

VA FSS Newsletter

Your source for VA Federal Supply Schedule News and Updates

New Contractor Portal Launches

Last Fall, the Office of Management and Budget approved the Office of Federal Contract Compliance Programs' (OFCCP) new Contractor Portal which will serve as the Affirmative Action Program (AAP) Verification Interface. The new online portal must be used by covered federal contractors and subcontractors to annually certify whether they have developed and maintained an AAP as well as to upload their AAP(s) electronically for OFCCP review during compliance evaluations. AAPs are required for contractors with 50 or more employees who have a contract value of \$50,000 or more, and these contractors must also file an annual [Employment Information Report \(EEO-1\)](#).

Beginning on March 31, 2022, contractors are able to certify their AAP compliance through the portal, and existing contractors will be required to certify compliance by June 30, 2022. New covered contractors will have 120 days to develop AAP(s) and must certify compliance through the Contractor Portal within 90 days of AAP development. Be reminded that covered contractors must also represent compliance annually via [SAM.gov](#) representations under contract clause 52.212-3. For more information on using the portal and its requirements, visit the OFCCP's [Contractor Portal Landing Page](#), [User Guide](#), and [Frequently Asked Questions](#).

Inside FSS

News from Director Dan Shearer

Greetings FSS Acquisition Community! Through the combined efforts of Government and Industry (all of you), FSS achieved a *record setting \$16.14B* of contract support to federal agencies and state and local governments in FY21. Congratulations and thank you for having such a great impact on meeting healthcare needs during the COVID-19 declared national emergency! FSS interaction with stakeholders such as joint efforts with Veterans Health Administration, Department of Health and Human Services, FEMA, Pacific Islands and Territories, Department of Defense, various States, and others has never been more vibrant.



Along with improved transparency of the FSS among current and potential ordering activities, we are taking steps to improve collaboration with industry. We are implementing the *Customer Experience (CX)* initiative which is a core tenet of the NAC's mission. To fully realize the FSS impact on both internal and external customers, it is vital that we capture feedback and use it as a tool for improvement. Improving service is not an end-state, rather a continual improvement loop requiring timely and relevant feedback. FSS personnel will

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be including the survey link as contract actions are completed which will greatly increase our insight and allow us to adapt to changes, identify our shortfalls, and build on our successes. When you receive a survey link starting in Quarter 3, please share your observations and perspectives with us which we will professionally and thoughtfully consider.

Our newsletter addresses important information that you should carefully review, and we hope that the coverage is broad enough to be of interest to everyone. Thank you for investing your time to stay up-to-date and engaged.

FSS Working for You

Inside PMRS – Helping the FSS Community and Beyond

Most of our readers are familiar with our five contracting teams which consist of Contract Specialists awarding and administering contracts under our 9 schedules. But many of you are not familiar with our 6th FSS team, the Program



Management and Resource Support (PMRS) team. The PMRS team was established in 2010 to provide support to FSS employees and contractors, as well as those who place orders against our FSS contracts, through internal and external training events, newsletter and website communications, tracking and management of contract deliverables, centralization of small business subcontracting plans and reports of sale/IFF remittance, electronic contract file management and user assistance, pharmaceutical database administration, as well as policy/regulation oversight and standardization efforts for solicitations, modifications, and forms.

PMRS has come a long way from its beginnings with 7 members. Ms. Lydia McKay started as the PMRS Chief on February 28, 2022, replacing Mr. David Hackett who transferred to another VA office and did a wonderful job during his three years with FSS. Lydia is an original member of PMRS and brings exceptional experience to the supervisory position. Including the supervisor, we now have 14 positions supporting the FSS community, and PMRS has grown to include oversight of the Contractor Performance Assessment Reporting System (CPARS) and Schedule Input Program (SIP), managing Bills of Collection (BOCs),

providing Pharmaceutical Public Law related support, SharePoint site development, and intake/tracking for offers, options, and modifications. Additionally, PMRS manages various reports to keep FSS work flowing smoothly, to facilitate tracking of contract related deliverables, and to keep management and Contract Specialists abreast of the important issues and metrics required to fulfill the VA FSS mission. But our growth isn't complete. We're continually looking for innovative ways that PMRS can provide support to our FSS community.

