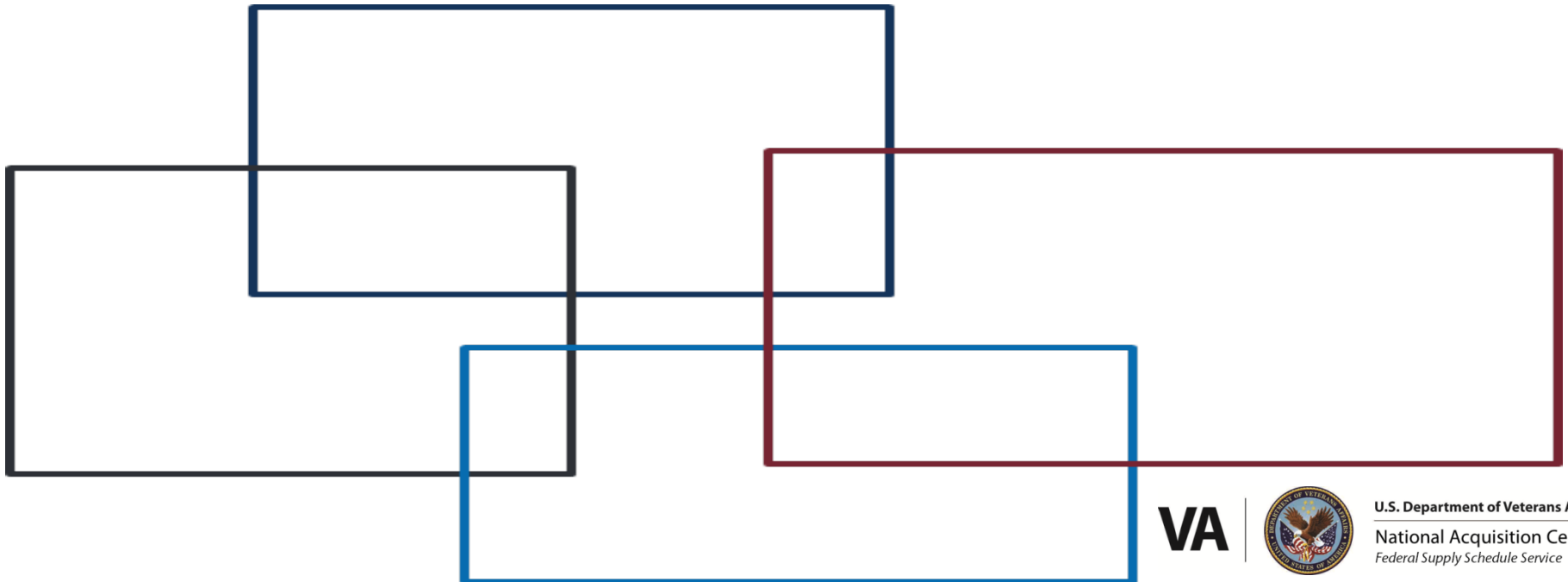


# VA Schedule Program Overview

VA Federal Supply Schedule Service

Winter 2014

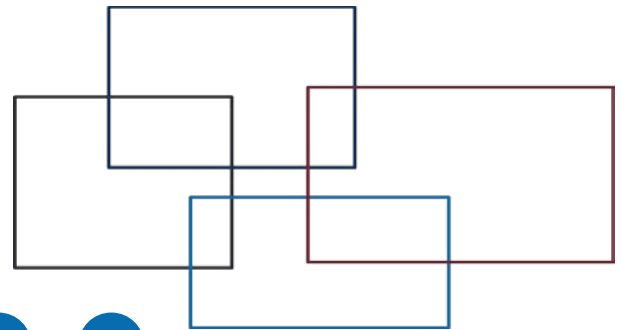


**VA**



U.S. Department of Veterans Affairs  
National Acquisition Center  
Federal Supply Schedule Service

# VA Schedule Program



# GSA vs. VA Schedules

- Federal Acquisition Service
  - GSA establishes long-term government-wide contracts with commercial companies to provide access to millions of commercial products and services at volume discount pricing. There are 30 GSA Schedule programs.
  - GSA has delegated authority to the VA to procure medical equipment, supplies, services, and pharmaceuticals under the VA Federal Supply Schedules program. There are 9 VA Schedule programs.

# What We Do...

*The VA FSS Service uses contracting expertise and business acumen to provide innovative healthcare solutions to our federal customers in support of their missions.*

## To achieve this we...

- Negotiate and award long-term Multiple Award Schedule contracts with established prices, terms, and conditions to responsible companies for use by VA and other government ordering activities.
- Provide eligible buyers with a simplified process for obtaining more than 1 million commercially available medical equipment, supplies, pharmaceuticals, and services.

