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To: Clients, GPIC Members and GPO Printers
From: Fred Antoun

RE: Preventing GPO Program Volume Decreases

I have had a number of calls over the last six months from printers who were very disappointed with the number and/or size of orders issued on GPO programs (annual term contracts). In some cases, the program began with somewhere close to the expected volume, but then orders and/or quantities gradually began to diminish. In other cases, the program never yielded the expected volume.

Most GPO vendors and the vast majority of GPO employees assume that since the volume listed in program specifications is an "estimate only", there is nothing anyone can do if the projected volume does not materialize. There are some situations in which something can be done about low program volume.

1. **Marketing, customer service quality and on-time delivery.** It comes as no surprise to experienced GPO vendors that there are a number of programs issued by the GPO which overlap. DAPS, for example, may have a program which covers "publications", another which covers "saddle stitch and perfect bound books" and yet another which covers "technical and training manuals". Since these programs do not specifically identify the products to be ordered, it is possible that a technical book could be ordered under any one of the three programs. Some of the complaints I have received involve an agency ordering a job they placed on a particular program last year on a different program this year. Why? It could be a mistake, or it could be that a new employee just did not know what program to place the order on. However, there is often a reason the agency or the GPO moved the order to a different program. My sources within the government (who refuse to be quoted) have indicated that the most common reason for jumping from program to program with specific orders or types of orders relates to dissatisfaction with quality or service. Generally, that dissatisfaction is not strong enough to warrant cancellation of the program. The solution for the agency or the GPO is simply to move the work to another program. In some cases, if the work is narrowly defined, the printer who loses the work may be able to object and get the orders back. However, in many cases, where the work could fit on a number of programs, the best way to keep the work is the same way you keep it in the commercial marketplace: keep the customer happy!

I suggest that you use every opportunity you can to make contact with the agency customer, to clarify issues with the job, advise them of the typical no cost minor changes that GPO vendors make every day (like cleaning up some minor marks on a negative, etc.). This falls under the

heading of “self promotion” which GPO vendors have traditionally not been very good at. With volume declining, and everyone fighting for their share of the pie, now is the time for this type of marketing and sales effort. Of course, it goes without saying that consistent quality and on-time delivery have to be maintained in order to support a marketing effort.

On my website (<http://www.printlaw.com>) are several form letters which will be very helpful in clarifying schedule extensions and quality problems due to poor quality film, etc. Using these forms will not make the problems go away, but it will make it clear on the record that they were not your fault.

2. **Use the requirements clause.** While the requirements clause contained in most GPO term contracts is generally used by GPO as a defense when a volume falls short of projected levels, it can also be used as a “sword” by the contractor. One section of the requirements clause says that the contract quantities are estimates only, and that if the agency’s requirements falls short of those estimates, the contractor is not entitled to a price adjustment. However, another sentence in the same clause says that the contractor is entitled to receive orders for all the work described in the contract which is required by the agency during the contract term. Pull out one of your term contracts, and *carefully* read the requirements clause. You will see that it gives you some rights too.

One way in which to use the requirements clause is to register a complaint if you see individual jacket orders or other program orders which look like they should fit on your contract. Sometimes this is difficult (or impossible) because the term contracts are written so broadly. However, many times it is clear that certain orders should be placed on a particular contract. For example, assume you have a contract for “2 and 3-part snap sets” for the Department of Agriculture. If you see a jacket under which GPO is procuring a 3-part snap set for Agriculture—which fits within all the specifications of your program—the question you should immediately ask is why is this order not being placed on my program? Under the requirements clause, you have a “right” to have that work placed with you. Your complaint should begin with a telephone call with the GPO program contracting officer, with a follow-up or courtesy call to the individual who issued the jacket you are complaining about.

Finally, *a word of caution*. If you are correct in your analysis that the particular jacket order you are concerned with belongs on and should be placed on your program, no one will be upset that you are pointing out that problem. If, on the other hand, you are incorrect, and the order either does not fit within your program or could be placed on your program or a number of other programs, your complaint may not be well received, and could actually backfire. If you have any doubts about your positions, you should have your attorney review the contract provisions and specifications for both your program and job in question.

3. **Build relationships on direct deal contracts.** Given the constant attempts by the agencies to get control of their own print procurement, I am still amazed that GPO vendors that have direct deal contracts have limited contacts with their agency customers. Sometimes, these contacts begin and end when the agency calls about an order. Would anyone handle a large commercial account this way? Consider regular calls to all agencies which could order on a direct deal or general usage contract you have, in order to promote your services. Work does shift from

program to program. That is bad if you are losing the work—but wonderful if you are getting the work! Also consider customer service follow-ups with regard to customer satisfaction, quality, courtesy of your staff, etc., to show the agency customers that you are committed to providing them with the best quality and service possible. Finally, if your customer is in your area, or if you occasionally travel to the main location that issues your orders, consider setting up an appointment to sit down with your direct deal agency customer and ask them what you can do to improve service on the contract and/or improve communications between your staff and theirs. Remember, you can not make any changes which will increase the cost of the orders, without GPO approval. I am not suggesting that you make major changes, but only those minor no cost changes which simply make everyone's life easier. If the issue of changes which are going to cost additional money does come up, you need to immediately involve the GPO, and work on getting a contract modification.

4. **Contract Modifications.** There are a number of programs which are written narrowly enough that they might easily exclude work which the agency or the GPO would like to place on your contract. For example, I recently got a call from a vendor who had a contract to produce saddle-stitch booklets. The contract called for black text and a 1 or 2-color cover. Due to the designers getting their way at the agency, the booklets began to come out with 3 or 4 (non-process) colors on the cover. You know what happened. The work did not fit on the program, so the GPO began to issue jackets. It was not long before the program volume dropped substantially. The agency was very pleased with the printer, and liked the fact that the program avoided delay and additional administrative costs which are associated with individual jacket orders. Nonetheless, GPO and the agency simply accepted that the specs were not broad enough to cover the agency's new design, and decided to simply change the contract next year. That did not do anything for my client. The solution was the issuance of a simple contract modification. Both the printer and the GPO knew what a fair price would be to add a third or fourth color to the cover. They came to an agreement, signed a modification and all the pamphlets came back onto the program.

This same technique can be used to broaden other contract specs and to allow more work to be placed on a program. If you are creative, and you try to keep both your interests and the best interests of the agency and GPO in mind, you may be surprised what you can accomplish. Always remember that the GPO and most agencies favor term contracts, because they allow the placement of orders with less time and administrative cost than a separate jacket.

If you would like help or advice setting up a system to implement some of the above suggestions, or you have questions, Please feel free to contact me by telephone, fax or email (antoun@printlaw.com). Good Luck!

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