

VA FSS Newsletter

Your source for VA Federal Supply Schedule (FSS) News and Updates

Extension to COVID-19 Acquisition Flexibilities for Temporary Healthcare Staffing Services

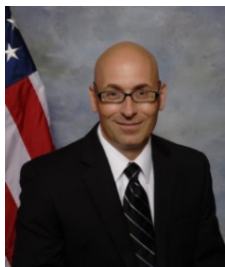
On April 10th, FSS issued Mass Modification 0010 for our 621 I Professional and Allied Healthcare Staffing Services contracts to incorporate market differentials that address widely varying local market conditions due to the increased nationwide demand for healthcare professionals during the COVID-19 crisis. This mass modification permitted ordering activities to add a COVID-19 market differential at time of order when the base FSS contract's awarded hourly ceiling rate, also known as the not to exceed (NTE) rate, did not represent current market conditions. The authority for this differential was extended through December 31, 2020, by Mass Mod 0011, and it was further extended through December 31, 2021, by Mass Modification 0012. Please be reminded of the following:

- All task orders awarded against an FSS contract must be reported in the contractor's quarterly sales report and IFF remitted, and the reported sales price must include any added market differential.
- The awarded ceiling rate (NTE rate) at the base FSS contract level remains unchanged.
- Any proposed changes to the FSS hourly ceiling rate, unrelated to COVID-19, will continue to be evaluated in accordance with contract clause I-FSS-969 Economic Price Adjustment.

Inside FSS

News from Director Dan Shearer

In this issue we present several topics of interest to vendors and schedule users. Please review the material and engage if you have questions. On June 24th, the FSS program became authorized to access global supplies for COVID-



19 rapid tests which should provide a boost to pandemic support across the country. We will be adding these items as soon as possible. In the previous Newsletter I encouraged vendors to meet their Sales Reporting deliverables each quarter. Even zero sales are required to be reported since there is no allowance for a non-response. Compliance improved slightly in Q2; however, I am using this newsletter to provide advance notice that

repeat non-compliance will be documented, and FSS is in the process of making that negative performance visible across the Federal Government through existing performance reporting systems. Please meet contractual obligations and eliminate repeated violations in this area which tend to crop up due to lack of understanding and inattentive management of the contract. It is a good practice for vendors to brush up on their responsibilities which

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are listed at <https://www.va.gov/opal/nac/fss/responsibilities.asp> In closing my remarks, I want make sure we acknowledge that we are all in this together. It is not possible to have the breadth of medical support under FSS, supporting about \$15B in purchases yearly, without hardworking FSS employees, an active and responsive vendor base, and ordering activities who are engaged in executing outstanding procurement support. Thank you for what you do!

Web Wisdom

NAC Contract Catalog Search Tool (CCST)

Are you a contractor/offeror looking to compare your pricing with competitors? Are you a government employee conducting market research for a procurement? Are you exploring the availability of items sold by Veteran-Owned Small Businesses (VOSBs) and Service-Disabled Veteran-Owned Small Businesses (SDVOSBs)?

The VA National Acquisition Center (NAC) [Contract Catalog Search Tool \(CCST\)](#) provides just the information you need to make informed decisions. The CCST is a comprehensive online listing of the NAC’s healthcare related contract vehicles, including VA FSS and National Contract Service (NCS) contracts, Blanket Purchase Agreements (BPAs), and Basic Ordering Agreements (BOAs). Its search menu includes the MedSurg Catalog, the Pharmaceutical Catalog, and a socioeconomic status search.

MedSurg Catalog Search

| | | | |
|--|----------------------------------|------------------------------------|------------------------------|
| Search by FSS Contract Number | Search by BPA Contract Number | Search by BOA / National Number | Search by Contractor Name |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Search by SIN Number | Search by SIN Description | Search by Schedule | Search by Contract Type |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Search by Item Name / Catalog Number using terms or phrase | | | |
| <input style="width: 100%;" type="text"/> | | | |
| - Sort Order - | 20 Results/Page | Search | Reset |

The MedSurg and Pharmaceutical Catalogs include details on awarded products and pricing as well as basic contract information, such as ordering contact details, contractor address/phone/web address, socioeconomic status, etc. They provide a vast array of search criteria to facilitate your search, including contract number/name/type, product number and category (i.e. Special Item Number or “SIN”), schedule, and item name/description. The socioeconomic status search allows you to find small businesses and to further narrow your search by socioeconomic status, SIN, and item description.

