Department of Veterans Affairs
Office of Inspector General

Audit of Veterans Health Administration Open Market Medical Equipment and Supply Purchases

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VA Office of Inspector General
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To Report Suspected Wrongdoing in VA Programs and Operations

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The Office of Inspector General (OIG) conducted an audit to determine if Veterans Health Administration (VHA) medical facilities purchased medical equipment and supply items on the open market when identical, or similar, items were available for less through *Federal Supply Schedule* (FSS), "Schedule 65 IIA", and to assess the effectiveness of VHA controls over open market procurements.

VHA medical facilities are purchasing medical equipment and supplies on the open market when comparable items are available for less on the FSS. Veterans Integrated Service Network (VISN) and medical facility staff procured items on the open market, which were available for less on the FSS, despite VA policies and Federal regulations requiring the use of the FSS. We found VISN and medical facility purchasing staff opted to use the open market instead of the FSS because they lacked the knowledge, information, and proper tools to use the FSS effectively.

VHA also needs to strengthen open market procurement controls to reduce medical equipment and supply costs. VHA officials lacked effective management controls to ensure the implementation of the FSS waiver process and optimal use of the FSS and, thus, could not effectively minimize unnecessary VISN and medical facility open market procurements. VISN, medical facility, and Procurement and Logistics Office (P&LO) logistics staff facilitated these open market procurements when they did not enforce VA's FSS waiver policy which requires open market purchases of FSS medical equipment and supply items to be justified, reviewed, and approved. VA's FSS waiver process, which could have alerted VHA officials to problems in open market procurements and the use of the FSS, had not been effectively implemented and did not clearly assign P&LO or the Office of Acquisition, Logistics, and Construction (OAL&C) responsibility for monitoring the effectiveness of the FSS waiver process.

Our review of a total of $7.89 million open market purchases from 21 VISNs and 199 medical facilities identified 1,667 purchases (23 percent) made from 20 FSS vendors where usage of the FSS instead of the open market would have reduced medical facilities costs by about $433,000. Based on our statistical projections, increased use of the FSS and fewer unnecessary open market purchases would reduce VHA's medical equipment and supply costs by about $8.2 million annually or $41 million over 5 years. Because we obtained data on only a portion of all VA FSS 65 IIA vendors, our methodology may understate the potential cost savings of maximizing the appropriate use of the FSS.

Background

As one of the nation's largest health care systems, VA uses various acquisition methods such as the open market, local and regional contracts, national contracts, and FSSs to

procure pharmaceuticals, medical equipment, and supplies. VA's longstanding policy has been to encourage its medical facilities to use the most cost-effective procurement method available to procure services and supplies. VA's *2002 Procurement Reform Task Force Report* clarified this policy by mandating the use of a three-tier purchasing hierarchy in order to reduce open market procurements.

Based on this hierarchy, VHA medical facilities should only use local contracts and the open market as their last option when making purchases. Furthermore, *38 USC 8125,* "Procurement of Health Care Items", prohibits VHA medical facilities from procuring health care items under local contracts and the open market. Unless the procurements are needed to furnish healthcare services effectively, such as when a compelling clinical need for a specific item or procurement under a local contract is demonstrably more cost-effective, the U.S. Code must be followed.

In fiscal year (FY) 2008, VHA reported $2.9 billion in health care purchases with about $369 million (13 percent) made on the open market. Of the $2.9 billion health care purchases VHA made in FY 2008, an estimated $878 million (30 percent) of the purchases were made from vendors who participated in the FSS 65 IIA program. Under FSS 65 IIA, the National Acquisition Center (NAC) solicits, awards, and administers VA's FSS with vendors to leverage VA's buying power and establish "fair and reasonable" pricing for medical equipment and supplies. However, these vendors are not required to include all of their items on the FSS, so medical facilities may still use a combination of local and regional contracts, the open market, and the FSS to purchase medical equipment and supplies from them.

Findings

Improvement Needed in FSS Usage for Medical Equipment and Supply Purchases. VISN and medical facility managers and staff needed to use FSS 65 IIA more effectively to purchase medical equipment and supplies. Federal and VA regulations require VISNs and medical facilities to purchase medical equipment and supplies through the FSS unless a compelling clinical need requires use of the open market to procure the requested items. Nevertheless, we found that VISN and medical facility purchasing staff did not use FSS 65 IIA effectively and made unnecessary open market purchases. This occurred due to the contracting staff's lack of knowledge and experience using the FSS, their inability to use available NAC and P&LO information and tools effectively, and their reliance on incomplete or inaccurate FSS item information maintained on the General Service Administration (GSA) Advantage website or their local information systems.

Moreover, we found that the VISN and medical facility purchasing staff's lack of knowledge and experience using the FSS also made them more inclined to consent to the end users' item preferences and to procure items on the open market without checking to determine if identical or comparable items were available on the FSS. Some purchasing staff also said they did not use the FSS because they did not have time to perform independent checks on the FSS for comparable items.

Consequently, our review of 948 medical equipment and supply items representing 7,098 open market purchases valued at about $7.89 million identified 185 items (20 percent), or 1,667 purchases (23 percent), where use of the FSS instead of the open market would have reduced medical facilities costs by about $433,000. Based on our analytical results and statistical projections, increased use of the FSS and the corresponding decrease in unnecessary open market purchases would help VHA reduce its medical equipment and supply costs an estimated $8.2 million annually, or $41 million over 5 years.

Stronger Management Controls Over Open Market Purchases Needed. OAL&C, P&LO, the VISNs, and medical facility managers did not effectively monitor open market procurements to ensure optimal use of the FSS. *VA Directive and Handbook 7408.1*, "Requesting Waivers From the Requirement To Use VA Federal Supply Schedules", specifically prohibits the procurement of health care items under local contracts and the open market, and it prescribes an extensive review and approval process to establish the presence of a compelling clinical need before an FSS waiver is granted. At a minimum, VA policy requires the medical facilities' chiefs of staff to review and approve FSS waivers prior to the forwarding of the requests through VHA's Office of Clinical Logistics in P&LO to the NAC Executive Director for final approval. In addition, the policy requires the NAC Executive Director to send copies of all approved and disapproved FSS waiver requests to the OAL&C Executive Director and the Office of Logistics within P&LO on a quarterly basis. Nevertheless, our review disclosed that the 21 VISNs and 199 medical facilities included in our sample had not submitted any FSS waiver requests for these purchases.

