



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 Since 2017

- **Saving money:** Saved taxpayers over **\$25.8 billion** through better pricing, reduced demand, and administrative savings
- **Spending smarter:** Moved over **\$157 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 \$8B for a total of **\$34.5B**
- **Increasing small business participation:** Increased by a percentage or **31.1%** of the government's contract spend going to small businesses
- **Trained the workforce:** Trained over 2,705 individuals on category management
- **Institutionalized Category Management:** OMB issued new policy [Memoranda](#) on March 20, 2019





Summary of Progress in the Last Quarter

Highlights of Successes:

- The Facilities and Construction partnered with the Air Force Medical Support Agency to move their \$110M Hospital Maintenance contract from open market/unaligned acquisition to an already-existing government category management managed solution- [Schedule 03FAC](#).
- OMB and the Category Management Program Management Office hosted a virtual industry event to showcase publicly available category management [dashboards](#).
- The AbilityOne and Federal Prison Industries (FPI) /UNICOR programs have received spend under management designation. Both programs have a strong history in providing quality services to agencies which has led to creating new jobs for these individuals.
- Designated two new Best In Class (BIC) Solutions: 1) the Maintenance Repair Facility Supplies (MRFS) solution that streamlines the process of purchasing maintenance, repair, janitorial and sanitation products government and offers pricing of around 25% lower than what is currently offered within the Federal marketplace; 2) Office Supplies 4, which will to increase opportunities for small business participation by at least 5 percent.
- The Professional Services Category announced the award of 40 highest technically rated companies on OASIS Small Business (SB) Pool 1 contract on November 15, 2019. The second- and third-phase award notifications for the remaining 150 apparent successful offerors will be awarded in Q2 FY20.



Lisa Hershman, Deputy 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.



Julie Dunne, Acting 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.



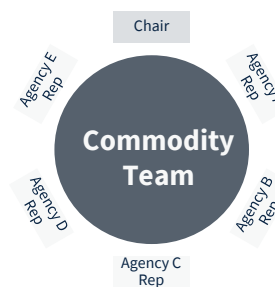
Category Team

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).

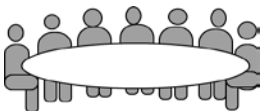


Commodity Team

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	FY 2020 Goal*
Cumulative Cost Avoidance.	\$5.8B	\$13.5B	\$22.8B	\$34.5B	\$40B
Common spend that is under management, aligned to category management principles.	\$117B	\$147B	\$145B	\$157B	\$180B
Cumulative spend through Best In Class solutions.	\$21B	\$26B	\$32B	\$34.5B	\$37.4
Cumulative percent reduction number in unique contracts.	420k	-3%	-7%	-10%	-12%
Meet or exceed category management small businesses goals.	30%	30%	31%	30%	30%
Number of individuals trained on category management.	0	776	1,503	1,800	2,000

***FY20 Targets may be revisited once FY19 data is finalized in early January.**
Definition Details can be found on the [Acquisition Gateway](#).





