

# Doing Business with the



U.S. Department  
of Veterans Affairs

# What you will Learn Today

- How VA is Organized
- Products and Services VA purchases
- How VA makes purchases
- Veterans First Contracting Program
- VA Federal Supply Schedule Contracts
- Additional Tips

# Department of Veterans Affairs



*Divided into three branches*

- **Veterans Benefits Administration (VBA)**

  - 4 regions

  - Milwaukee Regional Office is located on the VA Milwaukee Campus

- **National Cemetery Administration (NCA)**

  - 5 Service Networks operates 131 national cemeteries

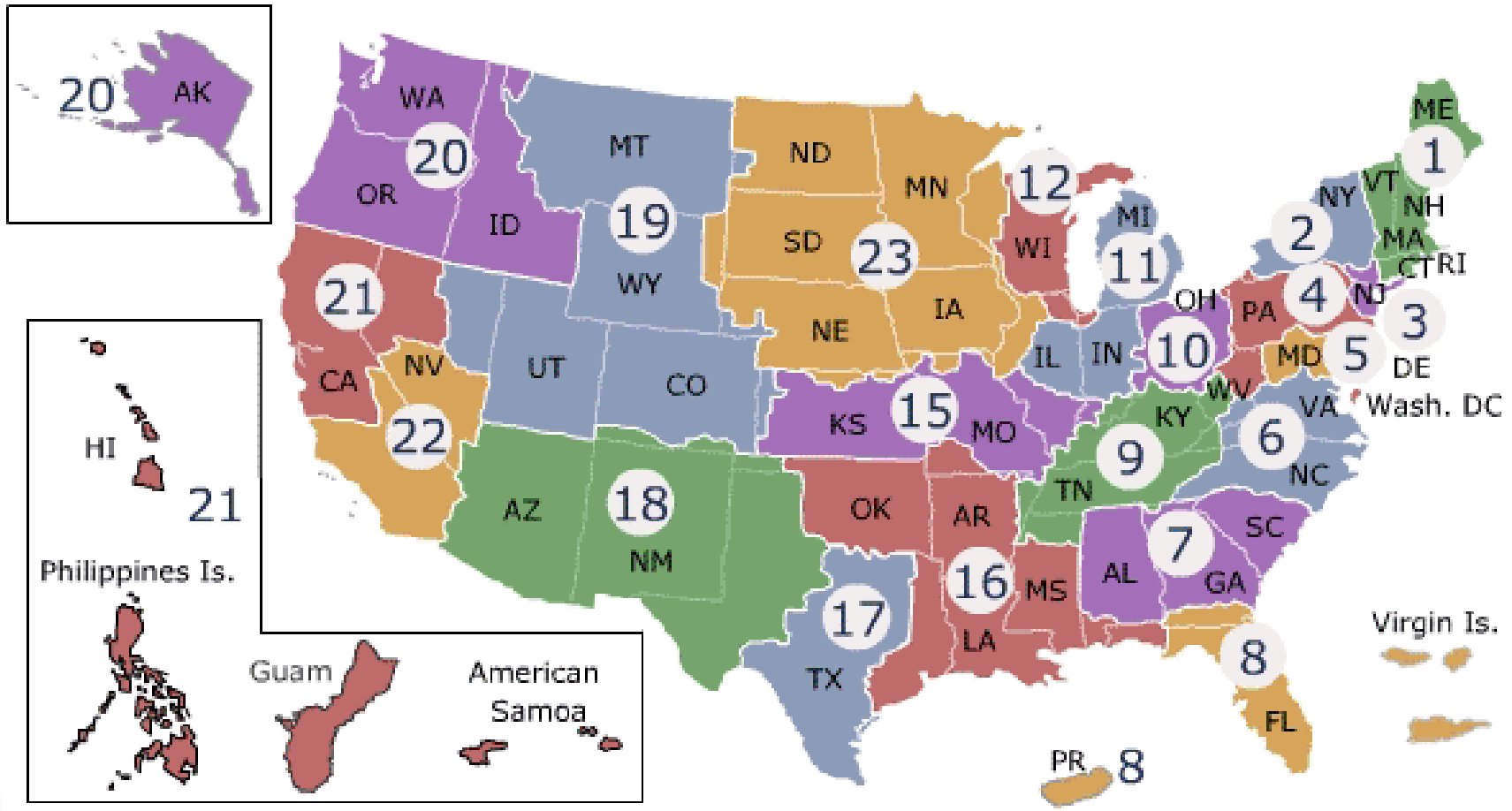
  - Wood National Cemetery is located on the VA Milwaukee Campus

