

ISSA Engages GSA On Federal Strategic Sourcing

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Tagged: Blog-Dec-2013, Federal Strategic Sourcing, Government Procurement, GSA, ISSA, jansan, Maintenance, purchasing

Published on December 18, 2013 with 1 Comment

FMAAlert

In recent weeks, ISSA (the International Sanitary Supply Association) has had several meetings with officials of the U.S. General Services Administration (GSA) and the U.S. Small Business Administration as well as congressional representatives in support of the association's efforts to mitigate the anticipated substantial adverse economic impact that federal strategic sourcing will have on the commercial cleaning products industry. During these meetings, ISSA advocated for an extension of the RFQ response date and increased business opportunities for association members under the strategic sourcing framework by calling upon GSA to:

Increase the number of Blanket Purchase Awards (BPAs) awarded under the JanSan Request for Quotation (RFQ) from 21 to 100. Increasing the number of BPAs awarded, among other things, will provide ample competition which will ensure best value for the customer while continuing to yield savings to GSA.

Implement a Small Business Recertification requirement that would be triggered at the Task Order Level and at predetermined dates during the life of the BPA. This approach will allow the inclusion of an onboarding strategy for new Small Business entrants to replace those Small Businesses that grow to "Other Than Small Business" as a result of the directed spend that will be generated by this BPA.

Create a pool or preference for buying groups. ISSA recommends a minimum of four groups which will ensure nationwide coverage. Dealing with buying groups provides efficiencies and savings to GSA because of centralized processes within a buying group, and it also can provide access to local support and services.

Make strategic sourcing "non-mandatory" or reduce the amount of federal spending that GSA seeks to channel through strategic sourcing. GSA's intent, as articulated in the RFQ, is to channel as much federal spending as possible through the 21 JanSan BPAs and has secured letters of commitment in this regard from various agencies. This scenario will result in artificial oligopoly-like market conditions that erode the nation's industrial base and ultimately will result in higher prices and lower value to the customer. Reducing the amount of federal spending that will be channeled through the 21 BPAs would support competition in the market place and help reduce erosion of the industrial base.

The federal government is in the process of implementing strategic sourcing to drive financial savings related to government procurement. GSA is the agency implementing strategic sourcing at the federal level, and intends to address 10 major industry sectors. At the present, GSA is focused on the JanSan sector.

As currently drafted, the RFQ would inflict economic distress on those companies that are currently doing business with the federal government (i.e., a GSA schedule holder). In effect, the RFQ would disenfranchise hundreds of companies in the JanSan sector by eliminating the opportunity for them to continue doing business with the federal government because GSA intends to:

Decrease the number of GSA Blanket Purchase Agreement awards to 21 vendors—a drastic reduction from the estimated 900-1,000 plus vendors that currently supply the federal government with JanSan products and supplies; and

Require all federal agencies to purchase JanSan products from only the selected 21 vendors, diverting business away from those vendors that currently do business with the federal government.

If implemented in this manner, the estimated 1,000 or so JanSan vendors who currently do business with the federal government would be whittled down to 21 vendors—meaning that close to 980 companies would be precluded from doing any further business with the federal government, and would suffer a substantial loss in sales revenues, leading to likely layoffs and cause.

ISSA awaits GSA's response to its suggestions to improve the JanSan RFQ. The association is also contemplating filing an official protest if GSA continues to move forward with implementing the RFQ as drafted. A protest would have the effect of slowing the process down, and also provide industry with the opportunity to negotiate a preferred outcome with GSA officials.