

White Paper



STRATEGIC SOURCING

COPIERS, PRINTERS AND MULTIFUNCTIONAL DEVICES (MFD's)

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I. Introduction

The Coalition for Government Procurement (Coalition) developed this White Paper to review strategic sourcing initiatives of the General Services Administration with regards to copiers, printers and multifunctional devices (hereafter referred to collectively as imaging equipment).

The Coalition for Government Procurement is a non-profit association of over 300 firms selling commercial services and products to the federal government. Our members comprise small, medium, and large businesses actively engaged in federal business. Our members collectively account for approximately 70% of the sales generated through the GSA Multiple Award Schedules program and about half of the commercial item sales made to the government each year.

There are a limited number of full line manufacturers of copiers, printers and multifunctional devices operating within the United States. The overwhelming majority of these manufacturers are members of the Coalition. Six of the companies contributed to the development of this White Paper which makes recommendations to improve the acquisition of imaging equipment utilizing the General Services Administration (GSA) Multiple Award Schedules (MAS) Program.

II. Executive Summary

GSA's focus in acquisitions where it has previously implemented strategic sourcing has been on narrowing the number of suppliers and aggregating requirements across agencies in order to drive prices increasingly lower. Coalition members support the Government's effort to improve the acquisition of imaging equipment. The Coalition is, however, strongly opposed to a narrow view of strategic sourcing that focuses on limiting the number of Government-wide suppliers in order to continually lower prices. While such an approach may be suitable for some commodities and services, the diversity of products and services in the imaging industry and the government's multifaceted, often agency unique requirements, support a different tack. More often than not information and physical security, network compatibility and service response are more significant selection criteria than price. Greater overall financial cost benefits can be achieved by process improvements and good contract management than by trying to solely reduce the unit price of equipment.

The established commercial sector's strategic approach to sourcing imaging equipment and services can provide some lessons for government. Commercial customers look for *cost* savings across their imaging equipment fleet. Best commercial customers save by right sizing their fleet – acquiring the right equipment, for the right locations and in the right quantities. Coalition members report that, customers providing the most data about their needs and actual

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usage patterns realize the greatest cost savings. The savings result from process improvements and greater efficiencies, as well as favorable prices for equipment that actually meets the customer needs.

Thus far, the GSA's efforts to improve the acquisition of imaging equipment have focused on identifying new services, such as print management, that can be added to the MAS program. The Coalition supports those efforts. We do not believe, however, that simply adding products or services will achieve the price or cost savings that a strategic sourcing initiative contemplates.

The Coalition recommends that the Government, like commercial customers, adopt a strategic sourcing philosophy designed to lower the total cost of ownership by right sizing agency equipment fleets rather than focusing merely on reducing the unit price of equipment.

The GSA schedules present an excellent opportunity for the government to implement such a strategy. The schedules provide customer agencies a wide range of choices to satisfy their diverse requirements, while also allowing the federal government to leverage its collective bargaining power. Given the benefits of Schedule contracting, the Coalition believes that GSA should make the Schedules program the platform for strategic sourcing acquisitions.

The Coalition strongly believes that the best way for the government to achieve real savings is by individual agencies issuing Blanket Purchase Arrangements (BPA's) or task orders against the GSA schedule. The individual agency or sub-agency is in the best position to make decisions about its actual needs and leverage its requirements. GSA has a critical role to play by providing agencies tools such as robust MAS contracts, instructions on how to structure BPA's against the GSA Schedule and best practices in the acquisition of imaging equipment.

This paper makes specific recommendations to:

- A. Provide agencies with better quality information to develop technical requirements
- B. Revise the GSA Schedule 36 Special Item Number (SIN) 51-501, Needs Analysis, to encompass additional services
- C. Add a Strategic Source SIN for imaging equipment that eliminates the current barriers between Schedule 36, Document Management and Schedule 70 Information Technology
- D. Provide a model Blanket Purchase Agreement that offers the potential for lowering the total cost of ownership by providing greater transparency into an agency's requirements and eliminating administrative requirements that unnecessarily add to the cost of contract administration
- E. Establish a GSA Program Manager for Imaging Equipment

III. Discussion

a. Definition of Strategic Sourcing

Several definitions of strategic sourcing can be found in the literature. Those definitions include:

“...a disciplined, systematic approach to supplier selection and spend management. <http://www.uwebc.org/scm/StrategicSourcingBestPractices.html>

“Strategic sourcing is itself a benchmark. It relates to getting the best products and services at the best value. It is designed to segment external spend and ensure that procurement resources are focused on the most important categories. What sets strategic sourcing apart is its continuous attention to improving and re-evaluating the purchasing activities of a company, thus enabling organizations to adapt to changing market forces.” <http://www.procurementleaders.com/learninggroups/strategic-sourcing/>

“Strategic sourcing is more than just obtaining the lowest price; it also encompasses value-added activities such as inventory control, automated ordering, and shipping options. Strategic sourcing is intended to consider quality and service as well as price.” A Review of the Commonwealth’s Strategic Sourcing Initiative in Procuring Goods and Services, Legislative Budget and Finance Committee A Joint committee of the Pennsylvania General Assembly, May 2008

These definitions are similar to the term as used by the Office of Management and Budget (OMB).

“Strategic sourcing is the *collaborative* and *structured* process of critically analyzing an organization’s spending and using this information to make business decisions about acquiring commodities and services more effectively and efficiently. This process helps agencies optimize performance, minimize price, increase achievement of socio-economic acquisition goals, evaluate total life cycle management costs, improve vendor access to business opportunities, and otherwise increase the value of each dollar spent.” Memorandum from: Clay Johnson III Deputy Director for Management to Chief Acquisition Officers, Chief Financial Officers and Chief Information, Officer, May 20, 2005

b. Strategic Sourcing is a process that includes data analysis and process improvements

The definitions in Paragraph (a) are all consistent in describing strategic sourcing as a process. Critical steps in that process include an analysis of current usage, data collection and developing new ways of doing business that improve efficiencies and decrease costs.

The overarching purpose of strategic sourcing is to make a critical analysis of current spend for commonly acquired items and use the analysis to determine how to better manage and buy those items. Cost and price reductions normally result from the analysis and process improvements. The General Accountability Office (GAO) conducted a study of the practices of leading commercial companies in improving the acquisition of services. In the report GAO states:

Taking a strategic approach involves a range of activities—from developing a better picture of what the company is spending on services, to taking an enterprise-wide approach to procuring services, to developing new ways of doing business

The report further states:

By arming themselves with this knowledge, the companies could identify opportunities to leverage their buying power, reduce costs, and better manage their suppliers. BEST PRACTICES - Taking a Strategic Approach Could Improve DOD's Acquisition of Services, GAO Report 02-230 January 2002

Notwithstanding the definition and stated purpose, strategic sourcing as it has been implemented in the federal sector has become overly focused on price, rather than the analysis and the process of business improvement. The Government's focus in areas where it has previously implemented strategic sourcing has been on narrowing the number of suppliers and aggregating requirements across agencies in order to drive prices increasingly lower. The strategy may work well in an industry that is highly commoditized, where one item is interchangeable with another and selection can be based on price. Such is not the case with copier, printers and MFD's.

c. Criteria other than price are critical in selecting imaging equipment

Factors other than price are critical to the selection of imaging equipment. An overwhelming number of machines in use are connected to complex computer networks. Unique customer requirements such as security, connectivity, software compatibility, accessibility and environmental factors have become primary drivers in the selection process.

Copiers and printers are no longer stand alone, single function pieces of equipment. The imaging equipment serves multiple functions such as copying, printing, faxing and scanning. As a result, one multifunctional device can take the place of several other devices saving costs for equipment, supplies, and service costs over the life of the equipment. Moreover, the technology is fluid with the average time from deployment to obsolescence becoming shorter.

In this type of environment, the acquisition of a limited number of suppliers awarded based on low price is not an effective strategy because it cannot address the broad diversity of customer needs. Neither does such a strategy address the primary drivers of cost. In both the Government and commercial market, the greatest monetary savings are realized by acquiring the right equipment, for the right locations, in the right quantities. The Government's usual strategy of focusing on price misses the real opportunity to focus on lowering cost by improving effectiveness.

