

November 12, 2010

ACQUISITION ALERT 11-02

MANDATORY USE OF GSA FEDERAL STRATEGIC SOURCING INITIATIVE OFFICE SUPPLY BLANKET PURCHASE AGREEMENTS

1. PURPOSE: This Acquisition Alert provides guidance on implementing the Department of Commerce (DOC) policy on use of the Federal Strategic Sourcing Initiative (FSSI) Office Supply Blanket Purchase Agreements (BPAs). It further establishes the NOAA policy for use of these BPAs and the requirements for justification and approval of any exception to their use through any method of contractual vehicle, including purchase cards.

2. BACKGROUND: The General Services Administration, along with various other Federal agencies including DOC, are focused on optimizing federal buying power through strategic sourcing and collaborative efforts. Toward that end, GSA has awarded fifteen (15) FSSI BPAs for office supplies. Each has a one-year term with three one-year option periods. The BPAs have been negotiated to reflect reduced pricing compared to conventional GSA supply schedules and to capitalize on high-volume discounts that will be realized through multi-agency use of them.

DOC is committed to maximizing use of these BPAs and, through a memorandum issued by the Chief Financial Officer/Assistant Secretary for Administration on October 18, 2010 (Attachment 1), has mandated their use for acquisition of office supplies within DOC with limited exception. The Office of Acquisition Management and Financial Assistance (OAM) issued Procurement Memorandum 2011-03 on October 22, 2010 to prescribe the requirements for justification and approval of exceptions to the use of the FSSI BPAs (Attachment 2).

3. APPLICABILITY: The requirements of the DOC and NOAA policy are applicable to all acquisitions of any dollar value for office supplies, including purchase card transactions. All NOAA staff, including contracting officers, contract specialists, purchasing agents, field delegates, and purchase cardholders, shall follow the DOC/ASA, OAM, and this guidance when making purchases of office supplies.

4. GUIDANCE:

a. Ordering Procedures:

(1) NOAA staff making purchases of office supplies must thoroughly review the attached ASA memorandum and its attachments, which spell out in detail the available BPA pools and ordering requirements and procedures that apply. There are some distinctions in the ordering procedures established for orders valued at under the micropurchase threshold, orders between the micropurchase threshold and the simplified acquisition threshold, and orders over the simplified acquisition threshold (e.g., levels of competition required for each category and when buyers must solicit additional price reductions from vendors).

(2) *Orders at or below the micropurchase threshold (\$3,000)*: Buyers may place orders with any BPA holder without further competition; however, buyers should attempt to distribute their orders at or below the micro-purchase threshold among all BPA holders.

(3) *Orders above the micropurchase threshold up to the maximum order threshold (\$150,000)*: The buyer shall consider reasonably available information about the supply offered by at least three vendors under the BPAs. This may be accomplished either by surveying the BPA-holders through *GSA Advantage!*[®] on-line shopping service or by reviewing the catalogs or pricelists of the BPA-holders. The vendors may be selected from among any of the three vendor pools. In addition to price, when determining best value, the ordering activity may consider, among other factors, the following:

- Past performance
- Special features of the supply required for effective program performance
- Trade-in considerations
- Probable life of the item selected as compared with that of a comparable item
- Warranty considerations
- Maintenance availability
- Environmental and energy efficiency considerations
- Delivery terms

(4) *Orders exceeding the maximum order threshold (\$150,000)*: Each schedule contract has a maximum order threshold established on a SIN-by-SIN basis. Although a price reduction may be sought at any time, this threshold represents the point where, given the dollar value of the potential order, the ordering activity shall seek a price reduction. In addition to following the procedures in the paragraph (3) above, and before placing an order that exceeds the maximum order threshold, ordering activities shall:

- Review the pricelists of additional BPA-holders among either Pool 1, 2, or 3
- Based upon the initial evaluation, seek price reductions from the BPA-holder(s) considered to offer the best value; and
- After seeking price reductions, place the order with the BPA-holder that provides the best value. Even if further price reductions are not offered, an order may still be placed.

