

U.S. Department of Veterans Affairs
Office of Acquisition and Logistics



Chicago Federal Supply Schedule Forum
Summary Report

Submitted by:
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Ambit Group, LLC, a Service Disabled Veteran Owned Small Business, is a results-driven, strategic management consulting firm. We draw on proven methodologies and a commitment to our client's success to provide services and solutions that deliver meaningful, measurable and sustainable results.

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Executive Summary

VA Chicago Federal Supply Schedule Forum

When: Wednesday, October 19, 2011

Where: Crowne Plaza Metro Hotel, Chicago, Illinois

Number of Attendees: 93

Industry Breakout Groups

- 651B - Drugs, Pharmaceuticals, & Hematology Related Products
- 651IA - Medical Equipment & Supplies
- 651IC - Dental Equipment & Supplies
- 651IF - Patient Mobility Devices
- 65VA - X-Ray Equipment & Supplies
- 65VII - In Vitro Diagnostics, Reagents, Test Kits, & Test Sets
- 66III - Cost-Per-Test, Clinical Laboratory Analyzer
- 621I - Professional & Allied Healthcare Staffing Services
- 621II - Medical Laboratory Testing & Analysis Services

Key Findings

General

- Suppliers report VA is harder to work with than most other clients – including the General Services Administration (GSA) and the private sector.

Communications

- New communications tools such as the Federal Supply Schedule (FSS) Newsletter and the Web site were well received.
- Timeliness and a lack of communication from VA are the biggest complaints among Suppliers.
- Suppliers appreciate the 24-hour notification they receive, with an assigned Contract Officer (CO) indicated, after submitting their modifications. Confirmation response is quick and shows that modification was received and assigned.
- Communication is inconsistent
 - The quality of communications depends on the person or contract
 - Suppliers need feedback about timeline and process steps
- Communication of changes to pricing and items between National Acquisition Center (NAC) and VA Medical Centers (VAMCs) is poor
- Suppliers report pricing and information that is communicated through the NAC Web site is consistently inaccurate and out of date. The manual process required to pull information from spreadsheet is tedious and time consuming. Even the COs continuously have different prices than reflected on the paper price file.
 - The result is that the process takes longer for everyone, the buyers are getting the wrong price, and the pricing information is inconsistent with the CO's price.
- Communication is improving, and learning is taking place. However, communication is still not "good". The suppliers felt as though the current communication problems represent a lack of respect VA has with its suppliers.
 - Overall the participants have noticed an improvement in communication efforts by VA in the last year. They pointed out some new tools such as the newsletter that is sent out via email and also listed on the NAC Web site.

- Discussion of communication specifically dealing with new COs versus more experienced COs revealed that new COs were often more responsive with communication but lacked knowledge and experience.

Timeliness

- Participants acknowledged that there has been improvement in the timeliness and responsiveness of VA FSS staff. There is still variability in response times, and it depends on what CO you are assigned.
- Timeliness and a lack of communication from VA are the biggest complaints among Suppliers.
- Because they are unable to process things in a timely manner, COs routinely ask for retroactive modifications and price reductions. VA's inefficiency and the COs' slowness are putting an unfair financial burden on the supplier.

Consistency

- Suppliers continually find themselves dealing with COs that operate under their own rules, as opposed to FSS's regulations.
- There are mixed levels of accountability, responsiveness, and procedures across locations.

Process

- The conversation was better from a year ago. Suppliers were glad to see things are going back to the way they were – 1 point of contact cradle to close out on a contract.
- The timeline for modifications is too long.
 - Suppliers end up reimbursing the government too often due to modification delays.
- Contract modifications still take too long. One concern is that it appears that VA has more emphasis about getting companies on schedules rather than addressing modifications.
- Tracking customer data is problematic, especially for suppliers who only sell to the government
- Office of the Inspector General (OIG) and NAC should coordinate on pre-award audits.
- Suppliers consider cradle-to-closeout assignment of COs on contracts a positive change.
- VA needs to keep automating all aspects of the acquisition process.
 - Look at GSA for examples of how to automate well.
 - IT support is a significant issue.
- Forms are expiring, and there is a lack of standardization across schedules.
- Blanket Purchase Agreements (BPAs) are not posting to the right category. The Suppliers were aligned in their misunderstanding of how to use BPA through the NAC.
- There were a number of concerns about the involvement of legal staff (e.g., from the OIG) in the award process, particularly in audits. In particular, participants felt that as soon as legal was involved, the processes ground to a halt. Participants also perceived that the roles and responsibilities of VA Contracting and Legal staff were not clear or well coordinated.
- Information is inconsistent. A simplified process may make it easier for suppliers and VA.
- Simplify processes and forms.
- Set and understand the basic concepts of pricing (inflation and deflation).
- Why do companies have to start over after a ten year contract?

FedBid

- FedBid is too restrictive and limits competition. Direct manufactures cannot compete with the pricing guidelines. The result is authorized dealers are unable to respond, VA is losing suppliers, and VA is paying 3% more on equipment.
- Participants felt that the use of FedBid is confusing and may violate Federal Acquisition Regulation (FAR) provisions. Participants were very concerned about how this impacts suppliers who have gone through significant effort to get on FSSs.

Training

- Schedule holders want training
- Suppliers continue to be perplexed by the timelines that VA has for doing their work. As a result, they don't know how long is too long to wait before elevating an issue.
- Suppliers continue to face difficulties when adding new products and updating product or service pricing.

VA Personnel

- There is no ownership or accountability with COs and Contract Specialists (CSs).
- Confrontational COs are a common problem when working with VA FSS representatives. Most of the Suppliers cited this as a significant hindrance.
- New COs have enthusiasm and energy.

