BUNDLING AND CONSOLIDATION ANALYSIS
FOR
STRATEGIC SOURCING PROGRAM
MAINTENANCE, REPAIR AND OPERATIONS (MRO) SUPPLIES:
REQUISITION CHANNEL

Prepared: August 19, 2015

Prepared by:
Region 6, Integrated Facilities Management and Industrial Products Solutions (IFMIPS) Center
Federal Strategic Sourcing Division

Table of Contents

1.0 EXECUTIVE SUMMARY

GSA is embarking on a Federal Strategic Sourcing Initiative (FSSI) for MRO Supplies. GSA Global Supply currently maintains contract coverage for MRO supplies for its customers through various contract vehicles ranging from one-time buys, Indefinite Delivery Indefinite Quantity contracts (IDIQ), Blanket Purchase Agreements (BPA) against Federal Supply Schedules (FSS), to open market standing price quotes not to exceed $150,000. These contract vehicles ensure that a responsible and responsive contractor is available to provide a National Stock Number (NSN) when GSA receives a requisition via Fedstrip or Milstrip from its customer agencies. As part of the FSSI and Supply Transformation (ST), GSA is moving towards a direct delivery model, where the items will be shipped directly from the vendor to the end user.

With the Distribution Centers closed, NSNs have been removed from the stock program and moved to the direct delivery program. The NSNs that have been categorized under MRO are currently covered by approximately 1,746 contracts and supplied by approximately 549 vendors. The Government anticipates this acquisition will consolidate these contracts into eighteen (18) BPAs, but reserves the right to establish more or fewer awards depending on the quotation evaluation results and a determination of how many BPAs will serve the best interest of the Government.

Extensive market research was conducted and numerous changes were made to the acquisition strategy to minimize the potential negative impact on small business. Active steps were taken to include small business in the MRO acquisition strategy, with the majority of awards being set aside for small business. GSA examined benefits which included cost, quality, acquisition cycle, terms and conditions, and other benefits. Substantial benefits were found to justify the decision to bundle/consolidate in areas of savings, better terms and conditions, reduced cycle time, and enablement of smart shopping. Moreover, MRO considered historical data obtained in the first year alone by the Office Supplies (OS) FSSI had proven savings of over 10%.

15 USC § 657q - Consolidation of contract requirements requires a consolidation analysis when two or more requirements for federal goods or services that have been provided under two (2) or more separate contracts will be consolidated under a single or multiple award contract. Consolidation requirements are specifically addressed in Section 10.0 of this document.

These BPAs constitute substantial bundling under the definition of the Federal Acquisition Regulations (FAR) due to the projected dollar value of the Request For Quotes (RFQs) (5% savings on contracts estimated at more than $94 million) as well as the fact that some of the BPAs will be awarded on an unrestricted basis. Were the entire requirement set aside, the action would not constitute bundling. However, because five (5) of the 18 BPAs are unrestricted and therefore may be awarded to large businesses, the Government is creating a requirement that is potentially unsuitable for small business participation and requires a bundling analysis to determine that the action is necessary and justified.

Therefore, the acquisition team has conducted a bundling analysis and identified the following benefits:

- Reduced Cost: Greater discounts than those generally offered under Multiple Award Schedule (MAS) contracts and BPAs due to the larger volume and the longevity of the contracts.
- Administrative Savings: Several types including distribution center savings, technology savings, etc.
- Personnel Cost Savings: Savings due to the reduction in acquisition and depot staff.
- Improved Delivery Times: Reduction in the average time of 30 day delivery to 6 days.

The acquisition team determined that these benefits justify bundling. The team further concluded that creating eighteen (18) BPAs is the best alternative in comparison to other contracting strategies.

In addition, GSA has taken numerous additional steps to ensure small businesses are given maximum opportunity to participate in the MRO Requisition Channel to include:

- Engaging industry through GSA Interact web blog site, ensuring the Small Business voice could be heard regardless of geography.
- Hosting a virtual Industry Day to answer specific questions regarding the Requisition Channel.
- Posting draft RFQs and Market Baskets to allow Industry an opportunity to view and comment.
- Constructing the MRO product categories to ensure representation of the best opportunity for small business schedule contract holders to compete effectively within and across those categories.
- Setting aside a majority of awards for small business. Thirteen (13) of the eighteen (18) BPAs are set aside for small business.
- Obtained a Waiver of the Non-Manufacturing Rule from the Small Business Administration. Many of the items in the procurement are made only by large manufacturers. The Waiver ensures that small businesses can participate in the acquisition to the maximum extent possible.

2.0 BACKGROUND

STRATEGIC SOURCING

FSSI, chartered under the purview of the Federal Government's Chief Acquisition Officers Council (CAOC), is governed by the Category Management Leadership Council (CMLC). The Office of Federal Procurement Policy (OFPP) oversees the CMLC. Many agencies actively participate in FSSI through the Community of Practice (COP) and through Commodity Councils that provide user input to various FSSI procurement activities. At its core, the FSSI program strives to implement a commodity management approach to federal procurement. MRO supplies are one of several commodity groups for which FSSI is seeking a more effective Government-wide acquisition approach.

A strategic sourcing effort typically involves the following activities:

- Analyze spend data;
- Analyze the market;
- Develop a strategy;
- Seek and negotiate with suppliers;
- Select and award to successful suppliers;
- Implement strategy; and
- Monitor performance[1]

Memo M-09-25, from the Office of Management and Budget (OMB), dated 07-29-09, mandated that all Federal agencies cut their procurement expenditures by 3.5 percent for both Fiscal Years 2010 and 2011 for a total reduction of 7 percent. The memo mandated the agencies to achieve savings through more effective acquisition practices.[2] The Government-wide strategic sourcing of MRO supplies under FSSI is anticipated to assist the Administration in achieving its goal of cutting $40 billion a year from procurement spending.

GSA GLOBAL SUPPLY MISSION
GSA Global Supply (GGS) manages global supply acquisition and distribution functions. It is a vital component of the National Supply System and supports military, civilian, and some state/local supply requirements throughout the world. Up until FY14, large-scale support was provided through two large distribution centers, acquisition centers, call centers, and more than 30 retail stores plus forward supply points located within the Continental United States (CONUS) and abroad, including multiple sites in Europe and Asia.

Since inception, GSA Global Supply has operated a national distribution system. Commodities were purchased and warehoused in large depots with extensive inventory requirements. Orders were placed through requisitions; shipments were then made directly from the depots to requisitioning offices. Due to the increased cost of maintaining a distribution system, GSA progressively reduced the size of the inventory maintained in its depot system and increasingly relied on direct vendor delivery. Through programs such as the Special Order Program, Expanded Direct Delivery (EDD), Direct Vendor Delivery (DVD), and now Strategic Partner Delivery (SPD), the size, scale, and e-commerce interfaces have become increasingly complex, and the percentage of business outside the stock program increased. With the wind-down of the wars in Iraq and Afghanistan, decreased volume made the traditional depot system cost prohibitive. Through ST, GSA decided to eliminate its depot footprint and reduce operating costs by closing the Western Distribution Center on September 30, 2014, and Eastern Distribution Center on December 31, 2014.

SUPPLY TRANSFORMATION INITIATIVE
In 2011, the Office of General Supplies and Services (GSS) began planning and implementing the ST initiative, designed to modernize the business line's wholesale and retail programs. ST focuses the wholesale program on the concept of greater reliance on SPD for commercially readily available items. ST was based on recommendations presented in a study by Deloitte

---

[1] U.S. Department of Defense, Office of Small Business Programs. Benefits Analysis Guidebook. 2007.
[2] http://www.whitehouse.gov/sites/default/files/omb/assets/memorandafy2009/m-09-25.pdf, OMB Memo M-09-25, Improving Government Acquisition, July 29, 2009.

Consulting, LLP titled "New Business Models and Business Case Analysis" (November 9, 2006).

The primary objective of ST is to modernize the GSS Office of Supply Operations' (SO) wholesale and retail programs. This initiative aligns with the Supply Operations Modernization Decision Memorandum that was approved by the FAS Commissioner on April 9, 2007. The bundled BPAs will meet one key objective: move commercially available products toward a direct vendor delivery model. By doing this, GSS will be able to provide its worldwide customer base with faster product delivery, more competitive pricing and stellar service under this enhanced business model. The ST effort is an attempt to concurrently carry out the OMB mandate to maximize use of FSSI while building a new, more sustainable business model.

MRO REQUISITION CHANNEL

An RFQ will be issued for the requisition-based ordering channel for NSNs and Part Numbers placed through GSA Global Supply (GS) via FedStrip and MilStrip.[3] It will establish several single-award BPAs with GSA Multiple Award Schedule (MAS) 51V contract holders. The FSSI MRO Requisition Channel will supports the goals of ST by: capturing the benefits of economies of scale, fostering markets for sustainable technologies and environmentally sustainable products, as well as simplifying data collection.

The MRO solution was developed to ensure small businesses' ability to participate. Market research revealed that small MRO suppliers often specialize within an MRO sub-segment as opposed to offering the full range of MRO supplies. With this in mind, the MRO Requisition Channel has been divided into nine (9) categories: 1) Tools, Automotive and Mechanics; 2) Tools, Household and Misc.; 3) Tools, Industrial and Tradesmen; 4) Tools, Non-Powered, Hand Tools, Measuring and Kits; 5) Tools, Powered; 6) Tools, Bags, Boxes and Organizers; 7) Hardware, Consumable Supplies, Material Handling, Repair Supplies; 8) Hardware, Electrical & Power, Lighting; Heating and Cooling, Pumps & Motors; and 9) Hardware, Industrial Supplies. The Categories were developed with the dual objectives of (1) being broad enough to allow for adequate sales volume to drive pricing discounts, and (2) being narrow enough to ensure small businesses are not excluded.

