VA Medical/Surgical Prime Vendor Next Generation (MSPV-NG) Program

Industry Questions

November 4, 2015

1. What are the VA's strategic goals and intended contract outcomes of standardization?
Response: Standardization to the maximum extent possible the types and kinds of supplies and equipment purchased, consistent with clinical and practitioner needs, facilitating best-value product pricing through committed volume purchasing, and facilitating the delivery of high-quality health care.

2. What is the role of clinicians in the standardization process?
Response: It is important to note the MSPV Cataloging process consists of a traditional VHA Standardization effort, and a streamlined process that is based on a continuous open solicitation. In the standardization process, committees of clinicians led by a project manager are selected for their area of expertise will identify, evaluate and recommend candidate items for standardization.

3. If the FSS program faces diminished participations and if there is an increase in direct purchases, what are the VA's thoughts on using this as an opportunity to pivot towards a more market based model?
Response: The MSPV-NG process will offer VHA facilities the supplies that are currently being purchased and used to provide medical care to our Veterans. These supplies will be procured through the Federal Supply Schedule (FSS) and open market purchases, both of which will be distributed through the MSPV-NG Prime Vendor.

4. What are the VA's thoughts on using this as an opportunity to pivot towards a more market based model?
Response: The MSPV-NG process will offer VHA facilities the consumable commodities and supplies that are currently being purchased and used to provide medical care to our Veterans. These supplies will be which are procured through the FSS and open market purchases, both of which will be distributed available through the MSPV-NG Prime Vendor.

5. Regarding the recent BPA and certain aspects of the program: What methods are being used to determine the "salient characteristics" for MSPV BPA?
Response: Because of the number of items in the "most purchased" list (4,869) and due to the limited time allocated for product development process by which all line items must be sent to SAC for contract award by January 30, 2016 in order to complete the MSPV-NG catalog by April 20, 2016, a standing Integrated Product Team (IPT) of medical/surgical/clinical subject matter

experts (SMEs) is not available to create product descriptions during the product requirement development process. In lieu of these personnel, the Procurement and Logistics Organization (P&LO) Program Executive Office Project Managers will use their professional judgement and familiarity with their clinical programs to base the development of the "salient characteristics"/product descriptions upon commercial specifications of the commodities on the "most purchased items" list.

6. VA-SAC is approaching this initiative on an individual item basis instead of at the product category level. Award decisions are being made on a line item basis instead of for an entire product category. Commercial groups and the DOD approach product standardization at the product category level because this is the best way to receive value from manufacturers/vendors. Will VA-SAC consider changing their approach and issue solicitations for entire product categories instead of for individual product codes?
Response: Concur that duplications have been occurring. This discrepancy was recently identified by one of our other industry partners and we are working with the Program Office to try and come up with a suitable remedy in this matter. In the interim, when duplication is identified we are reviewing the two buys to determine the best course of action, for instance cancellation of one of the items. The final decision is based on the needs of the Government.

7. What is the relationship of PV's to the VA? Are they "agents" or independent contractors? This is important for definitions as it relates to IFF, commercial pricing and FSS.
Response: The BPA are written against the FSS; and therefore, must comply with the FSS.

8. How will VA monitor compliance with PV? Asked this question to VA last week and never received a response.
Response: VHA monitors VISN MSPV spend as a percentage of overall Med/Surg spend monthly using internal VHA financial data. The current goal is for the MSPV to be 40% of all Med/Surg spend. VISNs not meeting goal are required to provide VHA P&LO with an action plan with monthly updates until they're in goal.

9. If PV is mandatory is price the only factor considered for award?
Response: Regarding awards to the MSPV-NG catalog, price and technically acceptable are the criteria to determine award.

10. What happens to physician's preference under PV?
Response: The MSPV-NG process provides the VHA facilities the consumable commodities and supplies that are currently being purchased and used to provide service to our Veterans. These supplies which are procured through the FSS and open market purchases will be available through the MSPV-NG Prime Vendor. If a physician desires a supply item that is not available through the prime vendor, the medical facility may procure that item on the open market and apply for a waiver if a procurement waiver is necessary.

