

Acquisition Update

Your Source For Federal Health Care Contract Information

October-December 2002
Volume 1, Number 5

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Small Business Program

By: Gary J. Krump, Deputy Assistant Secretary, Office of Acquisition and Materiel Management

Earlier this summer, Scott Denniston, VA Director, Office of Small and Disadvantaged Business Utilization, and I discussed how we might collectively boost the numbers of transactions and dollars expended with veteran-owned and service disabled veteran-owned (VO/SDVO) small businesses. We ultimately concluded that we needed a much more concerted, yet broader approach. Consequently, we chartered a task force to develop a comprehensive roadmap, including long-range and immediate strategies and tactics, for achieving our ambitious Departmental goals for VO and SDVO small businesses.

The task force has been working over the summer, eliciting input and ideas from all of you in the VA contracting community, VO/SDVO small businesses themselves, and other Federal agencies, which have demonstrated success in these program areas. The task force has scheduled a briefing for Scott and I to articulate their recommendations and plans for future program success. I look forward to reviewing their plans and will share them with all of you once approved.

As important as the efforts of our task force are, they will be meaningless without the full embrace of you, our acquisition professionals, and the program offices that you serve. Too many “good plans” have borne no fruit because they were not nurtured and consistently supported by those charged with their implementation. These relatively new procurement programs provide us in the VA acquisition community the unique opportunity to directly benefit veterans. Consequently, Scott and I know we will have your unreserved cooperation in furthering the veteran-owned and service disabled veteran-owned small business goals.

We would like your comments! What topics do you want covered? What information do you want to see? Please contact:

Susan Lewis at
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NAC's New Small Business Specialist

The National Acquisition Center is pleased to announce the addition of Mr. Jay McClain as their Small Business Specialist. Jay may be reached at (708) 786-5154 or Jay.McClain@med.va.gov. Jay is a welcomed addition to this important program.

Pharmaceutical FSS Program

The Pharmaceutical Federal Supply Schedule (FSS) program has undergone some major changes in the last couple of months. The first and most important change was that the program has been updated to an open and continuous procurement cycle. The pharmaceutical FSS was previously managed as an annual open season program. This meant that new vendors, who did not currently have an awarded contract under the program, would have an opportunity once a year to submit a proposal for consideration. This limited the program's ability to provide a deeper breadth of products to the FSS customer base, which includes, but is not limited to, Department of Veterans Affairs, Department of Defense, Public Health Service, Indian Health Service, Bureau of Prisons, etc. By allowing vendors to submit offers throughout the year, the program will now be able to provide additional competition and products for all customers.

A new solicitation package for the program was issued on September 1, 2002, and an industry conference was conducted on October 9, 2002, to prepare vendors for submitting new offers for negotiations and consideration. Once offers are received within the team, the process of reviewing, negotiating, and awarding will begin. To ensure consistency of supply for the FSS customers, current contracts under the pharmaceutical program that have met the FSS requirements have been extended unilaterally for an additional one-year period until December 31, 2003. This will provide consistent supply for the customers, as well as providing ample time to the vendors to submit new offers for consideration. It is important to note that as contracts are awarded in 2003, they will replace the existing contracts and will become effective with the time of award.

Questions concerning the Pharmaceutical FSS may be addressed to Carole O'Brien at (708) 786-4957 or Carole.O'Brien@med.va.gov.

Did you know?... Have you always wondered how you can tell one Federal Supply Schedule (FSS) contractor's socio economic status apart from others? To offer you assistance when using General

Services Administration or VA FSS publications, here is a useful tool that outlines the awardee's business size and minority business enterprises:

“**m**” is for manufacturer; “**d**” is for dealer/distributor; “**s**” for small business; “**o**” for other than small business; “**a**” for minority-owned small business enterprises; “**b**” for other than minority small business enterprises; “**8(a)**” for small businesses or small disadvantaged business concerns subcontracting with the Small Business Administration; “**w**” for small, woman-owned business; “**v**” for small, veteran-owned business; and “**h**” for hub zone concern.

Note: “**s/a**” (small minority business) also denotes small disadvantaged business concerns.

