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1	247 Martyr Street, Ste. 101	OFFICE OF PUBLIC ACCOUNTABILITY
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•	gbc@guamlaw.net	FILE NO OPA-PA: 18-001
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6	Attorneys for Oka Pacific, Inc.	
7	BEFORE THE PUBLIC AUDITOR PROCUREMENT APPEALS TERRITORY OF GUAM	
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8		
9	IN THE APPEAL OF) DOCKET NO. OPA PA-18-001
10)
	JMI-EDISON,) INTERESTED PARTY
11	Appellant.	OKA PACIFIC, INC.'S
12	AND) HEARING BRIEF
13		ĺ
13	GUAM MEMORIAL HOSPITAL) }
14	AUTHORITY,	ý
15	Purchasing Agency.))
16	COMES NOW, OKA PACIFIC, INC., interested party pursuant to 2 GAR § 12102(b), and submits this Hearing Brief	
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17	submits this Hearing Brief	
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18	J	RODUCTION
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18	INT	TRODUCTION ("GMHA") IFB 013-2017 ("IFB") sought bids for the
18 19	INT Guam Memorial Hospital Authority (
18 19 20	INT Guam Memorial Hospital Authority ("("GMHA") IFB 013-2017 ("IFB") sought bids for the scanners that can acquire 64 slices with one 360-degree
18 19 20 21 22	INT Guam Memorial Hospital Authority (purchase, installation, and training of new CT	"("GMHA") IFB 013-2017 ("IFB") sought bids for the scanners that can acquire 64 slices with one 360-degree
18 19 20 21 22 23	INT Guam Memorial Hospital Authority (purchase, installation, and training of new CT rotation. GMHA issued an Intent to Award lowest, responsive bidder.	"GMHA") IFB 013-2017 ("IFB") sought bids for the scanners that can acquire 64 slices with one 360-degree letter to Interested Party Oka Pacific, Inc. (OP) as the
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118 119 120 120 121 122 122 123 124 125 126 127	INT Guam Memorial Hospital Authority (purchase, installation, and training of new CT rotation. GMHA issued an Intent to Award lowest, responsive bidder. For the reasons stated herein, OP agre bid to provide new CT scanners. The GMHA "non-responsive" to the specifications requir	"GMHA") IFB 013-2017 ("IFB") sought bids for the scanners that can acquire 64 slices with one 360-degree letter to Interested Party Oka Pacific, Inc. (OP) as the ees with GMHA in that GMHA correctly rejected JMI's was correct in rejecting JMI's bid because its bid was

The central procurement issue is whether the CT scanners offered by JMI in its bid submittal conformed to the specific requirement by GMHA that the new CT scanners to be purchased MUST acquire 64 slices with one 360-degree rotation. JMI's bid documents unequivocally show that it did not meet this specification identified by GMHA in the IFB. Moreover, JMI's bid documents clearly show that the EVO ES CT it proposed to sell to GMHA only acquired 32 slices per rotation instead of the GMHA requirement that the new CT scanners acquire 64 slices.

SUMMARY

It was clear from the IFB specifications that GMHA desired to improve diagnostic outcomes in order to improve patient care by establishing a significant and key requirement that the new CT scanners acquire 64 slices per rotation. As will be shown, acquiring 64 slices per rotation improves the quality and resolution of the scans. Acquiring only 32 slices per rotation and then interpolating (digitally enhancing) them to resemble a 64-slice scan does not provide the same diagnostic detail and information as a CT that acquires 64 slices in a single rotation.

As will be shown, JMI's bid submittal proposed Revolution EVO ES CT's that only acquire 32 slices per rotation. This specification is clearly shown in JMI's equipment descriptions it submitted with its bid. JMI failed to answer specific and repeated inquiries by GMHA to show GMHA where in its bid JMI's proposed CTs acquire 64 slices, even though JMI's own documents show that its proposed CTs only acquires 32 slices. When JMI failed to provide clear proof from its bid submittals that its proposed EVO ES CTs could acquire 64 slices, GMHA correctly rejected JMI's bid as non-responsive. JMI's bid was deemed non-responsive by GMHA because JMI failed, and continues to fail to prove that the EVO ES CTs it proposed and documented could acquire 64 slices per rotation.