- **Veterans Health Administration (VHA)**

  - Operates 1,700 hospitals, clinics, community living centers, domiciliaries, and readjustment counseling centers

  - Divided into 21 Regions called VISNs

# VHA VISN Map





# VISN 12

Almost the entire state of Wisconsin, Upper Peninsula of Michigan, and northern Illinois comprise VISN 12. Medical Centers are located in Milwaukee, Wisconsin; Madison, Wisconsin; Tomah, Wisconsin; Iron Mountain, Michigan; North Chicago, Illinois; Hines, Illinois; and Chicago, Illinois. Outpatient clinics are located throughout the region.

The Network 12 Contracting Office is located in Milwaukee, with the majority of the staff there. There is also a satellite office in North Chicago, and have a couple of employees in Madison.

# VA Budget

- VA spent more than \$17 Billion on goods and services last year
- 35% or more than \$6 Billion went to Small Businesses
- VA requires a broad spectrum of goods and services. VA purchases these goods and services on a national, regional, and local level. Regardless of how large or small a business is, VA is a potential customer.



# FY 2014 VA Small Business Program Goals

## *Prime Contracting Goals*

- Small Business 34.77%
- Veteran-Owned Small Business 12.0%
- Service-Disabled Veteran-Owned Small Business 10.0%
- Small Disadvantaged Businesses (including Section 8(a)) 5.0%
- Women-Owned Small Business 5.0%
- Historically Underutilized Business Zone (HUBZone) Small Business 3.0%

## *Subcontracting Goals*

- Small Business 17.0%
- Veteran-Owned Small Business 5.0%
- Service-Disabled Veteran-Owned Small Business 3.0%
- Small Disadvantaged Businesses (including Section 8(a)) 5.0%
- Women-Owned Small Business 5.0%
- Historically Underutilized Business Zone (HUBZone) Small Business 3.0%

# VISN 12 Budget

In Fiscal Year 2013, VISN 12 spent over \$485 million including about \$100 million in prime vendor and pharmaceutical purchases.

For Fiscal Year 2014, VISN 12 anticipates spending around \$450 million, with a slight reduction in construction spending.

(Prime Vendor contractor manages inventory and provides delivery of products in a more efficient and effective manner for a distribution fee which is a markup to the product price.)

# VISN 12 - FY 13 Budget

## *Breakdown of \$485,834,577.26*

Small Business - 42.73%	\$207,593,400.70
Veteran-Owned Small Business - 27.99%	\$135,999,963.39
Service-Disabled Veteran-Owned Small Business - 26.04%	\$126,512,528.23
Small Disadvantaged Businesses (including Section 8(a)) -8.05%	\$39,103,760.78
Women-Owned Small Business - 2.6%	\$12,619,434.22
Historically Underutilized Business Zone (HUBZone) Small Business - 2.89%	\$14,037,567.49

# Examples of items purchased by VISN 12 include:

- Pharmaceuticals, medical and surgical supplies (Prime Vendor Contracts)
- Perishable subsistence (Prime Vendor Contract)
- Equipment, supplies, and materials for facility operation
- Maintenance and repair of medical and scientific equipment
- Building construction, maintenance, and repair
- Prosthetic and orthopedic aids
- Medical gases
- Janitorial, Trash, and Transportation Services
- Office Supplies (GSA working on National BPAs)
- IT Equipment (NASA SEWP Contracts)

# How Does VA Buy

Acquisitions are accomplished by:

- Sealed Bidding
- Negotiation
- Simplified Acquisition Procedures
- Mandatory sources, i.e. Ability One, Federal Supply Schedules

Solicitations may be located on:

- Federal Business Opportunities (FedBizOpps)

<https://www.fbo.gov/>

- GSA eBuy

[https://www.ebuy.gsa.gov/advantage/ebuy/start\\_page.do](https://www.ebuy.gsa.gov/advantage/ebuy/start_page.do)

# Specific to VA

- All procurements are considered commercial items, with the exception of construction and some very complex research and development items. Almost all procurements are completed using FAR Part 12 – Acquisition of Commercial Items  
[https://acquisition.gov/far/current/html/Subpart%2012\\_1.html#wp1085203](https://acquisition.gov/far/current/html/Subpart%2012_1.html#wp1085203)
- VA only has the authority to do Fixed Price Contracts and Fixed Price with Economic Price Adjustment Contracts. These types of contracts generally puts more risk on the contractor.

