



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

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MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

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FROM: Iris B. Cooper, Senior Procurement Executive, Office of the Procurement Executive

SUBJECT: Treasury Designated Mandatory Source for Janitorial and Sanitation Supplies

1. **Purpose:** Establishment of General Service Administration's (GSA) Federal Strategic Sourcing Initiative (FSSI) Janitorial and Sanitation Supplies (JanSan) Blanket Purchase Agreements (BPAs) as the designated Treasury mandatory source for the purchase of JanSan supplies. JanSan supplies include cleaning compounds and related dispensers, non-motorized cleaning equipment and trash receptacles, paper products and related dispensers, and motorized floor cleaning equipment and accessories.

2. **Effective Date:** January 12, 2015

3. **Expiration Date:** March 15, 2016, or otherwise expiration or termination of the corresponding JanSan BPAs (or their parent GSA schedules), or cancellation of this directive by the Senior Procurement Executive (SPE).

4. **Applicability:** This directive is applicable to all Treasury staff, including contracting officers, contract specialists, purchasing agents, purchase card holders, and any other designated ordering official for acquisitions of any dollar value, including purchase card transactions, for the purchase of JanSan supplies.

5. **Background:** FSSI is an OMB-sponsored program focused on analyzing all costs associated with a product or service under management, in order to generate savings through requirements development, acquisitions, and behavior changes. The primary objectives of FSSI are to:

- Strategically source across federal agencies;
- Establish mechanisms to increase total cost savings, value, and socioeconomic participation;
- Collaborate with industry to develop optimal solutions;
- Share best practices; and
- Create a strategic sourcing community of practice.

GSA has awarded numerous contract vehicles for various commonly purchased commodities since FSSI was first implemented in 2005, resulting in millions of dollars of savings for federal agencies. The JanSan BPAs, awarded in July 2014, are the first generation FSSI contract vehicle for JanSan supplies.

The FSSI JanSan program is comprised of eighteen BPAs divided into four (4) categories (numerous vendors were awarded multiple categories): Cleaning Compounds and Related Dispensers (10 vendors), Non-Motorized Cleaning Equipment and Trash Receptacles (8 vendors), Paper Products and Related Dispensers (9 vendors), and Motorized Floor Cleaning

Equipment and Accessories (8 vendors). Within the four categories, a broad range of products are available, including disinfectants, degreasers, glass cleaners, laundry and dish detergents, bleach, hand soaps and sanitizers, brooms, mops, brushes, trash receptacles and bags, toilet paper, paper towels, facial tissues, seat liners, vacuum cleaners, wet/dry vacs, floor buffers, polishers and burnishers. A benefit of the JanSan FSSI is that it offers, on average, 15.9% lower pricing than what most agencies pay now for the same or similar products. Additional benefits include:

- JanSan BPAs include cumulative tier discounts, which will result in lower prices for all agencies once a contractor's total sales under JanSan reach certain dollar thresholds.
- Enabling achievement of socioeconomic goals as fifteen of the eighteen BPAs were awarded to small businesses.
- Ensuring compliance with the Trade Agreement Act, Executive Order 13514 (Federal Leadership in Environmental, Energy, and Economic Performance), and other applicable regulations.

To determine whether JanSan supplies are a candidate to be a strategic sourcing initiative within Treasury, the Office of the Procurement Executive (OPE) analyzed Treasury's FY2013-2014 spend on JanSan supplies, using the Product Service Codes (PSCs) identified in the FSSI JanSan RFI posted to FedBizOpps. This was a high-level analysis, done using only Federal Procurement Data System-Next Generation (FPDS-NG) data; therefore, it did not include any purchase card transactions. This analysis identified Treasury spent over \$88M on supplies in the JanSan PSC categories during this timeframe. This spend constituted over 1,000 unique contracts/orders awarded to 164 different vendors by five different Treasury bureaus. Based on this analysis, it appears there are opportunities to achieve further efficiencies and potential savings when purchasing JanSan supplies – for instance, Treasury spent over \$360K on 62 actions with 20 different contractors for items using the word “cleaner” in their description. Strategically sourcing JanSan supplies with a set number of vendors competing for all Treasury requirements should result in efficiencies in ordering and price savings across Treasury.

In support of the Administration's commitment to strategic sourcing, the SPE has determined that JanSan supplies are a Treasury strategic sourcing initiative. Based on the fact Treasury does not currently have a vehicle to strategically source JanSan supplies, and based on the efficiencies and savings to be gained through the use of GSA FSSIs identified above, the SPE has determined that GSA's JanSan FSSI BPAs are the Treasury mandatory source for the purchase of JanSan supplies.

