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## Chapter 4 CONTRACTING ACTIVITIES

### 4.01 Introduction

This chapter provides the administrative procedures and guidelines related to the contracting activities used to provide services to Veterans participating in the Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment (VR&E) Program.

### 4.02 References and Resources

Laws:                      Prompt Pay Act

Regulations:            38 Code of Federal Regulations (CFR) 21.294  
48 CFR 2.101  
Federal Acquisition Regulations (FAR)  
FAR 4.801  
VA Acquisition Regulations (VAAR)

Forms:                    Contract Log  
Corporate WINRS FMS Vendorizing Sheet  
Special Employer Incentive (SEI) Contract  
Standard Form (SF) 1449, Solicitation/Contract/Order for  
Commercial Items  
VA Form (VAF) 20-8206 - VA Statement of Assurance of  
Compliance with Equal Opportunity Laws  
VAF 22-1903, Contract for Training and Employment  
VAF 22-8794 - Designation of Certifying Official(s)  
VAF 28-1904 - Agreement to Train on the Job Disabled  
Veterans  
VAF 28-1905d, Special Report of Training  
VAF 28-1971, Memorandum Agreement  
VAF 2237, Request, Turn-In and Receipt for Property or  
Services

Website:                 <http://vbaw.vba.va.gov/bl/20/cfo/MLAC/CAATSTRNGMANUALS.htm>

### 4.03 Background

The Veterans Benefits Administration (VBA) is charged with providing assistance to Veterans who have service-connected disabilities through Vocational Rehabilitation and Employment (VR&E) services. Contractor assistance may be needed to supplement VR&E services to ensure that services are in close

geographic proximity to Veterans and to provide timely services when staff turnover occurs. Specialized services may also be required to complement services typically provided by VR&E Staff.

VR&E contracting activities involve two distinct processes:

- a. The first is implemented at a national level and is referred to as the VetSuccess contracts.
- b. The latter is conducted through local procurement of contractual services for VR&E services when the contracting requirement does not exceed \$25,000 annually or for services not included in the VetSuccess contracts.

#### 4.04 The VetSuccess Contracts

The VetSuccess contracts replaced the National Acquisition Strategy (NAS) contracts that expired on July 20, 2009. The VetSuccess contracts standardize the acquisition process for procuring VR&E services that complement and supplement the services provided by VR&E staff to Veterans participating in the VR&E Program.

Services available under the VetSuccess contracts include the following:

- Initial evaluation
- Case management
- Employment services
- Educational and vocational counseling
- Discrete services to include evaluations for Independent Living (IL), life-skills coaching, job coaching and site analysis.

VetSuccess is a firm-fixed-price, indefinite-quantity/indefinite-delivery, multiple-award contract vehicle awarded per Regional Office (RO) as determined to be in the best interest of the Government. The Government reserved the right not to award a contract for an RO if determined not to be in the best interest of the Government.

##### a. Service Groups

The VetSuccess contracts are organized into five Service Groups. Each Service Group has multiple Contract Line Item Numbers (CLINs) and uses one Budget Object Code (BOC) under three fund types as outlined in the following table:

Service Group	BOC	Fund Type	CLINS
A: Initial Assessment/Evaluation	2504	General Operating Expense (GOE)	1A1 to A5AB
B: Case Management/Rehabilitation Services	2505	GOE	1B1 to 4B4
C: Employment Services	2506	GOE	1C1 to 3C3
D: Educational Vocational Counseling	4192	Educational Vocational Funds (Ed/Voc)	1D1 to 2D2
E: Discrete Services	4147	Readjustment Benefits Account (RB)	1E1 to 4E4

It is important to note that obligated GOE and Ed/Voc VetSuccess contract funds may be used until the end of the current option year (see Appendix BD, VetSuccess Contract Funds for more information). Refer to M28R.V.B.1 for more information on fund types and BOC.

b. Procedures

Invoicing for VetSuccess contracts is processed through an automated web-based system that is maintained by the Administrative and Loan Accounting Center (ALAC) and is called the Centralized Administrative Accounting Transaction System (CAATS). The CAATS application is a web-based system that allows for electronic input and approval of transactions; provides an electronic audit trail; streamlines document and transaction processing; and produces transaction activity reports.

