



Department of Veterans Affairs

# Supplier Relationship Management Webinar

March 12, 2012





# Supplier Relationship Management Webinar

## Agenda

- **Opening Remarks**
- **Supplier Relationship Initiatives Update**
- **VA Acquisition Improvement Actions:**
  - Office of Policy, Systems, and Oversight (OPSO):  
Subcontracting Compliance Review Program
  - Office of Acquisition Operations (OAO): Update
  - Office of Small and Disadvantaged Business Utilization (OSDBU):  
Business Certification Process
  - National Acquisition Center (NAC):  
Federal Supply Schedule Update
  - Veterans Health Administration (VHA): Update
  - VA Acquisition Academy (VAAA): Update
  - National Cemetery Administration (NCA): Update
- **Question and Answer Session**
- **Closing Remarks**



Department of Veterans Affairs

# Supplier Relationship Initiatives Update

## Office of Acquisition and Logistics

**Mr. Maurice C. Stewart**

Associate Deputy Assistant Secretary  
Office of Logistics and  
Supply Chain Management





## VA Acquisition “Voice of the Customer”

“VA is intent on reconstituting our current acquisition function into a world-class, leading-edge contracting powerhouse. And you—our suppliers and stakeholders—are a critical ally in making that happen. Secretary Shinseki and I are committed to our partnership for progress—to leveraging your knowledge and understanding of government contracting and to working with you to optimize our mission-critical vendor-supplier relationship.”

Deputy Secretary W. Scott Gould  
December 9, 2009



## VA Acquisition “Voice of the Customer” Initiatives

- Regional Supplier Relationship Management Forums
- Federal Supply Schedule Forums
- Supplier Perception Survey
- Industry Advisory Group



## VA Regional Supplier Relationship Management Forums Background

The Department of Veterans Affairs (VA) held 6 forums over the past year with 477 attendees as part of its SRM initiative:

- Tampa, FL – May 2011
- Washington, D.C. – Construction & Facilities Management Forum – June, 2011
- San Francisco, CA – September, 2011
- Chicago, IL – October 2011
- Chicago, IL – Federal Supply Schedule Forum (FSS) – October 2011
- Houston, TX – November, 2011



## VA Regional Supplier Relationship Management Forums What We Did

- Small facilitated breakout group sessions
- Discussed what does and does not work with VA's acquisition process
- Forum attendees were separated into industry groups:
  - Building, Construction, Design, and Engineering
  - Medical Equipment and Supplies
  - Pharmaceuticals
  - Information Technology Management
  - Business Management and Administrative Services



## VA Regional Supplier Relationship Management Forums What We Heard

Theme	Key Points from Suppliers
Communications	Communication and transparency surrounding the acquisition process need improvement, both internally and externally.
Customer Service	Suppliers would like to see enhancements to the level and quality of acquisition support they receive – e.g., calls returned, modifications addressed in a timely manner.
Team Work	Suppliers would like to be provided with clear definitions of the roles and responsibilities of the contracting officer, the Contracting Officer's Representative, and the Program Manager in order to better differentiate among them.
Contracting Process	Suppliers want to provide VA with expertise during the request for information (RFI) process to ensure VA is using the correct contract type and definition of requirements in order to give VA the best price and delivery timeline.
Performance	Suppliers would like a system to be in place for them to offer feedback on requirements and the contract process.



## VA Federal Supply Schedule (FSS) Holders Forum Background & What We Did

- Held 1 FSS Forum with 136 registrations
- Discussed what does and does not work with VA's FSS process and the re-engineered business processes of the National Acquisition Center (NAC)
- Small facilitated breakout group sessions based on the following schedules
  - 621I - Professional and Allied Healthcare Staffing Services
  - 651B - Drugs, Pharmaceuticals, and Hematology Related Products
  - 65IIA - Medical Equipment and Supplies
  - 65IIC - Dental Equipment and Supplies
  - 65VII - In-vitro Diagnostics, Reagents, Test Kits and Test Sets



## VA Federal Supply Schedule (FSS) Holders Forum What We Heard

- The conversation was better than a year ago
  - Suppliers were glad to see a return to single point of contact from cradle-to-closeout on a contract
- Contracting workforce needs training on policies, legislation, processes, prioritization, and scenarios
- Suppliers are left in the dark when it comes to information regarding whether work was awarded, to whom, and for what price
- Process timelines – especially those for modifications – are still much too long
- FedBid is too restrictive and limits competition
  - Participants felt the use of FedBid is confusing and may violate Federal Acquisition Regulation (FAR) provisions



## VA Supplier Perception Survey Response Statistics

Action	Top Suppliers	Smaller Suppliers	Total
Invitations Sent	500	8,500	9,000
Responses Received (n) – incorrect email addresses	129	1,530	1,659
Response Rate	26%	19%	19%

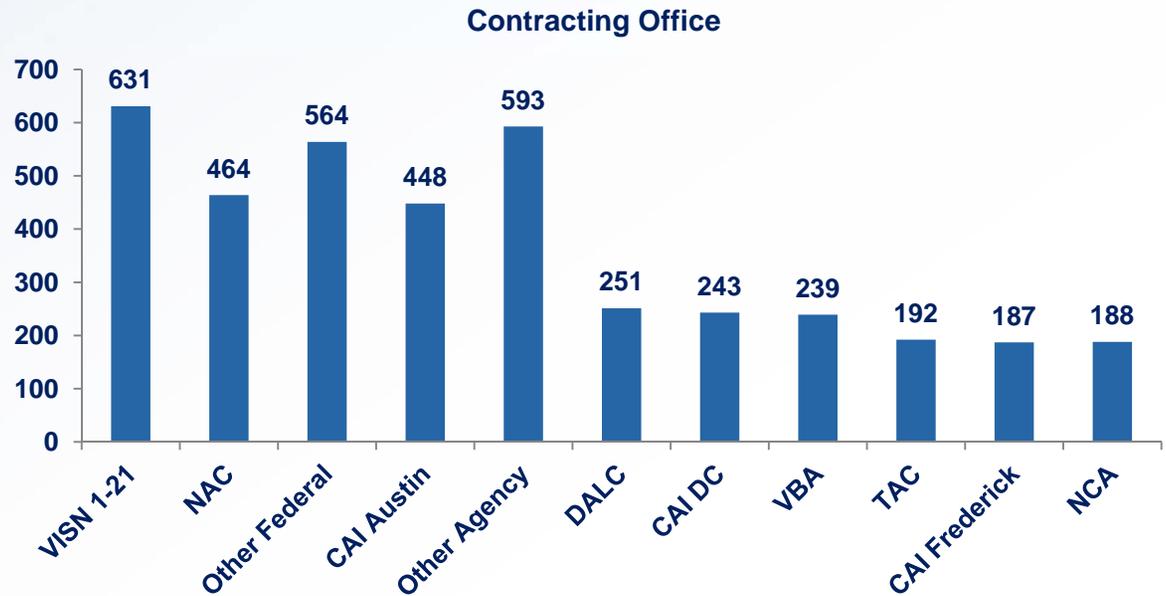
- SPS used a stratified random sampling approach
- Two strata were defined based on supplier revenue with VA
  - Top Suppliers consisted of VA's largest Suppliers who comprise nearly \$9 billion in annual VA expenditures, ranging from about \$4.5 Million up to \$3.8 billion per supplier
  - Smaller Suppliers consisted of all Suppliers not in a top Supplier category (not socioeconomic related)
- Top Suppliers showed a higher propensity to respond to the survey than smaller Suppliers



# VA Supplier Perception Survey Respondent Demographics

- Small businesses represent a substantial proportion of the respondent base
- \*VISN Offices (VISN 1-21) were the most frequently chosen VA Business Category

