



March 16, 2010

By Email: Edward.Lew@gsa.gov

Mr. Edward T. Lew
General Services Administration
Federal Acquisition Service (FAS)
Northeast & Caribbean Region
26 Federal Plaza, Room 20-100
New York, NY 10278

Dear Mr. Lew:

I am writing on behalf of members of the National Office Products Alliance (NOPA) to provide you with our advance questions pertaining to RFQ #2QSAB-10-Q-0002 (FSSI Second Generation for Office Supply Products and Commodities). Several of our members and NOPA representatives will attend the March 18 pre-bid conference in Arlington, VA and may raise additional questions at that time.

NOPA, a non-for-profit industry trade association, represents and serves more than 800 small independent office products dealers throughout the United States. Our membership includes a significant number of small dealers that are women-owned, minority-owned, service-disabled-veteran owned. Some operate under the HUBZone or 8(a) programs.

Several hundred of these dealers now sell directly to the Federal Government as individual prime contractors or as part of dealer teaming arrangements that are prime contractors. As such, these dealers have great interest in this FSSI procurement opportunity and thank you in advance for your responses to our questions in writing. Our advance questions are outlined below, with reference to their location in GSA's RFQ overview document in most cases.

1. **Notes to Contractors, Page 2: When can we anticipate release of Attachment 8 showing specific agency commitments to use of the forthcoming FSSI 2nd Generation BPAs?** Since these commitments will have a significant impact on the total purchasing volume generated through these BPAs, this information is critical to vendors' ability to develop viable competitive bids.
2. **Notes to Contractors, Page 2: Can the total number of BPAs awarded, particularly in Pools 1 and 3, be increased?** During the January 13 GSA pre-solicitation meeting, NOPA and its members recommended that a more significant number of BPA's be awarded and that a significant number of them be set-aside for all types of small business bidders and/or that bid evaluation criteria give credit to bidders with small business status. We are concerned that:
 - a. Pool 1 contemplates only 3 BPAs, which given the \$200 million/year estimated opportunity, appears to be wholly insufficient to contribute significantly to Federal Agencies' small business utilization goals; and



- b. Pool 3 contemplates only 2 BPAs, with both earmarked exclusively for service-disabled veteran businesses. Given the importance of toner products in the overall mix of office products that government customers buy, we also believe the number of BPAs in this category needs to be increased – at least doubled.

3. Notes to Contractors, Page 2: Category Pools - Can a firm submit multiple proposals to multiple pools for this RFQ?

- 4. Notes to Contractors, Page 3: Can the bid closing date be extended to at least 45 days from the RFQ issue date?** We are greatly concerned that the stated timing for submission of bids (March 31) is extremely short given the release of the RFQ on March 8. In addition, March 31 is a date when most GSA Schedule 75 contractors receive pricing updates, which would serve as a better base for price bid submissions in response to this RFQ. During the January 13 GSA pre-solicitation meeting with industry, NOPA urged GSA to adopt a reasonable schedule of at least 45 days between the release of the RFQ and the deadline for bid submission, and at least 30 days beyond that for awarded vendors to implement this large comprehensive procurement. Instead, GSA plans to allow only 18 business days between release of the bid documents and the bid closing date. NOPA believes that GSA's planned implementation schedule is also excessively short, and discriminates against and therefore will likely discourage many otherwise qualified small businesses from participation in this large bid opportunity.

5. General Questions

- a. What is the current annual volume under the FSSI contract and what volume was achieved in prior contract years?
- b. For each of the current FSSI contract years, what has been the percentage breakout of purchases from small businesses with socio-economic status?
- c. How did GSA determine that one of the 3 potential awardees of Pool One would be set aside for a service-disabled veteran-owned small business?
- d. Since each bidder's GSA contract will serve as the master contract in the BPA awards, please provide the legal requirements and/or reference to federal regulations that allow any one specific social-economic category to have a set aside guarantee under a BPA that is linked to the GSA Schedule?
- e. If an Agency chooses to join the FSSI group and they currently have a separate negotiated BPA, will they cancel the agency-specific BPA?
- f. Will GSA reimburse some or all of the significant implementation costs (printed catalogs in particular) of BPA awards under the new FSSI if anticipated federal purchasing of office supplies, toners and/or paper does not reach or approach the high volume of purchases expected (\$200 million/year)?



- g. What steps will GSA take to ensure that awarded prime contractors and/or their subcontractors in the three pools are not “pass-through businesses,” and that awarded small prime contractors do not rely heavily (50% or more) for fulfillment on a large national office products company that also is bidding this RFQ? Unfortunately, such situations have occurred under some of the current FSSI contract awards.
- h. Is it possible for GSA to establish a dedicated visible link for the FSSI BPA program on both GSA Advantage and DOD EMall?

6. Section 5.1.3: Recycling Toner

- a. If a vendor has the capability to adjust the standard OEM package labeling using specific labeling in order to fulfill requirements of both a National and International Distribution channel, will use of such labeling be allowed by GSA under the FSSI awards?
- b. What other options for recycling notification are available to facilitate the same process? (i.e., return labels and instructions on packing list)?