CAATS provides fund controls for a RO so that referrals cannot exceed the allotted fund limit. CAATS also converts hard copy invoices that are created by contractors into electronic invoices and interfaces with internal sites to be certified and approved by VA.

Corporate WINRS (CWINRS) is the current case management tool used by VR&E. This tool was developed exclusively for VR&E to support the delivery of benefits to Veterans with service-connected disabilities who are participating in the VR&E Program. CWINRS was used to track all expenditures on behalf of every Veteran participating in a service offered by the Vetsuccess Contracts, so all referrals and payments were recorded in CWINRS in addition to CAATS. Effective October 1, 2012, technology developments enabled CWINRS to fully integrate with CAATS and eliminate

the need for the Voucher Auditor to update both CAATS and CWINRS for referral generation and payment of invoices. It is important to note that both CAATS and CWINRS must still be maintained with payment and referral information for all Fiscal Year 2012 transactions and fund limits.

VR&E staff should also note that invoices will not be accepted in CAATS until VR&E staff certify acceptable performance of deliverables using Quality Assurance (QA) Forms (See Appendix O, VA Forms).

#### 1. The Quality Assurance (QA) Form

The QA Form outlines the fundamental quality standards for deliverables in a specific service group. VR&E staff must utilize the QA Form as a quality review instrument to ensure reports and forms submitted by the contractor are in compliance with contract requirements and to assess the quality of overall deliverables.

VR&E staff must review all documents when reports are received to determine adequacy. If submissions are acceptable, the contractor will be instructed to submit invoices for services rendered. If reports and other documents are deficient, VR&E staff will inform the contractor of areas requiring improvement or modification using the QA Form.

When corrected documents are received and approved, VR&E staff must instruct the contractor to submit invoices due to the acceptance of deliverables through written communication per the QA form. The feedback mechanism for acceptance or rejection of the deliverable and additional work needed to complete deliverables is the QA Form.

The Quality Assurance Review Reports will also be incorporated into the Quality Assurance Surveillance Plan (QASP), which is conducted on an annual basis by the Contracting Officer.

#### 2. Roles

CAATS user accounts will be assigned to configurable roles to enable various functions in the system. The user will be assigned the role they are permitted to perform as appropriate. The assigned roles are as follows:

- Initiator (VR&E Staff)
- VR&E Approver (the VR&E Officer or designee)
- Initiator/VR&E Approver (in some stations VR&E staff may have both roles, but not on the same referral)

- Finance Approver (Support Services Division [SSD] staff approve invoices for payment)

Special attention must be made to obligation and payment documents to make sure that a separation of duties is enforced properly. Users with dual access (Initiator & VR&E Approver role) must not approve a referral order or invoice they submitted.

### 3. The VR&E Service Group Module

The VR&E Service Group Module in CAATS contains four submodules: Referral/Task Order, Invoice/Payments, Reports and Manual WINRS Payment Voucher (WM) Transactions.

There is an external website in the VR&E Service Group Module in CAATS for contractors to input invoices, which interfaces into CAATS-VR&E Service Group-Invoice/Payment submodule. Please see Centralized Administrative Accounting Transaction Systems (CAATS) Volume 3 – Benefits – VR&E Manual for detailed instructions by accessing the following link:

<http://vbaw.vba.va.gov/bl/20/cfo/MLAC/CAATSTRNGMANUALS.htm>

### 4. General Process Flow

The general process flow for invoicing is as follows:

- (a) The Initiator creates a referral in the CAATS Referral/Task Order submodule.
- (b) The VR&E Approver can then approve the referral (if appropriate) within CAATS.
- (c) The Initiator or VR&E Approver must generate the Referral Form using CAATS and then send to the contractor outside of the CAATS system to initiate work.
- (d) The contractor, after performing the required services in a timely manner and within quality standards, will submit a QA deliverable externally from CAATS for the VR&E Initiator to approve.
- (e) The VR&E Initiator will review the QA deliverable externally delivered and approve or reject as appropriate in the CAATS system.
- (f) The contractor can then create an invoice for all approved QA deliverables within the CAATS system.

