



Category Management *Leveraging Common Contracts and Best Practices to Drive Savings and Efficiencies*

Goal Leaders

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Goal Statement

- The Federal government will buy common goods and services as an enterprise to eliminate redundancies, increase efficiency, and deliver more value and savings from the government's acquisition programs. By the end of FY 2020, the government will achieve \$32 billion in savings for taxpayers by applying category management principles—or smart decision-making where agencies buy the same kinds of goods and services through best value contract solutions—to 60% of common spend. In addition, the government will reduce duplicative contracts by 50,000, potentially reducing administrative costs by hundreds of millions of dollars.



Challenge

- The Federal Government spends over \$300 billion on common goods and services each year. However, agencies buy in a fragmented manner, taxpayers often do not get the benefit of the Government's position as the largest buyer in the world.
- Hundreds - and in some cases thousands - of duplicative contracts are awarded to the same vendors for similar requirements. This fragmentation leads agencies to pay significantly different prices - sometimes varying by over 300% - for the same items.



Opportunity

- The Government will not only save taxpayer dollars, but this effort will improve mission outcomes. For example, this will allow our law enforcement personnel to have easier access to equipment, such as ammunition and body armor, to ensure their safety; medical professionals can order medical supplies through electronic catalogues to save time and focus more on patients; and agencies can buy standardized computers to reduce cyber risk by having great control over infrastructure and access points.



Results Achieved in the Last Two Years

- **Saving money:** Saved taxpayers over **\$22 billion** through better pricing, reduced demand, and admin savings
- **Spending smarter:** Moved over **\$140 billion** in spending to better-managed solutions
- **Reducing waste & inefficiency:** Eliminated over **31,000** duplicative or sub-optimized contracts not aligned to category management (more than 95% of reduction was made to contracts held by *other than small businesses*)
- **Sharing solutions:** Spend through highest-performing contracts for common solutions increased by \$6B for a total of \$32B
- **Increasing small business participation:** Increased the percentage of the government's contract spend going to small businesses
- **Trained the workforce:** Trained over 2,370 individuals on category management
- **Institutionalized Category Management:** OMB issued new policy [Memoranda](#) on March 20, 2019





Highlights of Successes:

- More than 200 federal acquisition professionals learned about Best-in-Class (BIC) solutions to improve their 4th quarter buying efforts - at an Inaugural BIC Fair hosted in July by the Office of Management and Budget (OMB), with the National Institutes of Health IT Acquisition and Assessment Center (NITAAC).
- The Industrial Products & Services and Facilities & Construction categories collaborated with more than 100 industry partners as part of [GSA's Federal Acquisition Service's 2019 Industry Days](#). Vendors provided a range of facility maintenance offerings, helping federal agencies maintain everything from offices and buildings to military aircraft and Navy ships.
- OMB published a new fourth ["Myth-Busting" Memorandum](#) -- "Strengthening Engagement with Industry Partners through Innovative Business Practices," addressing 10 myths to help improve interactions between the government and industry -- ranging from key issues in acquisition innovation to communicating with industry on topics like agency strategic planning, market research and source selection.
- The Professional Services Category partnered with its Best-in-Class (BIC) OASIS contract vehicle to deliver an 88% increase in converted addressable spend from June 2018 to June 2019.
- Data tools: Released a new [dashboard](#) offering many flexible and dynamic reports options; also, new Acquisition Analytics Tools for Federal users enabling actionable insights and helping answer questions like, "How much ink and toner did my agency purchase?" or "Could I buy a specific laptop for less from a different vendor?"





Lisa Hershman, Acting Chief Management Officer, Department of Defense – Category Management CAP Goal Co-Lead



Lesley Field, OMB, Deputy Administrator of Office of Federal Procurement Policy (OFPP) – Category Management CAP Goal Co-Lead.



Alan Thomas, Commissioner, Federal Acquisition Service, General Services Administration Category Management CAP Goal Co-Lead



Category Management Leadership Council



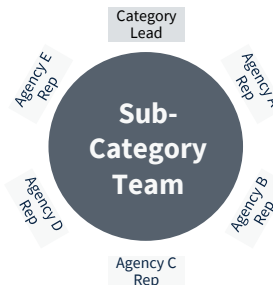
Category Managers

Government experts in the 10 categories - develop the government-wide strategy to drive improved performance and act as change agents for the category.



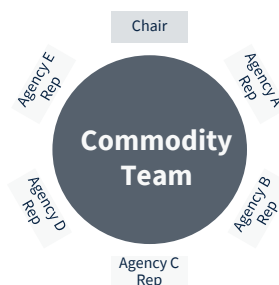
Category Team

Responsible for the development and execution of category strategies for a specific category (e.g., IT)



Sub-Category Team

Responsible for the development and execution of category-specific sub-strategies (e.g., IT software within the IT category).

