

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



Chicago Federal Supply Schedule Forum, Day Two Report

Submitted by:
Ambit Group, LLC.
1895 Preston White Drive, Suite 220
Reston, VA 20191

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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

When: October 21, 2010

Where: Marriott O'Hare, Chicago, Illinois

Number of Attendees: Seventy-one representatives from forty-seven companies

Industry Breakout Groups

621I - Professional & Allied Healthcare Staffing Services

651B - Drugs, Pharmaceuticals, & Hematology Related Products

65IIA - Medical Equipment & Supplies

65IIA - Medical Equipment & Supplies

65IIA - Medical Equipment & Supplies

65IIC - Dental Equipment & Supplies and Other

Key Themes

General Comments

- Suppliers have noticed and are encouraged by the fact that the VA acquisitions department is making an obvious effort to improve.
- VA is constrained by their regulations.
 - Most Favored Customer (MFC) pricing and Indefinite Quantity/Indefinite Delivery (IDIQ) contracts do not seem to make sense.
 - General Services Administration (GSA) is moving away from the price reduction clause.

Communications

- The monthly Federal Supply Schedule (FSS) newsletter is helpful.
- The VA quarterly sales reporting system is effective.
- Communicating with VA is a constant problem.
 - Suppliers do not know who to contact for various needs.
 - The quality of communications began to decline with the National Acquisition Center (NAC) reorganization.
 - The VA help desk is unresponsive.
 - Lack of communication between the VA and suppliers results in suppliers who are unfamiliar with the structure of the NAC and its processes.
- Suppliers have noticed some minor improvement in VA feedback, especially involving awards, but feel there is still a lot of progress to be made.
- Each Veterans Integrated Service Network (VISN) seems to be a separate entity with separate rules, regulations, and processes.
- There is a need for a single, responsive VA Point of Contact (POC).
 - There is a severe lack of personal service by the VA.

- Return call timing is crucial. VA staff should work to be more attentive and to answer phone calls from the supplier. Voicemail is ineffective.

Training

- The contracting workforce needs training on policies, legislation, processes, prioritization, and scenarios.
 - Contracting Officers (COs) often do not seem to know the schedule.
 - The VA staff needs additional contract negotiation training.
- The GSA should serve a model as they seek to help the supplier with contract renewal, which takes about 9 days.

Processes

- Delays have increased in the past year.
 - Everything was smooth and quick before the NAC reorganization; now suppliers cannot get things done.
 - Processes that used to take weeks to complete now take months.
 - Getting on schedule, making modifications to contracts, and other tasks in the acquisitions process take longer to complete than they do for other clients.
 - Paperwork just sits. Government has no deadline to turn anything around.
 - Government expects suppliers to jump when they are ready.
 - Delays often seem due to poor communication and poor education.
 - Suppliers spend a large amount of time correcting VA staff errors and oversights.
- A supplier should not have to hire consultants to help them understand how to get on a schedule.
 - New COs have been assigned who do not have enough experience to help a supplier get on a schedule in a reasonable amount of time.
 - The VA does not share the same sense of urgency when it comes to the supplier contract renewal process.
- Other suppliers report COs who are helpful explaining the process to get on a schedule.
 - Some COs have a lot of knowledge about processes and procedures.
 - Process timing is still very slow.
- Multiple points of contact for each contract results in COs who are not knowledgeable about the suppliers' businesses.
- In some instances, the process of getting on a FSS is simple.
 - There is a service through the Small Business Administration (SBA) that will help a supplier follow the appropriate steps.
- Requests for Proposal (RFPs) are unclear and do not include all of the appropriate requirements.
 - COs often do not understand the product or the solicitation requirements.
 - RFPs include unclear, outdated, and inconsistent requirements and specifications.
 - The VA requires a short turnaround time to respond to RFPs.
- VA seems to change the requirements of a solicitation to meet their socioeconomic goals.
- The supplier would like to know if the work was awarded, to whom, and for what price.

