

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MEDICAL DEPARTMENT ACTIVITY
Fort Carson, Colorado 80913-4604

MEDDAC Regulation
No. 710-15

Inventory Management
EQUIPMENT ACQUISITION
Supplementation of this publication is prohibited

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History. This regulation was originally published July 1992. This revision is the fifth printing.

Summary. This regulation establishes policies and guidance of Equipment Acquisition.

Applicability. The information contained within applies to all staff of the MEDDAC, both military and civilian.

Proponent and exception authority. The proponent agency for this regulation is the Equipment Management Branch, Logistics Division. The proponent has the authority to approve exceptions to this regulation that are consistent with controlling directives.

Army management control program. This regulation is not subject to the requirements of AR 11-2, as it contains no internal management control provisions.

Suggested improvements. Users are invited to send comments and improvements on DA Form 2028 (Recommended Changes to Publications) to the Commander, MEDDAC, ATTN: MCXE-LOG-EM, Fort Carson, CO 80913-4604.

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1. PURPOSE:

This regulation prescribes principles and policies for implementing and utilizing an equipment acquisition program. This regulation is meant to be a guide that helps the customer determine and understand the practical and applicative process of acquiring equipment.

2. REFERENCES:

- a. AR 40-61
- b. AR 735-5
- c. DA Pamphlet 710-2-2
- d. HSC 750-1
- e. TB MED 750-1
- f. TB MED 7
- g. Joint Commission on Accreditation of Healthcare Organizations (JCAHO) manual.

3. SCOPE:

MEDDAC Regulation 710-15, Equipment Acquisition, is a logistical support document of Evans Army Community Hospital. As such, assigned and attached U.S. Army Fort Carson MEDDAC/DENTAC/VETCOM activities and the TRICARE Lead Agent office will comply with its contents as applicable.

4. RESPONSIBILITIES:

- a. The Commander, USAMEDDAC will :
 - (1) Review MEDCASE requirements for validity and justifiable need for the accomplishment of mission.
 - (2) Approve or disapprove requirements based on review.
 - (3) Approve or disapprove request for replacement or retainment of equipment.
- b. Deputy Commander for Administrative Services (DCAS) will:
 - (1) Preside over equipment Quality Management Board (QMB) Prioritization.

(2) Recommend to the Commander approval or disapproval of all Medical Care Support Equipment (MEDCASE) requirements.

(3) Approve funding for Capital Expense Equipment (CEEP) requests in coordination with Resource Management Division (RMD).

c. The Chief, Logistics Division will:

(1) Ensure requirements meet eligibility criteria.

(2) Ensure proper coordination.

(3) Provide equipment acquisition training to eligible participants.

(4) Provide for the gathering, recording, analyzing, summarizing and interpreting of financial data of equipment requirements.

(5) Recommend to the Commander approval or disapproval of all MEDCASE requirements.

(6) Approve or disapprove all CEEP requests.

d. Chief, Equipment Management Branch will:

(1) Monitor equipment acquisition programs and coordinate year-end spending with RMD.

(2) Review all requirements for applicability.

(3) Review medical equipment requirements.

(4) Provide equipment histories when appropriate.

(5) Advise activities on replacement of equipment.

(6) Perform acceptance inspection for new equipment.

(7) Assist with the vendor installation coordination.

(8) Install medical equipment when required.

(9) Assist Facilities Management Branch in the development of site preparation criteria.

(10) Determine and coordinate with participants Test Measurement Diagnostic Equipment (TMDE) requirements.

(11) Serve as maintenance advisor to the QMB.

e. The Equipment Program Manager will:

(1) Monitor and manage the functions and processes of the MEDCASE and CEEP programs.

(2) Manage and certify MEDCASE funds.

(3) Provide formal and informal training to participants.

(4) Coordinate with internal and external sources for approval of requirements, and coordinate special considerations.

(5) Provide continuous equipment status to participants.

(6) Coordinate year-end funding with RMD.

f. Chief, Facilities Management Branch will:

(1) Identify equipment site preparation requirements and coordinate with Great Plains Regional Medical Command/Medical Command (GPRMC/MEDCOM) facilities.

(2) Coordinate site preparation funds with the GPRMC/MEDCOM.

g. Chief, Materiel Branch will:

(1) Process medical requisitions for the CEEP.

(2) Receive medical acquisitioned items.

h. Radiation Protection Officer will:

(1) Review all requirements that emit radiation, microwaves, laser, radiowaves, or has radioactive material as a component.

(2) Review requirements in relation to state and federal regulatory requirements.

(3) Review all requirements for diagnostic imaging or radiation therapy equipment regardless of operating location.

(4) Assist activities in the development of diagnostic imaging or radiation therapy equipment requirements.

i. Chief, Information Management Division will:

(1) Review requirements for automatic data processing equipment, micrographic equipment, and information management equipment.

(2) Review requirements for office copies, word processing and filing equipment.

(3) Review medical requirement to determine possibility of embedded, enhanced, supplemental, or other Information Management Processing Equipment (IMPE).

