

Category Management:
*Overview and Small Business
Deep Dive*

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Category Management

is everywhere

Category Management is

“

the business practice of buying common goods and services as an enterprise to eliminate redundancies, increase efficiency, and deliver more value and savings from the Government's acquisition programs. ”

The Government's Approach



A holistic look at
spending

- Develop 10 categories for “common” spend
- Inventory existing solutions
- Identify well-managed spend (SUM & BIC)
- Develop policy
- Set agency targets

Spend Under Management (SUM)

Solutions that follow acquisition best practices.

- Vendor management

- Industry engagement

- Coordinate with OSDBU offices

- Support existing policy

- Collect, analyze, share and improve from data

Best in Class (BIC)

SUM vehicles that are identified as offering the best pricing and terms and conditions.



Policy requirements

PALT

Total Cost of Ownership

FAR

Terms and Conditions

Agency Goals

Small Business Utilization

Redundancy Elimination

Data

Supplier Relationships

Category Management Achievements: FYs 17-18

- **Saving money:** Saved taxpayers **\$22 billion+**
- **Spending smarter:** Moved **\$140 billion+** in spending to better-managed solutions
- **Reducing waste & inefficiency:** Eliminated **31,000+** duplicative or sub-optimized contracts not aligned to category management
- **Sharing solutions:** Developed a rigorous process for identifying nearly 40 of the highest-performing contracts for common needs
- **Increasing small business participation:** Increased the percentage of the government's SB contract spend

What's going on now

OMB Memo M-19-13

Develop agency category management plans

Vendor relationship management plans

Implement demand management strategies

Share data across the Federal Government

Train and develop their workforce on category management principles

Small Business and Category Management



Harmonizing Small Business Contracting & CM Principles

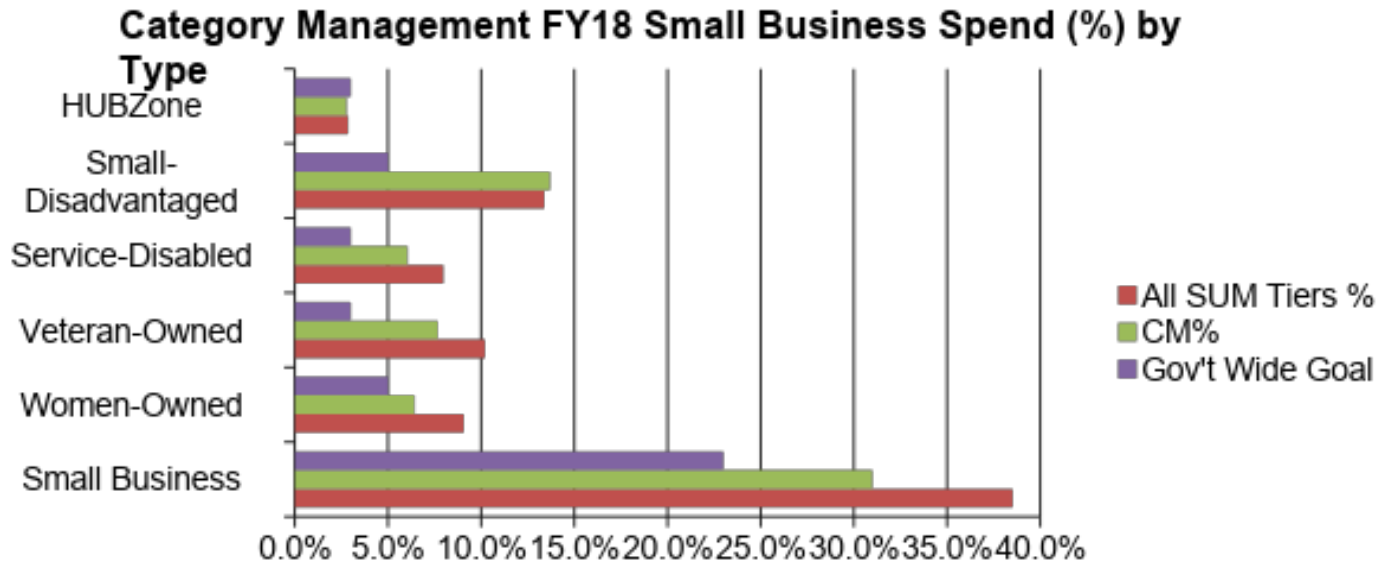
1. **Small business goaling unchanged:** Agencies remain responsible for meeting their small business contracting goals
2. **Success through balance:** Agencies are expected to manage contract spending through a balance of government-wide, agency-wide, and local contracts
 - BICs are one tool only; agencies decide when they're appropriate
 - Other tools play a role too (e.g., agency set-aside contract for local use can help attract new entrant small businesses)
3. **Role of small business advocates:** SBA and OSDBUGs will serve as strategic advisors to SAOs, agency workforce, and government-wide small business solution owners informed by small business dashboard and other information

Criteria for Receiving Tier 1 SUM Credit for Local, Decentralized SB Spending

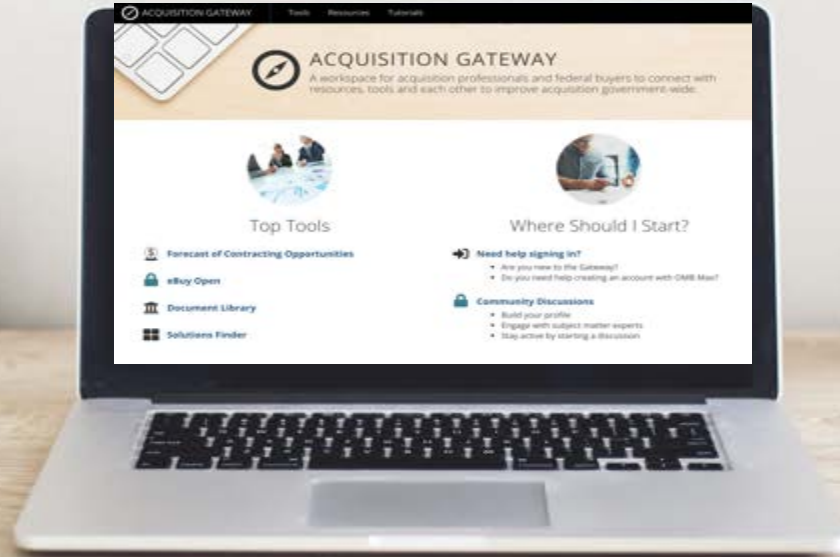
- Acquisitions must be conducted pursuant to a comprehensive, organized agency-level strategy that is approved by agency, after consultation with OMB that --
 - addresses where use of agency-wide, government-wide, and BIC solutions and vehicles can help the agency meet small business goals
 - addresses use of strategies to maximize small business participation on agency-wide vehicles (e.g., on-ramps, off-ramps, open seasons)
 - is reflected in internal guidance to the workforce that explains process for requesting/exercising exceptions from BICs & other government-wide contract solutions

Category Management Spend Supports Small Business – The Data

- \$93B (31%) of total small business eligible category management spend was obligated to small businesses, compared to the government-wide goal of 23%.
- CM SB spend meets or exceeds the government-wide SB set-aside goals.



Acquisition Gateway





Dashboards

Visualize your agency's spend

Identify opportunities