



U.S. General Services Administration

Federal Strategic Sourcing Initiative (FSSI) for Office Supplies Third Generation (OS3) Outline of Pricing & Benefits

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FSSI OS3 Overview

- Twenty-three FSSI OS3 IDIQ (Indefinite Delivery Indefinite Quantity) contracts have been awarded
- Same scope as OS2, but since OS3 is an IDIQ, it does not use Schedule Item Numbers (SINs) but instead uses Contract Line Items (CLINs)
- Twenty-two of the twenty-three awards to small businesses
 - Vendors divided into 4 groups servicing the following categories: full catalog, paper, toner/ink, and full catalog with additional features (including in-store and express delivery)
 - Leveraging “dynamic pricing” and a tier discount structure, OS3 offers competitive pricing across the entire OS space
- On-ramping opportunities for small businesses during specified open seasons to maintain competition



OS3 Vendors

CLIN 0001 Full Catalog

- Capitol Supply
- Crimson Imaging
- Noble Supply & Logistics
- TSRC
- Document Imaging Dimensions
- BahFed Corp
- MyOfficeProducts
- Premier & Companies
- Shoplet
- EZ Print Supplies
- Jacobs Gardner Supply Co
- Capstone Office Products
- MJL Enterprises
- Pacific Ink, Inc.
- Shelby Distributions, Inc.

CLIN 0002 Paper

- Metro Office Products
- CompuPro Global
- Point Nationwide, LLC

CLIN 0003 Toner

- Access Products
- New Century Imaging
- ABM Federal Sales
- ASE Direct
- Alliance Micro

CLIN 0004 On The Go (Full Catalog)

- Office Depot



OS3 Goals

- Achieve savings (tier discount structure)
- Capture data
- Enable achievement of socio-economic goals
 - Approximately 90% of Government spend is projected to go to SB in OS3
- Drive compliance with mandates, acts, orders
- Conform with Agency business practices
- Encourage green purchasing
- Be easy to use



Value to the Customer

- **Government Savings**
 - Total spend in FSSI OS2 was \$866.2 million
 - Cumulative savings average 13.62% (\$115.4M), with an average savings rate of 16.50% in FY13
- **Data Collection**
 - Identified top 1,000 office supplies purchased by government; leveraged buying power for those items
- **Enable Agency Socio-economic Goals**
 - Approximately 76% of FSSI OS2 spend went to small businesses



OS3 pricing is **significantly better** than any existing Government contract vehicle for office supplies. In fact, median OS3 pricing is **17.6% lower*** (*market basket*) than median OS2 levels (as of the 6/2013 option period). Below are examples of OS3 contract pricing compared to the lowest price available on GSAAAdvantage.



Copier Paper, HAM86700, 1-CT/5000
Current Low(GSAAAdvantage): \$35.92
OS3 Lowest Price: \$32.51



Paper Shredder, FEL4618001, 1-EA
Current Low(GSAAAdvantage): \$1924.95
OS3 Lowest Price: \$907.15



OEM Toner, LEXC792X4YG, 1-EA
Current Low(GSAAAdvantage): \$367.86
OS3 Lowest Price: \$256.85



OEM Toner, HEWCE262AG, 1-EA
Current Low(GSAAAdvantage): \$182.36
OS3 Lowest Price: \$164.69



Heavy-Duty Tape, 3850CS36, 36-CS
Current Low(GSAAAdvantage): \$130.48
OS3 Lowest Price: \$66.69



G2 Retractable Pens, PIL31002, 1-DZ
Current Low(GSAAAdvantage): \$11.70
OS3 Lowest Price: \$5.99

*Median difference between the median OS3 market basket price and corresponding median OS2 price (as of 6/13). Exact MPN matches only, ratio scoped (to remove extreme outliers) for OS2 items priced between half and twice the median OS3 price, 1,691 identical matches compared.



OS3 Discounts

- OS3 Cumulative Volume Discount Tiers
 - Price variance reductions are triggered based on Contractor's cumulative OS3 volume
 - Price variance reductions are triggered at \$10M, \$25M, \$50M, \$75M, and \$100M
- OS3 Delivery Order size discounts
 - Consolidate orders and save as discounts are triggered on individual orders starting at \$300 for some vendors
 - Discounts increase at \$1,000, \$3,000, \$5,000, and \$10,000 orders, depending on contractor

Delivery-order size discounts for individual orders: Consolidate orders and save!