Since this is the first strategic sourcing initiative for JanSan supplies, both within Treasury and within FSSI, the SPE will review this directive 15 months after its issuance to determine whether savings and efficiencies have been achieved and whether the FSSI JanSan BPAs will continue to be mandatory sources for Treasury.

**7. Exceptions:** The SPE recognizes that there may be situations (e.g., immediacy of need, availability of better pricing elsewhere) that may warrant not using the JanSan BPAs. In those instances, the purchaser shall follow the applicable procedures described below.

**7.1 Exception Procedures:** The following represents the exception procedures to be used for

the use of this Treasury designated mandatory source until such time the Department of the Treasury Acquisition Procedures (DTAP) and Treasury Charge Card Management Plan are updated.

**7.1.1 Purchase card micro-purchase exception:** For all purchase card transactions for JanSan supplies under the micro-purchase threshold, cardholders shall use the JanSan BPAs to the maximum extent possible. In the event the JanSan BPAs do not meet the Bureau's needs, such as urgency of need, better pricing available outside of the JanSan BPAs, or other reasonable rationale, cardholders may purchase from a source other than the JanSan BPAs and no further documentation is required.

**7.1.2 Single action exception:** For a single contract action for JanSan supplies (i.e. other than purchase card under the micro-purchase threshold), regardless of dollar value, prior to issuing a solicitation, the contracting officer shall execute (and receive approval of) a determination and findings (D&F) summarizing the CO's review of the mandatory vehicle and fully supporting the CO's determination not to use the mandatory vehicle. The D&F shall be reviewed and approved by the BCPO. BCPOs shall provide copies of all approved D&Fs to OPE on a quarterly basis.

**7.1.3 Class exception:** Bureaus shall submit class D&Fs in accordance with FAR subpart 1.7 and DTAP 1001.7000. For a class of contract actions for JanSan supplies, regardless of the cumulative dollar value of the actions, prior to issuing a solicitation or making any purchases, the contracting officer shall execute (and receive approval of) a D&F summarizing the CO's review of the mandatory vehicle and fully supporting the CO's determination not to use the mandatory vehicle for the class of actions. The D&F shall be reviewed by the BCPO and approved by the SPE.

## **8. Required Bureau Action:**

- Bureaus shall instruct all purchase card holders to use the JanSan BPAs to the maximum extent possible when purchasing JanSan supplies at values under the micro-purchase threshold;
- BCPOs shall instruct all contracting officers, contract specialists and any other designated ordering official to procure JanSan supplies, at any dollar value, from the JanSan BPAs according to this directive;
- BCPOs shall update any related Bureau policies and procedures impacted by this directive and subsequent amendment to the DTAP and Treasury Charge Card Management Plan.
- BCPOs shall monitor bureau compliance with this directive and provide OPE documentation reflecting any identified trends reflecting unsatisfactory products or services being provided by JanSan BPA contractors or pricing on the JanSan BPAs higher than that available from other sources.

## **9. Required OPE Action:**

- OPE will issue an Acquisition Procedure Update (APU) amending the DTAP clarifying the requirements surrounding the use of Treasury designated mandatory and voluntary sources;
- OPE will coordinate with the BCPOs in the establishment of metrics (e.g. usage);

- OPE will track bureaus' transactions, include purchase card buys, for JanSan supplies to ensure compliance with this directive;
- OPE will monitor use of the JanSan BPAs and compliance with the exception process as part of its routine acquisition management oversight;
- OPE will conduct a review of the JanSan strategic sourcing initiative and the use of the FSSI JanSan BPAs 15 months after the issuance of this directive; and
- OPE will act as the liaison, as applicable, with the GSA JanSan FSSI team on the JanSan program, particularly if bureaus discover better pricing available outside of the JanSan BPAs, or if bureaus receive unsatisfactory products or services.

**10. References:**

- The DTAP prescribes Treasury's policy on the use of Treasury designated mandatory and voluntary sources (e.g. DTAP 1008.002, 1017.70 and 1017.71);
- Treasury's Charge Card Management Plan; and
- Information on the JanSan BPAs can be found at <http://www.gsa.gov/portal/content/195031>.

**Additional Information:** Questions about this memorandum may be directed to Jeff Bishop at [jeffrey.bishop@treasury.gov](mailto:jeffrey.bishop@treasury.gov) or via telephone at (202) 622-1103.