- (g) The Initiator can then accept or return the invoice in CAATS to the contractor. Accepted invoices are automatically sent to the VR&E Approver.
- (h) The VR&E Approver can approve or reject the invoice. Approved invoices are automatically sent to the Finance Approver for approval and transmission for payment in the Financial Management System (FMS).
- (i) The Finance Approver will either approve or reject the invoice. After the Finance Approver approves the invoice, the system will generate a WM transaction in FMS based on the data from the Invoice/Payment submodule.

c. Additional Roles and Responsibilities

During the administration of the VetSuccess contracts, the VR&E Officer and Assistant VR&E Officer may both function as a Contracting Officer's Representative (COR). The COR is designated and authorized in writing by the Contracting Officer to perform specific technical or administrative functions. A COR assists in the technical monitoring or administration of a contract and has no authority to make any commitments or changes that affect price, quality, quantity, delivery, or other terms and conditions of a contract.

The COR will work closely with the Administrative Contracting Officer (ACO), the Contracting Officer who is administering the Vetsuccess contracts, to ensure the terms and conditions of the contracts are met. The Voucher Auditor will work closely with the COR to ensure payment of invoices under the VetSuccess contracts are in compliance with the Prompt Payment Act. (See M28R.V.B.7 for more information about Prompt Payment.)

Primary duties of the Voucher Auditor, VR&E Staff, ACO and COR are listed as follows:

1. Voucher Auditor

The Voucher Auditor has the following duties:

- (a) Approve payment of VetSuccess contracting invoices in CAATS as the Finance Approver and submit the invoice to ALAC for payment in FMS.
- (b) The Finance Approver should approve or reject the invoice within three business days of finance approver receipt of the invoice in CAATS.

- (c) Enter payment information into CWINRS for all Fiscal Year (FY) 11 and FY 12 contract service transactions.
- (d) Adhere to the Prompt Pay Act requirements for timely payment of invoices.

2. VR&E Staff

VR&E staff have the following duties:

- (a) Initiate referrals for contract services into CAATS. This may also be delegated to administrative support staff by the supervisor.
- (b) Forward signed, scanned referrals to the VetSuccess contractor and ACO via electronic mail. (Referrals are NOT electronically submitted to contractors in CAATS.) Use of trackable shipping methods or fax may be used if encrypted email or a scanner is not available.
- (c) Forward redacted supporting documentation to the VetSuccess contractor by electronic mail or facsimile. The confirmation of the facsimile transmission must be sent by electronic mail to the VetSuccess contractor indicating the number of pages faxed, the related Veteran name and referral number.
- (d) Ensure deliverables are date-stamped upon receipt.
- (e) Complete the QA Form (See Appendix O, VA Forms) for each deliverable received. VR&E staff should note that for case management, two deliverables may be received for the month, but only one QA Form is required to cover the full month.
- (f) Send the signed and completed QA Form to the VetSuccess contractor and ACO via electronic mail, and save a copy of the form in the contract file within five business days of receipt of the deliverable.
- (g) Update the CAATS Quality Assurance question to indicate if the deliverable report was received timely, and whether it was accepted or rejected (requiring corrections by the contractor).
- (h) Provide first level (Initiator) review and certification of invoices for payment in CAATS within two business days of receipt in CAATS.
- (i) Adhere to guidelines for timeliness for reviewing deliverables, providing QA Forms to the contractor and certifying invoices in CAATS.

