

**DEPARTMENT OF VETERANS AFFAIRS**

**Justification and Approval (J&A)  
For  
Other Than Full and Open Competition (>\$150K)**

**1. Contracting Activity:**

Department of Veterans Affairs  
Network Contracting Office 22  
4811 Airport Plaza Drive Suite 600  
Long Beach, CA 90815

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

This is a request for the lease of a mobile Magnetic Resonance Imaging (MRI) System for an 11-month period at the VA San Diego Healthcare System. Contractor shall provide all expertise, trained personnel, equipment and supplies as necessary to deliver and install this unit at the VA San Diego Healthcare system.

The intent of this procurement is to provide interim mobile MRI availability to continue patient access to MRI services during construction and upgrade of one units and replacement of our second unit. Contractor's equipment shall be state-of-the art in order to achieve high quality scans for VA patient diagnosis. Equipment brand name specification for the mobile MRI shall include a 1.5 Tesla GE MRI Scanner, with a WIN 7 PACS connection.

This requirement is considered extremely urgent since the VA San Diego Healthcare system is anticipating the MRI upgrade to start in the next couple of months. The VA does not have the capability to perform enough MRI scans to meet the demand of the growing Veteran population.

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

- a. Lease of Mobile MRI system manufactured by GE Healthcare for the 1.5 Tesla GE MRI Scanner (GE HDX 1.5 T MRI 8'X48') is required. The operating system of the scanner be Windows 7 OS or later. Transportation of mobile unit shall also be provided with set-up and removal services.
- b. Estimated DOLLAR VALUE:
  - a. Eleven month lease: \$54,500.00 per month Total Lease amount \$599,500.00
  - b. Transportation, set-up, PACS, Protocols and removal \$7,500.00
  - c. Total Lease Plus Transportation: \$607,000.00
- c. Required Delivery:

The vendor Salvadorini Consulting LLC has been identified that is able to deliver, service and maintain a GE 1.5T MRI. Salvadorini Consulting LLC has been a model Service Disabled Veteran Owned business and has provided these identical services under existing contracts with various VAMCs, and has a GSA contract that includes Mobile MRI services using GE systems. GS30F0024W under SIN 271-112

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Currently this facility can only provide an MRI scan to 82% of the veterans within 30 days. This delay exceeds the VA goal of providing a MRI scan after ordering by our physicians of 30 days. VA San Diego MRI is currently performing over 900 MRI scans per month and would become grossly backlogged if not able to continue this volume for our veterans. The options are to refer patients out during the upgrade/ and construction, which is very expensive.

Cost Comparison:

Cost of referring VA patients to outside civilian sources:

CMS - Medicare Reimbursement Average

Type	CPT	Tech	Professional	Total
T-Spine	72157	\$271.25	\$117.72	\$388.97
Pelvis	72197	\$393.85	\$115.27	\$509.12
Lower Ext.	73723	\$366.91	\$109.95	\$476.86
Abdomen	74183	\$395.57	\$115.27	\$510.84

TECHNICAL COMPONENT AVERAGE: \$356.90

PROFESSIONAL COMPONENT AVERAGE: \$114.55

TOTAL AVERAGE: \$471.45 Un-weighted estimate actual scan average at ~\$500.00

A single month without a MRI scanner and referring 450 patients out =  $\$500 \times 450 = \$225,000.00$   
Most Veterans prefer to stay in the VA and get all care at the VA rather than be referred out for a MRI scan.

The cost of leasing a mobile MRI is \$54,500.00 per month. Just a 3 month period will cost \$163,500.00. Referring vets to another non-VA facility would cost \$225,000.00 per month = \$675,000.00 for 3 month period. There would be a savings of \$511,500.00 by leasing the MRI for just 3 month period.

The VA San Diego Healthcare system must lease a MRI in a Mobile environment that is conducive to high VA Patient comfort, advanced MRI scanning, along with faster scan sequences, to solve the immediate problem of not having a scanner during upgrade/construction and training and to then enable the backlog to be reduced and to maintain a backlog of less than 30 days for MRI services.

