

**PROCUREMENT PROCESS FOR INDIVIDUAL PROSTHETIC APPLIANCES AND
SENSORY AIDS DEVICES ABOVE THE MICRO-PURCHASE THRESHOLD**

1. REASON FOR ISSUE: This Directive establishes procedures for procuring prosthetic appliances and sensory aids for individual Veterans and Service Members and defines the roles and responsibilities of the acquisition team members. It also provides the circumstances under which other than full and open competition can be used when procuring prosthetic appliances and sensory aids.

2. SUMMARY OF CHANGES: This Directive:

a. Rescinds VHA Directive 2003-037, issued July 16, 2003. All local or network procedures related to procuring prosthetic appliances and sensory aids must comply with this Directive.

b. Establishes the circumstances under which other than full and open competition can be used and cited when procuring prosthetic appliances and sensory aids.

c. Designates the Network Contracting Office (NCO) as the office responsible for procuring prosthetic appliances and sensory aids over the micro-purchase threshold.

d. Designates the Facility Chief, Prosthetic and Sensory Aids Service (PSAS) as the office responsible for procuring prosthetic appliances and sensory aids under the micro purchase threshold.

e. Designates the Veterans Integrated Service Network (VISN) Prosthetic Representative as the primary point of contact for ensuring PSAS staff in their network are: (1) creating, submitting and monitoring all requests for procuring prosthetic appliances and sensory aids over the micro-purchase threshold, and (2) liaison with the Veteran and Service Member for which the item is requested, as necessary, to ensure the request is fulfilled.

3. RELATED ISSUES: VHA Directive 1173, Prosthetic and Sensory Aids Service; VHA Handbook 1173.1, Eligibility; and Deputy Assistant Secretary for Acquisition and Logistics (003A), Senior Procurement Executive Subject Memorandum: VHA Prosthetic Procurements, dated 9 Jan 2013.

4. RESPONSIBLE OFFICE: The Office of Procurement and Logistics (10NA2) is responsible for the contents of this Directive. Questions may be referred to VHA10NA2Action@va.gov.

5. RESCISSIONS: VHA Directive 2003-037, issued July 16, 2003 is rescinded.

6. RECERTIFICATION: This VHA Directive is scheduled for re-certification on or before the last working day of March 2019.

Robert A. Petzel, M.D.
Under Secretary for Health

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PROCUREMENT PROCESS FOR INDIVIDUAL PROSTHETIC APPLIANCES AND SENSORY AIDS DEVICES ABOVE THE MICRO-PURCHASE THRESHOLD

1. PURPOSE: This Veterans Health Administration (VHA) Directive defines the process and policies to follow when procuring prosthetic appliances and sensory aids above the micro-purchase threshold for Veterans and Service Members (hereafter referred to as patients). This Directive also defines the circumstances under which Veteran Affairs Acquisition Regulation (VAAR) and Federal Acquisition Regulation (FAR) may be cited to utilize other than full and open competition when procuring prosthetic appliances and sensory aids. **AUTHORITY:** 38 U.S.C. 8123; FAR 6.302-2, 6.302-5, 8.405-6, 13.106-1; VAAR 806.302.

2. BACKGROUND: VA has transitioned the authority to purchase prosthetic appliances and sensory aids from the prosthetics staff to warranted contracting officers when procurement amounts are above the micro purchase threshold established in FAR and VAAR. The authority to select what device is medically necessary to best meet the need(s) of the patient remains, however, with the prescribing clinician in consultation with the patient.

3. POLICY: It is VHA policy to maintain compliance with applicable statutes, regulations, and VA policy while providing patients with clinically prescribed high quality prosthetic appliances and sensory aids in an expedient manner. All VHA procurement officials making prosthetic appliance and sensory aid purchases and assigned to a Network Contracting Office (NCO), regardless of the job series, are required to execute contracts in accordance with all applicable statutes, procurement regulations (FAR and VAAR), VA Directives, and VHA Procurement policies and procedures.

4. RESPONSIBILITIES:

a. VHA Procurement.

(1) VHA Chief Procurement and Logistic Officer (CPLO) is responsible for:

(a) Overseeing all activities associated with acquisition and oversees implementation of VA acquisition policies, and assist in the development of those policies.

(b) Establishing standardized procurement policies and procedures that allow for timely acquisition of prosthetic appliances and sensory aids prescribed by the clinician, while maintaining compliance with the FAR, VAAR, and applicable VA Handbooks/Directives, VA Policy, and any other statutes and regulations.

(c) Ensuring sufficient resources are available to allow for the timely procurement of prosthetic appliances and sensory aids, in accordance with the FAR, VAAR, and for accurate documentation of the utilization of 38 U.S.C. 8123.

