



U.S. General Services Administration

# FSSI JanSan & MRO Initiatives

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Coalition for Government Procurement Spring Conference  
April 17, 2013



- FSSI Overview
- Goals and Approach for JanSan and MRO Solutions
- JanSan Overview
- MRO Overview
- Planned Elements of the JanSan / MRO FSSI Solutions

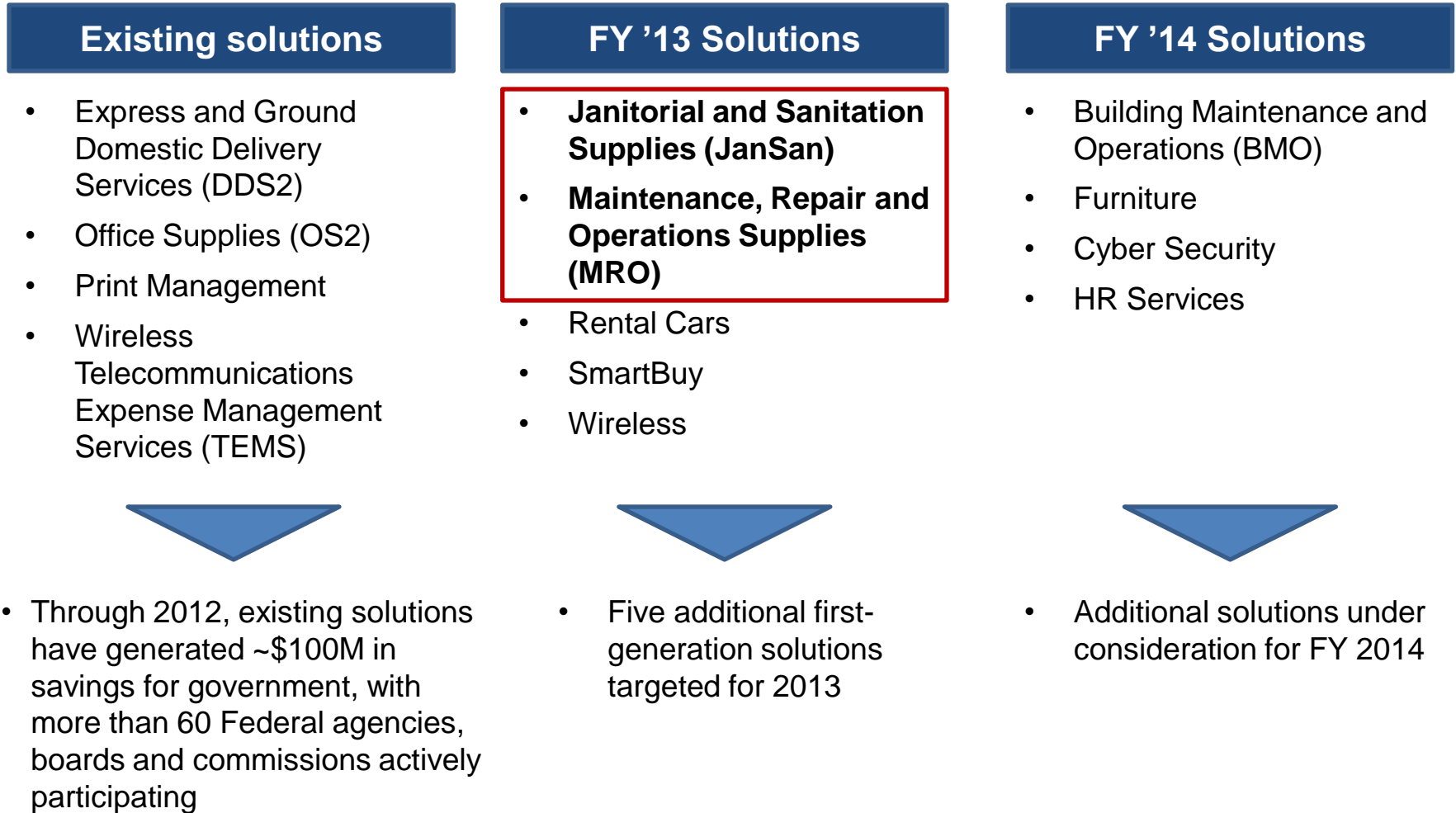
Strategic sourcing is the structured and collaborative process of critically analyzing an organization's spending patterns to better leverage its purchasing power, reduce cost and improve overall performance

