

# **Consolidated VA Acquisition and Logistics Conference Call**

**11:00 am Eastern – January 28, 2009**

**Call-In Number: 1-800-767-1750 (Access #: 15958)**

**Moderator:** Freddie Martinez

## **Moderator's Opening Statement and Introduction of New Director of Logistics**

### **Logistics Policy Issues**

1. Authority to Return DAV Vehicles (Jim Teal)
2. Clarification of Role for the IT Equipment Inventory List Custodial Officer (Nelson Gonzalez)
3. VA Spend Analysis for FY 2008 (*Update*) (Nelson Gonzalez)
4. Furnishing or Redecorating of Offices (Virginia Boyett)
5. Changes in AO Responsibilities in Controlled Substance Process (Virginia Boyett)

### **Acquisition Issues**

1. Revised December 2008 Direct Delivery Consolidation Timeline (Deborah Zuckswerth)
2. New Professional and Allied Health Care Staffing Award (Cornelious Cooper)

### **Field Q/A**

1. Information on Scrap (Jim Teal)

***Next: VA Consolidated Acquisition and Logistics Conference Call  
Wednesday – February 25, 2009 (11:00 – 12:00 Eastern)  
Same Call-In Number and Access Code***

## MODERATOR'S OPENING STATEMENT

Background of New Director of Logistics Policy: I have the honor of introducing Mr. Vincent Pontani, Jr as VA's new Director of Logistics Policy, who has taken position that was vacated by Robert McKenna's retirement. Before joining Department of Veterans Affairs, Mr. Pontani was a senior logistics subject matter expert supporting the Logistics Strategy and Vision Directorate and the Logistics Modernization Program at Headquarters, United States Marine Corps. In prior assignments he also served as a Senior Logistics Functional Analyst/Subject Matter Expert for SRA International, a Manager, with Federal Services, KPMG Consulting, Inc., and as a Senior Logistics Officer in the United States Marine Corps.

Vince's has expertise in strategic planning, logistics program management, process improvement, consequence management, proposal development and, supply chain management, purchasing, inventory management, logistics information systems, automatic identification technology for logistics applications, Radio Frequency Identification, budgeting and fiscal systems brings us the skills we need to transform the Department's logistics processes. Vince holds a Bachelor's degree of Science in Economics, from Texas A&M University. Please join me in welcoming Vince to the VA.

### **LOGISTICS POLICY ISSUES**

Authority to Return DAV vehicles: As of December 17, 2008, Secretary Peake has signed a memo providing authority to facility directors to authorize the return of donated DAV vehicles when requested by DAV to do so. This procedure replaces the requirement originally contained in VHA Directive 2007-021 requiring the Secretary's signature on the letter authorizing the return of a DAV donated van, before it could be returned. In addition, Voluntary Service is currently in the process of re-writing VHA Directive 2007-021 to reflect this change, and to also provide more definitive guidance on exactly what the AO's functions are regarding this return process. The following information concerning the AO responsibilities for the return of a DAV donated van will be part of the rewrite of VHA Directive 2007-021:

#### **The facility Accountable Officer is responsible for:**

- (1) Updating the official inventory of record and making a request for the Standard Form 97 (SF-97) "Certificate to Obtain Title" from the Office of Acquisition and Logistics (OAL) (001AL-P2A). In making a request, the AO must provide specific vehicle information for the completion of the SF-97 along with the signed approved letter from the facility director for the return of the van.

- (2) With the above information, OAL will complete, sign and issue the SF-97 back to the facility AO. *Note:* "Certificate of Origin" may be used in lieu of an SF-97 when applicable.
- (3) The AO, upon receiving the original SF-97, shall also sign the Odometer Disclosure Statement (above their typed name) certifying that the information (mileage) is correct prior to providing the DAV with the document. (Jim Teal, 240-678-6156)

Clarification of Role of the Information Technology (IT) Equipment Inventory List (EIL) Official: The Office of Acquisition and Logistics (OAL) wants to briefly clarify the role and responsibility for the IT EIL custodial officer position. This position is not unique to VA, in fact, it has existed for sometime. However, changes to VA Directive and Handbook (D & H) 7002 now require that the IT EIL custodial officer be responsible for all IT loans as well as inventory management. As in the past, the IT EIL custodial officer will continue to work hand in hand with the facility accountable officer. In addition, VA D&H 7002 now require that the IT EIL custodial official be designated, in writing, by the facility Director (usually, the Chief Information Officer). When such delegations occur, delegation letters will be forwarded to the facility security and law enforcement office for the purpose of clarifying individuals with loan authority. The IT EIL custodial officer will be responsible for loaning, tracking, and executing location and comment changes to the Department's official inventory system of record. When concerns or questions arise, the IT EIL custodial officer will continue to coordinate property management issues with the AO. (Nelson A. Gonzalez, (202) 461-6893)

