

JUN 30 2015



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Chief Financial Officer and**  
**Assistant Secretary for Administration**  
Washington, D.C. 20230

**PROCUREMENT MEMORANDUM 2015-07**

**ACTION**

**MEMORANDUM FOR:** Bureau Procurement Officials  
Heads of Contracting Office

**FROM:** Barry E. Berkowitz  
Senior Procurement Executive  
and Director for Acquisition Management

**SUBJECT:** Federal Strategic Sourcing Initiative for Office Supplies Third  
Generation (FSSI OS3)

**Background**

The Federal Strategic Sourcing Initiative for Office Supplies Third Generation (FSSI OS3) Indefinite Delivery, Indefinite Quantity (IDIQ) contracts were awarded by the General Services Administration (GSA) on August 13, 2014 and are the most recent FSSI solution for office supplies.

FSSI OS3 is a purchasing solution that helps federal customers achieve significant savings on their office supply purchases, while also supporting the nation's small businesses. Twenty-three of the twenty-four awards have gone to small business entities and provide the government a great opportunity to achieve significant savings as well as meet sustainable acquisition and other socioeconomic goals. Some of the additional benefits of the FSSI OS3 solution include capturing economies of scale; ensuring compliance with applicable laws and regulations to include the AbilityOne Program, sustainable purchasing requirements and the Trade Agreements Act; simplifying data collection and enhancing transparency by enabling agencies to better manage expenditures and measure cost-savings; affording ease of ordering; providing point of sale compliance, and ensuring that purchase card users automatically receive the FSSI price.

FSSI OS3 is designed to leverage total government spend. As more agencies use the FSSI OS3 solution to purchase office supplies, volume discounts will decrease prices. It is estimated that purchases made through the FSSI OS3 solution are expected to provide more than \$90 million in annual savings to the Federal Government.

**Purpose**

The purpose of this memorandum is to provide policy and guidance to contracting officers and purchase cardholders on use of the FSSI OS3 IDIQ contracts.

**Applicability**

The requirements of this policy are applicable to all acquisitions for office supplies, including purchase card transactions.

**Policy**

If requirements for office supplies are not able to be satisfied from the mandatory sources listed in Federal Acquisition Regulation (FAR) 8.002 and 8.003, use of the FSSI OS3 vehicle is mandatory for office supplies offered under the FSSI contracts.

If the FSSI vehicle is not used for the purchase of office supplies offered under the FSSI vehicle, the contract or purchase card file for the purchase shall include a brief analysis of the comparative value, including price and non-price factors, between the office supplies offered under the FSSI vehicle and those offered under the source(s) to be used for the purchase.

### **Exceptions**

A blanket exception for use of the FSSI OS3 vehicle is applicable only to *PaperClips* stores located at Commerce Headquarters (Herbert C. Hoover Building), US Census Bureau (Suitland, MD), and online at [www.paperclipsetc.com](http://www.paperclipsetc.com).

### **Required Actions**

Contracting Officers, purchasing agents and purchase cardholders shall comply with this policy when purchasing office supplies offered under the FSSI OS3 vehicle.

Orders at any threshold can be placed under the FSSI vehicle using various methods – vendor web portal, GSAadvantage, phone, and in-store purchases at the vendor location.

- **Orders At or Below the Micro-Purchase Threshold (\$3,000)**  
The purchase card is the *preferred* method of payment for orders at or below the micro-purchase threshold. Purchases made using the purchase card will automatically receive FSSI OS3 discounted pricing, and sales tax exemptions. Orders should be distributed among multiple OS3 contractors, and meet minimum ordering requirements (the average order minimum is \$100, however vendor minimums vary).
- **Orders Exceeding the Micro-Purchase Threshold**  
Orders Exceeding the Micro-Purchase Threshold shall provide fair opportunity to all FSSI OS3 vendors in accordance with FAR 16.505(b)(1) Fair Opportunity.

### **Fair Opportunity**

Orders exceeding the micro-purchase threshold shall provide fair opportunity to all FSSI OS3 vendors. Contracting Officers shall document any exceptions to the fair opportunity process for orders exceeding \$3,000 in accordance with FAR 16.505(b)(2).

Contracting officers are encouraged to utilize the General Services Administration's (GSA) *Reverse Auctions* or *eBuy* tools to comply with fair opportunity.

