

Standard Operating Procedure 160-10-01 Procurement Process

1. **PURPOSE:** This document prescribes the policy and operating procedures for the request, consideration and efficient processing of contract needs for all Veterans Health Administration (VHA) program offices nationwide. The content of this directive applies to all areas of the contracting process, and is to be utilized by all staff involved in those processes.

2. **BACKGROUND:** Incoming contract workload received at the Network Contracting Activity (NCA) must be handled in the most efficient manner possible to avoid loss of documents or delay in processing. In order to reduce costs each Network Contracting Activity will utilize acquisition strategies and methodologies to capitalize on economies of scale and facilitate standardized contracts throughout the Networks.

3. **RESPONSIBILITIES**

- a) **USING SERVICE:** Responsibilities include, but are not limited to, generating a purchase request in IFCAP/VISTA containing enough information for the contracting office to identify the salient characteristics of the item or services to be purchased. The requester should include at least one source for the desired item, if known. The requesting service is responsible for developing the procurement package in which, but not limited, statement of work (SOW)/objectives (SOO), independent Government cost estimate (IGCE) evaluation factors used in the evaluation process, Quality Assurance Surveillance Plan, and any required approvals mandated by regulation or policy. Procurement Package Checklists to be used by the using service can be located at [Guidance 160-10](#).

Independent Government Cost Estimate - The requesting service is responsible for developing estimates of needed quantities at the best accuracy possible, and to provide NCA with the methodology used to develop the estimate.

Sole Source Procurements - If the customer is requesting a sole-source purchase, it is their responsibility to create and submit a justification with the procurement package.

Evaluation Process – A technical evaluation team will be designated by the Contracting Officer. Once vendor offers are received, the requesting service will assist in evaluating the technical proposals and assisting the contracting officer to make the award selection. The customer will designate a person from the requesting Service to act as the Contracting Officer's Technical Representative (COTR) to assist the contracting officer in contract administration after the award. The COTR must meet all certification training requirement and maintain annual training requirements during the contract period.

- b) **CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)**

For each contract request the using service shall name a person or persons to act as the Contracting Officer's Technical Representative. Generally, COTR duties include, but not limited to, monitoring contractor quality and performance, reviewing and certifying invoices for payment, monitoring funds and reporting problems to the Contracting Officer. The COTR is required to have taken formal COTR training (currently 40 CLP's every two years). The COTR is responsible for monitoring the quality requirements of the contract, so it is strongly recommended that a clinical person/user be named. The COTR shall be responsible for notifying the Credentialing Office as appropriate of incoming contractor clinical personnel.

- 1) **COTR Contract File:** The COTR shall create an official file upon receipt of the awarded contract from the Contracting Officer. The following is a suggested file format in setting up and maintaining the file:
 - a. Section 1 – The signed COTR delegation letter and the COTR's training certificate
 - b. Section 2 – Copy of the contract
 - c. Section 3 – Copy of all executed contract modifications
 - d. Section 4 – Copy of all invoices certified by COTR
 - e. Section 5 – Copy of yearly past performance reviews requested by Contracting Officer
 - f. Section 6 – Copy of the documentation related to communication with contractor and Contracting Officer, to include notification of problems and the resolutions
 - 2) **File Security:** The file is an official Government record, therefore the COTR must take all appropriate measures to secure and safeguard the file.
 - 3) **Delegation:** Duties of the COTR(s) will vary by contract and will be expressly specified in a Letter of Delegation from the Contracting Officer. COTRs will be expected to sign this letter in acknowledgement that they have received a copy of the contract and that they understand their duties and responsibilities.
 - 4) **Contract Close-out:** Upon expiration of the contract, the file shall be forwarded to the Contracting Officer for archive disposition in accordance with applicable regulations.
- c) **NETWORK CONTRACTING ACTIVITY (NCA)/PROGRAM CONTRACT ACTIVITY (PCA):** Responsibilities include assigning complete procurement packages to a contracting officer and notifying the using service of the assignment, including managing procurements and promptly notifying the customer of any delays that may arise and any impact on the planned award date. Coordinating pre-solicitation, pre-negotiation, and pre-award actions with the requesting service, Regional Counsel, Integrated Process Teams (IPT), and Contract Review Boards (CRB) as required of the VHA Integrated Oversight Process (IL 001AL-09-05). The procurement process will also be monitored and measured through the use of eCMS and status reports will be prepared for the customer and VHA management.

