



U.S. General Services Administration



Office Supplies

Market Conditions and Outlook

Background

The U.S. General Services Administration (GSA) estimates Federal office supply market place to be roughly \$1B currently. In the last three (3) fiscal years, the spend has consistently fallen. This trend is expected to continue as demand for traditional office supplies weakens with the Federal government's shift towards operating in a digitized environment.

| Vehicle | FY2015 | FY2016 | FY 2017 |
|-----------------|-----------------|-----------------|-----------------|
| MAS 75 | \$517.4M | \$367.3M | \$314.6M |
| FSSI OS3 | \$ 94.8 M | \$213.8M* | \$207.1M* |
| Total | \$612.2M | \$581.1M | \$521.7M |

*Combined total for OS3 Purchasing and Requisition Channels

Office Supply - Industry Outlook

- ❑ Technology continues to reduce the need for traditional office supplies
- ❑ Demand for the industry's core products such as pens, paper and toners will continue to decline as we further transition to a digitized environment
- ❑ Specialty office supply stores face competition from discount department stores, warehouse club supercenters, and e-commerce websites
- ❑ Smaller firms have formed alliances to improve their purchasing power, lower costs and improve profit margin
 - ❑ Centralized purchasing associations such as Trimega allows goods to be obtained at a similar cost to larger firms
 - ❑ They can offer superior customer service as a differentiator

Key Statistics Snapshot:

Annual Growth '12-'17

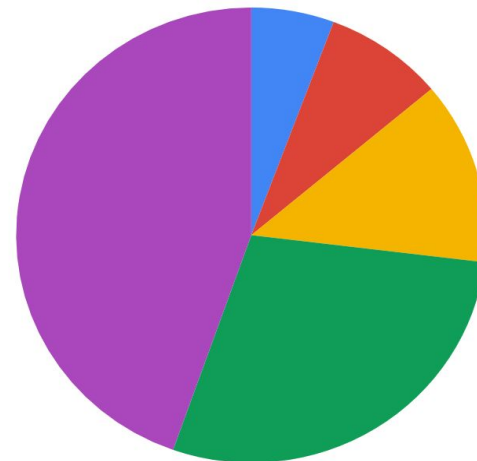
-7.4%

Annual Growth '17-'22

-5.0%

Products and services segmentation (2017)

- Office Furniture
- Services
- Technology
- Office Machines
- Office Supplies and Equipment



Source: www.IBISWorld.com

Sales on the Multiple Award Schedules (MAS)?

The Schedule Sales Query Plus Dashboard helps you find sales information and is located at the following website:

<https://d2d.gsa.gov/report/fas-schedule-sales-query-plus-ssq>

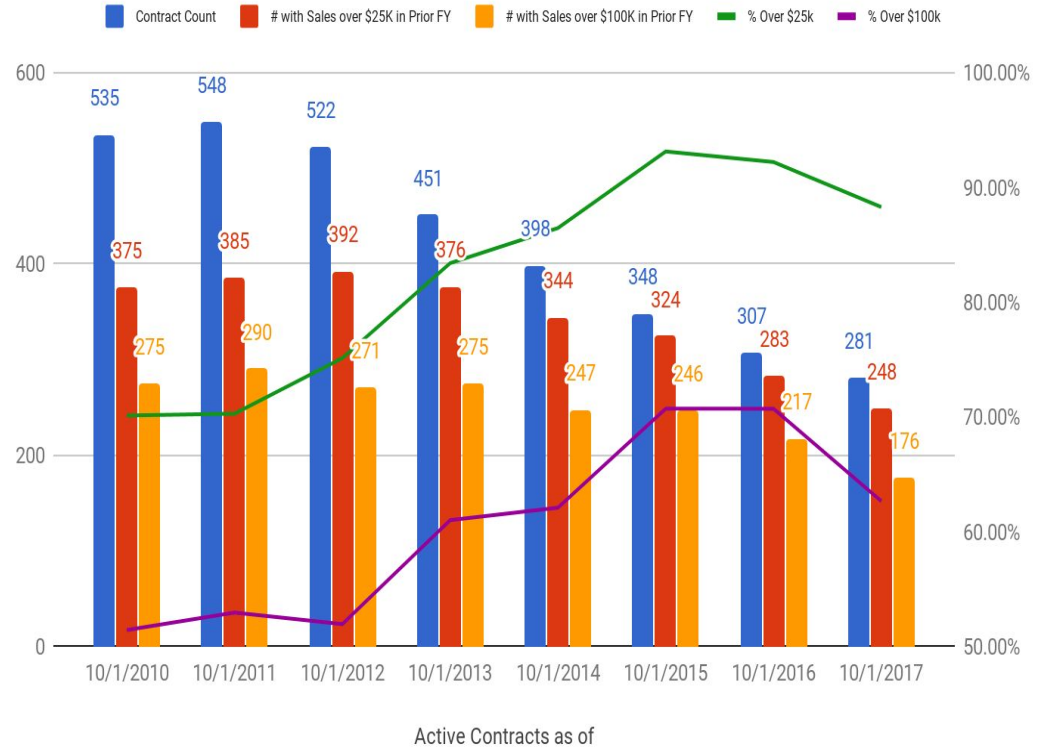
You can easily find overall performance information on the MAS program, compare vendors on Schedule 75, see how their sales compare to the competition overall and review overall federal market trends.