Government purchase card impact:
11. As manufacturers lose access to prime vendor program, purchase card use will likely increase dramatically.
Response: VA is moving away from credit card purchases to ordering using competed vehicles under prime vendor. We anticipate a period of transition to identify and establish BPA's for those items that are used by the facilities.

Impact to the FSS Program:
12. A primary reason many med-surg manufacturers maintain an FSS is to secure product access through the PV program. Without that access, may see dramatic reductions in FSS contracts and migration to an open market direct selling model to VA.
Response: It's the Government's intent to maximize those items included in the MSPV catalog. This model facilitates streamlining, economy of scale, and accessibility to needed products enterprise-wide. This model meets VA's needs; any adverse effect outside VA is unintentional.

13. Standardizing by individual line item product codes, as opposed to product categories, is not a standard practice by health care system material management and will likely lead to significant confusion at the clinical level (examples, multiple suture vendor products, disposable products that connect to specific equipment and is not interchangeable, products that have proven superior clinical outcomes, etc.). What is the rationale for the SAC's decision to standardize by product line item rather than by category?
Response: The current MSPV acquisition process is designed to get on national level contract or BPA the consumable commodities and supplies that the facilities are currently procuring through FSS, local purchase orders or purchase cards. It is not a standardization program.

14. Will solicitations over $25,000 be posted to FedBizOps along with the award?
Response: The SAC is currently soliciting MSPV cataloging utilizing two separate procurement processes. The first process is for the acquisition of items/products in accordance with FAR SubPart 8.4, Federal Supply Schedules through the GSA's e-Buy system. In accordance with FSS procedures, RFQs for items solicited under the FSS program will posted on e-Buy; however, these items are not subject for further posting under FedBizOps.

Under the second process, which entails the processing of items not found on FSS; these items (Non-FSS) will be posted in accordance with FBO.

15. Will VA-SAC consider publishing a listing of awarded CLIN(s) from each RFQ and Amendment issued so that vendors can see the successful bidders? Will this include a Summary of Award by line item?
Response: Yes, the VA will post a listing of awarded CLIN(s) to e-Buy on a monthly basis. This will include a summary of awards by line item.

16. Can the VA SAC please address how line item bidding and category bidding will be aligned?
Response: The cataloging development is an evolutionary process that will improve over time. It involves solicitation for VHA Standardization requirements, as well as the solicitation for MSPV Cataloging items on an open continuous standardization efforts and the MSPV Cataloging efforts.

17. How do we manage line item bids for a surgical item when a posting for that surgical item category standardization occurred separately?
Response: It sounds like what is being described is duplication within the acquisition processes. This discrepancy was recently identified by one of our other industry partners and we are working with the Program Office to try and come up with a suitable remedy in this matter. In the interim, when duplication is identified we are reviewing the two buys to determine the best course of action, for instance cancellation of one of the items. Please provide, in writing, these discrepancies in solicitation questions so that we can address them.

18. Is the VA SAC aware when this process is done by line item, 48-60 person hours per line item BPA is required by one manufacturer's estimate?
Response: The VHA Program Management Office develops each requirement from historical data in the Medical Products Database. The MSPV Catalog will be based on aggregate needs, some high volume, and some low volume. The capability to facilitate smaller requirements may vary from prospective offeror to prospective offeror, therefore the decision to quote or not quote will be a business decision based on capability and level of risk absorption. The SAC tried to make the proposal process as easy as possible so that vendors could respond to the RFQ without a large investment in the bid process. We are also relooking at the solicitations to see if we can identify further streamlining opportunities to continue to make it an easier process; we invite industries thoughts on this as well. Also making this a mandatory use item should increase the usage by the VA.

19. When questions or clarifications are needed for a bid response will the CO respond to email and/or phone requests due to the sensitivity for timeline and deadlines for the bid?
Response: Yes; in writing. Responses will be provided within 3 business days or less. However, in cases whether the SAC has to reach out to the customer (PMO) for a response, the process could take up to five business days.