(d) Managing communications relating to procurements within the contracting lane of responsibility, including questions from vendors, patient advocates, Congressional inquiries, auditing agencies, and other stakeholders.

(2) VHA Regional Contracting Service Area Offices (SAOs) are responsible for:

(a) Ensuring the standardized procurement policies and procedures established by the CPLO are followed by all NCOs under their respective area of responsibility.

(b) Ensuring NCOs in their region procure prosthetic appliances and sensory aids in accordance with FAR, VAAR, 38 U.S.C. 8123 as applicable and that they are awarded within the established National Procurement Acquisition Lead Time (PALT) for prosthetic procurements.

NOTE: PALT measures the timeframe from which a complete and actionable requirement package was received at the NCO to the award date. Currently, there is no formal nationally established PALT for the procurement of prosthetic appliances and sensory aids. However, all requests for prosthetics items above the micro-purchase threshold will be procured by a specialized procurement staff within each NCO and be handled in an expedient manner. Once a standardized PALT is created and established for the Prosthetic and Procurement staff, all personnel involved in the acquisition process will work towards meeting and or shortening those timelines.

(c) Ensuring that all prosthetic procurements above the micro-purchase threshold are properly monitored and completed in accordance with the Health Care Product Codes (HCPCs) codes provided by PSAS, and all applicable procurement regulations and VHA policies.

(3) NCO Directors of Contracting are responsible for:

(a) Ensuring Contracting Officers (COs) assigned to their office comply with FAR or VAAR guidance or Title 38 U.S.C. 8123 if applicable to acquire the clinically prescribed device or service.

(b) Ensuring COs do not exceed their warrant authority limitations when procuring prosthetic devices.

(c) Work closely with Veterans Integrated Service Network (VISN) Prosthetic Representatives (VPRs) to ensure prosthetic appliances and sensory aids are procured in accordance with the level of urgency associated with the request and National timeliness standards for prosthetic procurements, and that the requestor is using the appropriate level of urgency.

(4) Network Contracting Officers are responsible for:

(a) Complying with the clinician's prescription. The CO does not have the authority to change or override a clinician's prescription but should ensure that the prescription adequately supports use of sole source authority under 38 U.S.C. 8123.

(b) Using mandatory and priority sources provided in FAR 8.002 and VAAR 808.002 and/or full and open competition procurement procedures when the prosthetic appliance or sensory aid prescribed is generally available and interchangeable.

(c) Determining the best method to procure the prosthetic appliance or sensory aid required by the prescription when using other than full and open competition is required, citing the FAR

or VAAR appropriately. In the event U.S.C. 8123 is cited, the CO, prosthetic representative, and requesting clinician should discuss utilization of this authority as appropriate. See paragraph 5 below (Instructions for Citing Other Than Full and Open Competition and 38 U.S.C. 8123).

(d) Completing all prosthetic procurements in the Prosthetic's software package ensuring the integrity of the National Prosthetic Patient Database.

(e) Ensuring the contract file is documented appropriately and filed in the Electronic Contract Management System (eCMS).

b. VHA Prosthetic and Sensory Aids.

(1) Chief Consultant, Rehabilitation and Prosthetic Service is responsible for:

(a) Establishing all Prosthetic and Sensory Aids (PSAS) performance metrics.

(b) Establishing and improving processes for providing prescribed and clinically appropriate, state-of-the-art prosthetic devices, sensory aids, and equipment in the most economical and timely manner.

(2) National Program Director, Prosthetic and Sensory Aids Service, is responsible for:

(a) Collaborating with VHA Office of Procurement and Logistics and the VA Office of Acquisition and Logistics to identify and pursue national strategic sourcing initiatives for prosthetic devices and sensory aids.

(b) Maintaining a system of information management for procurement requests.

(c) Aligning standards of care and clinical practices and PSAS purchasing.

c. **VHA VISN Directors.** VISN Directors are responsible for overseeing the VPRs, the Medical Center Directors, and sharing in the responsibility of prosthetic's activity oversight and ensuring performance measures related to the acquisition and delivery of prosthetic items are being met. VISN Directors will work closely with the NCO Directors of Contracting and VPRs to ensure coordination and prioritization of prosthetic acquisition activity.

d. VISN Prosthetic Representatives are responsible for:

(1) VISN Monitoring the compliance of all prosthetic transactions in the VISN (over and under the micro-purchase threshold) to ensure compliance with national PSAS metrics, including: timely processing, utilization of national contracts, entry of serial numbers, and ensuring proper data entry into the National Prosthetic Patient Database for billing and accountability purposes, and reporting results for procurements over the micro-purchase threshold to the SAO and NCO Director of Contracting to address necessary improvements with responsible staff.