A Global Supply Market Basket has been identified in each of the nine MRO categories. Two single BPAs will be awarded in each Category, one for the east coast and one for the west coast. Thirteen (13) of the (18) BPAs will be set aside for small businesses.[4] Five (5) BPAs will be unrestricted. The initial market basket is comprised of 1823 of the most purchased, high-spend items and is spread amongst the MRO product categories. Contractors submitting quotes must have all of the items in the applicable BPA approved for sale on their respective GSA Schedule contract prior to submission of their quotes. Further detail on the nine MRO categories is provided below.

Category 1: Tools: Automotive and Mechanics

[3] A separate RFQ has been issued for the Purchase Channel, which applies to orders placed by the customer via the following methods: purchase cards, e-Buy, GSA Advantage, DoD E-mall, etc.

[4] The Team reserves the right to establish more or fewer awards depending on the quotation evaluation results and a determination of the number of BPAs in the best interest of the Government.

Automotive and Mechanics Hand Tools, non-powered, non-edged, in the spirit of a hardware store catalog, including socket wrenches, torque wrenches, cutters, scrapers, non-powered drills, manual impact wrenches, nutdrivers, ratchets, sockets, punches, taps and dies, connector tools, fuse pullers, and specialty tools. Accessories/attachments for Automotive and Mechanics Tools.

Category 2: Tools: Household and Miscellaneous
Household and Miscellaneous Hand Tools, non-powered, non-edged, in the spirit of a hardware store catalog, including microshavers, screw starters, nippers, mallets, staple guns, cutting and stripping tools. Accessories/attachments for Household and Miscellaneous Tools.

Category 3: Tools: Industrial and Tradesmen's
Industrial/Tradesman's Hand Tools, non-powered, non-edged, in the spirit of a hardware store catalog, including riveters, drills, sealant guns, chisels, scribers, nail sets, vise and vise caps, dispensing tools, set-up and layout tools, clamps, holders. Accessories/attachments for Industrial/Tradesman's tools.

Category 4: Tools: Non-Powered, Hand Tools, Measuring and Kits
Hand tools, edged, non-powered in the spirit of a hardware store catalog, including but not limited to replacement handles for axes and hatchets; measuring tools; non-powered tool kits and components.

Category 5: Tools: Powered
Power Driven Hand Tools in the spirit of a hardware store catalog, including but not limited to: hammer drills, grinders, routers, sanders, saws, screwdrivers, drills, etchers, staple guns, nail guns, torque wrenches, drivers, socket wrenches, scalers, microshavers, hammers, grinders, impact wrenches, polishers, nutrunners, air vacuums, sealant guns, ratchets, nippers, punches, cutting and stripping tools, measuring tools, swaging tools, automotive specialty tools, jacks, and connector tools. Powered Tool Kits and components. Accessories/attachments for power tools, including but not limited to abrasive paper, disks, and wheels.

Category 6: Tools: Bags, Boxes and Organizers
Tool Bags, Boxes, and Organizers in the spirit of a hardware store catalog, including but not limited to: boxes, cabinets, chests, holders, rolls, satchels, bags, pouches, and organizers for the storage of tools and tool accessories including but not limited to: portable, stationary, vehicle mounted, workbench mounted, hand-held, antistatic, rugged, modular, secure, locking, stackable and safety.

Category 7: Hardware: Consumable Supplies, Material Handling, Repair Supplies
Consumable Supplies, Material Handling, and Repair Supplies in the spirit of a hardware store catalog used for maintenance and repair, including but not limited to nuts and bolts, brackets, braces, and forgings. Lifting equipment, seals, and tie downs; ladders, banding, and rigging; dollies; hoists; tilt trucks, utility carts. Filters, plastic sheeting, tarps, vinyl inserts, concrete materials, door knobs & hardware, cabinet & furniture hardware, anchors, fasteners; mailboxes, safes, padlocks, lock sets, and cables; door stops, closers, and hooks; some weatherproofing including window shrink film, weatherstrips, insulation.

Category 8: Hardware: Electrical & Power, Lighting; Heating and Cooling, Pumps & Motors
Electrical and Power, Lighting items in the spirit of a hardware store catalog, to include electrical wiring and cable, transistors, actuators, cable protectors, regulators, boxes and covers; connectors, terminals, and clips; splice kits; wall plates, electrical outlets; plugs, receptacles, and adapters; cord reels, power strips, surge protectors, conduits & fittings, circuit breakers, panels, and ground fault circuit interrupters; smaller motors and parts; Lighting including work lights, emergency lights, light bulbs, light switches, and dimmers; flashlights and lanterns; non-powered lighting including chemi-luminescent lights; generators, power centers; push button stations; walkie-talkies and two-way radios; smoke detectors, carbon monoxide detectors.
Heating and Cooling, Pumps and Motors items in the spirit of a hardware store catalog, including plumbing fixtures and accessories, pipes, valves, air regulators, fittings, washers, and gaskets for plumbing repair.

Category 9: Hardware: Industrial Supplies
Industrial Supplies in the spirit of a hardware store catalog including welding equipment, sandblasting equipment; mats, and blasting material. Safety protection and aid, including face and head protection, respiratory protection; coolers and hydration; hard hats, high visibility apparel, traffic cones, road flares, protective goggles, gloves, ear protection. Some automotive maintenance and repair shop items including key chains, auto first aid kits, paint markers, drip pans, funnels, gasoline and oil dispensing cans and accessories. Some time measuring and navigational instruments. Some chemicals related to industrial supplies, including antifreeze, starter fluid, oil/coolant/solvent absorbent; sodium chloride, and sodium bicarbonate (industrial-use salts). Category also includes some containers/storage and packing supplies, including tape, crates, bags, boxes, and utility pails.

The following chart shows the set asides for each of these categories:

CATEGORY	East	West
Tools, Automotive and Mechanics	Set-Aside	Set-Aside
Tools, Household and Misc.	Set-Aside	Set-Aside
Tools, Industrial and Tradesmen	Set-Aside	Set-Aside
Tools, Non-Powered, Hand Tools, Measuring and Kits	Set-Aside	Set-Aside
Tools, Powered	Unrestricted	Unrestricted
Tools, Bags, Boxes and Organizers	Set-Aside	Set-Aside
Hardware, Consumable Supplies, Material Handling, Repair Supplies	Unrestricted	Set-Aside
Hardware, Pumps and Motors, Heating and Cooling, Electrical and Plumbing	Set-Aside	Unrestricted
Hardware, Industrial Supplies	Unrestricted	Set-Aside

Market research established an expectation of two or more quotes from small businesses in all of the Tools categories except Tools Powered, which will remain unrestricted.

For the Hardware categories, market research indicated that at least one vendor would quote; therefore, just one of the coasts is set aside in a manner that 'staggers' the prime small business awardees. This was found to best balance the interest of small business with the business requirements of the agency.

For the five (5) unrestricted BPAs, the Request For Quotation (RFQ) will require large businesses to provide higher goals than what is currently approved on their Multiple Award Schedule (MAS) contract. This information is addressed in the Small Business Participation plan which is attached to the Bundling Analysis.

3.0 FAR BUNDLING GUIDANCE

"Bundling," as defined in the Federal Acquisition Regulation (FAR), is the term used to describe the act of combining two or more existing requirements into a single solicitation when one of the requirements was or could have been performed by a small business; the solicitation will be unsuitable for award to a small business and the work will be performed in the United States.[5] To meet the definition of a bundled acquisition, at least one of the requirements being consolidated must have been previously performed by a small business or could have been performed by a small business.

When bundling will result in a contract or order with an estimated value of $6.0 million or more, it is defined as substantial bundling.[6] The aggregate estimated dollar value for this acquisition is $552 million for five years, including one (1) base year and four (4) option years. The acquisition strategy team is contemplating issuing a solicitation that would meet the definition of substantial bundling. Therefore, the following steps were followed to determine if the acquisition strategy team could execute its strategy of a bundled requirement.

1. Acquisition Planning
2. Market Research
3. Benefit Analysis Determination

This bundling analysis is only applicable to the Requisition Channel of MRO. The Purchase Channel of MRO is also a consolidated acquisition, but is not bundled. As such, a separate consolidation analysis was prepared for the MRO Purchase Channel.

REGULATORY REQUIREMENTS

In preparing the bundling analysis the contracting officers used the guidelines outlined in the Federal Acquisition Regulations (FAR). The following are the applicable regulations: FAR 7.104, 7.107, 10.001, and, 19.202-1(e).