Pharm Facts!

Public Law Season Wrap-up

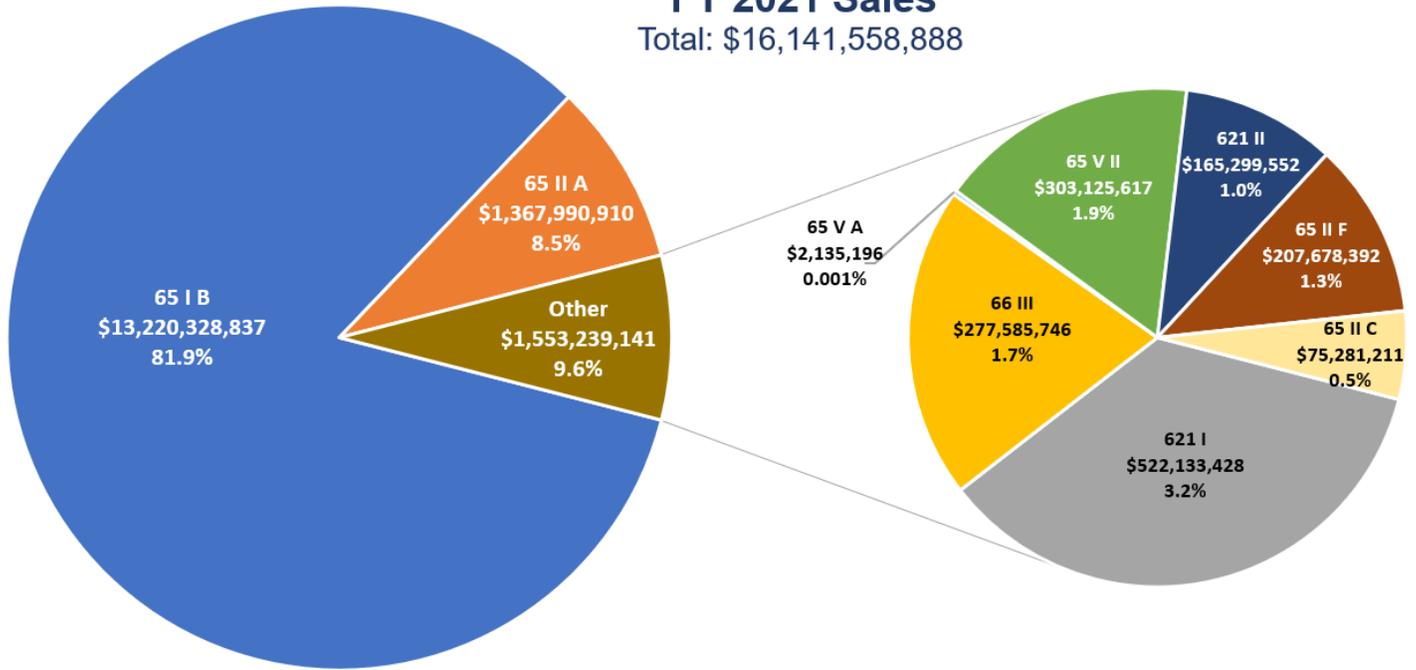


The 2022 Public Law season has now ended, and we are happy to report that our FSS Pharmaceutical Teams met the December 31st deadline at a rate of 98.9%, modifying 378 pharmaceutical contracts to incorporate annual updates to covered drug pricing for 7,058 items pursuant to Public 102-585. Additionally, our contracting staff executed 180 temporary price reduction modifications for pharmaceutical contracts during Public Law season, providing substantial savings to our Veterans and other government customers for 1,002 drugs. Thanks to all our 65 I B schedule contractors and the FSS Pharmaceutical Teams A and B for your efforts in making this a successful Public Law Season!

