



US DEPARTMENT OF VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

OFFICE OF ACQUISITION, LOGISTICS, AND CONSTRUCTION

A Summary of OIG Preaward Contract Reports Issued in Fiscal Years 2022 and 2023 on VA Federal Supply Schedule Nonpharmaceutical Proposals

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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.¹ Specifically, the OIG's oversight work examines nonpharmaceutical proposals submitted by commercial contractors for FSS contracts that have an anticipated annual value of \$3 million or more (or of \$500,000 or more for dealers or resellers without significant sales to the general public) or those requested by VA. The OIG's oversight work helps VA contracting officers negotiate fair and reasonable prices for the government and taxpayers.² Contracting officers can use OIG price recommendations on submitted proposals to help negotiate better prices than those offered; however, there is no guarantee that the government will receive the price recommended by the OIG. The resulting OIG reports on the individual proposals are not published because they contain proprietary commercial information protected from release under federal law.³

To promote transparency, this report summarizes the 43 preaward reports provided to VA contracting officers by the OIG during fiscal years (FYs) 2022 and 2023 on nonpharmaceutical FSS proposals. Of these 43 proposals, 23 were for FY 2022 and 20 were for FY 2023. Altogether, they covered six supply schedules, had a cumulative estimated contract value of approximately \$1.6 billion for FY 2022 and \$1.2 billion for FY 2023, and involved 41,398 offered items.⁴ Contract negotiations for 40 of the 43 nonpharmaceutical proposals had been completed as of May 1, 2024, and the OIG's recommendations collectively assisted contracting officers in obtaining \$49 million in contract savings for VA over the life of the contracts.

This report provides an overview of the OIG team's actions related to these preaward reports:

- **Provided an opinion as to whether the commercial sales practice disclosures in the proposals were accurate, complete, and current.** The OIG found that commercial sales practice disclosures were accurate, complete, and current for

¹ The National Acquisition Center, part of the Office of Procurement, Acquisition and Logistics, is within VA's Office of Acquisition, Logistics, and Construction. Under the [FSS](#) and [National Contract Programs](#), the National Acquisition Center makes high-volume multiple awards from the established schedule, national contracts, and blanket purchase agreements for the acquisition and direct delivery of pharmaceuticals; medical, surgical, dental, and patient mobility equipment/supplies; high-technology medical equipment; temporary allied healthcare staffing services; and just-in-time distribution programs. The FSS supports the healthcare requirements of VA and other government agencies.

² This report is a review that meets the Council of the Inspectors General for Integrity and Efficiency quality standards for inspections and evaluations. The underlying individual projects conducted in fiscal years 2022 and 2023 each resulted in a report to the appropriate VA contract officer and were in some cases performed to other standards.

³ 18 U.S.C. § 1905; 41 U.S.C. § 423(a); and 38 C.F.R. § 1.558(c).

⁴ Dollar amounts are rounded.

seven of the 23 proposals for FY 2022, and for three of the 20 proposals for FY 2023. This means 10 proposals were reliable for determining negotiation objectives and ultimately fair and reasonable pricing. The remaining 33 proposals could not be reliably used for negotiations until the noted deficiencies were corrected. The deficiencies the OIG identified were largely related to lower sales prices found than the disclosed most-favored-customer prices.⁵

- **Made recommendations for pricing based on the vendor’s commercial selling practices.** The OIG recommended lower prices than offered for 23 proposals, resulting in the VA National Acquisition Center awarding contracts or modifications with cost savings of approximately \$22 million for FY 2022 (27 percent of the estimated cost savings of \$84 million), and \$26 million for FY 2023 (15 percent of the adjusted estimated cost savings of \$168 million).⁶
- **Evaluated and suggested alternative tracking customers.** Tracking customers, either individually or as a category, serve as a benchmark for potential price reductions during the life of the contract. If tracking customers receive a price reduction, the government’s price should also be reduced.⁷ In the FY 2022 proposals reviewed, the OIG determined the proposed tracking customers for five proposals covering 6,600 of 18,063 offered items (37 percent) were not suitable. A vendor’s proposed tracking customer may not be suitable if the customer does not have buying patterns similar to FSS users or if the offered products are not on the proposed tracking customer’s contract. In those cases, the OIG recommended different tracking customers, generally from among the vendor’s largest commercial customers. No tracking customer recommendations could be made for six proposals in FY 2022 covering 7,935 items (44 percent) offered by dealers or resellers with no significant commercial sales or customers.