We note that generally while the Government seems to be honing in on a narrower price focused view of strategic sourcing, commercial companies are expanding their approach to examine total cost savings when selecting imaging equipment.

d. Best commercial customers embrace the concept of needs analysis

Coalition members report that commercial customers soliciting proposals rarely use the term 'strategic sourcing'. It is common, however, for commercial companies to use various strategies to leverage their collective buying power to get better deals. Typically, commercial customers look for cost savings on their imaging fleet, rather than trying to get a lower price on the individual copiers, printers and MFD's, and perhaps inadvertently ordering more equipment than is needed.

The best commercial customers embrace the concept of needs analysis to determine future requirements. Prior to starting an acquisition the customers examine their own inventory to identify what composition of equipment and services will lead to optimum service and the lowest total cost of ownership instead of simply replacing existing product. This process avoids a buy that lowers the unit price of equipment but could result in the acquisition of more equipment than is needed or does not fully optimize all company inventories.

Rather than conducting their own analysis commercial customers may have one or more potential suppliers examine their inventory and submit technical recommendations and pricing that optimizes their fleet. All Coalition members report that it is a common commercial practice for them to obtain direct access to information about a potential customer's inventory and usage of printers, copiers and MFD's. They obtain this information in one of two ways,

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- Software programs that monitor the potential customer's network. Copier/printer manufacturers have their own proprietary software that collects pertinent usage data. The software is also available from third parties so that the customers could run the program themselves and provide the data to the copier/printer supplier
- Walk through of the facilities

Imaging equipment companies provide the initial analysis of a potential customer's need for a fee or as part of the business development process. The company then makes recommendations about how to right size the customer's fleet. The company makes a price proposal based on its technical recommendations.

Currently, companies do not operate in the same manner with respect to Government customers because of fear that if they make an assessment and recommendations they will be "conflicted out" of the resulting equipment purchase due to requirements of the Federal Acquisition Regulations 9.5., Organizational and Consultant Conflicts of Interest. The Coalition believes that there would be no actual conflict of interest if using the MAS ordering procedures, an agency would invite three or more contractors to submit pricing proposals based on the contractor's assessment and evaluation. All contractors would have the same access to information. The fear that contractors would quote unduly high prices is eliminated by the competitive nature of the buy.

e. Information about customer needs and usage drives cost down

Without exception all members agree that they offer their best terms and prices to customers who provide the most detailed information about their requirements and usage. Commercial customers that get the best deals share the following traits. They have:

1. Known, specific requirements which they share with potential suppliers
2. Volume, particularly when there is commitment to acquire that volume
3. Centralized item or order program management
4. Strategies for partnering with suppliers
5. Usage in terms of print and copy volumes

Contrary to best commercial customers, Government customers typically share little or limited information about usage and location of equipment. Even when developing strategic initiatives the Government may not communicate mission objectives, quantifiable requirements or even known participants.

Agencies frequently opt to replace whatever equipment they have in place rather than take the opportunity to solicit fewer machines which can be more effectively

utilized or more strategically deployed. The monetary savings from these types of strategic changes can greatly exceed any savings realized by shaving a percentage point off of the unit price of a piece of equipment.

f. Non-commercial Government administrative requirements drive prices up

Imaging equipment is a part of a commodity area where there are costly government unique administrative requirements. The Trade Agreements Act is an example of such a requirement. Most companies have their commercial products manufactured in China where production costs are low consistent with the electronics industry as a whole. Because Chinese products cannot be offered on the GSA Schedule, most companies have a separate production line, located in a TAA compliant country for Government products only. Dual production lines raise the cost to contractors; however, the Government typically does not want to pay more than commercial customers.

TAA is one, but not the only unique cost of doing business with the federal Government. Significant cost result from requirements such as:

1. Product modifications to comply with unique requirements such as security certification
2. Failure to accept commercial payment terms
3. Insistence on co-terminous leases
4. Failure to timely issue purchase orders for leases at the end of the fiscal year
5. Difficulty in collecting payments
6. Resistance to use of new technology allowing remote access to networked equipment to allow meter reads, determine the need for supplies and to maintain equipment.

