



U.S. General Services Administration

# Federal Strategic Sourcing Initiative

Welcome to  
**Industry Day**

August 6, 2013

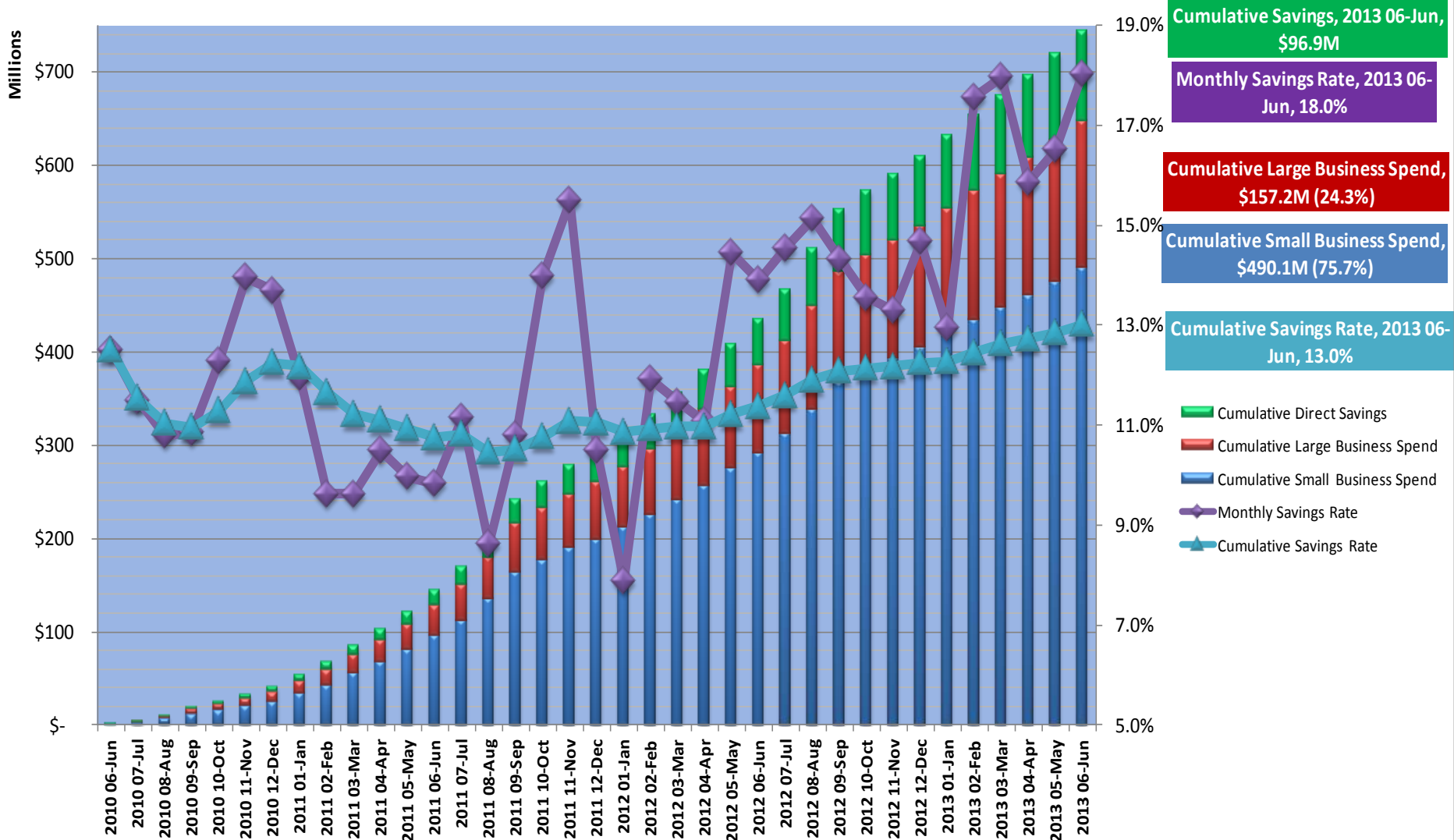
# Agenda

- Welcoming Remarks
  - FSSI OS2: What we accomplished and what we learned  
*Robert Woodside, PM, FSSI OS2 program office*
  - FSSI OS3: Overview and Thoughts  
*Robert, Woodside, PM, FSSI OS2 program office*
    - **What should “scope” of office supplies be**
    - **How do we reduce cost**
    - **OCONUS industry capability**
  - AbilityOne Presentation  
*Eric Beale*  
*Program Liaison, U.S. AbilityOne Commission*
- General Discussion
- Closing Remarks

## **OS2 Updates/Lessons Learned**

# Federal Strategic Sourcing Initiative

## OS2 Cumulative Spend & Savings



# Federal Strategic Sourcing Initiative

## The Importance of Data Quality & Part Number Standardization/Identification:

- ✓ Improves the customer shopping experience on eCommerce Platforms
- ✓ Ensures a level playing field for suppliers
- ✓ Provides suppliers with clarity of market position when establishing a pricing strategy
- ✓ Allows for granular horizontal market analysis to reduce excessive price variance, resulting in significant Government savings
- ✓ Reduces rate of product returns due to accidental ordering of the “wrong” product.
- ✓ Increases the transparency of Government spending

## Data Quality Improvements for Discussion:

- Reporting of GTIN-12/UPC-A?
- Package Quantity (i.e. BX-12, BX-48)?
- Removal of Marketing Language from Product Descriptions?