We’re proud that the CCST is the most up-to-date database of the NAC’s contracting vehicles (updated daily), and it is here to meet the needs of our government customers, current and potential contractors, and the public.

FSS Working for You

Switch from Constant Contact to GovDelivery

In order to maximize our outreach to you, FSS is changing our mass messaging platform from Constant Contact to GovDelivery, a system widely used across the Government. Using the new platform will provide FSS with more flexibilities and should result in fewer spam filter issues that cause blocked e-mails. Please note that our mass e-mail communications will now come from OPAL@messages.va.gov with the body of the e-mail showing that it is from FSS. If you have any questions or find that you have unsubscribed from GovDelivery, please e-mail us at PMRS@va.gov. We want to ensure that all contractors stay in the loop with our important contracting notifications, such as announcements for upcoming webinars and the issuance of mass modifications.



FSS FAQ

Can Open Market Items Be Added to an FSS Order?

In accordance with [FAR 8.402\(f\)](#), an ordering activity Contracting Officer (CO) may add items not on FSS (also referred to as open market items) to an FSS blanket purchase agreement (BPA) or an individual task or delivery order provided that the following conditions are met:



- 1) All applicable acquisition regulations pertaining to the purchase of the open market items have been followed (e.g., publicizing ([part 5](#)), competition requirements ([part 6](#)), acquisition of commercial items ([part 12](#)), contracting methods ([parts 13, 14, and 15](#)), and small business programs ([part 19](#)));
- 2) The ordering activity CO has determined the price for the open market items to be fair and reasonable;
- 3) The items are clearly labeled on the order as open market items not on FSS, and they conform to the rules for numbering line items at subpart [4.10](#); and
- 4) All clauses applicable to open market items are included in the order.

Please also be aware of all ordering requirements for FSS supplies and services (not open market items) set forth at subpart [8.4](#).

Did You Know ...

Contractor Team Arrangements

A Contractor Team Arrangement (CTA) is an arrangement in which two or more Schedule contractors team together to provide a total solution to meet a customer's needs. Under Schedule CTAs, contractors complement each other, and it allows teams to compete for orders for which they may not qualify independently. Additionally, it permits contractors to become more competitive and reduce risk by sharing responsibilities with other Schedule



team members. Note that CTAs do not create a separate legal entity but allow Schedule contractors to meet buyer's

requirements by combining the supplies and/or services from each team member's separate Schedule contract in response to a buyer's Request for Quote (RFQ). FSS encourages the use of CTAs to meet buyer's requirements.

Please note that FAR 9.6, Contractor Team Arrangements, does not apply. Under FSS, CTAs allow contractors to use their individual Schedule contracts to develop a solution for the government. Visit GSA's [Contract Team Arrangements](#) webpage for more information.

Use of "Private" E-mail Settings



Be advised that utilizing the "private" setting in an e-mail submission to FSS can cause the message to be inaccessible and not visible to our FSS personnel. We would only become aware of such an e-mail if the sender were to reach out to us about a lack of response.

Please do not utilize this "private" setting as it would require involvement by an FSS mailbox administrator to retrieve the message and may result in significant delays in responding to/processing your requested action/inquiry.

If you feel your e-mail may have been missed due to the use of this setting, please reach out to your assigned Contract Specialist or to the e-mail address where the message was sent so that we may research the issue.

Training Center

The What, Why, Where, When, and How of FSS Sales & IFF

What constitutes an FSS sale? Why, where, and when are contractors required to report sales and remit the Industrial Funding Fee (IFF)? How is IFF calculated and remitted? This article will explore these and other questions, providing you with everything you need to know about FSS sales and IFF.

What constitutes an FSS sale?