- GSA Reverse Auctions is a tool to facilitate requests and submissions of quotes. For detailed instructions, training, and access to GSA Reverse Auctions, contracting officers should go to:  
<http://reverseauctions.gsa.gov/reverseauctions/reverseauctions/>.
- Using the eBuy system, contracting officers may prepare and post requests for quotations (RFQs) for specific supplies. For detailed instructions, training, and access to GSA eBuy, go to:  
[https://www.ebuy.gsa.gov/advantage/ebuy/start\\_page.do](https://www.ebuy.gsa.gov/advantage/ebuy/start_page.do).

For additional information, individuals should contact their servicing acquisition office or agency program coordinator.

**FSSI OS3 Vendors**

The FSSI OS3 IDIQ contracts are broken into four categories: General Office Supplies – Full Catalog; Office Paper; Toner and Ink; and GSA On-the-Go

Effective Date: December 2014	Contractor Name	Contract Number	Socioeconomic Status	Website
<b>CLIN 0001: General Office Supplies Full Catalog</b>	Capitol Supply, Inc.	GS02Q-14-D-	S	<a href="http://www.capitolsupply.com">www.capitolsupply.com</a>
	Crimson Imaging Supplies,	GS02Q-14-D-	S	<a href="http://www.crimsonimaging.net">www.crimsonimaging.net</a>
	Noble Supply and Logistics	GS02Q-14-D-	S	<a href="http://www.noblegov.com">www.noblegov.com</a>
	TSRC, Inc. d.b.a. Frank	GS02Q-14-D-	S	<a href="http://www.frankparsons.com">www.frankparsons.com</a>
	Document Imaging	GS02Q-14-D-	S	<a href="http://www.did-inc.com">www.did-inc.com</a>
	BahFed Corp	GS02Q-14-D-	S	<a href="http://www.bahfed.com">www.bahfed.com</a>
	MyOfficeProducts	GS02Q-14-D-	S	<a href="http://www.myofficeproducts.com/or">www.myofficeproducts.com/or</a>
	Premier and Companies,	GS02Q-14-D-	S	<a href="http://www.premierandcompanies.c">www.premierandcompanies.c</a>
	Ellison Systems, Inc. d.b.a.	GS02Q-14-D-	S	<a href="http://www.shoplet.com">www.shoplet.com</a>
	EZ Print Supplies, Inc.	GS02Q-14-D-	S	<a href="http://www.ezprintsupplies.com">www.ezprintsupplies.com</a>
	Jacobs Gardner Supply	GS02Q-14-D-	S	<a href="http://www.jgfssi.com">www.jgfssi.com</a>
	Capstone Office Products,	GS02Q-14-D-	S	<a href="http://www.capstoneoffice.com/">www.capstoneoffice.com/</a>
	MJL Enterprises, LLC	GS02Q-14-D-	SDVOSB	<a href="http://www.mjl-enterprises.com">www.mjl-enterprises.com</a>
	Pacific Ink, Inc.	GS02Q-14-D-	S	<a href="http://www.pacificink.com">http://www.pacificink.com</a>
Shelby Distributions Inc.	GS02Q-14-D-	S, SDVOSB	<a href="http://www.expressop.com">http://www.expressop.com</a>	
<b>CLIN 0002: Office Paper</b>	Metro Office Products, LLC	GS02Q-14-D-	S	<a href="http://www.mymetroofficeproducts.">www.mymetroofficeproducts.</a>
	Rita's Tape Media, LLC d.b.a.	GS02Q-14-D-	S	<a href="http://www.compuproglobal.com">www.compuproglobal.com</a>
	Point Nationwide, LLC	GS02Q-14-D-	S	<a href="http://www.pointnationwide.co">http://www.pointnationwide.co</a>
<b>CLIN 0003: Toner and Ink</b>	Access Products, Inc.	GS02Q-14-D-	SDVOSB	<a href="http://www.accessproductsinc.com/">www.accessproductsinc.com/</a>
	New Century Imaging, Inc.	GS02Q-14-D-	S	<a href="http://www.ncicartridges.com">ncicartridges.com</a>
	ABM Federal Sales, Inc.	GS02Q-14-D-	S	<a href="http://www.abmfederal.com">www.abmfederal.com</a>
	ASE Direct, Inc.	GS02Q-14-D-	SDVOSB	<a href="http://www.govtoner.com">www.govtoner.com</a>
	Alliance Micro, Inc.	GS02Q-14-D-	SDVOSB	<a href="http://www.alliancemicro.com">www.alliancemicro.com</a>
<b>CLIN 0004: GSA On-the-Go</b>	Office Depot, Inc.	GS02Q-14-D- CR0026	OTSB	<a href="http://bsd.officedepot.com">bsd.officedepot.com</a>