### FSSI Goals

- 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



# JanSan and MRO are among several solutions targeted to be in place by the end of FY '13



Sample analysis:  
opportunity exists to drive significant savings through  
standardizing part numbers & compressing pricing ranges

**Low List Price:  
\$26.17**



**The same pack of paper towels  
is currently available...**

- across 185 vendors
- under 23 different part numbers
- ranging in catalog prices from \$26 to \$116

The FY2011 historical purchase price range for this item was \$32 to \$61

**High List Price:  
\$116.19**



# JanSan and MRO are led by a single Commodity Team representing several agencies

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## GSA representatives

- Alexandra Rouse – Team Lead , MRO
- Donna Pack – Team Lead, JanSan
- Walter Eckbreth – Portfolio Liaison
- Bridgette Overbey (MRO)
- Glenda Lambert (MRO)
- Shawn Hankton (MRO)
- JoAnn Stanley (JanSan)
- Steve Nieswiadomy (JanSan)
- Denise Elsbernd

## Agency representation

- Air Force
- Federal Aviation Administration
- Department of Health and Human Services
- Navy
- Treasury
- Small Business Administration
- Veterans Affairs
- Office of Federal Procurement Policy
- GSA Global Supply
- GSA Public Buildings Service
- GSA Office of Government-wide Policy

**Planning the acquisition strategy***Industry engagement:*

- Conducted an Industry Day on January 30
- Vendor one-on-ones conducted throughout February

**Drafting the solicitation***Industry engagement:*

- We will be conducting a Pre-Solicitation Industry Day on May 15

**Rules of engagement designed to ensure transparency and open lines of communication with industry:**

- To further transparency, we are using GSA Interact as our primary means of communication, including regular blog updates (Interact) and responses to questions and comments
  - <https://interact.gsa.gov/>
- We conducted one-on-one meetings for industry to give us further comments and suggestions
- Intent is to drive a solution which fits most purchases in this category
- We are open to new ways of doing business

## Strategy considerations

- Ease of use for purchasers
- Socio Economic – Maintain or increase % of dollars going to small business
- Reduced prices through:
  - Reducing or removing processes which add industry cost
  - Leveraging purchasing volumes
  - Reducing pricing variability
  - Moving retail spend to managed contracts
- Availability of transactional data
- Full compliance (including but not limited to Ability One, BAA, TAA)

## Outcomes

- Part number standardization
- Increased socio-economic market share
- *Provable* savings that can be measured and reported post-award
- Reduced price variability
- Capability for end-to-end electronic integration
- Understanding of spend data to drive next gen solution