- Kick off meetings are effective.
- Automatic extension can be a helpful tool.
- The updated “Request for Modification” forms are much easier to complete.
- The contract modification process has suddenly dropped off. The suppliers are not getting the support they need to renew or modify a contract.
 - The contract modification process is cumbersome and prolonged resulting in a loss of time and money for both VA and suppliers.
- The new payment system is very efficient. The previous payment system was very frustrating.
- It is possible to go over the head of a non-performing CO to his/her superior, but this approach seems risky to suppliers.
 - This approach also defers responsibility from the NAC to police its own systems and shifts that responsibility to the supplier.
- If there is to be a post-award audit, eliminate the pre-award audit since it's redundant.
- There is no clear method of escalation within the acquisition process to resolve many of these issues.

Recommendations

Communications

- COs should participate in these forums or similar events. Suppliers are interested in hearing their frustrations.
- Create a full contact list of people responsible for each area.
 - Suppliers prefer a single POC that is held accountable for the lifespan of the process.
 - If NAC will not return to single POC, they should start keeping files on suppliers to save time spent reeducating new COs.
 - The NAC could have COs specialize in certain schedules.

Training

- VA should provide education to all stakeholders.
 - The acquisitions process should be well-defined and well-communicated.
 - Education of stakeholders will benefit the VA by reducing the time wasted on the question and answer (Q&A) period, corrections, and modifications during the acquisitions process.
 - Suppliers would like to be involved in the education process, to provide their insight for the education of VA internal stakeholders.
 - Retrofit education to COs in field. Professionalize the position, instead of having homegrown, individualized employees.
- VA needs to take a firmer stance on how regulations are interpreted.
 - VA should modernize regulations in light of today's global business.
 - These interpretations must be communicated to all stakeholders.

Roles and Responsibilities

- VA should establish a forward-looking Human Resources (HR) program geared to CO/ Contract Officer's Technical Representative (COTR) career development.

- Redefine the Inspector General (IG). They should get in a more support role, not deciding role.

Process

- The VA should reach out to the Department of Defense (DOD) to understand their processes within the Defense Acquisition Performance Assessment (DAPA).
- Suppliers would like an Industry Advisory Council (or panel) for each schedule.
- VA should streamline the acquisitions process.
 - A streamlined acquisitions process will benefit the VA by reducing the time required for suppliers to complete the acquisitions process and provide delivery.
 - VA should provide electronic submission of data to a single database available to all appropriate VA departments.
- VA should establish a support structure for COs.
 - VA should establish COTR(s) per schedule as a resource for general-purpose COs.
- VA should establish metrics and hold employees accountable for meeting these metrics.
 - VA staff need accountability and set deadlines.
 - VA should provide incentives for employees meeting these metrics.
 - Processing modifications should be a priority.
- Create an easily accessible process document
- VA should utilize a multi-disciplinary team approach, grouping COs of several experience levels together with Subject Matter Experts (SMEs) for support and informal mentoring.
 - Use existing specialty COs to train universal COs.
 - When experienced members of a team get promoted, other team members will already be associated with their role and the products and suppliers involved.
 - Alternatively, VA could have senior contracting personnel be involved in direct negotiations, and leave junior personnel for administrative activities.
- COs should communicate with the end user about specific products they are purchasing.
- VA should utilize pre-solicitation conferences.
- VA should utilize GSA E-Mod.
- There should be more transparency in the modification process.
 - Publish meaningful standards of requirements for modifications.
 - There should be a secure website that shows where the modifications are in the process and how long they have been there
- The NAC should direct the harder modifications towards more experienced staff.
- The supplier should be on site when the product is delivered to the VA customer.
- VA should provide feedback on supplier performance. Suppliers want to know VA perspective on their performance