20. How is market research being done for line items and/or product categories?
Response: Market Research is currently being conducted at two levels utilizing an array of different techniques. The first level is at the Program Office, where the items/products are researched based on historical usage. From this research, the Program Office gathers information relating to manufacturers of the items, and associated part numbers; historical prices/cost of the items; units of issue; and appropriate salient characteristics, and/or, product

descriptions. Once assembled, the information is submitted to the SAC to begin the acquisition process.

Upon receipt of the document(s) from the Program Office, the SAC validates the data received and conducts additional market research efforts in accordance with FAR 10.002, to include inquiries of the VetBiz VIP database; internal agency excess stock, and the VA's Federal Supply Schedule (FSS) database. Each research effort is geared at collecting and analyzing information about capabilities within the market to satisfy the agency's needs.

If deemed necessary the Contracting Officer can conduct additional market research. The additional market research consists of, but is not limited to: Conducting Webinars which are designed to get information out to a large number of industry suppliers in an expedient manner; conducting 'Industry Days', which are designed to encourage an interactive mode of communication between the Government and industry; reviewing the results of recently solicited RFQ and conducting a comparison of past historical purchases when there is a shortage of bids received; and querying other Government and Industry databases.

21. VA-SAC is only notifying our company when we have been awarded a BPA for a particular RFQ CLIN. Will VA-SAC publish a listing of awarded CLIN(s) from each RFQ and Amendment issued so that all vendors who responded will know who the successful bidder was? If so, will this listing include a "Summary of Award" by line item as required by the FAR?
Response: Yes, the VA will post a listing of awarded CLIN(s) on GSA eBuy on an on-going basis (for FSS awards only). Non-FSS awards will be published on FBO on an on-going basis. At this time a summary of awards might not seem like a summary since we get the requirements often individually. Once a grouping has been determined, a summary will be a lot easier to provide.

22. Is the VA SAC aware when this process is done by line item, 48-60 person hours per line item BPA is required by one manufacturer's estimate?
Response: We want to group these items but up until now, this has been difficult. Our intention is for industry to spend a couple of hours proposing on each line item. What do we need to do to make this better for industry to propose and not spend a lot of effort. Thanks.

23. When questions or clarifications are needed for a bid response will the CO respond to email and/or phone requests due to the sensitivity for timeline and deadlines for the bid?
Response: It is the SAC's intent to respond to questions, in writing, within 3 business days, or less. However, in cases whether the SAC has to reach out to the customer (PMO) for a response, the process could take up to five business days.

24. How is market research being done for line items and/or product categories?

SAC Response: Market Research is currently being conducted at three levels utilizing an array of different techniques. The first level is at the Program Office, where the items/products are researched based on historical usage by the VA Medical Centers. From this research, the Program Office gathers information relating to manufacturers of the items, and associated part numbers; historical prices/cost of the items; units of issue; and appropriate salient characteristics, and/or, product descriptions. Once assembled, the information is submitted to the SAC to begin the acquisition process.

Upon receipt of the document(s) from the Program Office, the SAC validates the data received and conducts additional market research efforts in accordance with FAR SubPart 10.002, to include inquiries of the VetBiz VIP database; internal agency excess stock, and the VA's Federal Supply Schedule (FSS) database. Each research effort is geared at collecting and analyzing information about capabilities within the market to satisfy the agency's needs.

Based upon the market research, SAC's Contracting Team determines the most suitable approach to acquiring, distributing, and supplying the items under the acquisition. In addition, if deemed necessary by the Contracting Officer, additional research is conducted by the Contracting Specialist working the acquisition. The additional research consists of, but is not limited to: Conducting Webinars which are designed to get information out to a large number of industry suppliers in an expedient manner; conducting 'Industry Days', which are designed to encourage an interactive mode of communication between the Government and industry; reviewing the results of recently solicited RFQ and conducting a comparison of past historical purchases when there is a shortage of bids received; and querying other Government and Industry databases.

26. VA-SAC is only notifying our company when we have been awarded a BPA for a particular RFQ CLIN. Will VA-SAC publish a listing of awarded CLIN(s) from each RFQ and Amendment issued so that all vendors who responded will know who the successful bidder was? If so, will this listing include a "Summary of Award" by line item as required by the FAR?
Response: FSS MSPV Catalog awarded CLIN(s) will be published under the NAC Contract Management (CM) database. Non-FSS MSPV Catalog actions will be posted in accordance with FAR and other Agency guidance.

