



Recommendations to Improve the Efficiency & Effectiveness of the VA FSS Program

March 2026

The Coalition for Government Procurement (Coalition) appreciates the opportunity to provide recommendations to improve the efficiency and effectiveness of the U.S. Department of Veteran Affairs (VA) Federal Supply Schedule (FSS) program. The VA FSS comprises nine Schedules operated by the VA under a delegation of authority from the General Services Administration (GSA). The VA Schedules are a significant part of the overall Schedules program accounting for over \$25.6 billion in sales in FY2025. The VA FSS provides Federal customers with access to healthcare products and services ranging from high-tech surgical equipment to nursing care services.

The implementation of these recommendations will increase the availability of innovative healthcare products and services through the VA FSS for veterans. It will also lead to increased efficiency in delivering products and services to veterans and reduce the cost of contracting for the government and industry. These recommendations focus on three key areas: 1) increasing communications between the VA and its suppliers, 2) streamlining audits and 3) increasing efficiencies in contract administration.

Increasing Communications

Facilitate Regular Meetings between VA FSS Team and Industry

The VA FSS program's industry partners appreciate every opportunity to learn more about the program and how they can be better partners with the VA so that veterans get the latest healthcare products and services quickly. The Coalition for Common Sense in Government Procurement (Coalition) also views positive and frequent communications between government and industry as key to supporting a successful VA Federal Supply Schedule (FSS) program.

To advance positive communications between government and industry, the Coalition recommends the following:

- **A return of the VA FSS Industry Day** which provides business of all sizes, especially veteran-owned small businesses (VOSBs) and service-disabled veteran owned small businesses (SDVOSBs), the opportunity to learn the basics about how to access the VA market and also offers more advanced sessions on complex legal and contract administration matters for long time contractors.
- **Continued annual meetings between the VA National Acquisition Center (NAC) and industry in the Chicago area.** These in person meetings are highly valued by the VA FSS program's industry partners due to the quality of the briefings provided by VA FSS leadership and the opportunity for industry to meet with the contracting officers (COs) and representatives from the Office of Legal Counsel in attendance. The open dialogue contributes to the building of positive rapport between the VA FSS staff and contractors, which supports productive interactions throughout the year.

- **Quarterly virtual meetings to keep industry up to date on VA FSS program developments.** In addition to the opportunity to meet in person once a year, industry would like to recommend quarterly virtual meetings so that they are informed of any program changes. Virtual meetings also provide FSS contractors the opportunity to ask clarifying questions about any program or solicitation changes and to provide feedback to VA FSS program officials.
- **Partnership in the development of meeting agendas.** The VA FSS program provides valuable information to its contractors in program notices, the VA FSS newsletter, the annual NAC meeting and other forums. For in-person and virtual meetings with an agenda, industry would appreciate the opportunity to co-develop the agenda so that topics of concern and common questions within industry can be addressed. FSS contractors find that meetings that follow agendas that are created in partnership between the VA and industry are most productive and allow for higher level discussion and collaboration on complex questions.
- **Updates to the VA FSS Website.** The VA FSS website has the potential to be an incredible resource for longtime FSS contractors and suppliers looking to bring new healthcare innovations to veterans. Coalition members report that while the current website is helpful, it could provide additional value with more regular updates. The VA FSS newsletter, which is posted on the website, is a valuable resource for industry. Potential additions to the website include Frequently Asked Questions addressing issues such as the appropriate pipeline for clarification/escalating questions, timelines on when national contracts will be competed, how federal developments like cybersecurity standards will affect the program, and guidance on compliance with executive orders. The website could also be improved with a search function or other changes to improve the navigability of the site to ensure contractors can access pertinent information. Finally, the website could supplement the Help Desk by providing a portal for the VA FSS program to respond to questions submitted by vendors.
- **Best Practices for Regular Communications between COs and Contractors.** Development of best practices for regular communications between FSS COs and contractors would be helpful in setting a standard pace and expectations for communications during the new offer, modification, and renewal process. There are some industry reports of long lapses in communications during contract administration which can lead to significant inefficiencies if a contractor's submitted pricing becomes outdated during that time and consequently needs to be resubmitted. This unfortunately requires redocumentation, review, and resubmission which is burdensome and inefficient for both government and industry. Additionally training that would promote open communication between COs and contractors, including phone calls in addition to email, could expedite the contracting process.
- **Improved Communication on System Update and Integration.** The Coalition supports the adoption of GSA's e-systems by the VA FSS. As the VA continues to move in this direction, regular updates and training for contractors will be critical to ensure the smooth implementation of these new programs. Regarding the integration of the program with GSA tools such as the Federal Acquisition System Catalog Platform, regular communications with industry would provide the opportunity to highlight segment specific concerns with data and input fields, providing a better understanding of potential issues the system would have to address. The VA can utilize its website to provide timelines for implementation and training so that industry is aware of upcoming changes and prepared for the VA's rollout of the system.