None of the VISNs and medical facilities we reviewed had FSS waiver policies and some staff did not obtain waivers because they believed purchases below the $3,000 micro-purchase threshold did not require waivers. Subsequently, the NAC received only one FSS waiver request during our 12-month review period; yet, neither OAL&C nor P&LO officials noticed that they had not received copies of any FSS waivers requests. Similarly, they did not notice the national FSS waiver approval process had lapsed when the NAC Executive Director's authority to approve FSS waivers expired in June 2007. VA's ineffective management of the FSS waiver process led to the unnecessary open market procurements of medical equipment and supplies.

Conclusion

VHA needs to revise its FSS waiver processes to strengthen management controls over open market purchases. This will ensure medical facilities purchase medical equipment and supplies available on the FSS in accordance with Federal regulations and VA policy. In addition, the VHA staff needs training on research methods to identify medical equipment and supply items available on the FSS, and the appropriate review and approval processes to use FSS waivers to meet a compelling clinical needs. If medical facilities had purchased medical equipment and supply items on the FSS instead of the

open market, VA could reduce purchasing cost by about $8.2 million annually or approximately $41 million over 5 years.

Recommendations

1. We recommended that the Under Secretary for Health establish specific procedures and monitoring mechanisms to ensure medical equipment and supply item open market purchases are procured in accordance with VA policy.

2. We recommended that the Under Secretary for Health, in consultation with the OAL&C Executive Director, develop and provide contracting and purchasing staff training on available methodologies and research tools that can be used to identify FSS medical equipment and supply items.

3. We recommended that the Under Secretary for Health, in consultation with the OAL&C Executive Director, provide appropriate contracting and purchasing staff refresher training on the mandated use of FSS Group 65 for medical equipment and supplies and on FSS waiver requirements when purchasing medical equipment and supply items on the open market.

4. We recommended that the OAL&C Executive Director, in consultation with the P&LO, review and modify VA's current FSS waiver process to ensure that open market purchases are effectively monitored and controlled in accordance with VA policy and Federal regulations.

Management Comments and OIG Response

The Acting Under Secretary for Health and the OAL&C Executive Director concurred with our findings and recommendations. VHA's P&LO agreed to enforce Quality Assurance Reviews on a semi-annual basis and target and review open market medical equipment and supply purchases on a representative sample basis to ensure that open market purchases are procured according to VA policy. Additionally, P&LO, with the assistance of OAL&C and NAC, agreed to develop a training guide to assist the field with identifying FSS medical equipment and supply items. P&LO, with the assistance of OAL&C, will also identify regulatory contracting FSS 65 and FSS waiver requirements and provide them to field level contract entities to incorporate into training programs.

OAL&C and VHA also reviewed the FSS waiver process and concluded that the FSS waiver process in *VA Handbook 7408.1* did not need to be revised because it provided sufficient controls and appropriate approval levels for open market purchases. But, they acknowledged the NAC needed to initiate outreach efforts and training programs to educate VA contracting professionals on the advantages and appropriate uses of the FSS.

The planned corrective actions for the recommendations are responsive to our concerns. We will close the recommendations when all proposed actions have been completed by VHA P&LO and OAL&C. Appendix D contains the full text of the Acting Under Secretary's comments. Appendix E contains the full text of the OAL&C Executive Director's comments.

(original signed by:)
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for Auditing

Introduction

Purpose

The OIG conducted this audit to evaluate open market purchases made from FSS 65 IIA medical equipment and supply vendors. The objectives of the audit were to determine if VHA medical facilities purchased items on the open market when identical or like items were available for purchase through an existing FSS at a lower price. We were also to assess the effectiveness of controls over VHA open market procurements.

Background

VA Acquisition Methods, Policies, Laws, and Regulations. As one of the nation's largest health care systems, VA uses various acquisition methods such as the open market, local and regional contracts, national contracts, and FSSs to procure pharmaceuticals, medical equipment, and supplies. VA's longstanding policy has been to encourage its medical facilities to use the most cost-effective procurement method available to procure services and supplies. For example, use of the FSS, where contracts are negotiated to leverage the Government's buying power and establish fair and reasonable prices, is preferable to using the open market where individual facilities purchase items directly from vendors, often at higher prices.

VA's *2002 Procurement Reform Task Force Report* further clarified this policy by mandating the use of a three-tier purchasing hierarchy to reduce open market procurements. Based on this hierarchy, VHA medical facilities should only use local contracts and the open market as their last options when making purchases. However, under *38 USC 8125*, "Procurement of Health Care Items", medical facilities may procure health care items, including any item listed in Federal Supply Classification Group 65, on local contracts, if the procurements are needed to furnish healthcare services effectively. I.e., in the case of an emergency, or if the local procurements are demonstrably more cost-effective, VHA has a process to waive this requirement and purchase items by other means. Under this regulation, the Department may purchase no more than 20 percent of its total healthcare items under local contracts. The Secretary has the discretion to raise the threshold for local contract procurements up to 30 percent, if it is necessary for VA to furnish healthcare services effectively, or to conduct its research or education programs.

VA Health Care Purchases and FSS 65 IIA. In FY 2008, VA reported $2.9 billion in health care purchases with about $369 million (13 percent) made on the open market. Of the $2.9 billion health care purchases VHA made, an estimated $878 million (30 percent) of the purchases were made from vendors who participated in the FSS 65 IIA program. Under FSS 65 IIA, the NAC solicits, awards, and administers VA's FSS with vendors to leverage VA's buying power and establish "fair and reasonable" pricing for medical equipment and supplies. However, these vendors are not required to include all of their items on the FSS. Therefore, medical facilities may use a combination of local and regional contracts, the open market, and the FSS to purchase equipment and supplies.

The Procurement and Logistics Program. VA's national program office for procurement and logistics is located in VHA's P&LO. P&LO is responsible for:

- Developing acquisition and logistics best practices;
- Monitoring VHA local activity acquisition and logistics;
- Ensuring compliance with established VA and VHA policies and procedures;
- Implementing a comprehensive standardization plan for healthcare supplies and equipment; and
- Improving VHA's supply chain management.

P&LO has chief logistics officers and a network of contract managers located at the 21 VISNs to manage local-level acquisitions and logistics operations for VHA's 1,048 hospitals and clinics. P&LO also oversees and manages the Government Purchase Card program for VHA medical facilities and program offices.

