



DEPARTMENT OF VETERANS AFFAIRS  
**OFFICE OF INSPECTOR GENERAL**

*Office of Audits and Evaluations*

OFFICE OF ACQUISITION, LOGISTICS, AND  
CONSTRUCTION

A Summary of Preaward  
Reviews of VA Federal  
Supply Schedule  
Nonpharmaceutical Proposals  
Issued in Fiscal Year 2021

REVIEW

REPORT #22-02323-87

APRIL 12, 2023



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## Executive Summary

The VA Office of Inspector General (OIG) reviews nonpharmaceutical proposals submitted to the VA National Acquisition Center for Federal Supply Schedule (FSS) contracts. Specifically, the OIG reviews nonpharmaceutical proposals for FSS contracts that have an anticipated annual value of \$10 million or more for high-tech medical equipment, \$3 million or more for all other FSS contracts, \$100,000 or more for dealers/resellers without significant sales to the general public, or as requested by VA. These preaward reviews help VA contracting officers negotiate fair and reasonable prices for the government and taxpayers. The reviews are not published because they contain proprietary commercial information, which is protected from release under the Trade Secrets Act.

To promote transparency, however, this report summarizes the 26 preaward reviews of nonpharmaceutical proposals conducted by the OIG during fiscal year (FY) 2021. The 26 proposals covered six FSS schedules with a cumulative estimated contract value of about \$1.4 billion, with a total of 25,753 offered items. Contract negotiations for 22 of 26 nonpharmaceutical proposals were complete as of May 17, 2022, and the OIG's recommendations collectively assisted contracting officers in obtaining \$41 million in contract savings for VA over the life of the contracts.

This report provides an overview of the three types of OIG actions taken related to these reviews:

- 1. Provided an opinion as to whether the commercial sales practices disclosures in the proposals were accurate, complete, and current:** The OIG's preaward reviews found that commercial sales practices disclosures were accurate, complete, and current for nine of the 26 proposals reviewed. This means nine proposals were reliable for determining negotiation objectives and ultimately fair and reasonable pricing. The remaining 17 proposals were not reliable for negotiations until the noted deficiencies were corrected. A common reason for the deficiencies included the OIG's identification of lower sales prices than the disclosed most-favored-customer prices.
- 2. Made recommendations for pricing based on the vendor's commercial selling practices:** The OIG recommended seeking lower prices than offered for 17 of 26 proposals (65 percent), resulting in total recommended cost savings of approximately \$184 million. The OIG's lower-pricing recommendations resulted in the VA National Acquisition Center awarding contracts or modifications with cost savings of about \$40 million of the adjusted estimated cost savings of \$182 million (22 percent).<sup>1</sup> The OIG's estimated total cost savings were adjusted downward to \$182 million to account

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<sup>1</sup> Due to the unique terms and conditions of commercial contracts, contracting personnel are not always able to obtain the OIG-recommended price during negotiations.

for the exclusion of two proposals in negotiations, two withdrawn proposals, and a sample item not awarded.

3. **Evaluated and suggested alternative tracking customers:** FSS contracts require vendors to report price reductions they provide to the tracking customer during the contract period, and the government’s price is adjusted accordingly.<sup>2</sup> In the 26 proposals reviewed, the OIG determined the proposed tracking customers for 10 proposals covering 10,334 of the 25,753 offered items (40 percent) were not suitable as tracking customers. A vendor’s proposed tracking customer may not be suitable if the customer does not have buying patterns similar to those of the FSS or does not have adequate coverage of the offered items. The OIG recommended different tracking customers, generally among the vendor’s largest commercial customers or the “All Commercial Customers” category. No tracking customer recommendations could be made for eight proposals (31 percent) covering 4,407 items (17 percent) offered by dealers or resellers with no significant commercial sales or customers.

This report details the number of proposals the OIG team reviewed that were accurate, complete, or current and provides summary information about pricing and the recommendations made to VA. It does not propose any additional recommendations that necessitate any action or VA response.