## Actual Pricing Improvements Achieved Through Granular Market Analysis



HP Toner  
HEWQ5942XG  
**Before: \$458.94**  
**Now: \$152.78**  
**66.7% Savings**



AbilityOne Ballpoint Pen (1 DZ)  
NSN3322833  
**Before: \$33.88**  
**Now: \$5.35**  
**84.2% Savings**



Document Dividers  
AVE11370  
**Before: \$6.04**  
**Now: \$1.66**  
**72.5% Savings**



Compatible Toner  
CTGCTG632  
**Before: \$257.56**  
**Now: \$170.00**  
**34.0% Savings**



Innovera Ink Cartridge  
IVR63WN  
**Before: \$27.99**  
**Now: \$8.37**  
**70.1% Savings**



Lexmark Toner Cartridge  
LEXC544X4MG  
**Before: \$532.69**  
**Now: \$138.93**  
**73.9% Savings**

## Qualification OS2 Criteria

- AbilityOne Certified
- Ability to Supply Level III Data
  - Monthly Usage Reports with Transactional Data
  - Quarterly Performance Reports

## OS2 Qualification Criteria

- Monthly Usage Reports with Transactional Data
  - Order Date
  - Order Number
  - Product Description
  - Manufacturer Name
  - Manufacturer Part Number
  - Unit of Issue
  - Quantity
  - FSC Code (Federal Supply Code)
  - UNSPSC (United Nations Standard Products and Services Code)
  - Subcategory (Ink, Paper, Toner, General Office Supplies)

## OS2 Qualification Criteria

- Monthly Usage Reports with Transactional Data
  - BPA Price
  - MAS Contract Price
  - Commercial List Price
  - Environmental Preferred Product (EPP)
  - Comprehensive Procurement Guidelines (CPG)
  - Compatible or Remanufactured Toner
  - Post Consumer Recycled Percent
  - Total Recycling Content
  - Delivery Method (Standard, Overnight, Secured Desktop)
  - Freight Charge
  - Shipping Weight



## OS2 Qualification Criteria

- Monthly Usage Reports with Transactional Data
  - Discount Amount
  - Supplemental Fees
  - Total Purchase Amount
  - Credit or Debit
  - Agency of Customer
  - Sub- Agency to Maj Comm.
  - DODAAC (Dept. of Defense Activity Address Code)
  - Pay Method (Smart Card, ETF, Net 30, check, etc.)
  - Pay Date (Date Payment Received)
  - Sales Channel (GSA Advantage, DoD Email, Fax, phone, etc.)

## OS2 Qualification Criteria

- Monthly Usage Reports with Transactional Data
  - Zip Code Delivered To Location
  - Zip Code Sent From Location
  - Charge Processing Date
  - Transaction Number
  - Contractor Name
  - Contract Number

## OS2 Qualification Criteria

- Quarterly Performance Report
  - Percentage of Transactions Delivered On time
  - Explanations of Issues and Steps Involved
  - No. of Transactions where item was on backorder
  - No. of Transactions where Fill/Kill was invoked
  - Any items reported as damaged by customer
  - Any items returned by customer
  - How many products have Environmentally Preferred Content
  - Quantity of Toners returned/recycled
  - Customer Complaints (issue and steps to resolve)

## Open Discussion

- “Scope” of office supplies
- How do we reduce cost
- OCONUS industry capability



# FSSI OS3 AbilityOne Program Overview





# Learning Objectives

## Provide an overview of the AbilityOne® Program and create awareness of:

- Mission and program history
- Statutory/regulatory framework
- Distribution program-
  - Program overview
  - Authorization Criteria/Application Process





# AbilityOne Program Mission

Provide employment opportunities for people who are blind or have other significant disabilities in the manufacturing and delivery of products and services to the Federal Government





# Why is it important?

- Over 18 million working-age adults are blind or have another significant disability
- Approximately 70% of this population is not employed—an untapped labor pool
- Program provides training and support

The AbilityOne Program network employs **more than 50,000** people through contracts with Federal agencies at over 600 nonprofit agencies.