**Business Category Distribution**

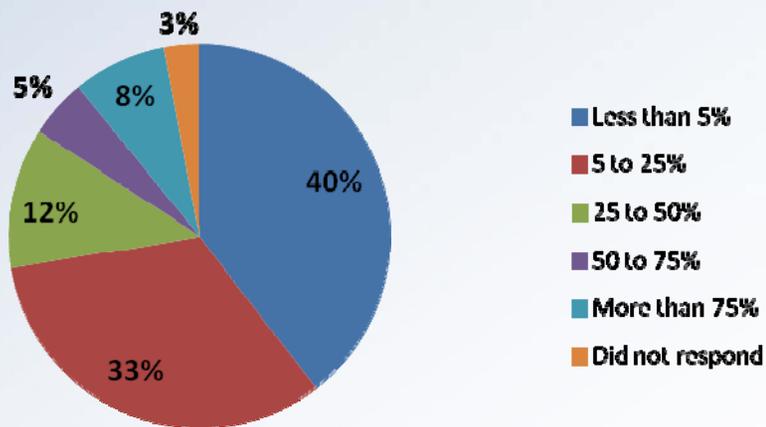


NOTE: Respondents could choose multiple business categories and VA contracting offices.  
\*VISN= Veterans Integrated Service Network



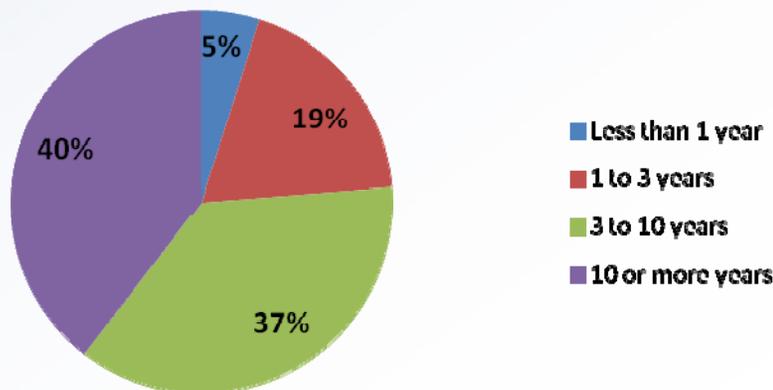
# VA Supplier Perception Survey Respondent Demographics (continued)

VA as % of Supplier Revenue

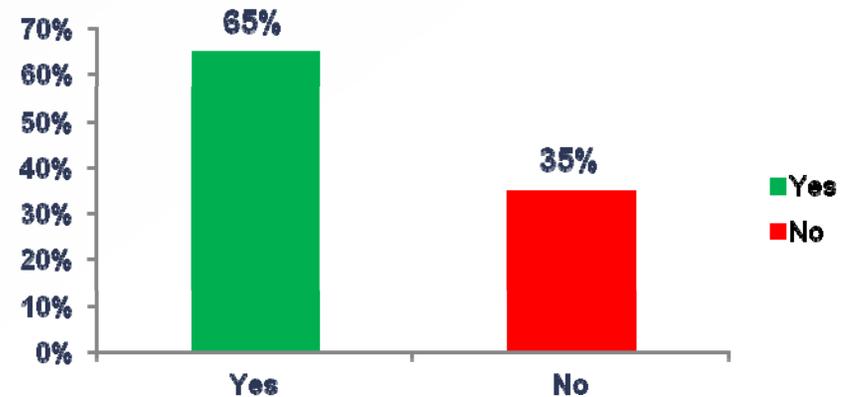


- For 40% of respondents, VA accounts for less than 5% of their revenue
- 40% of respondents have done business with VA for 10 or more years
- 65% of respondents have a current contract with VA compared to 61% for the previous survey

Years as a VA Supplier



Does Supplier Have a Current VA Contract?





# VA Supplier Perception Survey

## Overarching Satisfaction Ratings

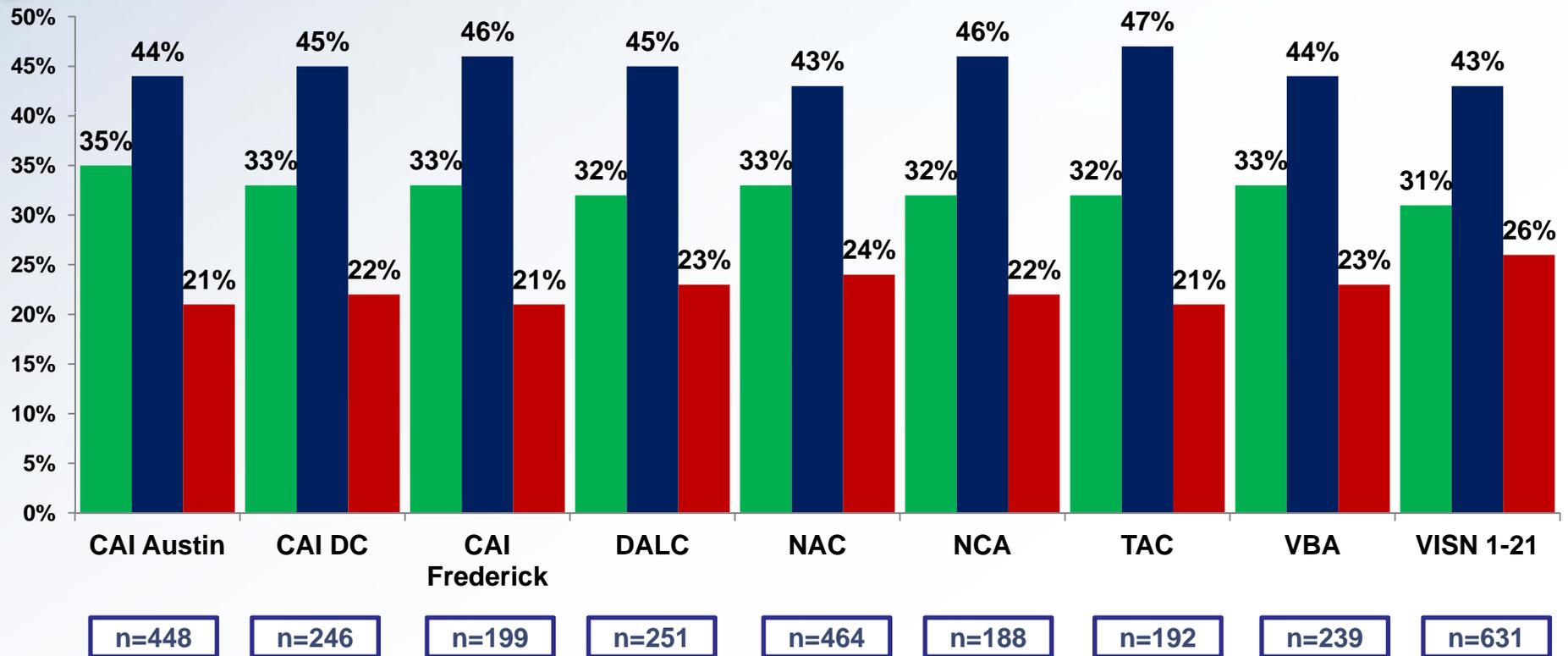




# VA Supplier Perception Survey

## Procurement Capability Rating by Contracting Office

■ Percent Positive   ■ Percent Neutral   ■ Percent Negative





## VA Supplier Perception Survey Satisfaction Margins – Highest Rated Dimensions

Question	1 <sup>st</sup> Survey	2 <sup>nd</sup> Survey	3 <sup>rd</sup> Survey
Your commitment to VA for a long term business relationship	4.0	4.04	3.97
VA's record in honoring contract payment terms	3.55	3.62	3.54
VA's integrity	3.47	3.55	3.50
The overall quality of the working relationship between VA and your company	3.42	3.50	3.61
VA's emphasis on quality and commitment to continuous improvement	3.20	3.29	3.33

The SPS revealed indicators of improvement within VA:

- In the initial survey only one question rated 3.5 and higher; in the second and third surveys four questions achieved 3.5 and higher
- These high scores signify trust between VA and Suppliers is increasing.