(2) Serving as the primary point of contact for ensuring PSAS staffs in their network are: (1) creating, submitting and monitoring all requests for procuring prosthetic appliances and sensory

aids over the micro-purchase threshold, and (2) liaison with the Veteran and Service Member for which the item is requested, as necessary, to ensure the request is fulfilled.

(3) Working with the NCO Director of Contracting to communicate and address any problems, or identified opportunities for improving upon national metrics.

(4) Collaborating with the NCO Director of Contracting to review use of the authority provided under 38 U.S.C. 8123 for the purchase of prosthetic items and services, and to identify opportunities for local and regional contracts to limit the need for using 38 U.S.C. 8123 as the cited authority to procure items with other than full and open competition.

e. **Medical Center Directors.** Medical Center Directors are responsible for providing adequate resources for Prosthetic and Sensory Aids Service to work with the Procurement staff to meet procurement request requirements thereby ensuring timely support of all patients who require prosthetic appliances and sensory aids. Directors will also provide productive feedback to the NCO Directors of Contracting and VPRs on areas of procurement performance and commit to continuous improvement through regular written and verbal communication.

f. **Medical Center Chiefs of Staff.** Medical Center Chiefs of Staff are responsible for ensuring that all clinicians are credentialed or privileged to prescribe prosthetic devices or services provide adequate documentation on the Prosthetic Consult to justify the use of statutory authority, such as 38 U.S.C. 8123.

g. **Medical Center Chief, Prosthetic and Sensory Aids Services (PSAS) are responsible for:**

(1) Ensuring all requests for the purchase of prosthetic appliances and sensory aids, above the micro-purchase threshold, are entered into the eCMS Planning Module in accordance with the established timelines/standards and appropriate level of urgency is cited on the request.

(2) Ensuring that staff review consults and submit the appropriate Health Care Product Codes (HCPCs) as a part of the requirements package.

(3) Working with the prescribing clinician to ensure consult contains all pertinent information; e.g., quantity, delivery date and location, and any other special requirements.

(4) Confirming eligibility for requested PSAS services and or devices.

(5) Managing the communication with patients and providing all needed forms and information for orders that require any additional input from the patient such as the Home Improvement and Structural Alterations (HISA) or vehicle modifications.

(6) Providing the necessary information to initiate the procurement by completing the Prosthetic Procurement Request Document provided in the Appendix to this Directive (see Appendix A for details).

(7) Ensuring any justification submitted for the use of a statutory exemption to full and open competition is justified, appropriate, and in compliance with the intent of the exemption.

h. **VHA Clinicians.** VHA Clinicians determine the prosthetic needs of patients as a part of their clinical care and follow-up with the patient to ensure the necessary device(s) are purchased to achieve the optimal clinical outcomes. Clinicians, in consultation with the patient, will decide what device is medically necessary to best meet the need(s) of the patient. When requesting the device, clinicians are required to provide information to the PSAS staff in the form of a patient consult via the Computerized Patient Record System. When considering which device will be provided to the patient, clinicians should consult with the PSAS staff at the medical center for guidance regarding those prosthetic appliances and sensory aids on the Prosthetic National Committed-use Contracts awarded by the VA. The requested item should be selected because: (1) it best met the medical needs of the patient; and/or (2) because the medical needs of the patient require the requested item which is not listed in Prosthetic National Committed-use Contracts.

5. INSTRUCTIONS FOR CITING OTHER THAN FULL AND OPEN COMPETITION AND 38 U.S.C. 8123: Upon receipt of the Prosthetics Procurement Request Document from the PSAS, the CO will review the request and determine if other than full and open competition is necessary to procure such appliance or aid. If the prescribed item is covered on a Prosthetic National Committed-use Contract, the item should be purchased from that source provided the contract delivery time is adequate to meet the patient's medical needs. If the prescribed item/service is available competitively, the CO shall promote and provide for full and open competition. Otherwise, paragraphs 5.a.(1) through 5. a.(5) below describe the procurement authority options that the CO should use in their Justification and Approval (J&A) documentation based on the specific procurement action and instructions provided in the [VHA Procurement Manual](#). FAR 6.302-5, VAAR 806.302-5, and 38 U.S.C. 8123 in paragraph 5.a.(5) below should be used when the patient's medical need cannot be best met through the use of a required source of supply or service and there is medical justification to support the special need, and only if the other authorities in paragraphs 5.a.(1) through 5.a.(4) have been exhausted or are inapplicable. **NOTE:** *38 U.S.C. 8123 can only be used for open-market procurements under FAR Part 6.302-5/ VAAR 806.302-5 Authorized or required by statute. FAR Part 8 Limited Sources Authorities does not provide an option for "Authorized or required by statute."*

a. Below are the options that the CO should use in their J&A documentation based on the specific procurement action and instructions provided in the VHA Procurement Manual:

(1) FAR 8.405-6(a)(1)(i)(A): The requested prosthetic item/sensory aid will be purchased against a Federal Supply Schedule (FSS) contract and an urgent and compelling need exists, and following the procedures would result in unacceptable delays. Delay in the award would cause patient harm and there is medical justification to support the urgent need.