27. A significant amount of "duplication" is occurring in SAC RFQ's, meaning that the same item or same item description has been included in multiple solicitations. SAC has made awards for items that have already been included on a previous BPA award in some cases. It appears that SAC contract specialists do not communicate with each other and that no one is keeping track of the specific types of items that are being solicited and awarded on BPA's.
Response: It sounds like what is being described is duplication within the acquisition processes. This discrepancy was recently identified by one of our other industry partners and we are working with the Program Office to try and come up with a suitable remedy in this matter.

In the interim, when duplication is identified we are reviewing the two buys to determine the best course of action, for instance cancellation of one of the items. Please identify these duplications in writing to the Contracting Officer in the solicitation so we can address them.

28. Please address the overall changes within the OAO – direction & any immediate changes that would impact manufacturer vendors.
Response: The only overall change in OAO is that SAC is assuming the strategic medical BPAs from the NAC. Otherwise, the SAC is not able to gather a clear assessment of what is being requested under this concern. Request further clarification as to the specific concern under this area.

29. Regarding the open national BPA contracts, when will the process begin and what would be the typical timing from issuance of sources sought notice to contract award. For example, the standard manual wheelchair sources sought notice went out months ago, but the solicitation is still pending. (We are anticipating contracts for items such as electric lifts, standard manual wheelchairs and walkers.)
Response: SAC is working with the Program Office/Prosthetic POCs to mitigate any lapse in contract coverage. Vendors are encouraged to continue to monitor FBO and/or GSA eBuy for any subsequent information.

30. Please address the relationship/impact of the MSPV program on the Federal Supply Schedule program. How does the order process differ between the two programs? What are expectations in terms of pricing? Is it true that in order to qualify to submit products for national contracts, the products must currently be on a FSS?
Response: The relationship/impact of the MSPV program on the Federal Supply Schedule (FSS) program. In accordance with FAR SubPart 8.4, and VAAR 8.002, items procured under the FSS will be prioritized and awarded to FSS Schedule Holders under a competitive environment. There is no change.

Order process difference between the two programs

Ordering will be conducted in accordance with established guidelines. This process will be further addressed under the MSPV-NG Contract and the accompanying 'Ordering Guide', which is still under development at this time.

Expectations in terms of pricing

There are two separate ongoing actions under the MSPV Program, the acquisition of the MSPV-NG Distribution Contract, and the establishment of BPAs, which are currently being established with prospective Suppliers to populate the MSPV Catalog. The MSPV Catalog will become the cornerstone for items available under the MSPV-NG Program. Pricing is addressed under each MSPV action, Distribution and Cataloging, separately. As the MSPV-NG Distribution is currently under active evaluations, no discussions under this topic will be

addressed under this response. Regarding the MSPV Cataloging effort, pricing will be sought with perspective Suppliers with the expectation of obtaining best price quotes through a competitive environment. Additional information regarding this topic can be found under each of the MSPV Cataloging Solicitation, which can be found on e-Buy.

31. Is it true that in order to qualify to submit products for national contracts, the products must be on a FSS?
Response: There are two parts to this response. Yes for FSS. In order to be considered for award of a BPA under the MSPV Cataloging FSS Program, the Schedule Holder, as well as the Schedule Holder's Product(s) must be included under the VA- FSS Program. However, MSPV-NG also allows for the award of Non-FSS items where they are not on the FSS schedule.

32. How long will/should it take to process product additions to FSS contracts?
Response: From recent conversation with the VA's National Acquisition Center, it is anticipated that this process could take from six to nine months.

33. Can the VA address lead time and any improvements to responding to mods, etc.?
Response: Lead times vary depending on the type of procurement action, and anticipated lead times can range anywhere from 60 calendar days to 260 days. The SAC intends to accelerate the time it takes to award and that is why we are soliciting the way we are currently.

