Thank You!
AMSUS Meeting
June 17, 2016

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EJD, CFCM, PMP, CMRP, FACHE

Associate Executive Director
Our Vision

A culture of:

- Trust
- Passion to Serve
- Solutions

VA Strategic Acquisition Center
The **Strategic Acquisition Center** (SAC) located in Fredericksburg, Virginia, and Frederick, Maryland, provides dedicated acquisition expertise and life cycle management support of non-IT **enterprise-wide solutions** for VA’s highly complex requirements across the entire VA.
The Future of VA Acquisition

- The VA’s Secretary **vision is to restructure** VA’s acquisition and construction business practices.
- **2014-2020 VA Strategic Plan:** *Transform VA Supply Chain*

**Principle Based** Organization (10 Principles)

(Integrity, Good Requirements, Empower, Industry, Speed, Competition, Commercial, Track Records, Efficient, Public Policy)

- Early and Often *Engagement with Industry*

**Example of Change:**
- VAAR Part 808: MSPV.....Strategic Acquisition Center
- *Policy Letter/Program Office Oversight*
- *Supply Chain Management Program Executive Office*
- *Restructuring*
MSPV-NG Update
<table>
<thead>
<tr>
<th>1 What is MSPV-NG?</th>
<th>2 Why MSPV-NG?</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ An initiative to transform our Supply Chain and optimize Veteran care!</td>
<td>▪ <strong>Support high-quality Veteran care:</strong> Make necessary supplies available at the right time</td>
</tr>
<tr>
<td>▪ An efficient, cost-effective method for ordering and distributing medical supplies to facilities through Prime Vendor contracts</td>
<td>▪ <strong>Focus more on the mission:</strong> Establish processes so staff will dedicate less time to supply purchasing</td>
</tr>
<tr>
<td>▪ <strong>Address critical Veteran needs:</strong> Reduce spend that can be repurposed to other vital initiatives</td>
<td></td>
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<table>
<thead>
<tr>
<th>3 Who is Involved?</th>
<th>4 What Should I Know?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENROLLED VETERANS</strong></td>
<td><strong>MSPV Formulary</strong></td>
</tr>
<tr>
<td>9.3M enrolled Veterans that deserve high-quality care and service</td>
<td>▪ Most core list items and some reusable medical equipment (RME) are included</td>
</tr>
<tr>
<td><strong>PRIME VENDORS</strong></td>
<td>▪ Items are clinically reviewed to increase product quality</td>
</tr>
<tr>
<td>Four vendors serving as the product distributors for all VHA facilities</td>
<td>▪ Formulary can be found on Prime Vendor’s website</td>
</tr>
<tr>
<td><strong>SUPPLIERS</strong></td>
<td><strong>Ordering</strong></td>
</tr>
<tr>
<td>Suppliers will adapt to new Prime Vendor relationships</td>
<td>▪ MSPV-NG eligible items must be purchased from the Formulary</td>
</tr>
<tr>
<td><strong>THE COMMUNITY</strong></td>
<td>▪ All orders must be made and processed via the Electronic Data Interchange (EDI)</td>
</tr>
<tr>
<td>Pushing for the most effective service to Veterans</td>
<td>▪ Purchase Card use is <strong>NOT permitted</strong> for MSPV-NG items</td>
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| Deliveries |
| Conventional Bulk and Low Unit of Measure (LUM) are weekly delivery options |
| Delivery can be made to any VA-staffed building: clinic, community-based outpatient clinic (CBOC), or medical center |
5 What Are the Benefits?

Facility Staff

- Simplified ordering process due to fewer sites/data sources staff need to access
- Robust MSPV Formulary makes it easier to follow new policies and procedures
- Reduced number of orders placed due to consolidated shipments
- Reduced invoice processing due to ordering via EDI
- Increased flexibility in delivery quantity, timing, and location
- Dedicated support from a single Prime Vendor

VHA

- Negotiated contracts strengthen nationwide purchasing power and lower product prices
- Reduced on-site inventory levels increase space availability
- Upgraded performance metrics inform cost-saving procurement strategies

