



December 13, 2002

General Services Administration  
FAR Secretariat (MVA)  
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The Printing Industries of America is pleased to provide the following comments on the proposed amendments to the Federal Acquisition Regulations (FAR) to implement the policy set forth in the Office of Management and Budget (OMB) memorandum No. M-02-07, Procurement of Printing and Duplicating through the Government Printing Office (GPO) (May 3, 2002). The Printing Industries of America (PIA) is the nation's largest printing and graphic arts trade association with more than 13,000 members.

At the outset, we want to express our appreciation to the Office of Management and Budget for the development of these proposals. For many years and through many Administrations, representatives of the Executive Branch have discussed possible changes to federal printing and printing procurement regulations. This is first time the changes have reached the stage of proposed rules. We also want to commend OMB for addressing several very critical areas of concern to PIA, particularly the development of "best value" contracting and competition from Executive Branch printing and copying facilities. These are significant changes, which we strongly support.

PIA also supports the overall direction of the proposed rules. The comments that follow are intended to improve those rules. While we have some questions and suggestions, most of these suggested changes are to urge OMB to go further in reform than they have proposed.

Printing has changed in recent years. It is an industry that is capable of a wide range of services. We have been concerned for some time that federal procurement policy, with respect to printing, did not take advantage of those changes. These proposals represent the first concrete attempt to modernize federal printing and printing procurement.

Initially, we were concerned about the legal issues surrounding this proposal. Current law (Title 44, U. S. Code) and actions taken by Congress in the Continuing Resolution passed in December 2002 would suggest that the OMB proposal, if adopted, would place the private industry contractor in the situation of submitting bids in good faith, accepting awards in good faith, and yet, risking non-payment for contracted work. This potential was identified in a letter by the General Accounting Office indicating that payment of

contracts in violation of the continuing resolution would be illegal. However, we believe this issue has been addressed by the Department of Justice and we are confident that printers need not be concerned about payment for services provided under this proposal.

Also, we have included some overview comments about the federal printing and print procurement program. We have made these suggestions for many years in an effort to assist the government with more efficient buying of information products.

### **Overview**

The federal government does not have an information planning process nor does it have a printing and publishing plan. This failure to plan has created waste and abuse in the system. For example, federal agencies should be required as part of the budget planning process to submit a printing, information and publishing plan. This plan could be reviewed by the Chief Information Officer of each agency to determine the validity of the plan and whether the plan meets the agency's mission. With the approved plan, the agency could coordinate such plans, develop requests for proposals from private companies, or consider alternative information options. We strongly recommend the implementation of an information planning process.

We welcome the proposals by OMB to require that agencies provide information about its internal printing; however, we would recommend the expansion of this proposal. Specifically we would recommend that the Executive Branch conduct an audit of its printing, copying, digital printing and duplicating capacity and commitments to assure that the taxpayer is being served. Printing is the nation's most competitive manufacturing industry. It is the largest industry in the United States in terms of numbers of establishments. This means that the federal government can always be assured of a competitive marketplace for printing. For the federal government to purchase equipment is to provide competitive services offered by private industry in every community in America and often invest in technology that can never be fully utilized.

### **Comments and Questions on Proposed Rules**

The following comments specifically address the proposals.

1. In the "Supplementary Information" A. Background, 1. Overview Second bullet, the OMB states, "Providing agencies express authorization to address printing needs by either contracting with a private source or by using the GPO when the GPO offers the best value." This supplementary information and the specifics outlined in 8.801 Policy, subsection (c) are confusing. It is unclear whether an agency would be able to use GPO for procurement services after January 1, 2004 or whether the prohibition applies only to GPO's in house printing services.

We recommend that agencies continue to be given the latitude and authority to use the Government Printing Office for printing and printing procurement needs based on the unique requirements of the agency or, in those cases where it may be more costly

for the agency, to develop its own printing procurement service. Our proposal was also reflected in the public comments that have been made by OMB officials that the GPO could continue to be used if the agency wished to use the procurement services of GPO. We believe, however, that an Executive Agency should be able to establish in advance whether or not GPO would procure the work from private companies or produce the work internally at GPO. The agency customer then would have the right to reject or accept the proposal. It is hoped that this option would address the concerns that Executive agencies cannot control costs when the work is handled through GPO. Regardless of whether our suggestion is accepted, we believe the section should be clarified regarding the intent of OMB.

2. In the section “Supplementary Information” A. Background, 1. Overview Third bullet, OMB states “substantially limiting the circumstances where agencies may rely on in-house or other Executive Branch printing operations.” These comments are reflected in the proposed regulations under 8.801 Policy (a) (3). While we welcome this addition to the regulations, it is a reality that such a competition can always be conducted in a manner that will favor the in-house operation. We urge that OMB adopt a broader policy which states that in-house capacity should be limited to self service copying and duplicating unless issues of national security indicate a need for additional facilities.

Also related to this section is the need for a clear description of printing. Printing in this sense should include printing, copying, duplicating, and digital printing. There is a regrettable history in the federal government of using limited definitions of printing to allow agencies to avoid the spirit of regulations.

3. In the section “Supplementary Information” A. Background, 1. Overview Fourth bullet, OMB proposes to lower the small purchase threshold to \$2500 to reflect the typical size of printing contracts. We support this change; however, 80 percent of GPO contracts are under \$2500. While we do not propose the creation of a competitive bid program for these very small contracts, we would ask that OMB encourage agencies to implement procurement efficiency plans to buy such jobs from simplified purchase agreements, blanket purchase agreements, multiple award schedules or by combining contracts to reduce procurement costs. We would distinguish this type of procurement from “bundling” in that these contracts would typically be awarded to small, regional printing companies due to the dollar value of the job and the need for quick turn-around.

Also related to this section is a need to address the time required for procurement opportunities to be posted. FAR and FedBizOps provides for a longer posting requirement than current GPO regulations. Printing purchasers in the federal government are accustomed to shorter “turn-around” times, often less than 72 hours. We believe allowances for these shorter “posting” requirements times should be included in the new regulations. We would encourage OMB to discuss these “posting” issues with Executive agencies to determine the appropriate amount of

time. We also would be pleased to work with OMB on this issue to determine a reasonable period of time.

4. In the section “Supplementary Information” A. Background, 1. Overview Fifth bullet, OMB addresses the need for “best value” contracts. This is a desirable change for both agencies and printers seeking to do business with the federal government. We believe this change, particularly if combined with the planning process we proposed, will enable the federal government to take advantage of abilities in the modern U. S. printing industry which are currently not being fully utilized. Best value contracts should include opportunities for printers to discuss with agency customers the most effective methods of completing printing jobs and delivering those jobs to the desired audience. Modern printing companies are skilled in pre-press or pre-flighting of work, printing and distribution/fulfillment. Use of modern technologies can significantly reduce agency burden, reduce procurement costs and improve timeliness and quality.

In conclusion we want to acknowledge the work done by the staff of OMB to develop these proposals. There is a need for general reform and better coordination in the production, procurement and distribution of federal government information. We are hopeful that this proposal will advance that process.

Sincerely,

Benjamin Y. Cooper  
Executive Vice President