3. Administrative Contracting Officers (ACO)

The ACO has the following duties:

- (a) Monitor the contractor's performance against the contract specifications.
- (b) Resolve questions or issues that arise during contract performance.
- (c) Schedule any Government activities required by the contract.
- (d) Issue task orders to ensure compliance with terms of the contract.
- (e) Send a copy of the task order (SF 1449) to the contractor.
- (f) Send a copy of the purchase order (VAF 2237, prepared by ACO) to ALAC for entry into CAATS.
- (g) Ensure that the appropriate BOC is used for a required service.
- (h) Maintain accurate and complete contract files in the Electronic Contract Management System (eCMS), the centralized database for procurement actions.
- (i) Enter performance summary information into Contractor Performance Assessment Reporting System (CPARS)/Past Performance Information Retrieval System (PPIRS), which are web enabled applications used to document and track contractor performance in accordance with FAR regulations.

4. Contracting Officer's Representatives (COR)

The COR has the following duties:

- (a) Complete contract start-up procedures for each contract, including site and personnel approval/disapproval and submit the contractor's background investigation to the Security and Investigations Center (SIC).
- (b) Notify contractor of any unfavorable background investigation results.
- (c) Ensure approved contractor personnel completed required VBA security trainings in the Talent Management System (TMS) at start-up and on an annual basis.
- (d) Maintain an official COR contract file for each contract and be responsible for the documentation of all contract performance. Refer

to section 4.07 of this chapter for instructions on contract file maintenance.

- (e) Submit all written communication regarding the contractor's performance to the ACO so that it can be entered in CPARS/PPIRS.
- (f) Conduct surveillance of the contractor's performance to ensure compliance with technical requirements of each contract. The ACO must be notified immediately if performance is unsatisfactory.
- (g) Work with the contractor to resolve issues at the lowest level possible.
- (h) Document all issues and efforts to resolve issues. Prepare a Contract Discrepancy Report for formal resolution, if informal attempts are not successful. The completed report should be submitted to the ACO.
- (i) Review and approve progress reports, technical reports, deliverables and other items required for approval. This can also be completed by the COR designee.
- (j) Review and approve referral requests in CAATS. This can also be completed by the COR designee.
- (k) Review and approve travel requests submitted in accordance with the contract, including adding travel approvals into the CAATS referral.
- (l) Review and certify invoices as the Approver, which is the level above Initiator, who may be the Vocational Rehabilitation Counselor/Employment Coordinator (case manager) or a program support employee. This can also be completed by the COR designee.
- (m) Certify and submit invoices for payment in CAATS within three business days of receipt of a certified valid invoice. This can also be completed by the primary COR designee.
- (n) Ensure compliance with all aspects of the contract terms.
- (o) Maintain performance data and submit summary reports as required.
- (p) Enter performance summary information into CPARS.

The COR cannot re-delegate their responsibilities or duties to another person, nor does a COR have the authority to bind the Government financially. The ACO may issue Letters of Delegation to the Assistant COR who has been nominated by the COR. COR delegation must remain in

effect throughout the life of the contract unless revoked in writing by the ACO or the ACO completes a COR reassignment.

d. Modifications

If an ongoing service is required that has not been awarded to a service provider under the VetSuccess contract and a VetSuccess contractor is able to provide this service, the contract may be modified to add the service. The VR&E Officer must submit a request for modification to the Director of VR&E Service. The request must include the contractor's proposal to add the service with market research that shows that the price offered is fair and reasonable. VR&E Service contract specialists will review the request to ensure that all required documentation has been provided and will forward the request to the national VetSuccess Contracting Officer for execution.

e. Stations Without VetSuccess Contract Awards

If an RO has a need for contract services that exceeds \$25,000 per fiscal year, VR&E Service and the Strategic Acquisition Center - Frederick will assist with centralized VetSuccess contract procurements. While these stations will have different start-up dates for their VetSuccess contracts, all other requirements will be the same as identified in this section.

f. Waiver Requirement

All VR&E contracts for services that are available under the VetSuccess contracts must be awarded to an awardee contractor unless a VetSuccess contractor is not available to provide the required services. When a VetSuccess contractor is not available to provide the required services, the RO Director must submit a request for a waiver to contract locally for the needed services to the Director of VR&E Service. The request must explain why this need cannot be met under the awarded VetSuccess contracts. Responses to waiver requests will be provided within 10 business days.