# Organizational Structure

- Service Director
  - Jane Stroder
- Contracts Branch
  - James Booth
  - Gregory Madden
  - Bob Satterfield
- Program Management & Resource Support
  - Christine Szrom

# Program Responsibilities

- **Contracts Branch**
  - Evaluation & Award of solicitation proposals
  - Schedule contract administration
    - Contract Modifications
    - Contract Extensions
    - Contract Closeout
- **Program Management & Resource Support**
  - Training
    - FSS Contracting Officers
    - VA & OGA Schedule Users
    - Current & Prospective FSS Contractors
  - IFF remittance & sales reports
  - Policy guidance & Schedule maintenance
  - FSS Web Portal
  - Social Media

# VA FSS Program Traits

- Multiple Award Schedule
- Open & continuous solicitation cycle
- Multi-year: 5 year base performance period with options to extend for an additional 5 years
- Fixed-price with economic price adjustment
- Indefinite delivery, indefinite quantity
- National & worldwide coverage
- FOB destination
- Full & open competition
- Industrial funding fee

# VAAR 808.002(a)(2) VA Specific Priorities of Use of Government Supply Sources

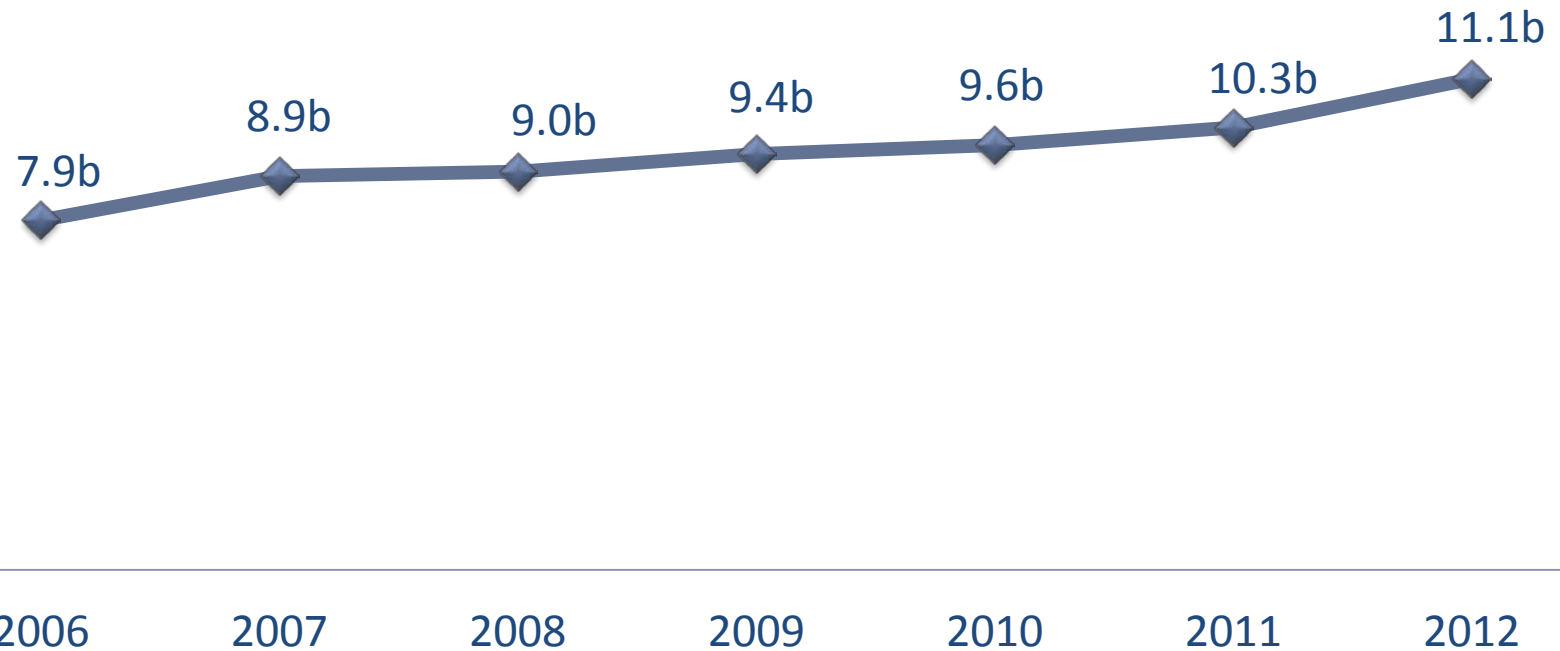
- Agency
  - Agency inventory (Supply Fund Stock)
  - Other agency excess
  - Federal Prison Industries
  - AbilityOne (if product is on the procurement list)
  - Wholesale Supply Sources
- National Acquisition Center
  - National committed use contracts (awarded by NAC but not associated with a VA Schedule contract)
  - **Mandatory VA FSS contracts (FSC 65 & 66)**
    - National BPAs
    - Multi/Single BPAs
    - FSS contracts without a BPA
    - Optional use VA FSS contracts (FSC 621)
- Other
  - IDIQ contracts for supplies not covered by national committed use or FSS contracts
  - VISN/Regional IDIQs
  - Local IDIQs & BPAs
  - Open market purchases and other commercial sources