 In appealing GMHA's warranted rejection of its bid, JMI contends the product descriptions it submitted for the EVO ES CT should not be considered part of its bid, and the price page (Bid Form) alone is proof of full compliance with the specifications required by GMHA in the IFB. However, as the procurement record shows, JMI used these same supporting documents to answer other specific inquiries from GMHA. JMI is arguing that the documents they submitted for the EVO ES CT can be used to prove their compliance but cannot be used when they prove non-compliance. JMI cannot have it both ways. JMI indeed submitted product specification documents for a EVO ES CT to GMHA as part of its bid. GMHA correctly used JMI's supporting documents to confirm non-compliance with the specifications it provided all bidders in its IFB.

Considering JMI failed to meet the specifications required by GMHA, GMHA correctly deemed the JMI as non-responsive. GHMA then correctly awarded the bid to Oka Pacific as the lowest responsive bidder

ARGUMENTS

GMHA may reject bids from bidders who are "deemed non-responsive".

A responsive bidder is defined as "a person who has submitted a bid which conforms in all material respects to the Invitation for Bids." Title 5 of the Guam Code Annotated ("GCA"), § 5201 (g). The IFB provides that "[f]ailure to provide a bid that conforms to the requirements of the Bid Plans and Specifications in every respect may subject the bidder to being deemed non-responsive and therefore having their bid rejected." IFB, Section 1-22, PR 749. Emphasis added. Furthermore, a bid can be rejected when: ...(ii) the bid is not responsive, that is, it does not conform in all material respects to the Invitation for Bids," or "(iii) the supply, service or construction item offered in the bid is unacceptable by reason of its failure to meet the requirements of the specifications." 2 GAR, Div. 4, § 3115(3)(3)(ii) and (iii). Emphasis added.

JMI is not a responsive bidder as its bid does not conform in all material respects to the IFB.

JMI's bid proposed a Revolution EVO ES CT.

JMI submitted descriptive product descriptions for a GE EVO ES. Below are excerpts from the CT specification sheet that JMI presented as part of its bid:

(1)

JMI-Edison 125 North Marine Corps Drive, Tamuning, Guam 96913 Tel: (671) 646-1256, 646-8184 Fax: (671) 649-5685 E-Mail: seles@jmiguam.com Website: www.fmiguam.com

GE Revolution EVO

S7880ES Revolution EVO System

ES Configuration

Today's healthcare environment is about creating new rolutions to essing needs. It's about understanding how one CT exam can improve patient outcomes while lowering the cost of providing care. Revolution EVO is designed with the purpose of operating in this new reality, while anticipating the challenges of tomorrow. It's designed to support the widest variety of patients and applications, from complex trauma or cardiac cases, to large patient backlogs in busy emergency departments that strain workflows and resources. The design of Revolution EVO is made for institutions that are unable to sacrifice advanced capabilities such as high resolution for daily productivity. It is well suited for those who need to provide the lowest dose possible. And it provides options to expand your referral physician base and the services you provide to your community.

Specifically, the product description JMI provided clearly shows that the "maximum number of slices per rotation" is "32 acquired slices" even though GMHA specifications required that a CT must acquire 64 slices. *See also* JMI's original bid at p. 55:

System Hardware

Describe and the component comme			
MILEJN CEUTY GRUCOLU	inherhed Shacily hips our begoedvolugh Roudoupon CE systems, the Chang detector is the nearl of Revolution EVO With its high-chief actor imaging republishes, you can see payable so brief to 22% min. the Coarty detactor advers improved door efficiency and signals so- force election used, plus terror command with private understood.		
http://doi.org/doi.org/sition/space/	There as as investablement, positively design, the destructuration graders is interpreted describ once the phose deads. This instaces one size of the describions described processes the size of the describing process by 15th, reduced effects of the size of the describing the phose to be provided by the component to provide operations by the component to provide operations by the component to provide operations by the component of the provided operations.		
	Of proprietary, potential servalutes was designed specifically for CE propriet and provides key definitionance proposities that make it also for the test heat including high partiety special administration mechanism at finis conjunction parental. Now delaying we before a smillion of and high is stay statuting power inflicts conjuncting quality pair delays.		
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e Admin of description electronics.			
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And experience project	Ni + Old Some Ni + 135 mm, 16 + OLI Some, 8 + OLI Some, 8 + OLI Some, 10 + OLI So		

Agency Report, Tab G (JMI Bid Appendix 5-1: CT Data & Brochure, p. 5).