In the FY 2023 proposals reviewed, the OIG determined the proposed tracking customers for one proposal covering 7,869 of the 23,335 offered items (34 percent) were not suitable. The OIG recommended different tracking customers, generally

⁵ VA FSS Solicitation No. RFP-797-FSS-99-0025-R10, attachment 02, “Vendor Response Document,” “COMMERCIAL SALES PRACTICE FORMAT.” The solicitation defines the most-favored customer as the commercial customer who receives the best up-front (guaranteed) discount. This is not inclusive of “conditional” discounts, such as prompt payment discounts or annual rebates based on reaching a threshold, which must be listed in figure 515.4-2.

⁶ Contracting personnel are not always able to obtain the OIG-recommended price during negotiations. The OIG’s FY 2023 estimated total cost savings were adjusted downward from \$171 million to \$168 million to account for the exclusion of three proposals still in negotiations, two of which contain recommended cost savings (tables A.1 and A.2 in appendix A). Appendix B presents the scope and methodology for this review.

⁷ General Services Acquisition Manual 552.238-81, “Price Reductions,” May 2019. 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 throughout the contract.

among the vendor's largest commercial customers. No tracking customer recommendations could be made for three proposals covering 594 items (2.5 percent) offered by dealers or resellers with no significant commercial sales or customers.

This report details the proposals the OIG assessed to determine if they were accurate, complete, and current. It also provides summary information about pricing and the recommendations made to VA. No additional recommendations are made that necessitate any action or VA response. The acting associate executive director of the National Acquisition Center concurred with the draft report and provided no comments. Appendix C provides the full text of the acting associate executive director's response.



LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

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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 Office of Inspector General (OIG) examines proposals submitted by commercial contractors to VA's National Acquisition Center for nonpharmaceutical Federal Supply Schedule (FSS) contracts that have an anticipated annual value of \$3 million or more.⁸ Specifically, the OIG's oversight work examines nonpharmaceutical proposals for contracts with an anticipated annual value of \$500,000 or more from dealers or resellers without significant sales to the general public, and other proposals requested by VA. These proposals are assessed by the OIG before the National Acquisition Center awards contracts.⁹ VA's National Acquisition Center guidelines require preaward reviews to help inform decision-making and prevent the waste of VA funds.¹⁰ Contracting officers use OIG price recommendations on submitted proposals to help negotiate better prices than those offered in proposals; however, there is no guarantee that the government will receive the price recommended by the OIG.

The individual reports resulting from the OIG's assessment of each proposal for an FSS contract are not published because they contain sensitive commercial pricing information and data protected from release under federal law.¹¹ To promote transparency, this report provides a summary of the 43 unpublished preaward reports on nonpharmaceutical proposals the OIG issued during fiscal years (FYs) 2022 and 2023.

Purpose of Preaward Reports

The findings and recommendations resulting from the OIG's preaward reports are intended to assist VA contracting officers in negotiating fair and reasonable pricing with vendors.¹² The OIG conducts this work to validate the commercial sales practice disclosures required in the vendor's

⁸ The National Acquisition Center, part of the Office of Procurement, Acquisition and Logistics, is within VA's Office of Acquisition, Logistics, and Construction. Under the [FSS](#) and [National Contract Programs](#), the National Acquisition Center makes high-volume multiple awards from the established schedule, national contracts, and blanket purchase agreements for the acquisition and direct delivery of pharmaceuticals; medical, surgical, dental, and patient mobility equipment/supplies; high-technology medical equipment; temporary allied healthcare staffing services; and just-in-time distribution programs. The FSS supports the healthcare requirements of VA and other government agencies.

⁹ All preaward reviews are conducted at the IG's discretion and noted in the VA OIG's Semiannual Reports to Congress. IG Act of 1978, 5 U.S.C. App §§ 5 (f)(4)(E), 6(a)(2).

¹⁰ VA National Acquisition Center Procedural Guideline 22, *OIG Contract Audit Procedures*, February 9, 2023. There is no indication in the guideline that it is attempting to categorize the OIG contract work under CIGIE or any other standard, but is simply using the term "review" in a colloquial sense of looking at a document with a particular purpose in mind.