The procedural requirements for bundling are set forth in FAR Part 7. For contracts valued over $6 million dollars, dollar threshold for GSA, NASA and, DOE, the acquisition plan/strategy must be prepared in conjunction with a small business specialist. In fact, for substantial bundling,

[5] FAR 2.101
[6] FAR 7.107(e) and 7.104(d)(2)

the small business specialist shall assist in creating alternative strategies to reduce the impact of bundling.[7]

Additional requirements are set forth in FAR 7.107. The agency must perform market research to determine if the Government achieves substantial benefits by bundling. These benefits may include: cost savings or price reductions, improved efficiency, reduction in acquisition cycle times, etc. The benefits must be quantified and demonstrate savings of at least 5% for contracts valued over $94 million. While administrative or personnel cost savings are permissible, they must constitute at least 10% in savings to be the sole reason for bundling. [8]

In addition, once the contracting team decides to bundle, it must notify the incumbent small businesses that may be affected by bundling the procurement. This notification is required thirty (30) days before issuing the solicitation. The notification must include information on how the small business may contact their respective Small Business Administrative representative.[9] The proposed RFQ must also be submitted to the local SBA procurement center representative and the Office of Small and Disadvantaged Business Utilization thirty (30) days before it is issued. The package submitted to both offices shall include a copy of the bundling analysis, the acquisition plan/strategy, and, the documentation required for substantial bundling (see below).[10] GSA Global Supply's prior MRO contracts (One-time buys, IDIQs, BPAs, and Standing Quotes):

- Have a total value in excess of $92 million annually
- Include contracts performed by small businesses
- Include contracts performed by large businesses
- Include contracts performed by AbilityOne vendors

The total expected value of the current requirement is $552 million over the next five years. Based on this value, the contracting officer must prove a substantial benefit of at least 5% (or $27.6 million) of the total value of the contract. Since this procurement meets the definition of substantial bundling, the contracting officer must also: (1) outline the specific benefits; (2) assess the specific impediments to small business participation; (3) outline an acquisition strategy to maximize small business participation either as prime vendors or subcontractors; (4) demonstrate that the benefits justify the use of bundling; and (5) identify alternatives to bundling and the rationale for not using the alternatives. [11]

4.0 ANALYSIS

METHODOLOGY

The contracting officers conducted this analysis using various methods which are generally accepted and mandatory under the Federal Acquisition Regulations. The methods used included:

---

[7] FAR 7.104 (d)(1)-(2)
[8] FAR 7.107
[9] FAR 10.001 (c)
[10] FAR 19.202-1(e)(1)-(4)
[11] FAR 7.107(e)

- Developed a list of NSNs within the scope of MRO items. This list includes NSNs in the following Federal Stock Classes (FSC): 3920, 3990, 4010, 4020, 4110, 4130, 4140, 4320, 4510, 4520, 4720, 4730, 4940, 5110, 5120, 5130, 5133, 5136, 5140, 5180, 5210, 5233, 5305, 5310, 5315, 5330, 5335, 5340, 5345, 5350, 5920, 5965, 5970, 6110, 6135, 6140, 6150, 6210, 6230, 6260, 6605, 6625, 6645, 6650, 6660, 6680, and 6685. Fire items, DLA-managed items, Central-Asia sources items, restrictive source items, and items otherwise unsuitable for quotation purposes (historically too expensive to quote FOB destination due to freight expense, etc.) were removed from the list based on feedback from the Engineering Branch.
- Reviewed the current BPA, Standing Price Quote (SPQ), and contract holders, for both "open market" vehicles as well as those placed against Multiple Award Schedules, to determine the effect of the bundling on current Global Supply MRO contractors.
- Reviewed potential effect of the bundling for other MAS contract holders. MAS contract holders not awarded an MRO BPA could experience a decrease in sales.
- Developed various acquisition strategies which included bundling.
- Identified potential benefits of bundling and projected estimates of the benefits of a bundled acquisition.
- Used key data which was derived from a variety of sources, including, databases on current contracts, the Deloitte and Mercator Group studies, and results of other FSSI projects.
- Issued Requests for Information (RFI) and hosted an Industry Day, targeting small business schedule contract holders in the applicable FSC classes to determine the number of businesses who manufacture and/or supply MRO products and are capable of meeting the demands and requirements of the proposed BPAs.

SAVINGS ESTIMATION METHODS USED
The team used analogous estimating to calculate savings and discounts for the acquisition, by comparing current discounts between MAS prices and BPA prices with the potential discounts under the bundled contracts. The data used for the project was gathered by the Acquisition and Engineering Teams in Region 6 and Business Operations Support of GSA in Central Office.

The Business Operations Support Division of GSA conducted a search in the following databases: FSS19, which is derived from the Unconsummated Requisition History File (URHF), Consummated Requisition History File (CRHF), and Purchase Order Procurement Information (POPI) databases, and Customer Service Center (CSC), which is derived from the DAYTRAN, HISTDAYTRAN, and ASIADAYTRAN databases. The Acquisition and Engineering Teams in Region 6 reviewed the data supplied by Business Operations Support and scrubbed it for fire items which have been transferred to DLA, FRS items which have been discontinued, Central Asia Sourcing products, terminal NSNs, and restrictive source products.[12]

The acquisition team analyzed the existing contracts to be bundled. A full explanation of both the numbers and types of these current contracts is included below under Acquisition History.

[12] Restrictive source items are products requiring First Article Testing or other restrictive specifications.

MRO REQUISITION ACQUISITION HISTORY

Currently, there are an estimated 19,000 active MRO items supported by GSA's Stock Number (NSN) Program in Stock Classes 5110, 5120, 5210, 5130, 5133, 5136, 5140, 5180, 5305, 5310, 5315, 5330, 5335, 5340, 6135, 6140, 4110, 4130, 4140, 4520, 4320, 4510, 5920, 5965, 5970, 6110, 6150, 6210, 6230, 6260, 3920, 3990, 4010, 4020, 4720, 4730, 4940, 5345, 5350, 6605, 6645, 6660, 6685, 6625, 6650, and 6680. Examples of MRO supplies are automotive and mechanics hand tools, industrial and tradesmen's tools, power tools, measuring tools, as well as hardware items such as consumables, material handling equipment and supplies, electrical and power supplies, pumps and motors, and industrial supplies (full category descriptions above). Each MRO supply item is classified with a unique National Stock Number (NSN) that is managed by GSA. Acquisition Divisions within the Region 6 Integrated Facilities Management and Industrial Products Solutions (IFMIPS) Center and Region 7 Southwest Supply Operations Center maintain contract coverage of MRO NSNs. Contract vehicles range from one-time buys, Indefinite Delivery Indefinite Quantity contracts (IDIQ), Blanket Purchase Agreements (BPA) against Federal Supply Schedules (FSS), to open market standing price quotes not to exceed $150,000.

In Fiscal Year 2014, there were 1,746 Supply Operations MRO contracts with sales posted against them; 1,435, or eighty-two percent (82%), of these contracts were with small business firms.

	FY13 Total	**FY14 Total**
Total Number of MRO Vendors with Sales	1,224	549
Total Number of Large MRO Vendors with Sales	251	123
Total Number of Small MRO Vendors with Sales	973	426
	FY13 Total	**FY14 Total**
Total Number of MRO Contracts with Sales	2,759	1,746
Total Number of Large Business MRO Contracts with Sales	479	311
Total Number of Small Business MRO Contracts with Sales	2,280	1,435

With respect to annual sales, in 2013, Global Supply received requisitions for over $114 million in MRO supplies. In 2014, total MRO sales declined to $105 million:

Year	Total Sales	AbilityOne	Small	Large
FY 2013 Sales	$114,498,448	$4,811,420	$68,972,154	$40,714,874
FY 2014 Sales	$105,902,938	$4,909,287	$62,783,489	$38,210,162

The figures show that while a majority of spend is with small businesses, large businesses also see a significant volume of spend on the contracts awarded to them.

Further spend analysis exhibited the following characteristics:

- The Government issued 40% of its requisitions to large businesses
- Small business accounted for 60% of Government spend through requisitions
- Only four contracts had sales exceeding $1 million for FY2014.
- Currently, vendors are engaged in intense price competition
- MRO supplies are often purchased under established service contracts
- An analysis of spend patterns shows a significant savings opportunity based on characteristics described above

MARKET RESEARCH

Market research was conducted to determine the number of small business schedule contract holders who manufacture MRO products and are capable of meeting the requirements of the direct delivery model.

GSA hosted several industry-engaging events to share information on the MRO strategic sourcing solution and solicit feedback from industry, including small business. Key activities performed to collaborate with Industry to gather feedback on the MRO strategic sourcing solution included:

1. GSA Interact – Ongoing. FSSI Maintenance, Repair, and Operations Group, with 1563 industry members, allowed information sharing and dialogue with thousands of community members including small business interests.

2. Request for Information (RFI) – 10/24/2013. To maximize small business opportunity and competition, GSA released an RFI to determine if there were an adequate number of qualified small business Multiple Award Schedule contract holders with offerings under specific MRO NAICS codes. The market basket was also shared along with the RFI to allow vendors ample time to review and provide feedback on the market basket items. Vendors were also requested to submit capability statements in response to key business requirements, including:

    a. Full commercial item catalogue service
    b. Wide distribution/delivery capacity
    c. Ability to deliver orders to all Continental United States (CONUS) customers within 4 business days after receipt of order
    d. Meaningful and verifiable small business participation
    e. Approval as an AbilityOne reseller
    f. Electronic Data Interchange (EDI) capability
    g. Packaging and labeling capability according to FED-STD 123 and MIL-STD-129,

among other specifications

h. $0 dollar minimum order threshold

In addition to the above business requirements, vendors were instructed to submit capability statements regarding interest and ability to provide all of the MRO market basket items.

Vendors were asked to submit questions about the RFI on or before November 6, 2013. Answers to the questions submitted were posted on or about November 20, 2013.[13] The RFI closed on December 20, 2013. A total of eight (8) responses were received from the RFI. Six of the respondents represented themselves as small businesses, and two of the respondents represented themselves as other than small businesses (large businesses). The RFI results showed that while small business participation could be substantial, the number of small business RFI respondents represents less than .1 percent of the small business vendor base that has recently or is currently supplying the items. It is a risk for the Government to predicate its award strategy solely on the response of such a small portion of the vendor community, however, GSA continued to gather small business feedback.

3. Draft Release of Request for Quotations (RFQ) – 02/07/2014. GSA released a draft RFQ for Industry review. Industry provided comments and questions on the GSA blog as well as questions submitted to the MRO Requisition Channel program and acquisition teams during the Industry Pre-Proposal Conference on February 19, 2014. These comments and questions were shared among the MRO team for further consideration and implementation into the final RFQ.

4. Pre-Proposal Conference – 02/19/2014. This vendor engagement meeting had over 200 registered participants. The purpose was to engage Industry directly with the MRO Program Team and key stakeholders of GSA and to share strategies of the MRO Requisition Channel. Strategies shared included: collecting/reporting data, identifying cost drivers, savings strategy of ST, facilitating end user ease-of-use, setting aside BPAs to address socioeconomic concerns, Purchase versus Requisition Channels, invite feedback on the Draft RFQ, and ensuring dynamic participation of vendors.

