



DEPARTMENT OF VETERANS AFFAIRS
Deputy Assistant Secretary for Acquisition and Materiel Management
Washington DC 20420

IL 049-04-6
March 4, 2004

OFFICE OF ACQUISITION AND MATERIEL MANAGEMENT INFORMATION LETTER

TO: Under Secretaries for Health, Benefits, and Memorial Affairs; Assistant Secretary for Management; Chief Facilities Management Officer, Office of Facilities Management; Veterans Integrated Service Network Directors; Directors, VA Medical Center Activities, Domiciliary, Outpatient Clinics, Medical and Regional Office Centers, and Regional Offices; Directors, Denver Distribution Center, Austin Automation Center, Records Management Center, VBA Benefits Delivery Centers, and VA Health Administration Center; and the Executive Director and Chief Operating Officer, VA National Acquisition Center

ATTN: Head of the Contracting Activity, VA Contracting Officers

SUBJ: Revised Business Clearance Review Requirements and Reporting
Actual and Planned Awards of \$5 Million or More

1. This Information Letter (IL) establishes a new requirement for Business Clearance Reviews of task and delivery orders, blanket purchase agreements (BPAs), and contract modifications valued at \$5 million or more. In addition, the IL establishes agency procedures for announcing awards, as provided in Federal Acquisition Regulation (FAR) 5.303, Announcement of contract awards, and sets the dollar threshold for reporting Department of Veterans Affairs (VA) acquisitions at \$5 million or more. This IL also establishes a requirement for quarterly reporting of planned acquisition actions valued at \$5 million or more.

2. **Additional Business Clearance Review Requirements.** Effective immediately, contracting officers are required to obtain Business Clearance Reviews, as provided in Department of Veterans Affairs Acquisition Regulation (VAAR) 801.602-70(h), on all task and delivery orders, BPAs, and contract modifications where the estimated or actual value of the transaction is \$5 million or more. This is in addition to the current requirement to obtain Business Clearance Reviews of new contract awards of \$5 million or more.

3. **Announcement of contract awards.**

a. As required by FAR 5.303 and this IL, all VA contracting officers must report all contract, task or delivery order, blanket purchase agreement (BPA), or contract modification awards expected to equal or exceed \$5 million in value over the term of the contract or BPA or contract modification to the Director, Acquisition Resources Service (049A5), VA Central Office. 8(a) contract awards

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are included in this reporting requirement, as are all construction contract awards, regardless of funding source or office making the award. The award reporting requirement applies to the following types of awards:

(1) **New contract awards** for the acquisition of supplies and services, including construction and equipment, of \$5 million or more in value over the term of the contract. Also included are awards of energy savings performance contracts (ESPCs) where payments to the contractor over the term of the contract will equal or exceed \$5 million and indefinite delivery indefinite quantity (IDIQ) contracts (excluding Federal Supply Schedule (FSS) base contracts awarded by the VA National Acquisition Center (NAC)) where the stated maximum equals or exceeds \$5 million. IDIQ contracts include VA national contracts, regardless of which contracting office makes the awards. As provided in FAR 16.504(a)(1), the contracting officer should establish a reasonable maximum for each IDIQ contract based on market research, trends on recent contracts for similar supplies or services, surveys of potential users of the contract, or any other rational basis. If this maximum equals or exceeds \$5 million, the contract award must be reported. However, the exercise of an option does not need to be reported if the original contract award was previously reported.

(2) **Task and delivery orders** valued at \$5 million or more over the term of the order, issued under FSS contracts and VA and other Government agency IDIQ contracts. All task or delivery orders valued at \$5 million or more placed under IDIQ contracts must be reported, even if the original award of the base IDIQ contract was previously reported in accordance with paragraph 2.a.(1) above.

(3) **Blanket purchase agreements** where there is a realistic expectation of spending \$5 million or more over the term of the agreement.

(4) **Contract modifications** (excluding modifications of FSS contracts by the VA NAC) where the gross value of the modification (i.e., the decrease in cost (credits) added to the increase in cost (additions)) exceeds \$5 million (e.g., a credit of \$2 million and an increase of \$4 million equals a \$6 million contract modification).

b. Contract Award reports shall be submitted via e-mail to vacocontractawards@mail.va.gov (shown as "VACO Contract Awards" in Outlook) or by fax to (202) 273-8819 on the day of award, after the award document has been signed, so as to arrive at the office of the Director, Acquisition Resources Service, by no later than 12:00 Noon Eastern Time

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Official notice of award to the contractor and to the public should be delayed until the following day to allow for public notice to be made by VA Central Office. Each report shall include the following information (see Attachment 1 for a sample e-mail notice):

- (1) Contracting office name and location;
 - (2) The name and phone number of the contracting officer;
 - (3) Name and address of the contractor, including the zip code, the socioeconomic status of the contractor, and, if for supplies or equipment, the location of the production facilities to be used on the contract, if known;
 - (4) The contract number and, if applicable, the BPA number, the term of the contract or BPA (e.g., a 5-year contract consisting of a base year and 4 1-year options), the type of award (e.g., full and open competition, small business set-aside, 8(a), etc.), and a short description of the supplies or services being acquired;
 - (5) The estimated dollar value of the contract or BPA over its term;
 - (6) A short narrative of the importance of the award to VA and what benefits VA will realize from the award (e.g., benefits to patients; projected savings over prior contract prices, FSS prices, or open market prices; benefits of standardization, etc.);
- c. Acquisition Resources Service shall report awards to the Office of Congressional and Legislative Affairs for possible reporting to Members of Congress, to the Office of Public and Intergovernmental Affairs for consideration in issuing a public notice of award, and to Senior Management.