4.05 Local Contracts

If the need for contract services is less than \$25,000 per fiscal year, the VR&E Officer may procure the same services offered by the VetSuccess Contracts locally with the support of a warrant-holding Contracting Officer. It is important to note that no local contracts for VR&E services utilizing RB, GOE or Ed/Voc funds will be allowed without a waiver from the Director of VR&E Service (refer to section 4.04.f of this chapter). If a waiver is granted, VR&E staff must enter contract information correctly in CWINRS to reflect the contract award, referrals and payments. CAATS will not be used for these local contracts. An ACO and COR must be assigned to these local procurements and stations must comply

with the requirement to obligate funds with ALAC using the obligation/task order (VAF 2237) funding document prepared by the ACO.

It is also important to note that in accordance with FAR 19.203, the requirement for acquisitions at or below the simplified acquisition threshold (\$3,000 to \$150,000) to reserve acquisitions for small business concerns (FAR 19.502-2(a)) does not preclude the contracting officer from awarding a contract to a small business from one of the required socioeconomic groups (e.g., women-owned, Veteran-owned, service-disabled Veteran-owned, small disadvantaged businesses, HUBZone small businesses or small businesses). The Director of VR&E Service must approve any options with other than a small business and a review must be conducted to establish if it is appropriate.

#### 4.06 Services Not Available through the VetSuccess Contracts

##### a. Tutorial Assistance

Tutorial assistance is not available through the VetSuccess contracts and may be procured locally. A Veteran may be provided individualized tutorial assistance if it is determined that special assistance beyond that ordinarily given by the facility to students pursuing the same or a similar subject is needed to correct a deficiency.

VA Form 22-1903 (See Appendix O, VA Forms) must be used for a tutor contract and must have the concurrence of the VR&E Officer. The Corporate WINRS FMS Vendorizing Sheet (See Appendix O, VA Forms) must also be completed by the tutor to establish them as a vendor in FMS for payment purposes. Refer to M28R.V.B.3 for more information on vendorizing.

In accordance with 48 CFR 2.101, the assistance of a Contracting Officer must be used if the amount of the tutor contract is over \$2,500. A tutor contract may be awarded by the VR&E Officer provided it is under the micro-purchase threshold of \$2,500.

VR&E staff must enter contract information correctly in CWINRS to reflect the contract award, referrals and payments. CAATS will not be used for these local contracts. Refer to the CWINRS User Guide, Chapter 8: Setup and Admin for more information on entering contract information in CWINRS.

##### b. The Special Employer Incentive (SEI) Program

The SEI Program is not available through the VetSuccess contracts and may be procured locally. The SEI program provides Veterans who face extraordinary obstacles in obtaining employment with additional assistance in finding employment in the private sector.

The advantage to private-sector employers is that VR&E Service will reimburse a portion of the expenses incurred as a result of either providing direct employment or work experience to Veterans. It is the responsibility of VR&E staff to explain to the employer that they are not to employ the Veteran until the SEI contract has been signed by all parties. VR&E staff will not make payments to government employers, including federal, state, or local agencies, as a part of this initiative.

In accordance with 48 CFR 2.101, the assistance of a Contracting Officer must be used if the amount of the SEI contract is over \$2,500. A SEI contract may be awarded by the VR&E Officer provided it is under the micro-purchase threshold of \$2,500.

Once the case manager determines that the employer meets the qualifications of the SEI program, he/she will coordinate the signing of the contract. Additionally, the case manager must ensure that the Veteran's Counseling, Evaluation and Rehabilitation (CER) folder contains the following:

- Verification of the employer's compliance with applicable laws and regulations, documented on VAF 28-1905d, Special Report of Training (See Appendix O, VA Forms) or in CWINRS notes
- SEI Contract (See Appendix Q, Special Employer Incentives Contract for a sample of an SEI contract)
- Schedule I form (See Appendix R, Schedule I)
- VA Form 22-8794 (See Appendix O, VA Forms)
- VA Form 20-8206 (See Appendix O, VA Forms)
- VA Form 28-1904 (See Appendix O, VA Forms)
- VA Form 28-1905m (if applicable) (See M28R.V.A.4 for information on the authorization of supplies and equipment)
- A statement on the SEI contract: "The contractor will ensure the Veteran will not displace a current employee or prevent the recall of a laid-off employee."