# Procurement Regulations

VA procurements are completed in accordance with the Federal Acquisition Regulations (FAR), Department of Veterans Affairs Acquisition Regulations (VAAR), and VA policies and procedures.

Websites:

FAR: <http://www.acquisition.gov/far/>

VAAR: <http://www.va.gov/oal/library/vaar/>

# Veterans First Contracting Program

Public Law (P.L.) 109-461, Veterans Benefits, Health Care, and Information Technology Act of 2006 provides VA with unique authority for contracting with Service–Disabled Veteran–Owned Small Business (SDVOSB) and Veteran–Owned Small Business (VOSB). In order to qualify for participation in the VA Veterans First Contracting Program, eligible business owners must first be verified through the Center for Verification and Evaluation (CVE). Firms are eligible for two years from their last verified date. Change was announced August 22, 2013 Federal Register.

*SDVOSB and VOSB must be verified in order to participate in SDVOSB and VOSB set-asides. <http://www.vetbiz.gov/>*

# VA Contracting Priority\*

Contracting Order of Priority – VAAR 819.7004

...Contracting officer shall consider in the following order of priority,...

- (a) To SDVOSBs
- (b) To VOSB, including but not limited to SDVOSBs
- (c) Pursuant to –
  - (1) Section 8(a) of the Small Business Act or
  - (2) The Historically-Underutilized Business Zone (HUBZone) Program and
- (d) Pursuant to any other small business contracting preference.

*\*Unique to contracting with VA.*

# SDVOSB Set-Asides

VAAR 819.7005 states:

The contracting officer shall set-aside an acquisition for competition restricted to SDVOSB concerns upon a reasonable expectation that (1) offers will be received from two or more eligible SDVOSB concerns and (2) award will be made at a fair and reasonable price.

The contracting officer shall ensure eligibility is extended to businesses owned and operated by surviving spouses and businesses are registered and verified in the CVE database prior to making an award.

# Non-Veteran Small Business Awards

- In Fiscal Year 2013 - VISN 12 spent \$71.5 Million with non veteran Small Businesses

# VA Construction Buys

- Generally completed as sealed bidding with award going to the lowest priced, responsive, responsible bidder.
- First consideration given to Service–Disabled Veteran–Owned Small Business (SDVOSB) set aside. (CVE verified)
- Announced on the Federal Business Opportunities (FedBizOpps) website - <https://www.fbo.gov/>



# VA National Acquisition Center (NAC) – Hines, Illinois

The NAC solicits, awards, and administers VA's Federal Supply Schedule and National Contract Programs including the acquisition and direct delivery of pharmaceuticals, medical/surgical/dental supplies, high technology medical equipment and just-in-time distribution programs (also known as Prime Vendor Distribution Programs). With over 1,850+ contracts, the NAC's programs realize annual sales of over \$14 billion.

All Federal agencies are able to purchase from the VA Schedules.

# VA Schedules

Like GSA Schedule contracts, the VA Schedules are indefinite delivery/indefinite quantity type contracts awarded to pre-approved vendors using full and open competition.

Additionally, the Federal Supply Schedule (FSS) program negotiates firm-fixed pricing based on a commercial “most favored customer” pricing concept, including an option for economic price adjustments. All products and services are state-of-the-art and provide national/worldwide coverage.

# VA Schedules

65 I B – Drugs, Pharmaceuticals, & Hematology Related Products

65 II A – Medical Equipment & Supplies

65 II F – Patient Mobility Devices

65 VII – Invitro Diagnostics Reagents, Test Kits, & Test Sets

65 II C – Dental Equipment & Supplies

65 VA – X-Ray Equipment & Supplies

66 III – Cost-Per-Test, Clinical Laboratory Analyzer

621 I – Professional & Allied Healthcare Staffing Services

621 II – Medical Laboratory Testing & Analysis Services

# Important Dollar Thresholds

- Procurements under \$3,000 are completed at the department level with use of a Government purchase card (credit card). Usually completed without or with limited competition.
- Procurements between \$3,000 and \$25,000 are completed competitively by small purchase staff.
- Open Market Procurements over \$25,000 are announced and available on the Federal Business Opportunities Website.