An awarded contractor is either large (**o**) or small (**s**). A small business can be all, some or none of the above. For example, a contractor could be a small, minority-owned, women-owned, veteran-owned business located in a hub zone (e.g., “s a w v h”).

So next time your facility is searching for an FSS contract source, pay particular attention to their socio-economic status, which can help boost your facility's business with our small business partners!

Professional and Allied Healthcare Services

Do you need temporary help in any medical category? If so, the current FSS for Professional and Allied Healthcare Services is now expanded to include 22 mid-level and allied healthcare categories including pharmacists, technicians, technologist and medical assistance categories. The special ordering procedures for services under FSS apply to this schedule. Guidance on ordering services from FSS schedules and issuing performance based service task orders can be found in the GSA's U-MAS Virtual Campus at: <http://apps.fss.gsa.gov/umas>. A comprehensive listing may also be found at www.va.gov/oa&mm/nac/fss/index.htm. Inquiries about this program can be directed to Dore Fessler at (708) 786-5232, or dore.fessler@med.va.gov

National Item File

In the ongoing effort to support E-Government, Mr. Gary J. Krump, Deputy Assistant Secretary for Acquisition and Materiel Management, signed the Charter for the National Item File Committee on October of 2001. The Committee was formed to provide recommendations for the development and implementation of a National Item File (NIF) for Department of Veterans Affairs (VA). The Committee fulfilled its Charter when Mr. Krump accepted the recommendations and initial guidance was provided. The development of the NIF was assigned to Mr. Charles E. Roberson, Associate Deputy Assistant Secretary for Program Management and Operations, and program management for the development of the NIF was assigned to Mr. John Hinson, Materiel Management Assistance Staff.

The initial guidance entailed a contractor-driven effort using a Performance Based Service Contract (PBSC) against an existing Federal Supply Schedule. Jessica Thrasher Wilson, Acquisition Operations Service, was assigned as the Contracting Officer. The project is driven by an aggressive timeline dictated by coreFLS and must be completed by January 31, 2003. Mr. Hinson and Ms. Wilson, along with stakeholders from across VA, developed the Statement of Objectives and issued a Task Order Request. The Task Order was awarded within 4 months of receiving initial guidance from Mr. Krump.

The Task Order consists of seven tasks. Tasks 1 through 4 are for the initial development of the NIF. These tasks consist of a Work Plan, Program Management, Quality Assurance, and Developing the NIF. Developing the NIF consists of four phases that are: Data Acquisition, Data Cleansing, Data Normalization, and a Data Baseline. Tasks 5 through 7 were listed as additional tasks to be awarded at a later date. Task 5 is the implementation of the NIF across VA, Task 6 is maintenance of the NIF, and Task 7 is Corporate Visibility of inventory and equipment.

The Task Order was awarded to Information Control, LLC, of Montgomery Village, MD. The contractor has completed the Data Acquisition phase and has begun the cleansing process. The project is on schedule with a delivery date of

January 31, 2003. Discussions have begun within VA to develop strategies for implementation and maintenance of the NIF.

Questions regarding the NIF may be directed to John Hinson at (202) 273-8085 or John.Hinson@mail.va.gov.

Paradigms of Success

By: Howard Swartzman, Acquisition Resources

Many years ago, I found myself once again locked in disagreement with the facility finance officer over a particular acquisition issue. With continuing discussions seeming only to solidify our respective and divergent views, I eventually felt it wise to seek additional support for my position. Accordingly, I went directly to the CEO, an individual I had an excellent rapport with and also respected for his management and problem solving skills. I was certain that if I laid out the situation in a brief and logical manner, the CEO would quickly resolve the issue...in my favor of course. Imagine my surprise and disappointment when at the conclusion of my presentation, the CEO responded with, "Please go back and work out your disagreement with the finance officer." Feeling let down and more than a bit displeased, I responded, "Yes sir", and on my way out of his office added, "But I'll do it because he's your finance officer". Hearing this, the CEO immediately stopped me and replied in a rather stern and controlled voice, "You will do it because the CFO is our finance officer," and concluded with, "...and do you understand the distinction?" Well, I did not completely understand the distinction at that time, but I do now. You see, this brief exchange many years ago taught me a simple but valuable lesson and provided me with a new way of thinking, and over time, a new paradigm. One that recognizes that success can best be achieved by first getting all the parties on the same side. Using this mindset as a basis to begin resolution of the problem, not only was this issue quickly resolved, but many more over the years. As a manager, supervisor, or subordinate, we can choose to take a side, or we can choose to make a side.