## VA Supplier Perception Survey Satisfaction Margins – Lowest Rated Dimensions

Question	1 <sup>st</sup> Survey	2 <sup>nd</sup> Survey	3 <sup>rd</sup> Survey
VA's concern for your profitability	2.80	2.78	2.83
VA's ability to present "one face" in your dealings across multiple functions	2.75	2.87	2.99
VA's effectiveness in sharing risk, reducing your need to build risk into your pricing	2.81	2.88	2.94
VA's effectiveness in focusing on Total Cost of Ownership	2.85	2.89	2.95
VA's processes allow you to provide best value	2.85	2.93	3.02

Although a number of questions were rated under 3.0 on a 5.0 scale, this number is decreasing with each survey:

- In the first survey, 17 questions received ratings below 3.0
- In the second survey, 12 questions received ratings under 3.0
- In the third iteration, only 5 questions ranked below 3.0



## Supplier Relationship Management Management Objectives

- Suppliers want the basics - increased collaboration, communication, and better service
- VA's high ratings from suppliers in core foundational areas (e.g., integrity) provide a sound framework to build upon
- Corrective actions are currently in progress and will address major pain points across supplier populations



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## **VA Acquisition Improvement Actions: Office of Policy, Systems, and Oversight (OPSO)**

**Mr. C. Ford Heard**  
Associate Deputy Assistant  
Secretary for Policy,  
Systems, and Oversight





# Overview

- Background
- Subcontracting Compliance Review Program (SCRCP)
- SCRCP Remedies
- SCRCP Benefits



## Background

- Government Accountability Office (GAO) study of *Service-Disabled Veteran-Owned Small Business Program: Case Studies Show Fraud and Abuse Allowed Ineligible Firms to Obtain Millions of Dollars in Contracts*, GAO-10-108, October 23, 2009
- GAO found:
  - Firms ineligible for the service-disabled Veteran-owned small business (SDVOSB) program received millions of dollars in SDVOSB contracts.
  - SDVOSB firms subcontracted 100 percent of contract work to non-SDVOSB firms.



## Background

- GAO study revealed federal agencies were not monitoring contractors performing SDVOSB contracts.
- GAO emphasized a complete fraud prevention framework is necessary in order to minimize fraud, waste and abuse within the SDVOSB program.



# SCRP

- Developed – April 2010
- Implemented – June 2011
- Monitor VA prime contractor's compliance with:
  - Limitations on Subcontracting
  - Subcontracting Commitments (unique to VA)
  - Subcontracting Plan
- Ensure VA prime contractors comply with any subcontracting requirements included in their contracts with VA
- Compliance reviews are conducted on-site at the prime contractor's facility or off-site, as appropriate



# SCRP

- Limitations on subcontracting
  - Limitations on Subcontracting Compliance Review
  - **Purpose:** To review the contractor's compliance with the limitations on subcontracting requirements or percentage of work performance requirements
  - **Applicability:** Any small business concern, including SDVOSB, Veteran-owned small business (VOSB), 8(a), and HUBZone awarded VA contracts either on a sole source or set aside basis under any authorized small business program, including VA's Veterans First Contracting Program



# SCRP

- Subcontracting commitments
  - Subcontracting Commitments Compliance Review
  - Unique to VA
  - **Purpose:** To verify contractors are adhering to subcontracting commitments with SDVOSVB and VOSB concerns
  - **Applicability:** Any contractor, regardless of status, that proposed to subcontract with SDVOSBs or VOSBs under a VA solicitation, and whereby such commitments are included in the contract by virtue of VA Acquisition Regulation (VAAR) clause 852.215-71, Evaluation Factor Commitments.



# SCRP

- Subcontracting plan
  - Subcontracting Plan Compliance Review
  - **Purpose:** To review the contractor's subcontracting plan goal achievements.
  - **Applicability:** Other than small business concerns awarded contracts with statutory requirements for a subcontracting plan.



# SCRP Random Sample

- VA will conduct a random sample of its contracts awarded each fiscal year.
- Contract awards in fiscal years 2009, 2010, and 2011 identified in random sample will be modified (bilaterally) to incorporate third-party access language.
- VA contracting officers and other VA officials may request a review of any contractor if they determine a review is warranted based upon reasonable information of possible noncompliance



# SCRP Remedies

- VA's determination that a contractor is not in compliance may result in:
  - Contract termination (for default or cause)
  - Debarment of prime contractors and subcontractors
  - Any other remedies available to the government



# SCRP Benefits

- The SCRCP will:
  - Ensure contractors' compliance with subcontracting requirements
  - Ensure integrity in VA's SDVOSB program
  - Provide valuable information on contractors' subcontracting compliance for future procurements



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## VA Acquisition Improvement Actions: Acquisition Operations (OAO)

**Ms. Iris Cooper**  
Executive Director  
Office of Acquisition  
Operations





# Agenda

- Future of Acquisition in VA
- Leadership Priorities
- Integrated Acquisition Model
- Benefits to VA
- OALC Restructure
- OAO Organization
- OAO Overview
- Acquisition Centers
- Current Activities
- Messages to Share



## Five Lowest-Rated SRM Metrics Supplier Concerns

- VA's processes to allow you to provide best value
  - Better defined requirements through customer education
  - Continuous dialogue with vendors to clearly communicate VA's expectations
- VA's effectiveness in focusing on Total Cost of Ownership
  - Customer education
- VA's effectiveness in sharing risk, reducing your need to build risk into your pricing
  - Clearly defined requirements, draft solicitations, post-award conferences and vendor communications reduce risks for all parties involved
  - Appropriate contracting strategies reduce risks



## Five Lowest-Rated SRM Metrics Supplier Concerns

- VA's ability to present "one face" in your dealings across multiple organizations
  - Organizational alignment in OAO along customer lines provide "one face" to both customers and vendors
- VA's concern for your profitability
  - Appropriate acquisition strategies and contract types reduce business risks
  - Best value does NOT mean low price
  - Exceptional performance = future contracting opportunities = increased profitability



# The Future of Acquisition in VA

VA's vision is to restructure its acquisition and construction business practices to achieve desired outcomes that result in improved services to Veterans and their families while controlling cost.

## Acquisition Strategy

- ◆ Gain control over acquisitions management information
- ◆ Effectively manage the acquisition life-cycle
- ◆ Improve the acquisition management workforce
- ◆ Leverage technology to ensure an enterprise management approach
- ◆ Strategically sourced contracts to leverage spend

## Acquisition Policy

- ◆ Achieve clear ownership and accountability of VA contracting mission
- ◆ Achieve \$2 billion return on investment
- ◆ Pursue standardization/strategic sourcing
- ◆ Measure and improve customer satisfaction
- ◆ Manage data to drive mission outcomes
- ◆ Implement necessary changes while promoting transparency to our customers and stakeholders
- ◆ Implement a program management culture
- ◆ Improve contracting workforce competencies



# Leadership Priorities

Leveraged Spend

Optimized Opportunities

Constant Internal Feedback Loop

Efficient & Effective Enterprise Solutions

Transparent Acquisitions Process

Better Business Partnership





# Integrated Acquisition Model & Implementation Approach

## Integrated Acquisition Model: Acquisition Phases



## Implementation Approach

- **Project Manager/SAC Associate Executive Director**  
The PM is responsible for day-to-day management of the initiative and oversees the PMO and the IPTs
- **Project Management Office (PMO)**  
The PMO ensures consistent management of change, schedule, risk, performance, and funding
- **Integrated Project Teams (IPTs)**  
The IPTs support project-specific work streams and work products that require collaboration
- **OAO Project Sponsor**  
The Project Sponsor assists with business and project management issues
- **Senior Procurement Council (SPC)**  
The SPC is the primary oversight body that provides access to key decision makers across the organization