# Get your firm ready to do business with VA

- Obtain a DUNS number
- Register in SAM and the Dynamic Small Business Search – Your Federal Business Resume
- SDVOSB and VOSB go through the verification process
- Develop company website – have email addresses for staff
- Capable of electronic invoicing and payment
- File VETS 100 <http://www.dol.gov/vets/vets-100.html>  
(Not mandatory for commercial item purchases)
- Locate Opportunities
- Attend Pre-Solicitation Conferences
- Respond to Sources Sought Announcements

# Sources Sought Announcements

- Located on Federal Business Opportunities (FedBizOpps / FBO) <https://www.fbo.gov/>
- Is not a solicitation
- Issued for planning purposes to see what type of competition is available
- Provide timely response
- Only respond to items within firm's capabilities
- If no responses are received then solicitation may be issued on a broader scale

# Solicitation Tips

- Read the document – what type of solicitation is it
- Understand what VA is looking to purchase
- Respond to all elements of the document
- Do not promise anything you are unable to do
- Offer a fair price - Sign all offers
- Understand how award will be made, i.e. “Best Value”,  
Lowest Price Technically Acceptable
- Know what is required for Brand Name or Equal
- Understand Performance Requirements for the contract

# Additional Tips

- Introduce yourself to procurement staff – by phone or email

Polish your “Elevator Speech”

Who you are

What you do

Have you done any work with the government before

What makes you special

Be able to answer, “Why hire my company”

- Study certain sections of the FAR and VAAR for greater understanding of government contracts

FAR 8.4 - FSS

FAR 14 – Sealed Bidding

FAR 12 - Commercial Items

FAR 15 – Negotiated Contracts

FAR 13 – Simplified Acquisitions

# Construction

SDVOSB capable of working as the prime contractor, bid directly to VA. Locate bid on FBO, attend all site visits, and submit bid on time.

Non-SDVOSB locate bid on FBO and SDVOSB primes to determine sub contracting opportunities.

Have appropriate bonding levels ready and available.

# How to find Prime Contractors

- Register on FBO as an Interested Vendor for the solicitation
- Check USA Spending - <http://www.usaspending.gov/>
- Check GSA eLibrary for FSS Primes - <http://www.gsaelibrary.gsa.gov/ElibMain/home.do>

## Construction

- Attend site walks, prime contractors and other sub-contractors will attend.
- Look for the Amendment to the solicitation that contains the site walk sign in sheets - it will contain all contractors that attended the site walk

# Office of Small & Disadvantaged Business Utilization (OSDBU)

- Located in Washington, DC - OSDBU's goal is to help Veteran-Owned and Small businesses contribute to the mission of VA.
- All federal agencies must forecast their contracting opportunities. VA uses an electronic contract management system to generate their forecast.
- VA Forecast of Contracting Opportunities:  
<https://www.vendorportal.ecms.va.gov/eVP/fco/StateMap.aspx>

# Veterans Canteen Service (VCS)

Make direct contact with VCS Divisional Merchandise Managers. New merchandise selections and vendor sources are reviewed at Merchandise Committee meetings. Approved vendors have selected items with established terms, costs and Retail Sell Prices placed in VCS automated Purchase Order Management System (POMS). Items are then available for each Canteen to order thru POMS. Canteen Chiefs select merchandise for their canteen from POMS. This system offers a personalized selection process allowing local and regional needs to be met. VCS has no national warehousing facilities; all shipments ordered by canteens are to be shipped directly from the manufacturer to the ordering canteen. FAR and VAAR are not applicable.

<http://www.vacanteen.va.gov/DoingBusinessWithVCS.php>

# Resources:

- VA Forecast of Contracting Opportunities:  
<https://www.vendorportal.ecms.va.gov/eVP/fco/StateMap.aspx>
- FAR: <http://www.acquisition.gov/far/>
- VAAR: <http://www.va.gov/oal/library/vaar/>
- VA National Acquisition Center: <http://www.va.gov/oal/about/nac.asp>  
Phone: 708-786-5157
- VA OSDBU: <http://www.va.gov/osdbu/>
- VA Vendor Information Pages: <http://www.vetbiz.gov>  
Phone: 202-618-3765
- Federal Business Opportunities (FedBizOpps) website - <https://www.fbo.gov/>

# Resources (cont)

- Veterans Canteen Service Central Office, St Louis, MO  
Phone: 314-845-1200/1224 – [vcs.retail@va.gov](mailto:vcs.retail@va.gov)  
<http://www.vacanteen.va.gov/DoingBusinessWithVCS.php>
- VA Website - <http://www.va.gov/oal/business/dbwva.asp>



# NCO 12 VA Contacts

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