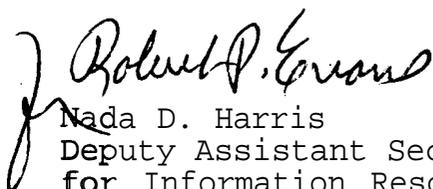


PROCUREMENT SOURCES AND PROGRAMS

1. **REASON FOR ISSUE.** This handbook is to be used with VA Directive 7126.2. It provides Departmentwide procedures which are necessary for implementation of the policies contained in the directive.
2. **SUMMARY OF CONTENTS/MAJOR CHANGES.** This handbook contains procedures in the following areas of acquisition and materiel management:
 - a. Obtaining items and services furnished by VA centralized purchasing activities.
 - b. Obtaining items and services from other than VA sources.
 - c. Due to changes in organizational structure, procedures for the requisitioning of items from the VA Forms and Publications Depot will be published at a later date.
3. **RESPONSIBLE OFFICE.** Deputy Assistant Secretary for Acquisition and Materiel Management (DAS/A&MM) (90).
4. **RELATED DIRECTIVE.** VA Directive 7126.2, Procurement Sources and Programs.
5. **RESCISSION.** VA Manual MP-2, Subchapter E, Part 108-26 (except for Subparts 108-26.9901 and 108-26.51 which are rescinded by VA Directive 7126.1).

CERTIFIED BY:

BY DIRECTION OF THE SECRETARY
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PROCUREMENT SOURCES AND PROGRAMS

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PROCUREMENT SOURCES AND PROGRAMS

1. GENERAL

a. 100 Purpose and Scope. This handbook is to be used with VA Directive 7126.2, which sets forth policy and guidelines that implement the FPMR and supplemental VA policy.

b. 102.51 Responsibilities of the VA National Acquisition Center (**VANAC**). National Acquisition Center divisions and staff, under the ADAS, VANAC, P.O. Box 76, Hines, IL 60141, are assigned responsibility for centralized management of products and services in categories related to commodity groups in industry. The responsibilities of the staff include:

(1) Determination of the most economical method of supply for centrally managed items.

(2) Acquisition of equipment through formal advertising and negotiation.

(3) Administration of decentralized contracts, assigned Federal Supply Schedules (FSS), and national and direct delivery contracts for use by VA and other Government agencies.

(4) Development of product descriptions for use in securing centrally managed items as assigned.

(5) Maintenance of an evaluation program, including inspection, to ensure the quality and appropriateness of products purchased.

(6) Maintaining a quality control program for those item(s) not covered by VA, Federal Drug Administration (FDA), or quality assurance agreement.

(7) Hazardous Products/Equipment Reporting Program (VA Handbook 7125, Part 7).

2. FEDERAL REQUISITIONING SYSTEM

a. 200 This part provides instructions to VA field facilities for processing additions, changes, and deletions of FEDSTRIP Activity Address Codes.

b. 203 General Instructions and Mailing Address. The DAS/AMM, VACO, has designated the Chief, Item Management Division, as the central contact point for processing requests related to FEDSTRIP Activity Address Code additions, changes, and deletions.

VA field facilities are directed to forward any of the above actions, in writing, to the Director, Item Management Division, P.O. Box 27, Hines, IL 60141, for validation and further

processing. A letter of confirmation will be sent to the field facility when action has been completed.

3. PROCUREMENT OF GSA STOCK ITEMS

a. 301 Applicability. In addition to exemptions to mandatory procurement of requirements from General Service Administration (GSA) supply distribution facilities listed in FPMR 101-26-3, the following items are also exempt:

(1) Suitable Government-owned, new, used, excess, or surplus property when it can be secured.

(2) Combustible, hazardous, or otherwise dangerous items which because of shipping instructions have been exempted by terms and conditions shown in the stores stock catalog.

(3) Hospital supplies or equipment (Federal Supply Class (FSC) Group No. 65).

(4) Blind-made and prison-made products stocked by GSA in those instances where the receiving facility is so located or the quantity purchased would make it more practical or economical to purchase directly from the manufacturing facility rather than through the GSA regional office.

b. 301-1 Similar Items. When it is determined that items available from GSA stock will not serve the required functional end use requirements, the provisions of VAAR 872.003 and 846.70 shall apply.

c. 305 Submission of Orders to **GSA**. Requisitions for GSA stocked items will be prepared in accordance with instructions contained in GSA Handbook, "FEDSTRIP Operating Guide" (FPMR 101-26.202), or in accordance with instructions appropriate to IFCAP, MUFFIN, and FALCON instructional textbooks.