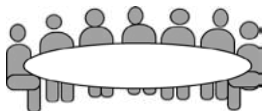


Commodity Team

Traditional strategic sourcing working group formed when the category management process identifies the need for a new acquisition solution.

Teams are supported by close to 400 representatives across all agencies

Category Management PMO (GSA)



Provides overall program management support to category managers, including development of guidance, data analytics, build out of dashboards and tools.

Acquisition Gateway



A single portal to support smarter buying for federal employees, including best practices, prices paid, contract terms and conditions, transactional information (such as prices paid data), white papers, market research, and information on procurement alternatives.



Category Managers: Government-wide experts for each of the 10 common categories of spend responsible for developing category strategies, with support of interagency team members.



William Zielinski
GSA

**Information
Technology**

**Professional
Services**

Tiffany Hixson
GSA



Jaclyn Smyth
DHS

**Security &
Protection**

**Facilities &
Construction**

Mary Ruwwe
GSA



George Prochaska
GSA

**Industrial
Products &
Services**

**Office
Management**

Dena McLaughlin
GSA



Adam Yearwood
DOD

**Transportation &
Logistics Services**

Travel

Timothy Burke
GSA



Indu Garg
OPM

Human Capital

Medical

**Thomas McCaffrey
(DoD)
& Richard Stone,
M.D. (VA)**





Category Management Government-wide Categories

Total FY18 Spend - \$539.3B | FY18 *common* spend* - \$330.5B

Facilities & Construction≈\$91.7B Led by GSA

- Construction Related Materials
- Construction Related Services
- Facilities Purchase & Lease
- Facility Related Materials
- Facility Related Services

Professional Services≈\$76.4B Led by GSA

- Business Admin Services
- Financial Services
- Legal Services
- Management & Advisory Services
- Marketing & Public Relations
- Research & Development
- Social Services
- Technical & Engineering Services

IT≈\$63.7B Led by GSA

- IT Software
- IT Hardware
- IT Consulting
- IT Security
- IT Outsourcing
- Telecomms

Medical≈\$41.8B Co-Led by DoD and VA

- Drugs & Pharmaceutical Products
- Healthcare Services
- Medical Equipment, Accessories, & Supplies

Transportation & Logistics≈\$30.8 B Led by DoD

- Fuels
- Logistics Support Services
- Motor Vehicles (non-combat)
- Package Delivery & Packaging
- Transportation Equipment
- Transportation of Things

Industrial Products & Services≈\$12.0B Led by GSA

- Basic Materials
- Fire/Rescue/Safety/Environmental Protection Equipment
- Hardware & Tools
- Industrial Products Install/Maintenance/Repair
- Machinery & Components
- Oils, Lubricants, & Waxes
- Test & Measurement Supplies

Travel≈\$1.4B Led by GSA

- Employee Relocation
- Lodging
- Passenger Travel
- Travel Agent & Misc. Services

Security & Protection≈\$5.9B Led by DHS

- Ammunition
- Protective Apparel & Equipment
- Security Animals & Related Services
- Security Services
- Security Systems
- Weapons

Human Capital≈\$4.7B Led by OPM

- Compensation & Benefits
- Employee Relations
- Human Capital Evaluation
- Strategy, Policies, & Ops Planning
- Talent Acquisition
- Talent Development

Office Management≈\$2.1B Led by GSA

- Furniture
- Office Management Products
- Office Management Services

In FY18, Federal agencies spent \$330.5B on common goods and services; the government spent about \$540B procuring goods and services generally. (The spending not counted as common is defense-centric.) Data source is FPDS only.





Strategies are being developed at the government-wide and agency-wide level to accomplish the Goal.

Government-wide Strategies: Category Managers have developed strategies to:

- Save taxpayer dollars and improve mission outcomes. Through a rigorous interagency process designate Best In Class solutions for each category that offer best value for the Government. Evaluate the performance of these solutions quarterly and reevaluate annually.
- Develop best practices, including, but not limited to, tools to understand a range of acceptable pricing, how to best bid to industry, tips for removing barriers and burdens when acquiring commercial items, such as through the identification of customary commercial practices.
- Maintain small business utilization goals.
- Train government employees on category management, including use of tools and application of best practices.

Agency-Specific Strategies: Agencies are required to implement five key management actions:

1. Establish annual goals to increase the use of BICs and align spend to category management principles, consistent with statutory socio-economic responsibilities.
2. Develop effective supplier management strategies to improve communication with industry partners, especially those that support mission critical functions, and/or have multiple relationships for similar requirements across the enterprise.
3. Implement strategies that eliminate inefficient purchasing and consumption behaviors, and adopt standardized business practices, such as buying standard equipment for firefighters.
4. Share buying data, such as prices offered, prices paid, terms and conditions, performance across the government to differentiate quality and value of products and services purchased.
5. Train employees in category management principles and practices.