# Benefits to VA

## Specialized Knowledge

- ◆ Commodities & Services
- ◆ Tailored to VA Requirements
- ◆ Greater Transparency

## Faster Service

- ◆ Leverage Existing Contracts
- ◆ TAC-ARRS
- ◆ SAC-ARRS
- ◆ Virtual Office of Acquisition

## Better Pricing via Leveraged Buys

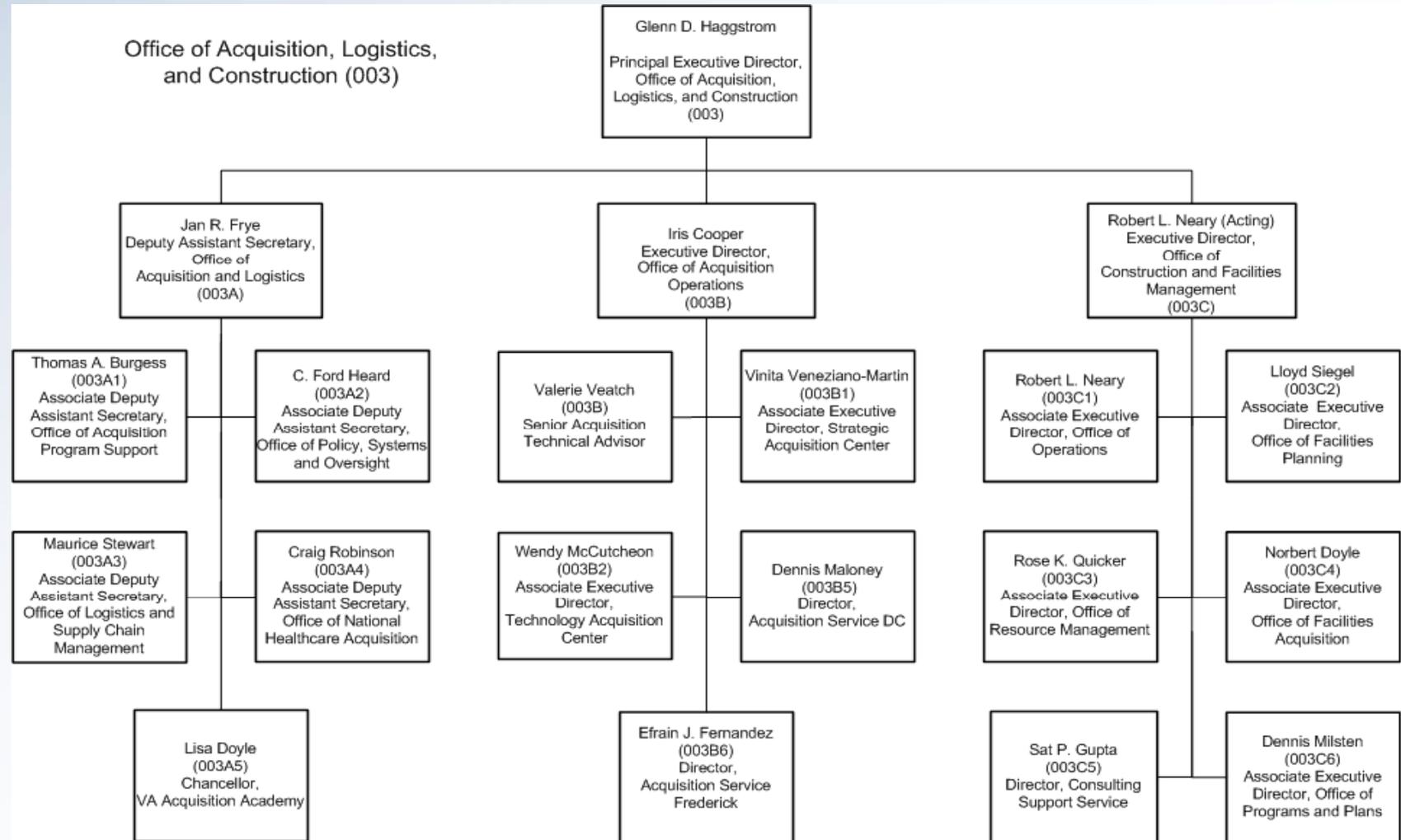
- ◆ TAC/SAC
- ◆ Ongoing Spend Analysis
- ◆ Commodities Standardization Team

## Ongoing Integration & Synchronization

- ◆ CAO Support
- ◆ Senior Procurement Counsel
- ◆ VA Executive Council
- ◆ Vendor forums

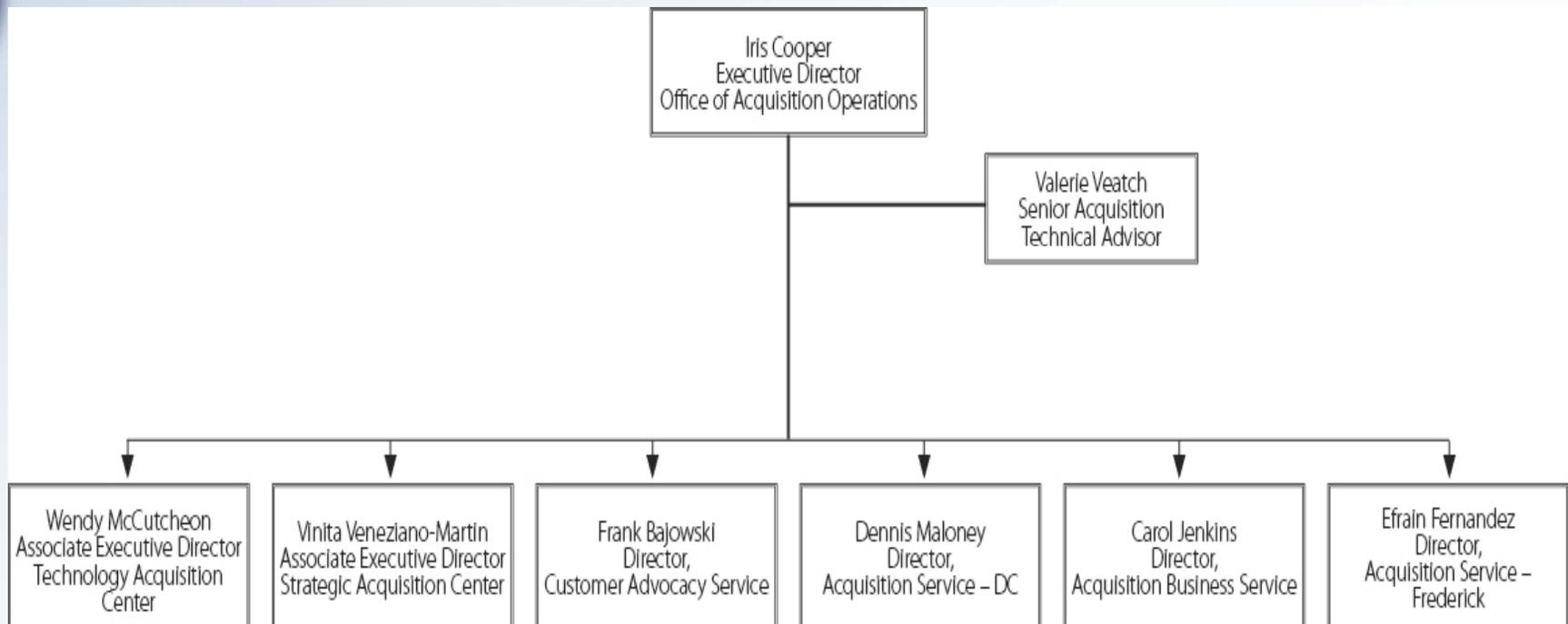


# OALC Restructure





# OAO Organization





# OAO Overview



Provides comprehensive operational and strategic acquisition support for VA's highly complex acquisition requirements

