**Agency Priority Goal Action Plan**

# Category-Management

**Goal Leaders:**

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**Fiscal Year (FY) 2020, Quarter 3**

# Overview

**Goal Statement**

- o Leverage common contracts to maximize cost-efficiency and standardization.  By September 30, 2021, meet or exceed Federal targets for managed spending as determined by the President's Management Agenda.

**Challenge**

- o The United States Agency for International Development (USAID) is working to use taxpayer dollars more efficiently and effectively in our operations and procurements.  To do so, the Agency is considering the U.S. Government–wide contracts for goods and services to use taxpayer resources more efficiently; avoid wasteful and redundant contracting actions, and free-up acquisition staff to accelerate the use of innovative procurements for high-priority mission work.
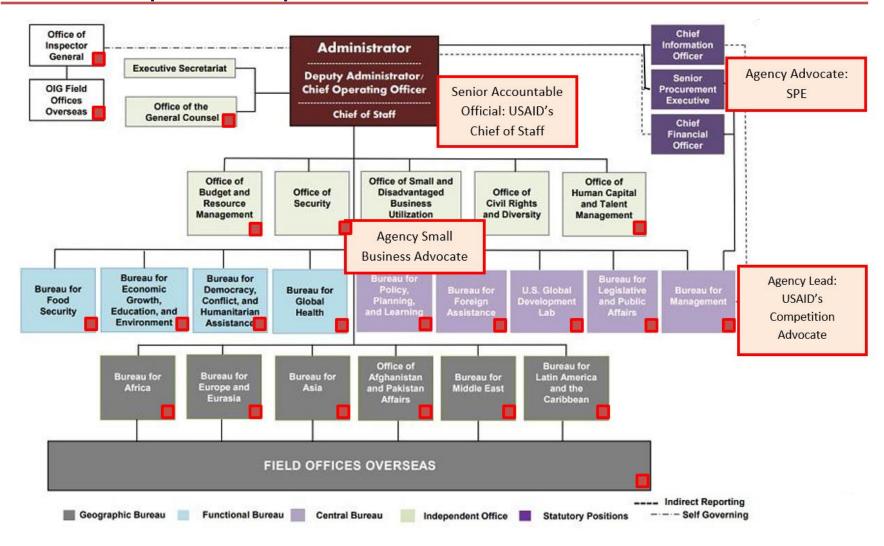
**Opportunity**

- o By applying principles from Category-Management (CM) and the associated Best-in-Class (BIC) solutions, USAID can purchase goods and services more like a single enterprise.  Application of BIC solutions and the further adoption of the principles of Spend Under Management (SUM), will enable the Federal Government to eliminate redundancies by avoiding multiple contracts, increase efficiency by streamlining administration costs, and deliver more value and savings from the U.S. Government's acquisition programs.
- o The specific targets for Fiscal Year (FY) 2020 include the following:

  - o Increasing total SUM from the FY 2019 target of $3.6 billion of total spend to $3.8 billion; and
  - o Increasing the use of BIC solutions from the FY 2019 target of $168.9 million to the FY 2020 target of $185.8 million.

The graphic on the next page depicts both the key leadership team and the implementation team for CM.   The Senior Accountable Official (SAO) is USAID's Chief of Staff.  The Agency Lead is USAID's Competition Advocate, who is the Deputy Director of the Division for Accountability, Compliance, Transparency, and System Support (ACTS) in the Office of Acquisition and Assistance (OAA) within the Bureau for Management (M).  The Senior Procurement Executive serves as the general "Agency Advocate" and works with the Agency Lead and the Office of Small and Disadvantaged Business Utilization (OSDBU) to coordinate and ensure USAID is meeting its CM and small-business goals.

Stakeholders in the implementation of CM work across the entire Agency; the chart below depicts which organizations are likely to have, or can take advantage of, CM solutions.

# Leadership and Implementation Team



A red box (🟥) indicates that the Bureau/Office is a stakeholder in the implementation of CM.