Communications Recommendations

1. Host an annual in-person meeting with industry in Chicago.
2. Host quarterly virtual meetings with industry.
3. Work with industry to co-develop the agenda for meetings.
4. Establish best practices for regular communications between CO and contractors to ensure timely response throughout processes to improve the efficiency of the program.
5. Update the website with information on past meetings, resources for contractors, and a portal for industry to submit issues.
6. Return to publishing the quarterly FSS newsletter.
7. Provide regular updates on the adoption of GSA systems.

Streamlining Audits

Align VA Audit Procedures with GSA to Speed the Availability of New Healthcare Products and Services for Veterans

VA subjects its contractors to more intense scrutiny on routine contract actions compared to GSA. The VA requires pre-award audits for the majority of FSS contract awards and modifications. Specifically, pre-award audits are required on awards or modifications for pharmaceutical, drugs, and hematology products (Schedule 651B) with estimated annual sales to the VA of \$5 million or more, and awards or modifications for all other VA FSS products and services with expected annual sales of \$3 million or more. In addition, the VA requires audit of proposals from resellers (defined by the VA as any company other than the manufacturer) that do not have significant commercial sales for a contract or modification with an estimated value of \$500,000 or more.¹

These pre-award audits conducted by the VA Office of Inspector General (OIG) extend the time needed for the VA to award proposals for FSS contracts and modifications. The VA FSS program's audit policy based on estimated sales volumes captures all large contract actions that are routine and removes the discretion typically exercised by the government to determine when an audit is necessary. Elimination of discretion, along with finite resources, results in all large contract and modification actions being delayed regardless of the complexity of the proposal. The consequence for veterans is a delay in the availability of certain healthcare innovations and new technologies already available commercially.

GSA's Office of Audits takes a more targeted approach to identifying contracts for audits. GSA identifies Multiple Award Schedule (MAS) contracts that are high in value and/or contracts where either the auditors or contracting officers have identified a reason why an audit may be warranted. Compared to the VA, GSA typically audits a smaller number of contracts each year, though the value of these contracts covers a high percentage of MAS sales. GSA's approach uses its audit resources judiciously while also ensuring that contract actions that have the most impact on federal customers are investigated. As a result, fair and reasonable price determinations for modifications and other routine contract actions at GSA are done more efficiently because they are conducted by contracting officers themselves instead of requiring additional review and analysis by the OIG.

¹ <https://www.va.gov/opal/nac/fss/oig.asp>

Audit Recommendations

Update VA National Acquisition Center Procedural Guideline 22, *OIG Contract Audit Procedures*, and the associated audit process as follows:

1. Revise internal audit guidelines to select contract actions to be audited based on best leveraging government resources and eliminating low risk contract actions from the requirement for pre-award audit. Audit decisions should not be based exclusively on arbitrary monetary thresholds.
2. Revise criteria for review of proposals from resellers; use same criteria as proposals from other offerors.
3. Develop a streamlined audit approach with templates/guidelines based on a manufacturer's historical performance.
4. Establish transparency in audits and negotiations by providing contractors with copies of audit reports. At a minimum, share findings without any recommendations made by the auditor to the CO.
5. The OIG should periodically share best practices to increase quality of submissions and reduce time for completing offers.

