



10908 Courthouse Road, Suite 102-288
Fredericksburg, VA 22408
www.sdvmpg.com

Dear SDV Business Owner,

I'm reaching out to you because your company is listed as a Blanket Purchase Agreement (BPA) holder under VA's Medical/Surgical Prime Vendor Program (MSPV) or you're identified as an SDV firm in the medical products and equipment distribution. I'm Scott Denniston, Executive Director, Service-Disabled Veteran Medical Products Group (SDV-NPG). We advocate for SDV companies supplying medical/surgical products to the federal government. Much of our recent effort has been focused on issues our member companies are experiencing with the MSPV program.

I want to bring to your attention that based on VA data, up to 30 percent of the products on MSPV BPAs are being purchased by VA facilities through contract vehicles other than the MSPV program. Our member companies have validated these findings. I assume you are experiencing this, as well as other issues with the MSPV program.

Our research has found a consistent pattern of VA facilities purchasing products from other suppliers via "open market" or other contract vehicles (e.g., FSS, ECAT, DAPA, etc.) even though the BPA products are supposed to be exclusive to the MSPV BPA awarded company. Much of this is the result of VA not having the capability to track purchases by VA field staff, an inability to enforce use of the program, as well as manipulation of the MSPV program by the MSPV prime vendors. I'm sure the pricing you offered VA was based on their intention of a "high-volume" supply contract. I'm also sure your "Economic Price Adjustment" requests are being scrutinized and often denied as "not fair and reasonable" even though you are experiencing high inflation on products and the cost of doing business, as well as being a fraction of anticipated sales under the program.

SDV-MPG members are concerned these issues will continue to exist when MSPV Gen-Z is awarded later this year. We are further concerned that when current BPAs expire, VA will neither request nor honor a waiver of the "Non-Manufacturer Rule" from the Small Business Administration. This will eliminate ANY consideration for set-asides or reserves for SDV firms. However, the SDV-MPG has been engaged and advocates to resolve the issues all SDV firms are experiencing. The SDV-MPG invites you to join us as we work to protect contracting opportunities for SDV firms in the medical products industry across federal agencies.

The SDV-MPG was established in January 2022. Prior to 2022, members were part of the National Veteran Small Business Coalition (NVSBC) which formed a "Medical Products Group" in June of 2016. We are actively involved with all levels of VA, Defense Logistics Agency (DLA), the General Accountability Office (GAO) and others to promote opportunities for all SDV firms. One example of our efforts has resulted in prime vendors not being allowed to charge suppliers fees under MSPV



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Gen-Z. Other initiatives include order consolidation to ensure stocking by prime vendors, reimbursement of “drop ship” expenses, standard commercial agreements, standardization of PVONs, and insuring prompt payments to BPA holders. We continue to push VA and DLA to provide Economic Price Adjustments which reflect the true costs of doing business in today’s market.

We also engage with the House and Senate Veterans Affairs and Small Business Committee staff to keep them informed regarding our issues dealing with VA and DLA. We work with other veteran focused organizations to promote “VETS First” in all federal departments and agencies. Within VA specifically, we advocate that “VETS First” shall apply to micro purchases and a 10 percent price preference, similar to the HUB Zone program apply to “VETS First”.

I encourage you and other SDV medical product suppliers concerned about these issues to engage and join with our members as we continue to push VA and DLA to level the playing field for SDV firms. I invite you to visit our website at www.sdvmpeg.org. I am happy to set a time for us to discuss our activities and answer any questions you may have. Please email me at scott.denniston@scottgroupva.com.

I hope you will join the SDV-MPG.

Very Sincerely,

Scott Denniston, Executive Director