Perception Check Completed to Support VA Spend Analysis for FY 2008: The Office of Acquisition and Logistics (OAL) completed a Perception Check of FY 2008 VA data to ensure proper categorization by the VA spend analysis tool on January 16, 2009. The Perception Check required sampling approximately 26 percent of VA spend across the Department. The Perception Check was held at the Center for Acquisition Innovation (CAI) from January 12 through the 16<sup>th</sup>. Participants included staff members from the Veterans Benefits Administration, National Cemetery Administration, the National Acquisition Center, and the VACO OAL. The data reviewed included files from the National Prosthetics Patient Database (VHA), 1358 file (VHA), Procurement History, High Tech Medical Equipment (NAC), and Citigroup data (purchase card). Preliminary numbers revealed that the spend analysis tool captured \$19.4 billion in total spend (not including pharmaceuticals) of which \$7.4 billion were from the Procurement History File (PO's), \$2.5 billion from the Purchase Card file, \$1.4 billion from the National Prosthetics Patient Database, \$.5 billion from the High Tech Medical Equipment file and \$10.1 billion were 1358 transactions. (Nelson A. Gonzalez, (202) 461-6893)

Furnishing or Redecorating of Offices: Public Law 110-161, Consolidated Appropriations Act, 2008, states that the head of any department or agency, or any other officer or civilian employee of the Federal government appointed by the President of the United States, may not obligate or expend in excess of \$5,000 to furnish or redecorate their office, or to purchase furniture or make improvements to such office, without express approval by the Committees on Appropriations in advance of the furnishing or redecoration. For this section, the term 'office' includes the entire suite of offices assigned to the individual as well as any other space used primarily by the individual or the use of which is directly controlled by the individual.

VA policy incorporates the \$5,000 limitation for furnishing or redecorating of any employee office whether or not the employee is at the Senior Executive Level, GS-15 level, or Title 38 equivalent level. The \$5,000 limitation applies both to office areas occupied by the individual and to any supporting areas (including conference rooms and reception areas). Reference VA Handbook 7002, Part 5, Paragraph 5.e. (V. Boyett, 202-461-6907)

Changes in AO Responsibilities in the Controlled Substance Process: After meeting with Pharmacy staff and discussion with PLO, OAL has made policy changes to VA Handbook 7002 pertaining to the role of the AO in the controlled substance process. Under the policy rewrite, the AO will have oversight of the controlled substance process and will ensure that appropriate procedures are in place for proper tracking of controlled items. The AO will be involved in the receipt and inspection of shipments and in the turn-in and disposal processes of controlled substances. The AO will maintain a file of invoice/delivery ticket copies and will compare these copies with the copies reviewed by the inspection team/official during audits of controlled items. The AO will receipt for the controlled items in conjunction with the Pharmacy designee within two hours on the date of delivery or at a predetermined regularly scheduled receipt inspection time. (V. Boyett, 202-461-6907)

## **ACQUISITION ISSUES**

Revised December 2008 Direct Delivery Consolidation Timeline: Customer requisitions for the December 2008 consolidated bulk buy were due on December 1<sup>st</sup>. All requisition benchmarks were posted to equipment vendors on December 18<sup>th</sup>. Vendor offers are due by February 6<sup>th</sup> and will be forwarded to VISN Chief Logistic Officers for evaluation and selection by February 9<sup>th</sup>. All customer selections with justifications will be due by March 2<sup>nd</sup> and all delivery orders are anticipated to be awarded and issued on or before April 6<sup>th</sup>. Although not preferred and cautiously granted, schedule adjustments may occur for legitimate requests made by the customer, vendor and/or the National Acquisition Center. Whenever an adjustment occurs, Peggy Thames

(VACO/10F) will be promptly provided a revised timeline schedule for dissemination to field activities. (Deborah Zuckswerth (708) 786-5234)

New Professional and Allied Health Care Staffing Award: The Federal Supply Schedule Service recently awarded a new contract to Pharmaceutical Strategies Staffing, LLC. The company is a small business with 4 years of experience in providing temporary staffing services for registered pharmacists and pharmacy technicians in 27 states. The contract, V797P-7191a, is effective January 15, 2009 through January 14, 2014.  
(Cornelious Cooper, (708) 786-4873)

## **FIELD Q/A**

### **Definitions:**

g. **Scrap:** Property which has no value except for its basic material content. To the maximum extent possible, scrap should be viewed as material to be recycled.

h. **Recycling:** The act of recovering costs/monies for the government for a return on the original investment of the item.

### **SCRAP:**

Scrap material is not required to be reported to GSA. However, it is still government property, and as such, the same requirements are expected to be followed regarding the handling and disposition of it. Recycling efforts for scrap material need to be enforced and implemented at all VA facilities. This may necessitate separating materials in order to assist in the recycling effort.

