

DEPARTMENT OF VETERANS AFFAIRS
Justification and Approval (J&A)
Other Than Full and Open Competition (>SAT)

Acquisition Plan Action ID: 36C250-19-AP-5193

1. Contracting Activity:

Network Contracting Office 10
24 Frank Lloyd Wright Drive
Lobby M, Suite 2200
Ann Arbor, MI 48105

Purchase Request/2237 #: 583-20-1-190-0002

- 2. Nature and/or Description of the Action Being Processed:** A comprehensive, consolidated Picture Archiving and Communication System (PACS) fee-per-use program developed and utilized by the VISN 10 Imaging Committee. PACS services is a digital imaging system deployed throughout VISN 10 and it is necessary to continue the existing maintenance of PACS that interfaces with CPRS and VISTA web as well as multiple Plug-in applications. Provides 24/7/365 customer support including engineers and a help desk and a minimal, guaranteed on-site repair time of less than 4 hours. This will be a new contract that is a follow-on effort from the past VISN 10 BPA, VA251-15-A-0035, established against GSA Contract GS-35F-0134X and for the past Ohio awards established against DLA HTME Contract SPM2D1-11-D-8305. Both the GSA and DLA contracts have expired; therefore, the VISN 10 BPA cannot be renewed upon its' expiration on 09/30/2019. This is anticipated to be an indefinite-delivery, indefinite quantity, firm-fixed price contract.

FAR 13.5 Simplified Procedures for Certain Commercial Items: This procurement is for PACS services in accordance with 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.

- 3. Description of Supplies/Services Required to Meet the Agency's Needs:** The Philips PACS is designed to meet the ever expanding requirements our patient care imaging need. This product is for the entire VISN 10 community. Vendor is responsible for providing all hardware, software remote and on-site support necessary for comprehensive imaging solutions and maintenance. VA/VISN facilities will pay a per study cost, and will not be responsible for owning, supporting or maintaining computer or software systems. Additionally, there will be hardware refresh/replacements as systems age or newer technology becomes available along with continued software upgrades and support for additional modalities or system enhancements. The system should provide a storage array system that allows for less hardware and a smaller footprint to easily fit into limited space. A virtual environment computing system should be in place that allows for easier creation of additional storage once storage modules are at capacity. The virtual environment also means that the system is much more reliable and easier to replicate should there be a hardware failure. "Domain Authentication" must be used to enable users to log in to the application with their current "Windows" credentials meeting the VA standard for user access to patient data. The PACS should use Data Transfer Syntax (SDT) technology for high speed/high quality image distribution. Due to the increasing need to view images from other facilities, a

Federated viewer is also necessary to provide proper patient care. Federation allows you to share data between autonomous healthcare institutions and view patient images from all contributing institutions, regardless of where and when they were created.

Estimated Value: ██████████ per year. If all option periods, including FAR 52.217-8, were exercised the maximum anticipated value is ██████████. The Contracting Officer intends to establish a \$6.5 million ceiling for the ID/IQ. The resulting contract will be established with a base year and three, four-month option periods.

Site	Average Study Volume (per year)
Ann Arbor	63,800
Battle Creek	36,900
Chillicothe	25,821
Cincinnati	60,871
Cleveland	121,493
Columbus	35,283
Dayton	73,292
Detroit	75,000
Indianapolis	91,600
Northern Indiana	53,750
Saginaw	29,680
Total	667,490

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
- () (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;

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

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

Long-term follow on contract is in the acquisition planning stage. Due to the value (over \$7 million) and the implementation timeline (12-18 months) associated with the requirement, a "short-term" contract shall be issued to the incumbent, Philips, as their hardware/software is already in all VISN facilities.

