

Dear Congressman,

Recently the Office of Management and Budget (OMB) along with the General Services Administration (GSA) introduced a new Federal Strategic Sourcing Initiative (FSSI) Blanket Purchasing Agreement (BPA) for Office Supplies. This BPA which is touted as a money saving measure, troubles me deeply for many reasons. Before the introduction of FSSI, government agencies purchased their office supplies through GSA Schedule 75. Almost 500 companies belonged to Schedule 75 giving the government a broad range of companies from which to make their purchases. More than 200 of these companies were small businesses.

This new FSSI BPA was awarded to only 15 companies total, including two "big box" retailers. The minute number of companies chosen created concern for those who belonged to Schedule 75, but the way the BPA is being implemented has caused justifiable fear. FSSI was initially billed as a purchasing option. However, numerous government agencies, under the advisement of OMB and the GSA, have decided to make it a mandatory vehicle. These agencies include the Department of Commerce, Department of the Interior, Veterans Administration, Department of Agriculture, and the Navy. This means that these agencies will only purchase office supplies from one of the 15 chosen FSSI companies. Mandating the use of the FSSI BPA has instantly caused dramatic financial losses to the majority of GSA Schedule 75 contract holding small businesses, as each of these agencies supplied small businesses with hundreds of customers. One company's sales quickly fell from over a hundred orders a day, to two. Losing just one of these agencies is enough to cause financial hardship, but losing them all can be a death sentence to a small business. The more companies that mandate FSSI, the more small businesses will fail.

A recently conducted survey, paid for by the small business community, has demonstrated that FSSI actually has higher pricing than the GSA 75 schedules over 70% of the time! Additionally, despite the assurances that small businesses are given a level playing field, the last quarter IFF reports prove that the two big businesses on the FSSI, Office Depot and Staples, have garnered over 50% of all FSSI sales. If the mandate is not lifted, a majority of small business contractors will be driven out of business and the two big box retailers will have a majority of all federal office supplies sales!

The small business community needs help. The people of the United States need the GSA and other federal agencies to see the overarching negative effects of the FSSI as a mandatory vehicle for procurement. Hundreds of businesses will be barred from selling to the government, they will fail, and all of their employees will be added to our country's already high unemployment rates. Given the current state of the economy, our government should be doing everything in their power to support small business. There are initiatives to help give small businesses loans and tax breaks to help them get their business started, but none of these initiatives will undo the damage that FSSI is causing. Small businesses are failing and people are losing their livelihoods. The FSSI must be reversed. Please contact the OMB and the GSA and urge them to end the ability of agencies to mandate the use of the FSSI contract; the small business community depends upon it.

Sincerely,

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Date: _____