¹¹ 18 U.S.C. § 1905; 41 U.S.C. § 423(a); and 38 C.F.R. § 1.558(c).

¹² VA National Acquisition Center Procedural Guideline 22, *OIG Contract Audit Procedures*; 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."

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 for future pricing.¹³ 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 recommendations in preaward reports 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.¹⁴ This report provides a summary of the OIG's findings and recommendations made to VA contracting officers for the 43 proposals examined for FSS nonpharmaceutical contracts in FYs 2022 and 2023.

VA Federal Supply Schedule Program

The General Services Administration (GSA) delegated authority to VA's National Acquisition Center to award and administer nine supply schedules to support the healthcare acquisition needs of VA and other government agencies.¹⁵ FSS awards are indefinite-delivery, indefinite-quantity contracts awarded to vendors.¹⁶ 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.¹⁷

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.¹⁸ Federal agencies purchase approximately \$18.9 billion annually in products and services through the nine supply schedules managed by VA.¹⁹ Because of the spending magnitude, GSA and VA established regulations, policies, and procedures to help

¹³ VA National Acquisition Center Procedural Guideline 22; "OIG Contract Audit Procedures" February 9, 2023 Office of Procurement Acquisition and Logistics, accessed May 3, 2024, <https://www.va.gov/opal/nac/fss/csp.asp>. The Office of Procurement Acquisition and Logistics document defines the tracking customer as "the customer, or category of customer against which awarded FSS pricing is tracked." This relationship is used throughout the life of the contract to determine the potential for price changes. The tracking customer is established at the time of contract award and the addition of products. In the price reduction clause, the tracking customer is referred to as the basis of award.

¹⁴ FAR 8.402(a).

¹⁵ FAR 8.402(a); VA Federal Supply Schedule Service, accessed May 7, 2024, <https://www.fss.va.gov/>.

¹⁶ FAR 16.5 – Indefinite-Delivery Contracts; FAR 6-102(3) (2024); FAR 2.101. According to federal regulation, "Full and open competition ... means that all responsible sources are permitted to compete."

¹⁷ VA FSS Solicitation No. RFP-797-FSS-99-0025-R10, attachment 02, "Vendor Response Document," "COMMERCIAL SALES PRACTICE FORMAT." The solicitation defines the most-favored customer as the commercial customer that receives the best up-front (guaranteed) discount. This does not include "conditional" discounts, such as prompt payment discounts or annual rebates based on reaching a threshold. FAR 552.216-70.

¹⁸ FAR 38, 38.101(a), FAR 8, 8.404(d).

¹⁹ "Schedules" (web page), VA Federal Supply Schedule Service.

ensure the government receives the best prices for products and services and FSS vendors are following all the terms and conditions of their contracts.

VA established guidelines for requesting an OIG analysis of proposals and contracts submitted under or related to contracts or solicitations issued by the VA National Acquisition Center.²⁰ As previously stated, the guidelines require contracting officers to submit vendors' nonpharmaceutical FSS proposals to the OIG to assess before VA awards a contract if the proposals meet the dollar thresholds for the type of vendor and the items are not significantly sold to the public; VA contracting officers may also request that the OIG review particular proposals.

²⁰ VA National Acquisition Center Procedural Guideline 22.

A Summary of FYs 2022 and 2023 Nonpharmaceutical Preaward Reports to Contracting Officers

The 43 proposals the OIG reviewed during FYs 2022 and 2023 had an estimated contract value of approximately \$2.8 billion and included 41,398 offered items.²¹ For each of the 43 proposals the OIG reviewed, the primary objectives were to

1. provide an opinion as to whether the commercial sales practice disclosures in the proposals were accurate, complete, and current;
2. evaluate offered prices and concessions and provide pricing recommendations; and
3. determine if the proposed tracking customers were appropriate for price reduction clause purposes and suggest alternatives as warranted.

What the OIG Did

The OIG team summarized the results and impact of the 43 reports by objective. Collectively, among the 43 reports, the OIG sampled 982 of the 41,398 items offered under the proposals; those items generally represented at least 75 percent of the historical government sales under each proposal. To evaluate offered prices and concessions, the team reviewed vendors' commercial sales and agreements, and evaluated lower-than-offered prices. To determine if customers were suitable for purposes of the GSA price reduction clause, the team analyzed proposed tracking customers for the sample items.²²

The OIG's work on each of the 43 nonpharmaceutical proposals is summarized on the following pages and in appendix A. Information on the scope and methodology for this report appears in appendix B.