- 1) Task or delivery orders referencing an FSS contract number, including orders by state and local governments and others authorized to place orders against the Schedules.
- 2) Sales under Blanket Purchase Agreements (BPAs) awarded against FSS contracts.
- 3) Sales of items awarded under an FSS contract and shipped to a Government prime vendor that are ultimately sold to a Federal Government activity. This includes the Pharmaceutical Prime Vendor (PPV) as well as the sale of items awarded on the VA Strategic Acquisition Center's (SAC) Med Surge Prime Vendor (MSPV) program via Blanket Purchase Agreements (BPAs) against FSS contracts.
- 4) Orders placed under a Department of Defense Distribution and Pricing Agreement (DAPA). *Note that this only applies to Schedules 65 I B, 621 I, 621 II, and 66III. All other schedules do not need to report DAPA sales or remit IFF on those sales.*

The acceptable points at which sales may be reported include 1) receipt of order; (2) shipment or delivery, as applicable; (3) issuance of an invoice; or (4) payment.

Why are contractors required to report sales and remit IFF?

Filing a quarterly sales report serves as formal documentation of contract sales and assists Contract Specialists, offerors/contractors, the VA Office of Inspector General (OIG), and the Small Business Administration (SBA) in identifying competition, compiling statistics, and conducting market research on sales by contract, schedule, product category, NAICS code, and socioeconomic group. Because IFF represents a percentage of total contract sales, filing a quarterly sales report permits IFF to be calculated and remitted quarterly as required by contract clause 552.238-80 Industrial Funding Fee and Sales Reporting. IFF reimburses FSS for the costs of operating the FSS program, and net operating revenues generated by IFF are also applied to fund initiatives benefitting other authorized FSS programs, in accordance with 40 U.S.C. 321.

Where and when do contractors report sales and remit IFF?

The sales reporting process and IFF remittance are completed on-line through the [VA Sales Reporting System](#). Sales reports and IFF payments are due immediately following the completion of each quarter of the Government fiscal year. Any partial month is to be considered as one (1) month for reporting purposes. If sales reports and IFF payments are not reported and paid within 60 days after the end of the quarter, the report and payment due is delinquent and constitutes a contract debt to the U.S. Government and could result in cancellation of the contract pursuant to contract clause 552.238-79 Cancellation. *Note that a "zero" sales report must be filed for any quarters during which the contractor did not have any sales.* The table below outlines the Government's fiscal year quarters and the due dates for filing sales reports and remitting IFF.

| | |
|-------------------------------|---|
| Quarter 1 Oct - Dec | <ul style="list-style-type: none"> • Sales and IFF are due starting January 1 • Q1 Sales and IFF not received by February 28 are delinquent |
| Quarter 2 Jan - Mar | <ul style="list-style-type: none"> • Sales and IFF are due starting April 1 • Q2 Sales and IFF not received by May 31 are delinquent |
| Quarter 3 Apr - Jun | <ul style="list-style-type: none"> • Sales and IFF are due starting July 1 • Q3 Sales and IFF not received by August 31 are delinquent |
| Quarter 4 Jul - Sep | <ul style="list-style-type: none"> • Sales and IFF are due starting October 1 • Q4 Sales and IFF not received by November 30 are delinquent |

How is IFF calculated?

- For all schedules except 621 I and 621 II, IFF is 0.5%. For 621 I and 621 II, IFF is 1.0%
- IFF is added to a negotiated FSS price and is included in the awarded FSS price using the following calculation known as the “backout” method:

*Negotiated price **divided by** (1 - the IFF percentage)*

Example of Awarded FSS Price with 0.5% IFF: $\$154.50 / (1 - 0.005)$; $\$154.50 / 0.995 = \155.28

IFF added to the negotiated price = \$0.78

- IFF is remitted after filing a quarterly sales report using the following calculation, the “forward” method, under which the contractor remits the exact amount added to the negotiated price:

*The awarded FSS price (or discounted sales price) **multiplied by** the IFF percentage*

Example of Awarded FSS Price with 0.5% IFF: $\$155.28 \times .005 = \0.78 (IFF due)

Note that the remitted amount would only differ from the amount added to the negotiated price in cases where the FSS sales price at the order level has been discounted and is lower than the price awarded under the base FSS contract.

Want to learn more? Visit our IFF & Sales Reports web page for more information on registration, the reporting timetable, payment, and [VA Sales Desk](#) assistance.