4. GSA PROCUREMENT PROGRAM

501 Purchase of New Motor Vehicles. New motor vehicles will be acquired in accordance with FPMR, Subparts 101-26.5 and 101-38.

5. PROCUREMENT SOURCES OF THE DEPARTMENT OF DEFENSE

a. **602-4** Procurement of Coal. Coal requirements will be handled in accordance with FPMR 101-26.602-4. When a coal shipment is received, the facility Chief, Engineering Service, will conduct a visual inspection to determine that it is reasonably free from slate, dirt, and foreign matter. Acceptance after this inspection shall be final. Such acceptance does not preclude deductions from the contract price if the coal does not meet the minimum analytical requirements of the contract.

b. 650 Procurement of .30 Caliber Blank Cartridges. Blank .30 caliber ammunition (used in the .30 caliber rifle Model 1903 A2) and blank .30 M1909 caliber, clip, 8-round cartridges (used in U.S. .30M1 Garand Rifle) for use at burial ceremonies at VA cemeteries may be obtained from the Commander, U.S. Armament Command, ATTN: AMSARMMMD-D, Rock Island, IL 61201. The ammunition will be supplied on a reimbursable basis pursuant to the provision of the Economy Act, 31 U.S.C. 686. Ammunition will be requisitioned on VA Form 21313, Order for Supplies or Services.

c. 651 Procurement of Rifles. Rifles (complete nomenclature: NSN-1005-00-674-1425, Rifle M-1 Garand) for use in burial ceremonies at VA cemeteries may be purchased from the U.S. Army, Armament, Munitions and Chemicals Command, Attn: AMSMC-MMD-LS, Rock Island, IL 61299-6000. Requirements must be coordinated with the Director, National Cemetery Area Office.

d. 652 Procurement of Army Uniforms. Facilities requiring Army uniforms for use by the VA color guard participating in burial ceremonies at VA cemeteries will secure such clothing from the Commander, U.S. Army Support Activity, Philadelphia, Attn: AMSAT-ISTCLS, P.O. Box 13460, Philadelphia, PA 19101. Description of uniform items, unit costs, and other ordering information will be provided by the Item Management Division, Hines, IL. A statement will be included on the purchase order that the clothing will be worn by honorably discharged veterans while serving as members of VA burial details.

6. PROCUREMENT SOURCES OTHER THAN GSA AND THE DEPARTMENT OF DEFENSE

750 Procurement of Headstone or Marker

a. Requests for headstones or markers for graves in private cemeteries will be submitted to the Director, Office of Memorial Programs (403), Department of Veterans Affairs, Washington, DC 20420, on VA Form 40-1330, Application for Standard Government Headstone or Marker.

b. Requests for headstones or markers for graves in national cemeteries will be submitted to the Director, Office of Memorial Programs (403), Department of Veterans Affairs, Washington, DC 20420, via the automated Burial Operations Support System (BOSS) upon electronic approval of the National Cemetery Director or his designee.

c. Requests for memorial headstones or markers for placement in private or national cemeteries will be submitted to the Director, Office of Memorial Programs (403), Department of Veterans Affairs, Washington, DC 20420, on VA Form 40-1330, Application for Standard Government Headstone or Marker.

7. DISCREPANCIES OR DEFICIENCIES IN GSA OR DEPARTMENT OF DEFENSE (DoD) SHIPMENTS, MATERIALS, OR BILLINGS

a. 800 Scope. This part supplements and implements FPMR 101-26.8 with respect to the reporting of quality deficiencies in GSA or DoD shipments and material.

b. 802 Exclusions. The provisions of this subpart are not applicable when reporting deficiencies or recommending improvements to VA source items, nor are they applicable when recommending the introduction of new items to the VA supply system. SF 380, Reporting and Processing Medical Materiel Complaints/Quality Improvement Report, will be used for these purposes as prescribed by VAAR 846.70.

c. 803-1 Reporting Discrepancies or Deficiencies. The procedures prescribed in FPMR 101-26.8 will be followed. Facilities should make every attempt to rectify problems directly with the contractor. If a resolution cannot be reached, the VANAC will be contacted for assistance in resolving the problem.

