

DOD ISSUES NEW DAPS POLICY

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On June 12, 1998, the Office of the Secretary of Defense issued a memorandum setting forth the new DOD printing procurement policy.

The memo is long overdue. It advises the Military and Defense Agencies about important language affecting DAPS (Defense Automated Printing Services) which was in the Defense Authorization Act for FY 1998, passed by Congress last summer.

The memo informs DAPS and DOD print purchasers that:

1. DAPS cannot charge them 5.5% surcharge if DAPS sends the work to be procured outside of DAPS by GPO (GPO charges approximately 6% and the DOD buyers were complaining about being “double charged”).
2. DOD print purchasers must continue to send printing and duplication through DAPS, which will continue to serve as DOD’s “single manager for printing and duplicating including the procurement of these services outside the Department [DOD].”
3. Beginning October 1, 1998, DAPS can increase its prices for in-house work performed for DOD customers to make up for the loss of the 5.5% surcharge.

It is interesting that although Congress said in the Defense Authorization Act for FY 1998 that DOD print buyers “may contract directly with the GPO...” this DOD memo says they can’t! The memo says the authority to skip DAPS and go directly to GPO is not a directive...so DOD is ignoring it.

What do these changes mean for GPO printers? Strangely enough, DOD’s “bucking” congressional language to maintain DAPS centralized control over printing (including duplicating) probably helps GPO printers. If all organizations within the Department of Defense were allowed to handle their own printing procurement, it seems likely that many of them would not be placing work through the GPO, but would rather buy it on their own using their credit cards. With the work being required by the Secretary of Defense to continue to be placed through DAPS, GPO vendors are at least assured of receiving 45 to 50 percent of DAPS printing volume. Yes, we know that is not enough! However, this memo may help to maintain that low level while Senator John Warner works to increase DAPS outsourcing to the private sector (see article on “Warner Amendment” in this issue).

Many DOD users are not particularly happy about the new memo, which takes away the authority they thought they were going to have to place orders directly with the GPO. Some have also indicated their displeasure with the fact that although the memo cancels the 5.5% markup that DAPS was imposing on jobs sent to GPO, it allows DAPS to

simply raise prices for in-house work to make up for that loss. In the words of one DAPS user, “they’re going to overcharge me one way or another.”

If DAPS increases its charges in October 1998, it will simply add support to printers’ arguments that DAPS is overpriced, and that the government can obtain the work as effectively, and at a lower cost if it is outsourced.

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