5. Following a change in the scope of work and the removal of Paints, Sealants, and Adhesives, a revised Draft RFQ was prepared and posted for Industry comment on July 15, 2014. Comments and questions were received by July 30, 2014. Revisions were made to the RFQ in response to vendor input, including increasing the minimum order quantity to $25 to enable more small businesses to fulfill orders and setting aside a majority of the BPAs for small business.

[13] These were also posted at GSA's Interact site, available at https://interact.gsa.gov/blog/request-information-issued-mro-requisition

6. Following an expansion of the market basket to over 1,000 MRO items, this expanded market basket was published to Interact on November 6, 2014 with a comment and response period allowed through November 20, 2014. Five vendors responded with additional comments, including some requests to remove certain NSNs from the expanded market basket. Those requests were considered by GSA.

7. RFI May 2015 - Following a further expansion of the market basket to over 1800 items, the market basket and a set of industry questions targeted at small business was again released.

8. Draft RFQ August 2015 - Following an increase in the number of MRO categories to nine total, a shift to single award strategy, and other updates, a Draft RFQ was again released for industry feedback.

Based on the market research conducted, the MRO team is confident that small businesses can play a substantial role in the acquisition and is setting aside 13 of the 18 BPAs for small business.

5.0 ANTICIPATED BENEFITS [FAR 7.107 (e)(1)]

GSA used a variety of methods to validate anticipated benefits of the bundled acquisition. As demonstrated below, GSA will exceed the 5% savings threshold required by the FAR for bundled acquisitions. These benefits are realized because of the bundling and the consolidation of these contracts. Had GSA decided not to consolidate (for which the benefits examined apply to all 18 of the BPAs, large or small), or bundle (for which the benefits examined apply specifically to the 5 unrestricted BPAs), then these benefits would not have been realized.

Each of these savings is explained below, by type, as follows: pricing discounts, proven FSSI savings, improved delivery times, reduction in frustrated freight, personnel cost savings, administrative savings, acquisition center operations cost savings, price reductions, and greater customer satisfaction.

PRICING DISCOUNTS
By using FSSI and leveraging greater buying power, the prices of MRO products will be reduced by using economies of scale. Additionally, contractors will be motivated to offer more competitive pricing, i.e. lower unit costs, because of the larger volume and a five (5) year BPA period of performance. Whether FSSI solutions are awarded as BPAs against Federal Supply Schedules or as stand-alone Indefinite Delivery, Indefinite Quantity (IDIQ) contracts, these bundled solutions will push prices even lower, because it will aggregate customer requirements in large volumes, therefore, driving deeper discounts.

According to a DAU training module, “Strategic Sourcing Overview,” cost per unit savings may come in the form of pricing improvements through:
- Lower unit price

- Volume rebates
- Payment term discounts

FSSI-MRO Requisition Channel will be mutually beneficial to the maintenance, repair and operations item manufacturer and supplier community. “Strategic sourcing benefits both buyers and suppliers. It benefits buyers because they can negotiate lower unit prices for high-volume purchases, thus reducing cost of goods sold and maintaining the ability to price their products competitively. It benefits suppliers because they are able to sell a significant portion of their output, which makes planning easier and gives management long-term cash flow visibility.”[14] “[M]anufacturers can benefit from strategic sourcing. One benefit is that by having a stable relationship with key suppliers, the business can ensure that they have a steady supply of both bottleneck items and other necessary goods. Additionally, by negotiating with the supplier and finalizing a purchasing arrangement, the company can secure a lower price on those items because the vendor is assured of a buyer for their products.”[15]

In addition, the consolidation of contracts reduces contract duplication, costs associated with Quote preparation, and increases the availability of acquisition resources to focus on mission critical Government functions. The prices made available to Global Supply customers will reflect a streamlined supplier base. Consolidated spend through the Global Supply program will ultimately leverage the purchasing power of GSA, and is expected to result in overall price savings for customers.

Historically vendors have offered lower prices for larger purchases. Many of the vendors on schedule in the MRO arena will post their volume discounts on GSA Advantage. If the information is not available on GSA Advantage, the customer must contact the vendor to ascertain if additional discounts are available.

The FSSI MRO Purchase Channel BPAs, established in February of 2013, have shown an 8% savings rate for customers as a direct result of competitive prices and leveraged spend.

Under the Office Supplies (OS2) BPAs, established since June 2010, savings reached 13% when compared to other agency contracts, GSA schedule contracts, current Global Supply prices, and open market retail prices.

Similar price reductions are expected for the MRO Requisition BPAs because the items being purchased in both examples (MRO Purchase and OS2) are commercially available commodities with relatively low per-item dollar values.

Using the 8% metric from the Purchase Channel, the team generated the following estimated quantifiable benefit of an 8% price reduction for the MRO Requisition Channel. The current total cost estimate is based on historical pricing and does not already account for the anticipated price discounts. If we assume that the 8% discount can be obtained uniformly on all items procured under the acquisition for purposes of this estimate, then we can anticipate that the

---

[14] Importance of Strategic Sourcing Skills by Chirantan Basu, Demand Media posted on http://smallbusiness.chron.com

[15] STRATEGIC SOURCING, http://www.epiqtech.com

pricing discount will be equal to 8% of the total acquisition value, or $44.2 million ($552 million times 8%).

As further support for the additional discounts BPAs can offer from MAS contracts, the team examined contracts in the Integrated Facilities Management and Industrial Products Solutions (IFMIPS) Center (a majority of the maintenance, repair and operations NSNs are managed in this office); specifically the average cost savings from awarding a Blanket Purchase Agreement to a MAS contract holder was examined. Based on this limited sample, there was a significant discount from MAS.

NSN	Description	MAS Price	BPA Price	Discount %
5110-01-090-5870	STRIPPER, WIRE, HAND	$130.65	$31.61	75.81%
5120-00-228-9516	WRENCH, BOX AND OPEN	$21.60	$11.25	47.92%
5120-00-228-9517	WRENCH, BOX AND OPEN	$26.51	$12.87	51.45%
5120-00-249-1076	HANDLE, SOCKET WRENCH	$61.15	$32.58	46.72%
5120-00-889-1796	TACKER	$39.42	$23.49	40.41%

Since the acquisition will establish BPAs against MAS, similar pricing discounts are expected.

PROVEN FSSI SAVINGS

The first test case for the strategic sourcing model was the Office Supplies (OS2) Solution awarded in June 2010. In audit GAO-12-178, it was determined that OS2 "resulted in direct savings of $88.7 million on spending of $607.9 million through April 2013."[16] If savings results like these (14.5%) hold true for the MRO Requisition BPAs, the Government can realize up to $80m in savings on the $552m estimated spend for this acquisition ($552 million times 14.5%).

In addition, the report found that non-strategic sourcing vendors lowered their prices by an average of 10% to compete with the BPAs. The report outlined some key successes which are not quantifiable, but are noted as possible benefits of FSSI. They include: a decrease in price variability; a reduction in contract duplication; an increase in productivity of acquisition professionals by giving them time to work on mission critical items, and an increase in vendor accountability in meeting its performance goals. In fact, since its inception, Office Supplies FSSI increased small business participation from 67% to 76% while achieving an average savings rate of 18%. This FSSI has saved the Federal Government over $350 million in direct and indirect costs.

[16] Koses, J. (June 13, 2013). Effects of Strategic Sourcing Initiatives on Small Business. Retrieved from http://www.gsa.gov/portal/content/173467. The savings was calculated by using the difference between FSSI pricing and non-strategic sourcing pricing.

Other current FSSI solutions in place are: Domestic Delivery Services Generation 2 (DDS2), Wireless, and Telecommunications Expense Management Services (TEMS). The Government tracks the annual spend and the resulting savings for these solutions. For TEMS, as of October 2012, the program had saved the Government $3.8 million, which equates to an 18% savings. For Domestic Delivery Services, as of May 2013, the Government had saved 27.9% using FSSI. As of Q3 FY 2013, the Print Management FSSI program had saved the Government 15 percent.[17]

Based on this information, there is a consistent pattern of significant discounts from awarding Blanket Purchase Agreements from Multiple Award Schedules. Therefore, the MRO FSSI can expect to achieve similar discounts by bundling and consolidation.

IMPROVED DELIVERY TIMES

A sampling of the delivery times for the current MRO supply contracts in the Integrated Facilities Management and Industrial Products Solutions (IFMIPS) Center demonstrated an average delivery time of 36 days. The acquisition team reviewed 27 contracts. The delivery times ranged from 7 days to 90 days.

Contract	Vendor	Due After Receipt of Order (DARO), Days
FF0040M	FOSTER-MILLER, INC	30
FF0214J	PELICAN PRODUCTS, INC.	30
FF0369M	HYDRO TEK SYSTEMS, INC.	30
FF5501R	ALL SAFE INDUSTRIES, INC.	30
FF8887D	TELECOM ELECTRIC SUPPLY COMPANY	21
FFQPWRE	POWERS INDUSTRIAL EQUIPMENT, LTD	30
MF0016R	KLAWHORN INDUSTRIES, INC	30
MF06712	MIDLAND SUPPLY, INC.	20
MF09664	URENDA TOOL COMPANY	30
MF10AIH	ALASKA INDUSTRIAL HARDWARE, INC.	30
MF16850	HAGEMEYER NORTH AMERICA, INC.	30
MF19087	N. H. BRAGG & SONS	30
MF2JENK	JENKS, INC.	30
MF3CLOG	CREATIVE LOGISTICS LTD.	45
MF4AERE	AEROSAFE PRODUCTS INC	15
MF4GGIA	GIGA, INC.	60
MF4PEAK	PEAKER SERVICES, INC.	30
MF4WHEN	WHELAN MACHINE & TOOL, LLC	60
MF5BOSR	BOSWORTH ACQUISITION CORP.	60
MF5ISSE	L & F PHELAN INC.	30
MF7DAVI	NICKLES, FRANK	60
FF0039J	KIPPER TOOL	60

[17] https://strategicsourcing.gov/

MFB074M	J&L INDUSTRIAL SUPPLY CO	7
FFBA052	W.W. GRAINGER	30
MF0001T	WHITE CAP SUPPLY	10
MF83981	PACKAGING SYSTEMS, INC.	45
MFX0106	WOOD-MILLER SAW & KNIFE LIMITED	90
	Average DARO	**36**

One of the benefits of the proposed bundling is improved delivery times. The proposed delivery time for the FSSI BPAs is 6 business days CONUS. Shorter delivery times will significantly increase customer's ability to meet their mission requirements more quickly compared with waits under the previous delivery times. The faster the delivery time, the less agencies will be burdened with work stoppages, progress delays, and possible reprocurement as an urgent and compelling requirement.

