



DEPARTMENT OF VETERANS AFFAIRS

Office of Acquisition & Materiel Management

National Acquisition Center



- **Introductions**



Federal Supply Schedule Program

GSA
(All other
commodity/service groups)

NAC
(Medical related
Supplies/services)

Authority – GSA delegated to Veterans Affairs National Acquisition Center the responsibility for the Federal Supply Schedule program for medical care related supplies, equipment, pharmaceuticals and services.



What is the FSS program?

- Historically, just about any type of commercial item the government uses from paper clips, to fire engines were on FSS.
- Federal Acquisition Streamlining Act in 1994 and Clinger Cohen Act in 1996 expanded the definition of commercial item to include services.
- With the new flexibilities available through procurement reform, FSS program was expanded to include services.



Federal Supply Schedule Service

Overview of the VA Schedules Program

- 65 I B - Drugs and Pharmaceutical-related Products (\$6.5B)
- 65 II A - Medical Equipment and Supplies (\$440m)
- 621 I - Professional Staffing Services (\$240m)
- 66 III -Cost-Per-Test for Clinical Laboratory Analyzers (\$130m)
- 65 VII - Diagnostic, Reagents, Test Kits and Sets (\$100m)
- 65 II C - Dental Equipment and Supplies(\$50m)
- 65 II F - Patient Mobility Devices (\$30m)
- 65 V A - X-Ray Film, Equipment and Supplies (\$15m)
- 621 II - Medical Laboratory Testing and Analysis Services-NEW



Federal Supply Schedule Service

Overview of the VA Schedules Program

- New Initiatives
 - Home IV Therapy
- FSS Yearly Sales
 - FY 05 estimate \$7.5 Billion
 - FY 04 actual \$6.96 Billion
- IFF Collection
 - FY 04 \$34.8 Million



Who is Eligible?

- Authorized Users – All Federal Agencies and activities in the Executive, Legislative, and Judicial Branches
 - Includes State Veteran Homes with Sharing Agreements
 - FAR Part 51 authorized representatives
 - GSA Website for agency eligibility:
 - www.fss.gsa.gov/portal/gsa/ep/contentView.do?&contentId=8128&contentType=GSA_Basic



VA FSS Program

Type

- Multiple Award Contract
- Indefinite Delivery, Indefinite Quantity (IDIQ)
- Guaranteed minimum/maximum (varies per commodity)
- Firm Fixed-Price Contract with Economic Price Adjustment
- Open and Continuous Solicitation Cycle
- They are multi-year (5 years base), with option to extend for up to an additional 5 years (except for Pharmaceuticals)

Scope

- National and World-Wide Coverage contracts awarded to responsible manufacturers, distributors or dealers.



VA FSS Program

- Schedules for Supplies
 - 65IB - Pharmaceuticals
 - 65IIA – Medical Equipment & Supplies
 - 65IIC – Dental Equipment & Supplies
 - 65IIF – Patient Mobility
 - 65VII – Diagnostics & Reagents
 - 65VA – X-ray equipment & Supplies



VA FSS Program for Supplies

Government Price Analysis:

- Starting Point for negotiations - Most Favored Commercial Customer (MFC):

“Defined as that customer or class of customer which receive(s) the best discount and/or price arrangement on a given item from a supplier. The term includes any entity which does business with the supplier. In MAS contracting, the Government’s negotiation objectives are developed based on a comparison of the MFC arrangement. “



VA FSS Program for Supplies

Government Price Analysis (cont'd)

- **Pre-award reviews:**

- Over \$3 million to \$5 million per year (dependent upon commodity), Office of Inspector General (OIG)
- Review offer for accuracy, completeness, and currency
 - Commercial Sales Practice (CSP) disclosures
- Recommend pricing position



VA FSS Program for Supplies

Government Price Analysis (cont'd):

- Purpose
 - Identify price objectives
 - Foundation for strategy
 - Review against current FSS contracts
 - Factors that affect objectives:
 - Volumes
 - Current market conditions
 - MFC determination
 - Special concessions, terms/conditions
 - Price adjustment provision



VA FSS Program for Supplies

What do we negotiate?