Key for the Socioeconomic Labels: S: Small Business, SDVOSB: Service Disabled Veteran Owned Small Business, OTSB: Other than Small Business

### Additional Resources

The information below is provided to enable compliance with this requirement. For direct questions on how to utilize the FSSI OS3 IDIQs, please contact your servicing acquisition office or agency program coordinator (APC).

#### Training:

GSA offers webinars on how to access and utilize the FSSI OS3 IDIQs. Webinars are offered routinely and can be accessed at: <http://www.gsa.gov/portal/content/207283>.

Table 1: Frequently Asked Questions

Frequently Asked Questions	
Questions	Answers
<b><i>What are the delivery requirements?</i></b>	Standard delivery is three to four business days by ground. Express, desktop, secure, and international deliveries are available, and may carry an extra fee. Orders below the minimum threshold of \$25, \$50, or \$100 (depending on the vendor) may also carry a convenience fee.
<b><i>Why is there a minimum order requirement of \$25, \$50, or \$100? What if I don't need to order that much?</i></b>	One significant way to reduce the total cost of your order is to increase the order size. This also reduces the costs of all items in the FSSI OS3 over time. This process results in less paperwork, less tracking, and less reconciliation. In addition, larger and fewer orders means that there are fewer trucks on the road making deliveries, reducing the federal government's financial and environmental footprint. It is recommended orders are consolidated in order to reduce the number of transactions. However, because it is not always possible to combine orders or otherwise meet the minimum purchase thresholds, some FSSI OS3 vendors will process smaller orders if you contact them directly.
<b><i>What is the difference between "Fair Opportunity" and "Competition"?</i></b>	Fair Opportunity and competition are only required on orders exceeding the micro-purchase threshold. "Fair opportunity" is offered to vendors, i.e., suppliers who have already been awarded a contract and is used when a contract is already in place. Each vendor on the awarded contract is afforded an equal opportunity to bid on a requirement. "Competition" is used for soliciting suppliers when a contract has not yet been awarded for the Government requirement.
<b><i>Are these contracts consistent with AbilityOne?</i></b>	Yes. All contractors are required to remain AbilityOne certified resellers.
<b><i>What additional discounts are included in OS3?</i></b>	OS3 includes a Delivery Tier Discount structure. Percentage discounts are included on orders of \$300 and more with some vendors. OS3 also has a Cumulative Volume Tier Discount structure. This means, the more the federal government spends, the more it saves on OS3. As spend with individual contractors reach thresholds of \$10M, \$25M, \$50M, \$75M, and \$100M tiers, those contractors must lower the variance on their prices with the lowest price available for that part number on OS3.

Ordering Guidance:

- Orders **at any threshold** can be placed using various methods – vendor web portal, GSAadvantage, phone, and in-store purchases at the vendor location. Table 2 below provides general instructions on how to order from the GSAadvantage site.

Table 2: Using GSA Advantage

<ul style="list-style-type: none"><li>▪ Go to <a href="https://www.gsaadvantage.gov">https://www.gsaadvantage.gov</a></li><li>▪ Enter User ID and Password. If you do not have a User ID and Password, register by following the system generated directions to create your User ID and Password (the process only takes a few minutes).</li><li>▪ On the home page click on “Office Supplies &amp; Equipment FSSI” in the left hand column under “Products”</li><li>▪ Locate the OS3 search bar in the middle of the OS3 page</li><li>▪ Begin search</li><li>▪ Add items to your cart and check out with your appropriate method of payment</li></ul>
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- Orders **exceeding the micro-purchase threshold** shall comply with fair opportunity. Contracting officers are encouraged to utilize the General Services Administration's (GSA) *Reverse Auctions*: <http://reverseauctions.gsa.gov/reverseauctions/reverseauctions/> or *eBuy*: [https://www.ebuy.gsa.gov/advantage/ebuy/start\\_page.do](https://www.ebuy.gsa.gov/advantage/ebuy/start_page.do) tools to comply.

