

# Next Generation- Medical/Surgical Prime Vendor (NG-MSPV) Catalog

Presented by the Department of Veterans Affairs, Strategic  
Acquisition Center, Office of Acquisition Operations



U.S. Department  
of Veterans Affairs

# NG-MSPV Catalog Overview

- What is the NG-MSPV Program?
- NG-MSPV Catalog Components:
  - Mandatory Usage Policy throughout VA
  - Transition from NAC's MSPV Catalog to SAC's NG-MSPV Catalog



# NG-MSPV Catalog Overview Cont'd

- **NG-MSPV Catalog Components**

## **Continued:**

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- New Rules for NG-MSPV

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- Appendix C Overview
- Proposed NG-MSPV Product

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U.S. Department  
of Veterans Affairs



# What is the NG-MSPV Program?

- NG-MSPV is a national mandatory program that provides a customized distribution system to meet or exceed facility requirements by providing an efficient, cost-effective, just-in-time distribution catalog ordering process via prime vendor contracts.
- The NG-MSPV Primes will each maintain a catalog consisting of an inventory of supplies contracted by VA with a multitude of other contractors via a variety of VA contract vehicles that include BPAs, BOAs and National Contracts. NG-MSPV Catalog items will include medical, surgical, dental and select prosthetic and laboratory supplies.

# NG-MSPV Catalog Components

- **VHA MSPV Mandatory Policy  
Memorandum (6/22/15):**

DEPARTMENT OF  
VETERANS AFFAIRS

## Memorandum

Date:

6/22/15

From: VHA Chief Procurement and Logistics Officer and Head of Contracting Activity

Subj: Use of Medical/Surgical Prime Vendor (MSPV) Contracts is Mandatory

To: VHA Service Area Office (SAO) Directors and Network Contracting Office (NCO) Directors of Contracting

1. This memorandum is to remind all Procurement staffs to reinforce the requirement for using the Medical/Surgical Prime Vendor (MSPV) contracts. All medical and surgical supplies that are available from MSPV must be ordered from the appropriate contract. **The MSPV is mandatory for use by all VA Medical Centers (VAMCs).** Therefore, when a product is available through MSPV, VAMC personnel must ensure they are purchased through the MSPV.

2. VAMC Logistics Offices are responsible for ordering medical and surgical products from MSPV. VHA Network Contracting Offices will support mandatory MSPV use by checking medical/surgical product purchase requests submitted by VAMCs for MSPV product availability. Requests for products available through the MSPV will be returned to the VAMC Logistics Office. A list of the MSPV contractors is provided in Attachment A to assist in providing customer service to the VISN Logistics Offices.

3. These MSPV contracts are mandatory for the Agency's use and are required in accordance with the Department of Veterans Affairs (VA) Acquisition Regulation (VAAR), Priorities for use of Governmental Supply Sources.

4. Should there be any questions regarding this matter, please contact Warren Ector, Associate Director, VHA Procurement (Policy) at [warren.ector@va.gov](mailto:warren.ector@va.gov) or at (202) 632-8428.



Norbert S. Doyle  
Chief Procurement and Logistics Officer (10NA2)





# **NG-MSPV Catalog Components Cont'd**

- **Transition from NAC Catalog to SAC Next Generation Catalog**
  - NAC's preexisting BPAs will rollover to NG-MSPV provided Appendix C is completed in its entirety for each awarded line item and submitted to the SAC Contracting Officer.
  - Documents will be modified as needed to ensure all required NG-MSPV distribution terms and conditions are incorporated into every contract vehicle being migrated over to the NG-MSPV Next catalog.



# **NG-MSPV Catalog Components Cont'd**

## **New Rules for Prime Vendors**

- Prime Vendors shall no longer be able to charge suppliers any fees.
- Prime Vendors shall not substitute any catalog item without written permission from the NG-MSPV Contracting Officer.



