



EQR2019-006

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Aug 30 2019

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

## THE UNIVERSITY OF ALABAMA SYSTEM

The University of Alabama | The University of Alabama at Birmingham | The University of Alabama in Huntsville

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August 30, 2019

VIA Email

Ms. Emily T. Marsal  
Executive Director  
State Health Planning & Development Agency  
100 North Union Street, Suite 870  
Montgomery, AL 36104

RE: SHPDA Replacement of Equipment – Varian Medical Systems, Inc.

Dear Ms. Marsal:

Attached for filing please find The Board of Trustees of the University of Alabama for the University of Alabama Hospital's request for determination of exemption status for replacement of existing equipment. We received confirmation from your office yesterday that a UPS package mailed Tuesday, August 27<sup>th</sup> and marked as "overnight delivery" was not received by your office until yesterday, Thursday, August 29<sup>th</sup>. Because of this delay in payment of the filing fee, at your office's request, we are resubmitting for filing our Replacement of Equipment Request.

The existing equipment is at End of Life and therefore has no fair market value, and the cost of replacing the current equipment with the new model Halcyon will improve the accuracy of the radiation therapy delivered.

Thank you for the opportunity to present this to you and for your attention.

Respectfully,

Cary Tynes Wahlheim  
General Counsel  
UAB Health System

CTW/dtc  
Encl.

**State Health Planning and Development Agency**  
Mailing address: Post Office Box 303025, Montgomery, Alabama 36130-3025  
Street address: 100 North Union Street, Suite 870, Montgomery, Alabama 36104

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Aug 30 2019  
STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

Request # EQR2019-006  
Date Rec. \_\_\_\_\_  
Received by: \_\_\_\_\_

REQUEST FOR DETERMINATION OF EXEMPTION STATUS  
FOR REPLACEMENT OF EXISTING EQUIPMENT

A filing fee in the amount of \$ #6300.00 has been submitted with this application.

REQUESTER IDENTIFICATION (Check One) HOSPITAL (  ) NURSING HOME (  )  
OTHER (  ) (Specify) \_\_\_\_\_

A. The Board of Trustees of the University of Alabama for the University of Alabama Hospital  
Name of requester

The University of Alabama System, 500 University Blvd., Tuscaloosa, Tuscaloosa  
Address City County  
Alabama 35401 205-348-5861  
State Zip Phone

B. University of Alabama Hospital  
Name of Facility/Organization (if different from A)

619 South Nineteenth Street Birmingham Jefferson  
Address City County  
Alabama 35233 205-975-7534  
State Zip Phone

C. \_\_\_\_\_  
Name of Legal Owner (if different from A or B)

\_\_\_\_\_  
Address City County  
\_\_\_\_\_  
State Zip Phone

D. Cary Tynes Wahlheim, Legal Counsel  
Name and Title of Person Representing Proposal and With Whom SHPDA Should  
Communicate

500- 22<sup>nd</sup> Street South, Ste. 408 Birmingham Jefferson  
Address City County  
Alabama 35233 205-975-7534  
State Zip Phone

**DESCRIPTION OF EQUIPMENT TO BE REPLACED      DESCRIPTION OF PROPOSED NEW EQUIPMENT**

A.    **Manufacturer:**  
      Varian Medical Systems, Inc.                                 Varian Medical Systems, Inc.  
\_\_\_\_\_  
\_\_\_\_\_

**Serial #**  
      H271629   The proposed new equipment serial number not  
\_\_\_\_\_   available until the new equipment is constructed  
\_\_\_\_\_  
\_\_\_\_\_

B.    **Model:**  
      Clinac-21EX   Halcyon  
\_\_\_\_\_  
\_\_\_\_\_

C.    **Name of equipment:**  
      Clinac-21EX   Halcyon  
\_\_\_\_\_  
\_\_\_\_\_

D.    **Fair market value of equipment at present:**  
      The existing Varian 21EX is currently at End of Life therefore fair market value of the equipment is  
      non-existence due to age of the current machine.  
\_\_\_\_\_  
\_\_\_\_\_

E.    **Cost of equipment (include written price quote):**  
      The cost of the Varian Halcyon is quoted at \$3,150,000 (Quote #: 2019-197487)  
\_\_\_\_\_  
\_\_\_\_\_

F.    **Describe use of current equipment:**  
      The current equipment (Varian 21EX) is utilized for standard radiation therapy procedures including  
      three dimensional conformal therapy and intensity modulated radiation therapy (IMRT).  
      This unit is at end of life and in need of replacement  
\_\_\_\_\_

G.    **Describe use of proposed equipment:**  
      The new model Halcyon will be a replacement, capable of the same procedures is  
      also capable of KV and CT-based image guidance to improve the accuracy of the  
      radiation therapy delivery.  
\_\_\_\_\_

H.    **List any attachments or additional procedures associated with this equipment that could not be**  
      **performed by old equipment:**  
      None  
\_\_\_\_\_  
\_\_\_\_\_

- I. Can any procedures be performed with the proposed new equipment that cannot be performed with the replaced equipment? If yes, describe in detail:

None

- J. Location of existing equipment (include room #):

Hazelrig Salter Radiation Oncology Center.

