

Cross Agency Priority Goal Quarterly Progress Update

Strategic Sourcing

Goal Leaders:

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FY2015 Quarter 2

Goal Statement

- Expand the use of strategic sourcing across government to save money and improve the management of goods and services.

Urgency

- Strategic Sourcing – taking advantage of an organization’s combined buying power to get better prices and service from vendors than would be obtainable by each part of the organization buying on its own – is a private sector best practice. However the federal government, despite being the world’s largest buyer of goods and services, still purchases as many small organizations. The result is contract duplication, different prices for similar goods and services, a lack of transparency into important procurement data, and ultimately, cost and inefficiency.

Vision

- The Federal Government will deliver more value to the taxpayer and improve agency mission delivery through the use of private sector best practices in acquisitions. We will accomplish this by better managing commonly purchased goods and services, including going out to the market as one large buyer, developing stronger supplier relationships, increasing transparency in procurement data, driving costs out of the entire supply chain (from creation of the product or service to delivery) and ensuring our workforce is well-trained and equipped to succeed.

Progress Update

In second quarter of 2015, we continue to make great strides toward the foundational elements of category management:

- In accordance with the Office of Management and Budget (OMB) December 2014 memorandum, the Strategic Sourcing Leadership Council (SSLC), now called the Category Management Leadership Council (CMLC), prioritized the collection of IT contracts. The government acquisition workforce will have access to key contract information for all major IT commodity contracts across government, including bureau-wide, agency-wide, and government-wide contracts.
- Additionally, OMB will hire a Government-wide IT Category Manager who will work with the Office of Federal Procurement Policy (OFPP) Administrator and the Federal Chief Information Officer (CIO) to improve our buying and demand management practices for the more than \$25 billion spent annually on IT commodities, such as hardware and software.
- The General Services Administration (GSA) is hiring a Government-wide IT Vendor Manager who will provide full-time focus on improving relationships with key types of vendors – especially those who have multiple contracts for similar goods and services with many agencies.

Action Plan Summary

Sub-Goal	Actions to Achieve Impact	Key Indicators
Savings	<ul style="list-style-type: none"> • <u>Lower prices</u> and <u>administration costs</u> for federal agencies through increased competition, dynamic pricing (for reduced price variability), a streamlined acquisition process, and simplified contractual terms. • <u>Provide greater purchasing channel options</u> and <u>improved ease of use</u> for customers with standardized product descriptions for more efficient comparison shopping and inclusion of future channels including the requisition channel and the Fourth Party Logistics (4PL) channel • <u>Design the Initiative to address small business and Service-Disabled Veteran Owned Small Business (SDVOSB) concerns</u>, by creating: <ul style="list-style-type: none"> ○ More preferences for small business and SDVOSBs ○ On-ramps for qualified small businesses 	Savings achieved through implementation of the Federal Strategic Sourcing Initiative (FSSI) solution. Expressed as the sum of savings achieved through existing FSSI solutions.
Adoption – annual		Percent of SSLC agency spending going through the FSSI solution. Is expressed by legacy solutions (those in place for longer than one year) and new (those in place less than one year) to allow time for agencies to transition to new solutions. Captures progress in how much targeted spending is moving through the FSSI solution.
Small Business – number of solutions meeting small business expectations as outlined in OMB M-13-02		Percent of FSSI solutions meeting or exceeding prior small business spending in an area. For each solutions, small business participation is assessed pre and post solution implementation. The reported figure represents what percent of those solutions are meeting small business expectations.
Reducing duplication and optimizing solutions		Increased efficiency by optimizing the FSSI solutions. Currently represented by the amount of reduction in contract duplication. Is the sum of all duplication as assessed one year after the start of an effort.