(4) Prioritize IMPE equipment for acquisition through Information Management Guidance Council (IMGC).

j. Chief, Resource Management Division will

(1) Review requirement for associated costs to determine the impact of the item in relation to the operating budget.

(2) Review economic considerations for validity and accuracy.

(3) Assist participants with the development of economic analysis or life-cycle cost analysis.

(4) Assist participants with the development of the Productivity Capital Investment Program (PCIP) requests.

(5) Provide allocations for the acquisition of equipment.

(6) Provide financial support information necessary for acquiring equipment.

k. The Chief of each careline, department, division or service will:

(1) Submit requirements based on forecasting and planning predications.

(2) Review projections for legitimacy and accuracy.

(3) Review all requirements for applicability.

(4) Issue document numbers as appropriate.

(5) Provide necessary acquisition documentation to the Equipment Program Manager, room 0521.

(6) Obtain internal clearance and signatures.

(7) Monitor and control submissions for administrative correctness and appropriateness.

(8) Assign and maintain internal funding priority lists for activity program.

(9) Coordinate with RMD data pertaining to economic analysis or life-cycle cost analysis, the PCIP, and any financial alternatives available in the market to acquire equipment.

(10) Develop, monitor, and control the activity annual Five-Year Equipment Replacement Report.

I. Property Book Officer will:

(1) Receive medical and non-medical equipment.

(2) Initiate equipment pre-issue inspections.

5. EQUIPMENT ACQUISITION PROGRAM:

a. Forecasting, planning, programming, and acquiring medical and non-medical equipment are primary objectives of the hospital's acquisition program. Specific equipment funding programs are available to acquire equipment. The Equipment Management Branch works within the parameters of funding programs to forecast, plan, program, and acquire medical and non-medical equipment. Items are identified and categorized as being eligible Defense Health Program (DHP) Other Procurement, Defense (OPD) or DHP Operation and Maintenance, Defense (OMD). Equipment with a unit price of \$100,000 or greater qualifies for the Medical Care Support Equipment (MEDCASE) program, a program that uses DHP OPD funds to acquire medical and non-medical equipment.

b. An item priced not greater than \$99,999.99 meets the DHP OMD funding criteria of the Capital Expense Equipment Program (CEEP). The third equipment classification is equipment that does not meet MEDCASE or CEEP funding thresholds, but does qualify for DHP OMD funds.

6. FORECASTING/PLANNING/PROGRAMMING/ ACQUIRING REQUIREMENTS:

a. Significant to the integrity and creditability of the three mentioned funding programs is the aspect of forecasting, planning, programming, and acquiring equipment. "What" we acquire, although a legitimate consideration, must share the stage with "How" we acquire equipment. Conscious of the fact that resources (dollars, equipment, and personnel) are limited, maintaining reasonableness with modern technology is necessary, the enormous challenge of forecasting, planning, programming, and multi-disciplined skills are necessary, as well as integrated support.

b. Forecasting. Requirements are projected on a five and seven year continuum considering such variables as replacements, modern technology, economic savings, mission change, equipment maintenance costs out of proportion to its value, manufacturers no longer supports repair of equipment, or there is a major construction or renovation project. Effective forecasting predicts our minimum and target funding levels. The Five-Year Equipment Replacement Report isolates possible candidates for replacement based on the date the item was placed in service and life expectancy based on equipment classifications. As the title implies, replacement considerations span a five-year evolving period. The Equipment Management Branch distributes the report annually. Appendix C, Special Considerations, also discusses the Five-Year Equipment Replacement Report.

c. Planning, the equipment acquisition program necessitates customer action. A method or strategy is required to develop an effective requirement. Collect and analyze vendor information based on the activity's minimal acceptable standards. Observe the functional use of equipment, taking advantage of vendor demonstrations and examinations (Policy 54), and compare similarities and differences. Develop a life-cycle cost analysis based on present considerations rather than those of the future. Become familiar with alternate acquisition methods, i.e., purchase, lease, rent, cost-per-test, fee-per-scan, and exchange. Collaborate with RMD to develop an Economic Analysis (EA).

(1) An EA is not required if the item is for direct replacement of a like item and is Budget Line Item Code (BLIC) UR. If you are currently using the technology you do not have to justify replacing an existing piece of equipment.

(2) An EA is not required if the item either new or replacement, is for BLIC DA, PC, CF because Human Resources Management Division, Preventive Medicine and Wellness Division, and the Clinical Investigation Regulatory Office Control this equipment. For BLIC NF, an EA is not required if the item is in the scope of the project as originally designed. Otherwise, an EA is required.

(3) an EA is not required for upgrades to equipment.