And now my friends... do you understand the distinction?

Office of Faith-Based and Community Initiatives (Part 3 of 3)

By: Thomas Cooper, Acquisition Resources

The last two editions of the *Acquisition Update* included parts 1 and 2 of this series. The articles focused on this nation's rich history of faith-based healthcare delivery, and reviewed the results of a Department-wide base line survey which revealed Department of Veterans Affairs' (VA) significant involvement with, and interest in, faith-based and community organizations. The Office of Faith-Based and Community initiatives Task Force also wanted to clarify certain constitutional and legal questions that were raised during the course of our deliberations with respect to defining the relationship between VA and faith-based organizations, which is the subject of this article.

These questions were reduced to writing and sent to the Office Of General Counsel (OGC). On April 3, 2002, OGC responded to our request. Regarding the constitutionality of working with faith-based organizations, OGC reminded us that the first amendment of the constitution, sometimes called the "establishment clause", states that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof". The establishment clause also prohibits "government-financed or government sponsored indoctrination into the beliefs of a particular religious faith", in effect indicating that public funds cannot be used to promote religion or endorse a religious message. Several Supreme Court decisions elaborate on the establishment clause and discuss the importance of providing "equal treatment" for religion. These cases endorse the "critical difference" between government speech endorsing religion, which the establishment clause forbids, and private speech endorsing religion, which the Free Speech and Free Exercise Clauses protect". Indeed, the Supreme Court has continued to elaborate on the Establishment clause: according to the White House report of August, 2001 "Unlevel Playing Field", "Recent U.S. Supreme Court decisions have shifted markedly over the past few decades toward a neutrality framework that honors evenhandedness and pluralism, allowing the

Government to treat all potential providers equally without singling out some as being 'too religious' for Government support." In summary, "while the government cannot endorse or promote religion, the government must also avoid actions that discriminate against a group or organization on the basis of the group's religious affiliation."

In addition to these Supreme Court decisions, the 1996 Welfare Reform Law passed which included the first Charitable Choice (or faith-based) provision with regard to Government grant programs. As a result, charitable choice provisions have been added to a Health and Human Service (HHS) statute covering grants to religious organizations, that they should be provided "without impairing the religious character of such programs, and without diminishing the religious freedom of beneficiaries of assistance funded under such programs". Despite this statute, the previously referenced Supreme Court Decisions, and President Bush's Executive Orders designed to enhance and promote the Government's efforts to partner with faith-based and community organizations, implementation has been bumpy for some agencies, and instructional for us. For example, the report, "Unlevel Playing Field", cites an Education Department Official wrongly asserting that the "Constitution flatly forbids the use of grant funds even for activities that merely have a religious component". The report concludes that "Such restrictive attitudes beget an administrative bias against religion and religious organizations where the Constitution requires that there be none". Again, according to the report, "Head Start programs are often located in houses of worship, that are sometimes pressured to remove or cover up religious art, symbols, and other items, although there is no such requirement in the statute, regulations, or official HHS guidance". In another example, "Some faith-based organizations applying at the local level for CDBG funds have been informed that they would qualify for the support only if they first removed references to "God" from their mission statements or stripped the walls clean of religious symbols." In other cases confusion seems to reign supreme: "Housing and Urban Development (HUD) reports that no faith-based organization received any of the Self-Help Homeownership Opportunity Program's \$20 million dollar funding in FY 2000. In fact, Habitat for Humanity, International, won just over half of

the total funding, and Habitat, of course is a faith-based organization (it calls itself a “nonprofit, ecumenical Christian organization”). With mind bending logic, HUD officials apparently reasoned that since the government may not aid religion, and yet HUD funds Habitat, then Habitat must not be a faith-based organization...”

