



September 4, 2013

Robert Woodside  
FSSI Office Supplies Program Office  
General Services Administration  
26 Federal Plaza  
New York, NY 10278

Re: OS3 Federal Strategic Sourcing Initiative (FSSI) Solicitation

Dear Robert:

Thank you for the opportunity to participate in the recent OS3 Industry Day and for soliciting feedback from industry on the topics under consideration by the General Services Administration (GSA) as part of the next generation FSSI contract for office supplies.

The Coalition for Government Procurement (“The Coalition”) is a non-profit association of firms selling commercial services and products to the Federal government. Our members collectively account for approximately 70% of the sales generated through the GSA Multiple Award Schedules (MAS) program and about half of the commercial item solutions purchased annually by the Federal government. Coalition members include small, medium and large business concerns that offer office, furniture and information technology products within the scope of OS3 in the government market. The Coalition is proud to have worked with government officials for more than 30 years towards the mutual goal of common sense acquisition.

During the OS3 Industry Day on August 6, 2013, GSA proposed that an entirely new contracting program be created for OS3. The Coalition has significant concerns about this approach and the unintended consequences for customer agencies and GSA Schedule vendors, especially small businesses.

Creating an entirely new contract vehicle for OS3 would result in a duplicative contract that would compete with GSA's Multiple Awards Schedule (MAS) program. Contract duplication is a significant cost driver within the Federal procurement system. When both government and industry invest in duplicative contracts, the result is increased government and contractor administrative, bid and proposal costs without added value to the American taxpayer. Overlapping, redundant contracts have to be managed by government and industry for the entire contract period, which only exacerbates the unnecessary costs that are ultimately borne by the Federal customer. Further, an entirely new contract program similar to the GSA Schedule is likely to create customer confusion about when and how to use the respective vehicles.

The establishment of an OS3 FSSI contract vehicle outside of the MAS program appears to implement GSA's proposed Demand Based Model as part of strategic sourcing. The Demand Based Model, published in the Federal Register in July 2012, was designed to modify GSA's continuous open seasons policy in order to reduce the number of GSA Schedule holders. The creation of an OS3 FSSI contract outside of the MAS program is likely to have the same effect for Schedule 75—it would remove the incentive of the remaining contractors under Schedule 75 (now "closed") to participate in the MAS program. The result would be an even further reduction in the number of office supply companies, especially small businesses, under Schedule 75. A reduction in the number of vendors would also negatively impact competition, a powerful driver of lower pricing for Federal agencies in response to specific requirements and volume commitments.

The Coalition recommends that rather than establishing an entirely new contract vehicle for OS3, GSA take advantage of the efficiencies offered through the MAS program. Schedule 75 contractors have already been vetted by GSA in terms of fair and reasonable pricing and their ability to meet the government's unique socioeconomic and environmental requirements. Experienced Schedule holders have also made significant investments in becoming qualified vendors and GSA business partners as part of the MAS program. Ultimately, the success of the OS2 FSSI BPA can largely be attributed to Schedule 75 office supply vendors' unique experience with and ability to serve Federal customers. As GSA plans how it will proceed with OS3, we

strongly recommend that GSA utilize the efficiency and effectiveness of the Schedules program again.

The Coalition appreciates the opportunity to provide industry feedback on the upcoming contract vehicle for OS3. If there are any questions, please contact me at (202) 331-0975 or [rwaldron@thecgp.org](mailto:rwaldron@thecgp.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'Roger Waldron', with a long horizontal flourish extending to the right.

Roger Waldron

President