Scrap sales are conducted for property that has no value other than its basic material content. These type sales are conducted locally, and this type of property is not required to be reported to GSA. Scrap sales may be viewed as a recycling effort, depending on the material being sold.

1. **Salvage.** In accordance with Federal Management Regulation (FMR) 102-36.220, salvage material is required to be reported to GSA for disposition. Items classified as salvage may be dismantled for usable repair parts when one of the following applies:

- a. The value of the part salvaged is equal to the cost of recovery.
- b. The value to be obtained by reclamation is greater than the potential trade-in or sale value.

2. **Scrap.** In accordance with FMR 102-36.220, scrap material is not required to be reported to GSA. To the extent possible, scrap material should be viewed as a recycling opportunity. Upon a written determination made and signed by the facility Accountable Officer and Recycling Coordinator, a facility Director may retain and use proceeds incurred from selling scrap material, to the extent permitted by law and for purposes as outlined and contained in Public Law 108 - 199.

### **Proceeds From Scrap Sales.**

- (1) Proceeds from scrap sales may be retained at the facility if it is related to a waste prevention or recycling program activity.
- (2) Proceeds from scrap sales other than for recycling purposes, must be deposited into the U.S. Treasury.

### **Recycling Revenue.**

- (1) All proceeds from scrap material that is recycled will be utilized and deposited in a Recycling Revenues account (e.g. No – Year Funds). The establishment of this account is authorized as a result of the 2004 Consolidated Appropriations Act, Public Law 108 – 199, dated January 23, 2004.
- (2) This act continues the authorization for VA to receive funds resulting from the sale of materials through recycling or waste prevention programs. The funds generated from these funds may be used for the following:
  - a. The acquisition, waste reduction, prevention, and recycling programs as described in Executive Order 13423, including any such program adopted prior to the effective date of the Executive Order.
  - b. Other VA environmental management programs, including but not limited to, the development and implementation of hazardous waste management and pollution prevention programs.
  - c. VA employee programs as authorized by law, or as deemed appropriate by the facility director or equivalent.

### **Abandonment and Destruction**

1. **General Procedures (FMR 102-36.305).** In order to abandon or destroy personal property, an authorized official must make a written determination taking into consideration one or more of the following:
  - a. The property has no commercial value (either as an item or as scrap);

- b. The cost of handling, care, and preparation of the property for sale would be greater than the expected proceeds;
- c. A law, directive, or regulation requires abandonment or destruction; or
- d. A duly authorized official provides written instructions directing that abandonment or destruction procedures be implemented.

**2. Approval.** After an authorized determination is completed, the written findings must be approved by a reviewing official who is not directly accountable for the property. Approval of the determination or finding's will precede any disposal action.

**3. Implementation of Sale.** If a facility becomes aware of an interest from a legitimate source to purchase the item/s, it must implement sales procedures in lieu of abandonment or destruction.

**4. Donation.** A facility may donate the property to a public body in lieu of abandonment or destruction. A public body is defined as any department, agency, special purpose district, or other instrumentality of a state, federal, or local government. If the facility becomes aware of an eligible non-profit organization that is interested in the property, it must contact their local regional GSA property management office to implement donation procedures.

**5. Posted Notice.** A facility is required to post a public notice of the intent to abandon or destroy property, and also the facility must include in the posted notice an offer to sell the property in accordance with (FMPR 101-45). It is not required to provide a public notice when one of the following applies:

- a. The value of the property is clearly not economical to do so;
- b. Abandonment or destruction is related to a health, safety, or security issue; or
- c. The original acquisition cost or fair market value is less than \$500.00.

**6. A&D of IT Equipment (and Peripherals) and Electronics.** VA has an established Memorandum of Understanding (MOU) with UNICOR (Federal Prison Industries, Inc.) for the receipt of its scrap or designated A&D electronic equipment. The following items may be shipped to UNICOR as a donation:

Computer Equipment	Connectors/Cords/Wire	Communication Systems
Circuit Boards	Fax Machines	Printers
Mainframes/Servers	Modems/Monitors	Magnetic Drums
Test Equipment	Audio/Visual Equipment	Memory/Motherboards
Power Equipment/Supplies	Scrap Copper	Scrap Computer Plastic

Scrap Computer Metal  
Cameras  
Televisions  
Microfiche Readers  
Scanners

Laptops  
Bar Coding Equipment  
Cell Phones  
Land Line Phones  
VCRs (and tapes)

Plotters/Copiers  
PDAs/Blackberries  
Calculators  
Cartridges (all types)  
DVRs

VA will pay zero (\$0.00) cents per pound for all items listed above. VA facilities will provide and pay for the transportation costs associated with the shipments to an UNICOR location nearest to them.

(Jim Teal, 240-678-6156)