## VA Comments and OIG Response

While this report is a summary of FSS nonpharmaceutical preaward reviews issued by the OIG in FY 2021 and contains no recommendations, the OIG provided a draft of this report to the National Acquisition Center managers to allow them the opportunity to comment. The National Acquisition Center provided no comments on this draft report.



LARRY M. REINKEMEYER  
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<sup>2</sup> GSA Acquisition Manual 552.238-81, “Price Reductions,” July 26, 2021. The manual requires the government and the vendor to agree on a customer or category of customers as the basis of the award. FSS pricing is tracked against this customer’s (or category of customers’) pricing for the duration of the contract.

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## Abbreviations

FAR	Federal Acquisition Regulation
FSS	Federal Supply Schedule
FY	fiscal year
GSA	General Services Administration
OIG	Office of Inspector General



## Introduction

The VA Office of Inspector General (OIG) reviews nonpharmaceutical proposals for Federal Supply Schedule (FSS) contracts that have an anticipated annual value of \$10 million or more for high-tech medical equipment, \$3 million or more for all other FSS contracts, \$500,000 or more over the contract life for dealers/resellers without significant sales to the general public, or as requested by VA. These proposals are reviewed by the OIG before the VA National Acquisition Center awards contract.<sup>3</sup> VA guidelines require preaward reviews to help inform decision-making and prevent the waste of VA funds.

Preaward reviews are not published because they contain sensitive commercial pricing information and data protected from release under the Trade Secrets Act.<sup>4</sup> However, to promote transparency, this report provides a summary of the 26 preaward reviews of nonpharmaceutical proposals that the OIG conducted during fiscal year (FY) 2021.

## Purpose of Preaward Reviews

The findings and recommendations in the OIG's preaward reviews are intended to be a resource for the VA contracting officers in negotiating fair and reasonable pricing with vendors.<sup>5</sup> The OIG conducts preaward reviews to validate the commercial sales practices disclosures required in the vendor's FSS proposal, to identify any prices lower than those offered to the government for products or services, and to propose alternative tracking customers when appropriate as the basis

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<sup>3</sup> All preaward reviews are conducted at the Inspector General's discretion and noted in the VA OIG's Semiannual Reports to Congress. Inspector General Act of 1978, 5 U.S.C. app. §§ 6(a)(2), 5(a)(9)(B).

<sup>4</sup> 18 U.S.C. § 1905 provides for civil and criminal penalties against government employees who divulge or otherwise disclose a contractor's confidential and proprietary information. The OIG's contract review reports are marked "For Official Use Only" and are not disclosed outside the government, except through procedures established in the Freedom of Information Act. Exemption 4 of the act exempts company trade secrets and commercial or financial information from mandatory disclosure to the public.

<sup>5</sup> VA National Acquisition Center, *Procedural Guideline 22*, "OIG Contract Review Procedures," June 16, 2015; Federal Acquisition Regulation (FAR) 2.101. The FAR defines a contracting officer as "a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. ... A single contracting officer may be responsible for duties in any or all of these areas."

for future pricing.<sup>6</sup> The contracting officer is responsible for negotiating the actual prices with the vendor and ultimately determining that the offered prices are fair and reasonable.

One of the primary acquisition programs for which the OIG provides preaward and other contract review services is VA's FSS program. The FSS program provides the government with a simplified process for acquiring commercial supplies and services in varying quantities while obtaining volume discounts.<sup>7</sup> This report provides a summary of the findings and recommendations made to VA contracting officers for the OIG's 26 preaward reviews of FSS nonpharmaceutical proposals in FY 2021.