Status of FY19 Key Indicators – as of November 18, 2019

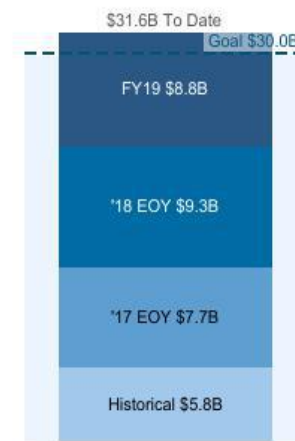
Spend Under Management



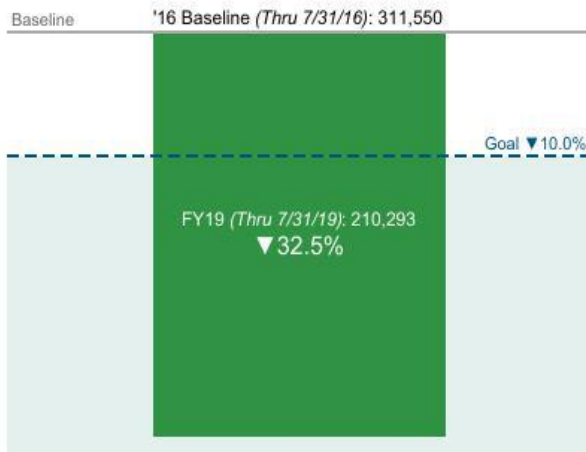
Best In Class Obligations



Cumulative Cost Avoidance



Tier 0 Contract Reduction

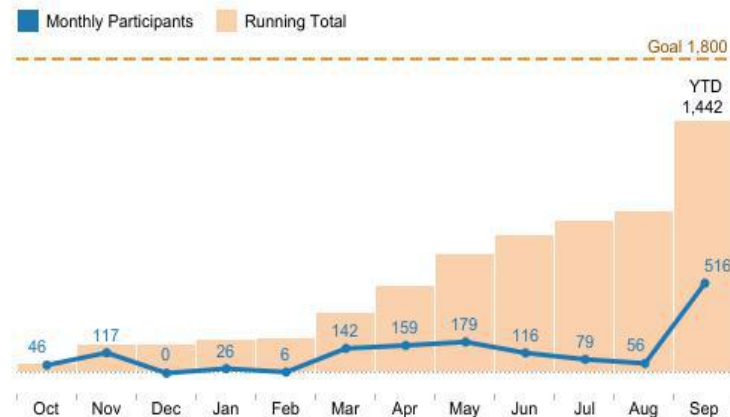


Contract Reduction data is YTD minus 3 months

Small Business Utilization



GWCM Training



Training KPI counts only individuals trained and formally evaluated by FAITAS. An additional 1,263 individuals received training and were provided CLPs. This is a total of 2,705 individuals trained.

Updated 11/18/2019 8:00:20 PM; Data Thru 'Date Signed' 9/30/2019



Use the Agency Acquisition Spend Analysis Tool to Find Savings Opportunities



New and Improved!