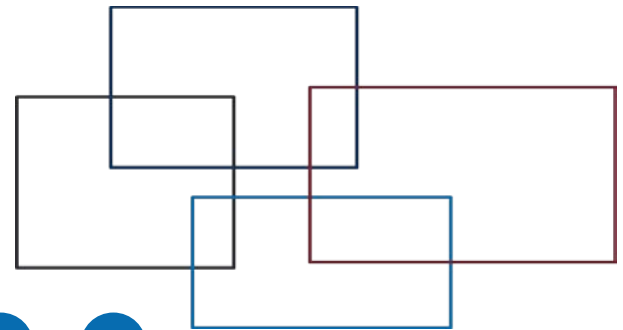
# VA Schedule Programs

| Schedule Title (FSC 65 & 66 Mandatory Use) |                                                       | NAICS  | Solicitation Number  | Revision |
|--------------------------------------------|-------------------------------------------------------|--------|----------------------|----------|
| 65 I B                                     | Drugs, Pharmaceuticals, & Hematology Related Products | 325412 | M5-Q50A-03           | R6       |
| 65 II A                                    | Medical Equipment & Supplies                          | 339112 | RFP-797-FSS-99-0025  | R9       |
| 65 II C                                    | Dental Equipment & Supplies                           | 339114 | RFP-797-652C-04-0001 | R2       |
| 65 II F                                    | Patient Mobility Devices                              | 339113 | RFP-797-652F-05-0001 | R5       |
| 65 V II                                    | Invitro Diagnostics, Reagents, Test Kits, & Test Sets | 325413 | M5-Q52A-04           | R5       |
| 65 V A                                     | X-Ray Equipment & Supplies                            | 325992 | RFP-797-655A-03-0001 | R5       |
| 66 III                                     | Cost-Per-Test, Clinical Laboratory Analyzer           | 334516 | RFP-797-FSS-03-0001  | R1       |
| 621 I                                      | Professional & Allied Healthcare Staffing Services    | 561320 | RFP-797-FSS-00-0115  | R3       |
| 621 II                                     | Medical Laboratory Testing & Analysis Services        | 621511 | RFP-797-FSS-04-0001  | R2       |

# VA FSS Total Annual Sales (in billions)



# Awarding & Managing a VA Schedule Contract



# Reviewing a Schedule Proposal

- Proposal received & assigned to a CS for review
  1. CS reviews proposal and requests additional information
  2. CS fully evaluates the proposal and conducts a complete price analysis
  3. CS enters into negotiations with the offeror
  4. CS compiles the offer package and submits for review and approval
  5. CS notifies offeror of the award decision

# CSP Disclosures

Vendors are required to submit full commercial sales disclosures for general public customers that receive discounts and/or price agreements that are equal to or more favorable than those offered to the Government.

# Negotiation Objectives

- The prenegotiation objectives establish the Government's initial negotiation position. They assist in the contracting officer's determination of fair and reasonable price. They should be based on
  1. The results of the CS' analysis of the offeror's proposal, taking into consideration all pertinent information including field pricing assistance,
  2. Audit reports and technical analysis,
  3. Fact-finding results,
  4. Independent Government cost estimates and
  5. Price histories.
- Common terms negotiated for commodities Schedules include:
  - Proposed SINS
  - Discounts
  - Payment Terms (incl. credit card acceptance)
  - Minimum Order
  - Delivery timeframes & FOB points
  - Warranty & return goods policies
  - Installation & training
  - Annual rebate
  - Rental, lease, & service agreements

# Award Decision

A contract will be awarded if:

- Award is in the Government's best interest
  - Fair & reasonable pricing, terms, & conditions achieved
- Vendor met all regulatory compliances
- Vendor completed all certifications
- Vendor has satisfactory past performance
- Vendor is financially capable

# Contract Modifications

- Product Addition – bilateral; add products & SIN categories
- Product Deletion – bilateral; delete products & SIN categories
- Price Reduction – bilateral; temporary, permanent, voluntary
- Economic Price Adjustment – bilateral, increase awarded pricing
- Admin Change – update Signatory Authority Form, change authorized personnel, incorporate subcontracting plan, other corrective actions
- Technical Change – unilateral; change product description, part number, NDC number, geographic coverage, etc.
- Legal Change – bilateral; change of name agreement, novation agreement
- Extension – unilateral; long-term, temporary
- Cancellation – bilateral; contract cancellation
- Mass Modification – unilateral