Opportunities to Increase Efficiencies in Contract Administration

IT Infrastructure Improvements

Invest in Improvements to the Infrastructure Information Technology (IT) Systems supporting VA Contracting to Accelerate Cycle Times

The VA FSS program would benefit from investments in IT systems. The VA has begun using GSA's Sales Reporting Portal (SRP) and we commend this effort. Members recommend that the VA FSS team explore opportunities to further leverage the SRP as well as other GSA e-tools. For example, the VA FSS program should explore options to utilize GSA's electronic modification (e-mod) or electronic offer (e-offer) systems either directly or through a modified system. The Coalition also recommends that the VA leverage the FAS Catalogue Platform (FCP). This would facilitate the VA moving communication away from email chains with document attachments, accelerating the contracting process while improving data accessibility and security. Sometimes, contractual documents need to be printed and filled out by hand which unnecessarily slows down the process. These delays further strain VA contracting personnel. The Coalition recommends exploring opportunities to better utilize GSA tools to maximize their potential value. One example is that the VA's FSS use of the SRP limits access to one primary point of contact. This creates disruptions when points of contact leave or simply change emails. At GSA, the SRP allows for multiple points of contact, preventing these disruptions.

The Solicitation Document

Improve the VA FSS Solicitation by Updating it at Regular Intervals to Reduce the Proliferation of Attachments

The Coalition recommends that the VA FSS reissue their solicitations at regular intervals to reduce their size and complexity. Under the current process, the attachments are added to the vendor response form without integrating these attachments into the solicitation itself. This has created a solicitation response document that has continually grown in size and complexity. The VA could integrate these modifications

into the solicitation process to clarify offeror requirements, reducing the administrative burden for both government and industry. The Coalition also recommends that the VA post draft solicitations or Mass Modifications (Mods) to the VA FSS Community on GSA Interact for industry review and opportunity to comment. Refreshing the solicitation regularly would provide offerors and COs with a simpler document that more effectively communicates contract requirements.

Additionally, the Solicitation Response Document should also be updated to include guidance to pharmaceutical contractors with procedures for pricing items with insignificant commercial sales. Specifically, guidance regarding Disclosures Required for Insignificant Commercial Sales (DRIS) could use clarification to ensure consistency regarding product comparisons and what data offerors should supply. To ensure a fair and transparent negotiation process, a procedure for pricing items with insignificant commercial sales should be added to the VA FSS solicitation document. This would also give COs the guidance they need to make decisions that are in the best interests of the government. GSA's FAS Policy and Procedure (PAP) 2021-05 includes guidance on negotiations with vendors with no commercial sales. The PAP directs contracting officers to use a specific Federal Government agency or department when identifying a manufacturer's most favored customer (MFC). For resellers, Commercial Sales Practices Format information is requested from the manufacturer. If this information is not available from the manufacturer, a specific federal government agency or department is identified as the MFC.

Members report that some contracting officers request a "market research Excel workbook" or a "cost factor build-up Excel workbook" which do not appear in the solicitation. The VA should either cease requests for these documents or consider incorporating them into the solicitation with an opportunity for industry feedback via the VA FSS Community on GSA Interact.

Finally, the Coalition recommends the VA offer a streamlined proposal for contractors seeking contract renewal, lowering the workload for all parties involved.

The Evaluation Timeline

Expedite the timeline for reviewing offers or renewal submissions to reduce delays that create additional work for government and industry.