# **NG-MSPV Catalog Components Cont'd**

## **New Rules for NG-MSPV Suppliers**

- All contract vehicles will generally be competed BPAs, BOAs and Contracts resulting in single award.
  - Solicitation closing dates will generally be a standard 30 day response time.
  - Pending approval, “cascading” set-aside procedures will be utilized for open market catalog items (SDVOSB, VOSB, 8(a) Woman Owned, etc.).
  - NG-MSPV Catalog will be populated by Appendix C



# MSPV NG Catalog ~ Solicitation Process

- **Kathie's input here**





# **NG-MSPV Catalog Components Cont'd**

- Each RFQ will provide language advising potential Quoters of the following:
  - Contract Line Items selected for inclusion in each BPA shall meet the minimum technical (salient) characteristics prescribed by the Program Office.
  - Selection methodology will generally be on a “Low Price” basis, however, the Government reserves the right to use other methods as deemed appropriate.



# **MSPV NG Catalog Components Cont'd**

- **Appendix C Overview**
  - Electronic Data Interchange (EDI) (defined in Section 16.2 of the NG MSPV SOW).
  - The MSPV will have EDI interface capabilities to process EDI orders and acknowledge orders in accordance with ANSI ASC X.12M Supply Chain Standard Transaction sets.
  - The EDI shall consist of individual product records created/maintained in standard format data elements and fields to be provided by the Contracting Officer from the Contractor.



# MSPV NG Catalog Components Cont'd

- **Appendix C Overview - Continued**
  - These standard format data elements and fields are described in Appendix C.
  - The Appendix C is a list of 55 standard data elements required to included Candidate items into the MSPV Catalog.

## MSPV NG Catalog **APPENDIX C**



### STANDARD ELEMENTS AND FIELDS

At a minimum the following data elements shall be included in product records that are provided to the VA via electronic or other data communications as a part of the database of products available to the VA for purchase within the scope of the contract.



# **NG-MSPV Catalog Components Cont'd**

- **Appendix C Overview - Continued**
  - Each solicitation that will be a candidate of NG-MSPV shall have an Appendix C attached to it when it is posted.
  - 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 NG-MSPV.



# Questions and Feedback from Industry

1. We are a Woman Owned, Minority Owned, Small Business and are working towards getting on the FSS schedule. Do we need to be aware of any changes for our application process? Also how will the Next Generation MSPV program affect a WOSB? Please advise. Thank you.
2. It's my understanding that the SAC has a number of product standardizations that they need to get completed by May 1, 2016 when the new MSPV contract is supposed to take place. However, the NAC (FSS contract department) is backlogged and taking upwards of 6 months just to get amendments approved that oftentimes are adding items that would be potential standardized products under the SAC's initiative. My question here is can some consideration be given to vendors who have submitted items to be added to the FSS contracts, but which have not yet been approved by the NAC?



# Questions and Feedback from Industry

3. Hoping to understand how this changes our standard FSS submissions. Will BPA's replace the FSS schedule?
4. Hoping to get a better understanding of this process. I am very confused about the whole process and what is expected of suppliers. A little more guidance would be appreciated so thank you for this opportunity.
5. We are a relatively small company and do not have the bandwidth to respond individually to each product. Currently, I see the opportunity to respond to about 10 different requests and it is impossible to do analysis, order and send samples (as applicable) and responses to all of them within the timeframe that has been provided.
6. How are the CLIN's being chosen? To respond to a request for very low usage products seems counterproductive? We would not be able to offer lower pricing for these requests.



# Questions and Feedback from Industry

7. Thank you for the opportunity to participate in the online Industry Day regarding the VA's Next Generation MSPV Catalog Program. Our company wishes to better understand the procurement process that will occur following full implementation of the Next Generation MSPV Catalog Program, including 1) best practices for how the Prime Vendors will acquire inventory items, 2) how a Purchasing Agent will order items, 3) how the Prime Vendor will ship and confirm deliveries, and 4) how Prime Vendors will report sales volume back to the contracted party/manufacturers.
8. I'm concerned about how small businesses will be able to participate in the program. Mr. Poe explained one way and the contracting officers for the current opportunities have said another.
9. Please provide information on how the VA will be including small businesses





# Questions and Feedback from Industry

10. Is it the intent of the SAC to solicit BPAs on each SKU category of products on FSS? If so, this represents a monumental task to industry to coordinate and respond in a short window of time.
11. How do VA Medical Centers order products that are on FSS but not included in the new MSPV catalog?
12. Why are BPA's issued for very small quantities of items? We are seeing BPA's for one product sku with very small annual quantities.
13. Limiting product access will negatively impact both veterans and VA staff: How will this new SAC model affect clinical choice and access to medical products for both veterans and VA clinicians?



