

Interagency Council on Printing and Publications Services Washington, DC

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General Services Administration
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In reference to the Proposed Rule – Federal Acquisition Regulation; Procurement of Printing and Duplicating through the Government Printing Office, the Interagency Council on Printing and Publications Services¹ (ICPPS) would like to offer the attached Implementation Impact Report.

Thank you for the opportunity to comment on these proposed changes. Please feel free to contact us if you have any questions or need further information.

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¹ The Interagency Council on Printing and Publication Services consists of Executive Branch representatives from each department's Central Printing Procurement Management Organization.

Implementation Impact Report

Proposed Rule – Federal Acquisition
Regulation
Procurement of Printing and Duplicating
through the
Government Printing Office

Submitted by
Interagency Council on Printing and Publication Services

General Comments

OMB states the reason for changing the FAR regarding procurement of printing is to “open competition”, “save money”, and provide greater opportunities for small businesses. We believe that by enacting OMB’s proposal, the government will end up spending more on printing than it currently does. The public will have far less access to documents they are entitled to, competition will actually be restricted, and any semblance of consistency in presentation of information, formats, styles, cost efficiencies, will be lost. The ultimate customer – the taxpayer – will end up paying more and getting less. The current system does need upgrading to ensure government customers are getting the best value printing services. However, we propose that the current GPO system can be enhanced to accommodate this need.

OMB also stated that there are a multitude of complaints regarding GPO’s services. On the whole, ICPPS believes GPO provides excellent service. OMB had difficulty finding any customers to testify in support of their proposal at the hearings before the Joint Committee on Printing during the summer of 2002. Regardless of the system used, there will always be some problems. That is reason to upgrade and enhance a system, not dismantle it in its entirety and replace it with something more expensive and less responsible.

GPO currently sends out approximately 80% of the printing requests for open competitive bids. The competition is open and especially considerate of the small business vendor. We do not see that these proposed changes will enhance the opportunities for small business. Currently the vendors come to one source, the GPO listing, to find opportunities to bid on and will not be dealing with multiple department bid processes under the proposed change.

2. Procurement of Printing and Related Supplies.

a. Freedom to Choose Among Different Printing Sources

The basic argument that inspired this effort is the professed unconstitutionality of Title 44 demanding that Executive Branch entities procure printing services through the Government Printing Office on the basis of the separation of the legislative and executive branches. The question therefore becomes, does that principle alone justify the transfer of responsibilities from a professional Government entity committed to producing Government information products for the whole and reinstating or duplicating the processes in agencies and the General Services Administration? We maintain that it should not matter when both the public and the Government as a whole are served through a central body dedicated to produce and disseminate Government information. Aside from department requirements, the GPO produces the Federal Register, Code of Federal Regulations, and the like for the Government and its entities. Whether

the procuring office is GPO or department should not be an issue. The fact remains that GPO can facilitate printing requirements and attend to agency/department needs far better than department procurement offices, particularly since department procurement responsibilities are already stretched with their current workload demands without having to assume printing responsibilities. Further, GPO could modify its procedures to meet certain specifications as outlined in the proposed rule.

We support the premise that “Executive Branch departments and agencies should select printing and duplicating services based upon the best quality, cost, and time of delivery.” We believe though that the GPO based on their established and proven expertise, would meet these attributes and should be the primary source available to agencies to procure printing services. Several departments have suggested that *some flexibility* for limited direct procurement for items of small dollar amounts and procurements with urgent delivery requirements be allowed. However, the majority of their work would continue to be submitted to GPO for competitive bids.

b. Limited use of in-house or other Executive Branch printing operations.

The proposal calls for limiting use of current Executive Branch printing operations under the assumption they are inherently less cost-effective than commercial sources. Historically the in-house operations have been chartered specifically to produce work that cannot be procured commercially due to constraining circumstances, such as sensitivity of work or critical production timeframes. Even within these constraints the production parameters are limited regarding run lengths and color work.

Even if agencies are not going to be required to procure their printing through GPO, these mitigating circumstances will still necessitate the existence of some in-house operations. Due to these historic production constraints, in-house facilities are at a distinct disadvantage when cost comparisons are done with the private sector that do not operate under the same constraints. Therefore, in-house facilities should be permitted to improve their cost efficiencies of in-house production by being able to increase run lengths and upgrade their processes to ensure the most cost effective processes and equipment are employed. As the majority of production costs are incurred in the initial job setup and makeready, longer run lengths result in lower unit costs.

The use of in-house operations should be based on the same principal of best value that is being sought in the proposed regulations change. A department should be able to utilize their in-house operations when it is demonstrated that they offer the best combination of price and service. It should not be strictly a lowest cost decision. That is precisely what these proposed regulations are trying to move away from, to base the decision on best value. An in-house

facility should not be prohibited from upgrading or expanding its equipment and operations if they continue to show best value, i.e. their costs are demonstrated through benchmarking to be competitively priced and provide best value to the customer.

c. Use of Competition to Open Opportunities

To further ensure “best quality, cost, and time of delivery,” while not presuming to speak for GPO, it would seem practical that GPO could advertise Executive agencies’ work via FedBizOpps as well as their master bidders list, providing opportunities to approximately 12,000 printers, with substantial work (70 percent in fiscal year 2001) going to small businesses. This would meet what OMB is seeking without having to dismantle an established system.

