

EXECUTIVE BRANCH BUYERS CAN MAKE BETTER USE OF GPO

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For years executive branch print purchasers have had a love-hate relationship with the U.S. Government Printing Office (GPO). Since GPO's founding over 100 years ago, executive branch departments and agencies have been required to go through GPO to obtain their printing.

While some of the anti-GPO sentiment arises simply because the executive branch is forced to use it, other complaints relate to practical problems which the GPO system creates. The most common of these practical problems are: 1) the delay and high administrative cost of purchasing small dollar value jobs; 2) getting "stuck" with the lowest priced bidder, who may meet minimum qualifications, but may not provide the level of service the agency would like; and 3) having to give up an excellent vendor on a year-long term contract when he is underbid the following year by a less desirable vendor.

The above problems are certainly an inherent part of the GPO system. However, there are ways in which executive branch print users can work within the GPO system to avoid or at least minimize those problems.

High administrative costs (ranging around \$84.00 for each procurement on the agency side and an additional \$64.00 on the GPO side) can be avoided by the use of single or multiple award term contracts and "direct deal" provisions (startup costs and startup periods seem to be getting worse now that we are all working with digital files!). Term contracts (programs) which usually last one year avoid administrative and other start-up costs redrafting specs and the cost and delay of bidding each order. These same term contracts can also be set up for "direct deal," which allow the agency to place the order directly with the printer, and handle questions about the job without having to go through GPO. Although there are a number of term contracts issued by the GPO each year, either there need to be more, or agency users don't know about the GPO's "general usage" term contracts against which any department or agency can place an order. Executive branch buyers need to become familiar with all of the general usage contracts that the GPO has. They also need to consider whether or not their department, agency or subgroup should have their own term contract written by GPO. If an executive branch user is going to have a term contract constructed, or if they are looking at reissuing an existing term contract, they should consider including the following provisions: 1) direct deal ordering; 2) a one-year renewal provision, at the option of the agency, for a period of up to 3 years (so the agency can keep a good vendor); 3) inclusion of the standard paper price adjustment clause, so that neither party regrets the contract if paper prices fluctuate substantially.

Agencies should also consider including in the GPO contract language minimum requirements for vendors on complex or unusual contracts. For example, a mailing contract might require that the vendor list 5 similar jobs completed successfully within the recent past, and contacts to verify the information provided. If the contract is going to provide digital files, and require substantial technical skills on the part of the vendor, it would not be unreasonable to have the contract require that the bidder list his experience in that area. Under the current system, it is assumed that the vendor has the requisite knowledge and experience to perform specific tasks within the broad manufacturing requirements of the contract. As any agency user will tell you, this assumption is not always accurate. Under the current GPO system, however, without any specific experience requirements in the contract, it is easier to end up with a vendor who, although he may have the necessary hardware, has little or no experience with some of the more complex requirements of the contract.

Some existing term contracts already contain renewal provisions. Vendors are constantly amazed and disappointed when, after a year of excellent performance and congratulatory calls and letters, the GPO and the agency rebid the contract, only to replace that good vendor with someone whose record is less than exemplary – but not bad enough to be declared non-responsible. If any agency user finds itself within 3 months of the end of the term of a GPO program, it should consider whether or not to ask GPO to renew the program, if it has been receiving excellent service from the vendor. In addition to building on an already good relationship, obtaining excellent service, and avoiding the administrative cost of rebidding, the agency and the GPO will also avoid the high cost of startup of an annual contract with a new vendor. Typically it takes 2 or 3 months for the vendor and the agency to learn everything they need to know about each other so that the contract is functioning smoothly. When a contract with a satisfactory existing vendor is renewed, however, all of these costs and worries can be avoided.

How do the vendors feel about renewing the contracts? Obviously, it depends upon whether you have the contract and are going to get a year renewal without re-competing, or whether you lost the contract last year, and want another shot at it. On balance, the good vendors have uniformly agreed that renewal is the right thing for both their business and the agency. Renewals reward a vendor who is an excellent performer, and punish one who merely does enough to avoid default.

But what if the executive branch user is attempting to take advantage of these great ideas, and receives no cooperation from the GPO contracting officer? The answer is simple: competition. While the GPO may be viewed by some as a monopoly, it consists of 21 different procurement offices. On a daily basis, these offices compete for executive branch work. Why do some agencies buy national orders out of Philadelphia, Chicago, Central Office, Dallas, Atlanta, or elsewhere? Obviously, there is a reason, and at least a major part of that reason is that they obtain the cooperation and service levels they require from the office they have chosen to do business with. Since all departments and

agencies have offices throughout the country, there has been in the past nothing to prevent them from moving one of their print orders to another GPO office. Often the threat of considering moving an order is sufficient to produce the full level of cooperation the agency user may desire.

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