## VA Federal Supply Schedule Program

The General Services Administration (GSA) has delegated VA the authority to award and administer nine FSS award schedules to support the healthcare acquisition needs of VA and other government agencies.<sup>8</sup> FSS award schedules are indefinite delivery/indefinite quantity type contracts awarded to vendors using full and open competition.<sup>9</sup> Additionally, the FSS program negotiates firm, fixed pricing based on a commercial most-favored-customer pricing concept and includes an option for economic price adjustments.<sup>10</sup>

The goal of the FSS program is to leverage the entire federal government's purchasing power to drive volume-based discounts for healthcare solutions at fair and reasonable prices to all authorized FSS users.<sup>11</sup> During FY 2021, federal agencies purchased more than \$16.1 billion in products and services through the nine FSS schedules managed by VA. Because of the

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<sup>6</sup> VA National Acquisition Center, "OIG Contract Review Procedures." "Commercial Sales Practices" (web page), VA National Acquisition Center, Office of Procurement Acquisition and Logistics, accessed September 16, 2021, <https://www.va.gov/opal/nac/fss/csp.asp>, gives the following definition: "Established at time of contract award or when you add products to the contract ... [the tracking customer] is the customer, or category of customer, against which awarded FSS pricing is tracked throughout the life of the contract." "The VA Federal Supply Schedule Service, Contractors-Commercial Sales Practices Format" (web page) VA FSS Service, accessed January 26, 2023, <https://www.fss.va.gov/fss/faqs/csp.asp>. The FSS Service web page explains, "This relationship is utilized throughout the life of the contract to determine the potential for price changes. ... In the price reductions clause, the tracking customer is referred to as the basis of award."

<sup>7</sup> FAR 8.402(a).

<sup>8</sup> FAR 8.402(a).

<sup>9</sup> According to FAR 2.101, "Full and open competition, when used with respect to a contract action, means that all responsible sources are permitted to compete." VA, "Background," app. M816A in *VA Acquisition Manual*, January 2019, explains that indefinite delivery/indefinite quantity contracts fulfill recurring needs when the government cannot predetermine the precise times or quantities of supplies or services that will be required during the contract performance period.

<sup>10</sup> "Schedules" (web page), VA Federal Supply Schedule Service, accessed January 4, 2022, <https://www.fss.va.gov/>. VA FSS Solicitation No. RFP-797-FSS-99-0025-R10, attachment 02, "Vendor Response Document," "COMMERCIAL SALES PRACTICE FORMAT," defines the most-favored customer as the commercial customer who receives the best upfront (guaranteed) discount. This is not inclusive of "conditional" discounts, such as prompt payment discounts or annual rebates based on reaching a threshold. FAR 552.216-70.

<sup>11</sup> FAR 38.101(a) and 8.404(d).

magnitude of spending through the schedule programs, GSA and VA have established regulations, policies, and procedures to help ensure the government receives the best prices for products and services and FSS vendors are following all the terms and conditions of their FSS contracts. This included VA establishing a robust preaward and postaward contract review program.

Additionally, VA established guidelines that set forth criteria and procedures for requesting an OIG review of proposals and contracts submitted under or related to contracts or solicitations issued by the VA National Acquisition Center.<sup>12</sup> The written guidelines require contracting officers to submit all FSS nonpharmaceutical proposals with an estimated contract value equal to or greater than \$10 million annually or more for high-tech medical equipment, \$3 million annually or more for all other FSS contracts, \$100,000 or more for dealers/resellers without significant sales to the general public, or as requested by VA contracting officers to the OIG for a preaward review.

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<sup>12</sup> VA National Acquisition Center, “OIG Contract Review Procedures.”

## A Summary of FY 2021 Nonpharmaceutical Preaward Reviews

OIG preaward reviews are meant to assist VA's FSS contracting officers with establishing and maintaining fair and reasonable prices on the FSS contracts they award. The 26 proposals reviewed by the OIG during FY 2021 had an estimated contract value of about \$1.4 billion and included 25,753 offered items.<sup>13</sup>

### What the OIG Did

The OIG had three primary objectives when reviewing the 26 FSS proposals:

1. Provide an opinion as to whether the commercial sales practices disclosures in the proposals were accurate, complete, and current.
2. Evaluate offered prices and concessions and provide pricing recommendations.
3. Determine if the proposed tracking customers were appropriate for price reductions clause purposes and suggest alternatives as warranted.<sup>14</sup>