621I - Professional & Allied Healthcare Staffing Services

Facilitator – Chris Durney

Note taker – Ben Rebach

Key Themes

- Suppliers have noticed and are encouraged by the fact that the VA acquisitions department is making an obvious effort to improve.
- The monthly FSS newsletter is helpful.
- The new payment system is very efficient. The previous payment system was frustrating.
- Getting on schedule, making modifications to contracts, and other tasks in the acquisitions process take longer to complete than they do for other clients.
 - Delays seem to have increased in the past year.
 - Delays often seem due to poor communication and poor education.
 - Suppliers spend a large amount of time correcting VA staff errors and oversights.
- COs often do not seem to know the schedule.
- Communicating with VA is a constant problem.
 - Suppliers do not know who to contact for various needs.
 - The quality of communications began to decline with the NAC reorganization.
 - The VA help desk is unresponsive.
- Each VISN seems to be a separate entity with separate rules, regulations, and processes.

Recommendations

- VA should provide education to all stakeholders.
 - Education of stakeholders will benefit the VA by reducing the time wasted on the Q&A period, corrections, and modifications during the acquisitions process.
 - Suppliers would like to be involved in the education process, to provide their insight for the education of VA internal stakeholders.
 - Retrofit education to COs in field. Professionalize the position, instead of having homegrown, individualized employees.
- VA should streamline the acquisitions process.
 - A streamlined acquisitions process will benefit the VA by reducing the time required for suppliers to complete the acquisitions process and provide delivery.
- VA needs to take a firmer stance on how regulations are interpreted.
- Suppliers would like for COs to participate in these forums or similar events. Suppliers are interested in hearing their frustrations.
- Suppliers would like an Industry Advisory Council (or panel) for each schedule.
- VA should establish a support structure for COs.
 - VA should establish a technical representative(s) per schedule as a required resource for general-purpose COs.
- VA should establish a forward-looking HR program geared to COTR career development.
- VA should establish metrics and hold employees accountable for meeting these metrics.
 - VA should provide incentives for employees meeting these metrics.

651B - Drugs, Pharmaceuticals, & Hematology Related Products

Facilitator – Paul Cooper

Note Taker – Dan Palcic

Key Themes

- Everything was smooth and quick before the change; now suppliers cannot get things done. Modifications that used to take a week to complete now take up to six months. The NAC is sometimes so slow that they force suppliers to update their paperwork because it's become outdated while it's stuck in NAC's red tape.
- Communication from the NAC is terrible: Suppliers can't seem to reach anyone who can help!
- NAC should triage their modification requests, so more complex or arcane topics are handled by more experienced COs, and/or so most urgent modifications are fast-tracked. Another approach: Have COs work in subject area teams, allowing experienced COs to mentor newer employees until they learn the specific challenges of each part of the schedule.
- NAC should promise to handle modifications within 14 days.
- It is possible to go over the head of a non-performing CO to his/her superior (aka "elevating an issue"), but this approach seems risky to suppliers. It also defers responsibility from the NAC to police its own systems, and shifts that responsibility to the supplier.
- If there is to be a post-award audit, eliminate the pre-award audit since it's redundant.

Recommendations

- Simplify the process – What does the supplier need to do? Train the suppliers (they are willing to pay). If NAC gets forms filled out incorrectly, well train suppliers on what they are looking for.
- Create a list of people responsible for each area. A directory on who to go to for what. Suppliers used to be able to go to one specific person. That person knew the supplier and was familiar with what was going on (like your own a doctor)). Now the paper work goes to numerous people. Suppliers would love to go back to the way it was (one dedicated person).
- The NAC should have a slower learning curve for some of the more difficult mods. Divide the work up so the harder work can be done by more seasoned folks.
- Redefine the IG's role. They should get in a more support role, not deciding role.
- Create a team approach of experienced and less experienced staff that all learn and know the process, so when experienced member gets promoted, another team member can easily fill their shoes.
- Lower the work load on COs by hiring more COs.
- There needs to be a single POC that is held accountable for the lifespan of the process. Every supplier needs a POC for solicitations and mods.
- If no single POC, start a file so supplier doesn't have to keep telling the same story over and over to different people. This is a big waste of time.