1700 6th Avenue South, Birmingham, AL 35294

Room 1265

- K. List specially trained or qualified personnel necessary for operation of equipment:

Radiation Therapists certified by the American Registry of Radiologic Technologists, Medical Physicists certified by the American Board of Radiology (ABR), and Medical Physics Residents who are in an accredited Medical Radiation Physics program and under the supervision of an ABR certified Medical Physicist.

- L. What use will be made of old equipment when replaced?

(Trade in on new equipment, used as back up, save for parts, etc.)

Varian Medical Systems will remove and dispose the existing 21EX

- M. List job titles of any additional personnel that will be required to operate the new equipment.

Varian Service Engineers, Medical Dosimetrists who are certified by the Medical Dosimetry Certification Board, or are registry eligible

- N. Describe any renovation or new construction that will be necessary for the installation of the replacement equipment and cost.

Renovation to the current vault will be \$511,000 to remove the current equipment and replace with the Varian Halcyon linear accelerator.

- O. Describe any new annual operating cost associated with this project such as maintenance contracts, salaries of new employees hired due to equipment, etc.

Maintenance contract associated with new equipment is \$245,000 per year

III. COST

- A. Equipment costs \$ 3,150,000  
(Costs have to be supported by price quote on manufacturer's stationery or letterhead.) Cost of equipment only; do not list lease cost.
- B. Less trade-in of old equipment \$ 0.00
- C. Total cost of equipment \$ 3,150,000

Calculation of fee for this determination:

Multiply dollar amount in III.C. (total cost of equipment) times 1% (the application fee for a Certificate of Need); 20% of this amount is the application fee for non-rural hospitals. For rural hospitals, the application fee is 25% of the application fee as calculated above for non-rural hospitals.


Include manufacturer's literature on old equipment, if available, and on the new equipment.

Include any other information pertinent to the determination.

The Executive Director may request any other information which is relevant to his decision.

IV. CERTIFICATION

I certify that the information provided herein is true and correct and that there is no additional information which would be pertinent to this application which has not been provided. Further, I understand that any misrepresentation on this application or failure to include relevant information may void any favorable determination secured by such misrepresentation or omission.

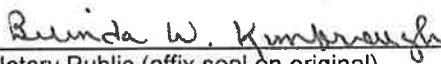
  
\_\_\_\_\_  
Signature of Applicant

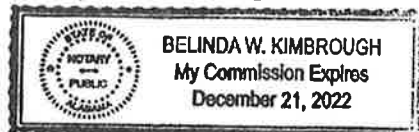
**REID F. JONES**  
**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
Applicant's Name and Title  
(Type or Print)

Sworn to and subscribed before me this

27<sup>th</sup> day of August, 2019.

  
\_\_\_\_\_  
Notary Public (affix seal on original)



118B HOSPITAL  
CHIEF EXECUTIVE OFFICER  
REID H. GUNES



December 21, 2023  
Mr. Commission Expires  
BETHANY W. KIMBROUGH



varian

EQR 2019-006

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Nov 08 2019

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

Custom System Proposal

Quotation Number - 2019-197487-1

Looking further



UNIVERSITY OF ALABAMA AT BIRMINGHAM  
("Customer")

Mark Lemak  
1700 6TH AVE SOUTH, STE # 1273  
BIRMINGHAM, Alabama 35233 United States  
Tel : (205) 975-1974  
Email : mlemak@uabmc.edu

Varian Medical Systems, Inc.

John Thomas  
US District Sales Manager  
3290 Northside Parkway  
Atlanta, GA 30327 US  
Tel : .  
Email : john.thomas2@varian.com

## Quote Information

Quotation Number :	2019-197487-1	Sales PO Required :	No
Quotation Valid Until :	December 31, 2019	Customer Procurement Contact Name :	Needed
Quotation Date :	August 07, 2019		

## Sales

Incoterms :	US1: FOB: Origin
Payment Terms :	30 days net
Down Payment :	30.00%
Shipment :	65.00%
Acceptance :	5.00%

For orders equal or less than \$75K, 100% upon shipment, net 30.

## Quotation Total

Quotation Total : US \$3,150,000.00

## Terms and Conditions

This quotation shall be governed by: (a) Terms and Conditions of Sale - Form RAD 1652U; (b) any terms and conditions contained within the quotation text related to the specific products or services identified on this quotation; and (c) any other Varian terms and conditions or separate agreements included along with this quotation; except that (a) to (c) shall not apply if and to the extent a separate, signed written agreement is in effect between the customer/purchaser and Varian that governs the purchase and sale of the products, software, support and/or services set forth in this quotation.

