

SUBCHAPTER G—CONTRACT MANAGEMENT

PART M846—QUALITY ASSURANCE

Subpart M846.1—General

M846.101-70 Definitions.

M846.102 Policy.

Subpart M846.2—Contract Quality Requirements

M846.202-470 VA higher-level contract quality requirements.

Subpart M846.4—Government Contract Quality Assurance

M846.401 General.

M846.401-70 VA Quality Assurance Surveillance Plan (QASP).

M846.401-71 Health Care Resources (HCR) quality assurance and performance monitoring policy.

M846.407-70 Nonconforming supplies or services—no other contractual remedies.

M846.407-71 Recall of defective medical devices and medical products, including food and food products.

Subpart M846.6—Material Inspection and Receiving Reports

M846.601-70 Subsistence and supplies receiving.

Subpart M846.7—Warranties

M846.702-70 Guarantee period of services and specifications.

M846.703 Criteria for use of warranties.

M846.704 Authority for use of warranties.

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SUBCHAPTER G—CONTRACT MANAGEMENT

PART M846—QUALITY ASSURANCE

Subpart M846.1—General

M846.101-70 Definitions.

As used in this part—

At no additional cost to the Government means at no increase in price for firm-fixed-price contracts, at no increase in target or ceiling price for fixed price incentive contracts (see FAR 46.707), or at no increase in fee under cost-reimbursement contracts.

Defect means any condition or characteristic in any supply or service furnished by the contractor under the contract that is not in compliance with the requirements of the contract.

Subsistence means food products, purchased from approved and/or mandatory sources, for the provision of meals to the Veteran beneficiary.

M846.102 Policy.

This part sets forth the VA's requirements for performance of Government contract quality assurance functions as required by FAR part 46, FAR part 12, and VAAR part 846. The purpose of Government contract quality assurance is to ensure that supplies and services acquired under VA contracts conform to contract requirements.

Subpart M846.2—Contract Quality Requirements

M846.202-470 VA higher-level contract quality requirements.

(a) Nutrition and Food Services (NFS) is responsible for the identification and purchasing of all subsistence items and food service supplies needed for patient and resident food services. All products are to be purchased in accordance with the Subsistence Prime Vendor (SPV) contract, and other authorized procurement sources, when appropriate. (See VHA Handbook 1109.04, Food Services Management Program, dated October 11, 2013 and VHA Directive 1761(1), Supply Chain Program Management, Appendix A, paragraph 4, Requirements for Nutrition and Food Service Exception.)

(b) In accordance with the VA Procurement and Logistics Office (10NA2) and VHA Directive 1761(1), Supply Chain Program Management, Appendix A, paragraph 4, Requirements for Nutrition and Food Service Exception, subsistence items are determined and fulfilled through the proprietary software provided by the Subsistence Prime Vendor Contractor used by all VA medical facilities.

DEPARTMENT OF VETERAN AFFAIRS ACQUISITION MANUAL

(c) To promote and achieve cost effectiveness in food and food service supply procurement, national subsistence and/or supply standardization agreements have been established for selected product categories. Examples of these categories are: frozen entrees, canned soups, cookies, crackers, meats, coffee, ware-washing chemicals, paper and plastic products, etc. Any facility wanting to deviate from the standardized agreements must submit a waiver to the VHA Logistics Office for authorization to purchase from a non-mandatory source.

(d) Any new food and/or convenience products, not covered under the standardized agreements, need to be evaluated prior to being added to the patient menu. Products need to be evaluated for quality, variety, flavor or taste, nutritional content, and cost. A form, such as VA Form 10-7983, Sensory Evaluation of Convenience Foods (see <http://vaww.va.gov/vaforms/medical/pdf/10-7983-fill.pdf>), may be used as an evaluation tool to screen foods for acceptability. Whenever possible, patient and/or resident participation in sensory evaluation of products needs to be utilized. Increased portion cost needs to be justified by increased quality, decreased waste, and reduced labor expenditure. A nutritional analysis must be provided from the vendor on convenience products and reviewed for menu or dietary compliance. (e) Quality standards consists of--

(1) All juices and dairy products, regardless of packaging, including apple and orange juice, apple cider, milk, ice cream, processed cheese (American cheese), and liquid, frozen, and dry eggs and egg products need to be pasteurized.

(2) Only pasteurized shell eggs or pasteurized liquid, frozen, or dry eggs, or egg products are to be used.

(3) Fluid and dry milk, and milk products, including those used in cooking, must comply with Grade A pasteurized standards and be procured pasteurized. Milk must be procured in machine-filled and sealed containers of appropriate capacity for daily needs, but should not exceed 19 liter (5 gallon) containers.

(4) Meat, poultry, and seafood must be purchased in accordance with the facility *Hazard Analysis Critical Control Point (HACCP)* plan which is a systematic approach to the identification, evaluation, and control of food safety hazards. Seafood and poultry need to be purchased frozen. Meat (beef and pork) may be purchased chilled, within the proper HACCP temperature ranges, and securely sealed to prevent contamination.