# Extending a Schedule Contract

- Short-Term

1. Effective for less than 12 months
2. Granted only if contractor has already submitted a new offer or extension proposal
3. Cannot extend the life of the contract beyond 10 years
4. Executed bilaterally

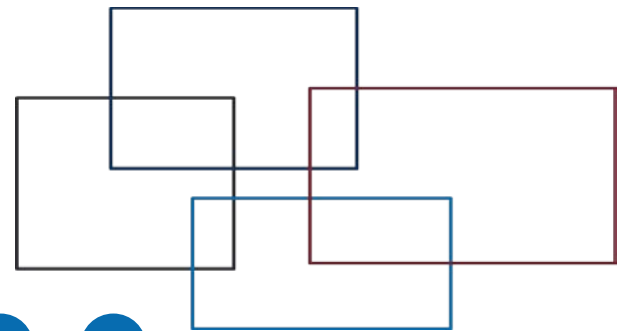
- Long-Term

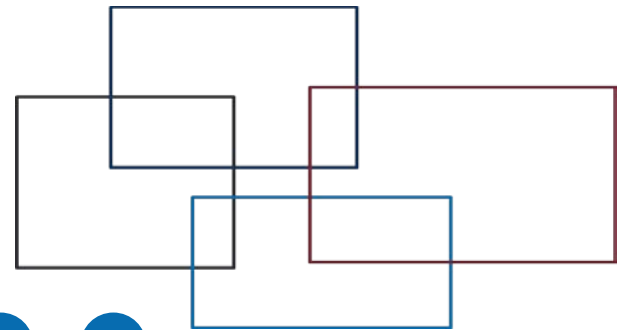
1. Effective for 12 months up to 5 years
2. Changes to the contractor's awarded terms, conditions, and pricing must be submitted via a modification request prior to contract extension
3. Executed unilaterally

# Canceling a Schedule Contract

- 552.238-73 Cancellation
  - Deliverables not submitted on time
  - Low/No Sales (< \$17,500 after first 2 years of performance)
  - Contractor request with written notice provided 30 days in advance
  - Company financial problems and/or dissolution
  - Contractor failure to comply with awarded terms & conditions

# Ordering from a VA Schedule contract





# 1. Commodities

# FAR 8.405-1 Ordering Procedures for Supplies & Services Not Requiring a Statement of Work

- Orders at or below the micropurchase threshold (MPT)
  - Place with any FSS contractor that can meet the agency's need
  - Distribute orders among FSS contractors
- Orders exceeding the MPT but not exceeding the simplified acquisition threshold (SAT)
  - Survey at least 3 Schedule contractors that meet the agency's need; comply with FAR 8.4052-6, Limiting Sources, as applicable
  - Place order with contractor that represents the best value
- Orders exceeding the SAT
  - Develop RFQ in accordance with FAR 8.405-1(d)
  - Post requirements to GSA eBuy, or provide RFQ to as many eligible contractors as practical; comply with FAR 8.405-6, Limiting Sources, as applicable
  - Ensure all quotes are considered fairly and award is made in accordance with the basis for selection

# Including Open Market Items on a VA Schedule Order

*Open Market Items:* Items for sale that are not available for purchase from a government contract vehicle (i.e. FSS, BPA, GWAC, etc.)

- All applicable regulations have been followed
  - FAR 5, Publicizing Contract Actions
  - FAR 6, Competition Requirements
  - FAR 12, Acquisition of Commercial Items
  - FAR 19, Small Business Programs
  - Ordering Requirements (FAR 13, 14, and/or 15)
- Prices are determined to be fair & reasonable
- Items are clearly labeled on the order as open market items
- All clauses applicable to open market items are included in the order

# Services v. Commodities Schedules

- Services (621 I & 621 II)
  - Order in accordance with FAR 8.405-2
  - State specific coverage
  - Technical evaluation
  - Ordering activities must issue a Statement of Work
  - *Non-Mandatory* Schedules (FSC 621)
- Commodities (65 II A, 65 II C, 65 II F, 65 V A, 65 VII, 66 III)
  - Order in accordance with FAR 8.405-1
  - National & worldwide coverage
  - Simple price analysis
  - Best value determination
  - *Mandatory* Schedules (FSC 65 & 66)