VR&E staff must enter contract information correctly in CWINRS to reflect the contract award, referrals and payments. CAATS will not be used for these local contracts. Refer to the CWINRS User Guide, Chapter 8: Setup and Admin for more information on entering contract information in CWINRS. Refer to M28R.VI.A.7 for further guidance on the SEI Program.

c. Independent Living (IL) Construction

Procurements of Architectural/Engineering (A/E) services are not a part of the VetSuccess contract but can occur at the RO level with the support of a warrant-holding Contracting Officer in accordance with FAR and VAAR. If costs are over the micro-purchase threshold, these services may be needed to support procurements related to IL Construction.

It is important to note that the government purchase card may be used for these procurements when costs are under the micro-purchase threshold. Refer to M28R.V.B.5 for more information on the micro-purchase threshold and proper use of the government purchase card. It is also the responsibility of the case manager to ensure that criteria and guidelines outlined in M28R.IV.C.9 are properly implemented prior to making a procurement of A/E services. IL construction contract obligations and payments must also be recorded in CWINRS.

4.07 Contract File Maintenance

In accordance with FAR 4.801, a contract file should be maintained for each VetSuccess and local contract utilized by VR&E. VR&E Offices are instructed to maintain a Contract Log (See Appendix O, VA Forms) that is a component of the VR&E Site Visit Program. This log should reflect VetSuccess Contracts for each area and all local contracts and must include the following documentation:

- a. Executed Contract to include signed Standard Form 1449, solicitation and price list(s))
- b. Copies of Authorizations for Services (referrals)
- c. COR Nomination to National CO
- d. COR Delegation Letter
- e. Quality Assurance Reports
- f. Past Performance Reports
- g. Trade Off Documentation when higher cost contractor is utilized
- h. Market Research
- i. Sole Source Justification
- j. Memo authorizing option renewal
- k. Bilaterally and unilaterally signed modifications

- l. Copy of contractor's Insurance Certificate
- m. Contractor's Invoices (copies) or a notice in the file of their electronic location
- n. Supporting Documents - i.e., contractor's proposals and request to Contracting Officer to process modifications

#### 4.08 Use of Letter Contracts

In accordance with 38 CFR 21.294 (f), a letter contract may be used to authorize services for a Veteran when the following conditions are met:

- a. The Veteran is immediately entered into a facility that requires a contract.
- b. The Veteran's rehabilitation plan will be jeopardized by withholding services until a contract can be completed.
- c. There are no known reasons to indicate that a contract may not be completed in a reasonable time.

It is important to note that no local contracts for VR&E services utilizing readjustment benefits, general operating expense, or educational/vocational counseling funds will be allowed without a waiver from the Director of VR&E Service. See section 4.04.f of this chapter for more information on waivers.

If the waiver is approved, VA Form 28-1971 (See Appendix O, VA Forms) may be used to enter into a temporary letter contract or agreement with a facility. Formal contracts must be completed at the earliest date possible, but no later than 90 days from the date of the letter contract. A Contracting Officer must be involved in the development of these contracts.

#### 4.09 Oversight

Oversight for VR&E contracting activities is performed through the established VR&E Site Visit Program at the national level and the execution of a Systematic Analysis of Operations (SAO) – Contracting Activities, at the RO level. See M28R.VIII.A.5 for more information on the framework in examining the quality and accuracy of the implementation of contracting activities.

#### 4.10 Foreign Cases

Contracting for case management services may be authorized for Veterans training outside the United States (U.S.). Contracting activities are conducted in the same manner as those services provided to Veterans residing in the U.S. under the VetSuccess contracts.

The Pittsburgh and Honolulu offices are responsible for contracting services provided in Germany and Honolulu, respectively. These are the only two countries that have contract services. See M28R.V.C.3 for more information on contracting services for foreign cases.