The Office of Acquisition, Logistics, and Construction. With annual expenditures of more than $10.3 billion for supplies and services, including construction, OAL&C is one of the largest procurement and supply agencies in the Federal Government. Within OAL&C, the Office of Acquisitions awards and administers national contracts to meet VA facility equipment and supply needs, develops VA-wide acquisition policy, and manages mandatory acquisition training and continuing education programs for VA procurement staff. OAL&C also operates VA's Contracting Officer Certification Program and is responsible for warranting all of VA's contracting officers.

Within the Office of Acquisition, the NAC solicits, awards, and administers VA's FSS and National Contract Programs including the acquisition and direct delivery of pharmaceuticals; medical, surgical, and dental supplies; and high technology medical equipment. In June 2005, the Office of Acquisition delegated the responsibility for reviewing and approving all VISN or medical facility FSS requests to waive the use of the FSS and procure medical equipment and supplies through local contracts and the open market to the NAC Executive Director. When this delegation of authority expired in June 2007, the responsibility for approving the waivers reverted back to the OAL&C Executive Director.

Prior OIG Reviews. In 2004, the OIG's *Audit of VA Medical Center Procurement of Medical, Prosthetic, and Miscellaneous Operating Supplies* (Report No. 02-01481-118, March 31, 2004), found that VHA medical facilities could reduce their supply costs by following VA's three-tiered purchasing hierarchy and by selecting the best procurement sources, such as FSSs. The audit recommended VHA fully implement the three-tier purchasing hierarchy to ensure the increased use of national contracts and blanket purchase agreements (BPAs)[1]. More recently, the OIG's *Audit of the Acquisition and*

[1] In FSS vendor BPAs, customers commit to purchase specified quantities or dollar values for an agreed period of time (not to exceed the length of the FSS contract) in exchange for additional price discounts, programs, or services.

Management of Selected Surgical Device Implants (Report No. 06-03677-221, September 28, 2007) found that VHA could reduce its medical supply costs by as much as $21.7 million over 5 years if it used national contracts and BPAs, instead of the open market to purchase selected surgical device implants.

Scope and Methodology

To address the audit objectives, we identified and reviewed applicable Federal Acquisition Regulation (FAR) and VA and VHA policies and procedures related to FSS and open market medical equipment and supply purchases. We interviewed VA, VHA, OAL&C, and P&LO program officials and local VISN and medical facility purchasing staff responsible for medical equipment and supply procurement practices and national and local management controls over FSS usage and open market procurements. We conducted our audit work from July 2008–January 2009.

We developed a two-stage statistical sampling methodology to collect open market purchase data from selected FSS vendors because VA lacks a national database that could be used to readily identify open market medical equipment and supply purchases. To develop our population, we selected FSS medical supply vendors who reported at least $500,000 in annual FSS sales to the NAC during calendar year (CY) 2007 and who included a maximum of 95 percent of their product lines on the FSS. This provided a population of 73 medical supply vendors with $411 million in reported VHA FSS sales during the period, May 1, 2007–April 30, 2008, from which we randomly sampled medical equipment and supply items and related purchase transactions. Because we obtained data on only a portion of all VA FSS 65 IIA vendors, our methodology may understate the potential cost savings of maximizing the appropriate use of the FSS.

Use of vendor-provided automated data, instead of VA data, to conduct this audit meant that we could not assess the internal controls of the individual vendor data systems that generated the sales data or the completeness of all of the reported data. However, from comparisons of the vendors' automated sales data with information available in the FSS contract listings, medical facility purchase orders and invoices, and VA's Financial Management System; we concluded that the vendors' reported sales data were sufficiently reliable for us to meet our audit objectives.

Our assessment of internal controls focused on those controls relating to our audit objectives. We conducted this audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objectives (see Appendix B, for a detailed discussion of audit scope and methodology).

Results and Conclusions

Strengthening Open Market Procurement Controls Will Reduce Medical Equipment and Supply Costs

VHA medical facilities are purchasing medical equipment and supplies on the open market when comparable items are available for less on the FSS. VA policies and Federal regulations pertaining to the procurement of health care items and the FSS require the use of the FSS to procure medical equipment and supplies unless an exemption applies, such as in the case of a compelling clinical need. Despite these requirements, VISN and medical facility purchasing staff procured items on the open market, which were available for less on the FSS, because they lacked the knowledge, information, and proper tools to use the FSS effectively, or they accommodated end users' item preferences.

National and local management controls established to monitor open market purchases and ensure compliance with VA's three-tier purchasing hierarchy were not effective. Local VISN and medical facility staff did not require staff to follow the open market justification, review, and approval process outlined in VA policy and Federal regulations. In addition, P&LO and OAL&C did not effectively oversee the FSS waiver process and open market procurements to ensure items were only purchased on the open market when absolutely necessary. Based on our review results and statistical projections, VHA could reduce its medical supply costs by an estimated $8.2 million annually or $41 million over 5 years if it strengthened its open market procurement management controls.

Federal Supply Schedules Were Not Effectively Used To Purchase Medical Equipment and Supplies. VISN and medical facility managers and staff needed to use FSS 65 IIA more effectively to purchase medical equipment and supplies. Our review of 948 health care items representing 7,098 open market purchases totaling about $7.89 million identified 185 items or 1,667 purchases where use of the FSS instead of the open market would have reduced costs by $433,000. Consequently, we project that VHA could reduce its medical equipment and supply costs by an estimated $8.2 million annually or $41 million over 5 years if it increased its use of the FSS and minimized unnecessary open market purchases. Table 1, on the next page, shows our review results by VISN (see Appendix B, for a detailed discussion of audit scope and methodology).

We found that medical facilities were routinely purchasing common equipment and medical supply items such as surgical drapes, scrubs, compression stockings, and hip protectors on the open market from the FSS 65 IIA vendors, even when items were available for less on the FSS. Of the 1,667 items that could have been purchased for less through the FSS, medical facilities purchased 293 (18 percent) items on the open market from an FSS vendor even when the same vendor listed the same item or a comparable item on the FSS for less.