As indicated in the first of this three part series, the United States has a rich history of faith-based Healthcare delivery that continues to this day. How many of us have been born in a Catholic, or a Methodist, or a Presbyterian, or a Baptist or other faith-based institution? Or, how many have relatives or loved ones that have received care in a faith-based hospital, or nursing home, or hospice? We know from the survey that VA does a lot of work with faith-based organizations, and for the most part, we are eager to explore more partnerships - according to the survey, 76 percent of Veterans Health Administration facilities reported sharing agreements or contracts with faith-based institutions, and 74 percent of all facilities wanted to meet with faith-based organizations to discuss programs where they could be involved. Most important of all, 95 percent of respondents thought that faith-based and community organizations were providing high quality services to veterans.

The availability of high quality faith-based services, the President’s support of charitable choice alternatives, and the Supreme Court’s guidance that the Government should treat all potential providers equally, is not only an endorsement of VA’s current faith-based partnerships but it also clears the way for additional opportunities and new alternatives to deliver services to veterans.

FY 2002 Direct Delivery Orders

The National Acquisition Center Direct Delivery Team placed over 450 orders for high-tech medical equipment in fiscal year 2002, totaling nearly \$125 million in value. The breakdown by equipment category is provided below. The majority of our efforts continue to be in support of VA medical centers. We are committed to satisfying our customers, and we thank you for your business! Here is a breakdown of the sales by commodity.

			TOTAL SALES, FY02
	VA	OGA	Total
XRAY	\$43,291,569	\$5,414,795	\$48,706,364
PACS	\$690,564	\$0	\$690,564
CR/DR	\$17,975,038	\$1,099,621	\$19,074,659
SPECIAL PROJECTS	\$0	\$40,260	\$40,260
ULTRASOUND	\$9,667,085	\$4,569,053	\$14,236,138
LAUNDRY EQUIP	\$981,620	\$0	\$981,620
NUCLEAR MED	\$12,132,453	\$95,125	\$12,227,578
CT/MRI/THERAPY	\$24,779,118	\$3,871,068	\$28,650,186
TOTAL	\$109,517,447	\$15,089,922	\$124,607,369

Contractor Personnel Security Requirements

On September 30, 2002, a conference call was held to discuss application of Information Letter (IL) 90-01-6, Contractor Personnel Security Requirements, to medical equipment contracts. Participants included the Deputy Assistant Secretary for Policy; the Deputy Assistant Secretary for Information Technology Management; the Associate Deputy Assistant Secretary for Computer Security; the Team Leader for Direct Delivery, National Acquisition Center; and a representative of the Office of General Counsel. It was determined that the IL applies to any contract under which contractor personnel will have access to sensitive information or to Department of Veterans Affairs computer systems. Mr. Steve Wexler, Office of the Deputy Undersecretary for Health for Operations and Management and Mr. Ford Heard, Acquisition Resources Service, will coordinate with Radiology program officials to obtain an assessment of risk analysis and determination of the proper level of contractor background security investigation required. An update will be provided as the assessment progresses.

Future Topics –

- ◆ VA/Department of Defense (DoD) Memorandum of Agreement and What it Means for our Federal Customers
 - ◆ Product Recalls and Safety Alerts
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New FSS and National Contract Awards

Listed below are some recently awarded contracts. For complete information, go to www.va.gov/oa&mm/nac.

Federal Supply Schedules

621 I

Professional Medical Healthcare Services	Contract# V797P-	Business Size
J&C Nationwide, Inc.	4383a	Large
HRN Services Health Management	4359a	Large
Resources Inc.	4369a	Small
Whitaker Medical Ltd.	4358a	Small
Altos Federal Group	4395a	Small
Lisamarie Fallon, Inc.	4370a	Small

