

Cross Agency Priority Goal Quarterly Progress Update

Strategic Sourcing

Goal leaders:

Anne Rung, Administrator, OFPP, Office of Management and Budget

Frank Kendall, Undersecretary for AT&L, Department of Defense



FY2014 Quarter 4

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

As part of the Strategic Sourcing initiative, the General Service Administration awarded the following solutions which are available for use:

- The third generation Domestic Delivery Services (DDS3) was awarded under blanket purchase agreements for parcel shipments in April and ordering began in October. This streamlined solution improves the services for the \$220 million a year spent by agencies with an average benefit of 1% in savings over DDS2 discounts in FY12 that averaged 27.9% off Multiple Award Schedule (MAS) pricing. DDS3 will also encourage fuel efficiency, green house gas (GHG) reductions, as well as including new features to help agencies track and reduce their GHG footprint.
- In August, the Maintenance, Repair & Operations (MRO) equipment and supplies was awarded under blanket purchase agreements. This streamlined solution improves the services for the \$1.6 billion a year spent by agencies with an average benefit of 12% in savings and 11 of the 12 awardees are small businesses. On GSAAAdvantage, buyers can now search for products based on socio-economic status, AbilityOne and environmentally sustainable designations to include environmental, bio-preferred, Energy Star, and Water Sense products.
- In August, the blanket purchase agreements for Janitorial and Sanitation (JanSan) supplies was designed to meet the need of the \$1.2 billion spending while providing discounted prices that are 15.9% lower than standard government pricing. The solution offers small business solutions and also requires contractors to offer environmentally sustainable products.

GSA's Common Acquisition Platform (CAP) will be a centralized repository of information for acquisition professionals. The CAP will provide transparency to Federal officials on available contracts across government, data and prices paid information, market trends and analysis, and best practices. The initial online sites for IT Hardware, IT Software and Administrative Support were launched in October.

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 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)	Award under GAO protest	GSA
Domestic Delivery Solutions (DDS3)	Solution in place and implementation underway, planning for next generation underway	GSA and DoD
Information Retrieval Services	Solution in place and implementation underway	Library of Congress
Wireless services (management approach)	Solution in place and implementation underway	GSA
Workstations	Seeking industry feedback on standard configurations, terms/conditions is planned Q2FY15.	NASA leading interagency group
Maintenance, Repair, and Operations Supplies	Solution in place and implementation underway	GSA
Janitorial and Sanitation Supplies	Solution in place and implementation underway	GSA
Prices Paid Portal for Federal agencies	First phase launched and collecting feedback from initial users	GSA
Common Acquisition Platform launch for IT Hardware, IT Software, and Administrative Support	Initial content loaded and seeking feedback from users	GSA
Human Capital and Training Solutions	Finalizing the acquisition strategy for award in Q2FY16	OPM and GSA
Upcoming Milestones:		
Key Milestones	Milestone due date	Status
Conduct government team & vendor meetings for each FSSI commodity	Quarterly	On Track
Convene Strategic Sourcing Leadership Council	November 2014	On Track
Resolution of GAO protest for Office Supplies (OS3) contract	December 2014	On Track
Launch CAP sites for Transportation and Human Capital	December 2014	On Track
Standard configurations for workstations deployed to existing solutions	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	\$9.2M Quarter 4 \$49.2M for FY14	TBD
<i>Adoption – annual</i>	Data from 8 Participating Agencies	Varies depending on category	N/A	Annual	41.8% for FY14 (legacy solutions) 0.42% for FY14 (new solutions)	TBD
<i>Small Business – number of 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	100%	TBD
<i>Reducing duplication and optimizing solutions</i>	Data from 8 Participating Agencies	Varies depending on category	N/A	Annual	45% for 2013 (2014 actuals available in Jan 2015)*	TBD

* End of year results delayed due to 90 day lag in reporting for DOD data in FPDS-NG.

Measures are reported for SSLC agencies – the Departments of Defense, Energy, Health and Human Services, Homeland Security, NASA, GSA, VA and 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 Strategic Sourcing Leadership Council (SSLC), which plays an important role in shaping the direction of the effort, consists of representatives from the Departments of Defense (DoD), Department of Energy (DoE), Department of Health and Human Services (HHS), Department of Homeland Security (DHS), Department of Veterans Affairs (VA), the General Services Administration (GSA), and the National Aeronautics and Space Administration (NASA).
- Measures are reported for SSLC agencies – DoD, DoE, HHS, DHS, VA, GSA, and NASA – and the Small Business Administration.
- The Head of each of the 24 Chief Financial Officer (CFO) 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.