# Goal Structure and Strategies

One of the overall goals of CM is to increase SUM.  Three tiers of solutions fall under the broad umbrella of SUM:  Tier 1, Tier 2, and BIC (Tier 3).  SUM also can include those obligations transacted through contracts that meet defined criteria.  The Office of Management and Budget (OMB) deems Tiers 1–3 as "under management."  Spending on contracts not aligned to CM principles is rated Tier 0, as it represents opportunities for adopting higher-tier solutions.

USAID continues to build on progress we made in the APG cycle for FY 2018-2019.  USAID's FY 2018 SUM was $3.5 billion, and our BIC spend was $134.2 million.  For FY 2019, USAID's SUM was $4.3 billion, and our BIC spend increased to $147.8 million.  USAID attributes success in advancing in both areas of "spend" (SUM and BIC) to a three-pronged approach.  The first relates to greater training and an increase in resources to focus on CM and its implementation across USAID.  The second prong relates to the internal steps USAID has taken to adopt additional SUM and BIC solutions to assist USAID in carrying out its mission.  The final prong relates to USAID's close coordination with both OMB and the General Services Administration (GSA) to leverage their talent and expertise, and to make accommodations to recognize the unique international environments in which USAID conducts contracting overseas.

OMB has designated BIC contracts as "preferred," as they are U.S. Government-wide, and can provide the best savings and availability.  The GSA has pre-vetted these contracts, which are mature and market-proven:

- Tier 3 is BIC Solutions;
- Tier 2 is Multi-Agency Solutions;
- Tier 1 is Mandatory-Use, Agency-Wide Solutions or approved contracts created that strategically use small-businesses; and
- Tier 0 is all other contracts.

The tiering depends on ratings of the following attributes:

- Leadership;
- Strategy;
- Data;
- Tools; and
- Metrics.

# Goal Structure and Strategies

To accomplish our SUM and BIC goals, USAID plans to engage as early as possible in planning and collaborate with Activity Planners and staff from technical programs across the Agency to accomplish the following:

1. Participate actively in the market-research stage;
2. Consider contract opportunities offered via CM, and, where appropriate, with small businesses;
3. Justify and document if the Agency opts for another contract method, and provide a plan to manage the contract we select:
    a. If USAID does not select a BIC or SUM vehicle, the Agency must justify the choice in the Individual Acquisition Plan (written by the Activity Planner) and Negotiation Memo (written by the Contracting Officer).

USAID manages and attains these goals through a multi-phased process that systematically addresses these key attributes:

- Increasing awareness;
- Providing education and training;
- Managing advocacy;
- Encouraging engagement with internal and external stakeholders;
- Developing and applying SUM principles;
- Measuring and tracking results; and
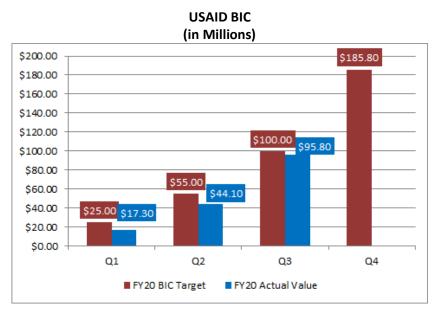- Evaluating and adapting to improve our SUM and use of BIC contracts.

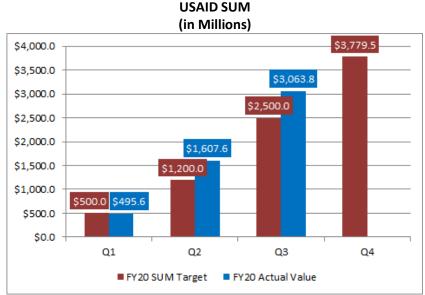# Summary of Progress - Third Quarter (Q3) of FY 2020