The increased cost of contract performance is ultimately passed on to federal customers. A reduction of unnecessary administrative cost could potentially result in cost savings for both contractors and government.

g. Previous strategic sourcing initiatives had mixed results

Strategic sourcing for copiers using a strategy of reducing suppliers and price competition has been tried previously by both GSA and state governments. In the early 1980's GSA made a high volume single award purchase of copy equipment to a single location. The award resulted in the best prices ever obtained by GSA for similar equipment. The more significant fact, however, is that the copiers were delivered to a GSA warehouse and never utilized by end users. The technology acquired was not desired and a plethora of issues such as expiring warranties made the items unattractive to potential government customers.

More recently in 2005, GSA initiated another strategic sourcing attempt that died reportedly because agencies were unable to agree on their requirements. In

short, the “one size fits all” approach that a government-wide BPA would bring could not meet the diversity of customer agencies’ needs.

The State of Pennsylvania also had mixed results with strategic sourcing of copiers. The 2004 strategic sourcing contract reduced the number of State copier suppliers from 15 to 1. The state realized low prices and some administrative cost reductions however they also experienced several problems including delays in product delivery and service calls. Of particular note, the state found that savings were being negated by unnecessary purchases and higher-capacity copiers than needed.

IV. Coalition Position

a. Opposes traditional price focused view of strategic sourcing

Coalition members support the Government’s effort to improve the acquisition of copiers, printers and MFD’s. However, we are strongly opposed to a narrow view of strategic sourcing that focuses on limiting the number of Government-wide suppliers in order to lower price. We believe this is a short sighted strategy that may result in a short term reduced price per unit but misses the opportunity for a long term reduction in the total cost of management. The Coalition supports efforts by federal agencies to conduct needs analysis and otherwise develop information about requirements which is shared during the acquisition process.

b. Complex government requirements, support a multiple vendor strategy

A factor that distinguishes Government from commercial agreements is the sheer size, scope and diversity of the Government’s needs. Even a large commercial agreement is small compared to total Government needs. Some agencies have extensive and complex security requirements that do not compare to commercial customers and cannot be addressed by every manufacturer. Other agencies may not have extensive security requirements, but location and geography could be critical factors. Government facilities can be any where from commercial office space in an urban center, to restricted military bases to single user on a mountain top ranger station. Examples of unique agency requirements include:

- The Air Force’s requirement for world wide coverage. This requirement in addition to unique Air Force reporting and web ordering procedures for their AFWAY contract would not apply to any other Federal agency, civilian or DoD
- The requirement by some DoD agencies that vendors provide all moving services related to the equipment based on their BRAC or other status; for non-BRAC DoD agencies and civilian agencies, adding these services would require additional costs with little or no benefit to them
- A multitude of differing, sometimes incompatible security requirements. For example, DoD agencies often require that CAC readers be shipped

with the device. This requirement does not apply to Civilian agencies and would be an unnecessary cost. Requiring security features unnecessary to an agency's needs does not meet the administration's strategic sourcing objectives because it will raise costs and waste limited taxpayer dollars.

The capabilities and strengths of those manufacturers vary across equipment, services and geographic boundaries. A strategic view would dictate that even a single agency maintain relationships with multiple suppliers in order that the agency obtain the best provider for differing requirements. A review of recent federal agency RFQ's and RFP's in this industry will confirm the vast variation in requirements and acquisition methods used by federal agencies.

c. Reduced competition could be an unintended consequence of strategic sourcing

Coalition members believe that limiting the number of suppliers to one or two on a large portion of the Government's requirements through strategic sourcing could have the unintended effect of reducing competition in the broader government market. Companies that lose out on a major strategic sourcing acquisition will have to decide if the revenue that can be expected on other government acquisitions of imaging equipment can justify the cost of contracting. While agency requirements are complex and varied, the industry is comprised of only a limited number of full product line manufacturers. Further, if some companies are locked out of the Government's strategic sourcing business opportunities they may not be able to generate sufficient revenue on the Government's remaining requirements to justify additional manufacturing and administrative costs. This could force some manufacturers out of the Government market, further limiting competition and over the long term raising Government prices.

This dilemma highlights the need for the Government to broaden its view of strategic sourcing to focus on needs analysis and supplier management. The question the Government must address is what management and acquisition tools will result in high quality products and services, with a low total cost of acquisition, while maintaining a viable contractor base of companies willing to supply products and services that satisfy the government's often unique requirements.