JMI, by proposing the Revolution EVO ES platform, failed to provide a bid that conforms to the requirements of the IFB Plans and Specifications in every respect. Because JMI's bid failed to provide a CT that acquires 64 slices per rotation, a material specification, GMHA properly determined JMI was non-responsive and rejected its bid.

64 slices "reconstructed" is not the same as 64 slices "acquired" when it comes to the quality of radiology diagnostics.

The EVO ES proposed by JMI reconstructs 64 slices but does not acquire 64 slices. There is a distinct difference between "ACQUIRED" and "RECONSTRUCTED." The number of detector electronic channels are the physical limit of how many unique slices can be acquired simultaneously. The number of electronic channels is tied directly to the number of ACQUIRED slices a CT is capable of collecting.

Although the CT offered by JMI, the Revolution EVO ES, is a 64 slice CT system, that designation is related to the number of RECONSTRUCTED SLICES that can be manipulated from 32 acquired slices. The acquired slices are the raw data that the machine is capable of collecting in a rotation. The 32 acquired slices of the Revolution EVO ES are interpolated (digitally created/enhanced) into 64 RECONSTRUCTED SLICES. With fewer AQUIRED slices in an imaging volume being transformed into a higher number of RECONSTRUCTED SLICES, there is a potential for loss of diagnostic information and reduction in resolution.

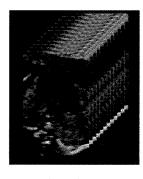
The difference between 64 versus 32 acquired slices is significant with regard to the digital information captured in the "views" or "projections":

The "gap" between each acquired slice is larger with a 32-slice acquisition as opposed to a 64 slice acquisition. The gaps represent missing digital information that will not be available for reconstruction and could lack significant clinical information. If two CTs are identical and one acquires 32 slices and the other 64 slices, the CT that acquires 64 slices will provide higher quality resolution than a CT that only acquires 32 slices. A CT that acquires only 32 slices must also be

"interpolated" (digitally created) to approximate the higher resolution of a CT that acquires 64 slices. GMHA knew that there will be a loss of resolution - the images will not be as good- when it specified that the new CTs must acquire 64 slices per rotation. GMHA clearly intended to improve the resolution of CT scans from its desired new CTs.

Half as many AQUIRED SLICES, Half the DIGITAL INFORMATION (FEWER, "VIEWS", "PROJECTIONS", "SAMPLES")

Neusoft se







64 Acquired Silces

32 Acquired Slices

To ACQUIRE 64 slices with GE's particular technology with the EVO "ES", the number of detector arrays must be DOUBLED from 32¹ to 64. Detector arrays are the single most expensive component of a CT and account for 25 to 40% of the system cost.

If JMI offered the Revolution EVO "LS," it would have met the specification of 64 slices acquired that would have been reconstructed into 64 slices. There would be no need for an interpolation step to synthesize the addition 32 slices (as is required with the Revolution EVO ES).

There is more fidelity in the digital information produced by the Revolution EVO LS and OP's

¹ The Neusoft technology offered by Oka also uses 32 detector arrays. But, that is where the similarity ends.

Neusoft uses a tube technology known as "dynamic" or "flying" focal spot to move the x-ray beam in both the axial and lateral planes. This allows Neusoft to acquire 64 slices by multiplexing the 32 detector arrays through 64 detector electronic channels. The dynamic focal spot with the 64 detector electronic channels is the difference between the two systems.

In addition, there are more than twice as many "PROJECTIONS" or "VIEWS" with the Neusoft products as opposed to the GE products. This is significant when contrasting and comparing ACQUIRED versus RECONSTRUCTED slices.