Comparison of MAS 75 Contractors

- Contractors attaining at least \$25k in sales increased substantially to 88% in the beginning of FY '18
- The number of contracts decreased primarily because contracts were cancelled or the options were not exercised for not meeting the Contract Sales Criteria*
- Contractors making at least \$100k in the beginning of FY '18 improved to 63% from just 51% when the solicitation was continuously open

Contracts with Sales Over \$25k and \$100k



*Contract Sales Criteria: Contracts must exceed \$25,000 in sales within the first 24 months of contract award and exceed \$25,000 in sales each 12-month period thereafter

Office Supply Generation 4 (OS4)

GSA plans to reopen the new and improved MAS 75 to new offerors in the second quarter for FY 2018 and also add new enhanced Significant Item Numbers (SINs), known as Office Supplies Fourth Generation (OS4) for Office Products & Services. Serving as the next generation of the Federal Strategic Sourcing Initiative (FSSI) OS solution, OS4 will incorporate all of the Best In Class (BIC) features of OS3, while also integrating the robust structure of MAS 75.

New and Improved MAS 75 Aims To:

- Create opportunities for small business
- Enhance controls against gray/black market abuses
- Improve compliance with Trade Agreements Act (TAA) and other regulations
- Establish a trusted marketplace with good pricing and strong oversight
- Maximize efficiencies and effectiveness in contract administration
- Support Agencies in meeting socio-economic goals
- Increase the competitive marketplace to drive cost savings.
- Refreshing and expanding a competitive pool of qualified vendors
- Increasing opportunity for Small Business
- Improving customer's value on MAS 75 by offering more favorable terms and conditions and increased savings
- Increasing OCONUS (Overseas) utilization

Enhanced SIN Requirements

- Demonstrated system to remain compliant with the Trade Agreements Act
- Demonstrated ability to meet all environmental reporting and green product requirements
- Currently be able to provide point of sale discount for all contract orders
- Transactional Data Reporting required
- Agency-defined reports at no additional cost
- Demonstrated ability to provide “Fill or Kill” status
- Standard delivery anywhere CONUS within 4 business days
- Satisfactory Past Performance
- Stronger Letter Of Supply (LOS)
- IFF of 0.75% and Contract Access Fee of 1.25%
- Must be AbilityOne-Certified

Why should you submit an offer for the OS4 enhanced SINs versus the MAS 75 Legacy SINs?

Your target federal customer and the contract vehicles they use will help you decide which SIN to submit an offer under.

The FSSI OS solutions has had much success. While the sales decreased under OS3, this was expected since there are more savings and the sales would naturally be less.

Under OS3, roughly 80% of spend went to small businesses. GSA continues to support and create opportunities for SBs while driving down price thru competition.

| | OS2 BPA | OS3 Purchasing Channel | OS3 Requisition Channel | MAS 75 |
|------|----------|------------------------|-------------------------|-------------------------|
| 2017 | -- | \$124.2M | \$82.9M | \$314.6M |
| 2016 | -- | \$135.9M | \$77.9M | \$367.3M |
| 2015 | -- | \$94.8M | -- | \$517.4M |
| 2014 | \$128M | -- | -- | \$593.2M* |
| 2013 | \$243.6M | -- | -- | \$618M* |
| 2012 | \$273M | -- | -- | \$711.7M* |
| | | | | *Includes OS2 BPA sales |

Why should you submit an offer for the MAS 75 Legacy SINs versus the OS4 Enhanced SIN?

Contractors under the Enhanced OS4 SIN are subject to additional contractual requirements. Therefore, not all contractors will be able to comply and may consider submitting an offer for their products and services under the MAS 75 legacy SINs.

Contractors may consider the MAS 75 legacy SINs if:

- They are not certified to carry AbilityOne products
- Unable to provide fill or kill status within 24-hours
- Unable to offer standard 4 days delivery after receipt of order (ARO)
- Unable to perform Transactional Data Reporting (TDR)
- Unable to provide point of sale discount for all contract orders

Again, your target federal customer and the contract vehicles they use will help you decide which SIN to submit an offer under.



POC Information

Direct all inquiries to:

gsaschedule75@gsa.gov

[Interact GSA Schedule 75 Community Group](https://interact.gsa.gov/group/gsa-schedule-75-community-group)

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