Key Indicators

CAP Goal Metric	FY 2016	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Goal
Cumulative Cost Avoidance.	\$5.8B	\$13.5B	\$22.8B	\$30.0B
Common spend that is under management, aligned to category management principles.	\$117B	\$147B	\$145B	\$157B
Cumulative spend through Best In Class solutions.	\$21B	\$26B	\$32B	\$34.5B
Cumulative percent reduction number in unique contracts.	420k	-3%	-7%	-10%
Meet or exceed category management small businesses goals.	30%	30%	31%	30%
Number of individuals trained on category management.	0	776	1,503	1,800

Additional Definitions:

Cost avoidance - includes costs avoidance using strategic sourcing solutions from FY2010-2015 and Best In Class solution with validated cost avoidance methods from FY16-Present.

Spend Under Management - measured in dollars, total common spend denominator fluctuates - \$285B in FY16, \$306B in FY17 and \$330B in FY18.

Reduction in Unique Contracts - Includes only contracts not conforming to category management principles.

Small Business Goals - Small business spend within category management scope or the subset of procurement spend that is for common goods and services (\$330B in FY18).

Training - Individuals trained counted by Federal Acquisition Institute receiving a rating of 4.2 or higher.





Status of FY19 Key Indicators – as of August 2, 2019

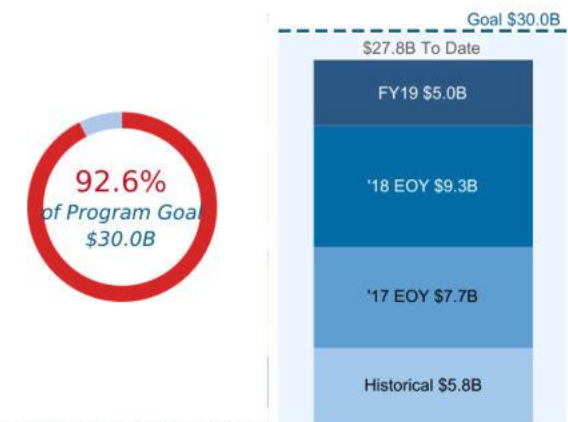
Spend Under Management



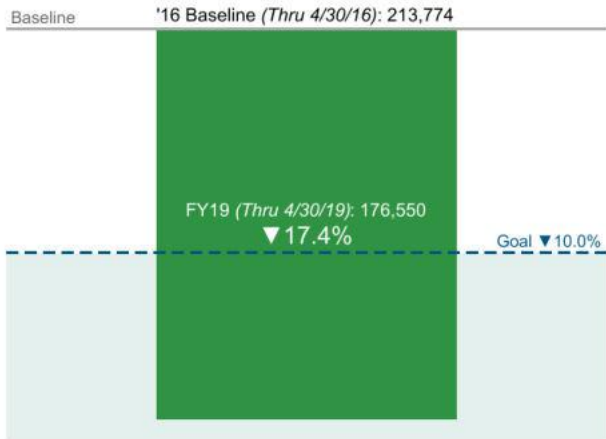
Best In Class Obligations



Cumulative Cost Avoidance



Tier 0 Contract Reduction

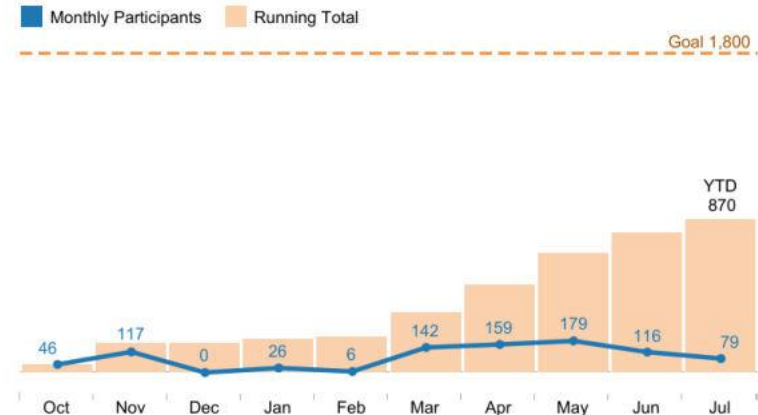


Contract Reduction data is YTD minus 3 months

Small Business Utilization



GWCM Training



Training KPI counts only individuals trained and formally evaluated by FAITAS. An additional 1,461 individuals received training and were provided CLPs. This is a total of 2,331 individuals tr..

