



October 18, 2013

Jeff Koses  
Director of Acquisition Operations  
General Services Administration (GSA)  
1800 F Street NW  
Washington, DC 20405

Re: ENERGY STAR

Jeff,

I am writing on behalf of members of The Coalition for Government Procurement regarding the implementation of ENERGY STAR within the Multiple Award Schedules (MAS) program.

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. The Coalition is proud to have worked *with* Government officials over the past 30 years towards the mutual goal of common sense acquisition.

As part of GSA's commitment to helping customer agencies meet their environmental purchasing goals, GSA has established a requirement that products on certain Schedules and SINs must have the ENERGY STAR label. Schedule 36, *The Office, Imaging and Document Solution*, was the first Schedule contract to adopt this requirement. At the time, more than 90% of the copiers, multifunctional devices, and printers on Schedule 36 had been awarded the ENERGY STAR. However, the situation is changing based on the U.S. EPA's release of an updated ENERGY STAR specification for Imaging Equipment in April 2013.

The EPA's objective when establishing a new ENERGY STAR specification is for only the top 25% of products available on the market to earn the label. As such, GSA Schedules that

adopt an ENERGY STAR only requirement run the risk of losing a significant volume of products anytime the EPA chooses to update the ENERGY STAR standards. This is currently the situation with Schedule 36. As of January 1, 2014, any imaging equipment product labeled as ENERGY STAR (that is assembled after January 1, 2014) must meet the new Version 2.0 specifications. In accordance with the EPA's ENERGY STAR Program Requirements, manufacturers are currently certifying products to the new Version 2.0 specifications and will have removed the ENERGY STAR label from all products assembled after January 1, 2014 that do not qualify under the new standards.

GSA has the opportunity to determine how it will implement this change under Schedule 36. On September 23, 2013, the IWA Center distributed a notice to SIN 51-100 contractors stating that all products that do not meet the new ENERGY STAR 2.0 specification must be removed from the contract by January 1, 2014. The Coalition has several concerns about this approach.

1. **Product Availability:** The removal of certain copiers, multi-function devices and printers from Schedule 36 will result in a GSA contract that is less reflective of the commercial market. It is our understanding that approximately 30 - 35% of imaging equipment products in the commercial market that are covered by the new Version 2.0 specifications are likely to qualify for the ENERGY STAR 2.0 label. If GSA chooses to remove ENERGY STAR products that do not meet the Version 2.0 specification from Schedule 36, there will be fewer imaging and document solutions available through the Multiple Award Schedule (MAS) program to meet agency requirements. This change will also impact the broader government marketplace. Due to GSA's ENERGY STAR implementation policy, vendors will have to remove some ENERGY STAR qualified products (i.e. those assembled before December 31<sup>st</sup> that met the prior standard) from BPAs based on the Schedules, including the FSSI BPA for Managed Print Services, other existing agency BPAs, and some contracts at the state and local level. The new Defense Logistics Agency (DLA) Document Services program for the Department of the Navy and Marine Corps would also be impacted. Rather than effectively dictating what products should or should not be available for purchase by government customers, GSA should allow customers the discretion to choose which products they would like to buy in order to meet their 95% sustainable acquisition objective in accordance with EO 13514.

2. **Managed Print Services FSSI BPA:** Removing imaging equipment from Schedule 36 will have a negative impact on the Managed Print Services (MPS) FSSI BPA. This strategic sourcing vehicle was put in place to deliver savings to customer agencies through a greater focus on total cost of ownership (TCO) versus device-based procurements. As GSA transitions to the second phase of the MPS program, it is critical that GSA continue to have access to a wide variety of commercial products on the FSSI BPA so that vendors have the necessary tools to manage existing equipment fleets for participating agencies. Decreasing the supply of products under the MPS BPA will reduce vendors' ability to meet the needs of customer agencies through print management and reduce the effectiveness of the FSSI contract.
3. **Impact on Competition:** Fewer products available under the GSA Schedules will also negatively impact task order competitions in response to customer RFQs. Even if a vendor loses only a few products from Schedule 36 due to the proposed ENERGY STAR requirement, they may be unable to respond to customer solicitations that cover a broad product scope. The number of manufacturers of copiers, multifunction devices and printers is already relatively small compared to other industries. Limiting this small pool of vendors' ability to respond to customer RFQs will reduce competition—the primary driver of low prices for Federal agencies under the Schedules program.

## Recommendations

The Coalition recommends that GSA allow ENERGY STAR products that do not meet the new v2.0 requirements after January 1, 2014 to remain on Schedule 36 through January 1, 2015. This one year period would allow vendors that manufactured Trade Agreements Act (TAA) compliant models specifically for the Federal market to sell this inventory. New products added after January 1, 2014 would have to meet the ENERGY STAR Version 2.0 requirements. There is already precedent for allowing products that have not been awarded the ENERGY STAR on Schedule 36. Currently, copiers with speeds of 100 copies per minute and above are not required to have the ENERGY STAR label.

Thank you for the opportunity to share our recommendations regarding the implementation of the Version 2.0 ENERGY STAR specification for imaging equipment. I am

available anytime if you would like to meet to discuss this matter further. If there are any questions, I may be reached 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