Table 1. Estimated Cost Savings From Using FSS 65 IIA Instead of the Open Market

VISN	Medical Equipment & Supply Item Codes	Number of Purchases Related to Item Code	Open Market Cost	FSS Purchase Cost	Cost Savings
1	18	46	$26,940.06	$19,631.63	$7,308.43
2	19	66	11,457.64	8,595.60	2,862.04
3	17	109	37,049.85	27,967.11	9,082.74
4	19	159	55,368.01	40,316.14	15,051.87
5	21	48	153,578.77	51,652.26	101,926.51
6	26	145	142,288.66	98,765.66	43,523.00
7	34	125	36,212.94	24,885.57	11,327.37
8	30	144	184,652.41	150,268.80	34,383.61
9	26	122	152,496.66	52,362.12	100,134.54
10	10	45	24,738.39	18,963.74	5,774.65
11	17	46	5,979.44	4,482.18	1,497.26
12	9	15	23,499.96	10,615.32	12,884.64
15	23	69	22,003.81	14,969.96	7,033.85
16	24	135	68,302.02	47,303.78	20,998.24
17	7	22	155,248.46	135,590.21	19,658.25
18	13	67	15,197.72	11,983.44	3,214.28
19	25	97	33,397.35	20,902.96	12,494.39
20	18	35	18,069.56	13,401.35	4,668.21
21	19	28	6,838.42	4,693.93	2,144.49
22	14	62	37,024.80	27,462.50	9,562.30
23	32	82	22,151.27	14,944.52	7,206.75
Totals:		**1,667**	**$1,232,496.19**	**$799,758.77**	**$432,737.42**

For example, two medical facilities procured 5,172 patient gowns on the open market at a total cost of $16,224 from a FSS vendor, even though the same FSS vendor offered the identical gowns in a different pattern on the FSS. If the patient gowns had been purchased through the FSS, the facilities would have paid a total of only $12,206, a cost savings of $4,018 ($16,224 - $12,206). Table 2 provides examples of some of the price differences identified by our review.

Table 2. Examples of Open Market and FSS/BPA Price Differences

Example	Item	Unit Price		Price Difference
		Open Market	FSS/BPA	
1	Vital Sign Monitor	$5,623	$5,019	$604
2	Overbed Table	583	119	464
3	Surgical Stapler	675	304	371
4	Knee Brace	400	320	80
5	Roticulator	187	107	80
	Total:	**$7,469**	**$5,869**	**$1,600**

Reasons for Open Market Purchases. Several factors affected medical facilities' open market procurement decisions, such as the purchasing staff's lack of knowledge of FSS requirements and their inability to use VA automated databases and search tools effectively to identify items on contract. In many cases, purchasing staff incorrectly assumed that use of the FSS was not required if the purchase met the $3,000 micro-purchase threshold. In addition, purchasing staff sometimes mistakenly believed they had purchased items from the FSS, when they really had not, because they relied on inaccurate FSS product information obtained from either the FSS vendors or the facilities' Veterans Health Information Systems and Technology Architecture master data files. Inaccuracies in the master data occurred because local staff responsible for inputting the FSS item information erroneously assumed that all of the items sold by the FSS vendors were included on the FSS.

The following discussion of Example 1 from Table 2 illustrates how some purchasing staff bought items on the open market even though they thought they had used the FSS.

> The VA South Texas Healthcare System (HCS) purchasing staff asked an FSS vendor's customer representative to check whether or not the vendor's vital sign monitor was on the FSS. After a customer representative incorrectly indicated that the vendor's vital sign monitor was on the FSS, the purchasing staff procured 24 vital sign monitors at the FSS vendor's open market price of $5,623. If the purchasing staff had conducted independent research using the NAC Contract Catalog Search Tool (CCST) and not relied on the vendor's information, they would have identified a comparable monitor available on the FSS from another vendor for $5,019: $604 less than vendor's open market price. As a result, the medical facility paid $134,952 ($5,623 x 24) for the monitors when comparable monitors were available for $120,456 ($5,019 x 24), or a total of $14,496 less, on the FSS.

In some instances, purchasing staff said they tried to research items available on the FSS. However, they had limited success because they used the GSA Advantage website, which

does not contain all of the FSS items available for purchase. In July 2007, GSA required FSS vendors to list all of their available FSS items on the GSA Advantage website by December 31, 2008, but GSA does not monitor the information on the website to ensure that the vendors update their FSS item and price lists on a regular basis. Our comparative analysis of the NAC CCST FSS item catalogues and GSA Advantage information for the 20 vendors in our sample determined that, on average, GSA Advantage only listed about 48 percent of the items shown in the vendors' NAC CCST FSS items catalogues. In addition, 8 of the 20 (40 percent) vendors did not list any of their FSS items on the GSA Advantage website as of late December 2008.

In our opinion, use of available VA automated databases and search tools, such as VHA's Product Databank and the NAC CCST, would provide more complete and accurate FSS item information than GSA Advantage because the tools are updated and monitored on a regular basis for completeness and accuracy. These VA resources helped us identify comparable, lower-priced FSS items when we conducted our item and price comparisons, but staff that used GSA Advantage either were not aware of them or had chosen not to use them.

Although most of the open market purchases we reviewed occurred due to the purchasing staff's lack of knowledge and experience in using the FSS, some occurred as the result of the staff's willingness to accommodate end users' item preferences. In some instances, contracting and purchasing staff did not feel they could question or even suggest a comparable item on the FSS to end users even when the end users lacked justifications for the open market purchase of the preferred items. Consequently, purchasing staff tended to satisfy the end users requests and to purchase the requested items on the open market without checking if identical or comparable items were on the FSS.

At one medical facility, a purchasing agent stated that she purchased laparoscopic items on the open market from a specific vendor due to a physician's stated preference. However, the physician stated that he could use comparable laparoscopic items listed on another FSS vendor's BPA and that he was unaware that the items had been procured on the open market while the BPA was in place. Finally, some purchasing staff simply stated that they did not have time to perform an independent check of the FSS for comparable items. Open market purchasing management control deficiencies identified at each site we visited are presented in Appendix A.

Management Controls Over Open Market Purchases Need To Be Strengthened. OAL&C, P&LO, and VISN and medical facility managers did not effectively monitor open market procurements and ensure optimal use of the FSS. VA's policy on requesting waivers from using the FSS specifically prohibited the procurement of health care items under local contracts and the open market. The policy prescribes an extensive review and approval process before an FSS waiver could be granted. It requires the medical facility chief of staff to review and approve FSS waiver requests, forward the request through the VHA Clinical Logistics Office within P&LO to the NAC's Executive Director to review and approve the waivers and to send copies of the approved or disapproved waivers

requests to the OAL&C and P&LO on a quarterly basis. Nevertheless, OAL&C and P&LO officials did not effectively monitor the implementation and operation of the waiver process, and thus, were not aware that the VISNs and medical facilities were not following FSS waiver processes when they purchased items on the open market instead of the FSS. Similarly, they were unaware that VA's national FSS waiver approval process had completely lapsed when NAC's Executive Director's delegation of authority to approve the FSS waivers expired without renewal in June 2007.