7. Section 5.1.4: Batteries

- a. Is this a requirement of the current FSSI contract? What is driving a change in making this process a part of the technical requirements of the new FSSI contract?
- b. What process is currently being used in the office products industry for the bulk recycling of batteries sold to federal agencies?

8. Section 5.4.1 – Program Management Review

- a. Could the planned quarterly management review meetings be conducted via conference calls or using web-based meeting tools to reduce the travel and other costs associated with administering this contract?

9. Section 5.4.2 – GSA Program Funding Fee:

- a. How will GSA require vendors to apply the administrative service fee of 1.25%? GSA contracts now allow for the current .75% industrial fee to be added onto the price of the unit after the discounted GSA price has been applied (i.e. \$10.00 MFC, 9.00 GSA + .00675 = \$9.06 final price under GSA contract)?

10. Section 5.5: Reporting

- a. Are current FSSI awardees required to comply with similar reporting criteria as outlined in this section?
- b. Is anyone uploading the tracking info now and what infrastructure investment is anticipated for compliance?



11. Section 5.7.3: Partial Orders – Fill or Kill (Applicable to Pool 2 only)

- a. Why would there be different criteria for different pools for the back order / stock out requirement?
- b. With this different requirement is the RFQ singling out certain types of organizations and giving preference to them in its partial order handling requirements?

12. Section 5.9.4: Returns

- a. What additional weight will be given in the bid evaluation process to contractors who do not charge a “surcharge” or a restocking fee for returns?

13. Section 5.10.5: Printed Catalog

- a. How does GSA expect a preprinted catalog with “core items” and other prices to be available within 10 days of contract award? Electronic catalogs can be made available in such a period, but there is no reasonable way for this to be done if printed catalogs are required.

14. Section 7: Methodology for Evaluation and basis for BPA Establishment

- a. Paragraph 7 - Is it GSA’s intent to conduct a reverse auction process for all FSSI BPAs or just Pool 2 requirements?
- b. How would GSA compare “best value” for overall contract fulfillment among bidders if GSA is driving for the lowest price from all vendors on a per unit basis?
- c. What factor(s) will be weighted in any reverse auction or in any additional negotiations against the Pools?

15. Other Pricing Factors

- a. Why did GSA change the additional volume discount from annual review / option year to the total volume of the life of the contract?
- b. For the sake of administrative efficiency and other reasons, we believe the contract volume discount should be applied as a discount against the invoice total – and not be reflected in per unit price reduction. Is GSA willing to accept this approach?
- c. Also, we believe that when aggregate volume discount thresholds are reached, this should not reduce the unit price but rather the appropriate volume discount should simply be applied to the total amount of subsequent orders. Is GSA willing to accept this approach?

16. Addendums and Core Items Clarification and Challenges and Other Subsequent Spreadsheets.

- a. There was not enough time to review information in detail in order to submit comments and potential challenges to the core list in time to meet GSA’s March 16 question cutoff date.



- b. To date, we have identified a few apparent errors:
 - i. Line 169 – 7510-00-266-5016 AbilityOne Tape, Olive, Waterproof – Not on AbilityOne APL “A” list and not mandatory to stock or offer on GSA contract.
 - ii. Line 316 – 7530-01078-5649 AbilityOne 50% recycle paper – Not on AbilityOne APL “A” list and not mandatory to stock or offer on GSA contract
 - iii. Line 0329 – HEW112400 – non-recycled paper?
 - iv. Lines 0343-0346 Pallets of Paper? Very few if any vendors offer specific SKU’s for pallets of paper.
- c. Current Prices to Beat Spreadsheet
 - i. Best Value should be used in price determination for this contract when the variables are high in providing a commodity product category that has at any one time over 30,000 SKUs.
 - ii. Lowest price for any single unit does not embrace what anyone vendor may have to cover in the acquisition price of the product.
- d. How is selecting the lowest price across multiple contracting vehicles and multiple vendors allowable in price evaluation for this specific contract? There is a high probability that market research could produce a lower price from different vendors outside of any current BPA based on that vendor’s pricing strategy for that ONE product. Can GSA explain why it believes this is a valid approach?
 - i. Is GSA claiming this is the base price that all bids will be measured against for price criteria?
 - ii. Is GSA setting prices and not negotiating prices based on variable factors and overall best value for the contract?
 - iii. At what point was this information obtained?
 - iv. Did GSA go across BPA(s) which may have different terms and negotiation prices because of the solicitation and terms and conditions that were published at that time?
 - v. Since the current FSSI BPA holds multiple awardees and multiple categories, who and which categories were these prices obtain from?
 - vi. Did GSA market research select lowest price of all current vendors?
 - vii. How many contractors had prices above the selected price? In percentage terms?



viii. How many contractors had prices below the selected price? In percentage terms?

Please let us know if you have any questions regarding our responses.

Sincerely,

Chris Bates
President