(4) An EA is not required for equipment identified by the Technology Assessment Requirements Analysis (TARA) review and in the final report for the Medical Treatment Facility (MTF).

d. Programming solidifies the planning effort. Documentation is formalized. Use DA Form 5027-R (MEDCASE Program Requirement) as the submitting document. Submit minimum salient characteristics and standards in which the equipment is to perform. Technical specifications, price quotations, vendor terms and conditions, cost analysis, and any other supporting

documentation is necessary. Other specific documentation is dependent on the nature and complexity of the item. Submit the original request packet to the CEEP/MEDCASE Manager, Equipment Management Branch, room 0521; keep a file copy.

e. The actual acquisition or procurement process begins upon approval of several considerations. The item based on need must be approved as a legitimate requirement. Funding, distinctly different from approval, must be available and approved. Finally, items are released for acquisition based on approval priorities determined by the QMB.

7. Quality Management Board (QMB).

The committee members act in an advisory capacity to the Hospital Commander for coordinating requirements, resources, and asset distribution. Requirements are prioritized by the QMB and items are ultimately acquisitioned according to approved prioritization lists. Active representation and participation ensures your requirements will be fairly and equitably represented in relation with other requirements.

8. EQUIPMENT REPLACEMENT POLICY.

Consider three factors that may impact a replacement decision. Equipment age in and of itself is not a legitimate reason for replacement, particularly if the item is still functional. Maintenance consideration is one method of demonstrating replacement. Identify excessive one-time expenses cumulative expenses, or unacceptable repairs. The equipment maintenance costs may be out of proportion to its value, or the manufacturer may no longer support the repair of the equipment. Depend and rely on the Medical Maintenance Section to perform a maintenance analysis upon request. Request a maintenance history for review and to support your acquisition request (Room 0705). A second factor to consider is technological obsolescence that inhibits or minimizes quality health care. Justify equipment based on new technology, i.e., the item will improve care, increase diagnostic accuracy, or reduce pain and sickness. Third, consider equipment economic return. Quantify cost reductions, increased efficiency and productivity, conservation of manpower, decrease in supplies or utilities. A change of mission may be reason for replacement, or if there is a renovation project occurring.

9. FINANCIAL ALTERNATIVES.

The Productivity Capital Investment Program (PCIP) is available as a financial alternative. Briefly, DHP OPD PCIP consists of three categories of funding: Quick Return on investment Program (QRIP); Productivity Enhancing Capital Investment Program (PCEIP); and OSD Productivity Investment Funding (OSD PIF). However, funding depends on specific stipulations. Generally, funding is used to increase readiness through labor and cost saving equipment. Recognize that the program is available. Contact Resource Management Division for additional information.

10. EXCESS EQUIPMENT.

The Excess Equipment Management Program (EEMP) is an excellent source of fulfilling equipment requirements. Reported excess equipment is available for lateral transfer from installations throughout the United States and abroad. The program operates on command-wide screening and redistribution process. The objective is to achieve maximum reutilization of serviceable equipment. Army, Air Force, and Navy excess reports are available for review at the Equipment Management Branch and via the World Wide Web at <http://www.armymedicine.mil/usamma/main-index.html>. If suitable excess equipment is found on the USAMMA website please contact the Property Book Officer, Room 0507, for review and acquisition.

11. SUMMARY.

a. Three distinct programs are available for equipment acquisition: Medical Care Support Equipment (MEDCASE) program; Capital Expense Equipment Program (CEEP), and Minor Expense Equipment Program. Programs are distinguished by funding source, i.e., DHP OPD and HP OMD; and by dollar thresholds. Equipment projections, through forecasting, planning, and programming efforts, predict with a degree of accuracy funding level requirements over a five year continuum.

b. Remember to consider the following factors while determining replacement equipment:

- (1) maintenance data
- (2) technological obsolescence
- (3) economic return
- (4) change in mission
- (5) renovation projects

APPENDIX A
THE MEDICAL CARE SUPPORT EQUIPMENT (MEDCASE) PROGRAM

1. GENERAL.

a. MEDCASE offers medical activities a centralized program that uses DHP, Other Procurement Defense (OPD) funds to acquire capital investment equipment, generally but not always of a medical application. The Assistant Secretary of Defense (Health Affairs) is the Department of the Army MEDCASE program manager and has delegated his staff to publish MEDCASE policy, develop and defend program budgets based on activity input, determine funding ceilings, serve as functional consultants who approve/disapprove requirements, and review, as well as approve and disapprove all diagnostic imaging or radiation therapy equipment in excess of \$1,000,000.00.

b. The United States Army Medical Materiel Agency (USAMMA) administers the program. Among other duties, USAMMA controls and monitors MEDCASE funds. MEDCOM is responsible for managing the development and execution of requirements, and determining funding ceilings for activities within the command.

c. MEDCASE participant responsibilities are listed at the beginning of this regulation.

2. ELIGIBILITY CRITERIA.

a. Eligibility is categorized by equipment function, i.e., medical and non-medical. Medical equipment must meet the following qualifications:

(1) The item is required to accomplish or support a health care mission.

(2) The item is a nonexpendable, property accountable end item or is a component or accessory to a nonexpendable, property accountable end item.

(3) The item is classified as capital investment equipment, i.e. unit price meets or exceeds \$100,000.

(4) The item is not centrally managed and is not funded through another DA-level program.

