

Why GAO Did This Study

Through the FSS program, VA manages nine healthcare-related schedules—groups of contracts used to order medical supplies and services—under authority delegated by GSA. VA’s FSS program management, including the speed with which it adds new contracts, affects VA medical centers’ ability to use it to easily obtain goods and services. Further, recent changes in VA’s medical procurement have also raised questions about the future role of the program.

GAO was asked to examine VA’s management and use of its FSS program. This report assesses (1) what is known about VA use of its FSS program for fiscal years 2014-2018; (2) program management challenges faced by NAC; (3) the extent to which NAC awarded FSS contracts to vendors in a timely manner from fiscal years 2014-2018; and (4) the extent to which the FSS and MSPV-NG programs provide overlapping or duplicative offerings.

GAO reviewed eight VA schedules, excluding pharmaceutical due to the use of a prime vendor, among other things. GAO also analyzed three of these schedules representing about two-thirds of VA’s FSS contracts; analyzed policies, guidance, and processes; and interviewed senior VA procurement, contracting, and supply chain logistics staff at NAC and two medical centers.

What GAO Recommends

GAO is making 11 recommendations: nine to VA and two to GSA; including that VA provide comprehensive guidance and FSS-specific training, improve NAC and GSA collaboration, evaluate timeliness goals and barriers, and assess FSS and MSPV-NG program duplication. VA and GSA agreed with GAO’s recommendations.

View [GAO-20-132](#). For more information contact Shelby S. Oakley at (202) 512-4841 or oakleys@gao.gov.

VA ACQUISITION MANAGEMENT

Steps Needed to Ensure Healthcare Federal Supply Schedules Remain Useful

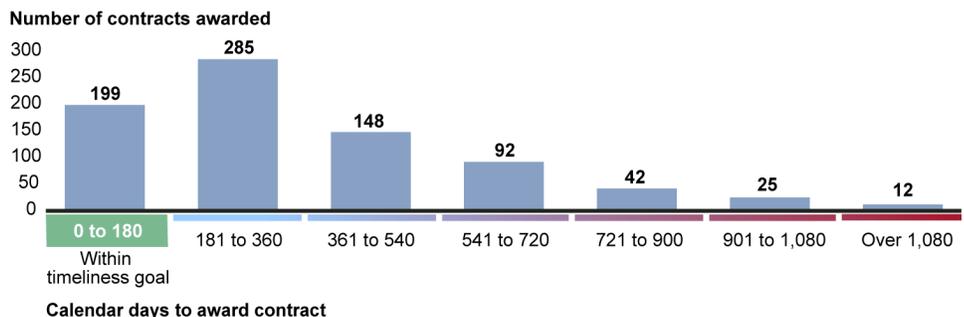
What GAO Found

Over the past 5 years, Department of Veterans Affairs (VA) medical spending increased, but spending on its eight non-pharmaceutical Federal Supply Schedules (FSS) was flat. GAO found the vendor-submitted sales reports to be sufficiently reliable for describing these trends. However, GAO found that VA’s National Acquisition Center (NAC)—the VA-wide contracting organization responsible for FSS—lacks controls to ensure the completeness of vendor sales data, which is used to calculate fees that finance the program.

The FSS program faces numerous challenges. For instance, NAC FSS guidance and training are not comprehensive, posing a risk of inefficiency and uneven application of requirements by contracting staff. Limited collaboration between FSS leadership at both NAC and the General Services Administration (GSA) also resulted in missed opportunities to share tools and practices. A 3-year FSS leadership gap further exacerbated challenges; these positions are now filled.

NAC also failed to meet its 180-day timeliness goal for 75 percent of the non-pharmaceutical FSS contracts it awarded from fiscal years 2014 through 2018 (see figure), though NAC met its goal for contract modifications 80 percent of the time.

Timeliness of Awarded Non-Pharmaceutical FSS Contracts for Fiscal Years 2014-2018



Source: GAO analysis of National Acquisition Center Contract Management timeliness data. | GAO-20-132

By assessing timeliness goals and identifying barriers to achieving them, NAC leadership can take steps to better enable its contracting workforce to provide an efficient and reliable means to obtain needed goods and services through FSS.

Moreover, VA’s procurement leaders have not assessed, and communicated to program managers, whether the duplication between FSS and the Medical Surgical Prime Vendor-Next Generation (MSPV-NG) program is a necessary and effective use of resources. These two programs feature many of the same items, and different contracting staff manage different contracts for the provision of the same or similar medical supplies for VA medical centers. Without assessing duplication between these two programs, VA is at risk of inefficient use of its contracting workforce, and may be unable to fully leverage its buying power.