REDUCTION IN FRUSTRATED FREIGHT

When Department of Defense (DoD) customers order MRO items for overseas (OCONUS) delivery, numerous marking, packaging, and labeling requirements are necessary for the items to be shipped through the Defense Transportation System. An on-going issue of products not being appropriately marked or labeled leaves them stranded or "frustrated" at an export facility, greatly delaying end-customer receipt. This issue is significant, as Global Supply ordering data show that approximately 25 percent of the dollars spent for product was for OCONUS delivery.

With approximately 549 contractors currently supplying the items, correcting this packaging and labeling issue, and thus the frustrated freight issue, is exceedingly complex due to the variety of disparate systems and methods used by vendors to supply the items. Reducing the number of vendors in the supply base can increase the Government's ability to address compliance with packaging requirements. The Government can focus efforts and corrective measures with a smaller vendor base, thus improving customer service and delivery times.

Frustrated freight will also be reduced by GSA improvements in operating systems and higher contractor performance requirements, especially related to marking and labeling of shipments. By reducing the number of vendors in the supply base, this will increase the Government's agility in deploying marking and labeling requirements, which in turn reduces frustrated freight. When mature, the supply chain partners are expected to provide newer levels of integration with DoD and GSA processing systems for seamless, automated transactions and better data capture.

PERSONNEL COST SAVINGS

In addition to savings from volume discounts, GSA could potentially realize a reduction in personnel costs. There are currently about 19,000 NSNs in the MRO universe. The inventory levels at the depots were managed by inventory manager staff at the acquisition centers in Fort Worth, TX, Kansas City, MO and New York, NY. The inventory managers placed orders from the vendors for the items delivered to depot. In addition, they forecasted demand and assisted contracting staff on contracting needs for the NSNs managed. With ST, the vendor will be responsible for having their own internal supply chain department managing items. Moving to a direct delivery model eliminates the need for Inventory Managers to manage these NSNs.

Anticipating a reduction in staff due to ST, GSA offered retirement packages to staff in Supply Operations (excluding 1102 staff), and at the two distribution centers in Burlington, NJ and French Camp, CA. Therefore, this data will include the pre-retirement staff and post-retirement staffing numbers. Prior to the recent retirement of several (5) Inventory Managers, each person managed 240-306 NSNs. Post-retirement each person (2 Inventory Managers) manages approximately 425 NSNs.

Prior to the first and second rounds of the retirement package offerings, there were (7) inventory managers total in the Kansas City office. Currently there are two (2) inventory managers in the Kansas City office. For FY 2013 the inventory managers were at the following grades and steps:

Number of Employees	**Grade & Step**	**Annual Salary FY 2013**	**Fringe Benefit Factor (36.25%)**[18]	**Overhead Rate (12%)**[19]	**Total Cost Per Inventory Manager**
2 (retired FY 2013)	Grade 12, Step 8	$169,726	$61,525	$27,750	$259,001
1 (retired FY2013)	Grade 12, Step 9	$87,157	$31,954	$14,293	$133,404
2 (retired FY2013)	Grade 12, Step 10	$178,900	$64,851	$29,370	$274,121
1	Grade 12, Step 3	$73,396	$26,606	$12,000	$112,002
1	Grade 13, Step 5	$92,732	$33,615	$15,162	$141,509

The Government has already saved $666,526 (total 1-yr cost) from the five inventory managers who retired in FY 2013. These savings will total $3,332,630 ($666,526 x 5) over a 5 year period. In a decision paper written by Joseph Jeu, as Assistant Commissioner of GSS and approved on April 9, 2007 by James A. Williams, as Commissioner Federal Acquisition Service, reduction in workforce would be done by attrition.[20] While bundling cannot be justified solely on the reduction in personnel cost, since it is less than 5% required for substantial bundling, is important to note that the Government will achieve these additional savings by bundling.

[18] OMB Circular A-76, May 29, 2003, Attachment C, “Calculating Public-Private Competition Costs.” B.2.f(1). This factor represents the benefit cost factor of full time fringe benefits which include: retirement benefit cost factor (26.1%), insurance and health benefit cost factor (7%), medicare benefit cost factor (1.45%), and miscellaneous fringe benefit factor(1.3%).

[19] Ibid B.5.

[20] In FY 2013, three buy-outs were offered. It is not clear if another set of buy-outs will be offered in the future.

ADMINISTRATIVE SAVINGS

Innovations in supply chain management have put greater reliance on vendors. GSS past practices have relied significantly on acquiring products from industry and storing them in GSA-owned distribution centers and forward stocking locations, including retail. In 2011, the GSS portfolio's Office of Supply Operations business line began planning and implementing a Supply Transformation Program (STP)--also termed Supply Transformation (ST)--to modernize the business line's wholesale and retail programs. Through these new practices, GSS expects to: lower overhead, reduce environmental impact, continue to supply best products and services to customers and taxpayers at lowest possible cost, increase product breadth, obtain competitive pricing, and achieve best value for customers and taxpayers. ST will refocus the wholesale program on the concept of greater reliance on commercial vendors for readily available commercial items.

GSS' ST will enable the MRO Requisition BPAs to achieve significant administrative savings through two primary purposes:

> Purpose #1: Save taxpayer dollars through acquisition and operating efficiencies
>
> Purpose #2: Increase customer responsiveness through broader product range, lower prices, and faster delivery

ST will institute a business model that ensures Global Supply's long term viability, solvency, and relevance in a changing market.

GSS is presented with the opportunity to reduce supply chain costs and realize savings for many products through ST. In the past, GSA could buy in bulk from hundreds of different suppliers and warehouse the items, using longer lead times (90 to 120 days in some cases) and larger quantity orders (often purchasing hundreds or even thousands of items on single orders). Under this model, it was still feasible to contract with hundreds of different vendors, both small and large. Vendors' electronic capabilities were not as crucial either under this model; faxed orders would suffice.

The new ST model uses direct delivery, requiring thousands of individual orders for a few hundred dollars or less each, heavy reliance on vendor electronic order processing capacity, and sophisticated supply chain management capabilities. This model does not lend itself to contracting with hundreds of different vendors with wide variations in minimum order requirements, EDI usage, and supply chain capacity. The new model requires Global Supply to move away from a supply method that uses hundreds of different suppliers, to a method that intelligently selects from a highly capable, smaller group of Strategic Suppliers.

Strategic Sourcing initiatives are directly tied to realizing the savings under this new model. This new business model will also ensure Global Supply's long term viability, solvency, and relevance in a changing market.

A Mercator Group decision paper outlined total estimated cost savings for the Strategic model at $105,194,759 per year. They estimate that closing the depots will decrease the annual Steady-State Operating costs from $251,881,347 to $146,686,588. A summary analysis of the savings associated with the new business model is shown in Figure 1 below.

	Present Value of 5-year Cost Summation		Steady-State Operating Costs	
Cost Category	Baseline	Alt. 1 (Close EDC and WDC)	Baseline	Alt. 1 (Close EDC and WDC)
EDC: Operating	$212,320,028	$71,165,252	$40,589,687	$0
EDC: Transition		$37,339,268		
WDC: Operating	$125,426,403	$19,208,765	$23,991,942	$0
WDC: Transition		$5,302,463		
3PL: Establishment Costs				
3PL: Sustainment Costs				
AC: NY	$38,640,695	$15,742,198	$7,306,589	$2,799,434
AC: KC	$41,627,694	$22,609,393	$7,871,402	$4,493,197
AC: FW	$50,398,625	$23,297,654	$9,529,901	$4,425,690
AC: Transition		$6,545,059		
Call Centers	$11,549,638	$9,841,064	$2,216,686	$2,057,661
Total Overhead	$487,158,985	$330,669,326	$97,431,797	$74,482,797
Stores	$79,050,716	$67,356,499	$15,171,956	$14,083,525
Other	$248,904,120	$212,082,963	$47,771,387	$44,344,283
Total Operating Cost	$967,122,068	$492,533,650	$251,881,347	$146,686,588
Total Transition Cost		$49,186,789		
Total Cost	$967,122,068	$541,720,440	$251,881,347	$146,686,588

Figure (1). Summary Analysis of Savings Associated with New Business Model.

As indicated above, the Baseline Steady State Operating costs are equal to $251,881,347 per year under the existing business model. Under the ST Model to be realized via Strategic Sourcing solutions--shown in the column labeled Alternative 1 above--the new Steady State Operating costs will be equal to $146,686,588. This equals an annual savings of $105,194,759 per year ($251.9 million minus $146.7 million). This $105 million in annual savings is projected for the entire Global Supply business line upon completion of ST.