Updated 8/2/2019 7:13:54 AM; Data Thru 'Date Signed' 7/31/2019





Use the Agency Acquisition Spend Analysis Tool to Find Savings Opportunities



★ **New and Improved!**

Quickly Find Best Value Solutions on the Acquisition Gateway

SOLUTIONS FINDER

Hide Welcome Message

Keyword Search

My Agency

Dept of Defense

- ☐ Air Force (180)
- ☐ Army (178)
- ☐ DHA (177)
- ☐ Navy (180)
- ☐ Other DoD Organization (177)

Federal Agencies

- ☐ DoC (172)
- ☐ DoE (171)
- ☐ DHS (203)
- ☐ DoI (171)

Found 255 results of 255 Reset Share



BMO: Building Maintenance and Operations FSS (Best In Class)

Managed By: GSA

FSS

Best In Class (BIC)

IDIQ

Building Maintenance and Operations (BMO) strategic sourcing solution is a comprehensive and flexible solution covering all high-demand BMO services. It is an open market, multiple-award, indefinite delivery, indefinite quantity (MA-IDIQ)...

View Details

Fee:
2% contract access fee

Availability:
All DoD and Civilian Agencies

Compare

Solution Website



CHES: Computer Hardware Enterprise Software & Solutions (Best In Class)

Managed By: Army

Best In Class (BIC)

Green Check

IDIQ

Computer Hardware Enterprise Software and Solutions (CHES) is the Army's designated Primary Source for

Fee:
None

Availability:
All DoD and Civilian Agencies
(Note: Availability may be dependant on the terms and conditions of the specific agreement, please confirm ahead