Quickly Find Best Value Solutions on the Acquisition Gateway

ACQUISITION GATEWAY

Tools Resources

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>





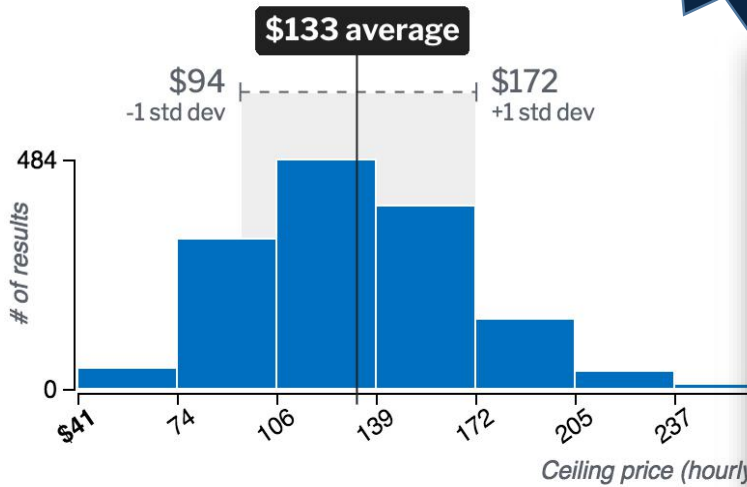
Tools That Help Agencies Buy Smarter

Use the Labor Hour Tool to Compare Offers on Service Contracts