# FAR 8.405-2 Ordering Procedures for Supplies & Services Requiring a Statement of Work

- Orders at or below the micropurchase threshold (MPT)
  - Place with any FSS contractor that can meet the agency's need
  - Distribute orders among FSS contractors
- Orders exceeding the MPT but not exceeding the simplified acquisition threshold (SAT)
  - Develop statement of work in accordance with FAR 8.405-2(b)
  - Provide RFQ to at least 3 Schedule contractors that meet agency's need; comply with FAR 8.405-6, Limiting Sources, as applicable
  - Specify the type of order, giving preference to firm-fixed price type as appropriate
- Orders exceeding the SAT
  - Develop statement of work in accordance with FAR 8.405-2(b)
  - Post requirements to GSA eBuy, or provide RFQ to as many eligible contractors as practicable, to reasonably ensure receipt of at least 3 quotes
  - Ensure all quotes are considered fairly and award is made in compliance with evaluation criteria stated in RFQ



# Statement of Work

- *Statement of Work (SOW):*
  - An SOW is essential when purchasing commercial services
  - All elements of SOW should be clear, precise, complete, and concise
- *Performance-Based:*
  - To the maximum extent practicable, agency requirements shall be *performance-based*
  - Performance-based requirements ensure that:
    - Performance quality levels are achieved
    - Total payment is related to the degree that services performed or outcomes achieved meet contract standards
- **SOW shall include...**
  - Description of work to be performed
  - Location of work
  - Period of performance
  - Deliverable schedule
  - Applicable performance standards
  - Any special requirements

# Required Evaluation Criteria

In accordance with [VAAR 815.304-70, Evaluation Factor Commitments](#), VA ordering activities shall adhere to and apply the following evaluation factor commitments –

- Include provisions in negotiated solicitations giving preference to offers received from VOSBs and additional preference to offers received from SDVOSBs
- Use past performance in meeting SDVOSB subcontracting goals as a non-price evaluation factor in selecting offers for award
- Use the proposed inclusion of SDVOSBs or VOSBs as subcontractors as an evaluation factor when competitively negotiating the award of contracts or task/delivery orders
- Use participation in VA's Mentor-Protégé Program as an evaluation factor when competitively negotiating the award of contracts or task/delivery orders

# Required Evaluation Criteria

- Understanding the requirement
  - Does the contractor fully understand the requirement identified in the statement of work and the stated evaluation criteria?
- Performance
  - Was the contractor compliant with prior requirement for similar work?
  - Did the contractor perform within or below cost for similar work?
  - For orders for similar work, was the required work completed on time and in accordance with order requirements?
- Business Relations
  - Is the contractor flexible, cooperative, proactive, and committed to customer satisfaction?
- Socioeconomic Status
  - You may consider socioeconomic status for consideration or competition for award

# Price Reductions

- Schedule contractors are not required to pass on to all Schedule users a price reduction extended only to an individual ordering activity for a specific order or BPA
- Seeking a price reduction enhances competition and allows Schedule contractors to maintain flexibility and react more efficiently to changes in the market, move inventory, and increase sales through promotional marketing.

# When a VA Facility Must Seek Reduced Pricing

Schedule contractors are not required to pass on to all Schedule users a price reduction extended only to an individual ordering activity for a specific order or BPA.

Seek reduced pricing when:

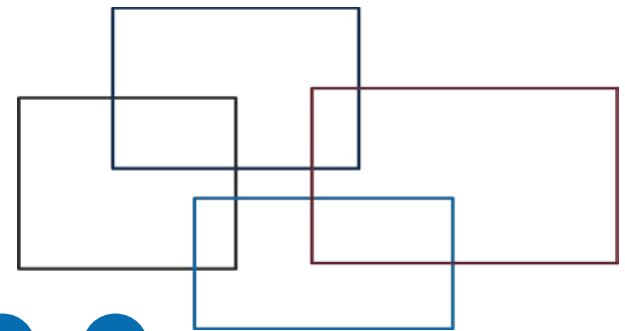
- Establishing a BPA or conducting an annual review
- The CO finds the products/services elsewhere for less
- The CO has evidentiary support of lower pricing
- Or, at anytime before placing an order

# Special Note: 621 I

VA ordering activities *must* seek a price reduction on all 621I task orders, regardless of dollar threshold.

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# 3. Ordering activity responsibilities



# Ordering Activity Responsibilities

When placing an order against a Schedule contract, VA ordering activities must

- Conduct market research. Recommended sources include GSA Advantage and the Contract Catalog Search Tool
- Conduct compliance checks to ensure all required databases are up-to-date (CCR/ORCA) and the contractor is not debarred (EPLS)
- Submit a performance evaluation (for orders over the SAT) through CPARS
- Additionally, VA ordering activities may notify unsuccessful contractors (optional).



