

# Industry Market Research for the MRO Supplies Strategic Sourcing Solution

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## Background:

GSA is working with OMB and partner agencies to create 10 new government-wide strategic sourcing solutions (S2) for a range of commonly purchased products and services. One of these new solutions will be for Maintenance, Repair, and Operational supplies (MRO). GSA is taking a lead role in developing this solution to bring common sense improvements to the acquisition process.

To date, GSA's MRO team counts more than 20 federal agencies, both military and civilian, as active participants in the development of this solution. An important part of the FSSI process is working with industry to understand ways the government can reduce its costs through smarter contracting and better data management. Past industry engagement resulted in industry identifying purchasing practices such as order size and delivery requirements, as well as commodity management and usage practices which increased costs to the government which were then applied to current FSSI solutions.

## Objective:

To ensure MRO is the most effective strategic sourcing solution, the objective of this market research effort is to foster meaningful, significant Industry feedback through written and verbal communication.

## Process:

This market research effort is being conducted as a two-step process. The first step is for Industry Partners to fill out responses to questions asked in this document (which will be called a "white paper"). The white paper shall be marked as proprietary and sent via email to: [FSSI.MRO@gsa.gov](mailto:FSSI.MRO@gsa.gov).

The second step in this process, for those Industry Partners who have completed step one, is to

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agree to the Ground Rules detailed in this document and schedule a One-on-One meeting with the MRO team. This request should also be sent via email to: [FSSI.MRO@gsa.gov](mailto:FSSI.MRO@gsa.gov).

Availability for interviews is limited. Interviews will be conducted on a first-come-first-serve basis with the first 20 respondents.

### Ground Rules:

- 1 Both the Government and Industry Partner will communicate with honesty, integrity, and confidentiality.
- 2 Government resources to perform this effort are limited, so are able to accommodate one session per company (regardless of how many companies form a conglomerate).
- 3 No marketing efforts. The intent of this effort is to discuss issues and generate ideas affecting the JanSan strategic sourcing vehicle, not go through company capabilities.
- 4 Participation in this process is strictly voluntary.
- 5 Industry Partners are asked to provide a substantive response to several of the questions on the white paper. Please keep the length of the white paper to no more than 5 pages. Vendors will have the chance to further expand on their answers.
- 6 Participation in this effort will have no bearing on future awards of contracts under the MRO FSSI vehicle.
- 7 One-on-One sessions will generally last 45 minutes. The content of the One-on-One sessions will be centered around the Industry Partner's white paper and related matters affecting MRO, not around specifics of the company..
- 8 One-on-One sessions will be conducted with two MRO team members. However, there may be more MRO team members present to observe any given session.
- 9 One-on-One sessions may be conducted via telephone and/or Webex.
- 10 One-on-One sessions may be conducted in person in the Washington DC metro area or the Fort Worth, TX metro area as Government resources allow.
- 11 One-on-One sessions will be scheduled on a first come, first serve basis.
- 12 The window to schedule a One-on-One session begins February 11, 2013 and ends February 15, 2013.

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- 13 There will be a limited number of twenty (20) spots and we cannot guarantee that all session requests can be scheduled. Once all spots are filled, further requests will be waitlisted.
- 14 Industry Partners who have submitted white papers prior to this announcement are not required to submit another white paper in order to schedule a One-on-One session, but may do so if they have further comments to offer.

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## COVER SHEET FOR WHITE PAPER:

	<b>Author's Name:</b>
	Author's Name:
	<b>Company Name:</b>
	Company Address
	Phone:
	email:
	<b>Market Research Questions:</b>
<b>1.</b>	Under which NAICS Codes has your company performed under the past 2 years?
<b>2.</b>	For each NAICS code, please identify if you are a large or small business.
<b>3.</b>	If small business, are you a:
<b>3a.</b>	Small Disadvantaged 8(a)?
<b>3b.</b>	Woman-Owned?
<b>3c.</b>	HUBZone?
<b>3d.</b>	Service Disabled Veteran Owned?
<b>4.</b>	What GSA contracts does your company currently hold?
<b>NOT E:</b>	These questions are for market research purposes only and will not have an impact on the award process.