The proposed rule contends that agencies should have the “freedom” to select printing sources. This “freedom” however, would challenge department components to exercise due care in planning their printing needs as their printing requirements would need to be submitted to the same office that procures their other materials in excess of \$2500 and therefore, are subjected to a “first come, first served” basis. A printing need does not always translate to what a procurement specialist would classify as an “unusual and compelling urgency.” Furthermore, the requirement to advertise in FedBizOpps would extend the time of delivery, tying up a printing procurement for an unspecified period of time.

Today, agencies have the “freedom” to refer jobs to GPO at their pace and know that generally their expected delivery date will be met. Moreover, department offices have the latitude, regardless of cost, to refer printing jobs to GPO from the originator level. That is to say, the originator of such jobs does not have to be a procurement specialist or a contracting officer with a designated procurement office. The job can be taken directly to any GPO office by the appropriate printing specialist, administrative officer, support employee, or even an office secretary, depending upon the structure of the organization. Under the proposed rule, such work in excess of \$2500 would have to be referred to department procurement offices, thereby compounding the already existing heavy workload and extending a reasonable delivery timeframe. This beneficial attribute for using GPO should qualify the department to be the better avenue to attend to delivery schedules.

Customers laud GPO for resolving printing problems on their behalf, and believe the surcharge is worth having GPO perform printing responsibilities on their behalf rather than having to assume those responsibilities themselves. Customers have experienced difficulties with printers and GPO has intervened and recovered costs. In addition, referring printing work to GPO, frees up procurement specialists and field warranted officials to attend to other workloads, while being assured that all contractual particulars in printing are being handled by a competent and experienced Government department. The GPO has the

expertise and commands the respect within the printing industry to deal with various printers and is equipped to challenge shortcomings that may materialize within a job. Consequently, department procurement specialists do not possess this expertise and could be vulnerable to being subjected to some incomplete or substandard work.

The GPO's expertise saves money for the Government. Printing is not like buying a fixed price item. No job is the same in content or cost. Customers without printing expertise must have the means to verify that printers are producing the most economical and quality product for them. As the Government's agent, GPO has interceded on their clients' behalf and produced savings that would have otherwise cost the Government more if the clients had contracted directly with the printer. Examples of such outcomes are expressed in the Public Printer's testimony as follows:

- Changing the paper stock that was chosen by the client saved the Government \$17,350 from the original estimate with the non-stock paper.
- GPO successfully outbid two local copy shops on a quick-turnaround job that saved the Government \$3,834.
- A 3 million copy job was split into two jobs and bid out to two printers GPO deemed to be best suited to do the work and saved the Government \$68,309.

The proposed rule stipulates that when GSA creates multiple award schedules (MAS), all orders exceeding \$2500 would be advertised via GSA Advantage. Presumably, there would be an electronic form specially designed for print orders that a procurement specialist would prepare detailing all of the specifications. Also, MAS as in place today, has national application whereby vendors are typically nationally based. This would not encourage small business participation, unless the MAS are issued by metropolitan or citywide areas.

The proposed restriction to limit the contract term to one year is needlessly restrictive, inefficient and will not meet the business needs of Federal departments. The great majority of department workloads are the result of court decisions with appeal rights or legislatively driven which require daily or weekly written communication with the American public regarding decisions, benefits, etc.

To effectively administer these printing contracts, departments are faced with long start-up timelines on contracts that have daily production requirements. These start-up timelines require the contractor and/or the Federal department to perform lengthy and extensive programming and testing. Where daily or weekly contractor production is required, a transmission line must be installed from the

Federal department to the contractor site, which can take from 6 to 8 months for the installation and line testing before live production can begin.

We believe that as long as contractors have the opportunity to compete for the original contract, it does not seem cost effective to limit the duration to one year. We recommend the term of the contract to be one base year with optional extension years not to exceed five years.

d. New Opportunities for Small Business

Although GSA would be the principal body to produce procurement vehicles for printing, the proposal does not take into account that with this “liberation,” other Government mandated sources such as the National Industries for the Blind under the Javits-Wagner-O’Day Act (JWOD) would likely emerge more prominently and compete or rather impose that they are mandatory sources that cannot be ignored in fulfilling certain Government printing needs. The Federal Prison Industries (UNICOR) likewise performs printing services. Refuting the mandate of Title 44 to procure printing through GPO could serve to mobilize these mandatory sources to proclaim themselves as “first sources” if they are providing these services. Procurement offices customarily recognize and accord these entities to be primary and mandatory sources for commodities they provide. Therefore, to streamline the procurement process for printing, these entities could be assigned work within a certain threshold, for example \$2500 to \$10,000, irrespective of the competitive desires being sought in this proposal. Or does the FAR Council aim to require that these mandated sources likewise compete? If so, wouldn’t that dilute these sanctioned sources’ mandatory status for other commodities they offer? Effecting this proposal to essentially rid GPO as being the prime source of Government printing will upset a stable environment; instigate strife among competing forces; and set off duplicative and costly efforts throughout Government.