There are no other sources that can meet the requirement other than the manufacturer, Philips due to the proprietary data transfer syntax (DTS), known as the iSyntax, method of compressing data to deliver diagnostic quality imaging to unlimited users across the VISN 10 organization at unparalleled speed. With this level of data transfer, patients receive a better quality of care. The iSyntax method of data compression pushes the limit of data compression and no other system can surpass that compression. Philips instituted and uses "Domain Authentication" that enables users to log in to the application with their current "Windows" credentials meeting the VA standard for user access to patient data. Since iSite was installed, VPN tunneling has been used to enable the use of off-site reading rooms for image interpretation during off hours for our emergency patients. Off-site reading rooms enable affiliate organizations such as Indiana University (IU Health) and The University of Michigan to provide higher quality image interpretation for VA facilities. Additionally, the Philips system supports the educational components of both affiliate universities and has a unique and complex workflow that supports the residency and fellowship training programs. This workflow is critical to the support of the VA Indianapolis and Ann Arbor. Any change to the workflow may impact the educational program at each university and degrade the radiologist and resident support that is currently provided, especially on off-tours and holidays. Additionally, VA Indianapolis has a single VA radiologist. Ninety plus percent of all interpretations utilize a multi-million dollar healthcare resources contract with the affiliate, and a majority of these exams are interpreted off-site, via National Teleradiology (who utilize Philips iSite). A change in vendor would have a great impact on the scarce medical contract because the interpreting workflow that has been designed and relied upon for the last 13 years to interpret would be jeopardized. Philips iSite complies with all information security policies and procedures for data handling and offsite storage. Veteran patients frequently move from one location to another and the ability to view diagnostic quality images from other facilities has always been a challenge. Philips iSite PACS now has the ability, and is deploying a "Federated Viewer" that enables clinicians from multiple VA/VISN's to view diagnostic quality images acquired at different VA facilities. This means that any VA that has Philips iSite will be able to view images from other Philips iSite facilities within the VA system. With the federated viewer this challenge has been minimized. The majority of commercial PACS currently within the VA are Philips iSite. This means that if a patient has been imaged at another VA there is a high likelihood that a prior imaging study will be available for comparison when reading new studies. The level of patient care and quality of the interpretation will dramatically improve. This also will reduce the potential of a misread thereby decreasing the chance for a tort claim.

This is an existing system consisting of hardware, software and 24/7/365 remote customer support including engineers and a help desk. It also includes 2-4 hour on-site repair time that is necessary to maintain existing patient imaging exams as well as future imaging exams for all modalities in radiology including but not limited to MRI, CT, Diagnostic Radiology, Interventional Radiology, Nuclear Medicine, and Ultrasound procedures. The loss/disruption of these services could prove to be fatal to patients who are depending on radiologists to access these studies and provide clinical guidance. There is no other hardware, software, or customer support provider that can directly replace the Philips iSite system without the possibility of losing patient studies and increasing workload to the radiology administrators

at all VISN 10 facilities. This system uses a VPN tunnel to IU Health and University of Michigan system to provide specialized image interpretation in Nuclear Medicine, Abdominal MRI, Musculoskeletal and Neuroradiology imaging. This system must have the ability to seamlessly integrate a variety of PACS “Plug-ins” necessary for daily functionality that includes but is not limited to Power Scribe versions 4.7, 4.8 and 360, Ortho View, IntelliSpace Portal, PACS Scan, Med Image and Primordial. The PowerScribe Plugin must have auto login capability and be able to pass the accession number from PACS to PowerScribe for dictation. Additionally there must be a robust viewable audit trail so that one can determine who has viewed the clinical data. There must be an area for technologist to type in clinically relevant data for radiologist to view upon image interpretation. Unique components: the capability of all enterprise care provider in VISN 10 to access images with existing 13 year iSite database that interfaces with CPRS and VISTA web applications. In addition, Philips iSite incorporates a variety of Plug-ins already in use and necessary for daily functionality that includes but is not limited to Power Scribe, Ortho View, IntelliSpace Portal, PACS Scan, Med Image and Primordial. 1. Currently, Philips stores approximately 7,023,271 studies and 1,139,156,673 images in 3 VISN 10 facility iVaults. Attempting to transfer this amount of data would, with the installation of a new PACS, be very disruptive and would cause patient care issues such as a loss of patient data when transferring to a new system, which could lead doctors to misdiagnose a patient. Loss of images could prolong a veteran’s care if doctors are not able to compare old images with new to determine progress of treatment. It would take approximately 12-18 months to install a new system, train VISN staff on new product and transfer over images. The current storage within the iVault’s is as follows:

iVault Facility	Study Count	Image Count	Image Size
Ann Arbor	3,413,423	647,682,529	171,673 GB
Indianapolis	1,404,276	220,860,445	46,745.26 GB
Cleveland	2,205,572	270,613,699	73,138.61 GB

