

January
2013



Issue
43

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In the News: 2.3% Medical Device Excise Tax, Effective January 1, 2013

What is it?

Section 4191 of the Internal Revenue Code imposes a 2.3% excise tax on the sale of certain medical devices by the manufacturer/importer of the device. On December 5, 2012, the Internal Revenue Service (IRS) issued [final regulations](#) and [interim guidance](#) regarding the determination of sale price and other issues related to the tax.

This tax applies to sales of taxable medical devices made after December 31, 2012.

To whom does this excise tax apply?

This tax applies to manufacturers and importers as defined:

Manufacturer: The manufacturer is the person who produces taxable medical device from scrap, salvage, or junk material, or from new or raw material, by processing, manipulating or changing the form of a device or by combining or assembling two or more devices.

Importer: The importer of a taxable medical device is the entity that brings the device into the United States from a source outside the United States, or withdraws the device from a customs-bonded warehouse for sale or use in the United States.

Modifying your Schedule contract to include the excise tax:

Schedule contractors that offer affected medical devices will have the opportunity to submit a price increase modification request, assuming that the request meets all of the requirements of 552.216-70, Economic Price Adjustments, including:

- The excise tax is reflected as a change to the commercial price list upon which contract award is predicated;
- The proposed FSS percentage increase is equal to or less than the increase to the commercial list price change;
- Proposed pricing is no higher than permitted by the awarded tracking ratio;
- At least 30 days have elapsed between price increases; and
- The increase is requested at least 60 days prior to the end of the contract (including option periods).

What devices are subject to this new tax?

A taxable medical device is one that is listed as a device with the Food and Drug Administration under section 510(j) of the Federal Food, Drug, and Cosmetic Act and 21CFR part 807, unless the device falls within an exemption from the tax. Such exemptions include those for eyeglasses, contact lenses, and hearing aids; as well as for devices that are generally purchased by the general public at retail value for individual use.

[Continued on page 5...](#)

Contractor Training Center: Solicitations & Amendments

This month we thought it would be useful to provide you with an overview of the changes made to the solicitation package that will hopefully help you navigate this seemingly daunting document when submitting a new or follow-on proposal.

Information on each of our Schedule programs is available [online](#), and provides you with basic information about the schedule along with a link to the most recent solicitation on [FedBizOpps](#). It is important to utilize the most recent solicitation version as they are refreshed on an annual basis. Solicitation refreshments are reflected in the "R" number at the end of each solicitation number. For example solicitation number RFP-797-FSS-99-0025-R8 is the 8th refreshment of the 651IA Medical Equipment and Supply Schedule. Navigating the solicitation documents on FedBizOpps can sometimes be a confusing process; so this month's training will help you understand the various documents that are required.

Solicitation Documents

All of the VA's commodity solicitations have been streamlined to follow a standardized format. Each is composed of the following documents:

- Document 01 – Read Me First
- Document 02 – Solicitation Document
- Document 03 – Regulations Incorporated By Reference
- Document 04 – Vendor Response Document
- Document 05 – Commercial Sales Practice Format
- Document 06 – Proposal Pricelist Preparation
- Document 07 – Past Performance Evaluation
- Document 08 – Small Business Subcontracting Plan
- Document 09 – Overseas Delivery
- Document 10 – Proposal Price List Preparation (Overseas Delivery)

Our 621II Medical Laboratory Testing and Analysis Services Schedule has two additional documents: 02b – Statement of Work and 04b – Technical Proposal. In the near future, our 66III Cost-Per-Test, Clinical Laboratory Analyzers Schedule will also follow this format. [Continued on page 5...](#)



FSS FAQ: What is the requirement for reporting sales?

In accordance with 552.238-74, Industrial Funding Fee and Sales Reporting, VA Schedule contractors are required to submit, quarterly, the dollar value (in US

dollars and rounded to the nearest whole dollar) for all sales made under the contract during the preceding 3-month period and any partial month (including \$0 sales).

You will complete this process online through the [VA Sales Reporting System](#). When first accessing this system you will be prompted to setup an account profile. *Newly awarded contractors will only be able to register on the first reportable day of the first active quarter of their firm's contract.* The individual that establishes the account must match the sales administrator assigned to the contract at time of award.