Opinion on Commercial Sales Practice Disclosures

The OIG found commercial sales practice disclosures accurate, complete, and current for seven of the 23 proposals (30 percent) in FY 2022 and three of the 20 proposals (15 percent) in FY 2023. Because the remaining 16 proposals in FY 2022 (70 percent) and 17 proposals (85 percent) for FY 2023 do not meet these criteria, they could not reliably be used for negotiations until the noted deficiencies were corrected.

²¹ Appendix tables A.1 and A.2 provide the results for the 43 proposals reviewed. The dollar amounts are rounded.

²² The price reduction clause is intended to maintain fair and reasonable pricing after the contract has been awarded through the use of tracking customers. If tracking customers receive a price reduction, the government's price should also be reduced.

Government contracts generally require competition among vendors to ensure awarded prices are fair and reasonable. Under the FSS program, vendors disclose their commercial prices and terms and conditions on a commercial sales practices form in their FSS proposals. Commercial sales practice 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 practice section of FSS solicitations includes instructions on what vendors must disclose to the government, as do product addition modifications.²³ The instructions state that if vendors are offering prices lower than the most-favored-customer prices, those customers and prices are to be disclosed.²⁴ 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 (known as most-favored customers).

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.²⁵ Any deviations from the commercial sales practice disclosures or exceptions to the disclosed standard practices must be discussed and explained.²⁶ For vendors who are dealers or resellers with no significant commercial sales, manufacturers of the offered items should provide commercial sales practice disclosures in accordance with the solicitation instructions. Table 1 lists the findings for the proposals with commercial sales practices that were not accurate, complete, or current and the number of occurrences for each fiscal year.

²³ VA FSS Solicitation No. RFP-797-FSS-99-0025-R10, Vendor Response Document.

²⁴ VA FSS Solicitation No. RFP-797-FSS-99-0025-R10, Figure 515.4-2.

²⁵ VA FSS Solicitation No. RFP-797-FSS-99-0025-R10, question (3).

²⁶ VA FSS Solicitation No. RFP-797-FSS-99-0025-R10, question(4)(b).

Table 1. Commercial Sales Practice Findings, FY 2022 and FY 2023

Commercial sales practice findings	Occurrences among the 16 proposals in FY 2022	Occurrences among the 17 proposals in FY 2023
Lower-than-disclosed most-favored-customer pricing identified	11	16
Discounts not disclosed in figure 515.4-2*	4	0
Most-favored customer not identified	2	1
Incorrect most-favored customer disclosed	1	1
Figure 515.4-2 incomplete	1	1

Source: Analysis of commercial sales practice disclosures for proposals not accurate, complete, or current.

Note: Some proposals had more than one deficiency, so the numbers do not sum to 16 and 17, respectively.

** Figure 515.4-2 provides instructions for formatting commercial sales practices.*

For the 16 proposals in FY 2022 and 17 in FY 2023, 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

The government is not always offered the best commercial pricing (in other words, the lowest commercial price). In those instances, the OIG considers commercial prices lower than the offered FSS price in its recommendation. 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.

The OIG calculates estimated cost savings 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 remaining contract performance period.

The OIG recommended seeking lower-than-offered prices for 11 of the 23 proposals in FY 2022 and for 12 of the 20 proposals for FY 2023. Overall, VA sustained \$22.9 million of the OIG's

estimated cost savings of \$84.6 million for FY 2022, and \$26.3 million of the OIG’s adjusted estimated cost savings of \$169.9 million for FY 2023 (table 2).²⁷

Table 2. Proposals for Which the OIG Recommended Seeking Lower-Than-Offered Prices, and Estimated and Sustained Savings

FY	Proposals	Estimated cost savings (\$ million)	Cost savings VA sustained (\$ million)	Percent of estimated cost savings VA sustained
2022	11	\$84.6	\$22.9	27%
2023	12	\$169.9*	\$26.3**	15%**
Total		\$254.5*	\$49.2	19%

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

Note: Numbers are rounded.

* Adjusted downward from \$171.3 million to \$168.3 million to account for the exclusion of three proposals in negotiations at the time of this publication, two of which contained recommended cost savings.

