



GSA Administrator

SEP 06 2007

The Honorable John F. Kerry
Chairman, Committee on Small Business
and Entrepreneurship
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

This is in response to your letter dated July 6, 2007, regarding the U.S. General Services Administration (GSA) plan to migrate office supplies from our Stock Program to a vendor-direct delivery model. You expressed concerns about the impact this may have on existing small business contractors.

GSA is in the process of considering available options and associated impacts with regard to any change to its method of supply for office products. The plan to migrate office supplies to a vendor-direct delivery model is still in an early stage, especially the acquisition strategy. I assure you that GSA does not and will not support contract bundling. However, sales of our office products have declined by 50 percent since 1996, and we cannot sustain the current business model. We are looking to the small business community to assist us in developing a creative solution to meet our customers' needs for timely delivery of cost competitive office supplies.

GSA's mission is to provide best value to Federal agencies in meeting their needs for supplies in terms of price, quality, and delivery time. We will continue to fulfill this responsibility by retaining nationally strategic, emergency, and noncommercial items in our Stock Program, while planning to rely more on vendor direct delivery for non-emergency, commercially-readily available items, such as office supplies. We are developing an acquisition strategy along these lines that continues to feature a direct relationship with small business, and we are in the early stages of discussions with the Small Business Administration (SBA) regarding this matter.

In order to lay the groundwork for the development of an acquisition strategy, we plan to reach out to the small business community by taking the following steps:

- Sent a letter to all 57 current small business office products contractors outlining GSA's new business requirements and asking for their creative ideas to achieve them.

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- After receiving the small business contractors' suggestions, hold an Industry Day during the first quarter of fiscal year 2008, with participation from SBA, to discuss requirements and potential creative strategies.
- Subsequently, we will meet with SBA as we develop a proposed acquisition strategy based on industry input received.
- Once the coordinated acquisition strategy is approved, we will issue the solicitation during the second quarter of fiscal year 2008.

I hope this information is helpful. Please contact me or if you would like additional information have a member of your staff contact Mr. Kevin Messner, Associate Administrator, Office of Congressional and Intergovernmental Affairs, at (202) 501-0223.

Cordially,



Lurita Doan
Administrator