# Required Clauses & Provisions

When placing an order against a Schedule contract, ordering activities

1. Are not exempt from the development of acquisition plans (FAR 7.1) and information technology acquisition strategy (FAR 39)
2. Must comply with all FAR requirements for a bundled contract (FAR 2.101(b))
3. Must be consistent with the requiring agency's statutory and regulatory requirements applicable to the purchase

# Written Determination

When fewer than three (3) quotes are received from Schedule contractors that can fulfill the requirement, the contracting officer shall prepare a written determination explaining that no additional contractors capable of fulfilling the requirement could be identified despite reasonable efforts to do so.

*The determination must clearly explain the efforts made to obtain quotes from at least three (3) Schedule contractors.*

# Adding Provisions & Clauses to a Schedule Order

- Ordering activities may add non-conflicting clauses from the FAR or agency supplements to Schedule orders or BPAs.
- You may have to add clauses as required by your agency or special requirements for the products being sought.
- *Non-Conflicting Clause:*
  - An added FAR or agency clause that does not contradict a Schedule contract clause
  - An added FAR or agency clause without a usage limiting it to non-commercial acquisitions or where the clause usage does not prohibit the clause in a commercial acquisition
  - An added FAR or agency clause that is consistent with customary commercial practice

The terms of the Schedule contract trump any added by the ordering activity.

# Including Option Periods

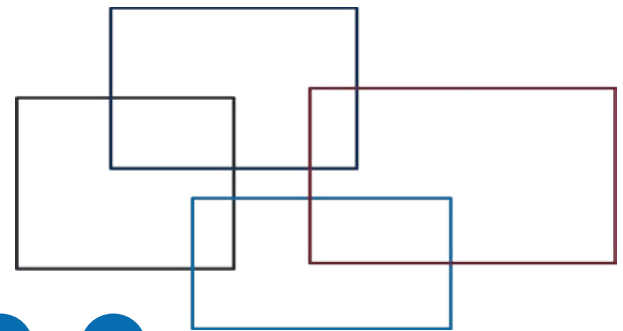
- Options may be included on orders placed against a Schedule contract, provided the options are clearly stated in the requirements and are evaluated as part of the ordering activity's best value determination.
- Options may be exercised if:
  - Funds are available
  - The requirement covered by the option fulfills an existing government need
  - Prior to exercising an option, the ordering activity ensures that it is still in the government's best interest (i.e. the option is the most advantageous method of fulfilling the government's need, considering price and other factors)
  - The options do not extend beyond the period of the Schedule contract, including option year periods. Order fulfillment may occur after the period of performance of the Schedule contract expires. VA Schedule contracts are awarded for a 5 year base period with 5 one year options (excluding 65IB Schedule contracts).

The length of the order and the risk to the ordering activity could be considered as part of the overall evaluation of best value.

# Documentation Required for a Schedule Order

1. The Schedule contracts considered noting the contractor from which the supply was purchased;
2. A full description of the supply purchased;
3. Actual amount paid;
4. Evidence of compliance with FAR 8.405-1(d) ordering procedures (if total amount paid exceeds the simplified acquisition threshold (\$150,000));
5. The basis for the award decision

# **FSC 65 & 66 Open Market Waiver Requests**



# Authority

| Number              | Title                                                                                                                  | Date          |
|---------------------|------------------------------------------------------------------------------------------------------------------------|---------------|
| VHA Handbook 1761.1 | Standardization of Supplies and Equipment Procedures                                                                   | July 17, 2003 |
| VHA Handbook 7408.1 | Requesting Waivers from the Requirement to Use VA Federal Supply Schedules                                             | June 9, 2005  |
| VA Form 0753A       | Federal Supply Schedule (FSS) Request for Waiver (Federal Supply Class (FSC) 65 and Cost-Per-Test in FSC 66)           | August 2013   |
|                     | NAC/FSS Internal Process for Reviewing Requested Waivers from the Requirement to Use VA Federal Supply Schedules (FSS) | Draft         |

Email [pmrs@va.gov](mailto:pmrs@va.gov) for the relevant authorities and to request VA Form 0753A

# When to submit a waiver request

When an ordering office determines that an item available on FSS contract in FSC 65 or on the Clinical Analyzers, Laboratory, and Cost-Per-Test FSS contracts in FSS 66 will not meet the office's specific needs, but a similar item from another source will meet such needs, the office must submit a request for waiver to the ADAS, National Healthcare Acquisitions and Chief Operation Officer, NAC, through the Chief Procurement & Logistics Officer.



# Determinations

All VA ordering activities are required to submit a request for waiver if it has been determined that:

1. The item(s) available through the VA Schedules program will not meet the specific needs of the ordering activity **AND**
2. A like or similar item available from another (non-Schedule contract) source will meet the specific needs of the ordering activity.