- A question about accountability is do the employees have any motivation? What's their source of motivation? They need to understand that they play a part in saving patients lives (supplying pharmaceuticals, med supplies, etc.). Maybe the NAC needs to revisit how they are evaluated.
- The end user is also having trouble getting through, not just the supplier. Formulary needs to be looser so more products can be available. Ease up on how the user can get information about product.
- Create something similar to the GSA Quality Partnership Council. It allows communication with the CO and lets the CO see the need of what they do.
- The NAC should have COs specialize in certain schedules.
- Why are there not any deadlines? They need deadlines to turn stuff around.
- The NAC need to make processing mods a priority. They should model their contracting procedure to the GSA.
- It would be helpful to get feedback on what the supplier can improve on. The supplier does not know if they have done a good job.
- Communicate with the end user about specific products they are purchasing. Currently, the NAC will pull a product without consulting the end user first.

65IIA - Medical Equipment & Supplies

Facilitator – Pat Tallarico

Note Taker – Andrew Carr

Key Themes

- There is a need for a single, responsive VA POC.
 - There is a severe lack of personal service by the VA.
 - Return call timing is crucial. VA staff should work to be more attentive and to answer phone calls from the supplier. Voicemail is ineffective.
- A supplier should not have to hire consultants to help them understand how to get on a schedule.
 - New COs have been assigned who do not have enough experience to help a supplier get on a schedule in a reasonable amount of time.
 - The VA does not share the same sense of urgency when it comes to the supplier contract renewal process.
- In some instances, the process of getting on a FSS is simple.
 - There is a service through the SBA that will help a supplier follow the appropriate steps.
- The VA staff needs additional contract negotiation training.
 - The GSA should serve a model as they seek to help the supplier with contract renewal, which takes about 9 days.
- Automatic extension can be a helpful tool.
- The updated “Request for Modification” forms are much easier to complete.
- The VA seems to change the requirements of a solicitation to meet their socioeconomic goals.
- COs often do not understand the product or the solicitation requirements.
- RFPs are unclear and do not include all of the appropriate requirements.
 - RFPs include unclear, outdated, and inconsistent requirements and specifications.
 - The VA requires a short turnaround time to respond to RFPs.
- The supplier would like to know if the work was awarded, to whom, and for what price.
- Kick off meetings are effective.
- The VA quarterly sales reporting system is effective.
- The payment system by the VA works well.

Recommendations

- As a small business, a supplier must use a small business manufacturer. When this criteria cannot be met, the solicitation should be released full and open.
- The VA should utilize pre-solicitation conferences.
- The supplier should be on site when the product is delivered to the VA customer.
- When naming a favorite customer, use categories instead of actual customer name.
- Go paperless.
- Use GSA E-Mod.

65IIA - Medical Equipment & Supplies

Facilitator - Leah Krynicky

Note Taker - Ashley Davis

Key Themes

- COs at the NAC are helpful explaining the process to get on a schedule.
 - COs have a lot of knowledge about processes and procedures.
 - The timing is very slow.
- The contracting personnel you deal with on a daily basis don't have a lot of knowledge.
- Paperwork just sits. Government has no deadline to turn anything around.
 - Government expects suppliers to jump when they are ready.
- VA is constrained by their regulations.
 - MFC pricing and IDIQ do not seem to make sense. The GSA is moving away from the price reduction clause.

Recommendations

- Create a multi-disciplinary team with procurement people and product Subject Matter Experts (SMEs).
 - Alternatively, VA could have senior contracting personnel be involved in direct negotiations, and leave junior personnel for administrative activities.
- Single submission of data to a source that distributes it to all appropriate databases.
- Publish meaningful standards of requirements for modifications
- Start new personnel on less complex contracts
- Use specialty COs to train universal COs, so everyone understands each department.
- There should be accountability and set deadlines.
- Create an easily accessible process document
- Consider changing regulations in light of today's global business.
- Move toward GSA processes.
 - Many participants find GSA to be more responsive.
 - GSA modifications have been timely and successful.