To provide an opinion on the commercial sales practices disclosures and evaluate offered pricing, the OIG sampled 607 of the 25,753 offered items; those items generally represented at least 75 percent of the historical government sales from each proposal.<sup>15</sup> To evaluate offered prices and concessions, the OIG reviewed vendors' commercial sales and agreements and evaluated lower-than-offered prices. The OIG recommended seeking lower-than-offered prices for 17 of the 26 proposals reviewed (65 percent), resulting in total estimated cost savings of about \$184 million.<sup>16</sup> These lower prices applied to 402 of the 607 sampled items (66 percent). To determine if the proposed tracking customers were appropriate, the OIG identified 10 of the 26 proposals examined (38 percent) covering 10,334 offered items (40 percent) that included tracking customers proposed by the contractor that were not suitable for the purposes of the GSA price reductions clause.

The OIG's reported findings for each of the 26 issued nonpharmaceutical preaward reviews are summarized in this report.

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<sup>13</sup> Appendix A provides the results of the 26 proposals reviewed.

<sup>14</sup> The objective of the price reductions clause is to maintain fair and reasonable pricing after the contract has been awarded.

<sup>15</sup> The OIG generally reviews offered items that represent at least 75 percent of historical government sales as requested by the contracting officer, a percentage that may be further reduced with agreement from the contracting officer.

<sup>16</sup> The cost savings were later reduced to \$182 million largely due to excluding proposals withdrawn by the offeror or to offers being in active negotiations.

Information on the OIG team's scope and methodology appears in appendix B.

## Opinion on Commercial Sales Practices Disclosures

The OIG's preaward reviews found commercial sales practices disclosures to be accurate, complete, and current for nine of the 26 proposals (35 percent). This means that these nine proposals were reliable for determining negotiation objectives and ultimately fair and reasonable pricing using the commercial pricing information in the disclosures. The remaining 17 proposals (65 percent) were not accurate, complete, or current and could not reliably be used for negotiations until the noted deficiencies were corrected.

Government contracts generally require competition among vendors to ensure awarded prices are fair and reasonable. FSS award schedules are indefinite delivery/indefinite quantity type contracts awarded to vendors using full and open competition.<sup>17</sup> Under the FSS program, vendors disclose their commercial prices and terms and conditions in a commercial sales practices form in their FSS proposals. Commercial sales practices disclosures should be accurate, complete, and current so the contracting officer can use this information to evaluate the proposed prices, set the negotiation objectives, and determine whether the offered prices are fair and reasonable.

The commercial sales practices section of FSS solicitations, product addition modifications, or contract extension modifications include instructions on what vendors shall disclose to the government.<sup>18</sup> The instructions state that if vendors are offering prices lower than the most-favored-customer prices, those customers and prices are to be disclosed.<sup>19</sup> Otherwise, vendors are required by the solicitation or modification to disclose all commercial prices equal to or lower than those prices offered to the government and to disclose all customers or categories of customers who are receiving those prices. The most-favored-customer is defined as the "customer or class of customer that receive(s) the best discount and/or price agreement on a given item from a supplier, regardless of terms and conditions." The term includes any entity that does business with a firm.

Vendors are also required to provide detailed information as to how customers may qualify for prices or discounts lower than those offered to the government.<sup>20</sup> Any deviations from the commercial sales practices disclosures or exceptions to the disclosed standard practices must be

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<sup>17</sup> According to FAR 2.101, "Full and open competition, when used with respect to a contract action, means that all responsible sources are permitted to compete."

<sup>18</sup> VA FSS Solicitation No. RFP-797-FSS-99-0025-R10, attachment 02, "Vendor Response Document," "COMMERCIAL SALES PRACTICE FORMAT."

<sup>19</sup> VA FSS Solicitation No. RFP-797-FSS-99-0025-R10, attachment 02, "Vendor Response Document."