(5) The item is not required to accomplish a Base Operations function.

b. Funding non-medical equipment with MEDCASE funds is considered case-by-case. Medical and non-medical systems, sets, components, accessories, and upgrades may qualify for MEDCASE funding. Some items that may be DHP OPD funded include:

(1) Shelving is eligible for DHP OPD funding if the shelving for one room is \$100,000.

(2) Hospital Materiel distribution systems consisting of mobile lockers, shelves, and or carts that are configured by number and type to the specific requirements for distribution of medical supplies/pharmaceuticals/patient meals will be considered for DHP OPD funding if dollar threshold criteria is met.

(3) If there is a single vendor catalog number for surgical instrument sets, fiberoptic scope sets, etc, and the dollar threshold criteria is met.

(4) Information Management systems are eligible only if the system consists of a number of components designed primarily to function within the context of a whole and will be interconnected to satisfy an approved requirement.

(5) Other eligible items, if dollar threshold criteria is met:

(a) Dental Operating Systems

(b) Food Service Conveyor Systems

(c) Pharmacy Unit Dose Systems

(d) Radiographic Systems

(e) Nurse Call Systems

- (f) Patient Monitor Systems
- (g) Local Area Network Packages
- (h) Patient/Staff Educational Entertainment Systems
- (i) Security Systems, i.e. closed circuit tv, card access, intrusion detection
- (j) Endoscopic Camera Video Systems
- (k) Emergency Radio Systems

c. What is no longer eligible includes:

- (a) Implant Sets
- (b) Integrated Modular Medical Support Systems

3. DEVELOPMENT OF MEDCASE REQUIREMENTS.

Developing a MEDCASE requirement includes three broad phases: identification, initiation and preparation, and submission of the requirement.

a. Identification of requirements, phase I, involves forecasting equipment replacement as well as identifying and isolating modernization levels that correlate with desired objectives. Predicting future requirements will lessen the risk of obtaining inadequate funding levels.

b. Phase II, initiation of preparation, considers comparison shopping. Operational and financial comparisons are to be initiated for minimum of two similar items available on the market. The Equipment Management Branch maintains for your convenience product comparison information for many hospital items. In-house demonstrations and examination may be arranged PROVIDED hospital and vendor coordination is administered by the Equipment Management Branch prior to equipment brought into hospital. Financial alternatives are to be evaluated during this phase. Pursue price comparisons by requesting vendor quotations. A note of caution is worthy of insertion: DO NOT INFER OR IMPLY to the vendor that you are authorized to obligate the government. Only of Contracting personnel will obligate government funds. Decide if the selected equipment should be competitively bid to maximize pricing objectives or other intrinsic benefits; or decide if a brand name or sole source is justified. Branch names justification identifies a single, specific manufacturer and model number. Branch name implies that only that one listed manufacturer and that one listed model number is acceptable for acquisition. A sole source justification implies only one specific vendor is acceptable. In either situation, the justification must substantiate the necessity for entertaining other than open competition procedures. Keep in mind that equipment must be acquired by competitive procedures whenever possible. Develop minimum essential characteristics required for those items requiring competition. Isolate NEEDS from WANTS. Needs that can only be met by non-competitive procedures require the customer to address the following:

- 1) identify features or specifications that limit less-than-full-and-open competition.
- 2) document the essentiality for each feature of specification.
- 3) identify the impact in general and specific terms if features or essential characteristics are not met.

In addition, the certification statement below, signed by clinical or health care professional initiating the requirement, must be included in the MEDCASE requirement packet:

“ I CERTIFY THAT THE INFORMATION CONTAINED IN THIS JUSTIFICATION SUPPORTS THE GOVERNMENT’S MINIMUM ESSENTIAL REQUIREMENTS AND THAT THE STATEMENTS CONTAINED HEREIN FOR OTHER-THAN-FULL-AND-OPEN COMPETITION ARE ACCURATE AND COMPLETE.”

Acquiring equipment through emergency or urgent means should rarely occur considering the program’s infrastructure. However, the option is available provided the situation is substantiated. Notify the MEDCASE manager for specific guidance if such an occurrence arises, and refer to Appendix F for additional guidance.

c. The submission, Phase III, must include at a minimum documentation for nonstandard, local purchase equipment:

- (1) DA Form 5027-R, MEDCASE Program Requirement
- (2) Vendor price quotations, including terms and conditions.

(3) Minimum essential characteristics required by requesting activity.

(4) Equipment specifications (technical data).

(5) Equipment literature provided by the vendor.

Optional documentation may include brand name or sole source justification.

d. Standard equipment not acquired through Contracting channels does not require a vendor price quotation. However, an Equipment Data List (EDL) is recommended to identify specific options or choices, i.e., accessories, color, substitutions, electrical needs. Some instances require mandated use of the Shared Procurement Program. Refer to Appendix G. Do not submit vendor price quotations. Do submit a Customer Order List (COL). The Equipment Management Branch has this and other forms. Again, the purchase of equipment in the Shared Procurement Program is mandatory unless an exception to policy is obtained.