6 Who Are the New Prime Vendors?

- American Medical Depot
- Cardinal Health
- Kreisers
- Medline

7 What Do We Need from You?

- Attend MSPV-NG meetings and training events
- Understand and follow new policies, processes, and contracts
- Share feedback with facility/VISN leaders or MSPV-NG PMO
- Promote use of MSPV-NG within your facility/VISN

8 What Comes Next?

- MSPV Formulary Completion and Launch: July 2016
- MSPV-NG Training and Implementation Support
- MSPV-NG Program Launch: October 2016
MSPV-NG Key Dates

Projected start date of MSPV-NG

- Anticipated Notice to Proceed: ~July 31, 2016
- Anticipated Start Date of Performance: December 1, 2016 through August 31, 2018

Projected number of items in catalog

- 10,000 – 12,000 Line Items
### MSPV-NG Category Management

#### 39 Categories

<table>
<thead>
<tr>
<th>Apparel/Textiles/Gloves</th>
<th>Medical Gases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Supply Sterilization Solutions &amp; Supplies</td>
<td>Medical Imaging Radiotherapy Nuclear Medicine &amp; Cath Lab</td>
</tr>
<tr>
<td>Critical Care</td>
<td>Nutrition &amp; Food Service</td>
</tr>
<tr>
<td>Custom Made</td>
<td>Occupational Therapy/Rehabilitation/Aids for Daily Living</td>
</tr>
<tr>
<td>Dental Equipment</td>
<td>Office Supplies &amp; Equip Non-Medical</td>
</tr>
<tr>
<td>Dental Supplies</td>
<td>Operating Room</td>
</tr>
<tr>
<td>Dialysis/Pheresis</td>
<td>Optometry</td>
</tr>
<tr>
<td>Disaster Preparedness &amp; Survival</td>
<td>Orthopedics/Prosthetics &amp; Sports Medicine</td>
</tr>
<tr>
<td>Emergency Medical Services</td>
<td>Patient Care Products</td>
</tr>
<tr>
<td>Endoscopy Suite</td>
<td>Patient Exam Room Instruments &amp; Supplies</td>
</tr>
<tr>
<td>Environmental Services</td>
<td>Patient Mobility/Transportation/Transfer Equipment &amp; Aids</td>
</tr>
<tr>
<td>Equipment Biomedical</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>Equipment Non-Biomedical</td>
<td>Physical Therapy</td>
</tr>
<tr>
<td>Facility Management</td>
<td>Physiological &amp; Psychological Testing &amp; Monitoring</td>
</tr>
<tr>
<td>Implants</td>
<td>Respiratory Therapy &amp; Anesthesia</td>
</tr>
<tr>
<td>IV &amp; Irrigation Supplies</td>
<td>Safety Devices &amp; Supplies</td>
</tr>
<tr>
<td>Laboratory</td>
<td>Syringes &amp; Needles</td>
</tr>
<tr>
<td>Leadwire</td>
<td>Urology Supplies</td>
</tr>
<tr>
<td>Medical Documentation Products</td>
<td>Veterinary &amp; Animal Research</td>
</tr>
<tr>
<td></td>
<td>Wound Care Products</td>
</tr>
</tbody>
</table>
Value = Quality
(Outcomes, Safety, Veteran Experience)

Cost over a Period of Time

THIS IS KEY TO OUTCOMES
Status on product category development

- The PMO has partnered with other VA Agencies and Subject Matter Experts (SMEs) to form a **working group to identify and categorize products** by supply lines and utilization at the various medical facilities.

- Once categorized, the products will be grouped and submitted to SAC for further purchasing consideration.

- The first Federal Supply Schedule (FSS) submission under this process (grouping) consisting of 47 line items is scheduled for release soon. This acquisition will be processed utilizing FAR Part 8.405-3 procedures, Blanket Purchase Agreements (BPAs), in accordance with SINs 65 and 66 of the VA FSS.
Objectives MSPV-NG

Main Objective: Provide a streamlined procedure for ordering medical/surgical supplies via MSPV regardless of Conventional/Bulk Delivery (CBD), Unit of Use or Low/Logical Unit of Measure (LUM) which will result in:

- Improved *ease of ordering*
- *Reduced* number of purchase orders and *purchase card* transactions
- *Reduced number of shipments*/invoice processing by medical centers
- *Reduce inventory* levels
- Enhanced flexibility for both VA Customer and Ordering Officers
- *Maximum use of Ordering Officers*
MSPVs shall *no longer* charge suppliers distribution fees

- The MSPV(s) shall separate on a single invoice the medical/surgical supplies ordered under the **CBD method**, and the medical/surgical supplies ordered under the **LUM delivery method**.