For questions or to learn more contact the [FSS Sales Desk](#)!

Web Corner

Resource Library... Want to know more about VA Schedule related policies and regulations? Our online [Resource Library](#) offers a wide variety of VA, GSA, and FAR policies and regulations related to Schedule contracting.

Access a complete listing of

- ✓ VA policies & regulations, including the VAAR, OAL information letters & VHA directives
- ✓ FAR & GSAM regulations
- ✓ Acquisition resources, including PPIRS, Federal Register, eligibility listing, and acquisition central
- ✓ General resources for acquisition opportunities, small business, and government
- ✓ VA & GSA forms
- ✓ VA social media profiles



Be sure to add the [Resource Library](#) to your favorites!

Connecting with You



Ms. Cheryl Ward-Roberts

It is with a heavy heart that we announce the passing of Ms. Cheryl Ward-Roberts, Contracting Branch Chief, Federal Supply Schedule Service.

Cheryl was a much beloved member of our team. Serving as a Contract Specialist and then as a Chief at the National Acquisition Center for over 20 years, Cheryl was instrumental in the growth and continued success of the FSS program. Among her many accomplishments, Cheryl helped build the 66III Cost-Per-Test, Clinical Laboratory Analyzers and the 621I Professional and Allied Healthcare Staffing Services Schedules. She was also integral in assisting with the comprehensive oversight of the administration of the 651B Drugs, Pharmaceuticals and Hematology Related Products Schedule.

Cheryl will be missed as much for her tireless work ethic and professionalism as well as for her kind heart and compassion. The FSS program is better for her service, and we are better for having known her.

Mr. Paul Skalman

We also said goodbye to Mr. Paul Skalman – Chief, Program Management & Resource Support. After nearly 30 years of Federal service, Paul retired on December 28, 2012. Throughout his time at the NAC, Paul was vital in the continued development and management of the VA Schedules program. His vast wealth of knowledge and expertise will be sorely missed. We wish him well as he ventures forth in his next endeavor.

As we continue our search for a Director, and begin a new search for two branch Chiefs we hope to make the transition period as seamless as possible. You may direct any contract related issues to your assigned contract specialist. For other concerns please contact the FSS Help Desk (p) (708) 786-7737 (e) helpdesk.ammhifss@va.gov.

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February Webinar: Schedule vs. Open Market – Using VA FSS Contracts

Designed for both our contractors and Schedule buyers this webinar will detail

- ✓ When VA ordering activities must use the Schedules program
- ✓ Issuing task/delivery orders against Schedule contract
- ✓ How to include open market items on a Schedule order

Webinar Info

Topic: Schedule vs. Open Market

Date: Wednesday, February 27, 2013

Time: 10:00am **Central Time**

Join the Meeting

The webinar will be available to those participants that have the Microsoft LiveMeeting program. This program is free of charge and can be downloaded via [Microsoft's website](#). Check with your IT department to make sure that you can access Microsoft LiveMeeting. Apple users will have to utilize the [web app](#) to access the meeting.

Once you have installed the program you can access the LiveMeeting using the following information:

[Microsoft LiveMeeting Location Link](#)

Meeting ID:

6f7920dcb0d8407d92d7f4deacbf5749

Entry Code: 9018

The LiveMeeting will open at 9:00am CT on the day of the meeting.

Audio Information

Phone: 1.888.767.1050

Conference ID: 68007061

Email hannah.zerphey@va.gov with questions or for a copy of the presentation if you are unable to access the visual portion of the webinar (the presentation will not be available until the day before the meeting). We hope you will join us!