	Task-Order Size Discounts				
	\$300 - \$999.99	\$1,000 - \$2,999.99	\$3,000 - \$4,999.99	\$5,000 - \$9,999.99	\$10,000 +
OS3 Contractor					
Jacobs Gardner Supply Company, Inc.	1.00%	2.00%	7.00%	10.00%	16.00%
Ellison Systems DBA Shoplet	0.00%	1.00%	4.00%	6.00%	13.00%
Alliance Micro	1.00%	2.00%	3.00%	4.00%	5.00%
TSRC, Inc	1.00%	1.00%	1.00%	5.00%	5.00%
EZ Print Supplies	0.00%	0.00%	0.00%	5.00%	6.50%
Document Imaging Dimensions, Inc.	0.00%	0.00%	2.00%	3.00%	5.00%
MyOfficeProducts	0.00%	0.00%	0.00%	2.50%	7.50%
Office Depot, Inc.	0.00%	0.00%	0.00%	0.00%	10.00%
Capitol Supply, Inc	0.00%	2.00%	2.00%	2.00%	3.00%
Capstone Office Products LLC	0.00%	0.00%	0.00%	3.50%	3.50%
MJL Enterprises, LLC	0.00%	0.50%	1.00%	2.00%	3.00%
BahFed Corp	0.50%	0.75%	1.00%	1.50%	2.50%
Premier & Companies, Inc.	0.50%	0.75%	1.00%	1.50%	2.00%
Rita's Tape Media LLC DBA CompuPro Global	0.00%	0.00%	0.50%	1.00%	1.50%
Crimson Imaging Supplies LLC	0.00%	0.00%	0.00%	0.03%	1.00%
Access Products, Inc.	0.00%	0.00%	0.00%	0.00%	0.10%
Noble Supply & Logistics	No Automatic Task Order Discounts Offered				
Metro Office Products LLC					
New Century Imaging, Inc.					
ABM Federal Sales Inc.					
ASE Direct, Inc.					

	Task-Order Size Discounts				
	\$300 - \$999.99	\$1,000 - \$2,999.99	\$3,000 - \$4,999.99	\$5,000 - \$9,999.99	\$10,000 +
OS3 Contractor					
Point Nationwide	0.00%	0.00%	4.00%	5.00%	5.00%
Shelby Distributions	1.00%	1.50%	3.00%	6.00%	7.00%
Pacific Ink, Inc	0.00%	0.00%	0.00%	3.00%	5.00%



Task order discounts = **even more savings!**

Ex: \$1,500 monthly order - Jacob's Gardner Supply Monthly vs. Bi-Monthly ordering frequency

	Monthly	Bi-Monthly	Bi-Monthly Order Savings
Order Size	\$1,500.00	\$ 3,000.00	
Task-order Discount	2%	7%	
Net Order Amount	\$1,470.00	\$ 2,790.00	
2 Month Total	\$2,940.00	\$ 2,790.00	\$ 150.00



OS3 Pricing – Cumulative Volume Tier Discounts

Cumulative tier discounts: pricing decreases as sales rise!

OS3 Cumulative Volume Tiers	
Contractor's Cumulative OS3 Volume	Maximum Tolerance Above Lowest Priced Vendor (Item Level)
\$0	10%
\$10M	9%
\$25M	8%
\$50M	7%
\$75M	6%
\$100M	5%



Dynamic Market Pricing Strategy

- Uses purchasing data to ensure lower prices and customer savings
- Tightens the competitive range on vendor prices
 - Vendors must charge within 10% of the LOWEST price available for an item available on the OS3 contract
- This will help to guarantee that you get the lowest price on your items and that the lowest price is easy to find in GSA Advantage!



Tax Exemption

- Purchases on behalf of the Federal Government are exempt from most taxes
- In accordance with FAR 52.212-4, Taxes, the OS3 item price includes all applicable Federal, State and local taxes



Buying Options

- Customers can use GSA SmartPay2[®] or government purchase card:
 - Direct ordering from contractors
 - *GSA Advantage!* (www.gsaadvantage.gov)
 - FedMall
 - ReverseAuctions through GSA eBuy
- If order exceeds \$3,500, must be competitively solicited following FAR 16.505
- Ordering activities should follow their specific agency guidance for the procurement under this solution, based on their goals and program objectives



GSA Advantage!

- Step-by-step ordering guide available
- Multiple ways to evaluate vendors, products, and pricing
- Filters to limit results to green items, small business vendors, toner, and AbilityOne products
- Quantity discount pricing
- Park Cart feature
- Varied shipping options



Information Sources

- You can reach the OS3 Team directly at fssi.officesupplies@gsa.gov
- Additional customer information at www.gsa.gov/os3 or www.StrategicSourcing.gov
- Read the latest at www.interact.gsa.gov