Compare

Prices Paid

Solution Website

Contract

<https://hallways.cap.gsa.gov>



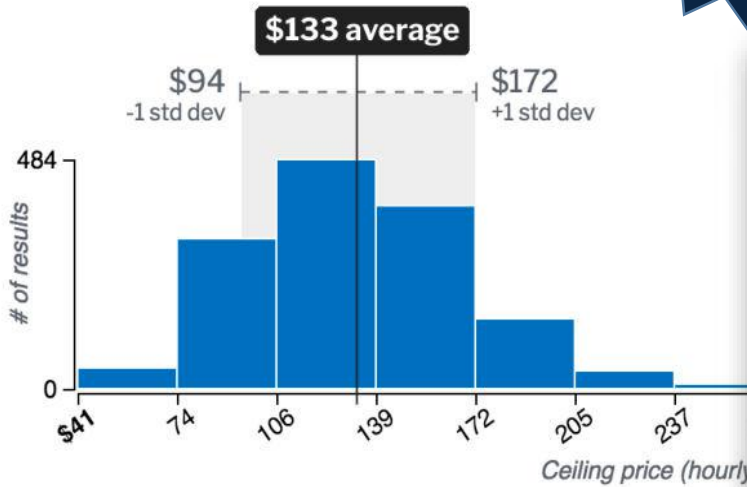


Use the Labor Hour Tool to Compare Offers on Service Contracts

Hourly rate data



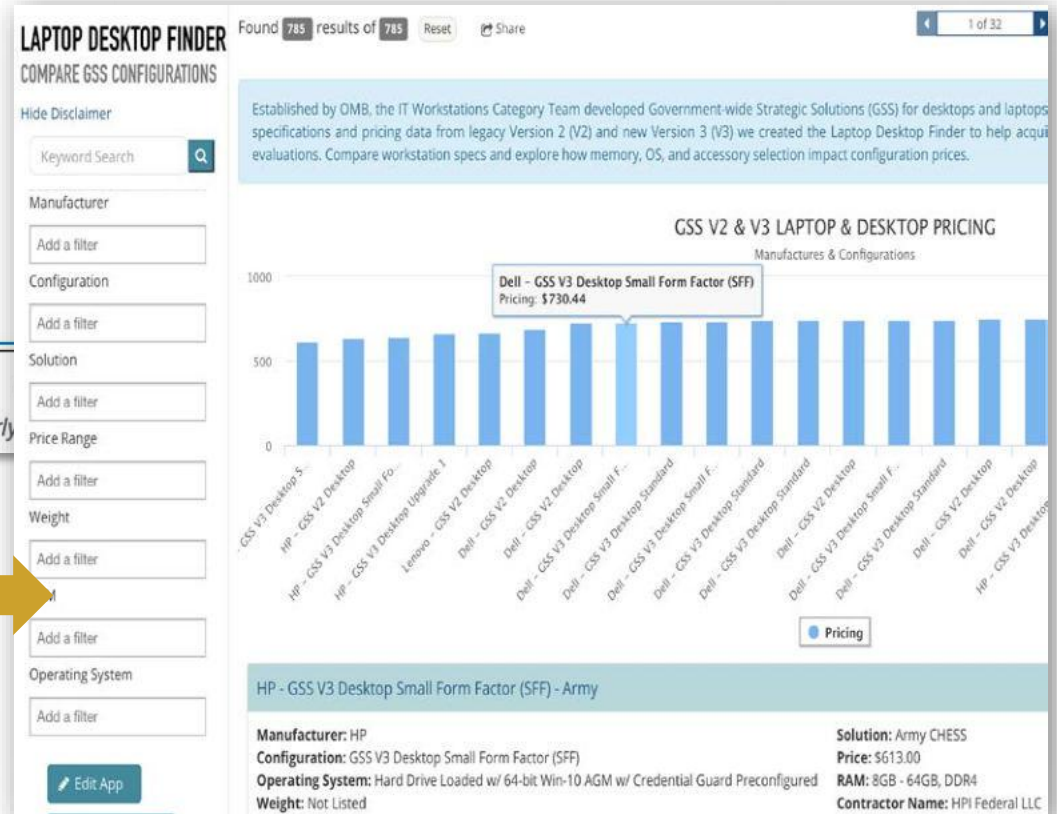
**Best Price
- Same
Quality**



**Make IT Purchases Easier by Quickly
Comparing Model Features and Prices**



Laptop & Desktop Price Analysis Tool



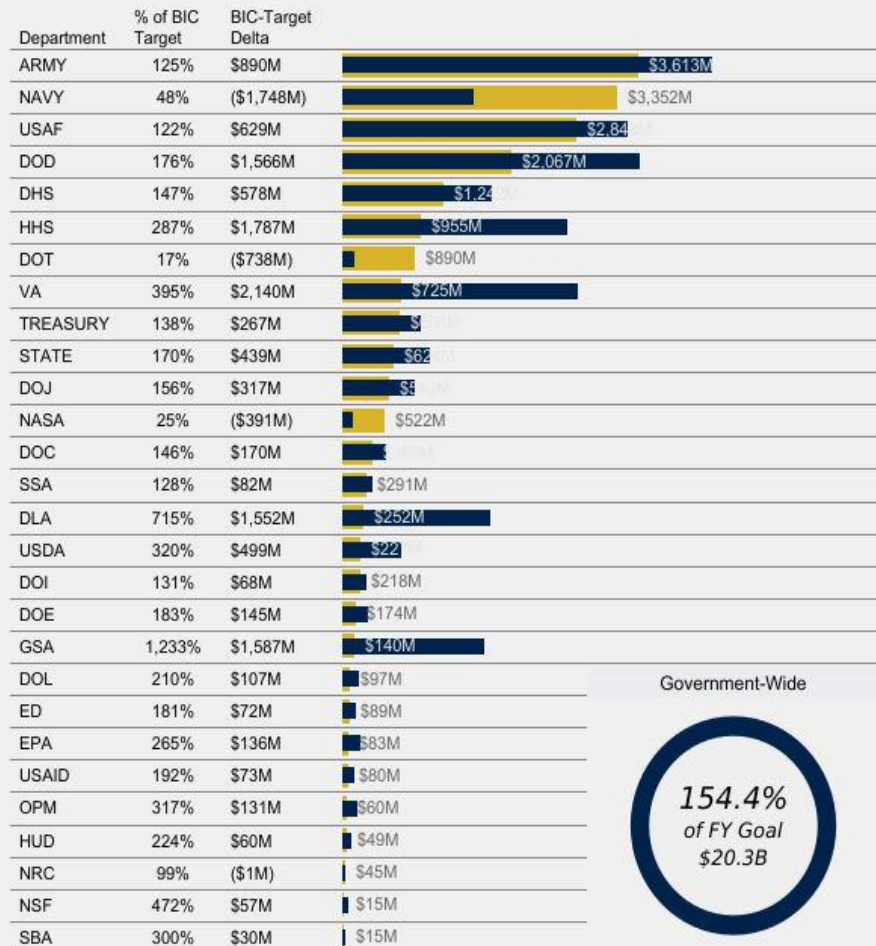
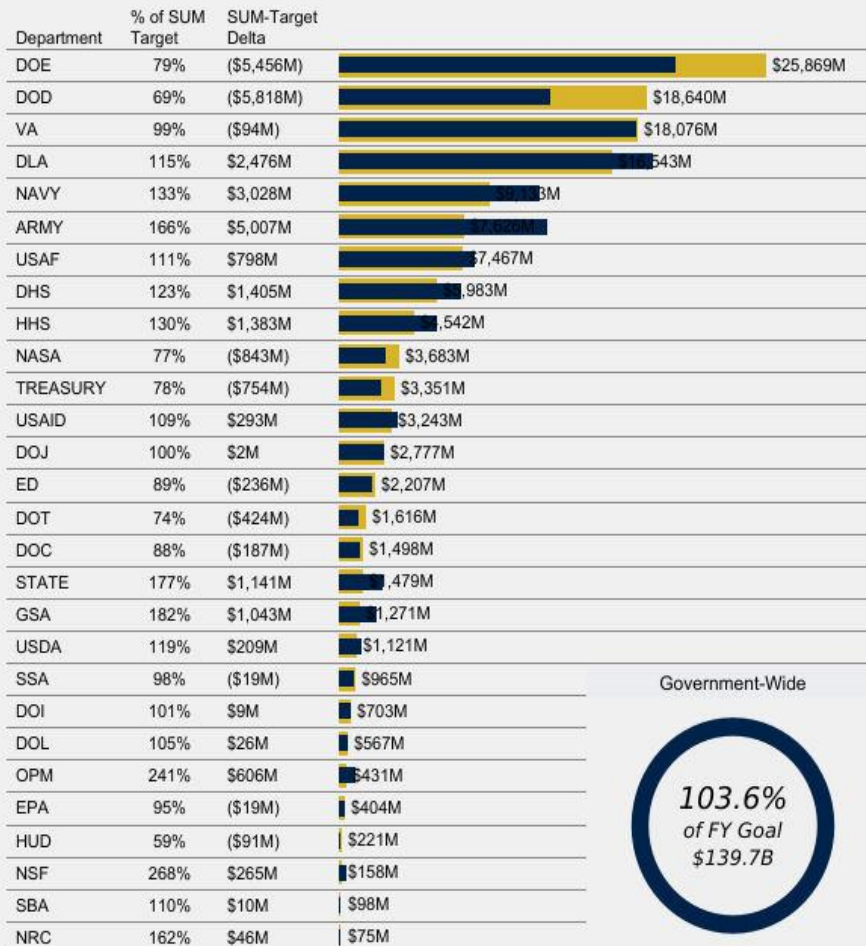