34. Does the VA currently have the capability/resources to measure best value vs lowest price for complex medical devices for sole source awards?
Response: The high tech medical procurement program is coordinated through the NAC and is not anticipated to be part of MSPV. If an item is determined to be sole source, we will solicit it as such.

35. How is market research conducted for the MSPV program given the regions set-aside for small businesses?
Response: Market research is conducted in accordance with FAR and Agency guidelines. The MSPV Distribution set-asides are completely different than the MSPV medical Supplies BPAs. FSS medical supplies will be solicited full and open and Non-FSS medical supplies are applicable under Part 19. When identified, will be solicited as SB set-aside for manufacturers and then cascading.

36. How will new technologies be introduced into VA with PV?
Response: New items will be added to the MSPV Catalog provided they are included in VA FSS 65 and 66 or solicited though open market. These requirements are determined by the VHA Program Management Office as necessary for inclusion.

37. Will BPA's for products to be distributed by PV be single or multiple awards? If single how will VA account for surge and out of stock items?

Response: Medical products will be distributed on a single-award basis, in order to facilitate ease of use by a VA Ordering Officer. If there is a surge resulting in an item out of stock, the CO will approve a substitution.

38. Last week VA talked about establishing an "Amazon" like experience. Would the VA consider providing it through GSA Advantage?
Response: In the short term, each MSPV will have its own web-based catalog ordering system using the same MSPV product catalog. The long-term goal is to have one Government ordering portal to purchase supplies through MSPV.

39. What will happen in the interim if BPAs are not in place when the PV contract is awarded?
Response: We understand that additional items will need to be added to the catalog based on end user needs, and as those items are identified, we will be establishing BPAs.

General Industry Concerns:

Need to recognize the value of FSS pricing:
40. The VA needs to recognize that FSS pricing is excellent considering for most manufacturers they represent around 1% of the US health care sales for a manufacturer.
Response: Significant pricing discounts can be obtained by competition among Federal Supply Schedule holders in accordance with the FAR.

New technology impact:
41. New products will be delayed in reaching veterans and clinicians as a BPA would need to be established for PV access.
Response: No. Procurements can still be handled in accordance with the FAR to ensure there is no delay in the care of our Veterans.

Product backorders and recalls:
42. Sole sourcing results in a customer being vulnerable to product backorders and recalls.
Response: MSPV cataloging efforts for FSS items are being conducted in e-Buy on competitive basis.

Increase in Protests:
43. Award protests likely to increase when national level sole source BPAs are awarded.
Response: Noted by VA.

Impacts on Competition:
44. Businesses and manufacturers may choose to "No Bid" many new BPA categories as there is an inverse relationship to the amount of time and money to respond to a BPA (monitor compliance, submit quarterly reports, etc.) compared to the small amount of business generated

by volumes projected in many categories. Some BPAs currently being posted by the SAC are below $10,000 in value.
Response: Noted by VA. The VHA Program Management Office develops each requirement from historical data in the Medical Products Database. The MSPV Catalog will be based on aggregate needs, some high volume, and some low volume. The capability to facilitate smaller requirements may vary from prospective offeror to prospective offeror, therefore the decision to quote or not quote will be a business decision based on capability and level of risk absorption. The SAC tried to make the bid process as easy as possible so that vendors could respond to the RFQ without a large investment in the bid process. Also making this a mandatory use item should increase the usage by the VA.

NEXT GENERATION MSPV (NG-MSPV) CATALOG:

45. While some products can be considered interchangeable commodities, a large number of medical products currently procured from the MSPV are complex medical devices that have variations in clinical outcomes and FDS approvals. Only standardizing to one product in federal agencies usually values little other than price and rarely understands complex medical devices or impact on patient outcomes. Will there be a robust clinical involvement and thorough analysis to capture these clinical nuances which may not be captured by procurement staff that may not have experience with medical products? Will "best value" be considered versus LPTA? How are "Salient Characteristics" determined? We've seen many BPA's that have incorrect product numbers and descriptions and "salient characteristics" that do not match the product number and/or descriptions which is very confusing and is forcing a "No bid" as cannot get clarification from the SAC when requested via emails.
Response: The acquisition for complex medical devices will not be part of the MSPV. In regards to incorrect product numbers, descriptions and "salient characteristics" the SAC is working with the Program Office to try and come up with a suitable remedy in this matter. SAC will attempt to respond to all inquiries within 3 business days; however, depending on the complexity of the matter, the response could take longer. Please continue to identify discrepancies to the Contracting Officer so that the matters can be resolved.