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## WHITE PAPER QUESTIONS:

### SCOPE:

Currently, the scope of MRO is contemplated to include offerings such as:

<b>Sub-Category</b>	<b>Examples</b>
<b>Power Tools</b>	Power drills, metal cutting tools, machining centers, etc.
<b>Power Sources &amp; Lighting</b>	Power generators, lamps, light bulbs,
<b>Hand Tools</b>	Wrenches, screwdrivers, cutting tools, etc.
<b>Electrical Equipment &amp; Components</b>	Wire, cables, transistors, actuators, etc.
<b>Safety Protection &amp; Aid</b>	Face and head protection, respiratory protection, etc.
<b>Heating &amp; Cooling</b>	Heating equipment, ducts, controls, etc.
<b>Material Handling Machinery &amp; Equipment</b>	Lifting equipment, conveyors, ropes, chains, etc.
<b>Containers/Storage &amp; Packing Supplies</b>	Packing tools, industrial paper, crates, etc.
<b>Pumps &amp; Motors</b>	Electric motors, pumps, compressors, etc.
<b>Paints, Adhesives, &amp; Sealant Components</b>	Paints, primers, solvents, glues, etc.
<b>Pipes, Valves &amp; Fittings</b>	Hoses, seals, filters, tubes, etc.
<b>Hardware</b>	Nuts and bolts, nails, components, forgings, etc.

- 1 What other core scope areas do you feel should be included on MRO and why?
- 2 How many of the sub-categories identified does your company have the 'in-house' resources to integrate?

### DATA COLLECTION & REPORTING:

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Data collection and analysis is an important component of any strategic sourcing initiative. Understanding how products are purchased is key to ensure that future solutions will represent win-win for both the government and the vendor community.

- 3 How will Industry best report sales and savings data from MRO customer purchases?
- 4 Do you have recommendations addressing the need for part number standardization? What would this entail? How may it be sustained with evolving product technology design?
- 5 What incentives can be realized by moving federal spending from retail to the MRO FSSI?

### IDENTIFYING COST DRIVERS:

Understanding and addressing operational inefficiencies can deliver win-win solutions for both the Federal Government and Vendors.

- 6 What purchasing behaviors add to your cost of doing business with the federal government? Are there government operating practices that could be changed to reduce your costs and therefore allow you to offer lower prices?
- 7 What other factors affect prices? Examples might include: Freight, delivery times, product weight, “gold plating”, multiple quantities, etc.
- 8 Broad delivery options (for example OCONUS) are additional goals of the FSSI program. Do you have suggestions with respect to how we could achieve these goals?
- 9 How can we best streamline the evaluation process, lower your proposal costs, and still make meaningful distinctions?

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## EASE OF USE:

- 10 What are benefits and drawbacks of a limited set of approved items versus bidding on your entire catalog?
- 11 What do you recommend as best practice(s) to refresh the items in your catalogs to include the latest offerings from market that change rapidly, specifically, offerings for sustainable technologies and environmentally preferable materials and products?
- 12 What challenges are there with participation in a requisition based ordering platform?

## GOVERNMENT-WIDE STATUTORY GOALS:

An important goal for our FSSI solutions is to baseline current participation of various constituencies and to maximize small business opportunities.

- 13 What would the ideal number of vendors providing solutions for MRO be?
- 14 Are there specific segments of small business that lend themselves to some MRO sub-categories better than others?
- 15 Do you have additional recommendations for partnering with government?

## DYNAMIC VENDOR PARTICIPATION:

- 16 How could the government give opportunity to vendors that have initially been unsuccessful the opportunity to re-engage?

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- 17 What are best practice(s) that could also allow Industry to update their product offering more dynamically; for example, as more environmentally-friendly products become available, how should they be introduced within the context of the FSSI solution?
- 18 How can we best introduce an element of dynamism in the products and prices offered?

### **OTHER:**

- 19 Please use this question to identify any other thoughts, concerns, or ideas your company would like to share with the MRO team.