FSS Waiver Requirements. Under *VA Handbook and Directive 7408.1,* "Requesting Waivers from the Requirement to Use VA Federal Supply Schedules", the OAL&C Executive Director delegated responsibility to the NAC Executive Director for the authorization and approval of medical facility FSS waiver requests. The Handbook and Directive required each medical facility (or VISN on behalf of all medical facilities in their network) to establish local procedures for the processing of FSS waiver requests if they wished to purchase goods and services available on the FSS on the open market or through local contracts. Before the waiver requests could be forwarded to the NAC's Executive Director, they had to be reviewed and approved at a level no lower than the medical facility's chief of staff.

The Directive also stated that the decision to deviate from the FSS should be "evidence-based and timely" and that neither "single facility staff preference nor the appearance of lower cost to a specific medical facility is sufficient justification" for deviating from the use of the FSS. Finally, the Handbook also required the NAC Executive Director to submit copies of approved or disapproved requests for waivers to OAL&C and P&LO on a quarterly basis. Neither the Handbook nor Directive explicitly assigned either office responsibility for monitoring the effectiveness of the FSS waiver process.

National Oversight for FSS Purchases and Waivers. VA lacks an effective open market procurement monitoring system to limit unnecessary open market purchases and to ensure VISNs and medical facilities use the FSS as required. Our review disclosed that the 21 VISNs and 199 medical facilities included in our sample had not obtained any FSS waivers. The NAC confirmed that it received only one FSS waiver request from a medical facility during the period May 1, 2007 to April 30, 2008, for an equipment item that was not part of our statistical sample. However, neither OAL&C nor P&LO officials noticed that the VISNs and medical facilities were routinely bypassing the FSS waiver request process or that the national FSS waiver approval process had lapsed.

In June 2007, the NAC Executive Director's authority to approve FSS waiver requests expired, thus making the OAL&C Executive Director technically responsible for the approval of all FSS waivers. However, the OAL&C Executive Director did not become aware of the expired delegation and take action to restore the NAC Executive Director's FSS waiver approval authority until the OIG contacted him during the audit.

Local FSS Procurement Oversight Processes and Waivers. At the local level, the VISNs and medical facilities generally lacked local policies implementing a review, approval, and justification process for the open market purchase of items available on the FSS.

None of the VISNs and medical facilities we contacted or visited had implemented a local FSS waiver process as required by VA policy. In addition, they had inaccurate information about the volume and value of their FSS and open market purchases and lacked documentation showing that their open market purchases had been made to meet compelling clinical needs. The following example demonstrates some of the deficiencies found in the VISNs' and medical facilities' monitoring of open market purchases and use of the FSS.

> VA Tennessee Valley HCS had no local policies in place for the requirement to use the FSS or review open market procurements, as required by VA policy. The HCS purchased a total of 123 items valued at $624,139 without obtaining FSS waivers because the logistics manager did not believe the waivers were required for any medical supply purchases made after December 2007. In addition, the facility's purchasing officials were unaware until our visit that their master data files contained erroneous FSS product information and that they had made 30 purchases totaling $51,291 (46 percent of the items we reviewed at the facility) on the open market instead of through the FSS. The HCS purchased at least 28 items on the open market at a cost of $247,974 when comparable or identical items could have been purchased on the FSS for $195,332 or $52,642 less.

When these issues were discussed with OAL&C and P&LO officials, they stated that VISN and medical facility purchasing staff had received basic training on FAR and simplified acquisitions procedures, but that they lacked specialized training on the proper use of the FSS and open market procurements. OAL&C and P&LO officials also acknowledged that they had not performed analyses to evaluate the effectiveness of VA's FSS waiver process in decreasing VA's open market procurements.

While they acknowledged the weaknesses in the FSS waiver process, NAC FSS officials felt they had effectively disseminated information about how to use the FSS and the available FSS research tools through the NAC FSS website and through meetings with P&LO managers. Similarly, P&LO management officials felt local contract and purchasing staff should have been aware of the need to adhere to VA's purchasing hierarchy and to properly use the FSS because of guidance provided during P&LO conference calls and the course of daily operations.

Conclusion

VA's current FSS waiver process and decentralized open market procurement monitoring processes have not ensured the effective use of the FSS to procure medical equipment and supplies and a reduction in unnecessary open market purchases. VISN and medical facility purchasing staff need to be trained on how to identify medical equipment and supplies items on the FSS effectively and properly request waivers when purchases cannot be reasonably made through the FSS. Moreover, national and local controls over open market procurement and the FSS waiver process need to be strengthened to ensure

that VISNs and medical facilities purchase medical equipment and supplies in accordance with Federal regulations and VA policy. Improved oversight and use of the FSS would reduce unnecessary open market medical supply and equipment purchases and VA's health care item costs by about $8.2 million annually or $41 million over 5 years.

Recommendations

1. We recommended that the Under Secretary for Health establish specific procedures and monitoring mechanisms to ensure medical equipment and supply item open market purchases are procured in accordance with VA policy.
2. We recommended that the Under Secretary for Health, in consultation with the OAL&C Executive Director, develop and provide contracting and purchasing staff training on available methodologies and research tools that can be used to identify FSS medical equipment and supply items.
3. We recommended that the Under Secretary for Health, in consultation with the OAL&C Executive Director, provide appropriate contracting and purchasing staff refresher training on the mandated use of FSS Group 65 for medical equipment and supplies and on FSS waiver requirements when purchasing medical equipment and supply items on the open market.
4. We recommended that the OAL&C Executive Director, in consultation with the P&LO, review and modify VA's current FSS waiver process to ensure that open market purchases are effectively monitored and controlled in accordance with VA policy and Federal regulations.