Hourly rate data



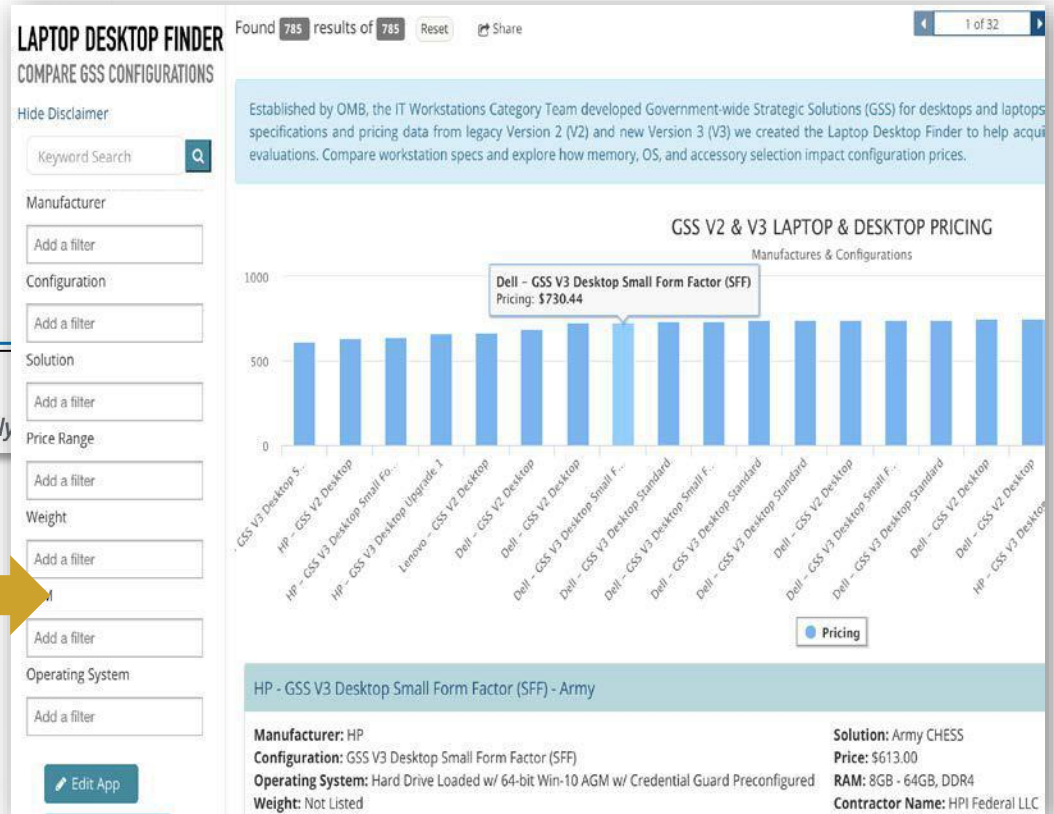
**Best Price
- Same
Quality**



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



Laptop & Desktop Price Analysis Tool



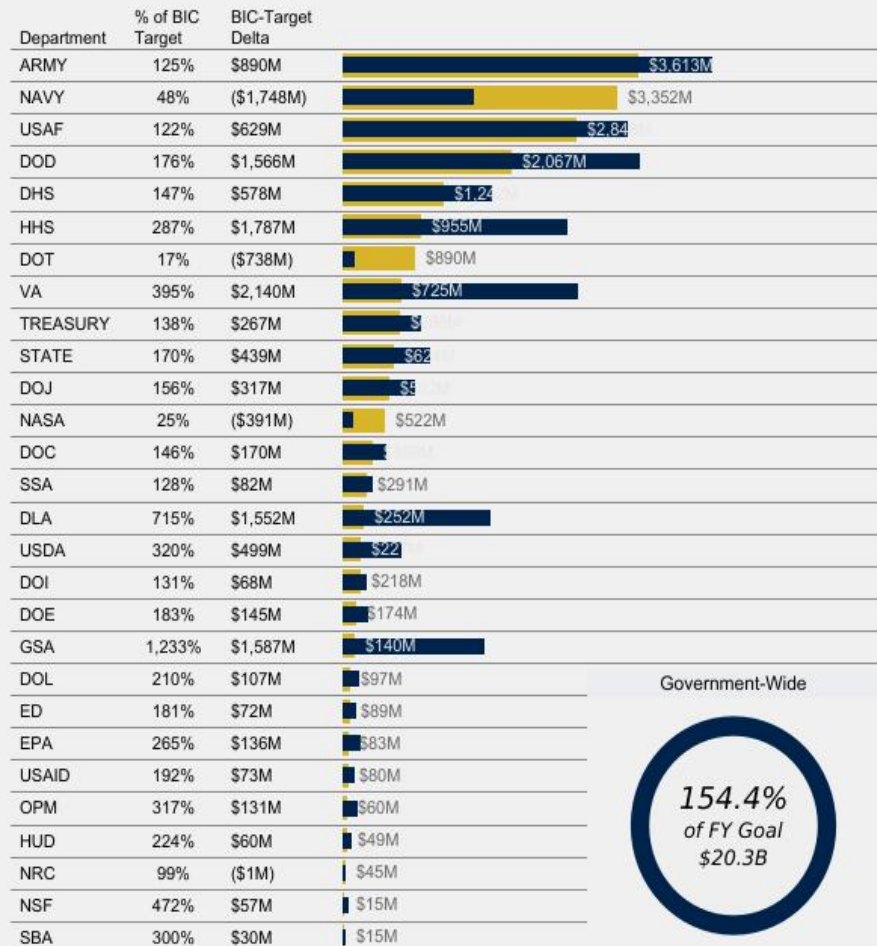
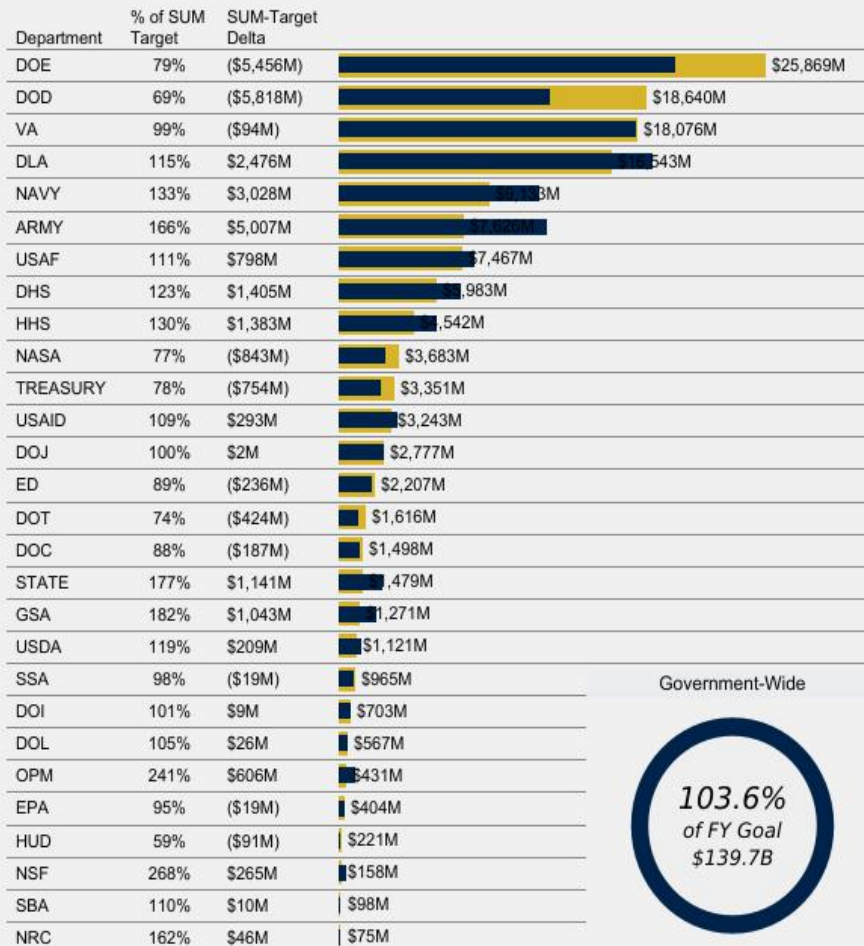