This will require any Mobile MRI to be housed in a Medical Coach and parked in the limited space available in an existing area outside of the Spinal Cord Injury (SCI) building. Movement of the mobile scanner may be needed if major construction projects start.

**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;
- ( ) (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
- (X) (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):**

**Authorized or Required by Statute (FAR 6.302-5):**

FAR Part 6.302-5 allows for the procurement of items through other than full and open competition; when a statute expressly authorizes or requires that the acquisition be made through another agency or from a specified source, or the agency's need is for a brand name commercial for authorized resale. The vendor Salvadorini Consulting LLC is a SDVOSB FSS contractor as certified by Vetbiz.gov.

The statute identified under Public law 109-461 Title 38 Veteran's Benefits U.S. Code 8127 allows sole source contracts above the simplified acquisition threshold to be awarded to a small business concern owned and controlled by veterans using procedures other than competitive procedures so as long as the following are met:

1. Such concern is determined to be a responsible source with respect to performance of such contract opportunity;
2. The anticipated award price of the contract (including options) will exceed the simplified acquisition threshold (as defined in section 4 of the Office of Federal Procurement Policy Act ( 41 U.S.C. 403) but will not exceed \$5,000,000;

In the estimation of the contracting officer, the contract award can be made at a fair and reasonable price that offers best value to the United States.

This award falls under \$5 million. This SDVOSB has a successful record of providing equipment and performing services to several VA medical centers prior and has a fair and reasonable price based on Independent Government Cost Estimate (IGCE) and market research. System for Award Management (SAM) was also checked for EPLS and found no active exclusion for this SDVOSB. By meeting all three (3) requirements IAW the statute identified under Public law 109-461 Title 38 Veteran's Benefits U.S. Code 8127, this procurement meets the requirement of FAR part 6.302-5.

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

This required item is listed on GSA on GSA Schedule 23V, Categories 271-112 under FSS contract #GS-30F-0024W. In accordance with FAR 8.404(d), GSA has already determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, under schedule contracts to be fair and reasonable.

In addition, the vendor has provided Mobile MRI systems to several Veterans Affairs Medical Centers and the cost history of those systems is in keeping with the proposed cost.

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

Market Research was conducted on various contractors on GSA schedule that can meet this requirement. It was determined that there were no other vendors that can meet the requirement,

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and has a GE MRI system in inventory, and is able to provide confirmation on the ability to supply a GE scanner operating on OS Windows 7 or greater in the time frame needed.

8. Any Other Facts Supporting the Use of Other than Full and Open Competition: N/A
9. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition: N/A
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: N/A
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.

Tricia  
Schabbehar

Digitally signed by Tricia Schabbehar  
DN: cn=Tricia Schabbehar, o=VASDHHS,  
ou=Radiology,  
email=tricia.schabbehar@va.gov, c=US  
Date: 2016.09.28 17:52:03 -0700

09/28/2016

Name: Tricia Schabbehar  
Title: Chief Technologist, Radiology Service  
Facility: VA San Diego Healthcare system

Date

12. Approvals in accordance with the VHAPM, Volume 6, Chapter VI: 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.



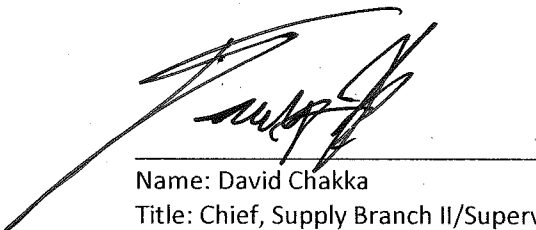
Name: Won Chae  
Title: Contract Specialist  
Facility: Network Contracting Office VISN 22

Date

09/28/2016

b. Director of Contracting /Designee (Required over\$150K but not exceeding \$700K):

I certify the justification meets requirements for other than full and open competition.



Name: David Chakka  
Title: Chief, Supply Branch II/Supervisory Contract Specialist  
Facility: Network Contracting Office VISN 22

Date

9/28/16