Contract Corner

2021 Year in Review

FY 2021 Sales
Total: \$16,141,558,888



Schedule	FY 2021 Contracts Awarded	FY 2021 Options Exercised	FY 2021 Modifications Executed
65 I B	86	0	3117
65 II A	106	34	2422
65 II C	6	3	160
65 II F	10	13	376
65 V A	0	1	24
65 V II	4	0	107
621 I	35	27	350
621 II	9	3	57
66 III	1	4	64
TOTAL	257	85	6677

Web Wisdom

Federal Customers

Are you a federal customer looking for regulatory guidance for placing orders against FSS contracts? Or are you a contractor looking to understand how FSS orders are placed? If so, then our [Federal Customers](#) web page is for you. This web page provides links to helpful information on ordering procedures and guidelines at FAR 8.405, distinguishing procedures for supplies and services that **do not** require a statement of work from services that **do** require a statement of work, including addressing common evaluation criteria. We also provide guidance on adding open market items to a VA FSS task/delivery order. Don't miss the additional insight on best value determinations and ordering hierarchy set forth under FAR 8.000 for the priorities for use of mandatory government sources and other sources.



Important!

Transition to UEI from DUNS

It's official! Effective April 4th, SAM.gov will transition from using a Dun and Bradstreet number (DUNS) to a Unique Entity Identifier (UEI). March 29th will be the last day to obtain a new DUNS number for registering an entity. After April 4th, entities will obtain a UEI in SAM, and DUNS numbers will no longer be displayed or accepted for registration in SAM, FPDS, eSRS, FSRS, CPARS and FAPIIS. Please note that SAM.gov will be down for maintenance to complete the transition beginning on April 1st at 8:00pm (ET) until no later than 9:00am (ET) April 4th.



Did You Know...

GSA YouTube Channel Resources

 Our FSS partner, GSA, has valuable training resources to assist both VA FSS contractors and those who purchase from our contracts. The [GSA YouTube Channel](#) provides training videos on such topics as schedules vs. open market, ordering procedures, eBuy, GSA eLibrary Blanket Purchase Agreements (BPAs), Contractor Team Arrangements (CTAs), state and local government purchasing solutions, as well as [GSA Advantage! advanced search techniques](#).

Around the VA

Technology for Home Adaptations



Servicemembers and Veterans with certain disabilities can apply for [housing grant](#) funding that will help them purchase, construct, or modify a home to accommodate a disability through Specially Adapted Housing (SAH) grants and Special Home Adaptation (SHA) grants. VA's Specially Adapted Housing Assistive Technology (SAHAT) Grant program is for industry, awarding up to \$200,000 in grant money each fiscal year per person/entity for the development of assistive technologies that would promote independent living for a severely disabled Vet or their family. This includes technologies such as equipment for adaptive feeding, living environment controls, mobile apps, safety monitoring devices, and voice-recognition/command operations. Since the first awarded SAHAT grant in 2016, VA has awarded 22 grants. Visit the [SAHAT](#) webpage for a listing of previous SAHAT grant awardees and information on how interested applicants can register and apply.

Training Center

Understanding Tracking Customers

The Tracking Customer, also referred to as the Basis of Award customer, is one of the most misunderstood concepts in FSS contracting. In this training article, we will explain the basics of how and why a Tracking Customer is established as well as how it can impact future price changes under an FSS contract.

It all begins with contract clause 552.238-81 Price Reductions. This clause requires that a customer (or category of customers) be designated as the basis of award, also known as the Tracking Customer (TC), and the clause further states that this relationship shall be maintained throughout the contract period. A single TC can be negotiated, or the TC can differ by line item as many factors are considered when selecting an appropriate TC to protect the government's interests with respect to future pricing. These factors include, but are not limited to, the proposed TC's business model, scope/geographic coverage, overall purchasing patterns, dollar/volume of purchases made per line item, and their stability as a past or future customer of the contractor/offeror.