4. SUMMARY.

The MEDCASE program utilizes DHP OPD funds for the acquisition of approved capital expense equipment. Medical equipment is primarily acquisitioned, but in some situations non-medical items are acquired. Three phases delineate the development of MEDCASE requirements: requirement identification, initiation and preparation of formal document, and packet submission. Competitive bidding is required unless sole source or brand name is justifiable. Emergency and urgent requirements should rarely occur provided the program intent is followed. Submission documentation varies with equipment classifications, the nature and complexity, and circumstances. Shared Procurement is a mandatory Department of the Army program that provides equipment at negotiated reduced price.

APPENDIX B
THE CAPITAL EXPENSE EQUIPMENT PROGRAM (CEEP) AND MINOR EXPENSE PROGRAM

1. GENERAL.

CEEP is decentralized funding program whereby allocations received from MEDCOM are controlled by the hospital's Resource Management Division and distributed in increments throughout the year to acquisition medical and non-medical equipment. HDP OMD funds are used to procure medical and non-medical equipment. The minor expense program also utilizes OMD funds.

2. ELIGIBILITY CRITERIA.

Equipment must meet certain qualifications: the item is required to accomplish or support a health care mission, is considered a non-expendable property accountable end item, the unit price is not greater than \$99,999.99. CEEP funds are not used to purchase minor expense requirements. A minor expense requirement. The Minor Expense Program acquisition requirements will be funded using the requesting section's supply budget. Requests for these acquisitions will be made through a memorandum to the Property Book Officer in Room 0517. When the requirement is approved, the purchase will be made using IMPAC procedures.

3. CEEP.

The CEEP Program is generally developed in much the same fashion as the MEDCASE requirements. Minor expense requirements will be submitted to the Equipment Management Branch. Emergency and urgent funding is approved locally by coordinating with hospital RMD. Do not follow guidance referenced at Appendix F, MEDCASE Emergency/Urgent Requirement Procedures for CEEP. Required documentation is similar to that required by MEDCASE except that an Equipment Data List is not used. Likewise, Shared Procurement requirements require a Customer Order List (COL). In some instances, test, measurement, and diagnostic equipment (TMDE) paperwork may be required. Briefly, TMDE is used to evaluate the condition of a system or an item of equipment and to identify or isolate an actual or potential malfunction. Appendix H describes the nature of TMDE and identifies participant responsibilities. Refer to the Logistics Division User's Manual for additional guidance.

4. SUMMARY.

CEEP requirements are acquired using local hospital a OMD funds. Funds are controlled by the hospital RMD who distributes funds throughout the fiscal year to the Equipment Management Branch. Funding for equipment other than MEDCASE: CEEP items not greater than \$99,999.99.

APPENDIX C SPECIAL CONSIDERATIONS

1. GENERAL.

Appendix C focuses attention to special considerations that, if used, will improve your effectiveness. Once again the Five-Year Equipment Replacement Report is an excellent tool by which you can capsule equipment and funding levels over a five year continuum. In addition, training, installation, transportation, site preparation, and consumable supplies will be discussed.

2. FIVE-YEAR EQUIPMENT REPLACEMENT REPORT.

Equipment is targeted as a possible candidate for replacement based on the date item was placed in service and life expectancy. The report is another mechanism for us to predict the probability of obtaining adequate funding levels based on replacement needs. Reports are distributed annually, and encompass five years beginning with the current fiscal year. Two copies are delivered to the activity. Both copies are to be annotated with anticipated year in which equipment will be replaced. Current fiscal year items require follow through documentation, i.e., DA Form 5027-R, MEDCASE Program Requirement. REQUIREMENTS MAY BE SUBMITTED THROUGHOUT THE YEAR. Shown at Appendix I is an example of the Five Year Equipment Replacement Report.

3. SPECIAL COST CONSIDERATIONS.

DHP OPD funds may not be used for certain special costs associated with the acquisition of MEDCASE requirements. For example, training costs are normally associated with OMD funding; however, there is an exception when the training is an intrinsic part of the acquisition price. OPD funds may be used for installation of equipment if specified as part of the award. Site preparation costs use OMD or MILCON funds; OPD funds will not be used. Transportation charges may be costed to OPD funds provided that it is defined as first-destination charges (movement from the commercial source to government point of deliver). OPD funds will not be used to pay for second-destination transportation costs (shipment between two locations within the government). OPD Funds may be used to acquire up to a 30 day supply of consumables for a MEDCASE item.

4. COMMON PROBLEMS.

Submission problems that recur most often are:

- a. Justifications are insufficient or do not answer mandatory questions.
- b. Extended or system description is incomplete.
- c. The equipment requirements block is not completed.

d. Medical requirements in the range of \$150K - \$34,999 unit price is sent for approval to the Major Subordinate Command. Medical in the \$350K unit price and above range and non-medical in the \$100K unit price and above range, and final approval by U.S. Army Medical Command (MEDCOM via U.S. Army Medical Materiel Agency for review and routing to proper consultant). Requirements \$1 million and above are sent to Assistant Secretary of Defense (Health Affairs). The activity's submissions will be as

professional looking as possible. An EA may be required for specific requirements. Refer to 1-6c. Use only budget costs in the computations. If avoidance costs impact upon the requirement those costs will be discussed in the narrative. Do not inflate "out" years. And remember to take advantage of the experience and expertise of RMD.

