

GPO Small Purchase Limit to Increase to \$50,000 in May 2001

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For many years GPO has used a one-time job procurement system that divided the work into formal jackets (those over \$25,000 in estimated value) and small purchases (those under \$25,000 in estimated value.)

The small purchase procurement methods are less complex than the methods used for formal jackets over \$25,000. The most notable differences are:

- 1) Small purchase solicitations are usually issued on a 1 or 2 page form; formal jackets generally run 5 to 15 pages, and contain a number of boilerplate provisions;
- 2) Small purchase quotes can be submitted by phone or fax, as required in the Request for Quote; formal jacket bids must be submitted in writing, usually sent by overnight courier;
- 3) The time for submitting a quote on the small purchases usually ranges from hours to not more than 2 days; the time for quote on a formal jacket is often between 3 and 10 days;
- 4) The turnaround and spec drafting time at GPO for a small purchase is 1 to 2 days; the spec writing and review time for formal jackets at GPO can range between 5 and 10 days;
- 5) Correcting or withdrawing a quote on a small purchase is possible even after the purchase order is issued by GPO; correcting or withdrawing a bid on a formal after the purchase order is issued by GPO is very difficult to impossible;¹
- 6) The determination of adequate competition and price reasonableness for a small purchase is very simple for the contracting officer or administrator; it is more complicated for a formal jacket.

In an effort to simplify its print procurement system and to provide better service to its Agency customers, GPO has recently proposed raising the small purchase limitation from \$25,000 to \$50,0000.

In keeping with past practice, GPO notified Printing Industries of America (PIA) of its plans. On March 27, 2001 PIA's Government Printing and Information Council (GPIC) met and discussed the proposed small purchase limit increase. Jim Bradley, GPO's Customer Service Manager, and Jim Leonard, GPO's Contract Branch Manager were present to answer questions and participate in the discussion. The general consensus on the GPIC group, which consists of both GPO printers and Agency print professionals, was that an increase to \$50,000 would be advantageous for both printers and Agencies.

¹ If a GPO printer is not familiar with the rules regarding correcting or withdrawing a small purchase quote or a formal bid, call Meg at (717) 261-0998 and request a free copy of "Correcting or Withdrawing a Quote or Bid."

Based on the results of the GPIC meeting and a review by Ben Cooper, PIA's Senior Vice President for Government Affairs, and Fred Antoun, PIA's Counsel for Government Printing and Information Issues, PIA has notified GPO that it supports the small purchase limitation increase to \$50,000.

The review of the change indicated that there was really no down side for small, medium or large printers. On the up side, printers would gain a potential advantage in that small purchases are often simpler to administer, and provide more flexibility in changing or withdrawing a quote. In addition, it is hoped that by speeding up GPO's processing of jobs between \$25,000 and \$50,000, Agency satisfaction with GPO will increase.

The change would affect 700-1,000 jobs annually. For medium-sized printers that rely on jobs in the \$25,000-50,000 range, the change would make as many as 20 job opportunities a week simpler to bid.

As a result of the positive response received and PIA support, GPO plans to increase its small purchase limit to \$50,000 in May 2001.

If you have any questions not answered in this memo, or specific questions on how the change may affect you, please send an email to antoun@printlaw.com.

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