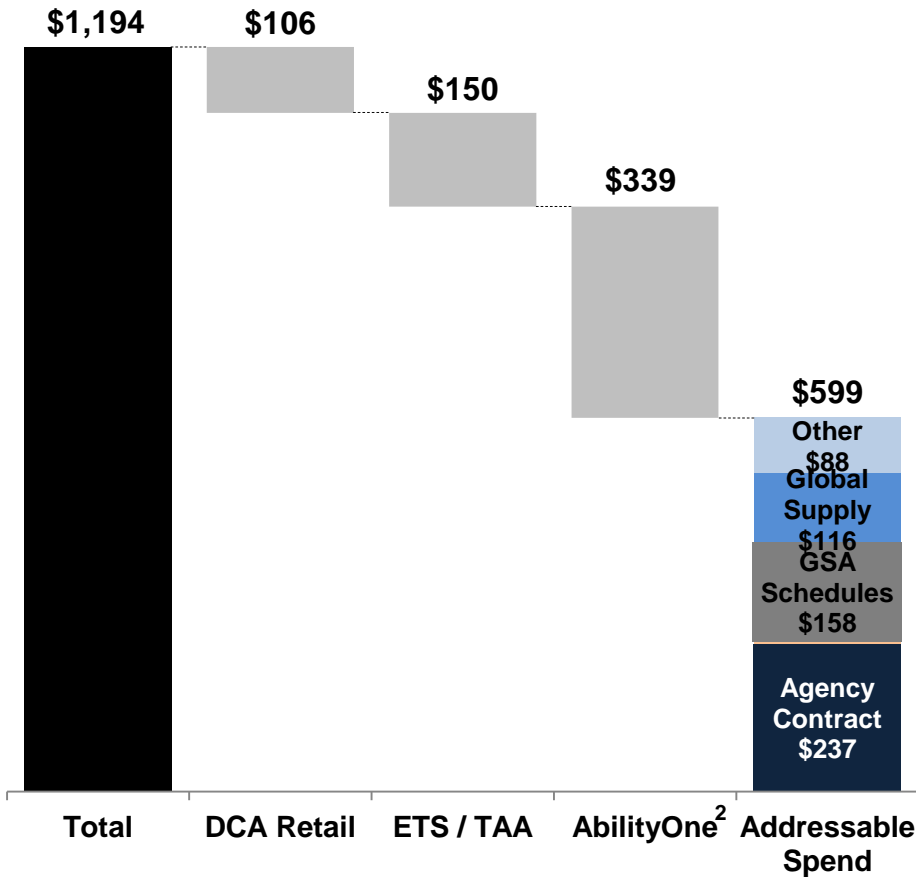


- Government commitment must be meaningful
- Need to identify and reduce inefficiencies in how Government buys
- Need customer and industry engagement for best in class solutions
- Huge value in commodity team presence to hear industry speak
- Unit prices are not the only opportunity for savings, and may not be the primary one
- Post-award, continuous follow up needed
- Obtaining business intelligence is laborious
- Collecting the right data brings huge value

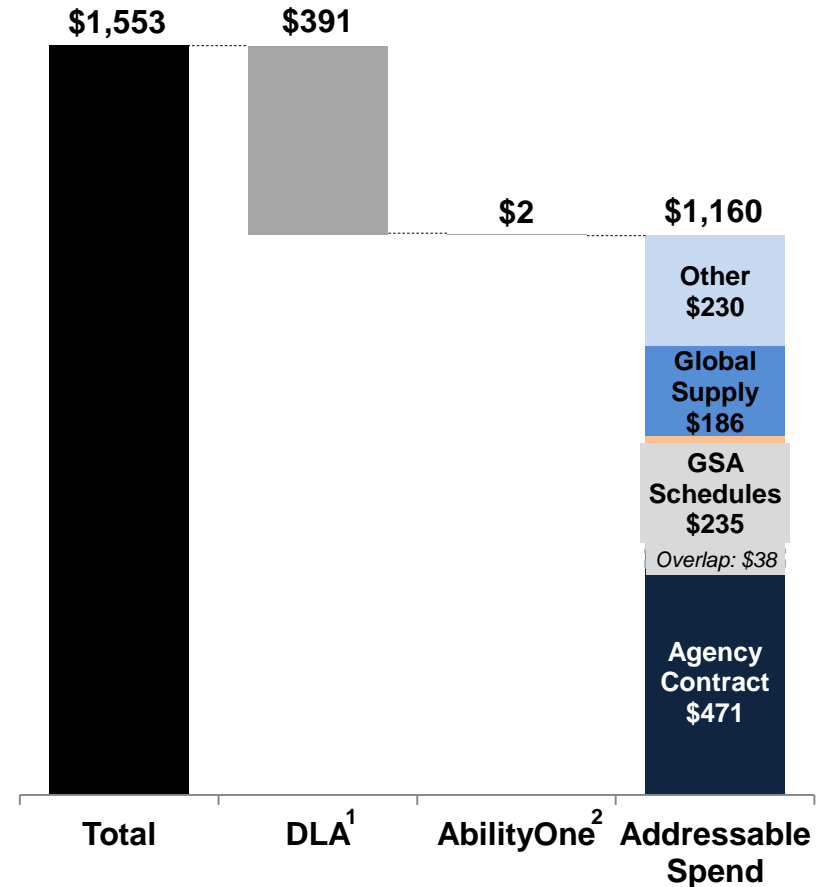


# JanSan and MRO government-wide addressable spend

**FY11 JanSan Addressable Spend**



**FY12 MRO Addressable Spend**



<sup>1</sup> DLA offers acquisition services for other DOD agencies – for the time being this spend is not considered addressable and has not been analyzed

<sup>2</sup> This represents AbilityOne spend not already captured by the FAS category and is treated as non-addressable