For and on behalf of Customer

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Authorized Representative : Mark Lemak  
Title :  
Date : August 07, 2019

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Authorized Representative : John Thomas  
Title : US District Sales Manager  
Date : August 07, 2019



# Quotation Summary



Offered Products (Sales)

Offer Price

Halcyon

US \$3,150,000.00

Item	Description	Qty
<b>Section 1 Halcyon</b>		
1.1	<p><b>Base kV System with iCBCT v2.0</b></p> <p>Medical linear accelerator designed to provide radiotherapy using a 6 megavoltage (MV), flattening filter free (FFF) mode beam with Image Guided Radiation Therapy (IGRT) to align the patient as specified by the treatment plan before treatment begins.</p> <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> <li>Complete the required facility preparations per the Designer Desk Reference (DDR). For detailed information, contact your Regional Planner.</li> </ul>	1
1.2	<p><b>Package E v2.0 with iCBCT</b></p> <p>Features:</p> <ul style="list-style-type: none"> <li>Three-dimensional (3D) Image Guided Radiation Therapy (IGRT) with kilovoltage cone beam computed tomography (kV CBCT)</li> <li>Iterative CBCT reconstruction for kV</li> <li>3D IGRT with megavoltage (MV) radiograph pair</li> <li>3D IGRT with MV cone beam computed tomography (MV CBCT)</li> <li>Field-in-Field and dynamically flattened 3D conformal treatment beam</li> <li>Intensity Modulated Radiation Therapy (IMRT) treatment</li> <li>RapidArc® Volumetric Modulated Arc Therapy (VMAT) treatment</li> <li>Extended treatment field</li> <li>One step setup</li> <li>5.0 mm leaf definition</li> <li>Up to 800 cGy/minute dose rate</li> <li>Up to 5.0 cm/second multileaf collimator leaf speed at isocenter</li> <li>Up to 4 revolutions//minute gantry speed</li> </ul> <p>Prerequisites:</p> <ul style="list-style-type: none"> <li>Eclipse™ treatment planning system v15.6 or higher with Advanced Planner Desktop</li> <li>ARIA® oncology information system for radiation oncology v15.1 or higher</li> </ul>	1
1.3	<p><b>Filtrine Water Chiller: LE</b></p> <p>See Filtrine Specification sheet for details</p>	1
1.4	<p><b>Filtrine Quick Connect Panel</b></p> <p>See Filtrine Specification sheet for details</p>	1
1.5	<p><b>Transtector Power Cond., OBI</b></p> <p>Transtector Power Conditioner for OBI or Halcyon, internal TVSS and input breaker.</p> <p>Features:</p> <ul style="list-style-type: none"> <li>Input: 208V, 480V and 600V</li> <li>Output: 480/277V</li> </ul> <p>Notes:</p> <ul style="list-style-type: none"> <li>Available in all voltage configurations from 208V to 600V in 50Hz or 60 Hz models for US and ROW applications.</li> </ul>	1
1.6	<p><b>STD TRNG: Halcyon Training</b></p> <p>Halcyon Training to be provided at the customer facility to ensure that staff members can operate the system in a safe and effective manner. Training plan details will be provided by the training management team as part of the product implementation process. Recommended audience includes: Configuration administrator, policy administrator, treatment provider, quality provider, and maintenance technician.</p> <p>Features:</p>	1

Item	Description	Qty
	<ul style="list-style-type: none"> <li>• Hands-on training including: Introduction to the system and system safety, system configuration, policy review, treatment delivery workflows, quality assurance tasks, and technical support overview</li> <li>• Go-Live support where the trainer will observe your actions during the first clinical treatment day</li> <li>• Duration: 2 days on-site</li> </ul> <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> <li>• Schedule remote training to coincide with your commissioning and beam calibration tasks</li> <li>• Schedule on-site training to coincide with delivery of radiation treatment to your first patient. It is highly suggested to limit the number of scheduled patients on the first clinical day to allow the treatment provider and trainer to discuss specific scenarios that may not have been addressed during the hands-on session</li> </ul> <p>Notes:</p> <ul style="list-style-type: none"> <li>• Offer is valid for up to 18 months after installation</li> <li>• Training is non-refundable and non-transferable</li> </ul>	1
1.7	<p><b>INCL ED: Halcyon Training for Physics</b></p> <p>This course provides training for Medical Physicists responsible for commissioning and administration of the Halcyon™ system.</p> <p>Features:</p> <ul style="list-style-type: none"> <li>• Instruction of the basic delivery components, basic imaging components and a general overview of system components</li> <li>• The course subject matter is presented from a clinical use perspective. The primary emphasis is on the overall commissioning, calibration, and QA of the Halcyon system and its components.</li> <li>• Extensive hands-on laboratory exercises</li> <li>• Duration and Location: 2.5 days at Varian Education Center</li> </ul> <p>Prerequisites:</p> <ul style="list-style-type: none"> <li>• Halcyon system installed</li> </ul> <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> <li>• Customer is responsible for all travel expenses (airfare, hotel, rental car, meals and travel incidentals)</li> </ul> <p>Notes:</p> <ul style="list-style-type: none"> <li>• Offer is valid for up to 18 months after installation</li> <li>• Training is non-refundable and non-transferable</li> </ul>	1
1.8	<p><b>NLS: English</b></p>	1

Offer Price  


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 Section Total : US \$3,150,000.00

Sales Price Table

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Sales Total US \$3,150,000.00

Quotation Total US \$3,150,000.00

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