Management Comments and OIG Response

The Acting Under Secretary for Health and the OAL&C Executive Director concurred with our findings and recommendations. VHA P&LO agreed to enforce Quality Assurance Reviews on a semi-annual basis and target and review open market medical equipment and supply purchases on a representative sample basis to ensure that open market purchases are procured according to VA policy. Additionally, VHA P&LO, with the assistance of OAL&C and NAC, agreed to develop a training guide to assist the field with identifying FSS medical equipment and supply items. VHA P&LO, with the assistance of OAL&C, will also identify regulatory contracting FSS 65 and FSS waiver requirements and provide them to field level contract entities to incorporate into training programs.

Further, OAL&C met with VHA to review the FSS waiver process and concluded that there are sufficient controls and an appropriate level of approvals in place to ensure that open market purchase are effectively monitored and controlled. Thus, there was no modification to *VA Handbook 7408.1*.

The Acting Under Secretary for Health and the OAL&C Executive Director concurred with our findings and recommendations. The planned corrective actions for the

recommendations are responsive to our concerns. We will close the recommendations when all proposed actions have been completed by VHA P&LO and OAL&C. Appendix D contains the full text of the Acting Under Secretary's comments. Appendix E contains the full text of the OAL&C Executive Director's comments.

Appendix A

Summary of Open Market Purchase Management Control Deficiencies at Medical Facilities Visited

Although most of the open market purchases we reviewed occurred due to the purchasing staff's lack of knowledge and experience in using the FSS, some occurred as the result of the staff's willingness to accommodate end users' item preferences. In some instances, contracting and purchasing staff did not feel they could question or even suggest a comparable item on the FSS to end users even when the end users lacked justifications for the open market purchase of the preferred items. Consequently, purchasing staff tended to satisfy the end users requests and to purchase the requested items on the open market without checking if identical or comparable items were on the FSS.

Table 3. Summary of Management Control Deficiencies

VISN	Medical Facility	VISN Internal Controls	Medical Facility Internal Controls	FSS Waivers	Awareness and Use of FSS Item Research Tools	Knowledge & Awareness of FSS Procurement Requirements	Purchased Items on Open Market Instead of FSS
7	Omaha Division - Nebraska Western Iowa	✓	✓	✓	✓	✓	✓
8	Miami	✓	✓	✓	✓	✓	✓
9	Tennessee Valley-Nashville Campus	✓	✓	✓	✓	✓	✓
17	South Texas	✓	✓	✓	✓	✓	✓
21	San Francisco	✓	✓	✓	✓	✓	✓
22	Southern Nevada	✓	✓	✓	See Note	See Note	✓

Note: VISN 22 Head Contracting Activity purchasing staff were aware of FSS procurement requirements and P&LO and NAC FSS item research tools, but medical facility procurement staff at VISN 22 medical facilities lacked the same awareness.

Appendix B

Scope and Methodology

To address the audit objectives, we identified and reviewed applicable Federal procurement regulations and VA and VHA policies and procedures related to FSS and open market medical equipment and supply purchases. We interviewed VA, VHA, and P&LO program officials and local VISN and medical facility purchasing staff about medical equipment and supply procurement practices and national and local management controls over FSS usage and open market procurements. We conducted our audit work from July 2008–January 2009.

We developed a two-stage statistical sampling methodology to collect open market purchase data from selected FSS 65IIA vendors because VA lacks a national database that can be readily used to identify open market medical and equipment supply purchases. We selected FSS medical equipment and supply vendors who reported at least $500,000 in annual FSS sales to the NAC during CY 2007 and who included a maximum of 95 percent of their product lines on the FSS. This provided a population of 73 medical supply vendors with $411 million in reported VHA FSS sales. We then randomly selected 948 medical equipment and supply items representing 7,098 purchases from 20 of the 73 vendors for review.

For each item purchased on the open market from our 20 selected FSS vendors, we reviewed product specifications and interviewed medical supply and equipment manufacturers and end users at the medical facilities we visited. We did this to identify identical or comparable (functionally equivalent) items available on the FSS or BPA at the time of the purchase. If a comparable, but lower priced item, was identified on an FSS or BPA, we compared the prices of the sample item and the lowest priced comparable item in order to calculate the cost benefits of using the FSS instead of the open market.

We used multiple sources such as a NAC FSS item web-based search tool, product specifications, contract information, and interviews with medical facility staff to analyze each of the 948 items represented in our sample and to determine whether less costly identical or comparable items were available on the FSS at the time each open market purchase was made. We also conducted six site visits at VHA medical facilities to facilitate the completion of the item analyses and assess local controls and procurement practices for FSS and open market purchases. Table 4, on the next page, shows the total number and value of the open market purchases reviewed at each of the sites we visited.

We relied on vendor provided automated data instead of VA data to conduct this audit because VA does not have an automated data system that can identify open market medical equipment and supply purchases. This methodology meant that we could not assess the internal controls of the individual data systems vendors used to generate the open market data and the completeness of all of the reported data. However, we assessed the accuracy and reliability of the vendors' open market purchase data by comparing the

data with information available in the FSS contract listings, medical facility purchase orders and invoices, and VA's Financial Management System. Based on these reviews and assessments, we concluded that the automated vendor-provided open market purchase data were sufficiently reliable to meet the objectives of this audit.

Table 4. Open Market Medical Equipment and Supply Purchases Reviewed During OIG Site Visits

VISN	Medical Facility	Reviewed			Total Reported Open Market Sales
		Item Codes	Line Items	Open Market Sales	
7	Omaha Division-Nebraska Western Iowa	19	66	$200,501	$522,568
8	Miami	33	117	139,239	387,079
9	Tennessee Valley – Nashville Campus	28	65	247,974	624,139
17	South Texas	24	43	241,863	898,691
21	San Francisco	29	74	154,752	415,382
22	Southern Nevada	11	44	2,352	15,998
	Totals:	**144**	**409**	**$986,681**	**$2,863,857**

Sampling Methodology

To determine whether medical facilities are purchasing medical equipment and supplies from the open market when identical or comparable items are available for less on an existing FSS, we developed a database of purchases from medical equipment and supply vendors to identify the population and sample.

Population

The population consisted of 73 FSS 65 IIA vendors with annual FSS sales over $500,000 as of December 31, 2007, with less than 95 percent of their items on the FSS. The 73 vendors reported $411,296,765 in annual FSS sales for medical equipment and supplies to the VA. The 20 vendors we randomly selected for review had 34,122 open market purchases totaling $30,840,080 for the 12-month period May 1, 2007-April 30, 2008.