Source: FY12 FPDS-NG, GPC, Global Supply spend data; FY11 FPDS-NG, GPC, Global Supply spend data



## JanSan Overview: category is segmented into 13 sub-categories

<b><i>Sub-Category</i></b>	<b><i>Description</i></b>
Absorbent Materials	Paper Towels, Towels
Aerosol Fresheners/Air Sanitizers/Filters	Air Fresheners, Filters
Bags	Trash Bags, Liners
General JanSan	Other
Cleaning Compounds	Bleach, Household Cleaners
Equipment Parts	Hoses, Broom Handles, Mop Heads, etc.
Safety Products	Latex Gloves, Aprons, First Aid Kits
Motorized Cleaning Equipment	Shop Vacs, Vacuums, Floor Buffers
Non-motorized Cleaning Equipment	Mops, Brooms, Buckets, Trash Cans, etc.
Kitchen, Laundry, Personal Sanitation Products	Toilet Paper, Soap, Disinfectants, etc.
Office Cleaners	Keyboard Dusters, Whiteboard Cleaners, etc.
Outdoors JanSan	Deicer, Salt, Outdoor Brooms, etc.
Surface Protection Supplies	Polishes, Waxes, etc.



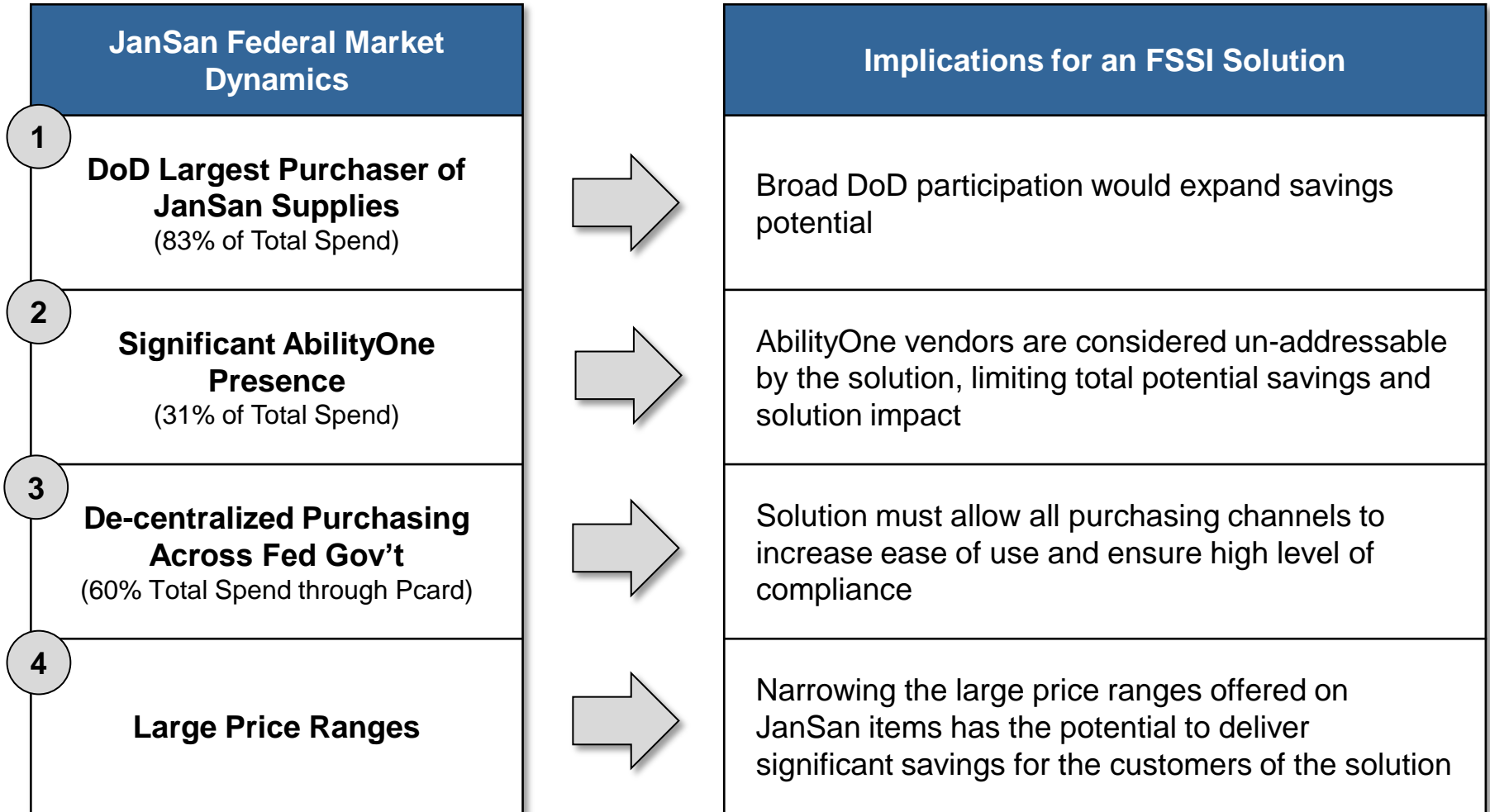
For acquisition purposes, the JanSan sub-categories have been grouped into 5 pools