- In the Third Quarter (Q3), USAID was only $4.2 million below its stated BIC target for the quarter, but exceeded its total SUM target by more than $563 million.  The Agency is still on track to meet its BIC total spend target because USAID makes the majority of its overall obligations, including BIC spend, in the Fourth Quarter (Q4) of each Fiscal Year.
- In May, the Agency published a Procurement Executive Bulletin, (PEB) PEB #2020-01 on CM to publicize policy revisions consistent with OMB Memorandum 19-13.
- USAID held a coordination meeting with OMB, wherein the parties recognized that challenges in securing agreed-upon acquisition support (external to USAID) from the procurement contracts under the Human Capital and Training Solutions (HCaTS) BIC vehicle have meant USAID lost the opportunity to commit upwards of $50 million in BIC spending for FY 2020.
- USAID successfully updated fields within the Agency's Global Acquisition and Assistance System (GLAAS) to support CM more effectively.
- The Agency will continue to emphasize the importance of CM as a tool set to reduce both contract costs and time-to-award, including as we adapt our programming to respond to COVID-19.
- USAID will continue to incorporate presentations on CM, tailored to Missions, when our Evaluation Division travels to each Mission.
- The Agency will work to further implement and update our vendor-management effort via its "Industry Liaison External Communication Plan."
- M/OAA will continue to work collaboratively with USAID's Office of Small and Disadvantaged Business Utilization (OSDBU) to ensure the Agency is meeting our targets for contracting with small businesses.
- USAID has conducted, and will continue to conduct, a number of engagements across the Agency to train, educate, and prepare our contracting staff and stakeholders on the opportunities and benefits associated with CM.

- USAID will continue to work in collaboration with GSA, the Federal Acquisition Institute, and the Professional Development and Training Division (PDT) within M/OAA to provide training and workshops, both in-person when possible and virtually during pandemic telework, on CM periodically throughout the Fiscal Year.

# Key Indicators and Milestones

USAID will continue to work closely with OMB and GSA to coordinate and address reaching our CM goals.  Additionally, we will continue to leverage our successes to date and further refine our implementation strategy through FY 2020 and FY 2021 to meet our intended targets and goals:

- USAID's target for BIC spending in FY 2020 is $185.8 million; USAID's BIC spending in FY 2019 was $147.8 million.
- USAID's target for SUM in FY 2020 is $3.8 billion; USAID's SUM in FY 2019 was $4.3 billion.
- USAID exceeded our SUM target for Q3 and trails slightly in our BIC target because our contracting early in every Fiscal Year involves "addressable spend*" awards.

**USAID BIC**
**(in Millions)**

**USAID SUM**
**(in Millions)**



* Addressable Spend – total spend, identified via awards in Federal Procurement Data System – Next Generation through Product and Service Codes (PSC) and North American Industry Classification System codes, which could be eligible for a BIC solution.

# Key Indicators and Milestones

| Key Category Management (CM) Milestone | Milestone Due Date | Milestone Status | Comments |
|---|---|---|---|
| Submit USAID's CM Plan for Fiscal Year (FY) 2020 to the Office of Management and Budget (OMB), according to OMB Memorandum 19-13. | Fourth Quarter (Q4) FY 2019 / First Quarter (Q1) FY 2020 | Completed | USAID submitted our CM Plan to OMB. |
| Work with OMB to get feedback on our CM Plan for FY 2020 and make adjustments to it. | Q1 FY 2020 | Completed | USAID addressed OMB's follow-up questions and feedback. USAID added detail regarding our CM Plan. OMB accepted the submission. |
| Identify, assess, and focus on programs applicable to CM solutions. Educate and train Contracting Officers (COs) in detail about CM, including background, policy, adoption methods, tools for leverage, and implementation. | Q1-Third Quarter (Q3) FY 2020 | In progress | This is an on-going effort, intended to affect the planning and execution for new and any "follow-on" awards planned for FY 2020. |
| Update fields in USAID's Global Acquisition and Assistance System (GLAAS) to identify the selection of CM solutions and the supporting rationale for their use/non-use. | Second Quarter (Q2) FY 2020 | Completed | USAID implemented these fields on February 28, 2020. |
| Assess USAID's Acquisition and Assistance ( A&A) Plan to identify future acquisitions over $50 million and $100 million to identify key opportunities to address Spend under Management (SUM). | Q2 FY 2020 | Completed | In addition to the assessment, USAID added more detailed data fields, including the consideration of CM solutions as part of the assessment for future acquisitions. |
| Issue a Procurement Executive Bulletin (PEB) and subsequent update to Chapter 300 of the Automated Directives System (ADS) regarding the mandatory use of CM or SUM contracts. | Q3 FY2020 | Completed | USAID issued PEB #2020-01 on CM, which provides staff specific steps to take for CM. |
| Increase USAID's training and programmatic-engagement efforts related to the awareness and adoption of CM. | Q3 FY 2020 | Completed | USAID engaged and conducted CM-specific training for all Washington Operating Units and has extended virtual training to Overseas Missions. |
| Coordinate with OMB related to the attainment of our targets and goals (mid-term review). | Q3 FY 2020 | Completed | USAID conducted a senior-level meeting to address CM goals. |