Customer Training Center:

Ordering Procedures Part I: Orders not requiring a statement of work

These ordering procedures apply to orders placed by VA ordering activities under the following **mandatory use** [Schedule programs](#):



- 65IB Drugs, Pharmaceuticals, & Hematology Related Products
- 65IIA Medical Equipment & Supplies
- 65IIC Dental Equipment & Supplies
- 65IIF Patient Mobility Devices
- 65VA X-Ray Equipment & Supplies
- 65VII Invitro Diagnostics, Reagents, Test Kits & Test Sets
- 66 III Cost-Per-Test, Clinical Laboratory Analyzer

Threshold	Ordering Procedure
Orders at or below the micropurchase threshold (\$3,000)	<ol style="list-style-type: none"> 1. Place the order with any Schedule contractor that meets the agency's need 2. Seek to evenly distribute orders among Schedule contractors
Orders exceeding micropurchase threshold but not exceeding the simplified acquisition threshold (\$150,000)	<ol style="list-style-type: none"> 1. Consider reasonably available information about at least three (3) Schedule contractors that meet the agency's need. Comply with FAR 8.405-6, Limiting Sources, as applicable. Schedule contractor information is readily available via <ul style="list-style-type: none"> o The contractor's Authorized FSS Paper Price List (request a copy from the contractor); o The NAC Contract Catalog Search Tool; o GSA eLibrary o GSA Advantage! 2. You may also request a quote from at least three (3) Schedule contractors. 3. Place order with the contractor that represents the best value.
Orders over the simplified acquisition threshold (\$150,000)	<ol style="list-style-type: none"> 1. Develop an RFQ in accordance with FAR 8.405-1(d). 2. Give all Schedule contractor holders fair notice and the opportunity to respond. GSA eBuy meets the standard of providing "fair notice to all contractors" because all vendors offering the required supplies and/or services are able to view the Request for Quote. If you do not use eBuy or another means of providing fair notice, you must distribute the RFQ by some other means that will reasonably ensure receipt of at least three (3) quotes. 3. Comply with FAR 8.405-6, Limiting Sources, as applicable. 4. Ensure all quotes are considered fairly and award is made to the contractor that represents the best value in accordance with the basis for selection in the RFQ.

Check out next month's Customer Training Center for more information about including non-Schedule items on a Schedule order, and the VA mandated Open Market Waiver Request requirements and submission process!

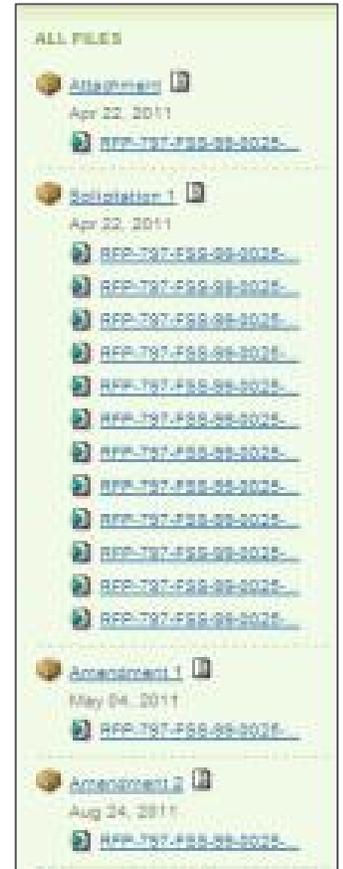
Contractor Training Center (cont'd from pg. 2)

Each solicitation document has a cover page which explains its applicability, and a checklist for the Vendor Response Document can be found at the end of the Read Me First document. Some documents require that you read them thoroughly and understand them while other documents require that you provide specific responses as part of your FSS proposal. Be sure to include all required documents in your proposal. Incomplete proposals may be returned to you without consideration.

The solicitation links provided on our website will take you directly to FedBizOpps where you will find the solicitation documents on the right hand side of the web page under the solicitation heading. Although all of the solicitation files appear to have the same title, you can hover your mouse over each file to view the full name of the document. The first link is a single page word document specifying the names of each file contained within the solicitation. The second link is an "All Files" link which permits you to download all of the solicitation documents in a single zip file. If you prefer to download one document at a time, then you can utilize the remaining links which contain each individual solicitation document. Amendments, if any, will appear as separate files beneath the solicitation files.

Amendments

Solicitation amendments serve to keep solicitations current with regulatory changes and provide consistency among the various refreshed versions of open solicitations. Amendments can be issued for a variety of reasons. They may be issued to incorporate new or updated clauses that need to be added to the solicitation prior to the next refreshment cycle, or they may be issued to provide corrections or clarifications. They are also issued to incorporate updates (i.e. clause changes, deletions, additions, etc.) from a refreshed solicitation. Amendments are an integral part of your FSS proposal, and all amendments must be signed and returned with your proposal package. During the proposal evaluation process, it is possible that additional amendments may be issued. In these circumstances, you will be asked by your assigned Contract Specialist to sign and return any additional amendments that are issued prior to the award of your FSS contract.