Final FY18 Agency Results Spend Under Management and Best in Class

Category Management SUM/BIC, FY18 Progress to Targets

Data included in this view indicates current YTD progress (dark bars) toward OMB targets (light bars).
Text labels show Target values. Charts sorted by Target value descending.

FY18 OMB Target FY18 Actual





Key Indicators – Spend Under Management and Best in Class – FY19 Agency Status Compared to Target

FY19 OMB Target FY19 Actual

Spend Under Management (SUM)

Obligation (in millions) on contracts that meet defined criteria for manager's maturity and data sharing. SUM is defined by a tiered maturity model, which includes three tiers that address five attributes: leadership, strategy, data, tools, and metrics.

Department	% of SUM Target	SUM-Target Delta	
DOD	67%	(\$6,949M)	\$21,300M
VA	51%	(\$10,210M)	\$20,655M
DOE	62%	(\$7,833M)	\$20,594M
DLA	51%	(\$9,247M)	\$18,904M
NAVY	58%	(\$4,408M)	\$10,436M
ARMY	135%	\$3,074M	\$5,218M
USAF	83%	(\$1,452M)	\$8,532M
DHS	72%	(\$1,888M)	\$6,837M
HHS	83%	(\$884M)	\$5,190M
NASA	89%	(\$460M)	\$4,209M
USAID	82%	(\$661M)	\$3,705M
DOJ	65%	(\$1,121M)	\$3,173M
TREASURY	63%	(\$1,072M)	\$2,890M
ED	78%	(\$456M)	\$2,070M
DOT	48%	(\$969M)	\$1,846M
DOC	65%	(\$597M)	\$1,711M
STATE	102%	\$28M	\$1,690M
GSA	213%	\$1,642M	\$552M
USDA	72%	(\$364M)	\$1,281M
SSA	48%	(\$578M)	\$1,103M
DOI	110%	\$83M	\$804M
DOL	67%	(\$215M)	\$648M
OPM	204%	\$509M	\$492M
EPA	65%	(\$163M)	\$462M
HUD	73%	(\$67M)	\$252M
NSF	188%	\$159M	\$180M
SBA	61%	(\$44M)	\$111M
NRC	59%	(\$35M)	\$85M

Government-Wide



Best In Class (BIC)

Best In Class is a designation by the Office of Management and Budget (OMB) for a preferred government-wide solution that: Allows acquisition experts to take advantage of pre-vetted, government-wide contract solutions; Supports a government-wide migration to solutions that are mature and market-proven; Assists in the optimization of spend, within the government-wide category management framework; and increases the transactional data available for agency level and government-wide analysis of buying behavior.