4 Quarterly Pending Acquisitions Reports.

a. In addition to the above Contract Awards reporting requirement, this IL establishes a requirement for the Chiefs of each VA contracting office or major contracting office sub-division to report quarterly the status of every pending acquisition action (i.e., proposed new contract, pending task or delivery order against an existing contract, proposed BPA, or proposed contract modification) where the estimated dollar value is \$5 million or more. Pending awards of FSS contracts by the VA NAC are excluded from this reporting requirement. Pending awards of options under existing contracts are also excluded from

4.

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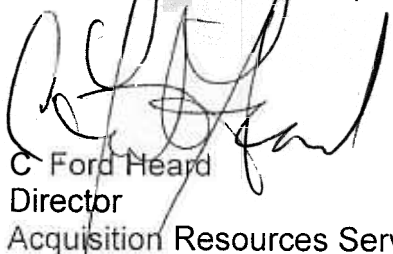
this reporting requirement. The Pending Acquisitions report shall be sent to the Director, Acquisition Resources Service (049A5), via e-mail to vacopendingreport@mail.va.gov (shown as "VACO Pending Report" in Outlook) or by fax to (202) 273-9302, to arrive by no later than 10 calendar days following the close of each quarter. The first report is due immediately upon receipt of this IL. Negative reports are not required.

b. The Pending Acquisitions report (see Attachment 2 for an example) shall include the following information on each pending acquisition action valued at \$5 million or more:

- 1) Name and location of the VA facility;
- 2) Name and telephone number of the contracting officer assigned to the acquisition;
- 3) A short description of the supplies or services being acquired or the purpose of the proposed contract modification and the estimated dollar value of the proposed action. If a VA Business Opportunities System announcement has already been issued for this acquisition action, include a copy of that announcement;
- 4) The type of action being proposed (e.g., a new contract award for a new requirement, a replacement contract for one or more expiring contracts, a BPA for items on FSS contract, a modification of contract V333C-xxxx, etc.); and
- 5) The projected date of contract or BPA award or contract modification

c. Acquisition Resources Service shall consolidate all reports received and submit the consolidated report through channels to Senior Management.

5. Please direct any questions regarding the above to Don Kaliher, Acquisition Policy Division (049A5A), at (202) 273-8819.



C Ford Heard
Director
Acquisition Resources Service

Attachments: 2

Distribution: RPC 7029

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ATTACHMENT 1

SAMPLE E-MAIL REPORT OF CONTRACT AWARD

NOTE: This is a sample e-mail, not a form. The actual e-mail report need not follow this sample as long as the required information is provided.

To: vacocontractawards@mail.va.gov

Subject: Report of Contract Award [or Contract Modification] of \$5 million or More

To Whom It May Concern:

As required by FAR 5.303 and the Information Letter 049-04-6, submitted herewith is a notice of award on the following contract:

- (1) Contracting Office: Mid-US Regional Contracting Center, VISN 33. Anytown, Any State, 23456.
- (2) Contracting Officer: John Doe, (222) 888-5555
- (3) Contractor: Any Contractor, 1234 Main St., Anywhere, Any State 12345, a service-disabled veteran-owned small business which will use its production facilities located in Anywhere, Any State, 12300.
- (4) Contract Number V898P-1234, a small business set-aside, awarded March 3, 2004, for a base year and two option years, for widget medical supplies to be used in treating patients.
- (5) Amount of Award Estimated \$6,500,000 over the three year term of the contract.
- (6) This award will allow standardization of widget medical supplies throughout all medical centers within the VISN. It will result in improved patient care through the use of common supplies at each medical center, will reduce ordering and inventory costs, and will result in an estimated total savings over the 3-year term of the contract of \$2,000,000 over prior VISN-wide costs [or over basic FSS contract prices] for similar supplies.

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ATTACHMENT 2

SAMPLE E-MAIL REPORT OF PENDING ACQUISITIONS

NOTE: This is a sample e-mail, not a form. The actual e-mail report need not follow this sample as long as the required information is provided.

To: vacopendingreport@mail.va.gov

Subject Report of Pending Acquisitions of \$5 Million or More

To Whom It May Concern

As required by the Information Letter 049-04-6, submitted herewith is a report of all acquisition actions of \$5 million or more currently pending in the following contracting office:

Item 1:

- (1) Contracting Office: Mid-US Regional Contracting Center, VISN 33, Anytown, Any State, 23456.
- (2) Contracting Officer: John Doe, (222) 888-5555
- (3) A Construction contract for the renovation of Building 3, Project 33-18-04 estimated at \$6.5 million.
- (4) An 8(a) competitive solicitation.
- (5) Award is projected to be made by August 31, 2004.

Item 2:

- (1) Same as above
- (2) Contracting Officer: Jane Doe, (222) 888-4444
- (3) An IDIQ firm fixed price contract with economic price adjustment for ambulance services for VISN 33 for a base year and 4 option years, estimated at \$5.2 million.
- (4) A small business set-aside.
- (5) Award is projected to be made by September 20, 2004