

FIRE RESCUE NEWS

Dealers Angry About Cooperative Purchasing Plan

Fire equipment dealers and manufacturers are up in arms about a federal government report issued in February that makes recommendations about which products should and should not be included in a federal cooperative purchasing program. The program, established by Congress in 1994 but not yet implemented, would permit fire departments to purchase equipment from the Government Service Administration (GSA) supply schedule rather than from equipment dealers, who will not be able to meet the low prices available through the feds.

At the Fire Department In-

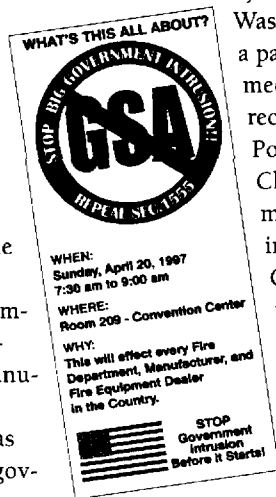
structors Conference in Indianapolis April 18-20, thousands wore anti-GSA stickers and passed out literature explaining how adding fire departments to the GSA schedule would adversely impact those departments and the manufacturers alike. A special session was held concerning government involvement in fire apparatus and equipment sales, with more than 300 people in attendance.

On April 10, advocates for the fire service indus-

try were summoned to Washington, D.C., for a pair of informal meetings with the Director for Domestic Policy of the U.S. Chamber of Commerce and the Acting Director of the GSA. Among those fire service representatives in attendance were Jim Cottrell, manufacturer's representative of the National Emergency Equipment Dealers Association (NEEDA); Pat Griffin, president of NEE-

DA, Giff Swayne, president of Holmatro; Rod Carringer, vice president of Task Force Tips; Jim Edwards, an E-One dealer from North Carolina; Bruce Clash, Industrial Safety Equipment Association; and several others. The Chamber of Commerce assured all in attendance that they could count on them as an ally in this "unwanted government intrusion."

The fire apparatus dealers then got a face-to-face meeting with the GSA official appointed by President Clinton to administer Section 1555. According to several in attendance, the fire service representatives asked, "Where in the charter does it say anything about the GSA being the



Brochures like this were passed out by activists at the Fire Department Instructor's Conference in Indianapolis in April.

Wal-Mart for federal, state and local government?" The administrator reportedly responded that taxpayers were customers. In other words, the position was that the U.S. Government was a direct competitor with fire equipment and apparatus manufacturers. In parting, the fire service representatives said there was no confidence anything would change at the GSA unless the Acquisition Act was abolished.

Part of the problem, according to Cottrell, is that to be part of the government's cooperative purchasing plan, manufacturers will have to pay 1 to 2 percent commission on sales, known as an industrial funding fee. "Up front, it sounds like a deal and a half for the fire service," Cottrell

mitted to the GSA at that time, representatives of the fire apparatus manufacturing industry stated that local dealers' profits could be adversely affected if the supply schedule was opened to non-federal entities.

Fire departments also could lose, said William Webb, director of the Congressional Fire Services Institute (CFSI), because they would no longer get the benefit of dealers who train, maintain and service their products. "Part of the price of purchasing a \$300,000-\$400,000 ladder [truck] are the services provided through the dealer," Webb explained. "If you bought the truck for \$250,000 [through the GSA program], you would get the truck, and

The comment period on the cooperative purchasing law closes in August 1997.

said, but he cautions fire departments by suggesting that prices will rise as manufacturers figure this fee into their pricing and have to add direct sales staffs. Cottrell also said, "Under the new system, no one is going to spend the research and development cash if the biggest customer only takes the low bid." (For more on this topic from Cottrell, see Chief's Perspective on page 27 of this issue.)

Cottrell is not alone in his opposition to the cooperative purchasing program. In fact, his call for action comes well after concerns raised by the Fire Apparatus Manufacturers Association (FAMA) and the Fire and Emergency Manufacturers and Services Association (FEMSA) when the cooperative purchasing program originally was suspended by Congress in 1996 in order that its potential impact be studied by the General Accounting Office (GAO). In comments sub-

mitted to the GSA at that time,

that's it." Webb took FAMA's and FEMSA's concerns to his Congressional contacts, and as a result of their efforts, he said, the GAO in February recommended that fire apparatus no longer be included in the cooperative purchasing program. "The recommendation made by the GAO was related specifically to heavy equipment," said CFSI legislative staff member Sylin Bynoe. "[Congress] is taking this recommendation seriously, and this is what they're going to do." The exclusion does not apply to smaller fire equipment, however, which both Webb and Bynoe said was "not up for review."

The comment period on the cooperative purchasing law (Public Law 103-55, Federal Acquisition Streamlining Act of 1994) closes in August 1997.

—Staff Report