# For example...

- Like or similar item is on Schedule contract but there is a compelling clinical need to use a non-contract item
  - Yes, you must submit a waiver request if your research indicates that there is a like or similar item on Schedule contract but you have documented a compelling clinical need to use the non-contract item
- Research indicates that the Schedules program does not offer a like or similar item
  - Yes, if the product falls within the scope of FSC 65/66 but you cannot find a like/similar item on Schedule contract you must submit a waiver request. The request will simply state that the relevant Schedule program does not carry a like or same product
- Research indicates that the required product falls within FSC 65/66 but it is not covered by an existing SIN category
  - No, if your research indicates that the requested product falls within FSC 65/66 but it does not fall within an existing SIN category then you are not required to submit a waiver request and you may order the item using open market ordering procedures

# Important!

- The complexity of your purchase does not make it different.
- Focus on the SIN description when determining if you must submit a waiver.
- If the item seems like it might fall under an existing SIN category then submit a waiver request.

# Clinical need

- Waivers should be requested *only when compelling clinical circumstances can be demonstrated.*
- A waiver based on clinical need should normally be for specific exceptions, such as specific patient or patient group with specific needs, an employee with special needs, allergies, etc.

# Clinical justification

A clinical justification should consider:

1. The absolute minimum requirement of the commodity needed to provide for the patient's care using evidence-based methodology
2. That which exceeds the minimum need, but incorporates technological advances to the basic item that ultimately provides increased efficiencies
3. Technological additions (“bells and whistles”) that add no real value to the performance of safe and efficacious patient care

# Unacceptable requests

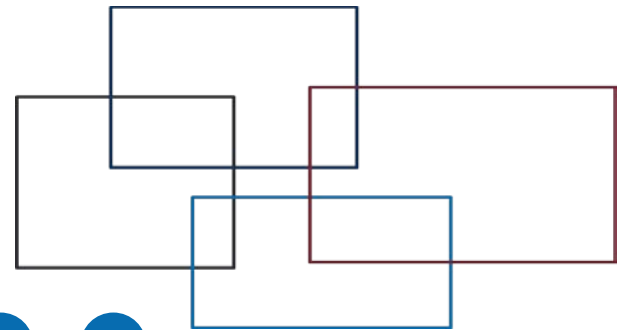
A waiver will not be granted due to:

- Single facility staff preference (clinician preference)
- Appearance of lower costs than what is available on Schedule

# Emergency waivers

- Facilities have the authority to issue emergency waivers to meet an immediate need that ensures appropriate patient care.
- Failure to submit a request in a timely manner will not result in approval of an emergency waiver.

# Waiver Request Process





# Waiver submission process

1. Following local review procedures request must be approved by
  1. Supervisor
  2. VISN CLO
2. Final approval by VHA P&LO
3. P&LO submits to NAC
  1. FSS senior contract specialist reviews package and submits to NAC HCA for final approval
4. NAC HCA makes final approval decision

# Emailing your waiver request

All communications regarding waivers should be directed to the P&LO. The P&LO will work with the NAC on behalf of the requesting VISN.

Email: [vhawreqs@va.gov](mailto:vhawreqs@va.gov)

Subject: FSC 65/66 Waiver Request

Text: Form 0753a attached for your review.

# P&LO waiver request points of contact

Rodney Hickson

[rodney.hickson@va.gov](mailto:rodney.hickson@va.gov) | (202) 632-7970

Jennifer Simmons

[jennifer.simmons@va.gov](mailto:jennifer.simmons@va.gov) | (202) 632-7353

# Local review procedures

- VISN
  - VISN may establish review & approval procedures on behalf of all medical facilities within the VISN
  - P&LO should consult with respective VISN CLOs and other parties
- Facility
  - Network directors are encouraged to establish additional field review and approval procedures
- Minimum Requirements
  - All local procedures must include review & approval at a level no lower than the facility Chief of Staff and Chief Medical Officer prior to forwarding to VHA P&LO

# VA Form 0753a Best Practices

- Complete all blocks. Include descriptive literature that explains the characteristics of the requested item.
- Provide a full description of the inadequacies of the Schedule item. *This must include the ways that the item does not meet the needs of the patient.* Include studies, surveys, labs, etc. conducted to demonstrate these inadequacies.
- Identify the technical, economic or other advantages of acquiring the non-contract item and how it is better than the FSS item. *This must be supported by documentary evidence.*
  - Include relevant meeting minutes or approval by a clinical process review committee
  - Identify if this is part of a VISN/local standardization effort
- Submit the price of each item, estimated purchase quantity, and annual use statement.
- Your final request should include all recommendations/remarks made to date by all approving officials.