In the News (cont'd from pg. 1)

Examples of taxable and exempt items include:

Taxable items	Exempt items
<ul style="list-style-type: none"> • Mobile x-ray systems • Nonabsorbable silk sutures • Nuclear magnetic resonance imaging systems • Individual medical devices that are included in a convenience or custom pack are subject to the excise tax; however, the sale of the pack is not subject to the tax. Special rules may apply to imported kits. 	<ul style="list-style-type: none"> • Non-sterile absorbent tipped applicators • Adhesive bandages • Snake bite suction kits • Denture adhesives • Mechanical & powered wheelchairs • Portable oxygen concentrators • Therapeutic powered adjustable home use beds

Reporting Requirements

Medical device manufacturers and importers must report the medical device excise tax on a quarterly basis using [Form 720, Quarterly Federal Excise Tax Return](#), which may be filed electronically or on paper. Payment is due with the return. Further details on deposit requirements are available in the Instructions to Form 720 and [Chapter 12 of IRS Publication 510](#).

Quarterly Due Dates	
January – March	April 30
April – June	July 31
July – September	Oct 31
October – December	Jan 31

Resources

General information about the manufacturers excise tax is available in [Chapter 5 of IRS Publication 510](#). The IRS' [Medical Device Excise Tax: FAQ](#) provides useful information about this tax, as does the [Medical Device Excise Tax](#) information page.

Around the VA: VA and IHS National Reimbursement Program

There is a long and distinguished history of military service among American Indian and Alaska Native tribes. In an effort to increase American Indian and Alaska Native Veterans benefits, and meet President Obama's call for Cabinet Secretaries to develop better support mechanisms for our Veterans and their families, the [Department of Veterans Affairs \(VA\)](#) and [Indian Health Services \(IHS\)](#) announced [a joint national reimbursement agreement](#).

Through this joint agreement, the VA can now reimburse IHS for direct care services provided by Tribal Health Programs (THP), including home/community-based services provided in the medical benefits package available to eligible Veterans. Eligible American Indian and Alaska Native Veterans are eligible to receive the following services from Tribal Health Programs.

Additionally, THP will receive reimbursement for up to a 30-day supply of outpatient medications. Medications required beyond an initial 30-day supply can be referred to [VA's Consolidated Mail Outpatient Pharmacy \(CMOP\)](#) – medications must be on the formulary list used by the VA.

The [Tribal Health Programs Provider Orientation](#) provides additional information on the program and includes a sample Sharing Agreement. Contractors should be on the lookout for IHS acquisitions related to VA medical equipment & supplies!

Long-Term Care Services

- Geriatric evaluations
- Home, adult day, & respite care
- Nursing home care
- Hospice & palliative care

Limited Benefits

- Ambulance services
- Non-VA care
- Dental care
- Eyeglasses & hearing aids
- Prosthetics
- Durable medical equipment
- Rehabilitative devices

Preventative Care Services

- Periodic medical exam
- Immunizations
- Mental health & substance abuse prevention
- Health, nutrition, & drug-use education

VA Medical Center Spotlight:

North Florida/South Georgia Health System

The [North Florida/South Georgia Veterans Health System](#) is the primary healthcare provider for Veterans in 33 North Florida counties and 19 counties in South Georgia. Comprised of the Malcom Randall VA Medical Center and the Lake City VA Medical Center, the North Florida/South Georgia health system offers state-of-the-art facilities with nearly 500 patient care beds, a 240 bed nursing home, and 12,600 square feet dedicated to outpatient care, including two primary care teams and 16 exam rooms.

The North Florida/South Georgia Veterans Health System has a strong relationship with the University of Florida's College of Medicine. In fact, the Gainesville facility is physically connected to the university. Each year, Gainesville and Lake City VAMCs train nearly 200 medical school residents, interns, and students. This health system is also affiliated with other colleges and universities for programs in nursing, social work, physical therapy, medical technology, and healthcare administration. Additionally, there is collaboration on radiation therapy, professional radiology, sleep lab, electron microscopy, and cardiac catheterization.

