July 17, 2009

REVIEW OF BLANKET PURCHASE AGREEMENTS (BPAs) FOR MULTI-VISN OR VISN GROUPS

1. PURPOSE: This Veterans Health Administration (VHA) Directive defines the policy and procedures for identifying and negotiating Blanket Purchase Agreements (BPAs).

2. BACKGROUND

- a. The Procurement Reform Task Force (PRTF) recommendations state that a multi-Veterans Integrated Service Network (VISN), a VISN or a local group which identifies potential benefits for establishing a BPA must notify the Department of Veterans Affairs (VA) National Acquisition Center (NAC) through the VHA Chief Procurement and Logistics Office (P&LO) (10F). The P&LO and the NAC may determine if the potential exists for a National BPA; negotiate on behalf of a multi-VISN, VISN or local group; or provide recommendations on a negotiation strategy.
- b. The PRTF concluded that tiered pricing BPAs and other favorable terms associated with Federal Supply Schedule (FSS) awards can improve procurement efficiencies and reduce costs.
- **3. POLICY:** It is VHA policy that any multi-VISN, a VISN, or a local group which identifies potential benefits of a BPA must notify P&LO.

4. ACTION

- a. Network Contract Manager (NCM). The NCM is responsible for ensuring that:
- (1) All BPAs, consolidated contracts, and other contracts for medical or surgical commodities are provided to P&LO. The National Standardization Program does not detain VISN and local contracting efforts pending review.
- (2) BPAs and contracts are submitted by the $10^{\rm th}$ business day of the first month of each quarter.
- (3) BPAs include tiered pricing and other favorable pricing terms to facilitate potential national rollout.
- (4) All VISN-level BPAs and contracts contain an escape clause, stipulating that award of nationally-standardized items must take precedence over the same, or similar, items standardized on a VISN-basis.
- (5) Proposed BPAs and consolidated contracts utilize clinically-based work groups to evaluate quality of products from potential vendors, as identified in VHA Handbook 1761.01.

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- b. **VHA P&LO (10F).** The VHA P&LO is responsible for:
- (1) Reviewing BPAs by:
- (a) Ensuring that NCMs review each BPA at least once a year to decide whether the results of the reviews are documented by determining if:
 - 1. The schedule contract upon which the BPA was established is still in effect,
 - 2. The BPA still represents the best value, and
- <u>3</u>. The estimated quantities or amounts have been exceeded and additional price reductions can be obtained.
 - (b) Identifying whether the potential exists for a National BPA.
 - (2) Overseeing the BPA or any other consolidated contracting initiative review process.
- (3) Logging the proposed BPA into the BPA Database. *NOTE:* This database was developed by 10F staff to aid the National Standardization Integrated Product Teams (IPTs) with identification of VISN and local efforts.
- (4) Providing routine monthly reports to the NAC electronically by using a single mail group address that must include all affected parties.
- c. <u>National Acquisition Center (NAC)</u>. The NAC oversees the National Contract Service (001AL-A2), which is responsible for:
 - (1) Negotiating on behalf of the VISN or multi-VISN group when requested.
- (2) Providing recommendations on negotiation strategies to the requesting VISN or multi-VISN group for tracking purposes.
- (3) Aggressively pursuing BPAs under FSS contracts, which establishes tiered-pricing and other favorable pricing terms to the maximum extent practical.
 - d. **Process.** The BPA process is outlined as follows:
- (1) BPAs, consolidated contracts, and other contracts for medical and surgical commodities must be forwarded to P&LO. P&LO enters this information into the BPA Database and electronically provides this information to the NAC, using a single mail group address to include all affected parties for tracking purposes.
- (2) The Contract Specialists of the Federal Supply Service (001AL-A2) must verify that the products listed in the BPA are on the active FSS contract.

- (3) If the executed contract has been identified for National Standardization, P&LO (working with the Program Offices) reviews with the IPT members the processes utilized in the award to ensure that all potential issues have been addressed.
- (4) If the proposed contract is to be used for National Standardization, P&LO (working with the appropriate Program Office officials) forms an IPT and establishes a process as outlined in VHA Directive 1761 and Handbook 1761.1.
- (a) Program Officials are responsible for identifying field clinical staff to serve as IPT members.
- (b) The NAC staff performs the contracting function (BPA or consolidated contracting initiative) when P&LO indicates the desire for national standardization.

NOTE: It is recognized that in some cases the volume of needs within the VHA system may require the need for multiple vendor awards.

(5) If the proposal is determined to be a VISN or multi-VISN initiative, the National Contract Service either negotiates an agreement on behalf of the VISN or multi-VISN (if requested) or provides assistance so that the local group may proceed with establishing a BPA at the local level. The National Contract Service staff then provides the VISN, through P&LO, with the awarded BPA or they may return the proposal to the VISN office which originated the request for contracting action with comments and recommendations.

NOTE: The timeframe from local or VISN proposal to determination of National Standardization (or determination of a local initiative) should take no longer than 15 business days.

- **5. REFERENCES:** Department of Veterans Affairs Procurement Reform Task Force Report dated May 2002.
- **6. RESPONSIBLE OFFICE**: The VHA Procurement and Logistics Office (10F) is responsible for the contents of this Directive. Questions may be addressed to 202-461-1719.
- **7. RESCISSIONS:** VHA Directive 2003-018, dated April 10, 2003, is rescinded. This VHA Directive expires July 31, 2014.

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