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Honoring a Successful Public-Private Working Relationship

U. S. Government Printing Office awards much of its work to private sector printers

by William Gindlesperger, Chairman and Chief Executive Officer, e-LYNXX Corporation

Just the word "taxes" conjures up images of government waste and mismanagement. That's what the media highlights and that is the public impression. However, there is an exception to this general perception -- the public-private partnership between the U. S. Government Printing Office (GPO) and private sector printers. This is the federal government's most competitive, most successful purchasing program ever, and it has a record of saving taxpayers money.

Historically, GPO has bought about three quarters of all federal printing from private sector printers. Some 10,000 printers from throughout the United States are registered to do work with GPO. They are mostly small businesses with about 25 employees and revenues in the \$4.5 million range, and 85% of the GPO jobs that they win are for less than \$3,500 a job.

GPO awards work to the private sector through a competitive bidding process that encourages low prices that result in savings for taxpayers. More times than not, deep discount bids are submitted to fill production downtime. These are periods when printers have no work scheduled for their key commercial accounts, and they are common occurrences since roughly 30% of a typical printer's schedule is held for commercial work that does not materialize. When downtime is filled, revenues contribute to a firm's overall profitability. Printers that develop the government as a secondary market and strategically and consistently fill downtime, even with deep pricing discounts are able to increase their bottom line annual profitability from a national average of less than 3% to more than 10%.

For GPO, and ultimately the taxpayer, impressive savings occur when the competitive bidding numbers are compared to what it would have cost on a market price basis:

- In Columbus, Ohio, savings of \$19,196, or 53% on an order of 225,000 4-color inserts.
- In Oklahoma City, savings of \$3,012, or 72% on 500 copies of a 218-page book.
- In Washington, D.C., savings of \$11,317, or 42% on an order of 301,500 5-part carbonless forms.
- In Dallas, Texas, savings of \$78,491, or 32% on an order of 174,940 sets of 15 tab dividers.
- In Washington, D.C., savings of \$18,214, or 30% on 1,100,000 envelopes.
- In Seattle, Washington, savings of \$56,303, or 35% on 40,000 copies of a 434-page book.
- In Atlanta, Georgia, savings of \$10,684, or 38% on 12,516 copies of a 100-page book.
- In North Charleston, South Carolina, savings on a single contract of \$15,042, or 36%.

According to GPO, "when agencies fail or refuse to use our services, as they are required to by law in Title 44 of the U.S. Code, taxpayers take a beating and government information becomes hard to find. We're here to save money and protect public access. That's the job we do best, as our record shows." GPO Deputy Public Printer of the United States Robert T. Mansker made that statement in 1998.

Unfortunately since the 1990's, there has been a decline in work moving through GPO to the private sector. In 1992, the total dollar value of work awarded by GPO to private sector printers was just over \$500 million dollars. During the following six years prior it was in the \$380 million to \$390 million range. Last year the total was \$425 million. This is a considerable decline when you consider even mild inflation. and not a favorable trend to the private sector.

Why? There are two reasons. First, GPO is turning a blind eye to federal agencies that are printing materials in-house in direct violation of Title 44. The other is GPO itself is expanding its internal capabilities, especially with regard to digital equipment - an initiative that duplicates the capabilities of

private sector printers and one that ultimately will cost tax payers more. Private sector printers have proven that they can and will deliver quality print to GPO for less than GPO can do the work itself.

So, why the shift away from supporting private sector printers? That is a good question for GPO executives as leadership at the top is about to change. With the upcoming change in Public Printers, GPO has an opportunity to refocus on its original mission and increase work to private sector printers who depend on GPO work for their livelihoods.

This would also be a good time for GPO's own unions to join with the private sector to assure that print work accomplished under waivers by federal agencies be moved to GPO where both internal production and procurement can better provide the printing needed by the federal government.

About the Author

William Gindlesperger is a nationally recognized entrepreneur, inventor, author and consultant in print and procurement. He founded ABC Advisors and its successor, e-LYNXX Corporation, in 1975. Under Mr. Gindlesperger's leadership the firm has grown to become North America's procurement authority. Print buyers and suppliers alike have benefited from his insight and innovation.

Mr. Gindlesperger has directed major in-plant studies in both the private and public sectors and is highly regarded for his knowledge, advice and work on behalf of firms in matters pertaining to the U.S. Government Printing Office (GPO). He has testified before the U.S. Senate Committee on Rules and Administration regarding government print and procurement policy. He also has worked directly with numerous Congressional and Senatorial members and staff and has advised Congress on the development, operations and future of GPO print procurement and the federal print program in general.



He was a founder and chairman of Printing Industries of America's (PIA) PrintPAC (political action committee) and has been recognized for his contributions to PIA and services to the printing industry. He was inducted into PIA's Ben Franklin Honor Society of print industry leaders in 2009 for his lifetime contributions to the print industry. *Supply & Demand Chain Executive* honored Mr. Gindlesperger by including him in its 2010 listing of the most influential leaders in the supply and procurement profession.

Mr. Gindlesperger invented the methodology that optimizes cost reduction in the procurement of specification-defined goods and services. He has been granted two separate business method patents by the U.S. Patent Office, first for the competitive procurement of print and then for the competitive procurement of all customized and specification-defined goods and services.

Under Mr. Gindlesperger's leadership, e-LYNXX has grown into the leading North America procurement authority. e-LYNXX has been exclusively endorsed by Printing Industries of America (PIA) and has been named one of the top 100 procurement firms in North America by *Supply & Demand Chain Executive* magazine.

His firm handles more than 200 on-going consulting assignments at any given time. Among its contracts is one with Educational & Institutional Cooperative Purchasing to assist colleges, universities and other institutions nationwide with procurement and print-spend management.

A native of Chambersburg, Pa., Mr. Gindlesperger is a graduate of Dickinson College.

About e-LYNXX Corporation

e-LYNXX Corporation, the North American procurement authority, is exclusively endorsed by *Printing Industries of America (PIA)* and *Educational and Institutional Cooperative Purchasing (E&I)*. Founded in 1975, e-LYNXX has three divisions. • American Print Management provides enterprise print procurement solutions and patented competitive methods to reduce costs for direct mail, marketing materials, packaging and other procured print. Results include enhanced quality and service levels, efficiencies, process control, transparency and procured print cost reduction of 25% to 50%. • Patented Procurement Method grants patent licenses for supply chain optimization. Results include substantial reduction in existing costs of competitively procured goods and services. • Government Print Management offers U.S. GPO bid services, access and assistance. Results include filled downtime, operational stability, improved cash flows and increased profitability. www.e-LYNXX.com – 888-876-5432

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