

Consolidated VA Acquisition and Logistics Conference Call

11:00 am Eastern – September 24, 2008

**Call-In Number: 1-800-767-1750 (Access #: 15958)
VACO – Room 1046**

Moderator: Freddie Martinez

Logistics Policy Issues

1. The Returning of Donated Vehicles – (Freddie Martinez)
2. Value of an Item Recorded on a ROS – (Jim Teal)
3. Clarifying Free, Donated, or Leased Personal Property – (Nelson Gonzalez)
4. Inventory Requirement – (Virginia Boyett)
5. Update on VA Logistics Transformation Study – (Nelson Gonzalez)
6. Obtaining Category Stock Numbers – (Virginia Boyett)

Acquisition Issues

1. Contract Awarded for Endoscopic Examinations – (Leo Washington)

Field Q/A

**Next: VA Consolidated Acquisition and Logistics Conference Call
Wednesday – October 22, 2008 (11:00 – 12:00)
Same Call-In Number and Access Code**

LOGISTIC POLICY ISSUES

The Returning of Donated Vehicles: It has come to our attention that as the result of an incorrect email from engineering services, some VA medical centers are trying to return donated vehicles without the proper approvals. VHA Directive 2007-021 makes it clear that in all cases, if the donor desires the vehicle back, the proper approval must come from the VA's Secretary. The request must be submitted to the Deputy Under Secretary for Health for Operations and Management through VISN. Please remember that this VHA policy beyond a doubt states that "only the Secretary of VA may authorize such return." The controversy that the engineering email created was over a facility trying to return a vehicle without the Disabled American Veterans (DAV) wanting the vehicle. Let me assure you that we can not force any Veteran Service Organization (VSO) to take back a vehicle if they don't desire it back. In cases where a VSO does not desire the vehicle back, the vehicle then becomes government property and must be disposed of in accordance with VA and Federal disposal procedures. It is because of this reason that it is important to ensure that you have it in writing as to whether or not the VSO desires the vehicle back. Because we believe that this VHA policy creates delays in returning donated vehicles, my office has requested that Volunteer Service, the holder of the policy, consider obtaining a delegation-of-authority from the Secretary back to the medical center Director or at least back to the VISN Director. We will keep you informed of this effort, but until then you must get the proper approval. (Freddie Martinez)

Value of an Item Recorded on a ROS : Inquiries from the field asking what the value should be for property when filling out a Report of Survey (ROS) is an indication to OA&L that some folks are confused as to where to obtain information as to the value of the property that is either lost, stolen, or damaged. It has always been the policy that the value of the property is, "the Acquisition cost that is recorded in the perpetual inventory accounts". OA&L has not placed into policy anything about depreciation for the item. OA&L has always stressed that the value will always be the acquisition cost. This will be more defined in VA Handbook 7002, before it is officially signed and released to the field. Now, if the value is not recorded in the perpetual inventory accounts, a fair market value for the item will have to be assessed, or if it is damage that is being reported, an estimate will have to be performed. Also, remember that if the value of the item that is lost, stolen, or damaged is \$5K or higher, **a ROS Board of 3 is required;** and in addition, if there is the possibility of disciplinary action against an employee or beneficiary, a board is also required. Also remember that it is up to the approving official to make the ultimate decision as to whether or not an employee or beneficiary will have to pay, and how much they would have to pay, and whether or not they would receive any disciplinary action. Of course, the Accountable Officer and the board will make their own recommendations to the approving authority regarding these issues. (Jim Teal)

Clarifying Free, Donated, or Leased Personal Property Rules: From time to time there have been inquiries regarding the acceptance of Free, Donated, or Leased Personal Property prompts our office to clarify that under VA Handbook 7002 (DRAFT), Part 4, paragraph 7 (a), VA may "NOT" accept personal property from

vendors if the acceptance further binds VA to the purchase of goods and services from that vendor. Furthermore, any product or services accepted by VA facilities must be acquired through competitively awarded contracts, in lieu of being loaned, and the other associated products and services should be identified in the contract. VA facilities are allowed to accept free or donated personal property when there is no obligation by the facility to purchase additional items or services from that vendor. Vendors will try to commit VA to buy their products/services through uncompetitive means, VA logisticians must ensure that when these attempts are made, that we reject them to ensure that statutory requirements specified in the Federal Acquisition Regulation, Subpart 6.3, or the Veterans Affairs Acquisition Regulation, part 806.3 (Other Than Full and Open Completion) are met. In addition, when accepting such loans/gifts VA representatives must consider the responsibilities associated with upkeep, maintenance, and tracking of such property. Are there any questions regarding this issue at this time? **Nelson A. Gonzalez, (202) 461-6893.**

Inventory Requirements: In general, VA policy (VA Handbook 7002, Part 8) requires annual physical inventories of expendable and accountable nonexpendable property including sensitive items regardless of cost. A minimum accuracy rate of 90% is required for expendable property and a minimum accuracy rate of 95% is required for nonexpendable property. If these minimum accuracy rates are not achieved, more frequent inventories must be conducted. Accuracy rates are determined based on the number of line items inventoried in relation to the number of line items discrepant. Exceptions to the annual physical inventory requirements are firearms and ammunition and Supply Fund Posted Stock inventories. Firearms and ammunition are required to be taken semiannually at a minimum in accordance with VA Directive 7347. Supply Fund Posted Stock will be inventoried quarterly in accordance with OA&MM Bulletin 07.03 which was signed March 30, 2007.