(5) Socioeconomic status need not be considered in determining which BPA-holders to survey. GSA awarded the BPAs with consideration to inclusion of small businesses and has since advised that the inclusion of the small businesses itself addresses socioeconomic requirements.

b. Exceptions to Use of FSSI Office Supply BPAs: It is recognized that there will be situations (e.g., immediacy of need, availability of better pricing elsewhere, etc.) that warrant not using the BPAs. In those instances, the acquisition file or purchase card record shall detail the basis for the buyer determining not to utilize the BPAs, and a justification shall be submitted to the Bureau approval authority. Determinations must provide a concise rationale for not using the FSSI BPAs. Those determinations that are based on immediacy of need must also confirm that adequate planning for needs occurred and that urgent requirements do not result from poor planning.

c. **Approval of Exceptions:** Within NOAA, the Senior Bureau Procurement Official has delegated the approval authority to Heads of Contracting Offices. **The contracting officer or purchase cardholder must request and obtain the approval prior to making the purchase from an alternate source.** Field Delegates and purchase cardholders should submit their justifications to the HCO of their servicing Acquisition Division. Requests for approval shall be submitted using the attached Justification and Approval Form required by PM 2011-03 (Attachment 3). To expedite processing, approval of the exception can be obtained by the buyer providing the justification along with any supporting documentation to the HCO via email and the HCO providing an email response of the approval/disapproval.

d. **Distribution of Approved Justifications:** The HCO shall promptly provide a copy of each approved justification to the AGO Policy & Oversight Division at Jerry.Rorstrom-Lee@noaa.gov. The Policy & Oversight Division will forward copies of all approved justifications to both the NOAA Senior Bureau Procurement Official and the Office of Acquisition Management (OAM) at TQueen@doc.gov.

5. POINT OF CONTACT: Questions concerning this Alert should be directed to Jerry Rorstrom-Lee at Jerry.Rorstrom-Lee@noaa.gov.

Attachments:


1. DOC CFO/ASA Memorandum, October 18, 2010
2. PM 2011-03
2. Justification and Approval Form (extract of PM 2011-03)



UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer and
Assistant Secretary for Administration
Washington, D.C. 20230

OCT 18 2010

MEMORANDUM FOR: Heads of Contracting Activity
Chief Financial Officers
Bureau Procurement Officials
Department of Commerce Purchase Cardholders

FROM: Scott Quehl 
Chief Acquisition Officer and
Chief Financial Officer/Assistant
Secretary for Administration

SUBJECT: Federal Strategic Sourcing Initiative Blanket Purchase Agreements
for Office Supplies

In June 2010, the General Services Administration (GSA) awarded fifteen (15) Federal Strategic Sourcing Initiative (FSSI) Office Supply Blanket Purchase Agreements (BPAs) for a base year and three one-year option periods. The BPAs are the result of a collaborative effort of agencies (led by GSA) to provide office supply ordering vehicles for use by Federal Agencies as a means of leveraging the Government's buying power.

DOC is committed to using the BPAs to the maximum extent practicable in order to take advantage of the significant discounts realized through this competition. Savings are expected to range from 5% to 20%, with discounts averaging 19%. The greatest discounts will be for the top 1,000 core office supply items purchased across the Federal Government. Discounts will increase as the collective purchases increase across the Federal Government. Once a tiered discount threshold is reached on collective purchases against a BPA, the next tiered discount will apply to all orders for the life of the BPA or until the next discounted tier is reached.

Effective immediately, DOC Contracting Officers, purchasing agents and purchase cardholders shall first review the FSSI Office Supply BPAs to determine if they offer the best value for the agency (e.g., price, quality, warranty, etc.) before purchasing items from any other source. A blanket exception to use of the FSSI Office Supply BPAs is approved for offices located in Herbert C. Hoover Building or at Census Headquarters when the *PaperClips* store is utilized. Decisions to not utilize the FSSI Office Supply BPAs shall be documented in the acquisition file or purchase card record detailing the basis for determining not to utilize the FSSI Office Supply BPAs and shall include an approval by the servicing Bureau Procurement Official (BPO). (A list of the Department BPOs is included at the end of this memorandum.) No BPO approval is required for use of *PaperClips*; however, if a purchaser in HCHB or at Census Headquarters does not utilize *PaperClips*, use of the FSSI Office Supply BPAs are mandatory unless a specific exception is granted by the servicing BPO. Approval of the exception can be accomplished via e-mail by providing the BPO with the exception determination and e-mail response by the BPO. A

copy of each exception determination shall be provided to the Office of Acquisition Management (OAM) at TQueen@doc.gov. It is expected that determinations will provide a concise rationale for not using the FSSI BPAs that reflects adequate planning for needs occurred and that urgent requirements do not result from poor planning.