Department	% of BIC Target	BIC-Target Delta	
ARMY	54%	(\$2,282M)	\$4,950M
DOD	62%	(\$1,507M)	\$3,997M
USAF	64%	(\$1,385M)	\$3,825M
VA	66%	(\$1,063M)	\$3,154M
HHS	62%	(\$1,156M)	\$3,020M
DHS	63%	(\$735M)	\$2,002M
DLA	63%	(\$735M)	\$1,987M
GSA	78%	(\$427M)	\$1,911M
NAVY	42%	(\$1,021M)	\$1,764M
STATE	50%	(\$583M)	\$1,169M
TREASURY	53%	(\$532M)	\$1,135M
DOJ	65%	(\$340M)	\$975M
USDA	67%	(\$265M)	\$798M
DOC	99%	(\$6M)	\$594M
SSA	60%	(\$164M)	\$410M
DOE	42%	(\$202M)	\$350M
DOI	58%	(\$134M)	\$315M
EPA	69%	(\$76M)	\$241M
DOL	60%	(\$91M)	\$225M
OPM	96%	(\$9M)	\$211M
ED	123%	\$40M	\$178M
USAID	68%	(\$55M)	\$169M
DOT	62%	(\$63M)	\$167M
NASA	65%	(\$50M)	\$144M
HUD	74%	(\$31M)	\$120M
NSF	95%	(\$4M)	\$79M
SBA	68%	(\$16M)	\$50M
NRC	51%	(\$24M)	\$49M

Government-Wide



Data Updated 8/2/2019 7:13:54 AM; Data Through 7/31/2019





Key Milestones – Government-wide

Government-wide milestones focus on the development of additional tools and resources to help agencies buy smarter. In addition, Category Managers develop strategies specific to their category, such as standardizing laptop and desktop buys, adding new small businesses to Best In Class contracts, and developing best practices based on market research and industry intelligence.

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers
Refine dashboards to easily capture current spend under management (On-going monthly deployments), release dashboards publically (Q4 FY19), host industry day to showcase dashboards (Q1 FY20), train federal employees via demos (Monthly).	Various, as noted	On Track	Q3 Update - Released new Operational Workbench, Acquisition Analytics Tools for GSA Global Supply, released dashboards publicly	GW CM PMO	N/A
Issue OMB Memoranda to agencies on increasing use of common contract solutions, and refresh category management guidance/governance documentation on Acquisition Gateway to fully align to new Memoranda.	Originally Q4FY18	On-going	Memo issued and industry day conducted in March; internal / external engagement continues	OMB	N/A
Assess BICs quarterly and annually to ensure compliance.	On-going	On-going	Two BIC annual reviews conducted	GW CM PMO, CMs and agencies	N/A
Engage with agencies on FY19 plans and alternative analyses.	Ongoing	On Track	Engaged with each of the 24 CFO Act agencies	OMB	N/A
Revise FY20 and develop new FY21 Strategic Plans for each of the 10 common categories of spend to increase use of small business, deploy demand management practices, engage suppliers and meet socioeconomic responsibilities.	Final CMLC-Approved Q2 FY20	On Track	CMs working with teams to develop drafts; CMLC review in early 2020.	CMs, CMLC	N/A





Key Milestones – Information Technology Category

OMB issued three category management memos in FY 2016 for the acquisition and management of common cloud-based information technology products and services: Laptops/Desktops, Mobile Device and Services, and Software. Each memo is being executed by interagency category teams.

The report to the President on Federal IT Modernization (December 2017) identifies several key action items that can be executed using category management strategies such as strategic sourcing, standardization, and consolidation.

Key Milestones	Milestone Due Date	Milestone Status	Anticipated Barriers or other Issues Related to Milestone Completion
Agencies establish a comprehensive software inventory representing 80% of software license spending. Agencies complete a Software Centralization Plan. (milestones combined from previous report)	Q2FY19	Delayed – At Risk. Category Team is continuing to work with agencies to meet these goals	21 of the 24 CFO Act agencies have reported establishing a software inventory and have received an A for Megabyte in FITARA. 19 of the 24 CFO Act agencies have reported completing a software centralization plan.
Improve and align IT procurement data to the Technology Business Management (TBM), which standardizes IT costs, technologies, and resources to informs data driven decision making around smart IT investment. Specifically, redefine the procurement codes to better align to the TBM taxonomy.	Q3FY19 for new codes to be proposed; final codes Q4FY19	On Track	New PSC codes have been proposed. Currently going through reviews by IT and acquisition SMEs. Still require vetting and approval by interagency board, which presents risk of delay.
Designate two additional IT Best-in-Class on Schedule 70 – Wireless Mobility Services (SIN 132-53) and Highly Adaptive Cybersecurity Services (SIN 132-45).	Q4FY19	On Track	N/A
Develop a strategic roadmap for Enterprise Software to work with industry and agency partners to standardize technical requirements, mitigate cyber-risk, improve data quality, and leverage the government's buying power.	Q2FY20	On track	N/A