		<u>Est. Spend %</u>	
Industrial/Multi-Use Cleaning Compounds	}	<b>Cleaning Compounds &amp; Related Dispensers</b>	<b>30-35%</b>
Kitchen Cleaning Compounds			
Laundry Cleaning Compounds			
Bathroom Cleaning Compounds			
Aerosol Fresheners			
Surface Protection Supplies			
Personal Sanitation Products			
Non-motorized Cleaning Equipment	}	<b>Non-Motorized Cleaning Equipment &amp; Waste Collection Supplies</b>	<b>30-35%</b>
Indoor / Outdoor Waste Receptacles			
Bags			
Paper Products	➔	<b>Paper Products &amp; Related Dispensers</b>	<b>25-30%</b>
Motorized Cleaning Equipment - Floor	➔	<b>Motorized Floor Cleaning Equipment</b>	<b>5-10%</b>
Motorized Cleaning Equipment - Laundry	➔	<b>Motorized Laundry Cleaning Equipment</b>	<b>1-3%</b>

Note: Est. Spend % is based on category representation within initial Market Basket



# JanSan Federal market dynamics have implications for solution strategy





## MRO overview: category is segmented into 12 sub-categories

<b><i>Sub-Category</i></b>	<b><i>Description</i></b>
Power Tools	Power drills, metal cutting tools, machining centers, etc.
Power Sources & Lighting	Power generators, lamps, light bulbs,
Hand Tools	Wrenches, screwdrivers, cutting tools, etc.
Electrical Equipment & Components	Wire, cables, transistors, actuators, etc.
Safety Protection & Aid	Face and head protection, respiratory protection, etc.
Heating & Cooling	Heating equipment, ducts, controls, etc.
Material Handling Machinery & Equip.	Lifting equipment, conveyors, ropes, chains, etc.
Containers/Storage & Packing Supplies	Packing tools, industrial paper, crates, etc.
Pumps & Motors	Electric motors, pumps, compressors, etc.
Paints, Adhesives, & Sealant Components	Paints, primers, solvents, glues, etc.
Pipes, Valves & Fittings	Hoses, seals, filters, tubes, etc.
Hardware	Nuts and bolts, nails, components, forgings, etc.

Similarly, MRO sub-categories have also been grouped into 5 pools

		<u>Est. Spend %</u>
Hardware	1. Hardware	30-40%
Safety protection and aid		
Industrial machinery, equipment & supplies <sup>1</sup>		
Pipes, valves and fittings		
General containers		
Tool Cabinets	2. Tools and Tool Cabinets	10-20%
Hand tools		
Power tools		
Paints, adhesives, and sealants <sup>2</sup>	3. Paints and Finishes	4-8%
Heating and cooling <sup>3</sup>	4. Portable Heating and Cooling	2-6%
Electrical equipment and components	5. Electrical & Power	35-45%
Power sources & lighting		
Pumps & motors		