# Key Indicators and Milestones

| | | | |
|---|---|---|---|
| Engage with major acquisition organizations within USAID to increase awareness of CM for planning for FY 2021. | Q3 FY 2020 | Completed | |
| Measure end-of-year data and assess status against our targets for FY 2020s. | Q4 FY 2020 | In-Progress | |
| Submit USAID's CM Plan for FY 2021 to OMB, according to OMB Memorandum 19-13, or any other additional guidance provided in the interim. | Q4 FY 2020 / Q1 FY 2021 | | |
| Work with OMB to get feedback on our CM Plan for FY 2021 and make adjustments to it. | Q1 FY 2021 | | |
| Identify, assess, and focus on programs applicable to CM solutions. Educate and train COs' teams in detail about CM, background, policy, adoption methods, tools for leverage, and implementation. | Q1-Q3 FY 2021 | | |
| Assess the A&A Plan to identify future acquisitions over $50 million and $100 million to identify key opportunities to address SUM. | Q1 FY 2021 | | |
| Make necessary adjustments and enhancements to USAID's training and programmatic-engagement efforts related to increasing the adoption of CM. | Q2 FY 2021 | | |
| Engage with major acquisition organizations within USAID to increase awareness of CM for planning for FY 2022. | Q2 FY 2021 | | |
| Coordinate with OMB related to the attainment of our targets and goals (mid-term review). | Q3 FY 2021 | | |
| Measure end-of-year data and assess status against our targets for FY 2021. | Q4 FY 2021 | | |

# Accuracy and Reliability of Data

- USAID reports data specific to this APG to OMB via the Federal Procurement Data System – Next Generation (FPDS-NG), and OMB updates and reports on these data monthly.
- As FPDS-NG is the authoritative source of all Federal data on CM, the Agency is able to mitigate and manage appropriately the risk related to the accuracy of our data on CM and BIC.
- The analysis of data will include a review of what USAID's systems report into FPDS-NG.  Periodic assessment and data "cross-walks" will ensure the accuracy and valid, timely recording and reporting of the data.
- USAID's data-managers will make recommendations for adjustments based on the findings of these reviews.

# Additional Information

**Contributing Programs:**

**Organizations:**

- USAID's success against the APG on CM depends on contributions by all Missions, Bureaus, and Independent Offices to assess our business needs and align our planned activities with BIC.
- Regulations and Policies:
    - OMB Memorandum 19-13, "Category Management:  Making Smarter Use of Common Contract Solutions and Practices," is the guidance that identifies actions Federal Departments or Agencies should take to increase the capabilities and impact of CM.
    - OMB Memorandum 17-22, "Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce," is the guidance specific to describing and highlighting the need for CM.
    - OMB Memorandum 16-02, "Category Management Policy 15-1:  Improving the Acquisition and Management of Common Information Technology:  Laptops and Desktops," also emphasized CM.

**Other Federal Activities:**

- President's Management Agenda; and
- Cross-Agency Priority Goal #7.

**Stakeholder / Congressional Consultations:**

To the greatest extent possible, USAID's CM team will continue to work and coordinate with internal and external stakeholders, OMB, and Congress to ensure our CM program and BIC solutions meet the Agency's requirements and APG.

**Other Factor(s) That Affect the APG:**

**Impact of the COVID-19 Pandemic:**

- USAID is engaged actively in responding to the COVID-19 pandemic.  At this time, it is unclear what impact our activities to address COVID-19 will have on the APG and CM goals.