Sampling Design

We used a two-stage variable random sample that took into consideration the number of FSS vendors and their open market transactions. In the first stage, we selected a simple random sample from the list of 73 vendors to select 30 vendors (20 vendors for review with 10 spares). For the second stage, we selected a simple random sample from a list of unique items codes for each of the 20 randomly selected vendors. We selected 50 items per vendor to review. Three of the 20 selected vendors who met the initial selection criteria did not have 50 unique item codes for review. For these three vendors, we reviewed all of the unique item codes associated with the open market purchases (22, 30, and 46 item codes representing 38, 50, and 292 purchases respectively).

In all, we reviewed 948 item codes representing 7,098 open market purchase transactions valued at $7,893,858. We considered the cost of an item for a reviewed purchase to be in error if the medical facility procured the item on the open market when an identical or comparable item was available for less on a VA national contract, FSS, or BPA. The following table summarizes the sample selected for this audit.

Table 5. Open Market Medical Equipment and Supply Sample Selection

Vendor	Open Market Sales	All Transactions	Item Codes	Sample Size	Sample Transactions	Sample Open Market Sales
1	$1,347,312	184	69	50	131	$976,954
2	2,414,166	656	180	50	167	402,403
3	186,416	50	30	30	50	186,416
4	152,435	591	245	50	69	17,505
5	320,704	1304	127	50	334	89,874
6	1,162,099	2472	200	50	723	264,396
7	245,182	423	81	50	233	107,912
8	904,080	378	60	50	339	752,483
9	725,213	1032	565	50	104	56,674
10	842,769	6085	369	50	1195	160,360
11	191,779	652	91	50	263	51,451
12	10,565,737	8872	835	50	532	656,912
13	268,332	2349	269	50	377	30,574
14	519,501	1720	244	50	430	131,770
15	7,324,312	2104	339	50	646	2,251,840
16	657,969	1247	89	50	773	444,544
17	1,769,232	3516	524	50	300	148,362
18	245,367	157	72	50	102	165,955
19	234,029	38	22	22	38	234,029
20	763,445	292	46	46	292	763,445
Total	**$30,840,080**	**34,122**	**4457**	**948**	**7098**	**$7,893,858**

Estimation Methodology

The total value of the 948 sampled unique items was $7,893,858. Of the 948 sampled items, we found 185 (19.5 percent) representing 1,667 open market purchases totaling $432,737 that VHA could have made on the FSS.

Weights

We projected the sample results to represent population projections by calculating sampling weights and summing the weights for each projection. Since the sample was a two-stage sample, weights were computed as the product of the inverse of the probability of selection for each stage of sampling. The first-stage weighting factor was the inverse of the probability of selection of 20 out of 73 vendors (73 ÷ 20 = 3.65). The second-stage weights were different for each vendor since the total item codes were different. The second-stage weights were computed the same way as the first-stage weights and ranged from 3.65 (for the three vendors where all item codes were sampled) to 61 for the vendor with the most item codes.

Projections and Margins of Error

The following table (Table 6) shows population projections and their associated margins of error. Margins of error were computed based on a 90 percent confidence interval. The population projection plus or minus its associated margin of error gives the lower and upper boundaries of the 90 percent confidence interval. Note that we computed the variance for each population projection using a jackknife replication variance calculation technique to account for the multi-stage sample design and unequal sampling weights.

Table 6. Population Projections and Margins of Error

	Projection	Margin of Error	Lower 90% CI	Upper 90% CI	Sample Size
No Error	9,198	600	8,599	9,798	668
Error	7,070	839	6,231	7,908	280
Total Item Codes	16,268	848	15,420	17,116	948
No Error	57%	4%	53%	60%	668
Error	43%	4%	40%	47%	280
Total Item Codes	100%				948
Open Market Sales:					
No Error	$71,376,406	$34,202,538	$37,173,867	$105,578,944	668
Error	67,244,056	61,147,698	6,096,358	128,391,754	280
Total Sales	$138,620,462	$69,015,340	$69,605,122	$207,635,802	948

Table 7. Item Codes with Errors

Almost 70 percent of the transactions with errors had an identified cost savings.

	Projection	Margin of Error	Lower 90% CI	Upper 90% CI	Sample Size
Item Codes with Errors					
No Savings	31%	6%	25%	36%	95
Savings	**69%**	6%	64%	75%	185
Total Item Codes	100%				280

Cost Savings	**$8,234,406**	$7,945,798	$432,737*	$16,180,204	948
**Lower confidence limit equals sample findings.*					

Based on our review results, we project that use of the FSS instead of the open market to make 44,479 purchases of 7,070 medical equipment and supply items would have reduced VHA's medical equipment and supply costs by about $8.2 million during our 12-month review period. Projected over 5 years, strengthened open market procurement controls could reduce VHA medical equipment and supply costs by as much as $41 million ($8.2 million x 5 years).

Appendix C

Monetary Benefits in Accordance with IG Act Amendments

Recommendation	Explanation of Benefit	Annual Better Use of Funds	5-Year Projection
1	Reduction of supply costs for medical equipment and supply items purchased on the open market when an identical or comparable item was found on the FSS.	$8,234,406	$41,172,031
	Total	$8,234,406	$41,172,031

Appendix D

Acting Under Secretary for Health Comments

Department of Veterans Affairs

Memorandum

Date: MAY 19 2009

From: Acting Under Secretary for Health (10)

Subj: OIG Draft Report, Audit of Veterans Health Administration VHA Open Market Medical Equipment and Supply Purchases, Project No.: 2008-01519-R7-0112, (WebCIMS 428176)

To: Assistant Inspector General for Audit (52)

1. I have reviewed the draft report and I concur with the report, recommendations 1-3, which are directed to the VHA, and the estimate of monetary benefit. The report's findings will further assist VHA's goal to use cost-effective procurement methods to procure services and supplies for our health care system.

2. I agree that appropriate procedures and oversight of procurement are necessary to ensure VA purchases are compliant with VA policy and that the proper utilization of the Federal Supply Schedule (FSS) is essential to reducing unnecessary procurement costs. VHA's Procurement and Logistics Office (P&LO) will develop procedures and monitoring mechanisms to ensure open market purchases are procured in accordance with VA policy. Further, P&LO will consult with the Deputy Assistant Secretary for Acquisition, Logistics, and Construction to develop and provide training to contracting, Veterans Integrated Service Networks (VISNs) and medical facility purchasing staff on available methodologies and research tools to identify FSS medical equipment and supply items. This training will increase contracting and purchasing staff's knowledge and experience in using the FSS for such purchases and will also place the P&LO, VISN and medical facility managers in a better position to effectively monitor open market procurements.