Accordingly, Philips is the only firm capable of providing the supplies and services described in Section III above without the Veteran's Health Administration experiencing substantial duplication of cost that could not be expected to be recovered through competition and unacceptable delays in fulfilling its requirements.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** No efforts were made to solicit other sources. Software and licensing for this equipment is proprietary to the OEM, Philips Healthcare Informatics, Inc. No other contractor can provide the required services for the existing equipment and infrastructure.
7. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:** Pricing will be evaluated and determined fair and reasonable prior to award. Fair and Reasonable Pricing is expected to be established based on Market Research, the Independent Government Cost Estimate, and other applicable price analysis techniques identified in FAR 13.106-3(a)(2). Market Research that will be used to assist in the fair and reasonable pricing determination will be past contract pricing identified in past contracts GS-35F-0134X and SPM2D1-11-D-8305.

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

The Contract Specialist queried VA's VIP database to identify verified capable SDVOSBs and VOSBs. The query located 380 results using NAICS 511210. The Contract Specialist also queried using keyword "Philips" and NAICS 511210 and no results were returned. Philips hardware and software is currently installed in the VISN 10 VA Medical Facilities. Software and licensing for this equipment is proprietary to the OEM, Philips Healthcare Informatics, Inc. No other contractor can provide the required services for the existing equipment and infrastructure. The VA Rule of Two cannot be met.

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

None.

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

Philips Healthcare Informatics, Inc.
4430 Rosewood Dr Ste 200, Pleasanton, CA 94588

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:

Currently, VISN 10 is working to establish a qualified IPT for the long-term follow-on solution. The IPT is expected to be formed by August 31, 2019. At that time, a milestone plan will be developed and market research performed for the long-term procurement. The follow-on procurement may be a competitive procurement based on the number of PACS competitors; however, costs associated with the transfer of files may be a barrier to competition. Additionally, it is possible, based on DLA's current negotiation of a follow-on contract for these services, that Task Orders may be issued against the new DLA 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.

RYAN B. KNIGHT 303084
Digitally signed by RYAN B. KNIGHT 303084
Date: 2019.08.28 14:34:49 -04'00'

RYAN B. KNIGHT
Healthcare Technology Manager
VHA, VISN 10

8/28/19

Date

13. Approvals in accordance with the [VHAPM Part 806.3 OFOC SOP](#):

- a. **CONTRACTING OFFICER/BRANCH CHIEF CERTIFICATION**: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Andrew J. Craig
1074724
ANDREW J. CRAIG
Contracting Officer, NCO 10

Digitally signed by Andrew J. Craig 1074724
Date: 2019.08.28 15:06:18 -04'00'

8/28/2019

Date

- b. **One Level Above the Contracting Officer (Required over SAT but not exceeding \$700K)**: I certify the justification meets requirements for other than full and open competition.

JONATHAN S.
LATSON 313665
JONATHAN S. LATSON
Acting Division Chief, Healthcare and General Services
Network Contracting Office 10

Digitally signed by JONATHAN S. LATSON 313665
Date: 2019.08.29 21:47:20 -04'00'

8/29/2018

Date

MARIE L.
SMITH 199285
MARIE L. SMITH
Director of Contracting
Network Contracting Office 10

Digitally signed by MARIE L. SMITH 199285
Date: 2019.09.03 10:59:51 -04'00'

9/3/2019

Date

- c. **VHA RPOC 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 for other than full and open competition.

TERRY L.
SPITZMILLER 394683
TERRY L. SPITZMILLER
Executive Director
Regional Procurement Office Central (VHA)

Digitally signed by TERRY L. SPITZMILLER 394683
Date: 2019.09.06 12:24:19 -05'00'

09/06/2019

Date