Manages the activities of the Technology Acquisition Center (TAC), Strategic Acquisition Center (SAC), and the Acquisition Services in Washington, DC and Frederick, MD

Serves OIT, VBA, NCA, VHA and administrative/support offices in VACO



# Acquisition Centers

## Strategic Acquisition Center (SAC)

- ◆ The SAC provides enterprise-wide solutions for non-IT commodities and services
- ◆ The SAC develops enterprise-wide BPAs and/or IDIQs for standardized requirements based on detailed spend analysis business cases

## National Acquisition Center (NAC)

- ◆ The NAC places and manages VA's federal supply schedule contracts and many of the agency's current national contracts
- ◆ The NAC will continue to focus on the \$9.6+B in Federal Supply Schedules used by both VA and other government agencies

## Technology Acquisition Center (TAC)

- ◆ The TAC provides acquisition and program management support to the Office of Information and Technology (OI&T) for life cycle management of enterprise-wide information and technology solutions



## Current Activities - SAC

### Interment Flag Program

Prepared draft solicitation to acquire up to 250,000 interment flags annually for the Veterans Benefits Administration

### International Coding of Disease (ICD) 10

Prepared acquisition strategy for Health Information Management (HIM) coding to transition from ICD-09 to ICD-10. HIPAA 50-10 mandates compliance prior to 2013.

### Service Animal Insurance

Conducting market research as a first step in the acquisition process to provide veterinary insurance coverage for service dogs of eligible Veterans

### Strategic Sourcing Candidates

The customer is prioritizing commodities and developing requirements



# Messages to Share

- Acquisition transformation is a top VA priority
- OALC is committed to transparency and the holistic completion of this transformation
- Improved structure and resources for more efficient cradle to grave contract administration
- Everyone has a stake in the success of this transformation
- The SAC enterprise contracts will synchronize department spend through standardization and strategic sourcing program

## Overall Benefits

- ◆ Transparency of Acquisitions
- ◆ Standardized Requirements
- ◆ Balanced Workloads
- ◆ Improved service to Veterans



Department of Veterans Affairs

## **VA Acquisition Improvement Actions: Office of Small and Disadvantaged Business Utilization**

**Mrs. Michelle Gardner-Ince**  
Director  
Center for Veterans  
Enterprise





## Small Business Updates

# Fiscal Year (FY) 2012 and 2013 Department of Veterans Affairs Small Business Program Goals

### Prime Contracting Goals

- Small Business – 34.0%
- Veteran-Owned Small Business – 12.0%
- Service-Disabled Veteran-Owned Small Business – 10.0%
- Women-Owned Small Business – 5.0%
- Small Disadvantaged Businesses (including Section 8(a)) – 5.0%
- Historically Underutilized Business Zone (HUBZone) Small Business – 3.0%

### Subcontracting Goals

- Small Business – 17.5%
- Veteran-Owned Small Business – 5.0%
- Service-Disabled Veteran-Owned Small Business – 3.0%
- Women-Owned Small Business – 5.0%
- Small Disadvantaged Businesses (including Section 8(a)) – 5.0%
- Historically Underutilized Business Zone (HUBZone) Small Business – 3.0%



Small Business Updates

## Center for Veterans Enterprise Veteran's First Program

Public Law 109-461 (2006)

- Enhanced VA authority to contract with VOSBs and service-disabled Veteran-owned small businesses (SDVOSB)
- Prohibited awards under these authorities unless VA verified awardee's SDVOSB or VOSB status
- Increased role of VA's database of VOSBs as source for verified firms
- 19% of procurements to Vets



# Center for Veterans Enterprise Verification

## Determining Veteran Ownership and Control

- Ownership
  - Applicant must be at least 51% unconditionally and directly owned by one or more Veterans
  - 38 Code of Federal Regulations (CFR) Part 74.3
- Control
  - One or more Veterans conduct both the day-to-day management and long-term decision-making authority for the Veteran-owned small business (VOSB)
  - 38 CFR Part 74.4



## Small Business Updates

# Center for Veterans Enterprise Verification

### Public Law 111-275 (2010)

- Directed VA to contact all unverified firms registered in VetBiz VIP database
- Mandated that only verified firms appear in the database
- 1 year eligibility term of from the date of CVE approval letter establishing verified status



# Small Business Updates Center for Veterans Enterprise Verification

VetBiz Vendor Information Pages (VIP)  
Database (<http://www.vip.vetbiz.gov/>)

- Originally a tool for outreach to identify VOSBs for VA, other government agencies, private market
- Verified firms identified by logos



The screenshot shows the website interface for the Center for Veterans Enterprise. At the top, it says "UNITED STATES DEPARTMENT OF VETERANS AFFAIRS" with a search bar and navigation links: Home, Veteran Services, Business, About VA, Media Room, Locations, Contact Us. The main content area features the "VETBIZ.gov" logo and a paragraph explaining the site's purpose: "The principal purposes of this site are to provide information about the VIP verification process; to assist Veteran business owners in registering their business in the Secretary's Database of Veteran-owned small businesses and to enable VA contracting officers to easily identify service-disabled Veteran-owned small businesses (SDVOSBs) and VOSBs eligible for procurement opportunities. This site is maintained by the Center for Veterans Enterprise (CVE), a program office within the Department's Office of Small and Disadvantaged Business Utilization (OSDBU)." Below this, it lists help desk hours and contact information. On the right side, there is a large button "Search for a Veteran Owned Business" and three smaller buttons: "Learn About the Verification Process", "Submit your Application", and "Check Your Application Status".



## Small Business Updates

# Center for Veterans Enterprise Certification Renewal

- Eligible firms must have been verified with a full document review in accordance with 38 U.S.C. 8127(f)(2)
  - Since enactment of the Veterans Small Business Verification Act, Section 104 of P.L. 111-275 on October 13 2010
- Renewal submission period is open beginning 60 days prior to the expiration of your verification eligibility and closes at the expiration of the eligibility
- The renewal period is for a term of one year.
- Firm may renew for one additional year for a total of three (3) years before a new, full documentation verification is required



## Small Business Updates

# Center for Veterans Enterprise Successes

- New Leadership
- Verification Assistance Briefs
- New Veterans Case Management System
- On Demand Application Status Checks
- Online Application System
- Determination Letters Posted Online for On Demand Retrieval
- Established Detailed Quality Control Process
- Customer Service Helpdesk With Expanded hours
- Formal Internal Quality Control Process
- Conducted Formal Training Program
  - Introduced Certified Fraud Examiners (CFE) Training
- Enhanced Web site
  - On Demand Status Check Capability
  - Have Available Verification System Briefs
  - FAQs
  - Online Submission Of All Documents
- Reduced Application Processing Time Significantly
- OGC Review and Site Visits for Any High Risk Level Firm
- Management Control System
- Formal OIG Referral Process
- Debarment Committee in Compliance with P.L. 109-461 Requirement



# National Veteran Small Business Conference and Expo

- Sponsored by the Department of Veterans Affairs
- June 26-29, 2012
- Cobo Center, Detroit, Michigan
- 6,000 participants expected
- Features:
  - Training and networking opportunities
  - Over 300 breakout sessions
  - Expo Hall with nearly 400 exhibitors
  - VetGovPartner – facilitates online and on-site networking, including with senior program decision-makers
  - CVE Verification Help Desk
- Helps Veteran-owned businesses maximize opportunities in the federal marketplace.
- For more information and to register, visit:  
<http://www.nationalveteransconference.com/>





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# VA Acquisition Improvement Actions: National Acquisition Center (NAC)