Working from a total savings of $105,194,759 per year, GSS estimated how much of the savings would **be realized across each of the strategic sourcing vehicles that will operate under this model**, by percentage, that it planned to implement. Percentages of this total savings figure were apportioned to each of the strategic sourcing vehicles to represent projected captured **savings on each of those vehicles**, under the ST model. The percentages were based on the portion of revenue that the vehicles' commodities generate within the GSS portfolio, using FY12 Supply Operations Financial Statements.

After applying the determined percentages and accounting for the removal of the PSA (Paints, Sealants and Adhesives) items from the acquisition, the portion of the annual savings attributable to the MRO Requisition Channel items under ST was determined to be $24.9M of this $105M in total annual ST savings. Thus, the total projected savings for the MRO Requisition requirement's base period, plus four, one-year option periods is $124,656,587 ($24.9M times five years). This exceeds the 5% savings threshold of $27,600,000 (5% of $552,000,000=$27,600,000) required by FAR 7.107(b)(2) as it exceeds the "measurably substantial benefits" test for bundling.

ACQUISITION CENTER OPERATIONS COST SAVINGS
Of this $124,656,587 in savings under the MRO Requisition requirement, the GSS decision paper indicated that Acquisition Center Operations Savings will comprise 12.4 percent of the total savings, or $15,392,740 over five years. Acquisition Center Operations Savings are directly related to reduced personnel and overhead necessary to award, administer, and close out thousands of disparate contracts awarded using various acquisition procedures. This is a key quantifiable savings of the MRO Requisition Channel BPAs.

GREATER CUSTOMER SATISFACTION
GSA Global Supply customers are not only expected to benefit from projected savings, but are also likely to experience greater overall satisfaction. This expectation is based on the results of a Strategic Partner Delivery (SPD) pilot survey.[21] An overall customer satisfaction score of 97.6 percent was received in March 2013, with customers indicating packaging was well/excellent, satisfaction with product received, and faster delivery times under the new SPD model. The SPD model will be mirrored in key respects on the MRO Requisition BPAs, thus leading to higher customer satisfaction than if GSA continued using the traditional procurement methods and had not consolidated the contracts.

6.0 DISADVANTAGES OF BUNDLING

The team examined some of the potential disadvantages of bundling the contracts from two perspectives: disadvantages to the Government and disadvantages to small business vendors.

The most significant disadvantages to the Government include the following:

- Pricing competition may be limited by reducing the number of vendors providing the items.
- Performance issues: There is a business risk in relying on a small number of vendors. The selected vendors may be incapable of performing due to system disruptions, financial issues, natural and/or other disasters. Past performance will be an important factor in the RFQ Evaluation performance to potentially avoid performance problems.

The acquisition team determined that these risks are nominal in comparison to the benefits of bundling the contracts. In order to mitigate these risks, by using BPAs against Federal Supply Schedules, the contracting team will have current schedule holders with similar products to ensure alternatives are readily available to contracting officers. These current schedule contracts will also assist with pricing competition.

[21] Also termed Direct Vendor Delivery (DVD), referenced above, the MRO solution will mirror the SPD model in several key respects, such as EDI usage, shorter delivery times, and greater integration with GSA purchasing and ordering systems.

The disadvantages to small business are examined in the next section.

7.0 SPECIFIC IMPEDIMENTS TO SMALL BUSINESS PARTICIPATION [FAR 7.107(e)(2)]

SUITABILITY FOR SMALL BUSINESS

The expanded market basket is comprised of approximately 1823 NSNs which will be divided into BPAs by category. The specific impediments to small business participation are: the sheer number and diversity of the products in the procurement; expected quantity demand; space necessary to maintain a significant amount of inventory; and, infrastructure to fulfill orders and ship within the timeframe allotted in the BPA. Due to the size and dollar value of the proposed acquisition, the BPAs that remain unrestricted (5 of the 18) may be unsuitable for award to a small business.

For the 13 (of 18) BPAs that are totally set aside for small business under the procurement, this still represents a substantial compression of the small business base. Historically this volume of spend has been provided through 426 small vendors (FY14); this number will now be compressed to approximately 13 small vendors. Aside from a few specialty items (certain kits and tools boxes), many of the small businesses who previously participated in supplying MRO items for GSA Global Supply will likely not be able to quote due to the size and scope (see below) of this acquisition.

For the unrestricted portion of the acquisition, there is a concern that small businesses lack the:

- Size (experience in managing the anticipated volume of orders under the BPAs)
- Scope (manufacture or have relationships with suppliers to provide all of the products in market baskets)
- Financial (sufficient capital to carry costs and cover expenses until reimbursed by the agency)
- Technology (systems capable of interfacing with the ordering system, effective supply chain planning management, etc.) Potentially, bundling will perpetuate an advantage for those large businesses that are technologically capable to comply with GSA's ordering systems and EDI methods.

ACQUISITION STRATEGY TO MAXIMIZE SMALL BUSINESS PARTICIPATION [FAR 7.107(e)(3) and (4)]

It is recognized that the statutory provisions for bundling came from a Congressional concern of the impact of these types of acquisitions on small business participation in federal procurement. Given that bundling leads to the displacement of small businesses or makes their participation less likely, the regulations provide additional requirements for bundled acquisitions that involve substantial bundling. Specifically, because the cumulative maximum potential value, including options, of the contract is greater than $6.0 million, additional documentation—a small business action plan—must be provided prior to proceeding with the solicitation. The intent of the action plan is to mitigate the effects of the bundling upon small business and to enhance and encourage small business participation at both the prime contractor and subcontractor levels.

As referenced in the action plan, for the five unrestricted BPAs, large businesses will be required to submit goals which shall exceed the goals approved in their current plan under their MAS schedule. This will ensure maximum participation for small businesses as subcontractors for acquisitions involving bundling, as required by FAR 7.107(e)(4).

		Vendor Size	
CATEGORY	Total Number of BPAs	Unrestricted	Small Business
Tools, Automotive and Mechanics	2	0	2
Tools, Household and Misc.	2	0	2
Tools, Industrial and Tradesmen	2	0	2
Tools, Non-Powered, Hand Tools, Measuring and Kits	2	0	2
Tools, Powered	2	2	0
Tools, Bags, Boxes and Organizers	2	0	2
Hardware, Consumable Supplies, Material Handling, Repair Supplies	2	1	1
Hardware, Pumps and Motors, Heating and Cooling, Electrical and Plumbing	2	1	1
Hardware, Industrial Supplies	2	1	1
	18	5	13

As shown above, the intent is to award two BPAs in each category. One single BPA will cover the Eastern portion of the US, and one single BPA will cover the Western portion of the US. The Mississippi River will be the dividing line between East and West. This will allow faster shipping and give vendors an opportunity to manage shipping costs.

The MRO strategic solution is based on the offerings available under the 51V Multiple Award Schedules (MAS). Below are the findings of the MRO commodities and vendors under the MAS program:

Offers will be solicited from vendors with MAS 51 V contracts with targeted Special Item Number (SIN) 105 002: Hardware, Home Improvement, or MRO Catalog. The approximate number of contractors within the Schedule is as follows:

- 51 V – 1 SIN – 131 total contractors; 28 Other Than Small Business, 103 Small Business; 29 Small Business Woman Owned, 10 Veteran Owned Small Business, 17 SDVOSB, 21 Small Disadvantaged Business, 10 8(a) and 6 Hubzone.

From a geographic standpoint:

MAS 51 V (Hardware Superstore)

- Region 1- 4 Small Business Total (Maine 1, Massachusetts 3)
- Region 2 - 9 Small Business Total (New York)
- Region 3 - 16 Small Business Total (Maryland 3, Pennsylvania 6, Virginia 7)
- Region 4 - 20 Small Business Total (Tennessee 2, North Carolina 3, Georgia 9, Florida 5, Alabama 1)
- Region 5 - 12 Small Business Total (Minnesota 2, Wisconsin 1, Illinois 3, Indiana 1, Michigan 2, Ohio 3)
- Region 6 - 3 Small Business Total (Nebraska 1, Missouri 2)

- Region 7 - 18 Small Business Total (New Mexico 1, Texas 14, Arkansas 1, Louisiana 1, Oklahoma 1)
- Region 8 - 2 Small Business Total (Utah)
- Region 9 - 16 Small Business Total (California 14, Arizona 2)
- Region 10 -1 Small Business Total (Washington)
- Region 11 - 2 Small Business Total (District of Columbia)

GSA has taken the following steps to mitigate risk to smaller displaced contractors under the contemplated acquisition:

1.) Established an East-West award structure for the BPAs off of the Multiple Awards Schedule (MAS).

Dividing the BPAs in this manner ensures supplier redundancy for the Global Supply program. The intent is to award two BPAs in each category, one, single BPA will cover the Eastern portion of the US and one single BPA will cover the Western portion of the US. The Mississippi River will be the dividing line between East and West. This will allow faster shipping and give vendors an opportunity to manage shipping costs. The East-West structure also ensures smaller, more manageable BPA awards, which will maximize small businesses ability to compete for awards as Prime BPA holders. The five-year spend estimates for these East-West BPAs are shown below, by category:

MRO Category	East	West
Tools - Hand Tools, Automotive/Mechanics	$56,285,554	$49,816,441
Tools - Hand Tools, Household and Miscellaneous	$26,767,048	$29,907,558
Tools - Hand Tools, Industrial/Tradesman's Tools	$19,080,116	$13,427,370
Tools - Non-Powered	$82,563,434	$56,978,989
Tools - Powered	$29,839,179	$17,405,612
Tools - Tool Bags, Boxes, and Organizers	$12,633,987	$8,436,443
Hardware - Consumable Supplies, Material Handling, and Repair Supplies	$44,387,226	$30,714,142
Hardware - Electrical and Power, Lighting; Heating and Cooling, Pumps & Motors	$21,390,976	$12,244,451
Hardware - Industrial Supplies	$25,981,117	$14,138,286
Totals	$318,928,638	$233,069,292

2.) Setting aside 13 of the 18 contemplated BPAs for Small business.