Recommendations

Communication

- A consistent stream of communications to suppliers, including new directives and announcing events, is needed to improve communication. The newsletter established was a step in the right direction.
- VA should create an electronic communication portal to display the status of modifications and contracts.
- Host more Industry Days to increase CO/CS interaction with suppliers (more 1-on-1 meetings). This will improve the working relationship between the CO's and suppliers and create a better more transparent business environment between VA and its suppliers.

Training

- VA must ensure proper CO training, with a focus on:
 - Roles and responsibilities.
 - Improving email and telephone response times.
 - Maintaining consistency across VA locations.
- VA should offer training to Suppliers to make them procurement professionals. The training should show vendors what a perfect submission looks like.
- As a part of the VA Acquisition Academy (VAAA) training, train CO's that modifications are just as important as getting on a schedule. One should not take precedence over the other.
- Add more supplier training tools to the VA Website.

Standardization

- VA should increase their use of checklists to ensure suppliers and COs know exactly what needs to be done during a contract modification or contract issuance process.
- Ensure that all communications channels are broadcasting the EXACT same information to ALL levels of the VA and its suppliers, thus ensuring the consistent communication of information.
- Clarification of BPA "rules" for suppliers would alleviate some misunderstanding on this contract type.
- There need to be Standard Operating Procedures (SOPs) for all COs to follow. If there are standardized policies in place, VA will get better results. VA should create a customer service SOP for COs and train them in best practice customer service.
- VA should standardize the rules for sales representatives in Veterans Health Administration (VHA) hospitals or make sure everyone understands the current rules. VA should follow the processes of civilian hospitals and accept civilian clearance/credibility for access to facilities.
- Create transparent contract milestones and reward systems to increase accountability among CO's and improve decision making on the part of CO's.

Modifications

- VA contracting office should categorize modifications so that simple requests are completed faster than modifications that are complex and extensive.

- Contract modifications are overwhelming, require too much data, and rarely make their 60-day turnaround time. VA should focus on improving the efficiency and timeliness of the contract modification process.
- Create a time limit for modifications
- Reduce the amount of forms and level of information required to submit a mod. This will help cut the workload of CO's and the suppliers by eliminating unnecessary paperwork.

Forms and Electronic Submission

- VA should communicate that there are new forms when they are available and promote more awareness. Vendors and suppliers should be notified of what changes were made to a form and for what reason. Changes should add value. Suppliers expressed a desire for implementation of a ticker indicating when the form will be revised or refreshed. VA should pursue automation of forms similar to GSA.
- VA should do away with FedBid and go back to FedBizOps and Ebuy.
- VA should have more automated processes; suppliers should always be able to pull the correct form.
- Facilitate the electronic delivery of contracts.
- Use the GSA e-buy system or develop a system that allows suppliers to see the status of modifications and offers.

Audits

- VA should adopt an audit process similar to that of GSA.
- VA should consider ways to move forward with contract awards or modifications when only a few products under a schedule may be of concern. This would allow suppliers to start providing the bulk of their products/services while working out issues with the remaining items. (This is especially important when handling price increases.)

Morning General Session: Introduction, SRM/FSS Update, and Survey

Introduction: VA FSS Forum

Associate Deputy Assistant Secretary for Acquisition and Logistics Programs and Policy, Maurice Stewart begins the morning session by explaining he is here on behalf of Mr. Glenn Haggstrom (Senior Executive Service (SES)) - VA Executive Director of the Office of Acquisition, Logistics, and Construction and Mr. Jan Frye (SES) - Deputy Assistant Secretary for the Office of Acquisition and Logistics, who were scheduled to appear at the forum but unable to attend. Mr. Stewart thanks everyone in attendance for helping transform the way the VA does business.

Goals of the forum; Why the forum is important:

VA is focused on accomplishing three goals by holding this form:

- Establish and foster a better relationship and better partnership with suppliers.
- Create an environment for an open dialogue.
 - VA wants an honest exchange of information.
 - VA is seeking continuous process improvement.

Mr. Stewart states last year the VA met with many of the suppliers in attendance, made adjustments to the VA's processes, and saw some improvements. Mr. Stewart explains the VA could not have made those needed adjustments without the feedback of the suppliers. VA is holding the FSS forum again to see what can be done to improve efficiencies, gain savings, and develop initiatives to better support the American Veteran.

Forum Agenda

Going over the agenda, Mr. Stewart explains each section briefly as follows:

- Introduction and open remarks
- Carol O'Brien will present updates that have occurred at the NAC
- Participant Survey
 - Gauge attending supplier perception of VA and VA progress.
- Break
- Breakout into facilitated sessions
- Lunch break
- Plenary Session – cross-group observations
- Ask the VA – Facilitated Question and Answer with VA Leadership
 - In attendance to help with the facilitated questions are Andrew Morgan and Leo Washington, who serve on Carol O'Brien's staff as senior supply associates.

Mr. Stewart provides an introduction into the briefing by giving some business demographics about the VA. This provides the suppliers with an idea of the dollar amount it takes to operate the VA. A key figure he draws the attention of the audience to is the \$24 billion spent in FY2010, which is projected to increase for FY2011. In order to ensure the VA is a good steward of tax payer dollars they have over 1,700 certified COs in the VA to execute those dollars. The VA is the second largest cabinet department with over 300,000 employees. The VA owns and operates the largest integrated hospital network in the world with 21 VISNS with over 800 community based out patients clinics.