It is recognized that there will be situations where either immediacy of need or availability of better pricing warrant not using the BPAs. By documenting the exceptions to use, OAM will be able to provide important information to the FSSI team, particularly where better pricing is available. OAM will monitor use of the BPAs and compliance with the exception process as part of their routine acquisition management oversight.

There are three BPA pools from which to choose. Pool 1 consists of nine (9) BPAs and focuses on participation from targeted socio-economic category businesses. Pool 2 consists of three (3) BPAs focused on lowest price. Pool 1 and 2 vendors carry all the top 1,000 core office supply items. Pool 3 consists of three (3) BPAs for toner products and toner cartridges, and focuses on small disadvantaged and service disabled, veteran-owned small businesses. We recommend comparing prices among BPA holders to obtain the lowest prices.

COs can use e-Buy on GSA Advantage to compete amongst the BPA holders and obtain additional discounts. For example, additional discounts should be offered for large dollar requirements (e.g., \$100,000). COs can also solicit quotes by contacting the BPA holders. Toward the end of calendar year 2010, the large business BPA holders will offer the same discounted prices in their stores if the government purchase card is used.

OAM shall issue guidance regarding the waiver requirements which will apply to non-use of the Office Supply BPAs. If operating units are consistently identifying that the BPAs do not offer the best pricing or unsatisfactory products or service, documentation should be provided to OAM (HHurcome@doc.gov) to enable informing GSA and the Office of Federal Procurement Policy of those issues.

Additional information on accessing the Office Supply BPAs is provided in the attachment.

Bureau Procurement Officials

Mitchell J. Ross, NOAA

Michael Palensky, Census

Darryl Anderson, O/S

Cecelia Royster, NIST

Kate Kudrewicz, PTO

Attachment

Second Generation Federal Strategic Sourcing Initiative

The Second Generation Federal Strategic sourcing Initiative Office Supply BPAs are divided into three pools:

POOL ONE – comprised of nine companies that provide **full office supply** catalogs.

Vendor Name	BPA Number	Socio-Economic Status*
Capitol Supply, Inc.	GS-02F-XA001	S
Document Imaging Dimensions	GS-02F-XA002	S/W
Independent Stationers, Inc.	GS-02F-XA003	S
Metro Office Products LLC	GS-02F-XA004	S/D
New York Inkjet LLC	GS-02F-XA012	S/W
Shelby Distribution, Inc.	GS-02F-XA005	SDVOSB
SITA Business Systems, Inc.	GS-02F-XA006	S/D/W
Stephens Office Supply	GS-02F-XA014	S/W
WECSYS LLC	GS-02F-XA007	S/D

POOL TWO – comprised of three companies that provide **full office supply catalogs, next day delivery, secure desktop delivery, fill/kill and international shipping.**

Vendor Name	BPA Number	Socio-Economic Status*
EZ Print Supplies, Inc.	GS-02F-XA008	S/W
Office Depot	GS-02F-XA009	L
Staples, Inc.	GS-02F-XA013	L

POOL THREE – comprised of three companies that provide **toner cartridges.**

Vendor Name	BPA Number	Socio-Economic Status*
ASE Direct, Inc.	GS-02F-XA010	SDVOSB
Cartridge Savers, Inc.	GS-02F-XA011	S/D
Imaging Systems, LLC	GS-02F-XA015	SDVOSB

*Key for Socio-Economic Status:

S = Small Business

S/W = Small, Women-Owned Business

S/D = Small, Disadvantaged Business

L = Large Business

S/D/W = Small disadvantaged, Woman-Owned Business

SDVOSB = Service Disabled, Veteran-Owned Small Business

To use the BPAs on GSA Advantage and/or obtain current pricing:

- Go to <https://www.gsaadvantage.gov>;
- There are 3 ways to access the FSSI Office Supplies BPA's from GSA Advantage:
 - Select Strategic Sourcing BPA's under Special Programs, or
 - Select FSSI Office Supplies under Products, or
 - Select FSSI Office Supplies under the drop down menu that shows "All Categories."
- Scan down to the listing of FSSI Office Supplies BPAs or to access the FSSI Office Supplies Store directly, enter <https://www.gsaadvantage.gsa.gov/fssi/office-supplies>
- Enter User ID and Password. If you do not have a User ID and Password, register by following the system generated directions to create your User ID and Password.
- Ensure that you follow the order procedures outlined below:
 - *Orders at or below the micro-purchase threshold.* An ordering agency may place orders at or below the micro-purchase threshold (\$3,000) with any Pool 1 Full Catalog BPA holders and Pool 2 full Catalog BPA holders which include next day delivery, desktop delivery, secure desktop delivery, Fill or Kill and International shipping, in addition to Pool 3 toner Only BPA holders. An ordering agency should attempt to distribute orders at or below the micro-purchase threshold among all BPA holders.
 - *Orders exceeding the micro-purchase threshold but not exceeding the maximum order threshold (\$150,000).* Ordering activities shall place orders with the schedule contractor that can provide the supplies that represents the best value. Before placing an order, an ordering activity shall consider reasonably available information about the supply offered under the BPA by surveying at least three BPA-holders from Pool 1, 2, and 3 through *GSA Advantage!*® on-line shopping service, or by reviewing the catalogs or pricelists of at least three BPA-holders. In addition to price, when determining best value, the ordering activity may consider, among other factors, the following:
 - Past performance
 - Special features of the supply required for effective program performance
 - Trade-in considerations
 - Probable life of the item selected as compared with that of a comparable item
 - Warranty considerations
 - Maintenance availability

- Environmental and energy efficiency considerations
 - Delivery terms
- *Orders exceeding the maximum order threshold (\$150,000).* Each schedule contract has a maximum order threshold established on a SIN-by-SIN basis. Although a price reduction may be sought at any time, this threshold represents the point where, given the dollar value of the potential order, the ordering activity shall seek a price reduction. In addition to following the procedures in the above paragraph (for orders above the micro-purchase threshold but not exceeding the maximum order threshold) and before placing an order that exceeds the maximum order threshold, ordering activities shall—
- Review the pricelists of additional BPA-holders among Pool 1, 2, and 3
 - Based upon the initial evaluation, seek price reductions from the BPA-holder(s) considered to offer the best value; and
 - After seeking price reductions, place the order with the BPA-holder that provides the best value. If further price reductions are not offered, an order may still be placed.
- Click on “Ordering” on the right side of the screen to access the “Ordering Site,” or compare prices to determine the lowest priced item by clicking on “Compare Prices” on the right side of the screen.
 - Select the BPA you want to access. Once you proceed to the vendor page, you will be able to ascertain business size, contract number, BPA number, and other terms and conditions that are applicable;
 - Select the products and quantities you want, add them to your cart and proceed to checkout.
 - You can choose to order from one company and get all your supplies in one shipment or order from a variety of companies and get multiple shipments.
 - Upon checkout, choose from a variety of delivery options—3-4 day delivery is standard but next day, desktop, secure desktop and international delivery are available at additional costs.

Other Pertinent Information for Use

No competition is required on orders below the micro-purchase threshold, \$3,000. For orders exceeding the micro-purchase threshold your Contracting Officer can post your requirements on GSA’s e-Buy system or conduct pricing comparisons on GSA Advantage and compete amongst the BPA holders.

Through the use of these BPAs you can be assured you are not paying sales tax when using your purchase card. As well, by using your government-wide purchase card, you'll automatically get the BPA prices (regardless of how orders are placed).

All BPA holders are required to remain Ability One certified resellers.

Reminder: Awards under these programs can help the agency achieve mandatory socio-economic goals and sustainability goals under the Green Procurement Program.

If you are interested in obtaining green office supplies, you will be able to see all available items under various environmental attributes.



UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer and
Assistant Secretary for Administration
Washington, D.C. 20230

OCT 22 2010

PROCUREMENT MEMORANDUM 2011-03

ACTION

MEMORANDUM FOR: BUREAU PROCUREMENT OFFICIALS
HEADS OF CONTRACTING OFFICES

FROM: Helen Hurcombe *Helen Hurcombe*
Senior Procurement Executive
and Director for Acquisition Management

SUBJECT: Justification and Approval for Non-Use of Federal Strategic
Sourcing Initiative Blanket Purchase Agreements for Office
Supplies