- Tracking Customer
- Basic Discount
- Quantity Discount
- Delivery Terms
- Prompt Payment
- Return Goods Policy
- Expedited Delivery
- Warranty terms
- Installation/Training
- Software License Agreements
- Leasing/Rental Terms
- Annual rebates
- BPA/Incentive Programs
- Distribution Program
- Minimum Orders



VA FSS Program for Supplies

How we negotiate:

- Offers evaluated independently
- Identification of MFC pricing
- Identification of MFC terms and conditions
- Establishment of negotiations targets
- Negotiation discussions – usually conference call
- Final Pricing Revisions (FPR) – document from which award decision is made



VA FSS Program for Supplies

Tracking Customer

- Price Reduction Clause
 - Establishment of commercial relationship to track award against
 - Paragraph (a) – Before award of a contract, the CO and the offeror will agree upon:
 - The customer (or category of customers) which will be the basis of award, and
 - The Government's price or discount relationship to the identified customer (or category of customers)



VA FSS Program for Supplies

- Award Decision - Determining factors:
 - Is it in the best interest of Government?
 - Did we achieve a fair and reasonable price?
 - Is Offeror responsive and responsible?
 - Did offeror complete all certifications and regulatory requirements in their entirety?
 - Is past performance history satisfactory?
 - Are they financially capable?

If yes to all --- contract is awardable.

- In house review –Over \$500,000, (above AD)



VA FSS Program

- Schedules for Services
 - 621 I- Professional and Allied Healthcare Staffing
 - 66 III-Cost-Per-Test for Clinical Analyzer, Laboratory
 - 621 II - Medical Laboratory Testing and Analysis Services (*NEW!*)
 - 621 V - Teleradiology Services (*Coming Soon!*)



VA FSS Professional Services

Vendor Qualification

- Demonstrate at least 1 year corporate experience in providing medical staffing services
- Demonstrate significant amount of revenue
- Demonstrate capacity for placements in at least one entire state
- Evidence of Professional Liability Insurance (malpractice) minimum amount of \$1 million per occurrence / \$3 million aggregate



VA FSS Professional Services

Government Analysis:

- **Technical Proposal**
 - Factor A - Corporate Experience
 - Factor B - Management Plan
 - Factor C - Past Performance
 - Factor D - Insurance



VA FSS Professional Services

Government Analysis (cont'd)

- **Price Proposal**

- Labor Categories by SIN
- Qualifications of Each Labor Category
- Geographic Coverage
- Net Ceiling Price for Each Line Item Offered
- Payment Terms
- Minimum Assignment Period



VA FSS Professional Services

- **Price Proposal (cont'd)**
 - Commercial Sales Practice (CSP) Disclosures
 - Actual sales information
 - Best (lowest) price/terms and conditions billed and location of sale Best price billed recently
 - additional transactional data as requested
 - pricing validation for all SINs offered



VA FSS Professional Services

- Price Proposal (cont'd)
 - Commercial Sales Practice Disclosures
 - Commercial rate/quote sheets
 - Copies of commercial agreements
 - Additional relevant supporting documentation



VA FSS Professional Services

Pre-award reviews:

- Over \$3 million per year, Office of Inspector General (OIG)
- Review offer for accuracy, completeness, and currency
 - Commercial Sales Practice (CSP) disclosures
- Recommend pricing position



VA FSS Professional Services

- **Evaluate and Establish Objectives:**
 - Based on the offeror's current commercial pricing practices
 - Review of CSP disclosures
 - Review previous contract prices paid for same location
 - Review of the price/cost build-up
 - Utilize GSA Pricing Policy
 - Acquisition Letter FC-01-5, Supplement 1



VA FSS Professional Services

How we negotiate:

- Negotiation discussions are conducted via telephone conferences
- Agreement is reached regarding prices, terms and conditions
- Final Proposal Revisions (FPR) are submitted in writing at close of negotiations



VA FSS Professional Services

What do we award?

- Geographic Coverage
- Net Hourly Rate
- Shift Differentials
- Minimum Assignment Period
- Prompt payment
- Background Investigation
- Medical Liability Insurance
- Credit Card Acceptance



VA FSS Professional Services

- **Award Decision - Determining Factors :**
 - Is it in the best interest of the Government?
 - Did we achieve a fair and reasonable price? Fair market value?
 - Is Offeror responsive and responsible?
 - Have all certifications and regulatory requirements been completed in their entirety?
 - Is past performance history satisfactory?
 - Do they have valid insurance to meet the requirement?

If yes to all – contract is awardable.

- In-house review – over \$500,000 (above AD)



VA FSS Professional Services

- **Customer Responsibility**
 - FAR 8.405-2 Ordering Procedures
 - Statement of Work
 - Adherence to the terms and conditions of the contract
 - Timely payments



VA FSS Professional Services

- **Challenges**

- Incorporating Service Contract Act into Commercial Items Acquisition
- Performance Based Statements of Work for Direct Patient Care Services
- Price Protection



VA FSS Program

- Handouts
 - Commercial Sales Practice Section
 - Price Reduction Clause
 - Economic Price Adjustment Clause
 - Examination of Records Clause



VA FSS Program

- QUESTIONS?



VA National Acquisition Center

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