The government will negotiate a TC on a line-item basis and then will establish a "TC Ratio" which reflects the price/discount relationship between the Government and the TC in mathematical terms. It is established at time of award/product addition and is calculated for each line item by dividing the FSS price without IFF by the TC price. This TC ratio serves as a "cap" which can 1) trigger the requirement for the contractor to lower the FSS price if the ratio is negatively disturbed, one of the criteria set forth in clause 552.238-81 Price Reductions, and 2) limit the ability to request a price increase or limit the amount of a price increase under clause 552.216-70 Economic Price Adjustment.

For line items with no commercial sales or what could be deemed insignificant* commercial sales, the below protocols will be followed when establishing a TC.

- **Line Items with No Commercial Sales:** Given that clause 552.238-81 Price Reductions states that *"There can be no price reduction for sales to federal agencies"*, the designated TC must be a commercial customer or category of customers, as federal sales cannot trigger a price reduction. Therefore, for any line item for which the vendor has no commercial sales, All Commercial Customers (ACC) will be designated as the required Tracking Customer. Until such time as the contractor commences commercial sales, the clause criteria will not be triggered. Upon commencing commercial sales, the contractor will have 15 days to disclose** commercial sales and commercial sales practices (CSP) to the Contract Officer (CO), and the CO will assess if a negotiating a new TC is in the best interest of the Government.
- **Line Items with Insignificant* Commercial Sales:** When the Contract Officer (CO) determines that one or more line items have insignificant commercial sales, the CO may designate All Commercial Customers (ACC) for any line item where the CO does not feel that a specific customer or category of customer is appropriate. If during the term of the contract the CO determines that sales are no longer insignificant, the contractor will have 15 days to disclose** commercial sales and commercial sales practices (CSP) to the assigned CO, and the CO will assess if negotiating a new TC is in the best interest of the Government.

** The term "insignificant" or "without significant sales" is intentionally undefined and will be determined on a case-by-case basis. The CO will consider the nature of the product/service in question, whether or not a dollar amount or quantity sold is a proper representation of sales volume, along with other potential factors, when making this determination.*

***Disclosures must be made regarding sales and Most Favored Customer (MFC) pricing by utilizing the Price Proposal spreadsheet included in the solicitation or in the Request for Modification Product Addition package, and further CSP disclosures must be made under Figure 515.4-2. The CO may require additional information from the contractor in order to make a proper determination.*

FSS FAQ

How do I access quarterly VA sales data?

Do you want to see government demand for various healthcare products and services? Visit our [VA Schedule Sales Query](#) web page where VA FSS makes quarterly sales data available for the past three fiscal years. You can view the sales reported by each Schedule contractor, with quarterly sales totals broken down by Special Item Number (product/service category) for VA sales, other government agency (OGA) sales, and state and local government (SLG) sales.



REMINDER! **IFF/Report of Sales Due**



2nd quarter FY 2022 sales reports and Industrial Funding Fee (IFF) payments are due starting on April 1, 2022. Sales and IFF not received by May 31, 2022, are considered delinquent, and the contract is subject to administrative actions including poor performance ratings or 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 during the quarter. The 2nd quarter covers sales from January 1st – March 31st.

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 Events

Option to Extend Package Submission Best Practices Webinar April 21st, 10:00 CT
Registration link to be sent via GovDelivery & posted on the [FSS Training Webpage](#)

[NCMA World Congress](#)
Hybrid Event - Virtual & In-Person in Chicago, IL
July 17-20, 2022
FSS plans to conduct two Government and industry engagement sessions, pending approval – More to come in our next newsletter!

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
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IFF/Report of Sales (VA Sales Portal) Inquiries: FSSSales.AMMHIN@va.gov
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