(2) FAR 8.405-6(a)(1)(i)(B): The requested prosthetic item/sensory aid will be purchased against an FSS contract and only one source is capable of providing the requested supplies or services required at the level of quality required because the supplies or services are unique or highly specialized.

(3) FAR 13.106-1(b)(1): Single Source (only one responsible source and no other supplies or services will satisfy the requested prosthetic item/sensory aid): This reference can also be used for Urgency (emergency requests for prosthetic item/sensory aid where delay in the award

would cause patient harm and there is medical justification to support the need). This reference can only be used for requirements under the Simplified Acquisition Threshold (currently \$150K).

(4) FAR 6.302-2: Unusual and Compelling Urgency: The prosthetic item/sensory aid is not available for purchase on an existing contract and will be purchased on an open-market basis and (1) the delivery time on the existing contract does not meet the patient medical needs and there is documentation to support the compelling special need, or (2) a medical emergency exists and there is medical justification to support the need. **NOTE:** *Emergencies are situations where an unusual and compelling urgency precludes full and open competition or delay in award of a contract would result in serious injury, financial or other, to the VA/Patient. Some examples of unusual and compelling urgencies are fire, flood, explosion, other natural disasters, or where a lack of service/supply would present a severe threat to a patient's life.*

(5) FAR 6.302-5, VAAR 806.302-5(b)(1): Authorized or required by statute (38 U.S.C. Section 8123): The prosthetic item/sensory aid is not available for purchase on an existing contract and will be purchased on an open-market basis because the patient's medical need cannot be met through the use of a required source of supply or service and there is medical justification to support the need.

6. REFERENCES:

- a. 38 U.S.C. Section 8123.
- b. VHA Directive 1173, Prosthetic and Sensory Aids Service.
- c. VHA Handbook 1173.1, Eligibility.
- d. VHA Procurement Manual published 1 November 2011.

7. DEFINITIONS: The following terms are considered or related to the procurement of prosthetic appliances and are defined in [VHA Handbook 1173.1](#) and wherever used will have the same meanings: *Eligibility* (patient eligibility for prosthetic services), *Appliance* (device, item, etc.), *Prosthetics*, *Prosthetic Appliances*, and *Health Care Product Codes (HCPC)*.

Procurement Checklist for Requesting Prosthetic Appliances & Sensory Aids
Prosthetic Procurement Request Document

PURPOSE: To ensure standardization of the submission process for all prosthetic appliances and sensory aids over the micro-purchase threshold, the document below is required to be completed and uploaded into the Electronic Contract Management System (eCMS) Planning Module. For access to the eCMS Planning Module, please contact the Network Contracting Office (NCO) eCMS Coordinator. Select from the following links to identify a local/regional eCMS/Application Coordinator: Service Area Offices (SAO) West, SAO East, and SAO Central.

This procurement request document is designed to be a complete compilation of all information required by the NCO to process the requested prosthetic item(s) and service(s).

NOTE: Patient consults are prohibited in eCMS and ALL Patient Health Information MUST be redacted from all documents before uploading into the eCMS Planning Module.



Prosthetic
Procurement Request

The information listed in the table below is required to initiate the procurement process:

1. Point of Contact for Request
2. Funding Information and Consult Reference Number
3. Name/Description of requested prosthetic item/sensory aid
4. Recent Price History when available, or HCPCS Code (fulfills the requirement for the Independent Government Cost Estimate also known as IGCE)
5. Justification & Approval Document if requesting sole source due to Emergency/Urgent Requests, Only One Source can provide item, or U.S.C 8123 Requests
6. Supporting Documents

Emergency/Urgent Requests: An e-mail with subject line "Emergency" is to be transmitted to notify the NCO Prosthetics Manager of the emergency request by PSAS. PSAS should verify receipt of the order by the Prosthetics Team Lead and that action is being taken. All

emergencies shall be received by Procurement no later than 2:00 PM for same day action. Any emergencies that arrive after the 2:00 PM same day cutoff will be executed by 10:00 AM the following business day. In the event no confirmation is received by 2:30 PM the PSAS requestor shall notify the NCO PSAS email Group.

Time Zones: For same day processing through distributors in varying time zones, be cognizant of time differences; emergency orders placed in Pacific time zones that require processing through VA offices located in Eastern time zones are to be placed with Procurement Activity prior to 11AM Pacific time for same day processing.