3. Information Distribution.

It is not clear as to which method will be observed regarding ensuring how the depository library requirements will be fulfilled. The rule stipulates that the FAR Council is considering a clause to be added to contracts requiring the contractor to send a copy of the job to the Superintendent of Documents (SuDocs). Under **8.801 Policy**, it specifically calls for agencies to provide a copy of the document via electronic means and that GPO could produce as many copies as necessary for the library distribution. One would question the efficiency and cost-effectiveness of two Government agencies producing the same publication, one to satisfy department mission needs and the other for the prescribed Government cataloguing and for providing the public with free access to Government information. The taxpayer is paying twice for the sake of separation of powers.

Furthermore, the Government cataloguing requirement would suggest that the SuDocs library identification number likewise appear on the publication being published by a private printer. It is a Government publication and GPO is the source for the public to purchase hardcopy versions of printed material found in the depository libraries. Accordingly, this would require advance notification of an department's intention to publish to SuDocs, whereas SuDocs requires specific information, such as whether the document has been previously catalogued, the intended audience, etc. That notification is today performed on GPO Form 3868, submitted electronically at http://www.access.gpo.gov/sudocs/forms/3868/form_3868.html. If we are to observe those instructions, then it would seem that the responsibility for providing the electronic file of this job would fall on the contracting officer and not the printer. Also, should SuDocs respond accordingly that it desires to ride the requisition, which would be the most cost-effective way, how should the SuDocs requirements be specified on the order and who pays for the additional copies? Ordinarily, a contract or purchase order shows a single fund citation. Would this require agencies to seek reimbursement from GPO? The rule also does not address printing requirements under \$2500, which contribute to the "fugitive" documents problem as well, and which would be difficult to monitor or ensure compliance to notify SuDocs. Currently, GPO pays for the SuDocs copies for all work produced through them.

Antideficiency Act

The legal effect relating to the use of appropriated funds to implement or comply with this regulation imposes a high level of concern with procurement and certifying officials. The proposed FAR requirements are contrary to Section 117 of Public Law 107-229 which establishes that an department that obligates funds to acquire printing from some source other than the Government Printing Office would violate the Antideficiency Act. To avoid any personal liability as stated in the Antideficiency Act, the proposed FAR language and Section 117 of the Public Law should comply. Does a statutory appropriation overrule a regulation?

Rider Rate Program

The rider rate program, that was established many years ago by GPO, ensured that federal agencies were able to obtain publications and documents that are generated by other federal agencies at a greatly reduced cost to those agencies. GPO would collect the printing information regarding federal publications and inform the agencies throughout the government that these publications would be printed and allow the agencies to sign up for the number necessary to fulfill their requirements for that particular document. The rates were decided based upon the total print order, and typically might run in the \$3.00-\$15.00 range for a one time ride. Agencies were also allowed to sign up for open requisitions, which allowed the agencies to ride for federal documents that are printed on a continuous basis throughout the year. The FAR will basically eliminate this

program and force federal agencies to buy the documents from commercial vendors such as Amazon or the GPO bookstore. If and when this FAR is implemented the cost to print rider type publications will increase. Examples of the increases are:

- 1) The U.S. Code on CD-ROM, which cost \$15.00 in the rider program will cost \$ 37.00 at the GPO bookstore.
- 2) The U.S. Government Manual, which cost \$15.00 in the rider program, will cost the federal agencies \$49.00 at Amazon and the GPO bookstore and;
- 3) The Statistical Abstract of the U.S., which is \$10.00 on the rider, will cost \$ 38.00 at Amazon and the GPO bookstore.

The above publications are just a few of the many riders that are published each year. Future publications would be subject to increased production costs that will prove to be an added burden of the departments operating budgets.

Summary

In summary, we believe that GPO should be the primary source of “best quality, cost, and time of delivery” for Federal Government printing as follows.

- *Best Quality* is assured by GPO’s Quality Assurance Through Attributes Program (QATAP), which ensures that contractors adhere to established printing standards and quality levels in producing work for the Government. “Best Quality” can also apply to the better approach in assuring that the depository library requirements are fulfilled via GPO, whereas this requirement is not laid upon the agencies to fulfill.
- *Best Cost* is attained by GPO’s ability to negotiate pricing with industry, irrespective of the surcharge that is added to the contract costs. Customers feel that the significance of the surcharge is lessen by the negotiated prices, and that the fee is worth the service of having the foremost expert for printing in the Federal Government provide printing service for them and acting on their behalf in resolution of any dispute.
- *Best Time of Delivery* is best attained by GPO as requirements can be presented to GPO directly whereas department procurement offices’ workloads are not increased by the printing requirements. Further, GPO term contracts and their simplified purchase agreements (SPA) can quickly satisfy department requirements without undue complications.

Consequently, we support the continuation of GPO being the primary source for Government printing.