46. Reducing access from approximately 430,000 MSPV line items to 6,000 will reduce timely access to most products to VAMC's, increasing contracting workloads, increasing inventory levels to protect against product outages, increasing Purchase Card use and could potentially lose the basic business value of the Prime Vendor program. How will the SAC address these potential unanticipated outcomes and, more importantly, how will the remaining 420,000+ product items be procured if they are not available through the MSPV?
Response: In addition to establishing and continually updating and adding to the MSPV Catalog, we are reducing the number of suppliers that provide the same items through standardization, but open market and other non-MSPV purchases are still available. VA is also moving away from credit card purchases to ordering using competed vehicles under prime vendor. We anticipate a period of transition to identify and establish BPA's for those items that are used by the facilities.

47. There are significant costs to VA and industry by sole sourcing to individual product line item as BPA's have compliance monitoring, quarterly reporting, etc. and many of the line item BPA's being posted have very low yearly dollar values, some less than $10,000. Many manufacturers may "opt-out" and strategically elect no to participate due to management costs and inefficiencies. How will the SAC re-evaluate line item BPA sourcing and consider product category sourcing?
Response: The VHA Program Management Office develops each requirement from historical data in the Medical Products Database. The MSPV Catalog will be based on aggregate needs, some high volume, and some low volume. The capability to facilitate smaller requirements may vary from perspective offeror to perspective offeror, therefore the decision to quote or not quote will be a business decision based on capability and level of risk absorption. The SAC tried to make the quote process as easy as possible so that vendors could respond to the RFQ without a large investment in the bid process. Also making this a mandatory use item should increase the usage by the VA.

NG-MSPV BPA:

48. Can you please clarify if the MSPV BPA pricing will only be available to VA facilities (as is the current practice) or to all federal government facilities? If all federal government facilities, could you please provide a complete listing of who can purchase from this contract?
Response: Yes, Other Government agencies will be allowed to utilize the MSPV Contract. Currently Indian Health Services and Bureau of Prisons have been identified.

49. The current VA NG-MSPV solicitation has the BPA reporting forms and Appendix C requiring more details than our company, as a manufacturer, can provide ie purchase order number, work order, etc. and the 30 day timing vs the standard 60 day timing for IFF payment and BPAs today. Attachment E says "Monthly Reporting Tool" and Section K refers to submitting quarterly report of sales. Please clarify that quarterly reports not monthly reports are requested. The FSS contract requirement for payment of IFF is 60 days after calendar quarter close. The BPA information would not be available within 30 days given the prime vendor and chargebacks. How can quarterly report of sales not later than thirty (30) calendar days be required when the FSS requirement is 60 days?
Response: Appendix C data is required for product identification to add items to the MSPV Catalog, and is not a monthly or quarterly reporting tool. Regarding monthly versus quarterly reporting, quarterly reporting is required. As for the 30 versus 60 days at the end of the quarter, we will amend the current solicitations to coincide with the 60 day FSS requirement.

50. The form in "Attachment E - BPA Monthly Reporting Tool" looks like it was developed assuming that the BPA awardee sells directly to VA facilities as detail is required for each individual order, such as the fields for PO number, task order/delivery order number. As a manufacturer selling through the VA Prime Vendors, we do not have visibility of this specific order information (i.e. task order/delivery order number and PO number) when Prime Vendors

submit rebate claims to our company. However, on the BPA awards that we currently hold with the VA, we do provide quarterly purchase volume information to the NAC on the NAC reporting tool. Would that information be sufficient for these BPA's?
Response: No, reporting on the NAC tool will not be sufficient if awarded a BPA, and we will expect an attachment E, Quarterly Report. However, as stated above we will amend the 60 days report submission. The reporting format for MSPV-NG is included in each solicitation.