Work Plan

FSSI Effort	Status	Lead Agency
Office Supplies (OS3)	Solution in place and available.	GSA
Domestic Delivery Solutions (DDS3)	Solution in place and available, planning for next generation	GSA and Department of Defense (DoD)
Information Retrieval Services	Solution in place and available.	Library of Congress
Wireless services	Solution in place and available.	GSA
Maintenance, Repair, and Operations Supplies (MRO)	Solution in place and available.	GSA
Janitorial and Sanitation Supplies (JanSan)	Solution in place and available.	GSA
Workstations	Received feedback on standard configurations, terms/conditions. Deployment planned for Q3FY15.	NASA leading interagency group
Human Capital and Training Solutions (HCaTS)	CMLC approved KPD2 (solution strategy).	Office of Personnel Management (OPM) and GSA
Building Maintenance and Operations Services (BMO)	CMLC approved KDP2 (solution strategy)	GSA
Furniture (Demand Management)	CMLC approved KDP2 (solution strategy)	GSA
Continuous Diagnostic Mitigation (CDM)	CMLC approved KDP3 (solution execution)	Department of Homeland Security (DHS) and GSA
Acquisition Gateway/Hallways	Completed hallway launches for IT Hardware, IT Software, Administrative Support, and Small Package Delivery.	GSA

Upcoming Milestones:		
Key Milestones	Milestone due date	Status
Conduct government team & vendor meetings for each FSSI commodity	Quarterly	On Track
Convene CMLC	May 21, 2015	On Track
Launch New Category Management CAP Goal	Q3FY15	On Track
Standard configurations for workstations deployed to existing solutions	Q3FY15	On Track
Launch Hallways for IT Consulting, IT Outsourcing and IT Telecommunications	Q3FY15	On Track

Key Indicators

Key Implementation Data						
Metrics	Source	Baseline	Target	Frequency	Latest data	Trend
<i>Savings</i>	Data from 8 Participating Agencies	Varies depending on category	N/A	Quarterly	<i>\$13.1M Quarter 2 \$21.7M for YTD FY15</i>	TBD
<i>Adoption</i>	Data from 8 Participating Agencies	Varies depending on category	N/A	Annual*	<i>41.7% for FY14 (legacy solutions) 0.42% for FY14 (new solutions)</i>	TBD
<i>Small Business – solutions meeting small business expectations as outlined in OMB M-13-02</i>	Data from 8 Participating Agencies	Varies depending on category	N/A	Annual*	<i>100% for FY14</i>	TBD
<i>Reducing duplication and optimizing solutions (reduction in number of duplicative contracts)</i>	Data from 8 Participating Agencies	Varies depending on category	N/A	Annual*	<i>50% for 2014</i>	TBD

*Annual metrics are reported for the previous fiscal year.

Measures are reported for SSLC agencies – DoD, Department of Energy (DoE), Department of Health and Human Services (HHS), DHS, National Aeronautics and Space Administration (NASA), GSA, Department of Veterans Affairs (VA) and Small Business Administration (SBA). OMB M-13-02 available at http://www.whitehouse.gov/sites/default/files/omb/memoranda/2013/m-13-02_0.pdf

Contributing Agencies and Programs

Contributing Agencies:

- The CMLC, 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.
- Measures are reported for CMLC agencies – DoD, DoE, HHS, DHS, VA, GSA, and NASA – and the SBA.
- The head of each of the 24 Chief Financial Officer Act departments and agencies has designated a Strategic Sourcing Accountable Official (SSAO), who coordinates their agency's internal strategic sourcing activities and its participation in government-wide efforts.

Acronyms

- 4PL: Fourth Party Logistics
- CAP: Cross-Agency Priority
- CIO: Chief Information Officer
- CMLC: Category Management Leadership Council
- DHS: Department of Homeland Security
- DoD: Department of Defense
- DoE: Department of Energy
- FSSI: Federal Strategic Sourcing Initiative
- FY: Fiscal Year
- GSA: General Services Administration
- HHS: Department of Health and Human Services
- N/A: Not Available
- NASA: National Aeronautics and Space Administration
- OFPP: Office of Federal Procurement Policy
- OMB: Office of Management and Budget
- OPM: Office of Personnel Management
- SBA: Small Business Administration
- SDVOSB: Service-Disabled Veteran Owned Small Business
- SSAO: Strategic Sourcing Accountable Official
- SSLC: Strategic Sourcing Leadership Council
- TBD: To Be Determined
- VA: Department of Veterans Affairs
- YTD: Year to Date