Key Milestones – Highlights: Facilities and Professional Services Categories

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues Related to Milestone Completion
Facilities and Construction					
Recruit new small businesses (SB) on existing facilities maintenance contracts.	Q2FY19 and continuing	On Track	F&C Category has recruited and awarded Schedule 03FAC contracts to 70 new Small Businesses (SB) in FY19	F&C Category	Working closely with several agencies to meet upcoming facilities requirements.
Improve Facilities, Maintenance, and Management Schedule (03FAC)	Q4FY19	On Track	Recruited large and small businesses for USACE (Huntsville) Access Control Points Program, and also for several GSA-Public Building Service Regions	F&C Category	N/A
Professional Services					
On-ramp additional 485 contractors to OASIS Best in Class Solution for both SB and unrestricted (UR) pools (1,3,4). Add 8(a) sub-pools to OASIS BIC with additional 80 contractors.	Q1FY20	Phased on-ramp. On track.	Evaluation underway for SB pools and solicitation posted for UR pools on 7/12/19	Category Team	Protests resolution timeline could potentially delay start for period of performance
Work closely with vendors on government-wide contracts to increase adoption, by sharing agency spend analysis data, conducting intense education sessions and developing marketing materials as part of the part of the Supplier Success Strategy. Industry Exchange Forums and association briefings held.	Q4FY19	On Track	Supplier Success Strategy made public, gaining awareness	Category Team	Clearance for release of additional dashboards that promote understanding of category management





Key Milestones – Highlights: Security & Protection Category

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues Related to Milestone Completion
Security and Protection					
Co-Leadership with the GSA Security Schedule 84 team to establish a Supplier Research Panel to engage and obtain vendor inputs to remove identified obstacles and strengthen supplier/government relationships, while increasing market intelligence.	Q4FY19	On Track	Met with 120 Schedule 84 vendors, improved understanding and value of being a part of a Spend Under Management vehicle.	Category Manager and GSA Schedule 84 Team	N/A
Establish working dog category team to identify opportunities for more effective/efficient multi-agency sourcing strategies and ways to close gaps between current practices and best practices.	Q4FY19	On Track	Draft Category Intelligence Report near completion.	Category Team	Requires engagement by law enforcement agencies.
Execute a Working Dog Industry Day to identify industry best practices and more effective/efficient sourcing strategies for working dogs.	Q2FY20	On Track	Currently in planning phase	Category Team	Requires overseas industry day location.
Create a Center of Excellence for the working dog community, standardize requirements where appropriate, implement best practices and collaborative opportunities between agencies.	Q4FY20	On Track		Category Team	Requires engagement by law enforcement agencies.





Federal Agencies:

- The CMLC Principals, which plays an important role in shaping the direction of the effort, consists of representatives from the DoD, DoE, HHS, DHS, VA, GSA, and NASA.
- The Category Managers represent the following agencies: Office of Management and Budget (OMB), General Services Administration (GSA), Department of Homeland Security (DHS), Office of Personnel Management (OPM), Department of Defense, and Department of Veterans Affairs.
- The head of each of the 24 Chief Financial Officer Act departments and agencies has designated a CMLC Lead, who coordinates their agency's participation in government-wide category management efforts.
- The Category Management Program Management Office, which resides in GSA, provides overall program management support to Category Managers and their teams, and facilitates the development and implementation of business rules and processes.

Regulation:

- Federal Acquisition Regulations, Part 8.

Policies:

- OMB Category Management Memorandums 16-02, 16-12, 16-20, 17-22, 17-26, 17-29.





Stakeholders (other than Executive Branch Agencies):

- Oversight and Small Business Groups - Community, Government Accountability Office, Senate Committee on Oversight and Government Reform, and the House and Senate Small Business Committee. Small business advocates are concerned that while dollars going to small business under this initiative may be increasing – due to much more concerted efforts to provide opportunities and better supplier engagement – the number of small businesses receiving awards may decrease. Implementation of any of these options will require us to monitor this dynamic to ensure we will meet our goals.
- Industry Associations - Contractor association groups, such as the American Council for Technology and Industry Advisory Council, Professional Services Council, IT Alliance for Public Sector. These organizations cite contract duplication as a significant burden and cost driver for Federal contractors, especially small businesses, who must devote significant resources to competing and (if they win) then managing multiple Federal contracts across different procurement offices for the same products and services. However, while category management can reduce contract duplication, compliance burden, and promote adoption of greater use of commercial practices, industry is concerned that they will have reduced opportunity and that category management will disrupt their relationships with agencies.