Mr. Stewart covers the 16 greatest challenges facing the VA identified by Secretary Eric K. Shinseki that will transform the VA into a 21st century high-performing organization.

- Eliminate Veteran Homelessness
- Human Capital Improvement Plan
- Automate GI Bill Benefits

- Virtual Lifetime Electronic Records (VLER)
- Improve Veterans' Mental Health
- Veterans Relationship Management (VRM)
- Veterans Benefit Management System (VBMS)
- New Health Care Model
- Expand Health Care Access
- Systems to Drive Performance (Enterprise-wide Cost Accounting)
- Health Care Value
- Integrated Operating Model
- Research and Development
- Ensure Preparedness
- Health Informatics
- Strategic Capital Investment Planning Process

Roles of attendees, facilitators, VA representatives

The way to address these challenges and try to transform the department is through forums such as this FSS forum. Making the argument for why supplier satisfaction matters, Mr. Stewart conveys when the VA gets supplier involvement, there is a better value in what is trying to be achieved. The VA takes those ideas, turns them into requirements and incorporates them into the final product. Mr. Stewart explains these forums achieve a means to get better value in the product and decreases the cost of ownership throughout the life of the product.

Supplier Relationship Management (SRM) / FSS Update

Director of the FSS Service, Carole O'Brien explains that she was asked to talk today about the updates that have gone on in the NAC within the Office of Acquisition and Logistics in the last year and what changes will be happening in the future. Carol O'Brien communicates the mantra of her department is "Excellence is the gradual result of always striving to do better". The idea is that there will be controlled change within her department to make it easier for suppliers to get their contracts in place.

What is the NAC?

The NAC is the largest combined contracting activity within VA. It is responsible for supporting the healthcare requirements of VA as well as the needs of other Government agencies. The NAC solicits, awards, and administers VA's FSS and National Contract Programs including the acquisition and direct delivery of pharmaceuticals, medical/surgical/dental supplies, high technology medical equipment and just-in-time distribution programs.

Mrs. O'Brien went over the NAC organizational chart showing where the NAC fits into the VA. Mrs. O'Brien then explained the breakdown of the two main offices of the NAC.

- The Denver Acquisition and Logistics Center (DALC) handles items such as hearing aids and has a direct relationship with customers.
- The Hines, Illinois office hosts the FSS Service and National Contract Service.

The NAC was established in 1951 and is the largest VA contracting agency, with over 1900 contract vehicles, over \$14 Billion in annual sales – of that, \$10 billion flows through the FSS. The NAC is comprised of four services; FSS Service, National Contract Service, Business Resources Services, and the DALC.

What is the VA FSS Program?

Mrs. O'Brien explains that GSA has delegated authority to the VA via NAC to manage FSS for medical equipment and supplies, pharmaceuticals and allied and professional healthcare services.

Mrs. O'Brien covers the FSS Vision and Mission statements:

Vision Statement

To be the foremost source for quality healthcare products and services.

Mission statements

To provide world class healthcare products and services through performance excellence that is demonstrated by contractual competence, timeliness, innovations, and results-driven solutions while assuring accountability to our Federal customers and taxpayers.

Why Change?

Mrs. O'Brien communicates decisions to change are based on supplier feedback, employee focus groups, work studies, research of other contract shops (GSA), and brainstorming of experienced FSS Contract offices. Areas seeking improvements include contract quality and consistency, timelines across all schedules, overall knowledge of the FSS program, translation of resources to heavy workload times, and overall customer service. Transitioning resources in heavy workload times helps to share knowledge while managing workload and gaining efficiency. Customer service is showing signs of improvement; VA acquisitions personnel are getting better at responding to customers.

VA FSS FY 2011 Accomplishments

Mrs. O'Brien explains wonderful strides have been made in the last year to improve problem areas but there is still room for improvement.

- FSS helpdesk
 - 1 business day return
 - Phone calls – over 1500 phone calls answered
 - Emails over 3000 individual emails answered
 - Managed team of experts
 - Enhanced response protocols
 - Provide references materials, when appropriate
 - Provide hyperlinks, when appropriate
- FSS Proposal management
 - Assigned 639 proposals
 - Completed 696 award actions in 2011
 - 57% increase from 2010
 - OCT 2010 - Average duration of pending offers 227 days
 - OCT 2010 - Average duration of pending extension 176 days
 - SEP 2011 – Average duration of pending offers 165 days
 - SEP 2011 - Average duration of pending extension 137 days
- FSS modification management
 - Completed 5080 modifications
- Cradle to closeout CO assignment
 - The assigned specialist will handle any action supplier has on a current contract. Supplier can start rebuilding relationships with those individuals.
 - Modifications – FSS has evenly distributed high volume contract modifications.
 - Sales Estimated Value
 - Expiration Date
 - Non Complex

FSS is going to continue to review this to make sure that it is still managed well. VA must continue to keep itself timely. Mrs. O'Brien encourages suppliers to not suffer in silence and to voice their concerns with anyone working in her department as they are all knowledgeable professionals.

Signs of Progress

- Mrs. O'Brien explains the standardized forms will flow off contract clauses so changes to internal documents will help FSS and suppliers. Suppliers won't have a different experience if working on one schedule to the other.
- Comprehensive training programs are being provided by the FSS and have been conducted with employees and customers but they will soon be involving the supplier as well. FSS is looking into doing some live meetings with Vendors. Looking forward, Mrs. O'Brien shows how training programs will be expanded by adding the following:
 - Hands on workshops
 - Lecture Series
 - Will have basic and advanced
 - Supplier training
 - Updated FSS Home pages
 - Participation Social Media Sites – LinkedIn and researching the use of Facebook and Twitter.