The NCA is responsible for obtaining past performance information prior to exercising any available options. This information shall be reported to PPIRS as required by the Federal Acquisition Regulation and IL 001AL-10-13.

The NCA is responsible for creating and maintaining a reporting process through the year to identify all contracting opportunities which will exceed \$25K. These opportunities shall be reported through the Electronic Contract Management System (eCMS). See section 10 for details concerning Forecast Contracting Opportunities (FCO).

4. INITIATING A CONTRACT WITH A PROCUREMENT REQUEST

To generate orders for any supplies and/or services, the requesting service will initiate a VA Form 90-2237 electronically via IFCAP/VISTA. Paper 2237s will only be accepted when the customer cannot create one electronically (i.e. CASCA and VA Regional Office requirements). VA Form 90-2237s that have not been electronically signed by the Control Point Official and Accountable Officer CANNOT be processed by the NCA. The orders will remain at the facility pending Control Point Official's and Accountable Officer's authorizations. All new 1358's, with the exception of those listed in VA Miscellaneous Obligations January 2009 Volume II – Chapter 6, Attachment C - VA Form 1358 Exception List, must have proper authorization from the Head of the Contracting Activity (HCA) before submission to

the local Fiscal Service for obligation. The using service will follow Standard Operating Procedure 160-220-01 (Attachment D) to get approval from the HCA for any VA 1358s not on the exception list.

The initial procurement request (VA Form 90-2237 or VA Form 1358) must be accompanied by all appropriate supporting documents for the type of contract request. All documents required by the Procurement Checklist mentioned above must be fully completed, including required signatures, before the contract request is forwarded to the Network Contracting Activity. The using service will follow the NCA process for uploading support documents to the appropriate website. Documents not requiring signature that will be used to develop the procurement solicitation (i.e. Statements of Work/Objectives, evaluation factors, any support attachment, specifications, etc) must be submitted in Microsoft Word/Excel format via the process as required by the NCA (i.e. MS Exchange/Outlook/SharePoint site, etc). Any correspondence sent to the NCA relating to a particular procurement should include in the subject line of the Outlook message the 2237 Transaction Number for easy identification.

5. PROCESSING OF A PROCUREMENT ACTION

The supporting documentation identified in the following checklists for the different types of contracting actions need to be submitted concurrently via the specified process by the NCA with the 2237 procurement request.

- a) Attachment 1 AE Procurements
- b) Attachment 2 Construction Procurements
- c) Attachment 3 Equipment and Supply Procurements
- d) Attachment 4 Service Procurements
- e) Attachment 5 Lease Procurements
- f) Attachment 6 Healthcare Competitive Procurements
- g) Attachment 6a Healthcare Sole Source Procurements
- h) Attachment 6b Healthcare Interim Procurements
- i) Attachment 7 Selling Agreement
- j) Attachment 8 Interagency Agreement
- k) Attachment 9 Space Use Agreement
- l) Attachment 10 hotel Agreements
- m) Attachment 11 Assistance and Advisory
- n) Attachment 12 Temporary Staff Procurement

An exception to the above types of contracting actions is Research funded procurement actions which only require a copy of the approved research proposal be submitted with the procurement request for an obligation document to be created by the NCA.

6. PROCUREMENT/CONTRACTING LEAD TIME

Purchase requests must be submitted with the following lead times planned into the procurement. The lead times give the customers a realistic expectation of the time needed to complete a contract request. These lead times are estimates and may vary depending on the complexity of the procurement. The using service must consider procurement that require an Integrated Product Team (IPT) (>\$5M). In Accordance with IL 001AL-90-05, the following procurements are exempt for IPT:

- a) Construction, Architect-Engineering services;
- b) Orders against pre-existing Indefinite Delivery Vehicles, to include mandatory use of Government-wide acquisition contract vehicles such as Solutions for Enterprise-wide Procurement;
- c) Requirements to be covered under Interagency Agreements with other Federal Government agencies, i.e., SPAWAR, and,
- d) National Acquisition Center (NAC) pharmaceutical procurements and all Federal Supply Schedules established by NAC.