Streamlining the solicitation process would reduce the time it takes to offer the latest healthcare products and services in the commercial market to veterans. Coalition members report that the process can take 9 months for the award of a product contract and 11 months for the award of a services contract. This Procurement Acquisition Lead Time (PALT) necessitates multiple data requests from COs, as the initially submitted data is out of date by the time of award. To expedite the process, the VA should streamline the process by modifying the requirement for Commercial Sales Practices to be current within 60 days of the option extension exercise. The current requirement necessitates recertification every 60 days during the option renewal. This can lead to unnecessary reviews occurring throughout the process, significantly lengthening the renewal. The requirement for Letters of Supplies should be updated to require that they be dated within 12 months of vendor submission (instead of the current 90 days). Reducing the timeline for processing offers or renewal submissions can improve the quantity of products available to veterans through the FSS, enhancing veteran choice and vendor competition.

Members report that the VA offers a “fast track” for priority awards that ensures certain high priority proposals are awarded within 30 days. The Coalition applauds any efforts to establish an expedited process and requests that the VA publish more information about the fast track to ensure that suppliers are aware of this option and can leverage it effectively.

Maintaining Commercial Policies as Commercial Practices Evolve

Adopting commercial best practices where appropriate can support the modernization of the VA FSS program over time.

The VA FSS program could improve the availability of healthcare products and services to veterans by better aligning with best commercial practices. Pricing structure is one example. Alignment with commercial pricing structures for a given product or transaction should be encouraged. For example, there are medical services such as X-rays where the VA only allows for hourly rate-based pricing. This excludes commercial practices such as pricing by volume for a service. Flexibility in pricing structure could enable the inclusion of simple, effective, commercial pricing practices within the VA FSS program.

The VA could bring more innovative products to the FSS program by allowing flexibility when utilizing tangential Special Item Number (SIN) categories. GSA has demonstrated success onboarding innovative products by assigning these products, which may not have an ideal category, to the best SIN available, ensuring agencies have access. This kind of flexibility would improve the VA FSS program’s ability to onboard innovative products. Healthcare is evolving extremely rapidly; new innovative products have immense potential to improve the lives of veterans. If offerors can get these products into the FSS program, veterans will receive more optimal care. Greater flexibility should also apply to lightly customized commercial products. While customized products had inefficient error rates when first introduced, advancements in technology have made custom orthotics, dentures, and other items economically efficient. They also provide significantly better care.

Review SIN Structure

Review and update the current SIN structure to better organize the scope of products/services available through the FSS program so that healthcare providers can easily find the products/services they need.

The Coalition recommends that the VA FSS Program review its current SIN structure to see if additional SINs should be added. Industry can contribute by providing feedback on any gaps that may exist within the current SIN structure. One new section to consider is to either establish a new Schedule number or add some new SINs to the 6511A Med-Surg schedule to allow for the inclusion of high-tech medical equipment onto the VA FSS. Products like hand-held ultrasound devices are more suited to the VA FSS than the National Contract Service HTME contract vehicle where they are often referred to today.

Contract Administration Recommendations

1. Adopt additional GSA e-tools and move away from email-based negotiations.
2. Standardize the information that contractors need to provide the VA during the modification process.
3. Refresh VA FSS solicitations to eliminate or at least limit solicitation attachments.
4. Offer a streamlined renewal process consistent with the GSA MAS.

5. Educate industry about any “fast track” processes available to ensure that suppliers can effectively leverage the program.
6. Publish guidance for pharmaceutical vendors about how to price items with insignificant commercial sales.
7. Modify the requirement for Commercial Sales Practices to be current within 60 days of the option extension exercise to minimize the number of times pricing must be resubmitted by vendors.
8. Update the requirement for offerors to provide current Letters of Supply so that letters may be dated within 12 months of vendor submission.
9. Allow more flexible pricing structures for some products consistent with commercial practices.
10. Revisit how PALT is measured.
11. Review the current SIN structure to see if additional SINs should be added and allow for industry input.