65IIA - Medical Equipment & Supplies

Facilitator – Lou Kerestesy

Note Taker – Drew Poiter

Key Themes

- Lack of communication between the VA and suppliers results in suppliers who are unfamiliar with the structure of the NAC and its processes.
- Slow response times for questions and requests sent to the NAC by suppliers.
- Multiple points of contact for each contract results in COs who are not knowledgeable about the suppliers' businesses.
- Contracts awarded by the VA do not often take lowest prices into account.
- Considerable confusion about who the suppliers are supposed to be working with at the NAC.
- Contract modification process is cumbersome and prolonged resulting in a loss of time and money for both VA and suppliers.
- There is no clear method of escalation within the acquisition process to resolve many of these issues.

Recommendations

- The acquisitions process should be well-defined and well-communicated by the NAC.
- There should be one POC per contract so that the person understands the contract and the issues involved with that contract.
- There should be a secure website that shows where the modifications are in the process and how long they have been there (both for internal VA tracking and external supplier tracking).
- The VA should reach out to the Department of Defense (DOD) to understand their processes within the Defense Acquisition Performance Assessment (DAPA).
- There should be more transparency in the modification process.

65IIC - Dental Equipment & Supplies and Other

Facilitator – John Condon

Note Taker – Megan Dunn

Key Themes

- The contract modification process has suddenly dropped off. The suppliers need to constantly reach out to the government for support and they are not getting what they need to renew or modify a contract.
- The contracting workforce needs training on policies, legislation, processes, prioritization, and scenarios.

Recommendations

- The government should be responsible for asking the bidders' clients to submit past performance questionnaires. This government-to-government transaction may be more successful and less burdensome on the government than having contractors 'bother' their clients to fill out the questionnaires.
- VA should consider applying incentives for responsiveness to contractors; managers could ask customers how timely and supportive the VA was and 'grade' their supervisees.

Appendix A: Agenda

Time	Session
8:30 AM – 9:00 AM	Registration and Informal Interaction – Morning Beverages
9:00 AM – 9:30 AM	Opening Remarks in General Session Room – Chicago Ballroom D:
9:30 AM – 12:00 PM	Breakout Session, Acquisition business processes. <ul style="list-style-type: none"> ▪ Getting on the FSS schedule ▪ RFI/RFP ▪ Award and Kickoff ▪ Delivery ▪ Contract Modification ▪ Closeout
12:00 PM – 1:30 PM	Lunch
1:30 to 2:45 PM	Breakout Session, Themes <ul style="list-style-type: none"> ▪ Contract type (FFP, T&M, CP, etc.) ▪ Challenges with unclear requirements ▪ COTR concerns
2:45 to 3:00 PM	Break
3:00 to 3:45 PM	Plenary – VA responses to questions identified in breakout sessions
3:45 to 4:15 PM	Plenary – Structured Live Q&A Session with Audience
4:15 to 4:30 PM	Closing Remarks and Next Steps
4:30 PM – 5:30 PM	Informal Interaction and Mixing - Cash Bar in Firehouse Tavern