An emergency is defined as a condition directly threatening the life or health of a patient, or a need for repair of the physical plant or equipment within 24 hours. The using service shall include on the 2237 or separate document an emergency justification within a reasonable period following the request but no later than 3 days from initiating the emergency procurement.

A special priority request is defined as a need that is urgent but not life-threatening. Special priority purchases have a three-day procurement lead time. The using service shall include on the 2237 or separate document a special priority justification within a reasonable period following the request but no later than 3 days from initiating the procurement.

It is crucial the using service use the priority request system appropriately. These requests are prioritized and routine workload is delayed in order to accommodate the requirement.

For other than emergency and Special Priority requests, the following average procurement lead times apply. Where a specific date is cited and it falls on a weekend, the deadline shall be adjusted to the close of business on the following work day.

A purchase request is not considered to be received in NCA until the 2237 and all required supporting documents are received. The following lead times apply from the date of receiving a complete package (calculated workdays). These lead times may increase depending on the complexity of the procurement. The Contracting Officer/Purchasing Agent is required to coordinate any changes with the customer and Network Contract Manager.

a) Simplified Purchase <\$25,000	40 days
b) Competitive MAS-DO/TO <\$5Million	41 days
c) Non- Competitive <\$5Million	44 days
d) SEWP-DO - <\$5Million	25 days
e) Competitive - MAS-DO/TO >\$5Million	143 days
f) Non-Competitive - MAS-DO/TO >\$5Million	143 days
g) FSS Locum Tenens Competitive <\$5M	97 Days
h) FSS Locum Tenens Non-Competitive or Non-Competitive –MAS- DO/TO <\$5M	188 Days
i) Competitive \$25K-\$100K	56 days
j) Competitive \$100K-\$5.5M	158 days
k) Competitive>\$5.5M	220 days
l) Sole Source >\$100K - \$5.5M	154 days
m) Sole Source >\$5.5M	204 days
n) Nursing Home Agreements	110 days
o) Healthcare 1663 Negotiated <\$5M	213 days
p) Healthcare 1663 Negotiated >5M	238 days
q) Healthcare Sole Source <\$5M	203 days
r) Healthcare Sole Source	201 days
s) Construction Competitive <\$25K	97 days
t) Construction Competitive \$25K-\$500K	120 days
u) Construction Competitive \$500K-\$5M	164 days
v) Construction Competitive>\$5M	236 days
w) Construction Sealed Bid Under \$25K	66 days
x) Construction Sealed Bid \$25K-\$1M	81 days
y) Construction Sealed Bid \$1M - \$5M	132 days
z) Construction Sealed Bid >\$5M	195 days
aa) Construction Negotiated SS \$25K - \$500K	119 days
bb) Construction Negotiated SS \$500K - \$5M	156 days
cc) Construction Negotiated SS >\$5M	226 days
dd) Architect/Engineer	187 days
ee) Selling >\$500K	187 days

Incomplete Procurement Package: If the required supporting documentation is not received concurrently with the funding document, the process outlined below will be followed:

5 workdays – NCA will send an email follow-up to the individual who approved the 2237, as well as that individual's supervisor, restating what documentation is required before NCA can initiate the procurement process.

10 workdays – If the necessary information has not been received, the request will be forwarded to the Associate Director of that facility for immediate action.

15 workdays – If documentation has not been received, the 2237 will be returned to the requesting service and no action will be initiated for a contract.

7. OPTION YEAR RENEWALS

FISCAL YEAR CYCLE (Oct 1 – September 30)

For contracts including options, the COTR will notify the program office of the annual contract period's expiration date. The COTR must forward the summary evaluation of the contractor's performance to the Contracting Officer annually prior to exercising any option year. The COTR is responsible for notifying the Contracting Officer whether there is a continued need for the contract and if so, to provide a new 90-2237 for the next option period **at least 90 days prior to the current period's expiration date**. The 90-2237 description shall identify that it is for an option renewal, period of performance, contract number, and any other related information. If the copy feature is used in IFCAP, it is the using service responsibility to ensure the previous year data is revised to reflect the current year. This eliminates the potential for duplicate ordering and increases the processing time when received by the NCA.

OFF CYCLE RENEWALS

If the contract expiration date falls on any date other than September 30 of each fiscal year, a new 2237 is not required. However, the using service is responsible for providing a funds availability statement and the required performance summary to the Network Contracting Activity **at least 90 days prior to the expiration date** for processing the option year renewal.