8. REQUISITIONS TO FORMS AND PUBLICATIONS DEPOTS. This section is reserved due to changes in organizational structure. Policy and procedures will be published at a later date.

9. ITEMS AND SERVICES TO BE FURNISHED BY THE VANAC AND OTHER CENTRALIZED PURCHASING ACTIVITIES

a. 5300 Scope. This part provides procedures for acquisition of those items and services furnished by the VANAC and other centralized purchasing activities to VA installations.

b. 5301 Preparation and Submission of Requisitions

(1) VA Form 134, Combination Requisition and Shipping Ticket, or an equivalent computer format, will be prepared for the following items and services and submitted to the appropriate VANAC division:

(a) Special items or services prescribed in this part.

(b) Items coded source 9 in VA Catalog No. 3.

(c) Items and services listed in announcements or marketing letters issued by the VANAC.

(d) Medical equipment in excess of \$25,000 for direct delivery to the customer on the basis that procurement assistance is desired.

(2) In the case of Central Office controlled items, two copies of the original Central Office approved requisition, VA Form 134, will be submitted to the appropriate Acquisition Division. Under no circumstances will changes be made in the nomenclature involving product characteristics, design features, performance requirements, etc., without approval of the DAS/A&MM, nor will a requisition number other than that originally approved by Central Office be assigned.

(3) Requisitions for medical equipment to be purchased prior to the end of the fiscal year will be sent to the VANAC as early in the fiscal year as possible. Each requisition will include certification that necessary utility service, space, and facilities are or will be available by the delivery date requested. Requisitions for major equipment items necessitating structural alternations and/or which involve substantial installation costs will include a statement that funds for, such costs are or will be available. The estimated completion date of any such alterations will also be indicated.

(4) Requisitions for diagnostic x-ray, nuclear imaging, diagnostic ultrasound, physiological monitoring, complete laundry systems, individual laundry items, x-ray therapy, Computerized Axial Tomography (CT) Scanners, Magnetic Resonance Imaging Systems, Positron Emission Tomography (PET) Scanners, and Lithotripters must be received by the VANAC prior to any established due date. A forum message notifying field facilities of requisition due dates will be issued on an annual basis.

(5) Requisitions for items which differ from those available under mandatory sources or those shown in VA Catalog No. 3 as standard items must show evidence that the provisions of VAAR 872.003 have been complied with.

(6) Requisitions for major equipment items will include the following ordering data as applicable:

(a) Destination, building, and room, when applicable.

(b) Whether installation will be made by contract or facility personnel. If vendor installation or vendor supervision of installation is required.

(c) Hours work site will be available to contractor for installation, e.g., 8 a.m. to 4:30 p.m., Monday through Friday, or around the clock.

(d) Approximate date installation of equipment may begin.

(e) Quantity and estimated unit cost.

(f) Obligation number and amount and whether space and/or utilities are or will be available.

(g) Requisitions specifying brand name or equal items will include salient characteristics and complete justification, provided by the initiating office, to support the assertion that the criteria set forth in FAR 10.004 have been met.

(7) Requisitions for items of a specific manufacturer to be procured by negotiation will contain sufficient justification, provided by the initiating office, to support such action. (See Federal Acquisition Regulations (FAR), Subparts 15.2 and 15.3.)

(8) When a specification deviation is desired, the deviation will be justified, coordinated, and approved by Central Office prior to submitting the requisition to the VANAC.

(9) When trade-in is requested, a complete list of items to be traded, including model number, description, serial number, acquisition date and cost, and the determination required by FPMR 101-46.202(a) (4) will be furnished with the requisition.

c. 5301-1 Obligation of Requisitions to the VANAC for Direct Delivery to Health Care Facilities

(1) Except as provided in paragraph (c) of this section, requisitions forwarded to the VANAC for source code 9 and other items to be purchased centrally will be obligated in accordance with the fiscal procedures before release. The chief of the responsible acquisition division will make every effort to issue a purchase order as soon as possible.

(2) When an order cannot be issued by the chief of the VANAC division within the fiscal year in which an obligation has been established, the facility will be notified. The Chief, A&MMS, will advise the VANAC division of the appropriate action to be taken.

(3) The cost of the following items will be paid from funds allocated to and obligated at the VANAC, Hines, IL, or Acquisition Service, VACO:

(a) Membership in the American Hospital Association and its various personal membership groups (PMGs).