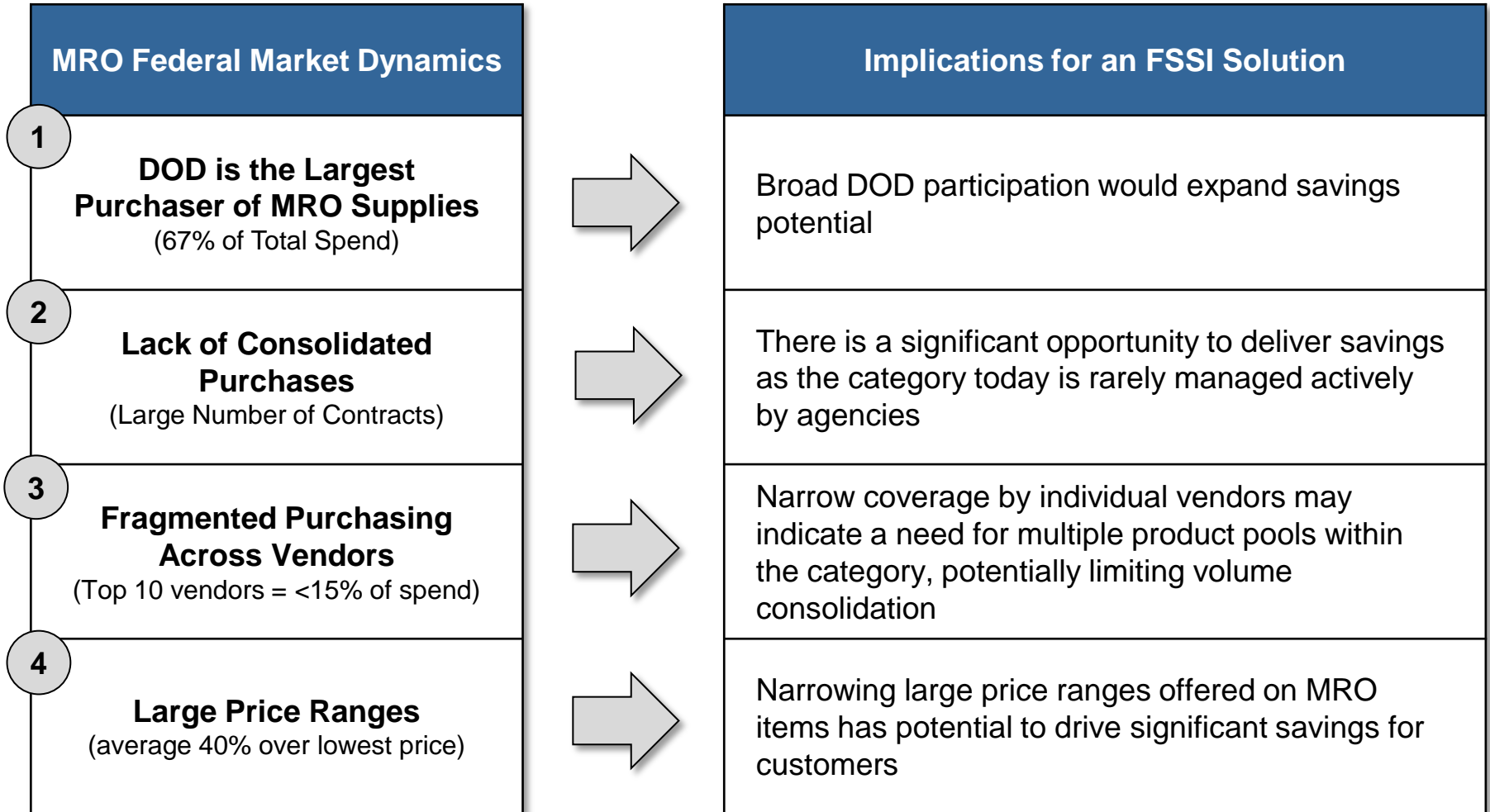
1. Has been limited to industrial supplies, and it does not include large and/or specialized industrial equipment

2. Includes also varnishes and stains

3. Does not include large equipment (e.g. rooftop chillers, etc.)



# MRO Federal market dynamics are similar to those for JanSan







# Acquisition strategy is to award vendor BPAs for commodity pools within each category

## Pools

- Groups of related products within a commodity (i.e. Electrical and Power Supplies for MRO)
- They are created to enable broad vendor participation since few vendors provide the full range of products within each category

## Market Basket

- Designed to represent the Federal market and consists of the top ~300-400 high-spend products
- Market basket items are categorized into pools for vendors to bid on
- Prices on Market basket items are monitored to ensure solution competitiveness