8. ANNUAL CALL REQUIREMENTS

Annual requirements are recurring yearly contracts for services and supplies that support the medical center. The Medical Center Director shall ensure the contracting requirements are reviewed, validated and a bona fide need still exists. The Network Contract Manager shall issue an annual call letter to each medical center as a reminder the review is required and all required documents to process the procurement or exercise the option year must be received by the cutoff dates specified below (See Attachment 1 for sample).

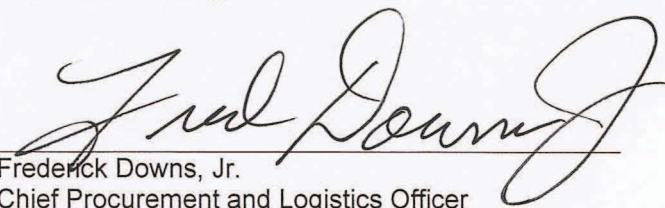
<u>Value/Type of Procurement</u>	<u>Cutoff Dates</u>
Simplified Acq <25K	Aug 13
Simplified Acq <100K	July 19
Orders Against Contracts	June 11
Exercise of Options	July 23
All Other	Jun 18
GSA/FSS	Aug 30
100K-500K	June 18
500K-5M	May 30
Over 5M	May 1

9. ANNUAL FORECAST OF CONTRACTING OPPORTUNITIES

Title V of Public Law 100-656, also known as the Business Opportunities Development Reform Act of 1988, requires all federal government agencies with budgets of \$50M or greater to publish an annual forecast of contracting opportunities (FCO). The Office of Federal Procurement Policy (OFPP) requires the Forecast to be published to the Internet to give vendors advanced notification of procurement opportunities. The appropriate data values must be complete for the requirement to be reported through eCMS.

At VA, FCO reporting requirements are enforced by the Office of Small Disadvantaged Business Utilization (OSDBU). All acquisitions expected to be \$25K or greater should be reported to FCO. OSDBU will not approve 2268s for acquisitions that are not on the FCO report.

The NCA will request the Medical Center Director to report on a quarterly basis any known requirements that may exceed \$25K. This report will facilitate the NCM to ensure adequate contract support is available during the acquisition planning phase and preliminary reporting to FCO prior to receiving requirement through eCMS.



Frederick Downs, Jr.
Chief Procurement and Logistics Officer

ATTACHMENTS:

Sample Annual Call Letter to VISN Director
Acquisition Process Flow Chart

**Department of
Veterans Affairs**

Memorandum

SAMPLE

Date:
From: Network Contract Manager, NCA VISN XX
Subj: Fiscal Year XXXX Annual Contracts
To: VISN Director
Medical Center Directors
Service Chiefs – VISN Wide

It is again that time of year. This is the annual contract call letter, in accordance with VHA 170-040-02, to ensure the Network Contract Activity receives your request in a timely manner. The following are guideline will facilitate submissions are processed in a timely manner to meet the new fiscal year requirements. The last quarter of the fiscal year is the time we ramp up to provide option notices to our contractors and to allow sufficient time to process modifications to eliminate the loss of services.

1. NEW CONTRACTS

Any new requirements subject to a October 1 award must be submitted within the lead times established in VHA SOP 170-040-02. For your convenience these are:

a) Simplified Purchase <\$25,000	40 days
b) Competitive MAS-DO/TO <\$5Million	41 days
c) Non- Competitive <\$5Million	44 days
d) SEWP-DO - <\$5Million	25 days
e) Competitive - MAS-DO/TO >\$5Million	143 days
f) Non-Competitive - MAS-DO/TO >\$5Million	143 days
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All 90-2237 for NEW contracts must be accompanied by all appropriate supporting documents. Contracts that have no remaining option years are considered new requirements and must have a complete support package. Refer to the Procurement Package Checklists for required documents which can be located at: [Guidance 160-10](#).

IFCAP/VISTA cannot process attachments so supporting documents must be submitted by (insert the NCA process).

All 90-2237 transactions must contain an accurate description of supplies or services, date required, quantities, estimated unit/total cost. DO NOT use the copy function in IFCAP, historically this causes appropriation (funding issues) as well as incorrect description information. If prior year description is not updated, it will cause a delay in the acquisition process. All transactions shall be electronically transmitted to the NCA for processing through the IFACP system.