# Questions and Feedback from Industry

14. Costs to Business: Businesses and Manufacturers may choose to “No Bid” many new BPA categories as there is an inverse relationship to the amount of time and money to respond to a BPA (monitor compliance, submit quarterly reports, etc.) compared to the small amount of business generated by volumes projected in many categories
15. Impact to the FSS Program: There is concern that as most medical products in this proposed model lose access to the MSPV program, it may potentially result in reduced participation by manufacturers in the FSS program and require them to move to a direct open market sales. This could potentially increase procurement costs
16. How should a Small Business position itself to gain exposure in such a large data base?



# Questions and Feedback from Industry

17. Also how does a Small Business position itself to take full advantage of the program and better the service to our Veterans?
18. What efficiencies will be created? (Review of submissions?)
19. Will this effort allow for a shorter lead time for award?
20. What can a manufacturer expect as far as efficiencies within the process they follow?
21. What will the process look like?
22. What is the next generation contract strategy and what does that look like for contracts coming to the end of cycle, e.g. National Contracts?



# Questions and Feedback from Industry

23. What is the strategy for BPA's
24. Has the contracting hierarchy changed? Is one preferred over the other?
25. With the growth of ECATs in the DoD and the VA being able to procure from that contracting vehicle, do you foresee any impact to the FSS contract?.
26. At the NAC conference held in Chicago in June/July, the MSPV "catalog" was introduced as planning to contain 7000 unique items. The DoD's DAPA catalog contains over 36,000. Why not adopt or adapt the DoD's catalog?



# Questions and Feedback from Industry

27. Currently the VA relies on the FSS Schedule 65IIA as “foundation” for engaging vendors for Med-Surg products, based on a requirement that for most classes of products under that Schedule, the FSS vendor must agree to participate in the MSPV program. Based on this new initiative, what nexus, if any, will there be between Schedule 65IIA and the MSPV catalog?
28. Will all products currently on Schedule 65IIA become part of the MSPV catalog or must products go through competitive BPAs before being integrated into the MSPV catalog
29. How will the SAC categorize the items anticipated to be in the MSPV “catalog” and how will those categories allow for multiple vendor options?



# Questions and Feedback from Industry

30. How will the SAC provide for the inclusion of new products and technologies once the MSPV catalog has been established?
31. How will the SAC measure and assess small business participation in determining which individual products will be allowed on the MSPV “catalog”? When will this measurement be established and when will it be available to the small business community? How will set-asides for both FSS and non-FSS awards be established, under which categories, and for which products?
32. Will an industrial funding fee (IFF) or similar be charged for the SAC’s effort in absorbing the functions of establishing and maintaining the catalog?
33. What quantitative assessment has been done that establishes this is a significant enhancement to small business opportunities?



# Questions and Feedback from Industry

34. The FSS program is experiencing delays in either awarding new products on existing schedules or awarding schedules themselves. How will these be expedited to ensure that items pending FSS are available for the MSPV catalog at the start of PoP?
35. From the universe of possible fees that a MSPV can and does charge suppliers, which specifically will not be charged under the new MSPV program?
36. How will the SAC ensure that products self-manufactured by one or more of the potential MSPV's not be substituted at time of order by that MSPV? Is the SAC taking actions to preclude MSPV's that do self-manufacture products (or have private label products made on their behalf) be precluded from offering their products for distribution under this contract?



# Questions and Feedback from Industry

37. The SAC cites Section 1331 of the Small Business Job Act of 2010 as some sort of benefit to the small business community. In fact, many regard this as a roll back of the Rule of Two because it is no longer mandatory (versus permissive) in task and delivery order competitions. This leaves a wide gap in Contracting Officer discretion that appears to weaken small business opportunity. How is this circle squared?
38. How will “non-catalog” items be procured? Additionally, how will items that have low demand (call them “non-usage items” for lack of a better term) but demand nonetheless be procured? What mechanism will ensure that small business is included in these opportunities and not defaulted directly to a large MSPV? How, and under what procedures, will new items requests be handled in relation to the catalog?
39. The SAC presentation refers to “21 unique CLINs.” Does that mean the catalog will be confined to those 21 CLINS or will there be 21 unique CLINS beyond what are currently on the MSPV contracts today?