** Amount and percent based on negotiations completed for 17 of 20 proposals.

Evaluation of Proposed Tracking Customers

FSS contracts are generally awarded for an initial five-year base period and can be extended by up to five years, not to exceed 10 years. To maintain fair and reasonable pricing after the contract has been awarded, the GSA price reduction clause mandates lowering the FSS contract price based on price reductions to negotiated tracking customers.²⁸

²⁷ Due to the unique terms and conditions of commercial contracts, contracting personnel are not always able to obtain the OIG-recommended price during negotiations.

²⁸ General Services Acquisition Manual 552.238-81, “Price Reductions,” May 2019. 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 throughout the contract.

Of the 43 proposals the OIG reviewed, nine lacked tracking customers (table 3).

Table 3. Proposals without Tracking Customers

FY	Number of proposals	Sampled items affected	Total items	Percent of total items
2022	6	7,935	18,063	44
2023	3	594	23,335	3
Total	9	8,529	41,398	21

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

Note: Percentages are rounded.

No tracking customers were provided because the vendors were dealers or resellers with no commercial sales. Therefore, there is no customer to track against. In these situations, the government loses the benefit of the price reduction clause.

Moreover, the OIG found that, in six of the 43 proposals, tracking customers were not suitable (table 4). Proposed tracking customers are not suitable if the customers do not have buying patterns like those of FSS users or if the offered products are not on the proposed tracking customers' contract.

Table 4. Proposals with Unsuitable Tracking Customers

FY	Number of proposals	Sampled items affected	Total items	Percent of total items
2022	5	6,600	18,063	37
2023	1	7,869	23,335	34
Total	6	14,469	41,398	35

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

Note: Percentages are rounded.

For these six proposals, the OIG recommended using the vendor's largest commercial customers, 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 reduction clause purposes.

Conclusion

The federal government spends billions of dollars annually on medical supplies and services through VA's FSS program. The OIG's findings and recommendations in preaward reports help VA contracting officers reduce the cost of medical supplies, saving taxpayers approximately \$23 million in FY 2022, and approximately \$26 million in FY 2023. This report provides summary information about prior recommendations made to VA; it does not propose additional recommendations that require VA's response or action.

VA Management Comments

The acting associate executive director of the National Acquisition Center concurred with the draft report and provided no comments. Appendix C provides the full text of the acting associate executive director's response.

Appendix A: Estimated and Sustained Cost Savings from Reports Provided in FYs 2022 and 2023 to Contracting Officers

Proposal Coverage

During fiscal year (FY) 2022, the Office of Inspector General (OIG) reviewed 23 proposals under six nonpharmaceutical schedules representing about \$1.6 billion in estimated contract value—18,063 offered items, of which 595 (92 percent) generally represented at least 75 percent of total government sales volume. In FY 2023, the OIG examined 20 proposals under six nonpharmaceutical schedules representing about \$1.2 billion in estimated contract value—23,335 offered items, of which 387 (81 percent) generally represented at least 75 percent of total government sales volume. Because of the magnitude of spending through the VA Federal Supply Schedule (FSS) program, the General Services Administration (GSA) and VA have established regulations, policies, and procedures to help ensure that the government receives the best prices for medical supplies and that the eligible vendors are following all the terms and conditions of their contracts.

The OIG's estimated cost savings of approximately \$84.6 million for FY 2022 and estimated cost savings of approximately \$172.9 million for FY 2023 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 approximately \$22.9 million in FY 2022 and approximately \$26.3 million in FY 2023 flowing from the OIG's work that resulted in lower-than-offered-price recommendations for contracts awarded as of May 1, 2024. Tables A.1 and A.2 show the proportion of OIG-recommended costs savings that contracting officers were able to sustain for all reviewed and examined proposals.

