



ADMINISTRATION AND  
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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINTS CHIEF OF STAFF  
DIRECTORS OF THE DEFENSE AGENCIES

**SUBJECT:** Department of Defense Printing Procurement Policy

Under current policy, the DoD Components are required to obtain most of their printing and duplicating through the Defense Automated Printing Service (DAPS). The vast majority of this work is passed on to the Government Printing Office (GPO), where it is procured from the private sector. DAPS determines when outside procurement through the GPO, as opposed to in-house production, provides "best value" to the Department, and renders technical assistance during the procurement process. This includes representing the customer's interests, monitoring the job through the production and delivery cycle, administering open contracts, processing GPO invoices for payment by the Defense Finance and Accounting Service, and when required, providing technical assistance, such as preparing specifications or advising on design and layout. DAPS has been collecting a 5.5 percent surcharge on each order for these services.

The FY 1998 National Defense Authorization Act (P.L. 105-85) contains certain provisions that impact on this policy. Specifically, the Act provides that Military Departments and Defense Agencies "may contract directly with the Government Printing Office for printing and duplication services otherwise available through the Defense Automated Printing Service" and it prohibits the imposition of a surcharge by the DAPS "on any printing and duplication service for the Department of Defense that is procured from a source outside of the Department."

Since the provision of the Act authorizing the Military Departments and Defense Agencies to contract directly with the GPO is not directive in nature, the Department has the option of continuing to require the DoD Components to procure their printing and duplicating services through the DAPS. The consolidated management of DoD printing and duplicating by the DAPS has resulted in proven savings in personnel, plant, equipment and fiscal resources. It is also consistent with on-going program budget decisions and interservice agreements to further consolidate printing and duplicating services throughout the Department. Accordingly, the DAPS will continue to serve as the Department's single manager for printing and duplicating, including the procurement of these services from outside the Department.

However, because the Act prohibits DAPS from imposing the 5.5 percent surcharge it has been collecting on such orders, DoD printing and duplicating policies are modified as follows:

- Effective May 15, 1998, DAPS no longer collects a surcharge on printing and duplicating services for the Department of Defense procured from outside the Department.
- By June 30, 1998, the Defense Finance and Accounting Service will refund to the DoD Components the amount DAPS has collected through the 5.5 percent surcharge since October 1, 1997. DAPS will use the cash balance in its Defense-Wide Working Capital Fund to offset the lost revenue in FY 1998, to pay the Defense Finance and Accounting Service's processing cost, and to preclude the need to recover these losses in future years.
- Rates on DAPS in-house printing and duplicating services will remain unchanged for FY 1998. However, they will be adjusted for FY 1999 and future years to compensate for the lost revenue that the 5.5 surcharge would have provided.

DoD Directive 5330.3, "Defense Automated Printing Service (DAPS)," will be amended as required to reflect these changes.

Addressees are requested to identify a representative to work with the DAPS in facilitating the processing of the FY 1998 refund for their respective component. The DAPS point of contact for this matter is Richard DeNeane (telephone: 703-767-4269).



D. O. Cooke  
Director