# VA Form 0753a Resources

- *VHA's Federal Supply Schedule (FSS) Request for Waiver Checklist VA FORM 0753A* explains the requirements for each field.
- FSS & non-FSS waivers under review  
SharePoint site

# NAC/FSS review process

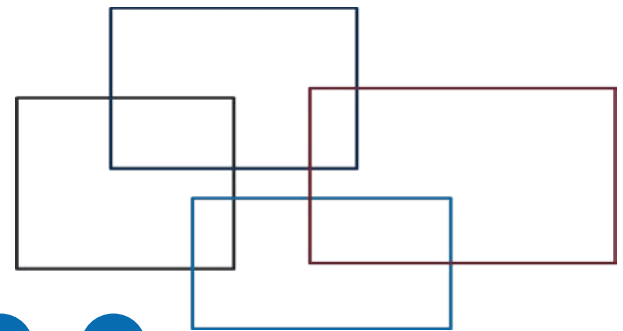
- Assigned SCS will review for same or similar items on Schedule
  - NAC Contract Catalog Search Tool
  - GSA eLibrary
  - FSS share drive (determine if same/similar item in same category has been requested before)
- Documentation review
  - Ensure request identified and reviewed all similarly awarded FSS items and included a justification for why the item(s) will not meet the facility's need
- Completed package (including SCS comments & recommendations) forwarded to NAC Head of Contracting Activity for approval
  - HCA will review total package, including all documentation, comments, recommendations, etc. and issue a final decision
  - Returns completed waiver package to FSS SCS
- SCS forwards completed package to P&LO

# Multiple Waivers

If a waiver has been received for a specific item more than once, the FSS SCS should provide the company name and information to the FSS Chief, Program Management & Resource Support, in an effort to work with the company to add the requested product to their Schedule contract or to submit a solicitation proposal for a Schedule contract.



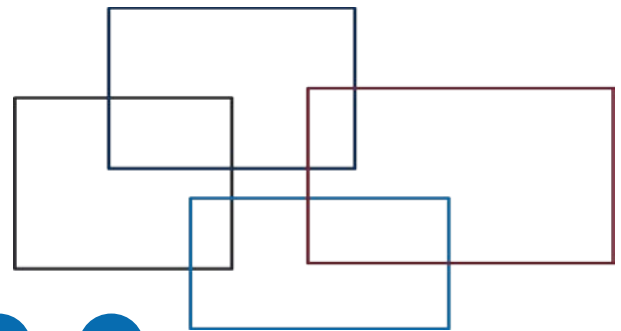
# Small Business Set-Asides & FSS



# Small Business Set-Asides

- Ordering activity COs may use their discretion to set-aside Schedule orders and BPAs for small business concerns.
- The agency CO determines if a set-aside is in the best interest of the government.
- If an order is not being set-aside exclusively for small business concerns, ordering activities can use socioeconomic status as an evaluation factor.

# Resources



# Online Resources

| Website                                                                            | URL                                                                                                                                                   |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| FSS Web Portal                                                                     | <a href="http://www.fss.va.gov">http://www.fss.va.gov</a>                                                                                             |
| Training                                                                           | <a href="http://www.va.gov/oal/business/fss/training.asp">http://www.va.gov/oal/business/fss/training.asp</a>                                         |
| VA Schedule Programs                                                               | <a href="http://www.va.gov/oal/business/fss/schedules.asp">http://www.va.gov/oal/business/fss/schedules.asp</a>                                       |
| Customers                                                                          | <a href="http://www.va.gov/oal/business/fss/customers.asp">http://www.va.gov/oal/business/fss/customers.asp</a>                                       |
| Open Market Waiver Request Process                                                 | <a href="http://www.va.gov/oal/business/fss/waiver.asp">http://www.va.gov/oal/business/fss/waiver.asp</a>                                             |
| VA Handbook 7408.1 Requesting Waivers from the Requirement to use VA FSS Schedules | <a href="http://www.va.gov/vapubs/viewPublication.asp?Pub_ID=307&amp;FType=2">http://www.va.gov/vapubs/viewPublication.asp?Pub_ID=307&amp;FType=2</a> |
| Form VA 0753a                                                                      | Email <a href="mailto:pmrs@va.gov">pmrs@va.gov</a>                                                                                                    |
| VA Specific Priorities of Use of Government Supply Sources                         | <a href="http://www.va.gov/oal/business/fss/priorities.asp">http://www.va.gov/oal/business/fss/priorities.asp</a>                                     |
| NAC Contract Catalog Search Tool                                                   | <a href="http://www.va.gov/nac">http://www.va.gov/nac</a>                                                                                             |

# Contact Us!



p 708.786.7737 | f 708.786.5828 | [fss.help@va.gov](mailto:fss.help@va.gov)

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