(5) Commercially-produced bread rolls, and baked goods from local bakeries are purchased in accordance with required specifications. Bread used for tray service is commercially wrapped or protected from contamination and dehydration through the use of food grade plastic bags or other protective covering.

(6) Ice cream, frozen yogurt, sherbet and non-frozen yogurt are purchased in accordance with required specifications.

(7) Food purchased in hermetically-sealed containers must be obtained from a food processing plant that meets local, state and federal regulations.

Subpart M846.4—Government Contract Quality Assurance

M846.401 General.

M846.401-70 VA Quality Assurance Surveillance Plan (QASP).

(a) The requirement for a quality assurance surveillance plan (QASP) shall be addressed and documented in the contract file for each contract. Those awarded at or below the simplified acquisition threshold do not require a QASP.

(1) For contracts for services, the contracting officer should prepare a QASP to facilitate assessment of contractor performance.

(2) FAR 46.401(a) provides the components that should be contained in a QASP. Numerous QASP templates are available to facilitate the development of a QASP. Samples of some QASP templates are:

[QASP Template](#)
[E-Quality Assurance Surveillance Plan](#)
[Quality Assurance Surveillance Plan](#)
[Steps to Performance-Based Acquisition \(SPBA\)](#)

(b) The QASP shall be entered into the contract file.

M846.401-71 Health Care Resources (HCR) quality assurance and performance monitoring policy.

(a) All care provided under a HCR contracts must meet VA's quality standards of care, whether the care is provided in a VA facility or in the sharing partner's facility ([VA Directive 1663](#), Health Care Resources Contracting –Buying, Title 38 U.S.C. 8153, May 10, 2018).

(b) When awarding and administering contracts for health care resources, contracting officers shall adhere to the guidance found in [VA Directive 1663](#), Health Care Resources Contracting–Buying Title 38 U.S.C. 8153, dated May 10, 2018, and the Veterans Health Administration Procurement Manual, where applicable.

(c) Contracting officers shall—

(1) Ensure appropriate quality assurance standards are included in all HCR solicitations and that they contain a detailed description of the monitoring procedures used by the VA to validate contract compliance. These procedures must be able to demonstrate through time and attendance logs, operating room records, minutes of

meetings or other appropriate electronic records, that VA has received the required contract services.

(2) Ensure that performance under a sharing agreement is monitored;

(3) Appoint a contracting officer representative (COR) for each HCR contract to monitor compliance with the terms of the contract.

(4) Include the title of the VA official(s) to be designated as the Contracting Officer's Representative (COR).

(4) Prior to the exercise of any option or option year, require the COR to provide the annual summary evaluation of contractor performance to the contracting officer for review and consideration prior to the actual exercise of any option.

(d) The COR shall—

(1) Immediately notify and forward all monitoring procedures detailing any incidents of contractor noncompliance to the contracting officer; and

(2) Annually forward the summary evaluation of the contractor performance to the contracting officer prior to the contracting officer exercising any option or option years.

M846.407-70 Nonconforming supplies or services—no other contractual remedies.

In addition to FAR 46.407(f), if nonconforming material or services are discovered after acceptance, the defect appears to be the fault of the contractor, any warranty has expired, and there are no other contractual remedies, the contracting officer shall—

(a) Notify the contractor in writing of the nonconforming material or service;

(b) Request that the contractor repair or replace the material, or per the service, at no cost to the Government; and

(c) May accept consideration of a refund if offered.

M846.407-71 Recall of defective medical devices and medical products, including food and food products.

(a) The Veterans Health Administration ([VHA Directive 1068](#)), Recall of Defective Medical Devices and Medical Products, Including Food and Food Products, dated July 22, 2014, establishes policy for recalls involving medical devices, medical products, foods and food products.

(1) All product recalls received by the SPV contractor from manufacturers,

United States Department of Agriculture (USDA), or the FDA that involve products delivered to a VA medical facility, must be communicated to the involved medical facilities within 24 hours of notification receipt from the source. The recalled items must be handled according to the guidelines provided by the SPV contractor. If specific procedures are not indicated, segregate and mark the product by indicating it should not be used, and return identified products (or destroy, if designated) as soon as possible to the SPV contractor for proper credit or replacement. Foods to be disposed of because of a FDA or Food Safety and Inspection Service recall will be disposed of in accordance with FDA and Centers for Disease Control and Prevention (CDC) guidelines. Any product that is on a recall list should be disposed of in a safe manner to prevent infections in humans or animals. (FDA recall Web site is located at: <http://www.fda.gov/Safety/Recalls/default.htm>. The USDA recall Web site is located at: <http://www.fsis.usda.gov/Home/index.asp>). Food recalls received from the National Center for Patient Safety (NCPS) will be responded to per VISN policy.