# AbilityOne Program History

## **1938 – Wagner-O’Day Act:**

Established the Program for products made by people who are blind

## **1971 – Javits Amendment:**

Expanded the Program to include people with other significant disabilities and added services





# Examples of AbilityOne Products

- Office Products
  - Writing Instruments
  - Filing
  - Computer Accessories
- Janitorial & Sanitation
  - Mops
  - Brooms
  - Cleaning Supplies
  - Cleaners
- Green Products
  - Recycled content
  - Biobased/ Biodegradable





# Statutory Framework

- ***Javits-Wagner-O'Day Act, 41 U.S.C. 46-48(c)***
  - Established the mandatory source requirement for products and services on the procurement list
  - Establishes the Committee for Purchase as an independent Federal agency; specifies composition, duties and staff
- ***Committee Regulations - 41 CFR 51-2***
  - Commission Regulations and operating procedures
- ***FAR Subpart 8.7***
  - Acquisition from Nonprofit Agencies Employing People Who Are Blind or Severely Disabled.
  - Implements the AbilityOne Program's procurement rules





# Authorized Distributor Program

- In order to distribute AbilityOne products, you must
  1. Apply to become authorized
  2. Meet established authorization criteria
  3. Be authorized by the Commission staff
- A distributor can request authorization by product category
  - Office Products
  - Janitorial/Sanitation
  - Hardware/MRO

Information on becoming an distributor, including the application, can be found at <http://abilityone.gov/distributors/potential.html>





# Authorized Wholesalers

Distributors must have an account with an authorized wholesaler. Current authorized AbilityOne wholesalers include:

- LC Industries (LCI)
- S.P. Richards
- United Stationers

**NOTE:** It is recommended that distributors establish an account with more than one wholesaler.





# “Pre-Authorization” Process

**All distributors being awarded a BPA/Contract must be AbilityOne authorized.** However, in order to bid, we have set up a “pre-authorization” process which will allow distributors to gain access to pricing from the wholesalers without having to go through the full authorization process. Distributors can choose this option, or become authorized prior to bidding. Distributors should contact Eric Beale at [ebeale@abilityone.gov](mailto:ebeale@abilityone.gov) to obtain the “pre-authorization” form.

NOTE: Submission of the “pre-authorization” form does not entitle distributors to market or sell AbilityOne products.





# Exclusivity Principle – “Essentially the Same” (ETS)

- Federal customers are required to buy AbilityOne items in lieu of commercial equivalents if the two items have the same:
  - Fit - size or dimensional characteristics
  - Form - appearance, shape, design, color, texture, quality, features
  - Function – purpose
- ETS refers to a commercial product that has the same fit, form and function as the AbilityOne product
- Since AbilityOne products are **mandatory** purchases for federal customers, commercial products that have been deemed ETS as AbilityOne products cannot be included on a federal contract
- The Commission issues quarterly ETS designations





# Requirements Once Authorized

- Office product distributors are required to make available all AbilityOne products available from the wholesaler(s) they have an account with. This includes A- and B-List products.
  - A-List contains commodity-type products that are commonly used in office and light industrial settings. These products are available from the authorized wholesalers.
  - B-List contains commodity-type products that not all federal offices would purchase. A selection of these products are available through the wholesaler channels
  - Updated quarterly

NOTE: Both A- and B-List products are mandatory purchases for federal customers.







# Requirements Once Authorized

- Distributors should not sell commercial products determined to be ETS on any federal contract or e-commerce site
  - Distributors must have a plan in place to ensure ETS products are not sold to federal customers and the appropriate AbilityOne products are substituted if an order is placed for an ETS product. An automated system is strongly encouraged.
- Pricing: The AbilityOne Program does not dictate end customer pricing. However, all products must be priced in a competitive range
- Catalog: Include AbilityOne products in electronic and/or hard copy federal catalogs





# Benefits of Authorization

AbilityOne has over 500 authorized distributors under numerous Schedules. This partnership allows:

- Access to federal customers mandated to purchase mandatory AbilityOne products
- Ability to compete for Blanket Purchase Agreements (BPAs)/contracts
- Ability to fulfill AbilityOne set-aside bids and solicitations
- By selling AbilityOne products, authorized distributors assist people who are blind or have another significant disability to obtain or maintain a job





# Current Partners

- We pride ourselves on providing quality products to meet and exceed customer requirements through lasting relationships with numerous partners
  - Manufacturing Partners include:
    - 3M
    - GOJO
    - Purell
    - ACCO
    - Avery Dennison
    - Ecolab
    - Johnson Diversey





# Working Together

We can support all distributors to:

- Assist you in complying with AbilityOne Distributor criteria
- Educate on newly launched AbilityOne products
- Provide one-on-one training to your organization
- Key marketing brochures, catalogs and samples
- Product Information:
  - Technical- environmental content, bio-preferred program
  - Stocking positions
  - Ordering challenges/questions





# POINT OF CONTACT

Mr. Eric Beale  
Commercial Distribution Coordinator  
U.S. AbilityOne Commission  
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[ebeale@abilityone.gov](mailto:ebeale@abilityone.gov)



# General Discussion

# Closing Remarks