Acquisitions

Find healthcare related acquisitions from this facility on [FedBizOpps](#), and learn about the [VA's Forecast of Contracting Opportunities!](#)



Malcom Randall VAMC
1601 SW Archer Road, Gainesville, FL 32608

Lake City VAMC
619 South Marion Ave, Lake City, FL 32025

(p) 800.324.8387 | [Directions](#)





I do solemnly swear that I will faithfully execute the office of the President of the United States, and will to the best of my ability, preserve, protect, and defend the constitution of the United States.

Did You Know... 57th Presidential Inauguration

On Monday, January 21st, 2013, the world looked on as President Barack Obama took his second oath of office, marking the 57th formal Presidential Inauguration since 1789.

Rooted in tradition, the once simple swearing in of a President has become an event steeped in ceremony and celebration. By 12pm on January 20th (or the next business day if the 21st falls on a weekend day), the President-elect publicly takes the oath of office and proffers his first speech as the elected leader of the United States of America. In the hours that follow, the President-elect and his family join in a celebratory parade attended by tens of thousands of citizens. As evening comes, both Government officials and the public are out in their finest attending any number of Inaugural balls thrown in the President's honor.

The Presidential Inauguration signifies a key aspect of American life – the peaceful transition of power from one Presidential administration to the next. We celebrate this event every four years as a way of honoring our past and our future.

Resources: http://en.wikipedia.org/wiki/United_States_presidential_inauguration; <http://www.inaugural.senate.gov/about/history>

Connecting with You (cont'd from pg. 3)

Our management is also available to assist you:

Craig Robinson, Associate Deputy Assistant Secretary, National Healthcare Acquisitions
(p) (708) 786-5157
(e) craig.robinson@va.gov

James Booth, Chief, Contracting Branch
(p) (708) 786-5223
(e) james.booth@va.gov

Bob Satterfield, Chief, Contracting Branch
(p) (708) 786-4955
(e) bob.satterfield@va.gov

We appreciate your continued support of the FSS program and look forward to a successful and prosperous New Year!

Upcoming Events

- Feb 5 FSS Supplier Show, VISN 16, Jackson, MS
- Feb 6 FSS Supplier Show, VISN 16, Biloxi, MS
- Feb 13 FSS Supplier Show, VISN 9, Lexington, KY
- Feb 14 FSS Supplier Show, VISN 9, Louisville, KY
- Feb 27 [VA FSS Contractor Training Series Webinar: Post Award Responsibilities](#), 10am CT
- Feb 28 FSS Supplier Show, VISN 8, Gainesville, FL

**SPH Shows are specific to equipment used in the transfer and movement of patient care in support of the VA's Safe Patient Handling and Movement Initiative.*

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	17	18	19	20	22	22	23
	24	25	26	<u>27</u>	<u>28</u>		

For questions, please email the [NAC Marketing and Business Relations](#) team at dalcbdt@va.gov!

Useful Web Links

- [FSS Web Portal](#)
- [Contact Us](#)
- [Customer Survey](#)
- [Resource Library](#)
- [VA Schedule Programs](#)
- [Training](#)
- [FSS Contractors](#)
- [Sales Reports & IFF](#)
- [Modification Request Forms](#)
- [FSS Customers](#)
- [Priorities of Use](#)



New Contracts & Extensions

View a complete listing of contracts that were [awarded](#) or [extended](#) in December 2012!

Visit the [NAC Contract Catalog Search Tool \(CCST\)](#) or [GSA eLibrary](#) to obtain pricing information for these and all VA FSS contracts. For questions, comments, or to learn more about the VA FSS program contact the FSS Help Desk:

Monday – Friday 7:30am – 3:30pm (CT)
(e) helpdesk.ammhinfss@va.gov (p) (708) 786-7737

VA NAC Federal Supply Schedule

Address: PO Box 37, Bldg 76
1st Avenue, One Block North of 22nd Street
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Phone: (708) 786-7737

Fax: (708) 786-5828

Email: helpdesk.ammhinfss@va.gov

Web Portal: <http://www.fss.va.gov>

Customer Survey: <http://www.va.gov/nac/customersurvey/>