## Pricing Discounts

- Two types: (1) Pool discounts, (2) Aggregate spend discounts
- Pool Discounts: Average discount off of the schedule price for market basket items is applied to all other items within pool
- Aggregate Spend Discounts: As vendors reach cumulative spend thresholds, additional discounts applied

## BPA Awards

## Socio-economic Considerations

- Several vendor awards will be reserved as set-aside for small business concerns

## Common Requirements

- Minimum order size
- Period of award
- Volume discount weights
- Freight



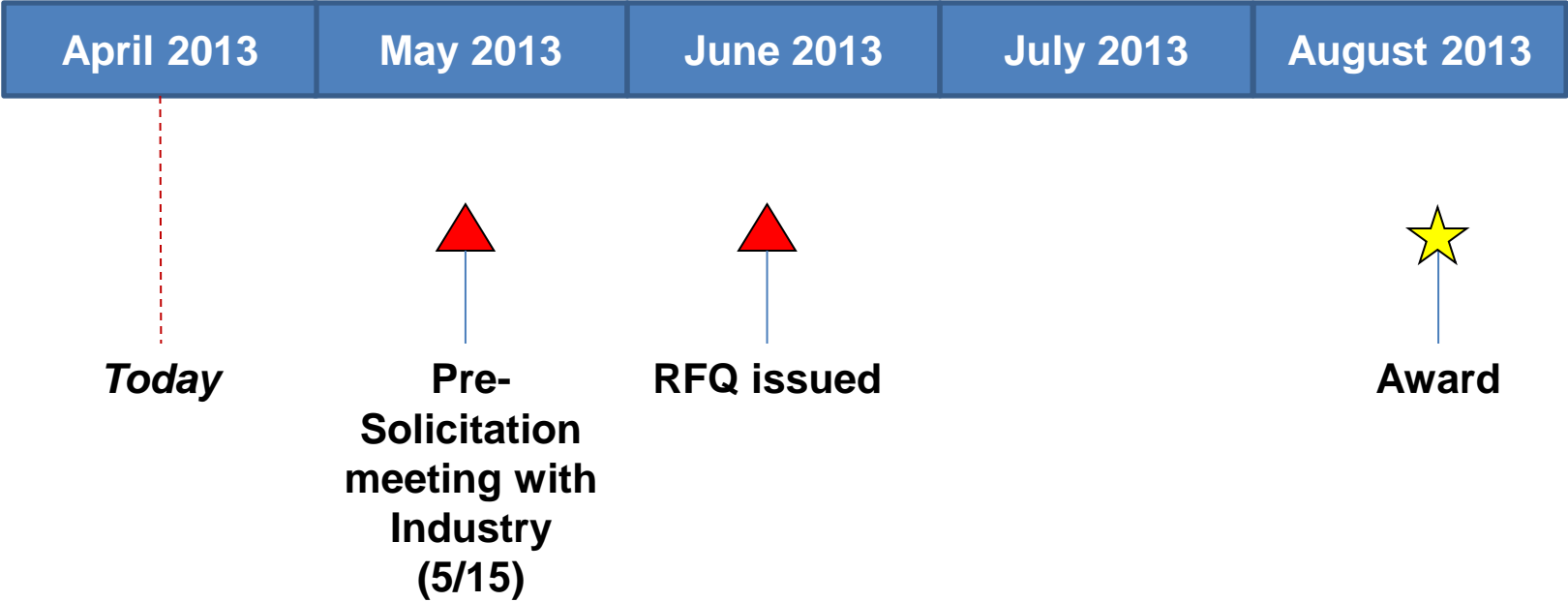
## Key ordering requirements under consideration

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<b>Minimum Order Requirement:</b>	\$100
<b>Period of Performance:</b>	1 base year + 4 1 year options
<b>On &amp; Off Ramping:</b>	Available after Base Year, based on performance metrics
<b>Reporting:</b>	Includes Level 3 data at point of sale
<b>Ordering Channels:</b>	DoD EMALL GSA <i>Advantage!</i> Telephone Fax Email In person Contractor website
<b>Returns:</b>	Within 30 days of delivery
<b>Payment:</b>	Government Purchase Card Purchase Order



RFQ anticipated for released in June; BPAs are targeted to be awarded in August



Questions?

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