**Mr. Craig Robinson**  
Associate Deputy  
Assistant Secretary  
for National Healthcare  
Acquisition





## VA National Acquisition Center Key Focus

- Established in 1951 as the VA Marketing Center
- In 1995, changed name to National Acquisition Center
- Largest combined VA contracting agency
- Over 1,900 contract vehicles
- Over \$16 billion in annual sales transactions
- 259 assigned full-time employees (located in Hines, IL, and Golden, CO)
- Niche – Health Care related Contracts
- Responsibility for:
  - VA Federal Supply Schedule Program
  - National Standardization Contracts
  - Prime Vendor Distribution Programs
- Available for use by VA, Other Government Agencies



## VA National Acquisition Center Federal Supply Schedule Program 2011 SRM What We Heard

- Much improved picture of the FSS processes
- Suppliers are able to get focused assistance with firm contract specialist assignments
- Continued focus on standardizing forms and spreadsheets is helping processes
- Timelines are much improved, but work is still needed





## VA National Acquisition Center Federal Supply Schedule Program Progress Report – Offers/Extensions

- FY 2011 - Assigned 639 offers/extensions
- FY 2011 - Completed **696** award actions
  - This represents 57% increase in output from FY 2010
- In October 2010
  - Average duration of pending offers – 227 days
  - Average duration of pending extensions – 176 days
- In September 2011
  - Average duration of pending offers – **165** days
    - This represents 27% decrease in timeline from October 2010
  - Average duration of pending extensions – **137** days
    - This represents 22% decrease in timeline from October 2010



## VA National Acquisition Center Federal Supply Schedule Program Progress Report – Modification Actions

- FY 2011 Completed **5,080** modification actions
- In October 2010
  - Average duration of pending mod actions – 79 days
- September 2011
  - Average duration of pending mod actions – **42** days
    - This represents 47% decrease in timeline from October 2010



## VA National Acquisition Center Federal Supply Schedule Program Initiatives

- 621I Program
  - Workgroup actions
- Standardized Forms
  - Internal Contract Documents
  - Modification Forms
  - Disclosure spreadsheets
- Comprehensive Training Programs
  - Hands-on workshops geared to FSS team members
  - Lecture Series geared to vendors and FSS team members
  - Podcast and webinars for specific tailored topics (e.g., CSP disclosures, negotiating tracking customer changes) geared to vendors



## VA National Acquisition Center Federal Supply Schedule Program Initiatives(continued)

- Enhanced FSS Home Pages
  - Robust reference materials
  - Instructions and guides to help answer vendor/customer questions
- Participation in Social Media Sites
  - Integration of FSS LinkedIn account
  - Researching other options



Department of Veterans Affairs

# VA Acquisition Improvement Activities: Veterans Health Administration (VHA)

**Susan Taylor**  
Deputy Chief Procurement  
Officer, VHA Office of  
Procurement and  
Logistics





## VA Acquisition Improvement Actions: Veterans Health Administration

*“With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the nation’s wounds, to care for him who shall have borne the battle and for his widow, and his orphan, to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations.”*

*The Second Inaugural Speech by Abraham Lincoln and motto for VA Health Care.*



## VA Acquisition Improvement Actions: Veterans Health Administration

- Primary Customer – Veterans Health Administration (VHA)
- Mission – Acquire strategic commodities and services for VHA programs and facilities
  - Localized support at the Veterans Integrated Service Network (VISN) and medical center level
  - Procurements include, but are not limited to, community-based nursing home services, locum tenens, homeless shelter services, medical instrument sharpening, medical supplies, construction and leasing
- Full staffing level +/- 2,500 acquisition professionals
  - Estimated initial deployment: 1<sup>st</sup> Quarter of fiscal year 202
- Annual obligations – \$11 Billion
- Leadership:
  - Chief, VHA Office of Procurement and Logistics: Mr. Norbert Doyle
- Headquartered in Washington, D.C., with offices in 153 medical centers across the Nation and overseas



## VA Acquisition Improvement Actions: Veterans Health Administration

- Communications Improvements
- Customer Service Initiatives
- Coordination
- Contracting Improvements
- Training



# VA Acquisition Improvement Actions: Veterans Health Administration

## Communication Improvements

- Industry Days
- FedBizOpps
- Informative Debriefings
- VHA Procurement and Logistics Office Internet site – Under Construction



# VA Acquisition Improvement Actions: Veterans Health Administration

## Customer Service Initiatives

- Performance Plan Factor
- Vendor Outreach Sessions
- Post Award Conferences



# VA Acquisition Improvement Actions: Veterans Health Administration

## Coordination

- Contractor Performance Reporting
- Communication with OSDBU on Forecasts
- Updates on Operational and Policy Changes



# VA Acquisition Improvement Actions: Veterans Health Administration

## Contracting Improvements

- Corporate Standardization
- Additional Workforce Hired
- Utilization of eCMS (Electronic Contract Management System)



# VA Acquisition Improvement Actions: Veterans Health Administration

## Training

- Emphasis on FAC-C Certified Workforce
- Ongoing Customer Service Training
- Specialized Procurement Training



# VA Acquisition Improvement Actions: Veterans Health Administration

## Expected Outcomes

- Improved emphasis on standard operating procedures to be utilized among VHA Service Area Offices (SAO)
- Improved internal customer and supplier satisfaction with the overall procurement process
- Performance standards tailored to include procurement action lead time (PALT) and customer service parameters for personnel
- Improved communication strategy for internal and external customers through SharePoint, Webinars, additional training, conferences and other electronic tools



# VA Acquisition Improvement Actions: Veterans Health Administration

## VHA 5 Major Focus Areas:

1. VA's processes to allow you to provide best value - VHA Contracting Offices rarely issue solicitations using sealed-bid solicitation procedures. Instead our solicitations are structured to consider price and non-cost factors to determine which proposal represents the best value to the government. Non-cost factors typically used include past performance, technical approach, and experience of key personnel.
2. VA's effectiveness in focusing on Total Cost of Ownership - Total cost of ownership is considered in best value procurements. For example, in major equipment acquisitions, consideration is given to whether a purchase or lease acquisition strategy is in the Government's best interest. The cost of consumables, maintenance costs, and life expectancy also are considered. In the past, this wasn't always done, but our customers and contracting offices are increasingly focusing on total cost of ownership.



# VA Acquisition Improvement Actions: Veterans Health Administration

## VHA 5 Major Focus Areas (continued)

3. VA's effectiveness in sharing risk, reducing your need to build risk into your pricing - VHA Contracting Offices work with our customers to clearly identify performance requirements and identify realistic estimates of the quantity of goods and services required. When possible, we provide exact quantities; when that isn't possible and Indefinite Delivery Indefinite Quantity (IDIQ) solicitations are developed, care is taken to provide realistic estimates. It is understood more definitive requirements reduce the pricing risks borne by contractors and, in turn, the Government benefits, by receiving more competitive offers.
4. VA's ability to present "one face" in your dealings across multiple functions - Within VA there are many contracting organizations, which makes it challenging for contractors to know whom to engage. However, within VHA, steps have been taken to standardize our organizational approach. We developed an Ideal Organization based on product line teams that each Network Contracting Office (NCO) is adopting. With all NCOs having the same organization structure, our valued suppliers won't have to learn 21 different approaches to working with VHA Contracting Offices.
5. VA's concern for your profitability - VHA Contracting Offices are concerned for your profitability and understand the inherent performance risk associated with financially unstable contractors. The goal of VHA Contracting Officers is to negotiate a fair and reasonable price which includes a fair profit for contractors. There is no interest in negotiating contract prices that are unreasonably low. The medical centers we support require high quality goods and services and it's a disservice to our customers and the contractor community to award contracts that can't be successfully performed.