(2) All contracts administered by either the National Acquisition Center (NAC) or Strategic Acquisition Center (SAC) (e.g., national, Blanket Purchase Agreements, Federal Supply Schedules) have standardized language in purchase orders and contracts requiring vendors to notify the appropriate NAC or SAC contracting officers and VA's Product Recall Office (PRO) of any actions required by the field regarding their products (e.g., recalls - voluntary or otherwise, manufacturer field actions) or other product safety issues. Additionally, the PRO is to be contacted within 1 business day following receipt of product safety or other relevant information from the vendor (see VHA Directive 1068).

(b) The Network Contract Office (NCO) Contracting Officer is responsible for—

(1) Ensuring that all contracts and purchase orders administered by the VISN and its medical facility(ies) include standard language requiring vendors to notify the Contracting Officer, the facility(ies), and the PRO of any actions required on medical devices and medical products related to recalls (voluntary or otherwise), manufacturer field actions, or other product safety issues. Additionally, the PRO is to be contacted within 1 business day following receipt of product safety or other relevant information from the vendor; and

(2) Notifying the Facility Recall Coordinator (FRC) of recalls or important product safety issues received from facility-initiated contract vendors.

Subpart M846.6—Material Inspection and Receiving Reports

M846.601-70 Subsistence and supplies receiving.

The contracting officer should ensure subsistence items are received and inspected in accordance with the terms and conditions of the SPV contract and local [Hazard Analysis Critical Control Point \(HACCP\)](#) guidelines.

Subpart M846.7—Warranties

M846.702-70 Guarantee period of services and specifications.

(a) This section applies to the use of guarantee period services specifications in construction contracts that include contractor-furnished and contractor-installed equipment. Certain complex, contractor-installed, high-dollar value, traditionally troublesome equipment, such as elevators and communication systems, do not always function as expected after the initial guaranty has expired; therefore, [guarantee period services specifications](#) were developed to assist contracting officers in the administration of construction contracts with new long-term equipment guaranties.

(b) Guarantee period services are appropriate when—

(1) There are critical maintenance activities that are clearly beyond the skills and training of current Government personnel; and

(2) When it is evident that the service would substantially extend the life expectancy of the equipment.

(c) Guarantee period services are not appropriate for the following situations:

(1) Augment Government maintenance work forces or in situations where Government personnel can obtain adequate maintenance training through operating manuals and orientation.

(2) Minor extensions or expansions of existing systems.

(d) Due to the novel nature of guarantee period services and specifications, the contracting officer shall—

(1) Inform prospective bidders, which may be accomplished in blocks 10 and 11 of SF 1442 (Solicitation, Offer and Award (Construction, Alternation or Repair)) of the contract time frames, both for the construction portion and for the guarantee period services portion of the contract;

(2) Obtain legal and technical review, regardless of dollar value, prior to the issuance of a solicitation;

(3) Include all applicable FAR and VAAR parts such as FAR/VAAR part 32/832, Contract Financing; part 36/836; Construction and Architect-Engineer Contracts; part 46/846, Quality Assurance; parts 37/837, Service Contracting Clauses and applicable wage determination requirements; FAR clause 52.228-15, Performance and Payment Bonds—Construction; and applicable wage determination in all solicitations since they apply to the guarantee period services portion of the contract;

(4) Ensure the appropriate VAAR payment clauses, e.g., 852.232-70, , Payments Under Fixed-Price Construction Contracts (Without NAS-CPM) (Alternate I),

and 852.232-71, Payments Under Fixed-Price Construction Contracts (Including NAS-CPM) (Alternate I), are included in all solicitations and contracts that contain guarantee period services provisions as delineated at 832.111-70, VA contract clauses for non-commercial purchases;

(5) Establish separate contract line item numbers (CLINS) to reflect the various tasks to be performed;

(6) Ensure the solicitation includes a specific separate guarantee requirement for the covered equipment that extends to the full period of the guarantee period services;

(7) Ensure that the guarantee services and specifications are included in the original contract scope since existing contracts cannot be modified to include these specifications because the determination required by VAAR 846.702-70(c) cannot be made after contract award;

(8) Ensure the solicitation states that Guarantee Period Services are not bid alternates; and

(9) The contracting officer may determine, when in the best interest of VA, that guarantee period services, not to exceed a period of 5 years, are appropriate to protect the integrity of the installed equipment and to ensure that the equipment performs as guaranteed.

M846.703 Criteria for use of warranties.

The contracting officer must ensure that the procurement request initiator prepares a written recommendation that can be evaluated for those purchases deemed appropriate for application of warranty provisions. The recommendation shall state why a warranty is appropriate by specifically addressing the criteria set forth in FAR 46.703. The recommendation shall also identify the specific parts, subassemblies, assemblies, systems or contract line items to which a warranty should apply.

M846.704 Authority for use of warranties.

As prescribed by FAR 46.704, the contracting officer is authorized to approve the use of warranties.

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