Appendix B: Attendees

First Name	Last Name	Organization or Agency
Agostini	Anthony	Agostini Healthcare Staffing
Bosse	Tim	Curastat Healthcare Group (A Mastech Healthcare Company)
Abrams	Jim	Mylan Pharmaceuticals Inc.
Bace	John	LS&S, LLC
Barnes	Rachel	Gulf South Medical Supplies
Beggs	Tracy	Cardinal Health
Bolden	Sam	
Brady	Dan	
Brandt	Ron	P&G
Cerneka	Cindy	Covidien
Ciardello	Elisa	Pharmaceutical Strategies
Clark	Mary	Rotech Healthcare
Claus	Jodi	The St. John Companies, Inc.
Dailey	Eric	CMG
Donnahoo	Debra	Godwin Corporation
Duckwitz, Jr.	Don	Philips CardioPulmonary Solutions
Dunn	Michelle	Baxter Healthcare Corporation
Enriquez	Carol	Rotech Healthcare
Foster	Marla	Enochs Manufacturing Inc.
Galuska	Wendi	Eli Lilly and Company
Hall	Benjamin	GSMS, INC.
Hanoski	Laura	Premier Medical Staffing Services, LLC
Hanoski	Mark	Premier Medical Staffing Services, LLC
Hatfield	Ken	SenSoft International, Inc
Herweck	Hal	Phoenix Textile Corporation
Hoffman	Pamela	American Safety Razor
Kahl	Marcella	Pharmaceutical Strategies
Keck	Dan	
Kumpfer	Mary	Cardinal Health
LeBaron	Lori	tetra Medical
Lingle	Tom	Maxim
Listman	Casey	Hollister Incorporated
Litzsinger	Patricia	Temps Inc.
McClain	Aaron	KCI
McGraw	Kris	P&G
Nause	John	Watson Pharma, Inc.
Neal	Rodney	DSS, Inc.
Nevils	Michael	M.R. Crafts, Inc.
Nevils	Kristen	M.R. Crafts, Inc.
O'Brien	Heather	Baxter Healthcare Corporation
O'Connor	J Michael	The Colonial Group
Palczewski	Stanley	1st American Medical Distributors, Inc.
Patterson	Albert	Sagent Pharmaceuticals, Inc.
Perry	Tomasina	LS&S, LLC

Phillips	Matt	Victory Pharma
Pickerign	Dawn	Beutlich LP
Prymek	Terrance	ARUP Laboratories
Rendina	Maria	M&S Technologies
Richards	Michael	BSN medical Inc.
Ritter	Eugenw	Data Management & Reporting, Inc, D M R
Rotunno	Maureen	DJO, LLC
Ruffolo	Diana	APP Pharmaceuticals
Sbarbaro	Charles	Sagent Pharmaceuticals, Inc.
Scagnelli	Tom	Duracell Professional, Gillette/P&G
Schmidt	Renee	Reckitt Benckiser Pharmaceuticals Inc.
Schmitz	John	Ambu Inc.
Schuetz	Amber	Caraco Pharmaceutical Labs
Sealey	Ken	Smith & Nephew, Inc.
Showell	Ronnell	On-Call Surgical Services
Sonnenfeld	Martin	Prairie View Industries
Stevenson	Joshua	Metro Medical
Stonehouse	Sarah	CMG
Thomas	Erlene	Beutlich LP
Thornton	Jessica	Cardinal Health
Tucker	Richard	Baxter Healthcare Corporation
Turner	Kenneth	Olympus Corporation of the Americas
Vannest	Tammy	
Wendt	Steven	Olympus Corporation of the Americas
Wittenberg	Jennifer	Geo-Med, LLC
Woodring	Bob	Propper Manufacturing Co., Inc.
Yesner	Donna Lee	McKenna Long & Aldridge LLP

Appendix C: Focus Group Protocols

Morning Session

Focus on the Acquisition business processes: Suppliers are asked what would they feel works and what doesn't work during the following phases of the FSS acquisitions process:

- Getting on the FSS schedule
- RFI/RFP
- Award and Kickoff
- Delivery
- Contract Modification
- Closeout

Afternoon Session

Afternoon sessions varied from planned session topics based on challenges and topics discovered in the morning session. Individual Office of Acquisition and Logistics (OAL) leaders attended some sessions relevant to their areas of expertise.

Closing remarks and OAL Leadership Question and Answer Session

OAL leadership hosted a question and answer session with all participants after the closing remarks. This discussion was in response to interest from participating suppliers, and detailed notes may be found in the *Chicago FSS Forum Day Two Detailed Breakout Session Notes*.