



Senators step up battle for dealers

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An independent dealer fight for Government dollars escalates in the US as big name politicians enter the fray.

Heavyweight US senators have stepped up the fight to prevent the elimination of OP dealers from a major US government purchasing programme.

Senators John Kerry and Olympia Snowe have written to the General Services Administration (GSA) demanding a halt to a recent plan to drop office supplies from the department's all-important Global Supply Program. The GSA's plan has caused an outcry among small OP dealers in the US, who currently serve 80 percent of federal government purchases and goes against an original request by five senators in July last year to postpone any such move.

Further concern was raised over a decision to dump small dealers in favour of outsourcing office supplies to a single private vendor, thought to be OfficeMax.

In 2007, a move by the General Services Administration (GSA) to eliminate some small business contracts led to protests from OP dealers and a bipartisan attempt to urge the GSA to re-evaluate the proposal. The latest news that the GSA was preparing to strike office supplies off its supply programme prompted Senators Kerry and Snowe to call for an evaluation of the "devastating effect" this move could have on OP dealers.

"Eliminating contracts that small businesses successfully competed to win, without a full understanding of the negative impacts, is unacceptable," said Senator Kerry. "Despite a bipartisan effort to fix this situation, the Bush administration appears determined to cut small businesses out of the picture.

"It is crucial that we fully understand how the GSA's removal of office supplies from the stock programme will impact small businesses," added Senator Snowe. "Currently, 80 percent of the programme's OP procurements are directed to small businesses suppliers. I am concerned that the elimination of these

contracts could have a detrimental impact on our nation's small enterprises. Every avenue must be explored to ensure that small businesses are not faced with further barriers in accessing government contracts."

Senators Kerry and Snowe, who hold seats as chairman and ranking member of the Committee on Small Business and Entrepreneurship, also asked the Government Accountability Office (GAO) to review the consequences, given that the stock programme's office products create a vital and readily accessible resource to all government agencies for their various supply needs in times of emergency.

Paul Miller, of Miller/Wenhold Capitol Strategies, who led the campaign on behalf of the independents, said the efforts of the senators was a good first step, but that there was no guarantee that the GSA would listen.

"We feel very confident that the GAO report will come back in support of our claims, but that's not to preclude the GSA from doing whatever they want.

"My hope is that the GSA will hold off from issuing any RFP [request for proposal] to a private vendor until they see what the GAO comes up with. Kerry and Snowes' request is a reasonable one and there's no reason why they can't wait 60-90 days to hold a review before taking any action that may be detrimental to the federal government."

In the letter to GSA administrator Lurita Doan, the senators highlighted their alarm over the issue: "We're concerned that outsourcing these office supplies will have a devastating effect on the small businesses currently supplying these products," the letter stated. "We are also alarmed about the impact the elimination of the Stock Program will have on our Nation's emergency readiness capabilities. Having office supplies readily available is important to our ability to react quickly to disasters. Before GSA eliminates any items from the Stock Program, we would like to fully understand all the consequences of this action."

To David Walker, comptroller general of the Government Accountability Office, the pair were equally forceful, requesting that the GAO evaluate... "the extent to which small businesses will continue to have opportunities for large scale participation in federal office supply contract awards if the GSA eliminates office supplies from its Global Supply Stock Program, and how elimination of GSA's Global Supply Stock Program would affect our country's ability to react quickly to major disasters."

The letter continued: "We think it is imperative that you assist Congressional review of this matter in greater detail and consider potential detrimental economic impacts to small businesses before GSA terminates office supplies from

the Stock Program."

Chris Bates, president of NOPA, said he was "very concerned" by the GSA's plans to drop office supplies from its stock programme, in which its members have actively participated for years.

"We applaud this action by Senator's Kerry and Snowe, and also appreciate their ongoing efforts to pass comprehensive small business contracting reforms in the Senate to address the serious small business 'fronts' problem that is eroding our members' share of the federal government market for office products."

A vice president at one independent OP company, who wished to remain anonymous, praised Paul Miller for his involvement.

"If Paul Miller had not represented our cause in such a genuine and enthusiastic manner, there was no way that we could have saved millions of dollars worth of income for our company and millions for other small businesses that is generated through this GSA stock programme. The GAO study will determine the best resolution for American taxpayers and government customers. It is encouraging to know that there is still a voice for thousands of small businesses across the US."

Miller, a former director of government services at NOPA, added that should the GSA chose to ignore the protests, it would go directly against the repeated statements by President Bush that "small business is the backbone of the economy" in the US.

In 2000, the GSA downsized from four depots holding products to two in a cost-cutting exercise. Miller rejects the idea that the department will save money by removing office supplies from the remaining depots and outsourcing.

The department claimed to Congress last year that it had lost money under the current scheme. But after reviewing GSA's internal figures, Miller said that these claims were wrong.

"The biggest concerns for us is that OfficeMax already holds the GSA's global supply contract and this year we've seen a move to shift some of those items out of the depot over to that contract without any small business participation."

When Miller brought the issue to the attention of Congress, the GSA told the assembly that they were going to include small businesses in the outsourcing of OP.

But small businesses have claimed that to date that there has been no 'outreach'

to the small business community by the GSA, with many fearing the worst.

"My feeling is that it would be easier for them to outsource everything to OfficeMax than to compete everything in a fair and balanced way," added Miller.