Based on the five-year estimates above, this set aside strategy will result in $422 million of $552 million, or 76% of the total acquisition value, being awarded to small business. Historically, Global Supply has achieved an average of 66% small business spend for its MRO Requisition supplies, so this set-aside strategy should result in an 11% improvement in Global Supply’s MRO Requisition historical average small business spend.

The MRO solution's structure was developed to ensure small businesses' ability to participate. Market research revealed that small MRO providers often specialize within a MRO sub-segment as opposed to offering the full range of MRO supplies. The Categories were developed with the dual objectives of (1) being broad enough to allow for adequate sales volume to drive pricing discounts, and (2) being narrow enough to ensure small businesses are not excluded. An investigation of the types of products offered by small businesses holding Schedule contracts informed the development of these categories. The contracting team has developed a separate small business action plan in conjunction with the small business specialist in Region 6 to ensure this result. Plans to encourage small business participation will be done both in the pre-solicitation phase and the acquisition phase.

3.) Sought feedback from contractors who have traditionally supplied products that meet the NSN specifications in the procurement 'market basket.' As a result of the feedback received July 30, 2014, as well as feedback obtained from an RFI done in May 2015, GSA took steps to ensure that items required under the BPAs do not limit small businesses' ability to participate in the solution. First, GSA is not requiring vendors to provide specific SKUs; rather, vendors are provided Item Purchase Descriptions of National Stock Numbers, which list salient characteristics of generic items and will be allowed to quote items within their catalog that meet those descriptions. This is to allow small businesses that may not have access to certain popular manufacturers to still be able to participate in the solution. Secondly, GSA excluded many specialty products (such as kits and certain tool boxes) from the Market Baskets, that could be challenging for small businesses to provide. And third, GSA requested feedback on Small Business' capability to use Electronic Data Interchange (EDI) as well as the required military shipping standards (e.g. MIL-STD 129) to mitigate the risk of frustrated freight, to which all responded favorably.

4.) Allowing small business participation through subcontracting or teaming with prime Other than Small businesses. This allows for maximized small business participation while allowing the parent contract be responsible for meeting the financial and technological concerns.

5.) Designed the categories and the award structure with small business in mind.

GSA sought feedback from contractors through RFIs in July 2014 and May 2015, regarding the categories and their suitability for small business performance. GSA vetted this feedback with in-house technical experts and engineers to create categories that maximize small business participation. GSA is further coordinating its strategy with small business specialists in the region in order to ensure an optimal small business result. Lastly, contractors may receive an award in more than one category, but are not required to compete for more than one, and therefore small businesses that specialize in one of the nine commodity categories are afforded an opportunity to compete within their niche area, without requiring the delivery of a total solution.

8.0 ACQUISITION ALTERNATIVES TO BUNDLING [FAR 7.107(e)(6)]

Alternative 1:
Maintain Status Quo: Status quo at the initial development of this acquisition would have been to keep the distribution centers open. The distribution centers have been closed due to the financial cost of shipping, maintaining inventory in the two distribution centers as well as

staffing costs. The new status quo would be to keep the multitude of individual contracts and agreements that are currently in place. The MRO universe in FY 2014 consisted of approximately 1,746 contracts, which included Blanket Purchase Agreements written against Multiple Award Contracts, Dummy Contracts, Standing Price Quotes, and Indefinite Delivery Contracts. While maintaining this large number of contracts might increase small business participation and reduce the scope of the bundling and the consolidation, the financial benefits of bundling outweigh the costs of maintaining the status quo.

Rationale for Not Using: The major reason for not maintaining status quo is the inefficiency of administering hundreds of contracts. The Government has traditionally awarded hundreds of contracts to large and small business, and looked to small business as a key supplier. This solution will still have a large reliance on small business and the Government will consolidate, however, there are 4 categories (Tools Powered, and Three of the Hardware Categories) that market research has shown will not be able to be performed by a small business. This then will require the Government to bundle this portion of the solution. In addition, keeping the current system would also prevent the Government from achieving certain goals, including: reducing its carbon footprint; Executive Order 13589, requiring every agency to reduce costs and use Strategic Sourcing as a method for achieving such savings; and the OMB memo released December 2012 mandating Strategic Sourcing. This system also does not enable to the Government to achieve the expected estimated savings of 8% (based on MRO Purchase Channel savings).

Alternative 2:

Awarding Multiple BPAs: This alternative would involve awarding multiple BPAs for each category and may have reduced the scope of the bundling by allocating smaller portions of the orders to each vendor.

Rationale for Not Using: The Government currently has established multiple BPAs, and it was determined that awarding multiple BPAs for each category would not decrease the workload of Global Supply acquisition workforce since in accordance with FAR 8.405-3(c)(2), orders exceeding the micro-purchase threshold but not exceeding the simplified acquisition threshold, the ordering activity must provide each multiple-award BPA holder a fair opportunity to be considered for each order. In FY 14, orders between the micro-purchase threshold and the simplified acquisition threshold only accounted for 1% of the total orders or approximately 2,866 orders, however that many more requisitions in the Work in Progress (WIP) workload would further stretch our limited resources. In addition, GSA does not expect to get additional pricing discounts at the task order level under a multiple award strategy. Finally, the allocation of orders required under a multiple award strategy proved an extreme administrative burden and an unrealistic approach to distributing orders.

Alternative 3:

Awarding three or more Single Award BPAs per category: This alternative would involve awarding three or more single award BPAs for each category and may have further reduced the scope of the bundling by awarding smaller portions of the overall acquisition to each vendor.

Rationale for Not Using: In determining the optimal geographic dividing line for an East/West award structure, the Mississippi River was found to provide an ideal line in terms of optimal shipping costs, existing vendor distribution networks, and established best practices (previous GSA solutions used same structure). Given this ideal structure, the award strategy can accommodate only two awardees in each category - one for East and one for West. Three or more awardees do not fit this model.

A single-award approach with two vendors per category (one East, one West) will result in strong competition in the establishment of the BPAs and allow automation of supply orders (reducing overall acquisition cycle times) to individual suppliers.

	Bundling	Status Quo	Multiple Award
Reduces Scope of Bundling?	No	Yes	Some
Viable?	Yes	Yes	Yes
Pricing Discounts	Most	Some	Some
Administrative Cost Reduction	Most	None	None
Increases Small Business Participation	Least	Most	Some
Meets applicable policy and guidance	Yes	Yes	Yes
Aligns to GSA and FAS priorities	Most	No	No
Mitigates Risk	No	Yes	No

9.0 CONTRACTING ALTERNATIVES

Alternative 1: *Total small business set-aside for all categories*
The estimated value for this acquisition exceeds the Simplified Acquisition Threshold. However, there is no reasonable expectation that at least two responsible small businesses will respond to each category in the RFQ and that the acquisition would result in competitive pricing.[22] Therefore setting this entire acquisition aside to small business is impractical.

Alternative 2: *Full and Open Competition*
The team considered full and open competition as undesirable due to the length of time necessary to conduct the procurement and the expense and risk associated with this approach. The time and expense associated with a new competitive contract award would not be justified since there are existing vehicles that can satisfy the Government's requirements.

Alternative 3: *GSA Schedules*
GSA Schedule 51V has the necessary scope for maintenance, repair and operations products. GSA has already determined that Schedule prices for supplies are fair and reasonable.[23] A BPA against the GSA Schedules is the best fit for MRO's requirements.

10.0 DETERMINATION TO CONSOLIDATE

[22] FAR 19.502-2(b)(1)-(2)

[23] FAR 8.404(d). The MRO team recognizes that this is not an all-inclusive estimate; however, it was derived with the most applicable data available at the initial development of this analysis

This is a combined bundling and consolidation analysis that provides justification for both bundling as required by FAR Part 7 and consolidation as required by Title 15 of the U.S. Code, Section 657q.

Actions the agency must take with respect to Consolidation are outlined below. Most of these items have been addressed in this document already and are identified below with the applicable section reference. The text of the consolidation statute is given below in italics with the references and other verbiage in regular font.

(b) Policy. The head of each Federal agency shall ensure that the decisions made by the Federal agency regarding consolidation of contract requirements of the Federal agency are made with a view to providing small business concerns with appropriate opportunities to participate as prime contractors and subcontractors in the procurements of the Federal agency.

(c) Limitation on use of acquisition strategies involving consolidation.

> *(1) In general. Subject to paragraph (4), the head of a Federal agency may not carry out an acquisition strategy that includes a consolidation of contract requirements of the Federal agency with a total value of more than $2,000,000, unless the senior procurement executive or Chief Acquisition Officer for the Federal agency, before carrying out the acquisition strategy--*
>
>> *(A) conducts market research*; (see Section 4.0, Subsection “Market Research”)
>>
>> *(B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements;* (See Sections 8.0 & 9.0 above)
>>
>> *(C) makes a written determination that the consolidation of contract requirements is necessary and justified;*
>>
>> The Contracting Officer has found that the benefits referenced below under (3) (A) through (D) and detailed in this document, are both quantifiable and substantial, and based on these findings the Contracting Officer has determined that the consolidation is necessary and justified.
>>
>> *(D) identifies any negative impact by the acquisition strategy on contracting with small business concerns; and* (See Section 7.0 above)
>>
>> *(E) ensures that steps will be taken to include small business concerns in the acquisition strategy.* (See Sections 7.0 and 12.0)
>
> *(2) Determination that consolidation is necessary and justified.*
>
>> *(A) In general. A senior procurement executive or Chief Acquisition Officer may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for the purposes of paragraph (1)(C) if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contracting approaches identified under paragraph (1)(B).* - (See Section 8.0 and 9.0)

(B) Savings in administrative or personnel costs. For purposes of subparagraph (A), savings in administrative or personnel costs alone do not constitute a sufficient justification for a consolidation of contract requirements in a procurement unless the expected total amount of the cost savings, as determined by the senior procurement executive or Chief Acquisition Officer, is expected to be substantial in relation to the total cost of the procurement. (See Section 5.0)

(3) Benefits to be considered. The benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts--

Cost benefits see Section 5.0, Subsections “Pricing Discounts”, “Proven FSSI Savings”, “Personnel Cost Savings”, “Administrative Savings”, “Acquisition Center Operations Cost Savings”, and “Price Reductions”

(A) quality; (Section 5.0, Subsection “Reduction in Frustrated Freight”)

(B) acquisition cycle; (Section 8.0)

(C) terms and conditions; and (Section 5.0, Subsection “Improved Delivery Times”)

(D) any other benefit. (Section 5.0, Subsection “Greater Customer Satisfaction”

11.0 DETERMINATION TO BUNDLE [FAR 7.107(e)(5)]

Through the market research and industry engagement, GSA reorganized the proposed categories to create more opportunities for small businesses. GSA has also obtained a waiver to the Non-Manufacturer Rule from SBA to increase the ability of small businesses to compete under the set-asides.