65 II A

Medical Equipment and Supplies	Contract# V797P-	Business Size
Windstone Medical	4333a	Small
Siemens Medical Systems	4344a	Large
IMT Distribution LLC	4350a	Small
De Royal Industries	4352a	Large
Frank Stubbs Co	4353a	Small
Post Medical, Inc	4354a	Small
4th & Short Distribution	4356a	Small
Creative BioMedics Inc.	4357a	Small
Mc Dade Apparel	4361a	Small
Healthcare Svcs Network	4363a	Small
Abaxis, Inc.	4364a	Small
Ardus Medical, Inc	4365a	Small
Bowman Manufacturing	4366a	Small
Numotech, Inc	4367a	Small
Aderna, Inc	4368a	Small
Currie Medical Specialities	4374a	Small
Weber & Weber Co.	4375a	Small
Medical Industries America	4376a	Small
Hipsaver Inc.	4377a	Small
Aircast, Inc	4378a	Small
Bird Products Inc.	4379a	Large
Life Link Monitoring	4381a	Small
Empi, Inc.	4382a	Large
SWB Elbow Brace LTD	4385a	Small
Healthmark Industries, Co.	4387a	Small
Stellate Systems	4388a	Small
Tillotson Helathcare Corp.	4288a	Small
Eagle Work Clothes, Inc.	4390a	Small
Dymedix Corp.	4392a	Small

65 II C

Dental Supplies	Contract # V797P-	Business Size
Hu-Friedy Manufacturing	3897k	Small

66 III

Cost-Per-Test	Contract # V797P-	Business Size
Abaxis, Inc.	4364a	Small

65 Part 1B Pharmaceuticals	Contract # V797P-	Business Size
Organon Sanofi-Synthelabo	0142e	Large
United Therapeutics Corp.	0250e	Small
Andrx Pharmaceuticals, Inc.	5522x	Small
Novavax, Inc.	5523x	Small
Pharmion Corporation	0251e	Small
STADA Pharmaceuticals	0253e	Small
Cebert Pharmaceuticals, Inc.	0254e	Small
Ivax Laboratories, Inc.	5524x	Large
Llorens Pharmaceuticals	5528x	Small

65 Part VII

Invitro Diagnostics/ Reagents	Contract# V797P-	Business Size
Hypoguard USA	5526x	Small
Home Diagnostics	5527x	Small
Drug Free Enterprises	5525x	Small

65IIF

Patient Mobility Devices (Including wheelchairs, scooters, walkers, etc.)	Contract # V797P-	Business Size
Omaha Medical Supplies	3896k	Small
Barton Medical Corporation	3894k	Small
Handi-Ramp	3895k	Small
ATP, Inc.	3892k	Small
Dr. K Healthcare Products	3899k	Small

National Contracts

Pharmaceutical Items: Product	Contract # V797P-	Business Size
Salsalate Tablets	9070	Small
IVAX Pharmaceuticals	9078	Large
Marlex Pharmaceuticals	9079	Small
Lorazepam Tablets	9080	Large
Propofol Inj. Emulsion	9081	Large
Taro Pharmaceuticals	9082	Large
Albuterol Inhal.	9083	Small
Lovastatin	9084	Large
Flunisolide Nasal Solution	9085	Large
Flutamide Capsules	9086	Large

Blanket Purchase Agreements:

Product	Contract # V797P-	Business Size
Lancet, Finger Stick	2022	Small
Mucous Specimen Traps	2006	Large
Amorphous Hydrogels	2021	Large
Unna Boot Bandage With Calamine	2017	Small
Unna Boot Bandage Without Calamine	2016	Small
Alginate Wound Dressings	2018	Large
Pajamas	2015	Large
Disposable Washcloths	2014	Large
Soft Sole Slippers	2009	Small

For additional information, contact Karen Law at (708) 786-4948 or Karen.Law@med.va.gov.

Prosthetic Item Product	Contract # V797P-	Business Size
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Wheelchairs, Companion/ Transport	9087	Large
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For additional information, contact Patricia Benson at (708) 786-5253 or Patricia.Benson@med.va.gov.

Direct Delivery: X-Ray	Contract # V797P-	Business Size
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Eastman Kodak Company	6952a	Large
FujiFilm Medical Sys, USA	6953a	Large
Siemens Medical Solutions	6954a	Large
Dornier MedTech America	6955a	Small

CT/MRI

Siemens Medical Solutions	6956a	Large
Philips Medical Sys N. A.	6951a	Large

Laundry Equipment

G. A. Braun, Inc.	6961a	Small
White Conveyors, Inc.	6957a	Small
G.A. Braun, Inc.	6958a	Small
G. A. Braun, Inc.	6959a	Small

PACS

GE Medical Systems, Inc.	6960a	Large
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For additional information, contact Patricia McKay at (708) 786-5251 or Patricia.McKay@med.va.gov.