651B: Drugs, Pharmaceuticals, & Hematology Related Products

Facilitator: Paul Cooper

Note Taker: Amy Clifford

Key Themes

- Timeliness and a lack of communication from VA are the biggest complaints among Suppliers.
- Because they are unable to process things in a timely manner, COs routinely ask for retroactive modifications and price reductions. VA's inefficiency and the COs' slowness is putting an unfair financial burden on the Supplier.
- Suppliers appreciate the 24-hour notification they receive, with an assigned CO indicated, after submitting their modifications. Confirmation response is quick and shows that modification was received and assigned.
- Suppliers continually find themselves dealing with COs that operate under their own rules, as opposed to FSS regulations.
- Confrontational COs are a common problem when working with VA FSS representatives. Most of the Suppliers cited this as a significant hindrance.
- There are mixed levels of accountability, responsiveness, and procedures across locations.

Recommendations

- There need to be Standard Operating Procedures (SOP) for all COs to follow. If there are standardized policies in place, VA will get better results. VA should create a customer service SOP for COs and train them in best practice customer service.
- VA should offer training to Suppliers to make them procurement professionals. The training should show vendors what a perfect submission looks like.
- VA must ensure proper CO training, with a focus on:
 - Roles and responsibilities.
 - Improving email and telephone response times.
 - Maintaining consistency across VA locations.
- Contract modifications are overwhelming, require too much data, and rarely make their 60-day turnaround time. VA should focus on improving the efficiency and timeliness of the contract modification process.
- VA should create an electronic communication portal to display the status of modifications and contracts.

65IIA: Medical Equipment and Supplies

Facilitator: Harold Gracey

Note Taker: Ben Rebach

Key Themes

- Communication is inconsistent.
 - The quality of communications depends on the person or contract.
 - Suppliers need feedback about timeline and process steps.
- Schedule holders want training.
- The timeline for modifications is too long.
 - Suppliers end up reimbursing the government too often due to modification delays.
- Tracking customer data is problematic, especially for suppliers who only sell to the government.
- OIG and NAC should coordinate on pre-award audits.
- Suppliers consider cradle-to-closeout assignment of COs on contracts a positive change.
- New COs have enthusiasm and energy.
- Communication of changes to pricing and items between NAC and VAMCs is poor.
- VA is harder to work with than most other clients – including GSA and the private sector.
- VA needs to keep automating all aspects of the acquisition process.
 - Look at GSA for examples of how to automate well.
 - IT support is a significant issue.

Recommendations

- Create guidelines and standards for external communications.
 - Communications can be as simple as acknowledgement of receipt.
 - Weekly status updates are recommended for activities taking longer than one week.
 - Enforcement should be uniform and backed by VA administration.
- Provide additional training tools for schedule holders in order to minimize the turnaround time for contract modifications, contract renewal, et cetera.
- Suppliers like contract-dedicated “cradle to closeout” COs.
 - Suppliers would like to see more contract-dedicated CORs and CSs.
 - Suppliers encourage partnering and mentoring over staff rotation or ‘pools’.
- Analyze and strengthen internal communications.
 - Focus on communications between contracting offices and regional hospitals and clinics.
 - Electronic communications tools – such as Contract Management System (CMS), shared servers, wikis, or custom systems - are recommended for communications from centralized locations to regional offices.
- Suppliers want more electronic tools, such as automated contract forms.
- Reduce the length of time required for contract modifications.
 - Suppliers have seen process improvement, but there is room for more.
 - Modification delays are still causing problems as products and prices continue to change during the modification delays – minimizing this problem is the goal of timeline reduction.

65IIA: Medical Equipment and Supplies

Facilitator: Leah Krynicky

Note Taker: Tony deFreitas

Key Themes

- FedBid is too restrictive and limits competition. Direct manufacturers cannot compete with the pricing guidelines. The result is authorized dealers are unable to respond, the Department of Veteran Affairs (VA) is losing suppliers, and VA is paying 3% more on equipment.
- Forms are expiring, and there is a lack of standardization across schedules.
- Pricing and information that is communicated through the NAC Web site is consistently inaccurate and out of date. The manual process required to pull information from spreadsheets is tedious and time consuming. Even the COs continuously have different prices than reflected on the paper price file.
 - The result is that the process takes longer for everyone, the buyers are getting the wrong price, and the pricing information is inconsistent with the CO's price.
- BPAs are not posting to the right category. The Suppliers were aligned in their misunderstanding of how to use BPA through the NAC.
- Communication is improving, and learning is taking place. However, communication is still not "good". The suppliers felt as though the current communication problems represent a lack of respect VA has with its suppliers.
 - Overall the participants have noticed an improvement in communication efforts by VA in the last year. They pointed out some new tools such as the newsletter that is sent out via email and also listed on the NAC Web site.
 - Discussion of communication specifically dealing with new COs versus more experienced COs revealed that new COs were often more responsive with communication but lacked knowledge and experience.

Recommendations

- VA should do away with Fed Bid and go back to FedBizOps and eBuy.
- VA should communicate that there are new forms when they are available and promote more awareness. Vendors and suppliers should be notified of what changes were made to a form and for what reason. Changes should add value. Suppliers expressed a desire for implementation of a ticker indicating when the form will be revised or refreshed. VA should pursue automation of forms similar to GSA.
- VA should start with the SIP (system input program) for posting pricing information to the Web site.
- Clarification of BPA "rules" for suppliers would alleviate some misunderstanding on this contract type.
- A consistent stream of communications to suppliers including new directives and announcing events is needed to improve communication. The newsletter established was a step in the right direction in terms of what suppliers need, but more is desired.
- VA should standardize the rules for sales representatives in VHA hospitals or make sure everyone understands the current rules. VA should follow the processes of civilian hospitals and accept civilian clearance/credibility for access to facilities.
- Make it easier to build a relationship with VA representatives and put some kind of a time limit in place for modifications. What they are held responsible for should be determined.
- VA should have more automated processes; suppliers should always be able to pull the correct form.

