DoD/VA Joint Contracts for High Technology Medical Equipment

Mr. Andrew Wechter
History

• Congressional Mandate
  – Streamline the acquisition process by eliminating duplication of efforts
  – Implement joint contracting between agencies
  – Leverage Government spending to obtain better prices for high tech medical equipment

• Memorandum of Agreement between VA and DoD… Appendix 3 covers medical equipment
  – Signed in 2003
  – Establishes guidelines for working relationship between agencies

• VA/DoD Quarterly Meetings
Joint Contract Programs

• Radiology and Imaging Systems… 39 contracts
  – Types of systems
    • CT Scanners
    • MRI Systems
  – Includes maintenance service programs
• Radiation Therapy (Oncology) Systems… 9 contracts
• Radiology Glassware… 4 contracts
• DIN-PACS… 9 contracts
Contract Details

- Long term Indefinite Delivery Indefinite Quantity (IDIQ) type contracts
  - Vendors compete for delivery orders
  - Best value delivery order placement criteria specified
- Fixed prices with Economic Price Adjustment (EPA)
- All clinical products in a specific category
  - Vendors offer entire commercial pricebooks of medical systems
- Add new items… delete obsolete items
- Turnkey installation of large systems
Opportunities for Vendors

• Contract programs have “Open Seasons” each year where new vendors can submit a proposal to be considered for a long term contract

• Partner with large, established vendors
  – Most vendors offer a variety of 3rd party items to complement their large medical systems
  – Examples… contrast auto injector, different types of viewing monitors
Benefits of Joint Contracts for Suppliers

- Fewer solicitation responses to prepare
- Fewer individual contracts to negotiate
  - Focus on individual customer orders
- One Government contract, one price book
  - Less contract administration effort
  - Single contracting officer for administration
  - Easier product and price updates
- Common terms and conditions (where possible)
Benefits of Joint Contracts for the Government

• Administrative savings
  – Share the award of long term contracts
  – Eliminate duplication of contracting work
  – Reduced post award work as each Agency administers half of the contracts
  – Each Agency still issues all delivery orders for established customer base

• Better prices
  – Leverage overall volume of DoD/VA business for better discounts
  – Take advantage of each Agency’s best practices… e.g., VA Office of Inspector General commercial pricing audits
Ongoing Partnership with Vendors

• Forum to address common issues
• Vendors work through the Medical Imaging and Technology Alliance (MITA)
• Current issues (sample)
  – Information assurance and information security for medical systems
  – Licenses for diagnostic maintenance software
• Future joint contract programs
  – Integrated Operating Room Systems
  – Robotic Surgery Systems