(b) Membership in the Mental Hospital Service of American Psychiatric Association.

(c) Membership in the College of American Pathologists Laboratory Inspection and Accreditation Program.

(d) Surveys for Accreditation by Joint Commission on Accreditation of Healthcare organization.

(e) Membership in the National Association of Institutional Laundry Managers.

(f) Membership in the Healthcare Information and Management Systems Society.

d. 5301-2 Processing Receiving Reports for Direct Delivery Items. Receiving reports for centrally managed direct delivery items will be accomplished at the receiving facility in accordance with current references or the most recent directive. Immediately upon receipt of the item(s), the receiving facility will notify the VANAC even though installation, inspection, and acceptance are not accomplished. Notification will be made by forwarding an annotated copy of the receiving report to the VANAC. The receiving facility will be billed for any interest required by the Prompt Payment Act due to late processing of receiving reports. The Fiscal Officer of the receiving facility will reimburse the Supply Fund from the applicable appropriation.

e. 5302 Envelopes, Mailing - Veterans Benefits Administration (VBA). The Under Secretary for Benefits is responsible for controlling all specialty envelopes used by VBA. The Chief, Procedures Division (20A52) in Central Office, is delegated the responsibility for providing the VANAC, no later than February 15 of each year, with annual usage requirements, changes, deletions, or additions needed to effect annual GSA term contracts. The VANAC will use this information as a basis for arranging for the issuance of annual GSA term contracts and is responsible for providing copies to each Chief, A&MM Service.

(1) All VBA specialty envelopes except special envelopes required for the Annual Income Questionnaire (AIQ) will be procured locally from a current annual GSA term contract. Each Chief, A&MM Service, will furnish the Chief, Procedures Division (20A52), with a copy of each purchase order prepared against the annual GSA term contracts for VBA specialty envelopes; The purchase order will be annotated to reflect for each envelope ordered, the amount on hand, due-in, and issued in the preceding 4 months. This information will be used for development of annual envelope usage requirements.

(2) Requirements for AIQ specialty envelopes required by regional offices and centers; the Benefits Delivery Center, Hines, Illinois; and the Treasury Department, Austin, Texas; to process the VBA AIQs will be developed by Compensation and Pension Service (21), VBA, in Central Office. By February 15 of each year, that service will prepare VA Form 2237, Request, Turn-In, and Receipt for Property of Service, and will forward it through the Chief, Procedures Division (20A52), for review

and submission to the VANAC for solicitation of bids and preparation of a purchase order. Envelopes for the AIQ program are required to arrive at the designated offices on or before September 1 of each year. The VANAC will furnish receiving offices with a copy of the purchase order which will be used as the "Receiving Report" when the envelopes are delivered. Upon arrival of the AIQ envelopes, the designated certifying official will inspect the envelopes. If there are no discrepancies, the "Receiving Report" copy will be certified and forwarded to the VANAC, P.O. Box 27, Hines, IL 60141. If discrepancies are found, the receiving office will immediately notify the Chief, Procedures Division (20A52), VACO, so that corrective action can be taken.

f. 5305-1 Newsgagers and Periodicals

(1) Publications designated as law journals, bulletins, or records, while containing news restricted to legal matters of interest only to lawyers and those having dealings with courts, are regarded as newspapers (28 Comp. Gen 711). Administrative periodicals other than those of a technical, trade, or scientific nature, containing news and other information of a general and current nature, are also considered as newspapers.

(2) Legal newspapers for use in the Office of the General Counsel and the Office of the District Counsel may be procured locally or direct from publishers.

(3) Newspaper requirements, including publications and periodicals defined as newspapers, will be submitted to the Office of Administration, Procurement Staff (03C), and procurement effected as follows:

(a) Newspapers will be purchased locally.

(b) Administrative newspapers will be procured directly from the publisher.

(c) Advance payment for subscriptions is authorized in accordance with VAAR 832.404.

(4) Newspapers (periodicals) for use in the care and welfare of patients will be procured in accordance with FAR 13 and VAAR 813:

(a) Requests for periodicals at each field facility will be made through the Chief, Library Service, or the person assigned this responsibility, who will review and approve the request.

(b) Requirements for Central Office elements will be submitted to the Office of Administration, Procurement Staff, on VA Form 2237, reflecting the estimated value.