65IIA: Medical Equipment and Supplies

Facilitator: Pat Tallarico

Note Taker: Andrew Carr

Key Themes

- Participants acknowledged that there has been improvement in the timeliness and responsiveness of VA FSS staff. There is still variability in response times, and it depends on what CO you are assigned.
- There were a number of concerns about the involvement of legal staff (e.g., from the Office of Inspector General) in the award process, particularly in audits. In particular, participants felt that as soon as legal was involved, the processes ground to a halt. Participants also perceived that the roles and responsibilities of VA Contracting and Legal staff were not clear or well coordinated.
- Participants felt that the use of FedBid is confusing and may violate FAR provisions. Participants were very concerned about how this impacts suppliers who have gone through significant effort to get on FSSs.
- Suppliers continue to be perplexed by the timelines that VA has for doing their work. As a result, they don't know how long is too long to wait before elevating an issue.
- Suppliers continue to face difficulties when adding new products and updating product or service pricing.
- New communications tools such as the FSS Newsletter and the Web site were well received.

Recommendations

- VA should adopt an audit process similar to that of GSA.
- VA should consider ways to move forward with contract awards or modifications when only a few products under a schedule may be of concern. This would allow suppliers to start providing the bulk of their products/services while working out issues with the remaining items. (This is especially important when handling price increases.)
- Facilitate the electronic delivery of contracts.
- VA should increase their use of checklists that will help suppliers and COs know exactly what needs to be done during a contract modification or contract issuance process.
- Use the GSA e-buy system or develop a system that allows suppliers to see the status of modifications and offers.
- Add more supplier training tools to the VA Website.
- VA contracting office should categorize modifications so that simple requests are completed faster than modifications that are complex and extensive.

65IIC: Dental Equipment & Supplies, 621II: Medical Laboratory Testing & Analysis Services, 65VII: In Vitro Diagnostics, Reagents, Test Kits, & Test Sets

Facilitator: Doug Black

Note Taker: Dan Palcic

Key Themes

- There is no ownership or accountability with COs and CSs.
- Contract modifications still take too long. One concern is that it appears that VA has more emphasis about getting companies on schedules rather than addressing modifications.
- Simplify processes and forms.
- Information is inconsistent. A simplified process may make it easier for suppliers and VA.
- Why do companies have to start over after a ten year contract?
- Set and understand the basic concepts of pricing (inflation and deflation).
- The conversation today was better than what took place a year ago. Suppliers are glad to see things are going back to the way they were – 1 point of contact from cradle to close out on a contract.

Recommendations

- Ensure that all communication channels are broadcasting the EXACT same information to ALL levels of the VA and its suppliers, thus ensuring the consistent communication of information.
- As a part of the VAAA training, train CO's that modifications are just as important as getting on a schedule. One should not take precedence over the other.
- Create transparent contract milestones and reward systems to increase accountability among CO's and improve decision making on the part of CO's.
- Reduce the amount of forms and level of information required to submit a modification. This will help cut the workload of CO's and the suppliers by eliminating unnecessary paperwork.
- Host more Industry Days to increase CO/CS interaction with suppliers (more 1-on-1 meetings). This will improve the working relationship between the CO's and suppliers and create a better more transparent business environment between VA and its suppliers.

Breakout Group Reports

621I: Professional & Allied Healthcare Staffing Services (Brian Baker)

- Participants expressed a need for the National Acquisition Center (NAC) to operate, in part, as an advocate for VA suppliers when working to renew a Federal Supply Schedule (FSS) contract.
- Establishing an in-house VA process for applying for a FSS would be advantageous to VA suppliers as well as VA contracting operations.
- Assigning dedicated VA resources who are experts in the FSS contract renewal process would help reduce the renewal timeframe.
- Participants believe that contract ceiling price requirements are irrelevant, and will ultimately cost the government more money.
- Interpretation of the Federal Acquisition Regulation (FAR) is inconsistent from one Contracting Officer (CO) to the next.
- Forum participants suggested that VA adopt a checklist when developing a statement of work.
- VA suppliers are often uncertain if the information submitted during a Sources Sought or Request for Information (RFI) solicitation was used in the development of the subsequent Request for Proposal (RFP).
- Post contract award, VA bidders are often not notified of the awarded contractor.
- In the medical staffing industry, doctors often experience extensive background investigations when being considered for placement. The result of this is that doctors will pursue other opportunities while under investigation, and the veteran will not receive care from the best practitioners.
- With regards to the medical staffing industry, VA will solicit short term requirements which cause an increase in doctor/nurse turnover.

65IIC: Dental Equipment & Supplies,

621II: Medical Laboratory Testing & Analysis Services,

65VII: In Vitro Diagnostics, Reagents, Test Kits, & Test Sets (Doug Black)

- The VA newsletter as well as the redesign of the official website has been helpful.
- More VA contracting resources should be dedicated to assisting the supplier in getting on a FSS rather than applying those resources to help suppliers stay on a schedule.
- Pricing paperwork forms and templates in MS Excel format are often inconsistent with the information and requirements requested by VA.
- Forum participants question the method of VA acquisition personnel accountability. What is the consequence for VA contracting staff for missing their established milestones in respect to obtaining a FSS, renewing a FSS, retuning a contract modification, et cetera?