5. CALENDAR OF EVENTS.

Beginning with a new fiscal year, the following events will impact the activity. Prepare and plan now.

- OCT – JUN Develop/submit requirements for next fiscal year
- OCT Submit Five Year Equipment Replacement Report
- OCT – SEP Validate existing requirements

6. DIAGNOSTIC IMAGING AND THERAPEUTIC RADIATION REQUIREMENTS.

Any item that uses electromagnetic waves or ultrasonic waves to produce a diagnostic image is considered diagnostic imaging equipment. Examples are diagnostic ultrasound scanners, gamma cameras, computerized tomography systems, and diagnostic radiographic and fluoroscopic xray system. Therapeutic radiation equipment includes items that use ionizing/non-ionizing

radiation, or electromagnetic wave emission. Examples include linear accelerators, extracorporeal shock-wave lithotripters, and radiation therapy simulators. In addition to standard documentation, a customer order list (COL) must accompany the request. Seek technical advisement from EMB. USAMMA and MEDCOM require a Preacquisition Site Survey (PASS) or Facility Survey Report (FSR) for approval and funding. However, they are recommended for consultant review to make informed decisions regarding issues such as lead shielding considerations and site preparation costs. If there is an installation cost, cost data needs to be included in the unit price. If the requisition is to be acquired through Defense Support Center Philadelphia (DSCP), the PASS/FSR is required.

7. TECHNOLOGY ASSESSMENT REQUIREMENTS ANALYSIS (TARA).

TARA is a service offered at USAMMA by the Materiel Acquisition Directorate at USAMMA. Their objective is to provide the hospital Commander with an unbiased assessment of requirements and operations within any given functional area. Based on unbiased information, the hospital Commander is better able to accomplish business plan missions and develop acquisition strategies for optional outcomes.

a. TARA considers three areas within assessment:

(1) Requirements. How facility compares with commercial counterpart.

(2) Operations. Qualitative evaluation consider procedural mix, staffing, work scheduled, patient flow, and throughout and quality assurance/risk management in relation to existing equipment.

(3) Equipment. Considered variables include current technology, state of existing equipment, trends/developments.

b. TARA visits occur once every three years. Requirements submitted within that timeframe require no EA. The Technical Support Division, TARA, have implemented a process to establish MEDCASE identified requirements based on the visit which reduces clinical/logistician administrative workload. TARA will generate the requirement documentation and will require only concurrence from the hospital Chief of Radiology to convert the equipment to an "IA" approved requirement. The hospital will return concurrence/non-concurrence documentation to USAMMA, and establish the validated requirement.

8. SUMMARY.

The Five Year Equipment Replacement Report has been designed to assist the customer in forecasting, programming, and planning replacement and new technological equipment need in relation to funding levels required to acquire items. It is distributed during the end of the fiscal year. Special cost considerations requires the customer to determine funding sources. Special costs will be identified on the submission form, DA Form 5027-R. Prior to packet submission, ensure that justification questions are answered in narrative form, information is quantified and qualified, the finished product sounds and looks professional. Develop and submit requirements throughout the year. Diagnostic imaging and therapeutic items require special consideration i.e. PASS and FSR. The TARA team provides unbiased assessment of facility requirements, operations, and equipment to enhance accomplishment of business mission plan and develop acquisition strategies. Clearance and acquisition procedures are processed in manner unlike that of the other equipment acquisitions. Contact the MEDCASE Manager if the activity has such a requirement.

9. INTERNAL CONTROL SYSTEMS.

This regulation is not subject to the requirements of AR 11-2 which lists Internal Control provisions.

APPENDIX D
INSTRUCTION FOR EQUIPMENT REQUIREMENT SUBMISSIONS

1. GENERAL.

a. An equipment requirement is initiated by the preparation of DA Form 5027-R, MEDCASE Program Requirement. The form is required for MEDCASE and CEEP. Remember to verify before completing the form that existing or reported excess assets are not available to satisfy the requirement.

b. Two copies are required: one will be submitted while the other copy will be maintained in the activity's current records. Original signatures are required. A form must be prepared for each MEDCASE requirements unless there is one single item with multiple quantities, i.e., Xray Film Processing Machine with a quantity of five. The requirement will be described as a generic nomenclature, i.e., use defibrillator in lieu of Lifepak 10.

c. Each block on DA Form 5027-R will be completed. Type as much information on the form before continuing on bond paper. Probably the most crucial element for the customer is the justification which is to quantify and qualify the necessity of an item. The justification will be in narrative format and written with clarity.

d. The requestor, by signing the form, certifies that the requirement is valid and that the justification is accurate. The requestor should be the hand receipt holder of the activity; if this not the situation, the hand receipt holder must sign the request next to the requestor's signature. Why? The hand receipt holder is responsible for equipment accountability and must be aware of equipment changes to the hand receipt.

e. Specific instructions attached will assist the customer in completing the request. Also enclosed is justification information and specific MEDCOM determined questions that must be answered. Forms may be obtained from EMB, Logistics Division. If assistance is necessary, call the MEDCASE Manager at 6-7797.