Final FY18 Agency Results Spend Under Management and Best in Class

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

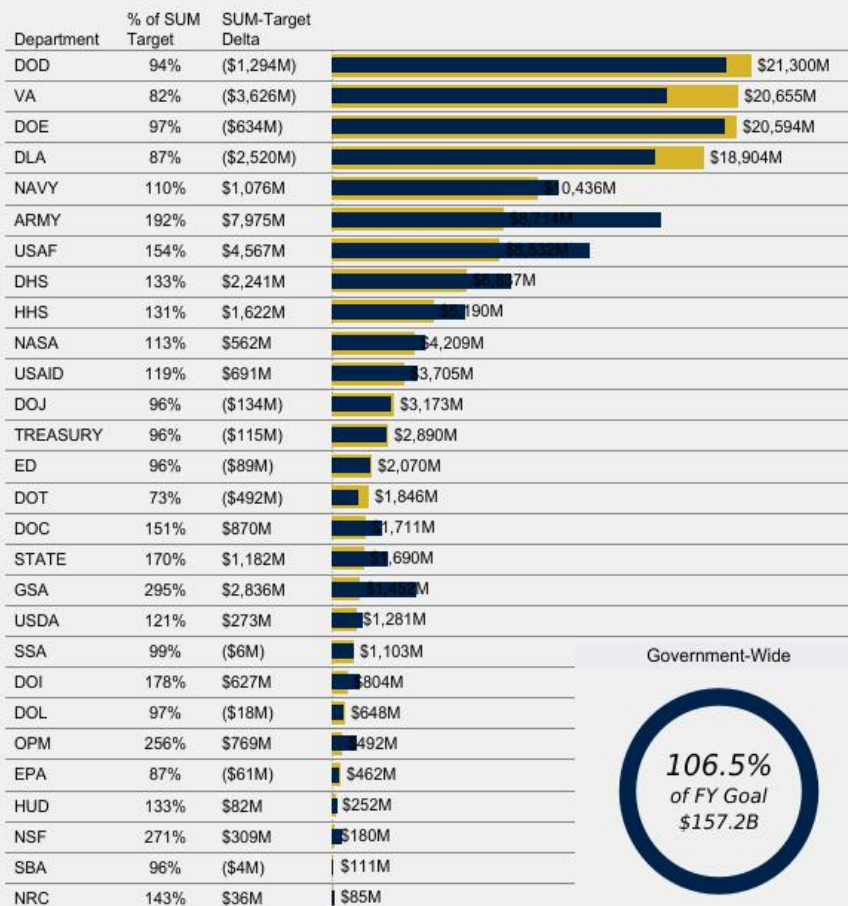




Key Indicators – Spend Under Management and Best in Class – FY19 Agency Status Compared to Target, as of November 18, 2019

Spend Under Management (SUM)

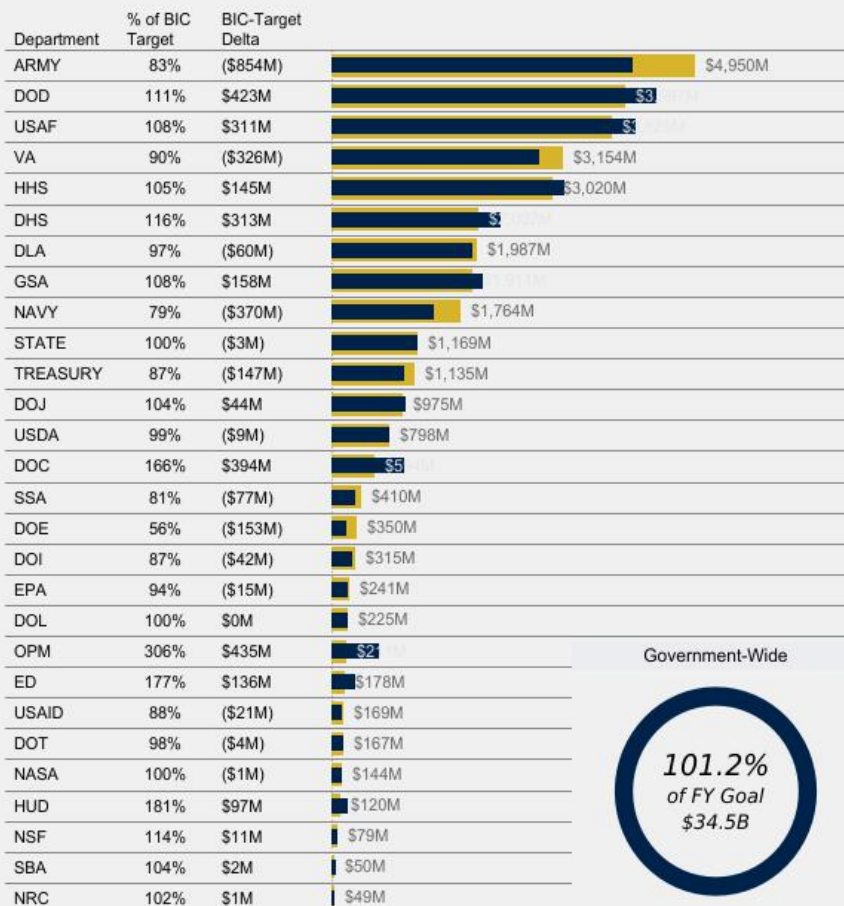
Obligation (in millions) on contracts that meet defined criteria for management maturity and data sharing. SUM is defined by a tiered maturity model, which includes three tiers that address five attributes: leadership, strategy, data, tools, and metrics.



