



VA Multiple Award Schedule Quick Fixes

The Coalition for Government Procurement submitted a VA Multiple Award Schedule White Paper with recommendations for improving the efficiency and effectiveness of the program to enhance the delivery of medical products and services, and pharmaceuticals, to our nation's veterans. The following is a subset of "quick fix" recommendations that we urge the VA to embrace in order to facilitate negotiations and prevent unnecessary delays. Quick fixes are changes which can:

- Lower cost to government and industry without decreasing value
- Be executed within VA's existing authorities and
- Be accomplished within 30 – 90 days

Quick Fix Recommendations Addressing Inconsistency with GSA Policy¹

1. Supplement GSAR 538.270 to give specific examples, relative to healthcare products and services, that might warrant the government receiving less favorable discounts than the best commercial customer.
2. When horizontal price analysis is used:
 - a. Identify the source of the data to the offeror/contractor;
 - b. Consider product differentiators and the terms and conditions under which the product was sold ; and
 - c. Increase transparency of the government's price analysis by using data in GSA Advantage!
3. Provide written guidelines to contracting officers and contractors for evaluation of offers from resellers. Guidance should address alternatives to submission of manufacturer Commercial Sales Practices (CSP) -and consider GSA practices. We understand that some VA contract negotiators have developed acceptable alternatives. Those alternatives should be documented and made available to all affected prospective contractors.

Quick Fix Recommendations Addressing Unique Market Conditions²

4. The White paper recommends that VA revise and clarify the CSP format to make it more relevant to the healthcare industry. The CSP should exclude disclosure of detailed information about pricing programs that are completely dissimilar to the terms of the FSS; for example
 - a. Incentive programs
 - b. Performance based discounts

¹ VA Multiple Award Schedule White Paper May 2016 (White Paper) p.12

² White Paper p. 15

c. Pricing based on acquisition of a complete package of multiple products

As an alternative “quick fix” the CSP should be revised to ask for summary disclosure of these pricing practices. A Contracting Officer has the discretion to ask for a detailed disclosure in a particular case when needed to adequately evaluate offers received.

Quick Fix Addressing Unique Commercial Customer Base³

5. Revise instructions for the CSP to exclude disclosure of transactions with commercial or state entities that pay providers on behalf of beneficiaries (e.g., insurers and health plans) from disclosure on the CSP. Federal treatment facilities purchasing drugs under FSS contracts are not managed care organizations and are unaffected by such business relationships.

Quick Fix Recommendations Addressing Audits⁴

6. Establish transparency in audits and negotiations by providing contractors with copies of audit reports and findings. At a minimum, VA should share findings, without any recommendations made by the auditor to the contracting officer.
7. The OIG should periodically share best practices with VA contractors to increase quality of submissions and reduce time for completing offers.

³ White Paper p. 17

⁴ White Paper p. 15