GSA has met with SBA to discuss MRO strategies to promote opportunities for small businesses in this arena. GSA examined benefits which included cost, quality, acquisition cycle, terms and conditions, and other benefits. Ensuring small business opportunity is a paramount concern of GSA and is well reflected in the acquisition strategy.

Based on the foregoing information in the analysis, GSA found that there is a substantial negative impact on small business through the consolidation and bundling. GSA has taken a number of steps to reduce that impact as shown above, but still a substantial impact remains.

MRO’s acquisition team identified the following quantifiable benefits of a bundled acquisition:

- Price Reductions: Based on the savings realized under the FSSI MRO Purchase Channel BPAs, an 8% savings rate can be used as a baseline for potential MRO Requisition savings as a direct result of competitive prices and leveraged spend.
- Reduced Administrative Costs: Based on the Mercator Group study, the team estimates savings of 12.4% due to a reduction in administrative costs.

The total benefits of bundling are approximately 8% +12.4%= 20.4%. These savings were derived from estimates based on research of the current MRO commodity contracts, OS2 FSSI sales history, industry research, and a study conducted by the Mercator Group.

After reviewing the available market research, the bundling/benefits analysis above, and applicable policy and guidance, the acquisition team has determined that it is in the Government's best interest to bundle. The expected benefit of this bundled acquisition is 20.56% annually, which significantly exceeds the 5% threshold required by the FAR. The proposed acquisition strategy will consist of eighteen BPA awards as previously stated, two per category. The Request for Quote (RFQ) market basket will consist of approximately 1823 items, split into nine categories. To submit a quote a vendor must have 100% of the market basket items in their GSA MAS contract for that specific category. With award of the FSSI BPAs, the BPA holder's catalog of MRO supplies provided by its underlying GSA MAS contract will be included and available under the resulting BPA, restricted to those catalog items that fall within scope of the vendor's awarded MRO category. This will provide comprehensive contractor coverage of MRO commodities to fulfill Government-wide need. Every effort will be made to mitigate the impact of the acquisition on small businesses.

12.0 FINAL RECOMMENDATIONS

GSA maximized its opportunity to engage with Industry in an effort to maintain transparency of the MRO strategic solution's acquisition planning process. The intent was to establish a robust communication channel between Government and Industry (both large and small concerns) to address questions, concerns and to hear recommendations. GSA uses a web blog, GSA Interact, as a transparent, open forum for communication with Industry. Relevant information and materials are shared through GSA Interact as it served, and continues to serve, as the main touch point for communication regarding MRO.

The acquisition team recommends the following:

- Conduct a competitive acquisition for multiple BPAs
- Continue to work with the Small Business Administration and OSBU, seeking advice on how best to include small businesses in the acquisition
- Continue to update Interact with any relevant changes to acquisition strategy, market basket, and/or Draft RFQ as needed, taking in questions and incorporating relevant small business feedback on the acquisition strategy to the maximum extent possible
- Allow or encourage small business participation, for example, allow contractor teaming arrangements and subcontract arrangements
- Maximize use of small businesses during base and option years by strict enforcement of Subcontracting goals, as well as targeting items that are manufactured or sold by small businesses for additions (so long as in category scope) to the catalog and/or NSN offerings.
- Post a final market basket to allow vendors sufficient time to get items on their MAS Schedules.
- Include evaluation factors in the solicitation that maximize small business participation, including:

- ○ Past performance indicating the extent to which the offeror attained applicable goals for small business participation under contracts that required subcontracting plans [FAR 15.304(c)(3)(iii)].[24]
- ○ Offeror's proposed use of small businesses as subcontractors and their past performance in meeting subcontracting goals [FAR 15.340(c)(5)].[25]
- ○ Set aside 13 of 18 BPAs for small business, consistent with market research in each category

Actions taken to date:

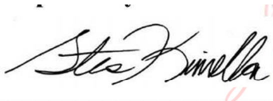
- Included the Small Business Administration and the GSA Office of Small Business Utilization in the planning process in accordance with FAR 7.104(d)(1)
- Posted a Request for Information (RFI) on e-Buy in October 2013. Used the feedback from small and large businesses to to maximize small business participation.
- Used GSA's Interact site to provide continuous updates to industry on acquisition strategy, Draft RFQ postings, and market basket changes
- Hosted a Pre-Proposal conference in February 2014 to educate vendors on the MRO Requisition Channel and hear feedback on the draft RFQ. Based on the feedback made the following changes: Vendor Shipment Module (VSM) was required in the 2014 draft RFQ but has since been made optional due to confusion with the requirement; the delivery requirements have been increased from four days to six days; estimated quantities will be provided for each NSN; estimated spend values for each category have been provided; a minimum order of $25 rather than $0 has been incorporated to accommodate small business and to improve pricing. All Q&As from this Industry Day are available at: https://interact.gsa.gov/blog/mro-and-jansan-requisition-channel-industry-day-qa-now-available-0
- Posted an updated version of the Draft RFQ in July 2014; requested and incorporated feedback from small business manufacturers on the market basket items and certain evaluation criteria, making the criteria more favorable to small business
- Published an expanded market basket in November 2014 in part to ensure small businesses can still meaningfully participate as prime contractors in the acquisition
- Published a newly expanded market basket in July 2015 again to ensure small businesses can still meaningfully participate as prime contractors in the acquisition
- Published a near final expanded market basket in August 2015 again to ensure small businesses can still meaningfully participate as prime contractors in the acquisition; a DRAFT RFQ followed in August.

[24] FAR 15.304(c)(3)(ii): For solicitations involving bundling that offer a significant opportunity for subcontracting, the contracting officer must include a factor to evaluate past performance indicating the extent to which the offeror attained applicable goals for small business participation under contracts that required subcontracting plans (15 U.S.C. 637(d)(4)(G)(ii)).

[25] FAR 15.304(c)(3)(5): For solicitations involving bundling that offer a significant opportunity for subcontracting, the contracting officer must include proposed small business subcontracting participation in the subcontracting plan as an evaluation factor (15 U.S.C. 637(d)(4)(G)(i)).

MRO Bundling Analysis Signature Page 1 of 2

Prepared by:



Digitally signed by STEPHEN KINSELLA
DN: c=US, o=U.S. Government, ou=General Services Administration, cn=STEPHEN KINSELLA, 0.9.2342.19200300.100.1.1=47001000141102
Date: 2015.08.19 11:55:23 -05'00'

Stephen Kinsella, MRO Contracting Officer — Date

DENISE ELSBERND

Digitally signed by: DENISE ELSBERND
DN: CN = DENISE ELSBERND C = US O = U.S. Government OU = General Services Administration
Date: 2015.08.19 12:51:49 -05'00'

Denise Elsbernd, MRO Program Lead — Date

Reviewed by:

BRADLEY WILLIS

Digitally signed by BRADLEY WILLIS
DN: c=US, o=U.S. Government, ou=General Services Administration, cn=BRADLEY WILLIS, 0.9.2342.19200300.100.1.1=47001001664143
Date: 2015.08.21 13:38:36 -05'00'

IFMIPS Center Director — Date

FALLYME GUERRERO

Digitally signed by: FALLYME GUERRERO
DN: CN = FALLYME GUERRERO C = US O = U.S. Government OU = General Services Administration
Date: 2015.08.26 10:45:41 -05'00'

Fallyme Guerrero, R6, Office of General Counsel — Date

Sharon Henry

Digitally signed by Sharon Henry
DN: cn=Sharon Henry, o=FAS, ou=Heartland Deputy RC, email=sharon.henry@gsa.gov, c=US
Date: 2015.08.26 15:17:23 -05'00'

Sharon Henry, R6 Competition Advocate — Date

Mary Ruwwe

Digitally signed by Mary Ruwwe
DN: cn=Mary Ruwwe, o=Heartland FAS, ou=Regional Commissioner, email=mary.ruwwe@gsa.gov, c=US
Date: 2015.08.26 15:22:16 -05'00'

Mary Ruwwe, R6, Regional Commissioner and HCA — Date

MRO Bundling Analysis Signature Page 2 of 2

Concurrence:

Donna Jenkins — Date

Assistant Commissioner, Office of Acquisition Management (QV)

8-31-2015

Thomas Sharpe, FAS Commissioner — Date

Approved by:

9/9/15

Jerome Fletcher II — Date

Associate Administrator, Office of Small Business Utilization

JEFFREY KOSES

Digitally signed by JEFFREY KOSES
DN: c=US, o=U.S. Government, ou=General Services Administration, cn=JEFFREY KOSES, 0.9.2342.19200300.100.1.1=47001000016255
Date: 2015.09.09 15:20:32 -04'00'

Jeffrey A. Koses, Senior Procurement Executive — Date