3. As you know, VA Handbook and Directive 7408.1, Requesting Waivers from the Requirement to Use VA Federal Supply Schedules, outlines the process for obtaining a FSS waiver. To obtain a waiver, the medical facility Chief of Staff must approve the request and submit it to P&LO. P&LO will forward the approved waiver request to the National Acquisition Center for further approval. Bypassing this process is unacceptable. The P&LO will underscore the mandated use of FSS waiver processes and requirements during refresher in-service training for purchasing staff on FSS 65 and FSS waiver requirements.

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Appendix D

OIG Draft Report, Audit of Veterans Health Administration VHA Open Market Medical Equipment and Supply Purchases, Project No.: 2008-01519-R7-0112 (WebCIMS 428176)

4. Thank you for the opportunity to review the draft report. Attached is an action plan outlining steps to implement the report recommendations. If you have any questions, please have a member of your staff contact Margaret M. Seleski, Director, Management Review Service (10B5) at (202) 461-8470.

Gerald M. Cross, MD, FAAFP

Attachment

Appendix D

: OIG Draft Report, **Audit of Veterans Health Administration VHA Open Market Medical Equipment and Supply Purchases**

Project No.: 2008-01519-R7-0112,

Date of Report: April 14, 2009

Recommendations/ Actions	Status	Completion Date

Recommendation 1. We recommend that the Under Secretary for Health establish specific procedures and monitoring mechanisms to ensure medical equipment and supply item open market purchases are procured in accordance with VA policy.

Concur

The VHA Procurement and Logistics Office (P&LO) will develop procedures and monitoring mechanisms to ensure open market purchases are procured in accordance with VA policy. Quality assurance reviews will be conducted within contract entities throughout the field. The VHA P&LO will re-emphasize this process to enforce Quality Assurance Reviews on a semi-annual basis. Open Market Medical Equipment and Supply Purchases will be targeted and reviewed on a representative sample basis.

In process November 2009

Recommendation 2. We recommend that the Under Secretary for Health, in consultation with Deputy Assistant Secretary for Acquisition, Logistics, and Construction, develop and provide contracting and purchasing staff training on available methodologies and research tools that can be used to identify FSS medical equipment and supply items.

Concur

The VHA Procurement and Logistics Office will consult with the Office of Acquisition, Logistics, and Construction (OALC) to develop and to provide training on available methodologies and research tools to identify the Federal Supply Schedule (FSS) medical equipment and supply items. VHA P&LO will initiate research with OALC, as well as the National Acquisition Center (NAC), to determine the available methodologies and research tools to identify FSS medical equipment and supply items. Once the available methodologies and research tools have been determined, a training guide will be developed to assist the field with identifying FSS medical equipment and supply items. The training guide will be provided to field level contracting activities to implement the source identification process. Within VHA, each Network Contract Manager will be responsible for ensuring all contracting staff know where to find the information and will validate that the contracting staff are utilizing the information in the source identification process. The timeframe for developing the material is

Appendix D

: OIG Draft Report, **Audit of Veterans Health Administration VHA Open Market Medical Equipment and Supply Purchases**

Project No.: 2008-01519-R7-0112,

Date of Report: April 14, 2009

Recommendations/ Actions	Status	Completion Date

November 2009. The timeframe for all staff to be trained on using the tool is January 31, 2010.

In process January 2010

Recommendation 3. We recommend that the Under Secretary for Health, in consultation with the Deputy Assistant Secretary for Acquisition, Logistics, and Construction, provide appropriate contracting and purchasing staff refresher training on the mandated use of FSS Group 65 for medical equipment and supplies and on FSS waiver requirements when purchasing medical equipment and supply items on the open market.

Concur

The VHA P&LO will consult with OALC to provide refresher training on the mandated use of FSS 65 and FSS waiver requirements. P&LO will initiate action to identify specific regulatory contracting FSS 65 and FSS waiver requirements. This information will then be provided to field level contract entities to incorporate into normal in-service training programs.

In process November 2009

Appendix E

Executive Director, Office of Acquisition, Logistics, and Construction Comments

Department of Veterans Affairs

Memorandum

Date: JUL 07 2009

From: Executive Director, Office of Acquisition, Logistics, and Construction (001ALC)

Subj: OIG Draft Report, Audit of VHA Open Market Medical Equipment and Supply Purchases Project No. 2008-01519-R7-0112 (WebCIMS 428176)

To: Assistant Inspector General for Audit (52)

1. The Office of Acquisition, Logistics, and Construction (001ALC) has reviewed the draft response memorandum and action plan regarding the Office of Inspector General (OIG) recommendations and concurs with comments in response to recommendation 4.

OIG Recommendation 4: We recommend that the Executive Director for Acquisition, Logistics, and Construction in consultation with the Office of Acquisition and Logistics review and modify the Department of Veterans Affairs (VA) current Federal Supply Schedule (FSS) waiver process to ensure that open market purchases are effectively monitored and controlled in accordance with VA policy and Federal regulations.

001ALC Concurs with Comment: The Office of Acquisition and Logistics (OAL) met with Veterans Health Administration (VHA) on June 29, 2009, to review the FSS waiver process. At that meeting, consensus was reached that the current FSS waiver process has sufficient controls and an appropriate level of approvals to ensure that open market purchases are effectively monitored and controlled. Therefore, there is no need for any modification to VA Handbook 7408.1.

However, during the review process, it was determined that outreach efforts to contracting professionals to provide enhanced training would improve the understanding of the FSS process. Therefore, officials at the National Acquisition Center are conducting training programs in connection with FSS vendor shows around the country to better ensure that VA contracting professionals are educated on the appropriate use of the FSS tool and its advantages.

2. Should you have any questions regarding this submission, please contact Mr. Maurice C. Stewart, Associate Deputy Assistant Secretary for Acquisition and Logistics Programs and Policy, at (202) 461-6906.

Glenn D. Haggstrom

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Appendix F

OIG Contact and Staff Acknowledgments

OIG Contact	Janet Mah (310) 268-4335
Acknowledgments	Gregory Gladhill Lee Giesbrecht Corina Riba John Carnahan Timothy Parker Andrea Lui Kelly To

Appendix G

Report Distribution

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