The Coalition strongly believes that a good strategic sourcing strategy results in the delivery of high quality goods and services, as well as a reduction of the total cost of ownership by leveraging a vibrant market – not reducing the number of its participants.

d. Strategic use of the MAS offers Government customers price and cost savings

A notable few agencies have approached the market in a similar manner as best commercial customers and achieved similar price and cost reductions. In most instances these agencies have used the Multiple Award Schedule as their acquisition vehicle.

Our membership agrees that the GSA multiple award schedule itself is a form of strategic sourcing, allowing the Government to reach their stated objective through this program. The Government exercises its collective buying power with most favored customer status on the basis of price. Schedule contracts assure daily competition, small business participation, and a wide selection of commercial solutions available at great values. Schedule contracting provides an expedited acquisition methodology by allowing buyers fast access to proven solutions that can easily meet the diverse needs of differing federal agencies.

The scope and diversity of the Government's requirements points to the importance of assigning strategic contracting decisions to the levels within Government where the requirements are known and understood – at and within agencies. Typically that point is at the agency or sub-agency level, where the knowledge of actual requirements is the most robust. The schedule allows an agency to apply leverage at the point that is most likely to drive costs and prices downward.

The MAS incorporates a unique strategy that best leverages both the Government wide purchasing power and knowledge of agency requirements.

V. Recommendations

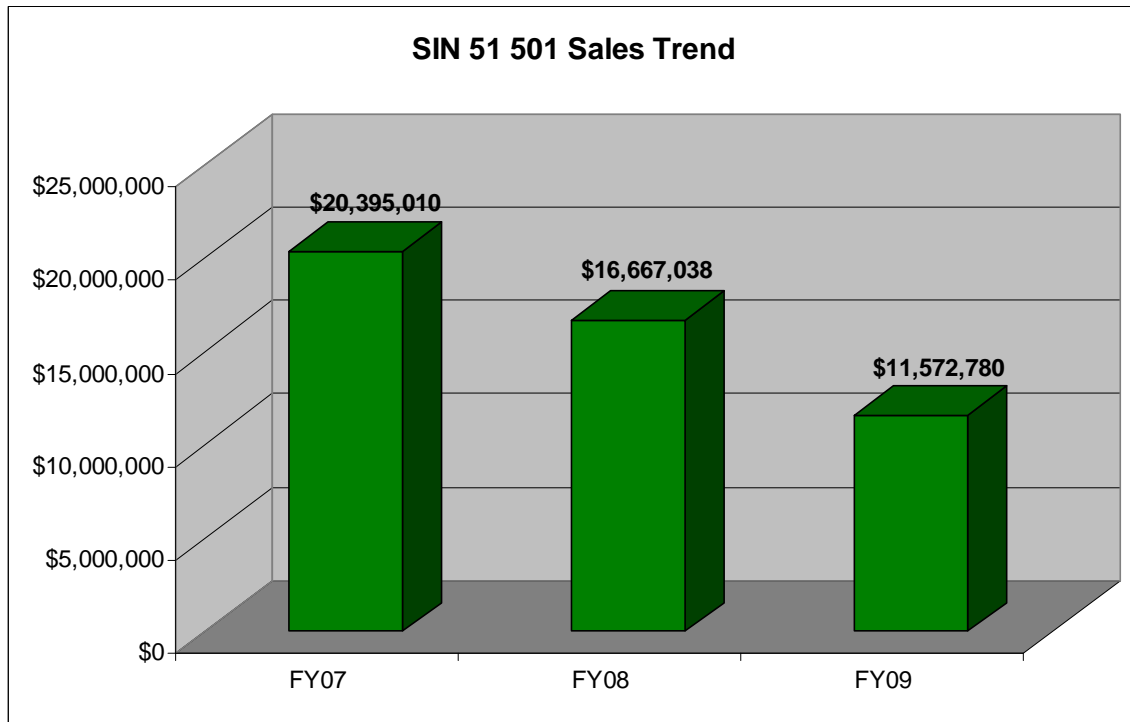
GSA's strategic efforts thus far for copiers, printers and MFDs have focused on identifying new services, such as print management, that can be added to the MAS. Coalition members support those efforts and generally believe that all commercial solutions should be available through GSA Schedule contracts. The Coalition does not believe, however, that additional products or services will achieve the price or cost saving that a strategic sourcing initiative contemplates. The following three factors stand between the Government and the results that it desires:

- Inadequate information about requirements
- More focus on per unit price reduction than cost avoidance when specifying new requirements
- Administrative requirements that unnecessarily add to the cost of contract administration

The Coalition recommends the following steps be taken to achieve the government's goals with respect to lowering total costs for imaging equipment:

1. Schedule 36 includes SIN 51-501 for Needs Analysis and Assessment. Sales under the SIN have dropped significantly over the past 3 years. GSA should examine the SIN to determine the reason why sales have dropped and assure that major commercial contractors are available to federal agencies.

SIN 51-501 Needs Analysis and Assessment



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2. Schedule 36 includes SIN 51-501 for Needs Analysis and Assessment. The SIN should be drafted to assure that it covers an analysis of Federal Supply Class 36, as well as all other related classes, such as 70 Information Technology and possibly even office supplies under class 75. It's important to note that copiers, printers, and fax machines now span federal supply classes. Consequently, GSA must either write SIN descriptions so as to break through the schedule barriers or duplicate language in all applicable schedules.

3. GSA should eliminate the requirement that all network printers be acquired through GSA Group 70. We believe it is appropriate for agencies to acquire network printers through the same schedule where copiers and the vast majority of MFD's are provided, GSA Schedule 36. GSA should allow agencies to acquire imaging devices through both Schedules 36 and 70.

4. The description of this SIN 51-501 should be broadened to encompass services that help agencies implement changes recommended by a needs analysis. Prompt and correct implementation of changes designed to reduce and monitor the total cost of ownership promises significant financial benefits to the government.

5. GSA should allow copier contractors to provide *evaluation* and assessment services under SIN 51-501 to the Government in the same manner as they do commercially. Currently contractors do not operate in the same manner with respect to Government customers because of fear that if they make an assessment and recommendation they will be "conflicted out" of the resulting equipment purchase. The Coalition believes that there would be no actual conflict of interest if using the MAS ordering procedures; an agency invites 3 or more contractors to submit pricing proposals based on the contractor's assessment and evaluation. All contractors would have the same access to information. The fear that contractors would quote unduly high prices would be eliminated by the competitive nature of the buy. This recommendation does not require the establishment of a new SIN. To the extent that a copier contractor prices for these services, the items can be added to the Needs Analysis SIN. GSA should issue guidelines clarifying that this process does not constitute a conflict of interest.

6. GSA should add fleet optimization software to the GSA schedule. This software allows the user to generate reports containing specific data about usage of any printers, copiers and multifunctional devices connected to an agency network. The software identifies who is printing to which devices and what is being printed

- Identifies printing inefficiencies and bottle necks
- Builds inventories of users, printing devices and computers.

Print optimization software could provide data to enhance competition for imaging equipment.

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Some commercial suppliers of print optimization software such as Print Audit, Inc. are not listed as a GSA schedule contractor. If such software is already on schedule, GSA should facilitate the ability to identify it by adding a SIN or a SIN sub-category to schedules 36 and 70.

7. GSA should establish a Strategic Sourcing SIN on Schedule 36

Establishment of a SIN would clearly identify for Federal agencies that the Schedule has a specific place where customers can satisfy their strategic sourcing needs. This is particularly important in imaging equipment where the technology spans both schedule 36 and 70. Some agencies may even look to the MOBIS schedule if they are focused on identifying or implementing process improvements that may impact imaging equipment. Agencies continue to be confused on how to use the schedule program in circumstances where contractors with different aspects of required service solutions are on multiple schedules. The Strategic Sourcing SIN should have the following features:

	Feature	Rationale
1.	Open to all current Schedule contractors, including 36 and 70, that have existing contracts for imaging equipment products and services	Eliminates customer questions of which schedule to use. Facilitates the ability of agencies to solicit and contractor to offer solutions built across schedules
2.	Award based on factors other than price (such as technical capabilities or past performance)	No need to negotiate prices at the SIN level; solutions will be based on products and service priced on existing contracts
3.	Contractors will offer strategic sourcing solutions based on equipment and services on their existing GSA contracts	Task orders and BPA can be negotiated based on actual requirements. Prices will be at or below the GSA schedule price
4.	Establish a minimum estimated volume over the Maximum Order Threshold	Provides volume to generate better prices