2. OPTION YEAR RENEWALS

If a contract option or annual contract expires September 30, please submit the required documents stated below no later than by June 30, 2009:

For those contracts with available options you wish to renew, in the Special Remarks section of the 2237 please state "Renew Option Year" and either of the following statements: "no changes to the specs" or "specs are being furnished to the ASC under separate cover". In order to expedite your request, the Special Remarks block should contain the following minimum information: Contract Number; COTR; Contracting Officer; Prior Year IFCAP Purchase Order number.

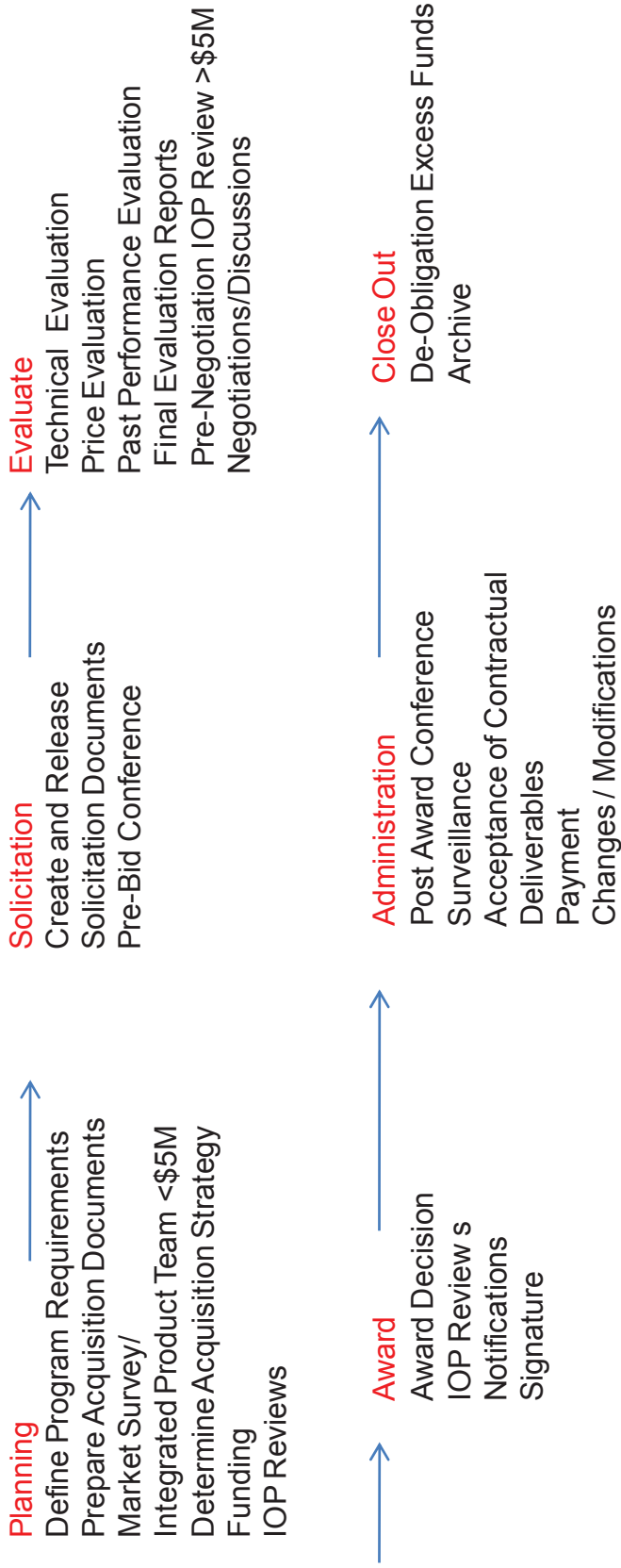
3. FUNDED 2237 VERSUS USE OF 1358

All 2237s must be funded unless exempted under The Financial Policy to use 1358. Indicate in Special Remarks section that a 1358 is authorized and under what authority is specified in the Directive. **If a waiver is required for use of 1358, it must be processed and approval through the Head of Contracting Activity in accordance with VHA SOP 160-220-01.**

If you have any questions, please call (provide contact or designated Year End Coordinator).

NCM Name
VISN XX Network Contract Manager

The Contracting Process



The Contracting Process