Department of Veterans Affairs

# VA Acquisition Improvement Actions: VA Acquisition Academy (VAAA)

**Ms. Lisa Doyle**  
Chancellor  
VAAA





## VA Acquisition Improvement Actions VA Acquisition Academy

*“Training and education are the most powerful levers for reform in government today.”*

*The People Factor  
Strengthening America By Investing In Public Service*

Linda J. Bilmes & W. Scott Gould



## VA Acquisition Improvement Actions VA Acquisition Academy **Academy Open for Business**

- Opened in September 2008, located in Frederick, Maryland
- Innovative learning environment with 16 classrooms and workspace for 150+ employees
- Created to train and certify VA's Acquisition Team
  - Contracting Professionals including entry-level interns
  - Program/Project Managers
  - Contracting Officer's Representatives
  - Facilities Managers
  - Supply Chain Managers and Logisticians



# VA Acquisition Improvement Actions

## VA Acquisition Academy

# VA Acquisition Academy Schools

- Acquisition Internship School
- Contracting Professional School
- Program Management School
- VA Facilities Management School
- Supply Chain Management School



## VA Acquisition Improvement Actions VA Acquisition Academy Raising the Bar

- Competency-Based Program
- Experiential Learning Model
- Academy curricula satisfies government-wide professional certification requirements mandated by the Office of Federal Procurement Policy
- Federal Acquisition Certifications
  - Contracting (FAC-C)
  - Program/Project Management (FAC-P/PM)
  - Contracting Officer's Representative (FAC-COR)
- Includes electives such as Performance Based Acquisition to allow VA employees to maintain required professional certifications and currency



# VA Acquisition Improvement Actions

## VA Acquisition Academy

# Acquisition Internship School

- 2-year program
  - Career ladder from GS-7 to GS-11 or 12
- Three cohorts of 30 interns each simultaneously move through the program
- Adding a fourth cohort in Fall of 2012 to meet the needs for additional 1102s in the VA workforce
- Intern demographics
  - 47% Veterans
  - Many with MBAs or Law degrees
  - All have at least a Bachelor's degree or 24-semester hours of business credits



## VA Acquisition Improvement Actions VA Acquisition Academy Warriors to Workforce (W2W)

- Launched an acquisition intern program to assist in the reintegration of wounded Veterans by preparing them for a career as a contract specialist
- Ideal candidates are Veterans who have 1) service-connected disabilities; and 2) little or no post high school education
- Program design is a holistic approach
- First year provides education to fulfill positive education requirement of 24 business credits in addition to peak performance training, mission service, and an introduction to acquisition
- Second and third year will be the same as our proven intern curriculum
- Participation from 1 GSA candidate



## VA Acquisition Improvement Actions VA Acquisition Academy Holistic Approach

- Curriculum consists of a holistic approach to developing technical, interpersonal, and leadership skills
- Emphasis on translating theory, fundamentals, and concepts to practical application
- Classroom training is complemented by non-classroom leadership and skill-building activities such as on-the-job training, leadership series, and mission service work
- Developing new personnel into **trusted business partners** capable of executing the Federal Acquisition Regulation's (FAR) emphasis on using sound business judgment to deliver the best value solutions



# VA Acquisition Improvement Actions VA Acquisition Academy Program Core Curriculum

## Contracting Courses

Instructor-led FAC-C required training focused on technical competencies

## Leadership Courses

Instructor-led training focused on leadership, program management, team-building, and interpersonal skills

## Skill-Building Workshops

Case studies and simulations conducted in a learning laboratory environment designed to reinforce knowledge obtained in classroom training

## On-the-Job Training

Practical, hands-on experience applying knowledge and skills in the VA Acquisition environment

## Agency-Specific Training

Specific training on systems, processes, and procedures related to the VA and its unique Acquisition environment

## Mission Service & Development Opportunities

Other activities for intern development including Mission Service, Individual Development Planning, Team Building Events and Offsite Trips

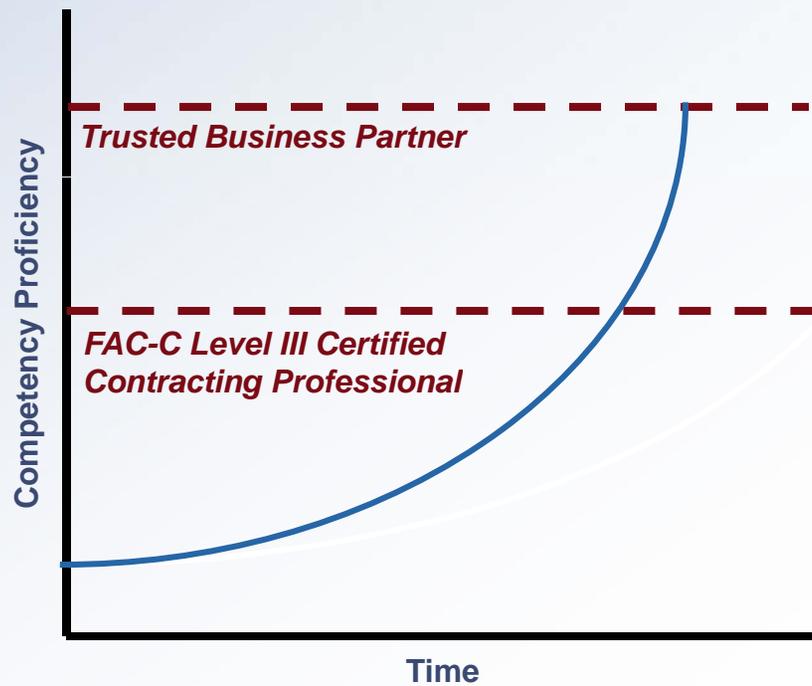


# VA Acquisition Improvement Actions

## VA Acquisition Academy

### Reduced Time to Performance

#### Accelerated Learning



VA Acquisition Intern Program

#### Why it Works...

- Designed to accelerate learning curve to increase productivity more quickly
- Builds competence and confidence
- Emphasis on translating theory, fundamentals, and concepts to practical application
- Program evolves from basic to more complex acquisition strategies



## VA Acquisition Improvement Actions VA Acquisition Academy **Contracting Professional School**

- Addresses all Office of Federal Procurement Policy mandated **Federal Acquisition Certification in Contracting (FAC-C)** training
- Certifies Federal contracting professionals to a Federal-wide competency based standard at Levels 1 through 3
- Establishes civilianized equivalents to Department of Defense case studies, examples, etc.
- Centralized model reduces costs
  - Centralized contracts yield quantity discounts and facility overhead less than individual location rentals
  - Trained more than 7,000 acquisition professionals to date



## VA Acquisition Improvement Actions VA Acquisition Academy **Program Management School**

- Addresses all Office of Federal Procurement Policy mandated **Federal Acquisition Certification in Program/Project Management (FAC-P/PM)** training
- Certifies Federal program and project managers to a Federal-wide competency based standard at the Entry-, Mid-, and Senior-levels
- Exceeds standards with a practical certification exam and impact monitoring to validate the positive impact of training



# VAAA Bringing You FAC-P/PM

## Program Methodology

Train

- **ALL VA Program/Project Managers (PMs) must invest the time to acquire the latest FAC-P/PM competencies.**
- **Develop business acumen**
- **Incorporate consistent best practices across the VA enterprise**

Impact

- **Develop a world-class acquisition workforce; create greater return on capital investments.**
- **Action Plans to facilitate and track performance improvements**

Culture

- **Create and maintain an effective, integrated, Department-wide management capability to make 'data-driven' decisions, allocate resources and manage results.**
- **Formalized Enterprise Program/Project Management Training Model (EP/PMM); PMAS; PM Career Track**

*"It's not just about numbers, it's about developing the competencies that distinguish our students as leaders and trusted business advisors in VA."*

*–Lisa Doyle,  
Chancellor–*



## VA Acquisition Improvement Actions VA Acquisition Academy Five Lowest Rated SRM Metrics

- VA's processes to allow you to provide best value
  - FAC-P/PM and soon-to-be-released FAC-COR training focuses on ensuring VA PMs and CORs understand how to work with business owners and contractors to achieve successful results. This begins with the skills to better define performance-based requirements and evaluation criteria, and goes through contract management for successful engagements
  - The Contracting Professional and Acquisition Internship Schools train VA's acquisition workforce on how to work with contractors to maximize successful results. Skills taught include: promoting communication with industry throughout the entire acquisition process; encouraging the use of outcome or performance-based solicitations; and awarding contracts that provide VA with the best value, not just the lowest price.
- VA's effectiveness in focusing on Total Cost of Ownership (TCO)
  - FAC-P/PM curriculum stresses methods and models for determining costs based on TCO, and performing Analysis of Alternatives based on TCO, vice a single program phase's cost
  - The Contracting Professional and Acquisition Internship Schools train VA's acquisition workforce to consider the TCO of the product or service being acquired rather than focusing just on the acquisition cost.