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8. GSA should establish ordering guidelines and model BPA that customer agencies can use in strategic sourcing at the agency or sub-agency level. The features of the BPA would be as follows:

Features – Strategic Sourcing Agency BPA Ordering Process

	Feature	Rationale
1	Agency RFQ includes reports from print audit type software or needs analysis	Provides high quality information that can be used to structure lower costs Agencies unwilling to provide access to their systems by 3 rd parties may be more willing to provide usage reports that they run themselves.
2	Optional - Procurement Process allows walk through where security concerns and logistics permit	Provides high quality information that can be used to structure better pricing
3	Agency RFQ states any program objectives e.g. cost reduction, maxim utilization, redeployment of personnel, unique security or information requirements	Provides high quality information that can be used to structure lower costs
4	BPA scope limited to a single agency or sub-agency.	Provides high quality information that can be used to structure lower costs Places contract action at the level which bests leverage the agency requirements A bundled multiple agency BPA dilutes the quality of the information. Reduces the ability of an individual contractor to tailor the best solution for a particular set of requirements. Widely varying needs dilutes the quality of the response
5	Offeror responds with a proposal that accomplishes agency objectives fleet. Offeror may include different #, types or deployment of machines, recommend treatment of equipment in place. Agency awards based on best value	Allows agency to reduce costs by optimizing their fleet as opposed to merely replacing machines with similar models.
6	Estimated volume over the Maximum Order Threshold	Provides volume to generate better prices
7	The first order issued against the BPA shall be for a significant volume	Provides a guarantee of revenue that typically results in lower costs

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8	Minimum 30 day response time allowed	Permits more rational contractor response
9	Preference for award to multiple suppliers	Multiple suppliers may be needed to get the best provider for divergent agency requirements and geographic locations.
10A	<p>Term and pricing - Alternate 1</p> <p>BPA – one year with two, one year options to extend.</p> <p>Term is defined as the period of time that orders can be received</p> <p>Pricing - contractors can offer commercial lease plans of up to 5 Years</p> <p>The agency can place an order up to the last day of the term of the BPA. However the lease for that particular equipment would run from the date of installation.</p>	<p>This method eliminates co-terminous leases)</p> <p>Co-terminous lease is not a commercial practice. Use of commercial practice reduces cost to vendor and potentially lowers price to the Government</p>
10B	<p>Term and pricing - Alternate 2</p> <p>5 years</p> <p>Contractor can offer lease plans up to 5 years.</p> <p>Contractor must offer method of pricing equipment installed after the initial order for less than the lease term.</p>	<p>This method allows co-terminous lease, however, the lease will be price based on the appropriate number of months that it will be leased from the date of installation</p> <p>Reduces contractor losses.</p>
11	Print program manager in the agency encouraged	Increase efficiency and reduce Government cost

The Strategic Sourcing BPA benefits customer agencies, GSA and industry. The process maximizes competition by providing clarity and transparency in agency requirements. Information based on usage reports eliminates the benefit of incumbency and puts all on an equal basis for preparing a price proposal. Moreover, the process takes advantage of a proven, existing acquisition vehicle.

9. GSA should establish a program expert on imaging. The position could take on several important functions including:

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- Developing a Strategic Sourcing Guideline that the agencies can use as a road map to acquiring copiers, printers and multifunctional devices
- Help customer agencies implement strategic sourcing guidelines drafted by GSA
- Work with agencies to ensure they complete needs assessments, prepare appropriate SOWs, and taking other actions to reduce costs by right sizing their inventory of copiers, printers and MFD's
- Work with customer agencies to improve the end of fiscal year process of renewing orders
- Work with GSA contracting to identify alternatives to non-commercial contract terms.
- Assist agencies in understanding commercial pricing models

VI. Conclusion

In view of the complexities of agency requirements and the technology associated with imaging equipment it is critical that the government develop strategic sourcing alternatives collaboratively with both customer and industry stakeholders. The Coalition welcomes the opportunity to discuss this White Paper and other recommendations for strategic sourcing with the government.

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