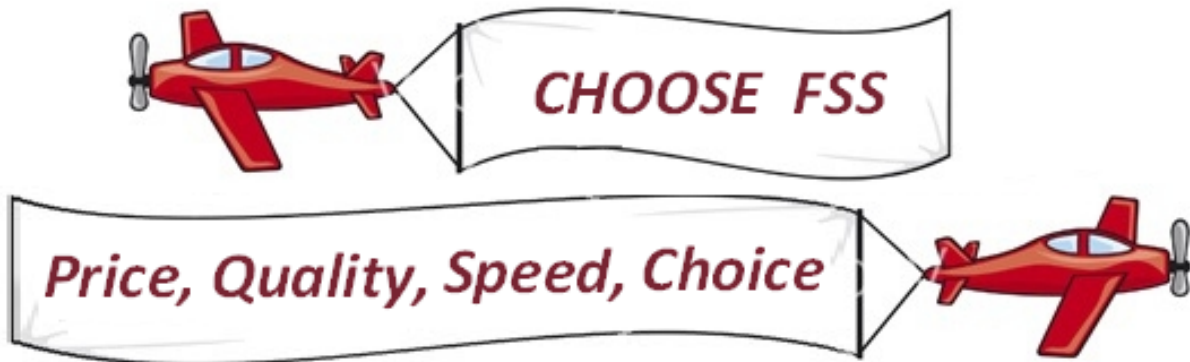
What's New with FSS Annual Contract Review (ACR) Implementation

In our April 2020 newsletter we introduced you to the VA FSS Annual Contract Review (ACR) pilot program being conducted by our Medical Surgical (Med Surg) contracting teams A & B. In the coming months, the ACR program will be standardized and implemented throughout all our contracting teams. To initiate the ACR process, an FSS Contract Specialist (CS) will e-mail each contract holder to schedule a meeting to discuss the various details of and compliance with awarded contract terms and conditions, as well as to verify submission of required contract deliverables. Please be prepared to discuss each of the below elements and have copies of your SAM record and mass modifications readily available during your meeting, along with other information you may find germane to the discussion.

- Contractor name, address, and points of contact
- Signatory Authority
- SAM registration
- Report of Sales, IFF, and annual rebate payments (if applicable)
- Minimum sales criteria
- Mass modifications
- Subcontracting plan & eSRS reports (if applicable)
- Trade Agreements (country of origin of supplies/services)
- Required pricelists (NAC-CM, GSA Advantage/SIP, and the Authorized FSS Pricelist)
- Price Reductions, including continued Tracking Customer validity
- Largest contract users (identified by Ordering Activity)
- Past performance



This proactive approach to managing your contract benefits everyone, including the ordering activities, the assigned FSS CS, and you, the contractor. The ACR ensures that all aspects of your contract are up to date, thus facilitating communication, contract compliance, and order placement/fulfillment, not to mention decreasing Procurement Action Lead Time (PALT) when FSS evaluates your next submission of an Option to Extend package or follow-on contract proposal. A win-win for all!



REMINDER!

IFF/Report of Sales Due



3rd quarter FY 2021 sales reports and Industrial Funding Fee (IFF) payments are due starting on July 1, 2021. Sales and IFF not received by Aug 31, 2021, are considered delinquent, and the contract is subject to cancellation. All VA FSS contractors are required to submit a report via the [VA Sales Reporting System](#) even if no sales occurred under the contract. The 1st quarter covers sales from Apr 1 – Jun 30.

For more information, visit our [Sales Reports & IFF](#) page online. For assistance from our VA Sales Desk, please contact us by e-mail at FSSSales.AMMHIN@va.gov.

Upcoming Training

***Aug/Sep 2021**

Option to Extend Package Submission Best Practices - Webinar

September 22, 2021

Electronic Subcontracting Reporting System (eSRS) Guide to Reporting - Webinar

**Dates to be announced via GovDelivery & the [FSS Training Webpage](#)*

Useful Links

- [FSS Web Portal](#)
- [VA Schedule Programs](#)
- [FSS Contractors](#)
- [FSS Customers](#)
- [Training](#)
- [Modification Request Forms \(RFMs\)](#)
- [Contractor Responsibilities](#)
- [Small Business Subcontracting](#)
- [Sales Reports & IFF](#)

Contact Us!

FSS Contractors Inquiries: Please contact your assigned Contract Specialist
FSS Helpdesk: Phone (708)786-7737 E-mail: HelpDesk.ammhinfss@va.gov
FSS Small Business Liaison, Micole Stephens: Micole.Stephens@va.gov, (708)786-5156
IFF/Report of Sales (VA Sales Portal) Inquiries: FSSSales.AMMHIN@va.gov

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