2. COMPLETION INSTRUCTIONS FOR DA FORM 5027-R (MEDCASE PROGRAM REQUIREMENT)

a. DATE: The date the from is initiated.

b. ACTIVITY: The activity information is provided.

c. FROM: Self explanatory

d. CAN/BLIC: Leave blank; Logistics Division will complete this block.

e. STANDARD ITEM DESCRIPTION OR GENERIC NOMENCLATURE: Enter generic nomenclature, i.e., defibrillator versus Lifepak 10.

f. POINT OF CONTACT AND PHONE NUMBER: An individual familiar with the requirement.

g. EXTENDED OR SYSTEM DESCRIPTION: List components and accessories of the system, plus descriptive information pertaining to essential characteristics. Directly after identifying manufacturer and model number, type "OR EQUAL" unless the requirement is required based on sole source or brand name justification.

h. QUANTITY: The number of items requested. A form must be prepared for each MEDCASE requirement unless there is one single item with multiple quantities, i.e., Xray Film Processing Machine with a quantity of five, and all other variables remain constant.

i. UNIT PRICE: Identify the estimated unit price of a single requirement. MEDCASE prices are to be as accurate as possible because price increases which may later occur may delay the acquisition process. Prices increasing more than 15 percent require additional review by command.

j. JUSTIFICATION: See attached continuation information.

k. ARE PERSONNEL ASSIGNED AND TRAINED TO OPERATE EQUIPMENT: Self explanatory.

l. REMARKS: Self explanatory.

m. ITEM TO BE REPLACED: If the item requested will replace existing equipment, annotate the "yes" block. "No" means that the requirement is based on considerations other than replacement of existing equipment. Retention of equipment as back up

requires Hospital Commander approval for MEDCASE, and Chief, Logistics Division for CEEP. Refer to attached information for the memorandum required in such an instance.

n. SPECIAL EQUIPMENT CATEGORY: The purpose of the requirement is to be indicated. Generally, the purpose is to replace, modernize, or acquire equipment for the existing facility. Identify the reason why the item is required, replacement or new requirement.

o. EQUIPMENT REQUIREMENTS: Be thorough in identifying any electrical support, water, gas, radiation, or other elements for two reasons. First, site preparation funding is requested based on anticipated facility modifications to accommodate the equipment. Second, installation delays may occur if specifications are not identified.

p. SIGNATURE BLOCKS: The requestor's signature certifies the validity of the information. Remember the activity hand receipt holder must sign the form next to the requestor. The activity's chief signature validates the requirement.

3. JUSTIFICATION OF REQUIREMENTS.

The following information is extracted from Supply Bulletin 8-75-MEDCASE dated 10 March 1991.

a. "3-5. Justification of Requirements. Adequate clinical, logistics, or economic justification for MEDCASE requirements is absolutely essential to the integrity of the MEDCASE program. All MPRs will be justified. Justification is normally the responsibility of the user or the initiator of the requirement, although it is the responsibility of every individual who signs an MPR/MSTF to evaluate and, if appropriate, to question the justification provided."

b. The SB also states that "Justification shall be supported by facts. General statements such as "...required to meet an increase workload" will not be accepted unless the actual increase in workload is quantified and explained. Justification which cite maintenance problems experienced with existing equipment must be supported by documentation of those maintenance problems. Such documentation is provided by the Equipment Maintenance Activity and must accompany the MPR/MSTF through the review and approval process. Justification shall relate the capabilities requested to the actual requirements of the activity. An MPR justification which explains in great detail the technological advantages of a type of equipment will not be accepted unless the activity's need for those advantages is explained. The phrase "state-of-the-art", while descriptive, adds very little to an MPR justification unless the specific "state-of-the-art" capabilities and the need for those capabilities are described."

c. Seven specific justification questions must be addressed on DA Form 5027-R. The following is extracted from SB 8-75-MEDCASE for easy reference:

"The justification block on the MPR prompts the initiator to answer specific questions regarding the requirement. These questions should be clearly and concisely responded to. In addition, the initiator should ensure that the justification adequately addresses the following questions/areas.

(1) What is the item requested to be used for? Why is the item needed?

(2) How will the item be used with other equipment?

(3) What are the advantages of the requested item over equipment currently in use or available on the market? Why are these advantages needed?

(4) Have specific details been presented regarding cost-benefit, personnel savings or productivity, the enhancement or curtailment of services, frequency or duration of breakdown, or other specific factors which may be relevant?

(5) What will be the impact upon mission accomplishment if the requested item is not acquired?

(6) Is the anticipated workload provided?

(7) Has consideration been given to the use of available excess assets to satisfy this requirement?"