(5) Follow-up on nonreceipt or delinquent periodicals will be made by the Chief, Library Service, or the person assigned these responsibilities, at field facilities. In Central Office, follow-up will be made by the Chief, Library and Visual Information Programs Division (142D), on periodicals addressed to that activity. Follow-up will be made by the Procurement Staff, Office of Administration (03C), on all other periodicals.

g. 5307 Laundry Equipment

(1) The Director, Environmental Management Service (161C), is responsible for centralized technical and resource management of, and the Chief, Acquisition Division for Medical Equipment is responsible for centralized procurement of, all types of laundry equipment/systems outlined in VHA Handbook H-10-2, Laundry Project Handbook, costing \$25,000 or more, except the household laundry-type equipment to be furnished as part of a construction contract, conveyor systems, trucks, work tables, and other nonmechanical laundry equipment or supplies.

(2) Ordering data, as specified in the applicable Federal, Military or VA specification covering equipment requests, will be included with the requisition.

(3) A statement will be included on the requisition as to whether the contractor will be required to remove existing equipment. If so, state location or the storage point and approximate distance from the laundry. If trade-in is requested, a list of items to be traded and the administrative determination required by FPMR 101-46.202(a) (4) will be included with the requisition.

(4) Dimensioned sketches, certified by the facility's Engineering Officer, indicating current conditions and referenced to column lines, shall be furnished as follows:

(a) Sketch showing size, type, and proposed location of new equipment; size, type and location of existing equipment which will continue to be operated after new equipment is installed; and utility services made available.

(b) Where installation is on an ongrade floor slab, include a sketch showing the floor slab and wash-trench details, i.e., depth of slab plus topping, reinforcing steel, if any, type of subgrade.

(c) Where installation is to be made on a floor slab above a crawl space, basement, or other upper floor situation, submit plans showing the present condition of the structural elements involved (columns, beams, footing, floor thickness, and the applicable marks and/or portion of the reinforcing schedule).

(d) Where chutes are to be altered to serve the combination washer-extractor(s), furnish information similar to that described in subparagraph (3) for the floor slab involved, including floor openings and details of the existing chute system.

(e) Verification statements certifying the conduct of A-76 "new start" studies supporting the equipment capital investment will be included with the requisition.

h. 5309 Physiological Monitoring Equipment and Systems

(a) The Chief, Acquisition Division for Medical Equipment, is responsible for centralized procurement of physiological monitoring equipment and systems, except as indicated in paragraph c. of this section.

(b) Requisitions will include the following data:

(1) Complete description of the required equipment.

(2) If certain physical or functional characteristics are essential for the equipment to meet its intended end use, such features will be clearly described and justified.

(3) If compatibility is of prime importance and necessary for proper operation with existing equipment, this requirement will be explained.

(c) Additional components for ongoing systems will be purchased locally when the estimated cost does not exceed \$25,000.

i. 5312 X-Ray Equipment

(a) The Chief, Medical Equipment Division, VANAC, is responsible for centralized procurement of all x-ray items coded source 9 in VA Catalog No. 3 and all special or nonstandard items, unless indicated otherwise by the Acquisition Division after submission of the requisition.

(b) Requisitions will include a complete description of the item. Requisitions covering auxiliary items such as angiographic equipment, image intensifiers, etc., will include make and model of the equipment with which they are to be used.

j. 5313 X-Ray and Computerized Axial Tomography Scanner (CT) **Tubes.** A&MM Service will determine the availability of x-ray tubes from the VA Service and Reclamation System, Hines, IL, prior to contacting commercial vendors. When x-ray tubes are obtained from a commercial vendor, A&MM Service will send a copy of the receiving report indicating tube model, specifications, and cost information to the Service and Reclamation System within 30 days of receipt. CT replacement tubes are available through VANAC upgrade contracts. The

Medical Equipment Division will be contacted for availability and pricing.

10. SOURCE OF SUPPLY FOR ITEMS REQUIRING SPECIAL HANDLING

a. 5400 Scope of Part. This part provides procedures for acquisition of items requiring special handling.

b. 5401 Beneficiary Items Requiring Direct Delivery to the Residence of the Beneficiary. Prompt delivery, assembly, installation or setup service, by the most efficient and economical means, will be given prime consideration in selecting the source of supply for items to be used by beneficiaries in their homes. Prior to selecting the source of supply, the prosthetics activity will be contacted to determine if there are any other areas to be considered in the selection process (i.e., location of beneficiary's residence, need for instruction on use of the items).