# Questions and Feedback from Industry

40. Please provide more clarity on the nature of the “21 unique CLINs.”
41. You may want to consider posting this to the NAC website or sending an email to FSS/GSA contract holders who is the target audience and the vendors eligible to offer a bid on a RFQ as all those seen to date require the product to be on contract. There is tremendous confusion in the field regarding the establishment of these BPAs so any information that can be shared would certainly go a long way towards building this partnership. Thank-you.
42. It appears that all of the meetings (NAICS Code 339112, 339113 and 339114) are schedule on the same day and time (2PM EST on 10/6). Can the VA re-schedule some of the meetings at different times and dates to allow for vendor scheduling conflicts?



# Questions and Feedback from Industry

43. Can companies participate in the MSPV program prior to executing distribution agreements with ALL (current) prime vendors? It's our understanding that having distribution agreements in place is "recommended" but not required to begin participation.
  
44. It's our understanding that the prime vendor's price from the vendor/manufacturer is the negotiated price established in current FSS contract price or price established in subsequent standardization BPA's etc. Prime vendors "SHALL NOT" require additional discounts. There seems to be some confusion on this because some prime vendors are inquiring about additional product discounts (maybe the terms of the current and new MSPV are conflicting?). Can we get clarification?



# Questions and Feedback from Industry

45. Do MSPV commercial distribution agreements terms & conditions for shipping, payments, etc. have to mirror vendors VA FSS contract terms? For example, commercial agreements may contain terms such as FOB Shipping Point, freight prepaid and added, payment terms net 30 days, etc. However, our FSS contract terms may be different such as, FOB destination, freight included in the product price for standard delivery. Can shipping and freight terms between the MSPV distributor and vendor be different?



# Questions and Feedback from Industry

46. "The latest solicitation specifically states MSPV's shall not:
- Require additional discounts from product suppliers
  - Charge any VA Catalog approved MSPV suppliers to HANDLE their product in conjunction with the contract
  - Charge UNREASONABLE tracking fees
  - Require product suppliers to carry liability insurance in excess of \$1MM
  - Require product suppliers to meet any additional prerequisites not generally accepted as commercial practice.

Other than reasonable tracking fees, are prime vendors allowed to ask for non-product related service "fees" such as: "marketing fees", "EDI fees", "customer service fees", "clinical representation fees", etc.?"

46. If a vendor chooses to participate in the MSPV program and subsequently decides it's not working as expected, can the vendor opt out?
47. What is the maximum order limit for orders placed by MSPV's, is it the same as the max stated a vendors FSS contract?



# Questions and Feedback from Industry

48. What is the maximum order limit for orders placed by MSPV's, is it the same as the max stated a vendors FSS contract?
  
49. The new MSPV program appears to allow durable medical equipment, which not allowed under the current MSPV program (Hospital Beds are specifically mentioned). Much of DME offered by some vendors on contract is "configured" and REQUIRES a configured quote from the company to make sure the configuration is accurate. In some instances the configuration may contain ALL FSS contract items. However, there may be instances where the configuration contains part numbers with OPEN MARKET items that are incidental to the overall configuration. Can the prime vendor order configurations with OPEN MARKET items or do ALL part on a configuration have to be on FSS contract?



# Questions and Feedback from Industry

50. According to the new solicitation, “each MSPV has 90 days to load additions, changes, deletions...”. Does this apply to contract price mods as well? For example, if a FSS contract price mod (most of the time a price decrease) is approved and the vendor is notified by the NAC that new price is effective 11/15, does that mean that the MSPV has 90 days from 11/15 BEFORE they start charging the VA and the vendor the new price? Or, Will the VA update their MSPV price database by 11/15 and communicate the price to the MSPV to match the new price reflected in the mod on that date? In this example, some MSPV’s are stating their sales price to the VA will go into effect immediately after price database is updated ( let’s assume 11/15 is the date the VA updates the PV price file as in this example). However, the MSPV’s price paid to the vendor may not go into effect for 90 days AFTER 11/15 notification, which means the distributor benefits from the difference for 90 days. If this practice is allowed by MSPV’s, can vendors mitigate the 90 day time frame and price difference by notifying the MSPV of the potential price mod when we submit changes to the VA for modification?