN has deployed an integrated Philips IntelliSpace (Radiology, Cardiology and Advanced Clinical Applications) system. The Philips IntelliSpace application is installed on over 29,000 computers across seven facilities. Clinicians are able to view both Cardiology and Radiology exams from a single application. .
- (b) **Statutory Authority:** The statutory authority is 41 U.S. Code § 4106 (c)(2) as implemented by Federal Acquisition Regulation (FAR) 16.505(b)(2)(i)(B) entitled "Only one awardee is capable of providing the supplies and services required at the level of quality required because the supplies or services ordered are unique or highly specialized. Due to lack of server room rack availability and electrical power, a competitive bid is not possible until both rack space and electrical power issues have been resolved. Expected resolution: June 2017

### **FAR Part 6.302-1 - Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements.**

FAR 6.302-1 (a) ii - Supplies may be deemed to be available only from the original source in the case of a follow-on contract for the continued development or production of a major system or highly specialized equipment, including major components thereof, when it is likely that award to any other source would result in—(B) Unacceptable delays in fulfilling the agency's requirements.

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Therefore, under those circumstances a Logical Follow-On Sole Source is warranted under the following FAR Part 6.302-1.

- (c) **Points of Contacts that can be used by the contracting agency for clarifications or additional information (Name, Title, Phone, Email):**

Bill Tyson, Veterans Administration, VISN 8, PACS and CIS/ARK Program Manager,  
[William.tyson@va.gov](mailto:William.tyson@va.gov).

- (d) **Certification of information:**

The above information is accurate and complete to the best of my knowledge. In addition, any referenced supporting documentation regarding the technical requirements which forms the basis for this justification have been certified as complete and accurate by the appropriate technical or requirements personnel.

William F Tyson,  
Program Manager (CIS/ARK), VISN 8 PACS

William F. Tyson 180144

Digitally signed by William F. Tyson 180144  
DN: c=US, cn=William F. Tyson 180144, ou=National Contract Service  
Reason: I agree to specified portions of this document.  
Date: 2016.08.03 12:47:46 -0500

Signature and Date:

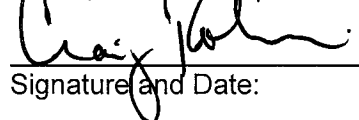
Daniel Crespo  
Chief, HTME

Daniel Crespo

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DN: c=US, cn=Daniel Crespo, ou=National Contract Service  
Reason: I agree to specified portions of this document.  
Date: 2016.08.03 12:47:46 -0500

Signature and Date:

Craig Robinson  
ADAS, National Acquisition Center

 8/4/2016

Signature and Date: