



PERFORMANCE WORK STATEMENT (PWS)
DEPARTMENT OF VETERANS AFFAIRS (VA)
ACCESS TO MEDICAL COMMODITY INDUSTRY PRICING DATA

VA-17-0006571
SAC- 45181

Date: 08/22/2017

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1.0 BACKGROUND

The Strategic Acquisition Center is located in Fredericksburg, VA and Frederick, MD and was established in 2011 to perform centralized acquisition functions in support of the Department of Veterans Affairs (VA) strategic sourcing initiative. Enterprise contract vehicles awarded by SAC are designed and intended to improve the VA's ability to provide healthcare to Veterans by easing access, leveraging VA's enterprise purchasing power and ensuring VA pays the "best price" available for various medical commodities and supplies. SAC enterprise contract vehicles are available for use by VA facilities located in all 50 states, and Puerto Rico. To accomplish the goal of awarding highly competitive price positions for medical commodities and leverage spend of the entire VA, the Program Advisory Service (PAS) takes a disciplined, collaborative approach to gathering historical spend data on the various medical commodities procured to serve Veteran health care needs. The detailed spend data provided by PAS to Contracting Officers (COs) enables SAC to better leverage VA's acquisition spend and effectively negotiate optimal prices for medical and surgical commodities. Consolidated, comprehensive and up to date historical pricing data and spend analysis is necessary to make this possible. One critical tool of PAS price analysis is the Medical Data Product Bank (MedPDB) system run by the Defense Logistics Agency (DLA). VA has designated MedPDB as the "go to" system to obtain pricing data on medical commodities purchased by VA and DoD medical centers. The pricing data delivered to PAS must match the limited data set provided to the MedPDB system.

2.0 SCOPE OF WORK

- 2.1 The contractor shall provide pricing data that includes commercial pricing (Outside the VA) data for medical commodities covering all North American Industry Classification System (NAICS) codes pertaining to medical, surgical, dental and prosthetics (including embedded prosthetics devices). A minimum of 6 months (and where available 12-18 months) of pricing data for any given commodity shall be provided from the date of the government's request for report. In instances where a newly released commodity or product has only recently been made available on the market 6 months or less, all applicable pricing data is required. In those instances, it shall be stated that the item is new. Deliverables shall specify the applicable time period used for analysis.

The contractor shall report data deliverables that includes the following fields:

- 2.2 Name of Item purchased (Identify exactly WHAT was purchased)
- 2.3 Vendor name (Identify WHO item was purchased from)

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- 2.4 Original Manufacturer (Identify who originally manufactured item.)
- 2.5 Purchase/Transaction data. (Identify date of purchase)
- 2.6 Actual Price Paid Per Unit (Identify the “out of pocket” price paid for unit(s) for each transaction)
- 2.7 Unit of Measure (Identify how unit(s) were packaged (e.g. case, box, each etc.). Additionally the quantity in the Unit of Measure packaging (i.e., 20 items in a case, 10 items in a box, etc.) is required.
- 2.8 Total combined quantity(s) purchased for each part number
- 2.9 The Total combined sales purchased in US dollars for each part number for the time period (as specified under 2.0) Total combined sales shall include the number and date of months (from 1 month up to 18 months) used for calculation purposes.
- 2.10 Price Point Quantity(s)* Identifies how many quantities of specified commodities were purchased at various price points.
 - Total quantities for prices reported within 20% above of the lowest price.
 - Total quantities for prices reported within 20% (above and below) of the average price.
 - Total quantities for prices reported within 20% lower than the highest price.

It is of importance for us to know the concentration of the total quantities around each statistical data points (low, average, and high prices)

A “price range” with a percentage of the total quantity of a given item purchased that falls into that price point range. The term “quantity” used here indicates the total quantities accounted for each purchase made in the low, average, or high range. (Sample deliverable requested by the government can be found in Appendix A)

****Note:** Quantity as used here does not refer to the number of partners reporting on a given part number but rather the aggregate number of quantities for that item.

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EXAMPLE:

From X time to Y time:

Total quantity purchased = 1,000

Lowest commercial price \$100.00

Median commercial price \$200.00

Highest commercial price \$300.00

Price Range between 20% above the low price equals: \$100.00 - \$120.00 - Aggregate total quantity purchased in this range is **100**.

Price Range 20% below and 20% above the average price equals: \$160.00 – \$240.00 - Aggregate total quantity purchased in this range is **500**.

Price Range 20% below the high price equals: \$240.00 – \$300.00 - Aggregate total quantity purchased in this range is **75**.

Note: The aggregate quantities for the quantities purchased within each range will not add up to the total quantities purchased (i.e., 1,000 in the example above). We are looking for concentrated quantities around these three price points.

3.0 APPLICABLE DOCUMENTS: NOT APPLICABLE

4.0 PERFORMANCE DETAILS

4.1 PROVIDE PRICING DATA:

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The contractor shall provide pricing data and the quantities for medical commodity items purchased for the VA. The government will provide a "Data Request" (a populated template spreadsheet in MS Excel format will list the original manufacturer name, part number, item description, and the unit of measure). The contractor will not delete fields or alter fields provided by the government. Fields where no data is available will remain "blank." Contractors will not be reimbursed for line items that do not include all data fields listed in PWS section 2.0 in each Data Request returned to the government. Each Data Request submitted to the contractor will not exceed 2500 line items. Single data requests from the government will not exceed 5 times per month. The government does not anticipate more than 50 data requests per year.

4.2 Period of Performance

The period of performance shall be for one (1) 12-month base period with four (12) month option periods.

4.3 Travel

There is no travel authorized on this PWS.

4.4 Government Furnished Information

The government will provide the Original Equipment Manufacturer (OEM) name, part number and unit of measure and quantities per unit of measure for each line item. The government will not provide any additional data to the contractor related to negotiated prices or pre-solicitation price proposal data.

DELIVERABLES

5.1 The Contractor shall provide Medical Commodity Industry Price Data in a populated MS Excel format in accordance with section 4.1 of this PWS.

5.2 Delivery Schedule

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Services will begin on the date of award. Medical Commodity Industry Price Data requests submitted to contractor by the government must be populated and returned within 72 hours (three (3) work days) with exceptions granted for requests submitted on Fridays or after normal working hours.

5.3 Acceptance of Deliverables

The Contractor will correct deficiencies in a deliverable as quickly as possible and resubmit it for acceptance. VA will limit second and any subsequent reviews to the deficiencies documented during the immediately preceding review and will not withhold approval of the deliverable for reasons unrelated to the technical sufficiency of the corrections. All reviews will be subject to the time frames detailed in in section 5.2.

Upon satisfactory completion of each deliverable, the deliverable shall be accepted by the VA through the signing of a VA produced deliverable acceptance form.

5.0 PERFORMANCE MEASURES

The Government will evaluate Contractor performance and deliverables against the standards listed in Table 1 below, to determine interim and final acceptance of the services provided. Each deliverable and performance objective applies to all support/tasks unless indicated otherwise.

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Deliverable/ Performance Objective	Performance Task	Reference in PWS	Method of Assessment
Deliverable	<p>1) The data shall be captured in Microsoft Excel file. A Data request template shall be provided by the government to the vendor in order for the vendor to populate the data that is being requested. Neither the Excel template nor the identifying part numbers or product descriptions of the items requested shall be modified by the vendor. Items that vendor is unable to locate, shall be left blank on the template and unmodified. "N/A" is not an acceptable response to any data request submitted.</p>	Section 5.1	Review/Acceptance by Project Manager from PAS
	<p>2) Medical Commodity Industry Price Data/Returned within 72 hours after request. Each government provided part number row of data returned with High, Average and Low prices found in addition to the total aggregated quantities for prices reported for an item in the "price point ranges" represents a complete "line" of data. Data reported must be as specified in line 2.0 of this PWS. Acceptance of this deliverable is contingent with receipt of a complete line of data. A data line is considered complete if all the data elements described in Section 2.0 are returned.</p>	Section 5.2	Review/Acceptance by Project Manager from PAS

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VA Information Security

VA C&A requirements do not apply and a Security Accreditation Package is not required.

APPENDIX A: (Example)

INFORMATION PROVIDED BY THE GOVERNMENT					DATA PROVIDED BY CONTRACTOR														
OEM Name	OEM Part Number	Item Description	Unit of Measure (UOM)	Units in UOM Packaging	Vendor / Supplier Name	Vendor/Supplier Item Number	Total Quantities Purchased per Item	Total Combined Sales per Item	Number of observed months for Total Qty's/Sales (1-	Actual Unit Price	Unit of Measure (UOM)	Units in UOM Packaging	Date of Purchase	Lowest Price	Price Point Range / Quantity(s)				
															Total Qty(s) Reported in Low Range {	Average Price	Total Qty(s) Reported in Avg. Range { +/-20%}	High Price	Total Qty(s) Reported in High Range {-20%}
Smith & Nephew	V0300493	VIS LGNP FP KIT F5 T4 PSHF RT	CS	20	Smith & Nephew	V0300493	4,694	\$ 1,520,856.00	17	\$ 324.00	CS	20	3/21/2016	\$ 225.00	400	\$ 350.00	2,100	\$ 500.00	700
Smith & Nephew	V0300492	VIS LGNP FP KIT F5 T3 PSHF RT	CS	100	Smith & Nephew	V0300492	598	\$ 232,622.00	4	\$ 389.00	CS	100	5/21/2017	\$ 178.00	67	\$ 400.00	250	\$ 634.00	118