The Prosthetics and Clinical Logistics Office (P&CLO) website for Standard Operating Procedures (SOPs) is provided in response to a question from the field:

<http://vaww.teamshare.va.gov/PCLO/SOP%20%20Standard%20Operating%20Procedures/Forms/AllItems.aspx>.

Virginia Boyett, (202) 461-6907

Update on VA Logistics Transformation Study: I want to take a few minutes of your time to bring you up to speed on the VA Logistics Transformation Study project. In late 2007, the VA Office of Acquisition and Logistics hired a contractor PricewaterhouseCoopers (PwC) to conduct a study of VA logistics and to provide recommendations to improve current operations and streamline where necessary VA's organizational structure. On August 4, 2008, PwC delivered the DRAFT summary of their report to OA&L. After several briefings with OA&L senior managers the DRAFT report was briefed to members of the Executive Steering Committee (ESC) on September 22, 2008. The ESC membership is comprised of VA Central Office (VACO), National Cemetery Administration (NCA), Veterans Benefits Administration (VBA), and the Veterans Health Administration (VHA) senior staff. Over the last year PwC conducted interviews at VA field facilities (NCA, VBA, VHA, and VACO) with a variety of individuals in logistics positions. The findings contained in the DRAFT have been shared with ESC members.

The ESC has until October 2, 2008, to provide OA&L with their feedback. Once the ESC responses have been organized, OAL will respond to PwC. It is expected that PwC will issue the final report during the first quarter of FY 2009. We will keep you informed as the project develops and the final draft is delivered to VA. Are there any questions regarding this issue at this time? **Nelson A. Gonzalez, (202) 461-6893.**

Follow-up Question asked by the field:

Are we going to see the report and if so, when?

Yes, more than likely, the latter part of November 2008.

Obtaining Category Stock Numbers (CSN): Just a friendly reminder that CSNs can be obtained in several ways: searching VA Catalog No. 3, Section V, either in hard copy or an electronic version on the Know Net 2 website; searching the Integrated Supply Management System (ISMS); initiating a cataloging request on VA Form 0886 to the Centralized Acquisition Analysis Division (CAAD); and requesting assistance from the logistics mail groups (VA Materiel Managers and VA Property Managers).

The first step in selecting an appropriate CSN should be discussion with the requesting service to determine the purpose and functionality of the equipment. This will give logistics personnel a basis for selecting a CSN.

VA Catalog No. 3, Sections V (and VII) are available on the Know Net 2 website:

http://knownet2.com/logistics/performance_support.htm.

Individual access is required to search the ISMS database. A Time Sharing Request Form (VAF 9957) must be processed through Austin for access. ISMS can be searched using keywords and generally accepted industry terminology. ISMS is a good search tool for both CSNs and NSNs. **Virginia Boyett, 202-461-6907**

ACQUISITION ISSUES

Contract Awarded for Endoscopic Examinations: Given Imaging was awarded a Federal Supply Schedule contract for a state-of-the-art product that provides endoscopic examinations utilizing vitamin-sized ingestible pill cameras. Pill Cam ESO and SB will allow doctors to determine causes of abdominal pain, diarrhea, bleeding or anemia. A video receiver worn in a belt holster receives images from the ingested camera, all while the patient moves freely. Ingesting the camera filled capsule is a much more patient friendly procedure than the normal colonoscopy. Given Imaging has already garnered recent sales to the Department of Defense and VA prior to this contract award. Given Imaging contract V797P-4067b is effective from February 01, 2008 to January 31, 2013. **(Leo Washington)**

**Q/A From the Consolidated VA Acquisition
and Logistics Conference Call
September 24, 2008**

**THE FOLLOWING ARE QUESTIONS THAT WERE
ASKED AT THE END OF THE CALL**

Q. When will it be mandatory for using Bar Codes?

A. VA policy states that bar codes, bar coding technology and scanning technology will be used to the maximum extent possible, which allows your facility to make it mandatory. The reason it is not mandatory across the board relates to VA's cumbersome programming of our decentralize legacy systems. However, it is anticipated this technology will be integrated with implementation of FLITE.

Q. Clarification was asked about the \$300 threshold and accountability requirements that VHA is using?

A. VA Handbook 7002, Part 8, Paragraph 5.a. requires that all accountable property (valued at \$5,000 or greater and sensitive items) will be inventoried annually. However, each administration has the authority to be more stringent than VA national policy. As a result, VHA has chosen to set its accountable threshold on all NX items.

VA Handbook 7002, Part 3, Paragraph 2.c. (2) (a) provides the criteria that the Centralized Acquisition Analysis Division (CAAD) uses when determining the classification of an item as NX equipment. This section further explains that an item classified as nonexpendable may cost less than \$300. The \$300 has always been a guideline for consideration of NX classification, not a 'cut-in-stone' requirement.

VA Handbook 7002, Part 8, Paragraph 3, states that all NX property requires basic record keeping in the automated equipment inventory system for such purposes as PM, electrical inspections, etc. This means that all NX items should be recorded in AEMS/MERS. Again, this does not preclude VHA Prosthetic and Clinical Logistic Office from requiring that all NX items will be inventoried annually.