Department of Veterans Affairs

Memorandum

Date: June 25, 2018

From: Executive Director, VA Service and Distribution Center (003B6D2)

Subj: Memorandum 796-18-01, Reimbursement of Medical Equipment Repair Services

To: Medical Center Directors, Financial Managers, Purchasing Agents and Biomedical Engineers

1. PURPOSE: This Memorandum provides streamlined reimbursement instructions for utilizing the VA Service and Distribution Center (SDC) medical equipment repair services. The SDC currently offers support/repair of specialized biomedical commodities including flexible and rigid endoscopes as well as dental and surgical hand pieces. The endoscope and dental/surgical repair programs offered by the SDC can be utilized by Department of Veterans Affairs Medical Centers, Department of Defense Medical Centers as well as all other federal healthcare entities such as the Indian Health Service and Public Health Service. These programs are designed to offer low cost yet high-quality repair options while providing its customers with convenient and easy to use services.

2. REIMBURSEMENT OPTIONS:

a. VA Form 1358, Obligation or Change in Obligation - Preferred

Use of the VA Form 1358 is the preferred option for repairs, particularly those that exceed the micropurchase threshold. The greatest advantage to this option is that it is not a procurement and does not require action by a contracting officer, and because it is a tool to reimburse the Service and Distribution Center, there is no requirement to seek other pricing. Appropriate use of the VA Form 1358 is discussed in VA Financial Policy. Volume II, Chapter 6,

<u>http://www.va.gov/finance/docs/VA-FinancialPolicyVolumeIIChapter06.pdf</u>, which provides the procedures for reimbursing the Service and Distribution Center as a VA entity via Intra-Agency Sharing Agreement. The applicable extract states:

20. Non-Procurement Obligations

A. Description. The following non-procurement obligations can be obligated on a VA Form 1358 as long as the source document for each expenditure is kept on file in the Finance Activity and the Using Service, in support of each authorized transaction against the VA Form 1358:

B. Justification.

(1) These obligations do not require any action by a procurement official and do not require reporting to FPDS.

IAW Appendix A (20), page 20, VA Financial Policy Volume II, Chapter 6, August 2017

- b. <u>Government Purchase Card (GPC)</u> The VA Service and Distribution Center permits use of the government purchase card for reimbursements under the micro-purchase threshold individual transaction limit. It is not the preferred method of reimbursement because the VA SDC pays a card processing fee for each transaction, offsetting any rebates the VA might derive and the card holder must reconcile charges monthly; however, it is a fast, practical method of reimbursement. Again, because the VA SDC is a VA staff office, reimbursement for repair services does not require multiple bid comparisons.
- c. <u>Purchase Orders</u> Purchase orders are the least preferred method of reimbursement as it requires a warranted contracting officer and procurement package to execute. This is primarily a burden on the medical center and not the SDC, which is fully capable of processing purchase orders for service reimbursement. The SDC's exclusive use of authorized out- sources via Blanket Purchase Agreements (BPAs) meets the mandatory use of FSS requirements and facilitates the purchase order processing.
- d. IFCAP Vendor File Data: To be used for either VA 1358 or Purchase Order creation.

SSH VIRTUAL TERMINAL RIGHT MARGIN: 80// DEVICE: VENDOR LIST MAR 6,2013 11:09 PAGE 1 NAME: SERVICE AND DISTRIBUTION CENTER NUMBER: 5706 ORDERING ADDRESS1: P.O. BOX 27 ORDERING ADDRESS2: HINES, ILLINOIS 60141 ORDERING STATE: ILLINOIS ORDERING CITY: HINES ORDERING ZIP CODE: 60141 PROCUREMENT CONTACT PERSON: JAMES SHERRY VENDOR PHONE NUMBER: 708-786-7670 SOCIOECONOMIC GROUP (FPDS): LV VETERAN-OWNED LARGE BUSINESS BUSINESS TYPE (FPDS): LARGE IS A SF129 ON FILE?: NOT APPLICABLE FMS VENDOR CODE: 7964537VA ALT-ADDR-IND: A4 (FOR PAYMENT) FMS VENDOR CODE: 7964537VA ALT-ADDR-IND: A4 (FOR PAYMENT) NON-RECURRING/RECURRING VENDOR: RECURRING FMS VENDOR NAME: DEPT OF VETERANS AFFAIRS TAX ID/SSN: 741612229 SSN/TAX ID INDICATOR: TAX IDENTIFICATION NUMBER PAYMENT HOLD INDICATOR: NO 1099 VENDOR INDICATOR: NO PENDING FLAG: CONFIRMATION OF APPROVAL CENTRAL REMIT: NO VENDOR TYPE: FEDERAL GOVERNMENT MTI ACTION: CHANGE PAYMENT CONTACT PERSON: JAMES SHERRY PAYMENT PHONE NO.: 708 786-7846 PAYMENT ADDRESS1: SVC & DISTRIBUTION CTR PAYMENT CITY: HINES PAYMENT ADDRESS2: PO BOX 7005 901A PAYMENT STATE: ILLINOIS PAYMENT ZIP CODE: 60141-7005 DATE VENDOR CREATED: SEP 25, 1998 FAX #: 708-786-7504

Important Note: The VA SDC only utilizes vendors that have a current Federal Supply Schedule Contract or an Active BPA.

3. References:

a. VA Financial Policy. Volume II, Chapter 6, Appendix A dated August 2017

4. Contact Information:

For detailed program information or to request SDC repair services, the SDC website can be found at: <u>https://www.va.gov/opal/nac/sdc/merp.asp</u> or call 708-786-7670.

//s// Neal Kemp Executive Director VA Service and Distribution Center