proposed NeuViz 64En/In CT system as slices are not being digitally created. 1 2 GMHA wants the better CT machines with better resolution. GMHA was very clear about that in the 3 IFB. GMHA as the end-user determines its needs. GMHA told the bidders in the IFB exactly what it needed. 4 JMI misrepresents the technical specifications of its proposed CT scanner. 5 When GMHA asked JMI to clarify whether the submitted system acquired 64 slices or not, JMI 6 misrepresented the technical specifications of its proposed CT, the Revolution EVO ES. 7 GMHA sent the following clarification request to JMI: 8 9 10 125 North Marine Drive, Tamoning, G Fel: (671) 646-1256, 649-5248 Pax: (671) 649-5688 11 12 1) Is maintenance an additional \$44,200 to what we currently pay for the annual contract? Is this for 18 months or per month? 13 The standard warranty period is 12 months. The bid specified line item pricing for an 18-month warranty period so the \$44,200 is the total price for the additional 6 months to comply with the 18-month warranty requirement 14 for the 2 CTs. 2) Can the specification for live fluoro be pointed out on the specific machine? 15 Both CT systems come with the Biopsy Mode Capability and only the Cardiac CT is configured with the live Fluoro. 3) Are both machines 32 acquired and 64 reconstructed slices? 16 Both CT systems are 64 acquired and 64 reconstructed. can you provide the page? the spec 4) Is the power output for both 48 KW with the 72 KW optional? s 32 acquired. 17 No, both systems are configured to be 72 kW systems. 5) Is the MHU minimum 7MHU? 18 Yes, the CT Tube is a 7MHU tube, higher than the 5 MHU requirement. 6) Is the noise suppression 7880MR on the cardiac scanner? Is that optional or included? B7880MR is our SmartMAR item and is the Metal Artifact Reduction 19 20 In response to GMHA's inquiry "are both machines 32 acquired and 64 reconstructed slices," JMI 21 responded "both systems are 64 acquired and 64 reconstructed." In response to GMHA's second inquiry for 22 JMI to provide the page in its bid that supports JMI's claim that both CT systems are 64 acquired, JMI refers 23 GMHA to the bid specs for the EVO ES it submitted, *inter alia*: 24 25 Imaging Performance Images and Specs TAB Cover Page 1, Item No. 4 There are 64 Detector Rows, 4,272 Detector Elements and 64 Slices/Rotation. 26 27

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Surprisingly, JMI includes a 64-detector channel upgrade <u>option</u> (emphasis added) and with this "option", JMI's CTs would meet the requirement of the bid to acquire 64 slices per rotation.

However, GMHA did not seek a CT with an optional upgrade.

JMI could have offered a different and more expensive GE machine, the Revolution EVO "LS", but it did NOT. However, with the EVO ES CT JMI actually offered, it is impossible to acquire 64 slices with only 32 detector channels.

The specification that JMI did not meet, a CT that acquires 64 slices per rotation, was correctly determined by GMHA to be fundamental and so significant as to lead it to reject JMI's bid. GMHA determined that it needed the output, image quality and resolution afforded by a CT that acquires 64 slices, not 32.

GMHA knows inferior CT images are produced with 32 versus 64 acquired slices per rotation as can be seen in the following images:

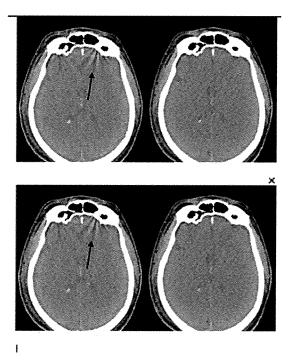


Fig. 10 Reduction of spiral artifacts with the z-flying focal spot technique. Left: A head specimen scanned with 32 \times 0.6 collimation at a pitch of 1.4, without z-flying focal spot, Right: A head specimen scanned at the same pitch with 64 \times 0.6 mm slice acquisition using the z-flying focal spot technique. Due to the improved longitudinal sampling, spiral interpolation artifacts (the windmill structures indicated by the arrow) are suppressed without degradation of the z-axis resolution.

Performance Evaluation of a 64-Slice CT System with z-Flying Focal Spot. T. Flohr 1, 2,

K. Stierstorfer1, R. Raupach1, S. Ulzheimer1, H. Bruder1Fortschr Röntgenstr 2004;

176(12): 1803-1810, DOI: 10.1055/s-2004-813717.²

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JMI should not be allowed to argue that it should not be held to the literature it provided in support of its bid because it actually supports GMHA's determination that JMI's bid is nonresponsive.