<sup>20</sup> VA FSS Solicitation No. RFP-797-FSS-99-0025-R10, attachment 02, "Vendor Response Document," question (3).

discussed and explained.<sup>21</sup> For vendors who are dealers or resellers with no significant commercial sales, manufacturers of the offered items should provide commercial sales practices disclosures in accordance with the solicitation instructions. Table 1 lists the findings for the 17 proposals with commercial sales practices that were not accurate, complete, or current and the number of occurrences.

**Table 1. Commercial Sales Practices Findings FY 2021**

Commercial sales practices findings	Occurrences among the 17 proposals
Lower than disclosed most-favored-customer pricing identified	13
Discounts not disclosed in figure 515.4-2	6
Incorrect most-favored customer disclosed	2
Most-favored customer not identified	2
Figure 515.4-2 incomplete	1
Outdated data used to prepare commercial sales practices disclosures	1

*Source: Analysis of commercial sales practices disclosures.*

*Note: Some proposals had more than one deficiency, so the numbers do not sum to 17.*

Of the 17 proposals, vendors generally did not follow solicitation or modification instructions regarding most-favored-customer disclosures or pricing; therefore, the contracting officer could not rely on the commercial sales practices to make fair and reasonable price determinations to award FSS contracts or add products to existing contracts.

## Evaluation of Offered Prices and Related Recommendations

Among the 26 proposals reviewed, the OIG determined there were four (15 percent) with offered pricing lower than or equal to most-favored-customer pricing, meaning the government was being offered most-favored-customer pricing. Table 2 summarizes the reasons the government did not receive most-favored-customer pricing for the remaining 22 proposals (85 percent).

**Table 2. Rationale for Not Offering Most-Favored-Customer Pricing**

Rationale	Number of Proposals
Commercial contracts have commitments the FSS cannot agree to	13
No comparable commercial customers	4

<sup>21</sup> VA FSS Solicitation No. RFP-797-FSS-99-0025-R10, attachment 02, “Vendor Response Document,” question(4)(b).

Rationale	Number of Proposals
Commercial sales practices disclosures prepared incorrectly	2
Offered FSS pricing mathematically incorrect	1
Most-favored customer had significantly more sales volume than the FSS	1
VA receiving exclusive value-added services	1

*Source: Analysis of offered prices.*

If the government is not offered the most-favored-customer price (in other words, the lowest commercial price), the OIG considers commercial prices lower than the offered FSS price for price recommendation purposes. This determination may result in cost savings, which are the potential dollar effect from implementing a price recommendation that would reduce the cost of medical supplies and equipment and make these funds available for other uses. Specifically, the OIG’s estimated cost savings are calculated as the difference between the vendor’s offered prices and the OIG’s recommended prices, multiplied by historical order volume, and extrapolated over the applicable contract period. For example, a new contract could be 10 years, but a product addition or contract extension could range from one year to 10 years, depending on the potential remaining contract performance period.

The OIG recommended seeking lower-than-offered prices for 17 of the 26 proposals, resulting in total estimated cost savings of about \$184 million. These lower prices applied to 402 of the 607 sampled items (66 percent) in the 26 proposals reviewed during FY 2021. Overall, contracting officers completed negotiations for 22 of the 26 proposals, because two proposals were withdrawn by vendors during negotiations, and negotiations were not completed on two offers at the time this report was drafted. Additionally, one sample item was negotiated but not awarded, and another item was deleted for a proposal with recommended cost savings. Excluding the two proposals in negotiations, the two withdrawn proposals, and the estimated cost savings for the item not awarded and the item deleted, the OIG’s estimated cost savings was adjusted downward to \$182 million. As of May 17, 2022, VA sustained \$41 million of the OIG’s estimated and adjusted cost savings of \$184 million and \$182 million, respectively.<sup>22</sup>