65IIA: Medical Equipment and Supplies (Leah Krynicky)

- The FedBid procurement channel has been pushed upon suppliers without proper introduction or training.
 - FedBid requires a 3% service fee to all submitted bids.
 - By using FedBid, VA is losing the ability to reach certain suppliers, thus reducing competition and potential innovation.
- VA contract form versions expire regularly and lack standardization. VA should work to better communicate forthcoming form changes. Participants believe that the ultimate goal for VA should be to transition to an automated process for contract forms.
- Participants would like VA to clarify exactly how Blanket Purchase Agreements (BPA) are supposed to function.
- Participants stated that VA communications and responsiveness has improved but is not optimum.

- Participants still perceive a lack of respect and a combative attitude from Contracting Officers and Contracts Specialists (CS).
- Rules of engagement and regulations for sales representatives should be standardized and communicated across the supplier community.

65IIA: Medical Equipment and Supplies (Pat Tallarico)

- New communications tools such as the FSS Newsletter and the web site were well received.
- Using an assigned contract modification tracking number has been helpful.
- Suppliers continue to be perplexed by the timelines that VA has for doing their work. As a result, they don't know how long is too long to wait before elevating an issue.
- Suppliers continue to face difficulties when adding new products and updating product or service pricing.
- Participants felt that the use of FedBid is confusing and may violate FAR provisions. Participants were very concerned about how this impacts suppliers who have gone through significant effort to get on Federal Supply Schedules.
- Participants acknowledged that there has been improvement in the timeliness and responsiveness of VA FSS staff. There is still variability in response times, and it depends on what CO you are assigned.

65IIA: Medical Equipment and Supplies (Harold Gracey)

- Suppliers experience inconsistencies in communication and CO responsiveness.
- Participants recommended additional training tools for schedule holders in order to minimize the turnaround time for contract modifications, contract renewal, et cetera.
- Reassignment of a dedicated "cradle to closeout" CO has been a favorable change.
- Participants reported having great experiences with new/junior CO's. They are energetic and hard working.
- Participants detected a lack of communication between the NAC and regional hospitals with regards to supplier price changes.
- Suppliers expressed the need for an automated contract form process.
- Much of the forum conversation was centered around the contract modification process. Suppliers stated that although the process has improved, it is still much too slow.
- It is very hard to navigate through the process of getting on a schedule.

65IIB: Drugs, Pharmaceuticals, & Hematology Related Products (Paul Cooper)

- When the VA contracting processes do not move at a reasonable pace, it often places the burden back on the supplier.
- Participants reported positive communication changes, in particular with the adoption of sending an email conformation that a contract modification has been received by VA.
- VA suppliers recommend using a portal or online application to allow them to view contract modification status.
- Certain participants reported confrontational attitudes from VA CO's.
- CO's are often inconsistent when requesting information and communicating process, and are perceived to "make their own rules."
- Participants recommended additional training tools for schedule holders in order to minimize the turnaround time for contract modifications, contract renewal, et cetera.

Plenary Session Questions and Answers

Please explain the use of FedBid. Is it compliant with the Federal Acquisition Regulation?

The use of FedBid was not released by a Sr. Procurement Executive. VA acknowledges that there is a problem with FedBid and VA leadership is getting involved with the resolution.

What is the difference between a contract extension and a contract renewal?

A contract extension will extend an active contract for up to 120 days. A contract renewal is just that; a new negotiated contract with a 5 year base period.

How early do you recommend starting the contract renewal process?

VA recommends starting the renewal process 1 year before the current contract is scheduled to expire. Contracts with fewer line items will be processed in less time than larger contracts.

If a contract extension is simply an extension of a current contract, why must the supplier provide all of the information required in the contract renewal packet?

VA requires the information in order to make a determination of fair and reasonableness. VA also uses the information to verify that the supplier is in good standing with the Department.

If a suppliers contract is set to expire in 1 year, at what point does the audit process start?

When the supplier's contract renewal packet is submitted, VA will make the determination if an audit is needed.

How does the VA enforce the purchasing of materials off of FSS vs. Open Market?

Stemming from an OIG report developed two years ago, there are audit systems put in place. VA has a requirement to use products on the FSS. If the VA is looking to procure through open market, contracts personnel must provide a thorough justification of why.

What rules are followed with regards to contractor furnished equipment when it comes to FSS contracts? Do "total solutions" procurements have to follow FAR guidelines?

Yes, total solutions must adhere to FAR guidelines.

How does the VA plan to address the need for transparency and improved tracking of contract modifications?

All modification requests are funneled through the VA help desk, where a priority code is set based on which modification request can be completed quickly. The supplier should follow up with the VA CO's after reasonable timeline expectations have been exceeded.

How will VA address outdated, changing, and inconsistent contract forms?

These forms have not changed; however, some forms are very outdated. VA is working to update and remove the inconsistencies of contract forms.

Where is the best place to find updated forms?

VA recommends that the supplier get the forms from both the VA website as well as the CO.

Will VA consider using a portal or online application to allow suppliers and CO's to check and update contract and contract modification status?

Yes, the system that the General Services Administration (GSA) currently uses is similar to what VA will be looking into.

Does VA expect and changes with respect to public law and pharmaceuticals?

VA does not foresee any major changes that will affect VA suppliers other than receiving a public law letter.