EVO ES CT it was offering only acquires 32 slices. However, JMI contends "GMHA's use of the

Appendix [to JMI's bid proposal] to determine responsiveness was unnecessary as JMI had, in the

specified by GMHA." JMI's Comments on Agency Statement at 12. JMI argues "GMHA's reliance

upon the appendix of JMI's submission in order to find grounds to reject its bid does not conform to

the plain terms of the IFB...[as] IFB explains that 'each bid must be submitted on the prescribed Bid

form contained within the Appendix A [of the IFB] and shall be accompanied by all of the required

forms and documents required in these Specifications." JMI Comments to Agency Statement at 2

citing § 1-2, PR 744. JMI further argues "none of the required forms include the additional

brochures provided by JMI in its bid package Appendix." Id.

requiring optimized contrast agent protocols.

actual Bid Proposal documents mandated by GMHA, agreed to provide the CT machines as

The brochure/literature for the EVO ES that JMI submitted as part of its bid clearly states the

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²Spiral scanning with 64 sub-millimeter slices, z-flying focal spot and 0.33 s gantry rotation time represents a further leap in improved spatial and temporal resolution for routine clinical applications, while maintaining a low level of spiral artifacts up to high pitch values. Improve d longitudinal resolution goes hand in hand with considerably reduced scan times, facilitating the examination of uncooperative patients and reducing the amount of contrast agent needed, but also

Diagnostic Accuracy of 64-Slice Computed Tomography Coronary Angiography: A Prospective, Multicenter, Multivendor Study, Journal of the American College of Cardiology, Volume 52, Issue 25, 16-23 December 2008, Pages 2135-2144.

JMI's argument that none of the "required forms" include the additional brochures it provided as part of its Appendix A contradicts the Record:

Bidder: In the Procurement Checklist (Checklist of Forms and Documents $r \ e \ q \ u \ i \ r \ e \ d$

to be submitted in conjunction with the Bid)-page 5 of the IFb [sic], what are the requirements being referred to items 14 [Proof of All Licensure to Perform Work Called for by the IFB] and 15 [Forms or Documents Required by IFB or Amendments not referred to above].

GMHA: It is a reminder to vendors to include whatever the vendor wants to propose...information about your company or the equipment, etc. It would depend on the vendor.

Agency Procurement Record, Vol. III at 743 (Procurement Checklist) and 830 (Amendment #8 For GMHA IFB 013-2017). JMI decided to include information on the CT scanners it was proposing as encouraged by GMHA. JMI should not be allowed to argue that it should not be held to the literature it provided in support of its bid because it actually supports GMHA's determination that JMI's bid is nonresponsive. *See* The Appeal of TeleGuam Holdings, LLC, Docket OPA-PA-12-2016, TeleGuam Holdings ("GTA") (The OPA held that based on the information and literature provided by the appellant was not compliant with the IFB specifications despite its representations in the Bid form that it was compliant.").

Even if JMI failed to include a brochure or other product literature, the EVO ES's specifications are available to the public elsewhere to the committee that evaluated JMI's bid. The committee would have reached the same conclusion--the CT offered by JMI, the EVO ES, does not acquire 64 slices per 360-degree rotation despite JMI's misrepresentations of its CT's specifications. Because JMI's offered CT does not conform in all material respects to the IFB, JMI is not the responsive bidder.

Finally, as the procurement record shows, JMI used these same supporting documents to answer other specific inquiries from GMHA. JMI is arguing that the documents it submitted for the EVO ES CT can be used to prove its compliance but cannot be used to prove non-compliance. JMI

cannot have it both ways. JMI indeed submitted product specification documents for a EVO ES CT to GMHA as part of its bid. GMHA correctly used these documents to confirm that the EVO ES CT was non-compliant with the specifications it provided all bidders in the IFB. As a result, GMHA correctly rejected the JMI bid as non-responsive.

GMHA correctly rejected JMI's bid for failing to meet specifications. GMHA correctly reviewed ALL the documents submitted by JMI, especially the product description for the EVO ES CT to evaluate whether or not JMI met ALL of GMHA's desired specifications. JMI's own documents detailing the specifications of the EVO ES CT show that their proposed CT does not acquire 64 slices per rotation.

CONCLUSION

GMHA set forth the technical parameters of the CT scanners it required in IFB 013-2017. Based on its staff's ability to analyze the technical parameters currently available in CT imaging, GMHA appropriately determined the units offered by JMI did not meet the technical parameters of the IFB. Because GMHA was correct in rejecting JMI's bid as it was non-responsive, the OPA should affirm GMHA's determination that Interested Party Oka Pacific, Inc.is the responsive bidder with the lowest price.

Dated this 14th day of March, 2018.

BROOKS CONCEPCION LAW, P.C.

Attorneys for OKA PACIFIC, INC.

By:

Georgette Bello Concepcion, Esq.