Background

The General Services Administration, along with various other federal agencies including the Department of Commerce, are focused on optimizing federal buying power through strategic sourcing and collaborative efforts. Toward that end, GSA has awarded fifteen (15) Federal Strategic Sourcing Initiative (FSSI) Blanket Purchase Agreements (BPA) for office supplies. Each BPA has a one-year term with three one-year option periods and have been negotiated to reflect reduced pricing compared to conventional GSA supply schedules and to capitalize on high-volume discounts which will be realized through multi-agency use of these BPAs. The Department of Commerce (DOC) is committed to maximizing its use of these BPAs and, through memorandum from the Chief Financial Officer/Assistant Secretary for Administration dated October 18, 2010, (Attachment 1) has mandated the use of these BPAs for acquisition of office supplies within DOC with limited exception. The mandatory use of FSSI BPAs is of paramount importance within DOC.

Purpose

The purpose of this memorandum is to prescribe the requirements for justification and approval of any exception to the use of FSSI BPAs for acquisition of office supplies through any method or contractual vehicle, including purchase cards.

Applicability

The requirements of this policy are applicable to all acquisitions for office supplies including purchase card transactions.

Required Actions

Prior to entering into any acquisition of office supplies not obtained through the FSSI BPAs, except for transactions at *PaperClips* stores, the contracting officer or purchase cardholder shall

complete a *Justification and Approval for Non-Use of FSSI BPA for Office Supplies* form (Attachment 2). The content and approval process for the form is as follows:

1. Document the Justification for Non-Use of FSSI BPAs
The basis for determining that the non-use of FSSI BPAs shall be specifically documented. For example, if the basis for non-use is price advantage of an alternative vendor, the prices compared for the determination must be included in the documentation. If the basis for exception is time constraint which prohibits the use of the one-day delivery available from FSSI vendor(s), the time constraint must be specifically described including the impact to the mission of the organization. If another basis for non-use is determined, the basis for that determination shall be specifically documented.
2. Obtain Approval for Justification for Non-Use of FSSI BPAs
The justification including supporting documentation shall be approved by the Bureau Procurement Official (BPO) for acquisitions including those utilizing the purchase card. This authority may be delegated no lower than Head of Contracting Office at the discretion of the BPO.
3. Retention of Justification and Approval in Contract or Purchase Card File
The contracting officer or purchase cardholder shall retain the approved form in the contract or purchase card file.

Oversight and Data Management

Non-use of the FSSI BPAs for office supplies will be reviewed through the acquisition management review process. In addition, based on current and contemplated strategic sourcing initiatives, data calls regarding the number and basis for justifications and approvals for non-use of FSSI BPAs may be conducted. On an ongoing basis, Bureau Procurement Officials are asked to provide information to the Senior Procurement Executive regarding observed trends for acquisitions for office supplies outside of FSSI BPA and the basis for the exceptions so that feedback can be provided to GSA regarding the effectiveness of the FSSI BPAs and opportunities for improvements.

Effective Date

The requirements herein are effective immediately through May 31, 2014, or until rescinded.

The point of contact for this matter is Lori Donovan, 202-482-1716 or ldonovan@doc.gov.

Attachment: Justification and Approval for Non-Use of FSSI BPA for Office Supplies Form

cc: Heads of Contracting Activity
Chief Financial Officers
Bureau Procurement Officials
DOC Purchase Cardholders
Acquisition Community
Acquisition Council

**DEPARTMENT OF COMMERCE
JUSTIFICATION AND APPROVAL FOR NON-USE OF FEDERAL STRATEGIC
SOURCING INITIATIVE (FSSI) BLANKET PURCHASE AGREEMENTS (BPA)
FOR OFFICE SUPPLIES**

Use of General Services Administration's FSSI BPAs for office supplies is required for the Department of Commerce. Purchase of any office supplies from any vendor other than the FSSI BPA vendors, except for *PaperClips* stores, must be justified and approved by the Bureau Procurement Official or Head of Contracting Office, if so delegated, for purchase orders, contracts, or purchase card transactions.

Justification and Supporting Documentation (provide specific information regarding basis for non-use including price factors, availability factors and/or time constraints (see Procurement Memorandum 2011-01).

Requested by: _____
Signature Date

Name of Purchase Cardholder or Contracting Officer

Approved by: _____
Signature Date

Name and Title of Approving Official*

*Bureau Procurement Official or Head of Contracting Office