Afternoon Survey Session

Forum attendees were presented a comparison of their in-forum survey responses compared to response data from the Supplier Perception Survey. Demographic data was similar, but perception results from attendees trended more towards negative responses.

Possible causes for the difference in survey results were discussed, with theories being:

- Attendees – as indicated by their presence - are more proactive.
- Suppliers who have issues are more likely to attend the forum.

Closing

Maurice Stewart closes the forum with the following:

Thank you for your participation and feedback today. Successful collaboration is very rare. Toyota, Proctor and Gamble, and Harley Davison handle this well. Hundreds of others have tried and failed.

We have to keep this going. We need to streamline our processes, turn these into efficiencies for the 16 Greatest Challenges. We cannot do this without you. This is a continuous process of improvement and a best practice.

Slides will be posted next week. We need feedback; we like to know who is performing well so they can provide a positive example.

The leadership is very serious about turning supplier perception around. Sec. Shinseki turned the Army around, and Gould saved IBM. I thank you on behalf of them.

APPENDIX A: Agenda

Time	Description
8:30 am	<p>Introduction</p> <ul style="list-style-type: none"> Welcome Goals of this forum; why it's important Forum Agenda Roles of attendees, facilitators, VA representatives
8:45 am	<p>SRM/FSS Update</p> <p>Presentation followed by Question & Answer session</p> <ul style="list-style-type: none"> Overview of NAC/FSS changes: Its goals and actions to date Signs of progress Additional challenges ahead
9:30 am	<p>Participant Survey</p> <p>Ambit will conduct a brief survey to assess participant demographics and perceptions</p>
9:45 am	BREAK
10:00 am (including 10 minute break)	<p>Facilitated Breakout Session</p> <ul style="list-style-type: none"> Get specific feedback about specific FSS activities/initiatives over the past year – work with NAC leadership to identify specific questions/prompts Thoughts or impressions about working with FSS <p>Possible Prompts</p> <ul style="list-style-type: none"> How would you characterize your experiences? What have been some of the high points? The low points? What changes have you observed (if any) over the past 12 months? What has gotten better? In what ways? What has gotten worse? In what ways? Feedback on the stages of the FSS business process <p>Possible Prompts</p> <ul style="list-style-type: none"> How could VA/FSS do a better job?
12:15 pm	LUNCH (participants on their own)
1:30 pm	<p>Plenary Session: Breakout Groups Report</p> <ul style="list-style-type: none"> Facilitators report back on the morning breakout sessions. <p>Facilitated discussion</p> <ul style="list-style-type: none"> Where are the places VA seems to be making progress? Which remaining challenges do you think are most significant? What approaches/solutions would be most promising? What other information would help VA?
2:45 pm	BREAK
3:00 pm	<p>Ask the VA</p> <p>Question and answer session with panel of VA leaders</p>
4:15 pm	<p>Survey Results Report Out</p> <p>Report to group on survey results (both MSU Supplier Perception Survey NAC specific results and participant questionnaire). Note interesting points of convergence and points of departure.</p>
4:30 pm	<p>Winding Down</p> <ul style="list-style-type: none"> Next steps Feedback on this summit; ideas to improve future forums Final thoughts Adjourn
4:45 pm	<p>Networking Reception</p> <p>Informal networking opportunity.</p>

APPENDIX B: Attendee List

Last Name	First Name	Organization or Agency
Adkinson	Dara	Delta-T Group, Inc
Anderton	Michael	Quest Diagnostics
Beauchamp	David	Harris Medical Associates, LLC
Becker	Margaret	APP Pharmaceuticals, LLC
Beggs	Tracy	Cardinal Health
Bianchini	Matt	Sunovion Pharmaceuticals Inc.
Bodron	Michael	NovaSom, Inc.
Boughers	Peggy	Surgical Tools, Inc.
Brandt	Ronald	The Procter & Gamble Co
Brewer	Ray	Novo Nordisk, Inc
Chang	Yang	Ameritox, Ltd.
Cherri	Lila	Primis Healthcare Systems, Inc
Claus	Jodi	Precision Dynamics Corporation
Cohon	Scott	Breckenridge Pharmaceutical, Inc.
Cotton	Michael	Washington-Harris Group, Inc.
Danylyuk	Margaryta	Abbott Laboratories, Inc
Dretchen	Lou	Excellium Pharmaceuticals, Inc.
English	Kale	Kinetic Concepts, Inc (KCI)
Faig	Tom	G&W Laboratories
Force	David	CareFusion
Foster	Marla	ENOCHS Manufacturing Inc.
Fowler	Whit	Canon U.S.A. Medical Systems
Gardner	Darrell	Joerns LLC
Goldsberry	David	Cardinal Health
Hearne	Gretchen	Government Scientific Source, Inc.
Henry	Robert	ICU Medical, Inc.
Hensley	Dave	Cincinnati Sub-Zero
Herweck	Hal	Phoenix Textile Corporation
Howes	Teresa	Allergan
Ispording	Rich	Steelcase Inc.
Jackson	TJ	Buffalo Supply
James	Gregory	Beckman Coulter, Inc
Janisch	Jeff	Alliance Tech medical, Inc Affiliation
Johnson	Susan	Leica Microsystems, Biosystems Division
Johnson	Veronda	Medical Staffing Network Healthcare, LLC
Jones	Ryan	Buffalo Supply, Inc.
Juston	Amanda	Myriad Genetic Laboratories
Kavooras	Kelly	DSS
Kent	Steven	Academy Medical
Knutsen	Cathy	Siemens
Koonce	Sherice	DAVA Pharmaceuticals, Inc.
Kumpfer	Mary	Cardinal Health
Landuyt	Theresa	Abbott Laboratories Inc.
LeBaron	Lori	Tetra Medical Supply
Lender	Valarie	UDL Laboratories, Inc.
Leonowitz	James	Cardinal Health
Lewis	Scott	Stryker Orthopaedics Affiliation
Loonan	Seth	Authentidate Holding Corp.