## VA Acquisition Improvement Actions VA Acquisition Academy Five Lowest Rated SRM Metrics

- VA's effectiveness in sharing risk, reducing your need to build risk into your pricing
  - The Academy's training focuses on better definition of VA's requirement. Well-formed requirements reduce everyone's risk
- VA's ability to present "one face" in your dealings across multiple functions
  - FAC-P/PM curriculum addresses the need for defining a program as 100% of a business need across the enterprise. However, this is an organizational structure issue
  - VA's concern for your profitability
  - FAC-P/PM curriculum addresses the benefits of partnering with your industry base
  - The Contracting Professional and Acquisition Internship School's training focuses on obtaining products and services which offer the best value to VA, not simply purchasing the lowest price products or services. Contract Specialists are taught to review proposals for cost realism to ensure contractors have a clear understanding of VA's requirements.



Department of Veterans Affairs

# Supplier Relationship Overview National Cemetery Administration (NCA)

**Mr. David K. Schettler**  
Deputy Under Secretary for  
Management/Head of  
Contracting Activity





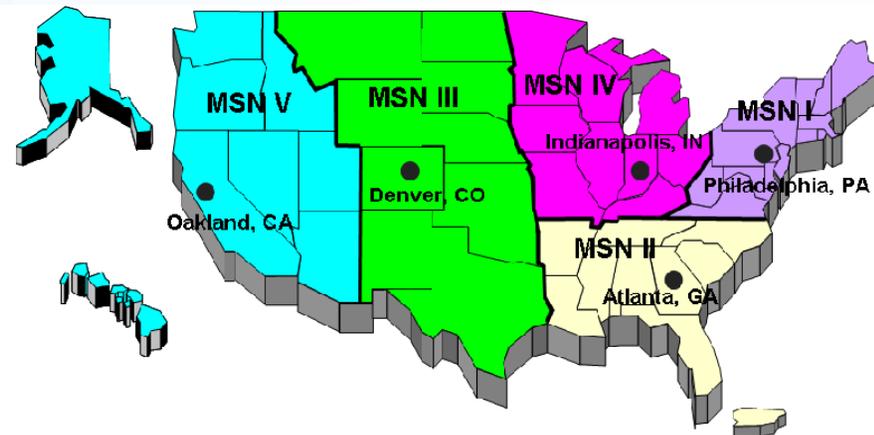
## Our Mission

The National Cemetery Administration honors Veterans and their families with final resting places in national shrines and lasting tributes that commemorate their service and sacrifice to our Nation.



## Our Organization

- **131 National Cemeteries** organized in five regions
- **1,700 employees;**  
**73.5% are Veterans**
- **8,400 developed acres**
- **3.1 million gravesites;**  
**117,426 burials in FY 2011**
- **8.1 million visitors per year**





## Our Commitment to Small Business

- NCA considers small business for 100% of contracts
- Increased contracting with small business by \$23 million (FY 2010 - 2011)
- 87% of awards to small business
- 77% of contracts awarded to Veteran-owned small business
- 77% of contracts awarded to service-disabled Veteran-owned small business
- Met all goals in every contracting set aside



## Our Vision

To be the model of excellence for burial and memorials for our Nation's Veterans and their families.





# Our Reliance on Suppliers to Achieve Performance Objectives

## Initiative

Streamline the headstone and marker ordering and setting process.

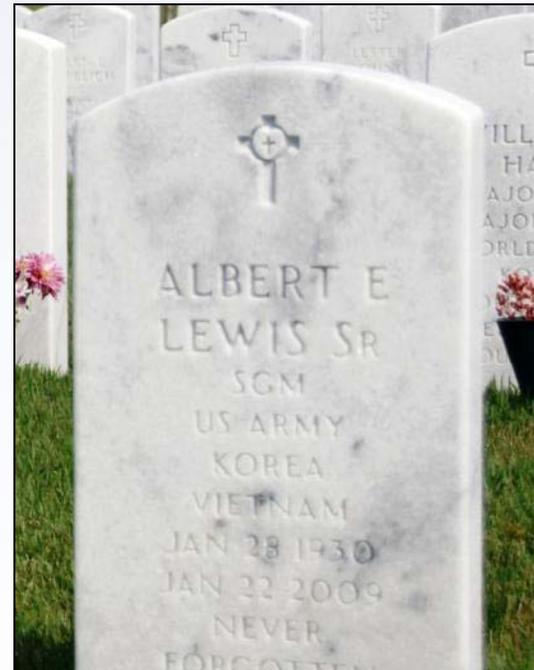
## Performance Measure

Percent of graves in national cemeteries marked within 60 days of interment.



# Our Needs (What NCA Buys)

- Headstones
- Markers
- Medallions





## Our Needs (What NCA Buys)

Grounds maintenance equipment and vehicles



Office supplies, equipment, and equipment maintenance



## Our Needs (What NCA Buys)



Grounds maintenance



# Our Needs (What NCA Buys)

- Services
  - Counseling and advisory
  - Training
  - Security
  - Janitorial
  - Trash and garbage disposal





# Our Needs (What NCA Buys)

Architectural and engineering services



Construction



# Our Needs (What NCA Buys)

## Millennium projects





## Our Needs (What NCA Buys)

- Historic preservation
- American Recovery and Reinvestment Act





## Our Recent Improvement Actions

- Working with the Office of Acquisition and Logistics to improve customer service across VA
- Developed COR Training Course for NCA
- Named Director to head NCA Contracting Service
- Realigning NCA Contracting Service



## To Learn More About NCA...

- We invite you to stay in touch with NCA by:

Visiting our Web site: [www.cem.va.gov](http://www.cem.va.gov)

Following us on Twitter: [@VANatCemeteries](https://twitter.com/VANatCemeteries)

Becoming a fan on Facebook:

<http://www.facebook.com/NationalCemeteries>



Department of Veterans Affairs

# VA Acquisition Improvement Activities: Continued Outreach Office of Acquisition and Logistics (OAL)

**Mr. Maurice C. Stewart**  
Associate Deputy Assistant  
Secretary, Office of Logistics and  
Supply Chain Management





## VA Acquisition Improvement Activities: Continued SRM Outreach

Driving awareness of other OAL industry outreach activities, such as:

- Advanced program briefings to industry
- Supplier forums: FY 2012
- Supplier Perception Survey: 2<sup>nd</sup> Quarter and 4<sup>th</sup> Quarter FY 2012
- Pre-proposal conferences
- Draft requests for proposal (RFP)
- Webinars on program and policy changes



## Planning and Standup

# VA Industry Advisory Group (IAG)

- Coordinated through the Ambit Group and North Carolina State University
- Comprised of a variety of business sizes and types (24 companies)
- IAG Goals
  - Be relevant for VA senior management
  - Share best practices and success stories
  - Provide structured suggestions to enable better supplier relations
- Meetings quarterly
  - Initial meeting held July 22, 2011
- Future focus areas
  - Relationship formation
  - Transform VA and industry culture
  - Standardization