## Evaluation of Proposed Tracking Customers

Except for contracts for *Schedule 66 III, Cost Per Test, Clinical Laboratory Analyzers*, FSS contracts are awarded for an initial five-year base period and one five-year option period not to exceed 10 years in total. Contracts for clinical laboratory analyzers may be awarded up to three five-year option periods not to exceed 20 years in total. The GSA price reductions clause mandates lowering the FSS contract price based on price reductions to the negotiated tracking

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<sup>22</sup> Due to the unique terms and conditions of commercial contracts, contracting personnel are not always able to obtain the OIG-recommended price during negotiations.

customers.<sup>23</sup> FSS contracts require vendors to report price reductions they provide to the tracking customer during the contract period. This contract clause requires the government and the vendor to agree on a customer or category of customers to which the government’s price or discount can be linked for the purposes of potential price reductions. The contract requires this relationship to be maintained throughout the contract period. The objective of the price reductions clause is to maintain fair and reasonable pricing after the contract has been awarded.

In the 26 proposals reviewed, the OIG did not make tracking customer recommendations for eight proposals (31 percent) covering 4,407 (17 percent) of the 25,753 offered items. This was because the vendors were dealers or resellers with no commercial sales, and therefore, there is no customer to track against. In these situations, the government loses the benefit of the price reductions clause. However, the OIG determined that 10 proposals (38 percent) covering 10,334 offered items (40 percent) included tracking customers proposed by the contractor that were not suitable for the purposes of the price reductions clause. Proposed tracking customers are not suitable if the customers do not have buying patterns similar to those of the FSS or the offered products are not on the proposed tracking customer’s contract.

For the 10 proposals with tracking customers that were identified as not suitable, the OIG recommended using the vendor’s largest commercial customers (group purchasing organizations or integrated delivery networks), the “All Commercial Customers” category, or the most-favored customer. The “All Commercial Customers” category is recommended if the OIG determines no other customer or customer group has the products on its current contract for price reductions clause purposes. Table 3 summarizes the OIG’s basis for its recommendations regarding tracking customers for the 10 proposals.

**Table 3. Recommendations Regarding Tracking Customers**

Recommendation	Number of occurrences
Group purchasing organization	6
“All Commercial Customers” category	3
“All Group Purchasing Organizations/Integrated Delivery Networks”	1
Disclosed most-favored customer	1

*Source: Analysis of proposed tracking customers.*

*Note: Some proposals have more than one reason, so the numbers do not total to 10.*

Selecting a tracking customer for price reductions clause purposes involves a variety of factors that can be weighted and analyzed differently, but there is no authoritative guidance. The OIG

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<sup>23</sup> GSA Acquisition Manual 552.238-81, “Price Reductions.” The manual requires the government and the vendor to agree on a customer or category of customers as the basis of the award. FSS pricing is tracked against this customer’s (or category of customers’) pricing for the duration of the contract.

recommends tracking customers who provide contract item coverage and that, in the OIG's opinion, should provide long-term price protection for the government. However, the contracting officer may decide different tracking customers provide adequate price reduction protection or may be used as a trade-off during negotiations. Of the 18 proposals for which the OIG made tracking customer recommendations, VA fully or partially implemented them for 13 proposals (72 percent).

## **Conclusion**

The federal government spends billions of dollars annually on medical supplies through VA's FSS program. The OIG's findings and recommendations resulting from the preaward reviews help VA contracting officers reduce the cost of medical supplies, which saved taxpayers about \$41 million on proposals reviewed by the OIG in FY 2021 and awarded in FYs 2021 and 2022.

This report provides summary information about prior recommendations made to VA; it does not propose additional recommendations that require VA response or action.

## **VA Management Comments**

The National Acquisition Center provided no comments on the draft report.

## Appendix A: Estimated and Sustained Cost Savings for Reviews Conducted in FY 2021

### Proposal Coverage

The OIG's estimated cost savings of \$184 million is the difference between vendor-offered prices and OIG-recommended prices. VA's *sustained* cost savings is the estimated cost savings based on the final prices awarded by the VA contract specialist. Overall, VA was able to sustain \$41 million flowing from preaward reviews with lower-than-offered-price recommendations for contracts awarded as of May 17, 2022. The percentage of sustained cost savings shown in table A.1 reflects the proportion of OIG-recommended costs savings that contracting officers were able to sustain for all reviewed proposals, whether or not awarded by that date.