Maisel	Len	McKesson
Matus	Daniel	HealthCare Partners, Inc.
McClain	Aaron	KCI Affiliation
McConnell	Mindy	The KaVo Group
McKinney	Lee	KCI
Milewski	Lech	
Miller	Justin	NovaSom, Inc.
Miller	Neal	Jubilant Cadista Affiliation
Millett	Calvin	Staff Care, Inc.
Nickelson	Trudy	Bausch & Lomb
O'Connor	Michael	The Colonial Group
Osterman	Mark	Covidien
Ostrowski	Sandra	Leica Microsystems
Paddock	Laurie	Quest Diagnostics
Patel	Guvent	Excellium Pharmaceutical, Inc.
Puchan	Joe	STERIS Corporation
Ritter	Eugene	Data Management & Reporting, Inc.
Ruffolo	Diana	APP Pharmaceuticals
Sinke	Brad	Delta-T Group, Inc
Skaug	Fran	UDL Laboratories, Inc.
Small	Stacey	DENTSPLY International
Smart	Tejas	TrillaMed LLC
Smith	Roy	Novartis OTC
Sollazzo	Paula	Philips Healthcare
Sonnenfeld	Martin	Prairie View Industries
St Leger	John	Marathon Medical Corporation
St Leger	Lyn	Marathon Medical Corporation
Striegel	Rick	Humana Military
Suckle	Mark	Vital Images
Sweeney	William	DHL Global Mail
Tapia	Lyddane	Encompass Group Affiliation
Thomas	Janice	Gilead Sciences, Inc.
Torio	Coady	Jordan Reses Supply Co.
Turone	Mike	Kirby Lester, LLC
Tyler	Ken	Encompass Group Affiliation
Walters	Brenda	3M
Watanabe	Mark	Beckman Coulter, Inc.
Waverek	Mark	DHL Global Mail
Weist	Ann	The Nurse Agency
West	Crystal	Medical Doctor Associates
Westbrock	Laura	CareFusion
Westcott	Michael	Veterans Medical Supply, Inc.
Wright	Tom	KCI
Zahler	Melanie	3M Company

APPENDIX C: Focus Group Protocols

Morning Session: Facilitated Breakout Session

Thoughts or impressions about working with VA: Prompts

- How would you characterize your experiences?
- What have been some of the high points? The low points?
- What changes have you observed (if any) over the past 18 months (Since the SRM Initiative began)?
- What has gotten better? In what ways?
- What has gotten worse? In what ways?

Feedback on the Acquisition Business Process: Prompts

- RFI / RFP: When you look at the way VA considers bids and proposals, what would you say works and what doesn't work?
- Bids / Proposals: When you look at the way VA administers its awards and kickoffs, what would you say works and what doesn't work?
- Award and Kickoff: When you look at the way VA administers its awards and kickoffs, what would you say works and what doesn't work?
- Delivery: When you look at the way VA administers the delivery of its contracts, what would you say works and what doesn't work?
- Contract Modifications: When you look at the way VA administers its contract modifications, what would you say works and what doesn't work?
- Closeout: When you look at the way VA administers the closeout of its contracts, what would you say works and what doesn't work?

Industry Discussion

- How could VA do a better job? What practices from other agencies might VA adopt?

Develop a group list of questions to be posed to VA staff during 1:30 Report Out session.

Afternoon Session

The afternoon session consisted of the following presentations:

- Plenary Session: Report from Breakout Groups and Cross-Group Observations
A group plenary session in which Facilitators reported on findings from the morning breakout sessions, highlighting significant challenges and promising solutions.
- Participant Survey:
Provided feedback on this summit and ideas to improve future forums.

Closing Remarks and OALC Leadership Question and Answer Session

OALC leadership hosted a question and answer session with all participants at the conclusion of the SRM Forum.

APPENDIX D: Acronyms

Acronym	Definition
BI	Background Investigation
BPA	Blanket Purchase Agreement
CMS	Contract Management System
CO	Contract Officer
COR	Contract Officer's Representative
CS	Contract Specialist
CSP	Commercial Sales Practices
DALC	Denver Acquisition and Logistics Center
DoD	Department of Defense
FAQ	Frequently Asked Questions
FAR	Federal Acquisition Regulation
FCP	Federal Ceiling Pricing
FSS	Federal Supply Schedule
GPO	Group Purchasing Organization
GSA	General Services Administration
HSPD-12	Homeland Security Presidential Directive 12
IFF	Industrial Funding Fee
MFC	Most Favored Customer
NAC	National Acquisition Center
PA	Purchasing Agent
OIG	Office of the Inspector General
ORCA	Online Representations and Certifications Application
Q&A	Question and Answer
RFI	Request for Information
RFM	Request for Modification
RFP	Request for Proposal
SDVOSB	Service-Disabled Veteran-Owned Small Business
SES	Senior Executive Service
SKU	Stock-Keeping Units
SOP	Standard Operating Procedures
SOW	Statements of Work
SRM	Supplier Relationship Management
VA	Veterans Affairs
VAAA	VA Acquisition Academy
VAMC	VA Medical Centers
VBMS	Veterans Benefit Management System
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network
VLER	Virtual Lifetime Electronic Records
VRM	Veterans Relationship Management