- *MSPV(s) or any of their affiliated companies are restricted from assessing any fees* for medical/surgical supplies from suppliers provided under the MSPV(s) or affiliates’ contracts.

- *The MSPV(s) shall not charge any VA catalog-approved MSPV(s) suppliers to handle their product in conjunction with this contract.* Fees are determined normally by individual VA Facility adding MSPV(s) Contract Base distribution fees to any Value-added costs or subtracting Value-added credits then applying the percentage to the contract price per line item.
Transition from NAC Catalog to SAC Next Generation

- NAC’s preexisting BPAs will rollover to MSPV-NG provided Appendix C is completed working warm hand-offs.

- Documents will be modified as needed to ensure all required MSPV-NG distribution terms and conditions are incorporated into every contract vehicle being migrated over to the MSPV-NG catalog.
Streamlined Acquisition Process

- This *new solicitation process is issued on a continuous basis* and closing date will be in accordance with each individual Solicitation.

- The intent is to issue a single-award BPA for each of the consumable commodities identified in the solicitation.

- This approach is *meant to streamline* the establishment of BPAs by simplifying the process of product selection, solicitation, evaluation, and award.
Streamlined Acquisition Process

Two Different Methods of Solicitation

- VA FSS Schedule 65 and 66
- FedBizOpps (Non FSS Requirements)/Cascading Approach
  1. Set-Asides for Small Business Manufacturers
  2. Small Business Non-Manufacture Distributors with a non-manufacturer waiver
  3. Other Socioeconomic Groups
  4. Unrestricted
The MSPV-NG will have EDI interface capabilities to process EDI orders and acknowledge orders in accordance with American National Standards, Accredited Standards Committee X12 (ANSI ASC X.12M) Supply Chain Standard Transaction sets.

The EDI shall consist of individual product records created/maintained in standard format data elements.

Each award that has been approved under the previous MSPV Contract shall have a completed Appendix C for each awarded line item in order to be enrolled in the MSPV-NG.
Process for replacement technology in MSPV-NG

- As new technology is introduced to the VA for consideration under the MSPV-NG Program, the new products will be submitted to the MSPV-NG Contracting Officer from the PMO for solicitation. **Award of the new product will be accomplished through a coordinated effort between the CO and VHA’s PMO.**
Process for establishing MSPV-NG BPAs for proprietary disposables in the MSPV-NG that match specific equipment at VAMCs

- All proprietary purchases would require the submission of a ‘Limited Source Justification’ (LSJ).
  - The LSJ must state and justify why the proprietary item, or items, are the only one that will fill the Government needs.
  - Example of LSJ justifications include, but are not limited to: Continuity or compatibility with existing equipment and other configuration control requirements.
What that may look like?

- **Evidence Based** (Medicine/Business)
  - Collaboration with Clinicians/Administrators/Industry

- **Drastically Reduce Variability**

- Considerable **Leverage of Technology** (Portals/Information Sharing)

- Formulary/Catalog of **~2500 Items**

- **Seamless**

*A partnership with you!*
Government Purchase Cards

~98M Annual (Medical Supplies)

Actively creating plans to manage intensively (Supply Chain Discipline)
Prosthetics

Devices
Durable Medical Equipment and Supplies
Wheelchairs and Accessories
Eyeglasses, Blind Aids, Low Vision Aids
Hearing Aids and Assistive Listening Devices
Health Monitoring Equipment
Artificial Limbs/Custom Braces
Surgical Implants
Adapted Sports and Recreational Equipment

Services
Orthotic and Prosthetic Services, Restorations
Home Oxygen
Dog Insurance

Benefit Programs
Automobile Adaptive Equipment (AAE)
Clothing Allowance
Home Improvements and Structural Alterations (HISA)
Thank You!