4. PROCESSING URGENT AND EMERGENCY MEDCASE REQUIREMENTS.

Definitions for urgent/emergency requirements are provided, as determined by SB 8-75-MEDCASE:

a. "Urgent Requirements. Urgent requirements are those which must be both approved and executed during the current execution year. Urgent requirements are processed in the same manner as routine requirements. The request can be expedited for approval status by notifying the MEDCASE Station Manager at USAMMA. Telephone requests will be accepted but hard copy requests must later be submitted.

b. Emergency Requirements. Emergency requirements are those in which the item is required to save life, prevent suffering, distress, or loss of faculty of limb.” Emergency requirements will be expedited. The following is extracted from SB 8-75-MEDCASE:

“The use of similar equipment from within the facility or on loan from another activity shall be the first source considered for emergency requirements. In most cases, an item of equipment can be moved to the point of need faster than the item can be acquired. Through use of the Asset Visibility System, USAMMA, will assist an activity in locating the nearest available equipment capable of meeting the requirement. If it is determined that the emergency requirement cannot be met in time through the use of similar or borrowed equipment, and the MEDCASE requirement does not have formal approval, the activity may initiate acquisition action upon the verbal approval of the parent command or USAMMA, whichever is applicable. If deemed necessary by the activity commander to save life, prevent suffering, distress, or loss of faculty or limb, acquisition action may (be) initiated immediately without regard to the formal approval status of an MEDCASE Program Requirement (MPR). In such case, the activity shall advise the parent command and USAMMA as soon as possible after the fact. An MPR/MSTF, if not already in process, shall be initiated and submitted through MEDCASE approval channels within two working days after initiation of acquisition action. Execution. Emergency requirements will be executed regardless of funding constraints, with after-the-fact adjustments made by the command, as necessary, to the activity’s station account.”

c. Contact the Equipment Requirements manager upon first indication that an emergency situation is developing. The Chief, Logistics Division, should also be contacted.

d. Point of History, there has been only one emergency MEDCASE in the MEDCOM in the last 20 years. This part of the MEDCASE program receives extremely high visibility and requires extreme justification. An emergency MEDCASE requires approval from the Regional Medical Commander or in an extreme emergency, the hospital Commander in accordance with SB 8-75-MEDCASE.

APPENDIX E
SHARED PROCUREMENT PROGRAM

1. GENERAL.

The following is quoted from Supply Bulletin 8-75-MEDCASE and is included in this regulation to be used as a guide in adhering to requirements of the Shared Procurement Program.

a. "The current Shared Procurement concept is to apply a variety of centralized contracting strategies to achieve maximum cost savings without unreasonable delay to the customer. These strategies include the use of contracts that will allow the prompt award of delivery orders without a prolonged contracting effort.

(1) Requirements-Type Contracts (RTC). The RTC will be the primary Shared Procurement contract. An RTC is established based upon projected requirements, rather than the collection of funded requisitions for central acquisition. This allows decentralized acquisition of Shared Procurement requirements until an RTC is available. Once awarded, the use of the RTCs are mandatory for Shared Procurement items unless a waiver is granted by USAMMA.

(2) Central use of Federal Supply Schedule (FSS). In some cases, reasonable savings can be achieved through the collection of requirements for purchase against a FSS that provides quantity discounts. In such cases, requisitions may be held and put in a batch until there are sufficient requirements to obtain the discount. Requisitions will not be held for more than 120 days for routine requirements.

(3) Shared Procurement Customer Order List (COL). Shared Procurement COLs have been developed to reduce item descriptions to a common denominator understood by all participants of Shared Procurement. They provide a means to specify the variable Ecs or options for Shared Procurement requirements. Upon notification that an item is available for requisitioning, a Notice of Award and a COL will be published in the SB 875-Series."

b. Contact the Requirements Section for a list of Shared Procurement items. A waiver may be requested to acquire items by another means. Waiver considerations may include:

(1) time constraints

(2) determining essential characteristics that are not compatible with the activity's essential characteristics. Requests for waivers must be submitted in writing to the Equipment Requirements Section. The waiver request must document specific reasons for not utilizing the Congressional mandated program. Waivers are then forwarded to USAMMA where a determination is made either by USAMMA personnel or an appropriate Surgeon General consultant.

APPENDIX F
TEST MEASUREMENT, AND DIAGNOSTIC EQUIPMENT (TMDE) PROGRAM

1. GENERAL. TMDE is used to evaluate the condition of a system or an item of equipment and to identify or isolate an actual or potential malfunction. TMDE does not include any item that displays, measures, or indicates a physiological parameter. Medical diagnostic equipment that is used in direct patient care is not TMDE. There are other items of non-medical equipment, although not TMDE, that require calibration and should be included in the calibration program. Survey meters used by preventive medicine personnel and radiac equipment used by radiation protection officers are examples.

2. The primary TMDE support coordinator is the Property Book Officer; the Chief, Equipment Management Branch serves as alternate TMDE support coordinator. TMDE approval will be obtained prior to the acquisition no matter the cost of the item. MEDCASE funded TMDE requires DA Form 4062-1-R and DA Form 4062-R, depending on the type of equipment. DHP OMD funded TMDE also requires the same documentation.