During FY 2021, the OIG reviewed 26 proposals under six nonpharmaceutical schedules representing about \$1.4 billion in estimated contract value—25,753 offered items, of which 607 (2 percent) items generally representing at least 75 percent of vendors' historical government sales were sampled. Because of the magnitude of spending through the VA FSS schedule programs, GSA and VA have established regulations, policies, and procedures to help ensure the government receives the best prices for medical supplies and the eligible vendors are following all the terms and conditions of their contracts.

**Table A.1. VA Proposals Reviewed**

Report Number	Date Issued	OIG's Estimated Cost Savings (\$)	VA's Sustained Cost Savings (\$)	Cost Savings (%)	Date Awarded
1	10/8/2020	258,688	83,527	32.3	12/15/2020
2	11/2/2020	0	0	0.0	12/14/2020
3	11/4/2020	130,943	79,943	61.1	1/1/2021
4	12/15/2020	0	0	0.0	6/1/2021
5	1/7/2021	33,999,100	0	0.0	10/1/2021
6	2/4/2021	0	0	0.0	4/15/2021
7	2/4/2021	3,408,990	0	0.0	N/A - No Price Changes
8	2/8/2021	28,641,760	3,546,165	12.4	5/15/2021
9	2/23/2021	2,188,500			*
10	3/8/2021	22,561,340	21,529,280	95.4	5/1/2021
11	3/24/2021	3,905,820	0	0.40	Unknown
12	4/2/2021	0			*
13	4/28/2021	8,157,600	7,877,300	96.6	8/25/2021
14	5/5/2021	231,230	49,038	21.2	12/1/2021
15	6/2/2021	11,720,440	5,473,019	46.7	Unknown
16	6/2/2021	6,975,340	1,861,057	26.7	10/1/2021
17	6/2/2021	0	0	0.0	9/1/2021
18	7/30/2021	58,302,876	0	0.0	10/15/2021
19	8/10/2021	0			†
20	8/12/2021	0	0	0.0	10/15/2021
21	8/13/2021	3,321,080	0	0.0	12/15/2021
22	8/13/2021	\$0	\$0	0.0	11/1/2021
23	9/7/2021	\$0	\$0	0.0	Unknown
24	9/27/2021	\$600,174	\$128,411	21.4	2/1/2022
25	9/27/2021	\$58,848	\$26,004	44.2	5/15/2022
26	9/29/2021	\$18,510			†
<b>Totals</b>		<b>\$184,481,239</b>	<b>\$40,653,744</b>		

Source: OIG reports and VA National Acquisition Center contract files.

Notes: Numbers in table may not sum due to rounding.

\*In negotiations.

† Proposal withdrawn.

## Appendix B: Scope and Methodology

### Scope

The review team conducted its work from October 2020 through September 2021 and focused on summarizing the information in prior OIG preaward review reports provided to VA and presenting subsequent contract award data. The team assessed relevant sources of information, including contract documents obtained from VA's electronic contract management system and applicable FY 2021 nonpharmaceutical preaward reports.

### Methodology

The review team searched VA's electronic contract management system for the solicitations or modifications with OIG-prepared preaward review reports and obtained the resulting applicable contract or modification. The team then summarized the data from the review reports and resulting contracts for presentation in this publication.

### Fraud Assessment

The review team assessed the risk of fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements significant to the review objectives during the examination period. The team exercised due diligence in staying alert to fraud indicators. The OIG did not identify instances of fraud or potential fraud during this review.

### Data Reliability

The review team did not obtain or rely on computer-processed data. The team also did not perform detailed fieldwork to verify the information listed in the review reports or the contracts because verification was not the focus of the review's objectives.

### Government Standards

The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

## OIG Contact and Staff Acknowledgments

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