Table A.1. FY 2022 Cost Savings Data for Reports Issued to VA

Report number	Date issued	OIG's estimated cost savings (\$)	VA's sustained cost savings (\$)	Percent of sustained cost savings (%)	Date awarded
1	10/22/2021	\$6,749,140	\$369,891	5%	1/24/2022
2	10/22/2021	\$3,548,020	0	0	3/8/2022
3	11/1/2021	0	0	0	12/30/2021
4	11/10/2021	0	0	0	4/27/2022
5	11/24/2021	0	0	0	12/30/2021
6	12/7/2021	\$2,421,280	\$1,097,571	45%	2/18/2022
7	12/14/2021	\$20,938,200	\$15,708,578	75%	12/21/2021
8	12/21/2021	0	0	0	2/22/2022
9	12/23/2021	\$7,806,563	0	0	6/22/2022
10	1/13/2022	0	0	0	12/21/2022
11	2/1/2022	\$6,267,140	0	0	5/10/2022
12	2/7/2022	0	0	0	8/11/2022
13	3/1/2022	\$5,941,200	\$161,129	3%	8/3/2022
14	3/1/2022	0	0	0	6/14/2022
15	4/12/2022	\$6,114,800	\$5,538,113	91%	9/7/2022
16	4/26/2022	\$2,029,680	0	0	8/10/2022
17	6/15/2022	0	0	0	12/6/2022
18	7/7/2022	\$283,984	0	0	5/1/2023
19	7/12/2022	\$22,513,221	0	0	5/1/2023
20	7/19/2022	0	0	0	12/30/2022
21	7/25/2022	0	0	0	9/27/2022
22	8/22/2022	0	0	0	9/8/2023
23	9/6/2022	0	0	0	2/14/2023
Total		\$84,613,228	\$22,875,282	27%	

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

Note: Percentages are rounded.

Table A.2. FY 2023 Cost Savings Data for Reports Issued to VA

Report number	Date issued	OIG's estimated cost savings (\$)	VA's sustained cost savings (\$)	Percent of sustained cost savings (%)	Date awarded
1	11/22/2022	\$20,698,120	\$995,667	5%	5/29/2023
2	1/24/2023	\$2,078,480	\$2,078,480	100%	2/27/2023
3	2/1/2023	0	0	0	4/5/2023
4	2/10/2023	0	0	0	6/29/2023
5	4/3/2023	0	0	0	4/30/2024
6	4/5/2023	\$4,347,270	\$2,018,065	46%	5/4/2023
7	4/6/2023	\$1,846,580	\$1,835,078	99%	8/22/2023
8	5/2/2023	\$130,070	\$30,781	24%	3/19/2024
9	6/12/2023	\$47,520	\$28,738	60%	10/24/2023
10	6/23/2023	\$1,416,268	0	0	Unknown*
11	7/24/2023	\$886,140	0	0	7/28/2023
12	7/27/2023	\$70,940,960	0	0	11/21/2023
13	8/17/2023	0	0	0	9/15/2023
14	8/17/2023	0	0	0	12/7/2023
15	8/28/2023	0	0	0	3/13/2024
16	9/5/2023	0	0	0	11/27/2023
17	9/11/2023	\$33,741,820	\$19,303,354	57%	1/8/2024
18	9/12/2023	\$35,176,900	0	0	10/26/2023
19	9/12/2023	\$1,627,178	0	0	Unknown*
20	9/28/2023	0	0	0	Unknown*
Total		\$172,937,306	\$26,290,163	15%	

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

Note: Percentages are rounded.

* In negotiations. The amounts subject to negotiation were not included in the calculations of the total contract savings resulting from OIG recommendations.

Appendix B: Scope and Methodology

Scope

The OIG team conducted its work from October 2021 through September 2023 and focused on summarizing the information in prior OIG preaward 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 2022 and FY 2023 nonpharmaceutical preaward reports.

Methodology

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

Data Reliability

The 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 reports issued to contracting officers and resulting contracts because verification was not the focus of this OIG report.

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*.

Appendix C: VA Management Comments

**Department of
Veterans Affairs**

Memorandum

Date: August 8, 2024

From: Acting Associate Executive Director (National Acquisition Center (NAC/FSS))

Subj: Office of Inspector General Draft Report: A Summary of OIG Preaward Contract Reports Issued
in Fiscal Years 2022 and 2023 on VA Federal Supply Schedule Nonpharmaceutical Proposals

To: Audit Operations Division (52D02)

1. The Office of Procurement, Acquisition and Logistics (OPAL) completed its review of the subject Draft Report and concur without comments.

The OIG removed point of contact information prior to publication.

(Original signed by)

Christopher Parker

*For accessibility, the original format of this appendix has been modified
to comply with Section 508 of the Rehabilitation Act of 1973, as amended.*

OIG Contact and Staff Acknowledgments

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