FY19 OMB Target FY19 Actual

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.



Data Updated 11/18/2019 8:00:20 PM; Data Through 9/30/2019





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
Assess BICs quarterly and annually to ensure compliance.	On-going	On-going	Conducted 11 BIC annual reviews and announced two new BICs.	GW CM PMO, CMs and agencies	N/A
Engage with agencies on FY19 plans and alternative analyses.	Ongoing	Complete	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
Conduct at least 1 agency engagement training session each month through FY20. Automate existing Category Management trainings (CM 101 and Dashboard demos) to allow for on-demand access (Q2FY20)	Various, as noted	On Track	New milestone	GW CM PMO and Agencies	Agency participation is required.





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 inform 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; approval by interagency board Q3FY20	Delayed, new date Q4FY20	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	Delayed, new date Q2FY20 for SIN 132-45	GSA is currently working with vendors to capture transaction data for SIN 132-53. SIN 132-45 will not pursue BIC designation at this time due to lack of sufficient vendors providing transaction data.
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 70 new small businesses (SB) on existing facilities maintenance contracts in FY20 (same goal as achieved in FY19).	Q4FY20 and continuing	On Track	Awarded 15 new Schedule 03FAC contracts to small businesses to date in FY20.	F&C Category	Working closely with several agencies to meet upcoming facilities requirements.
Improve Facilities, Maintenance, and Management Schedule (03FAC)	Q4FY19	On Track	Modified language on several 03FAC solutions to better align with customer NAICS Codes.	F&C Category	N/A
Professional Services					
Phased 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. See slide 4 for update on recently-completed on-ramp	Late Q2 FY20	On track.	Evaluations for the remaining 150 awards in OASIS SB Pool 1, and SB Pool 1, 3, 8(a), Unrestricted Pool 1, 3, 4 are ongoing.	Category Team	Protests 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. This is an on-going milestone	On going	On Track	3 webinars held Oct – 300 attendees. Creating <10 minute vignettes for each of the webinars. Training scheduled with VOSB's.	Category Team	Server capacity prevents Award Exploration tool from being available publicly. Other data dashboards are now available.
Design a unified services catalog to connect buyers and suppliers on a solution level within the services categories/sub-categories	Q4 FY20	On Track	N/A	Cross-Services Integrated Program Team	Vetting of the design with agency buyers and industry suppliers may lead to additional iterations/ revised schedule





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					
Ongoing working dog category team efforts to identify opportunities for more effective/efficient multi-agency sourcing strategies and ways to close gaps between current practices and best practices.	Q3FY20	On Track	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. [A CONUS and OCONUS Industry Day has been scheduled to refine the Working Dog Category Intelligence Report. These Industry Day events will provide actionable market intelligence regarding challenges with the procurement of Working Dogs.]	Q2FY20	On Track	Currently in planning phase, Dates & Location have been determined.	Category Team	Requires overseas vendors to agree to travel to a single location in Ramstein, Germany.
Develop Market Intelligence and identify potential opportunities for CM goals related to Unmanned Aircraft System (UAS) and counter-unmanned Aircraft System (cUAS) requirements within the S&P Category.	Q4FY20	On Track	New initiative, in initial phases of planning.	Category Team	Requires multi-agency cooperation as well as identifying appropriate team members.
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 Intelligence Report near completion.	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.