

Gov-wide 2018 Category Plan Professional Services

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Transition to Category Management

Current State of Purchasing:

- Lack of coordination across agencies
- Duplicated efforts
- Many agencies; no leveraged buying power



Future State of Purchasing:

- Synchronized procurement across government
- Industry involvement in developing best category strategies
- Core competencies leveraged to match customer needs
- One common management framework



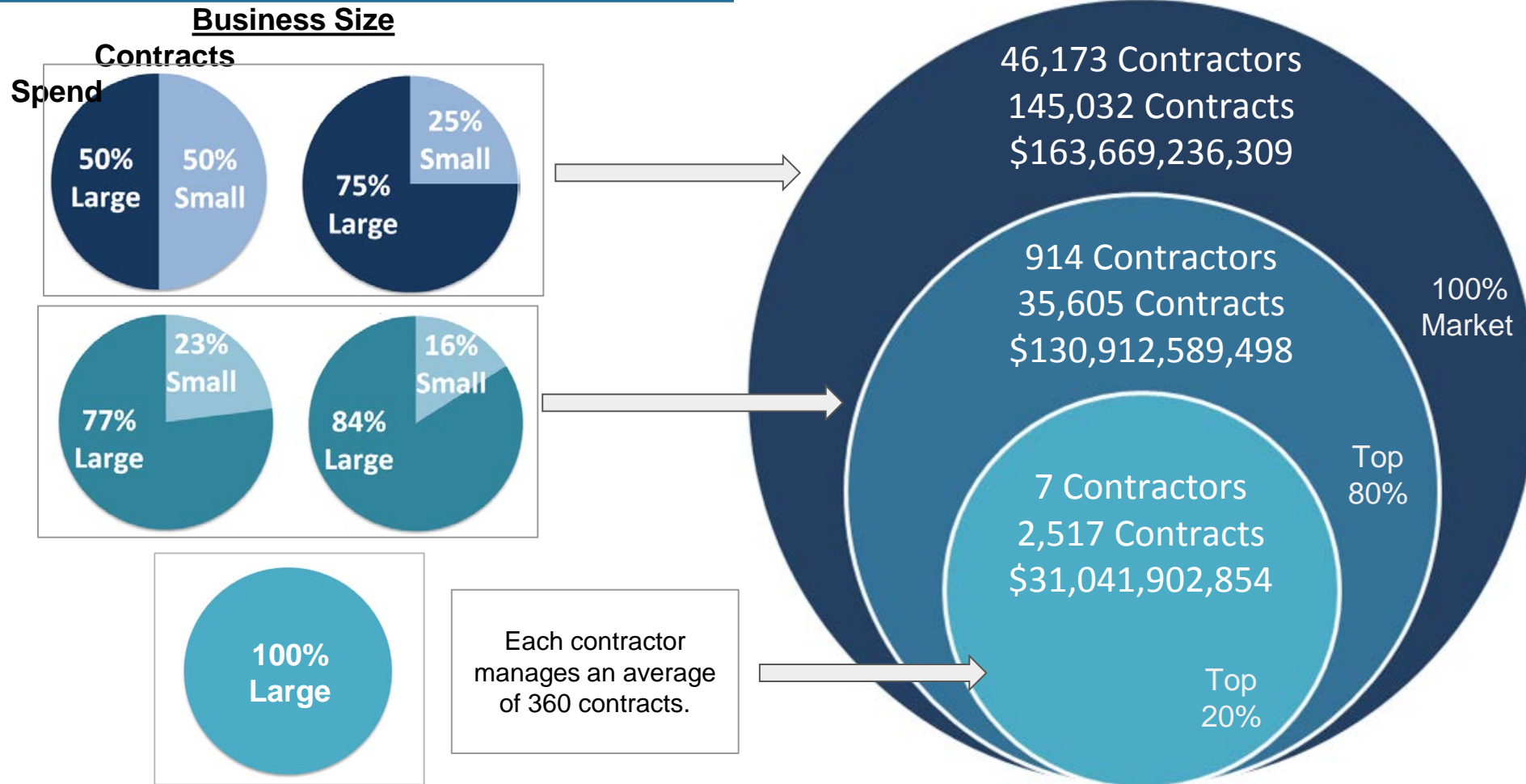
Category Management: Government-wide Categories

<p>Facilities & Construction≈\$81.2B Led by GSA</p> <ul style="list-style-type: none"> Construction Related Materials Construction Related Services Facilities Purchase & Lease Facility Related Materials Facility Related Services 	<p>Professional Services≈\$71.1B Led by GSA</p> <ul style="list-style-type: none"> Business Admin Services Financial Services Legal Services Management & Advisory Services Marketing & Public Relations Research & Development Social Services Technical & Engineering Services 	<p>IT≈\$56.7B Led by GSA</p> <ul style="list-style-type: none"> IT Software IT Hardware IT Consulting IT Security IT Outsourcing Telecomms 	<p>Medical≈\$43.5B Co-Led by DoD and VA</p> <ul style="list-style-type: none"> Drugs & Pharmaceutical Products Healthcare Services Medical Equipment, Accessories, & Supplies 	<p>Transportation & Logistics≈\$28.5B Led by DoD</p> <ul style="list-style-type: none"> Fuels Logistics Support Services Motor Vehicles (non-combat) Package Delivery & Packaging Transportation Equipment Transportation of Things
<p>Industrial Products & Services≈\$11.1B Led by GSA</p> <ul style="list-style-type: none"> Basic Materials Fire/Rescue/Safety/Environmental Protection Equipment Hardware & Tools Industrial Products Install/Maintenance/Repair Machinery & Components Oils, Lubricants, & Waxes Test & Measurement Supplies 	<p>Travel≈\$7.5B Led by GSA</p> <ul style="list-style-type: none"> Employee Relocation Lodging Passenger Travel Travel Agent & Misc. Services 	<p>Security & Protection≈\$5.4B Led by DHS</p> <ul style="list-style-type: none"> Ammunition Protective Apparel & Equipment Security Animals & Related Services Security Services Security Systems Weapons 	<p>Human Capital≈\$4.5B Led by OPM</p> <ul style="list-style-type: none"> Compensation & Benefits Employee Relations Human Capital Evaluation Strategy, Policies, & Ops Planning Talent Acquisition Talent Development 	<p>Office Management≈\$2.3B Led by GSA</p> <ul style="list-style-type: none"> Furniture Office Management Products Office Management Services

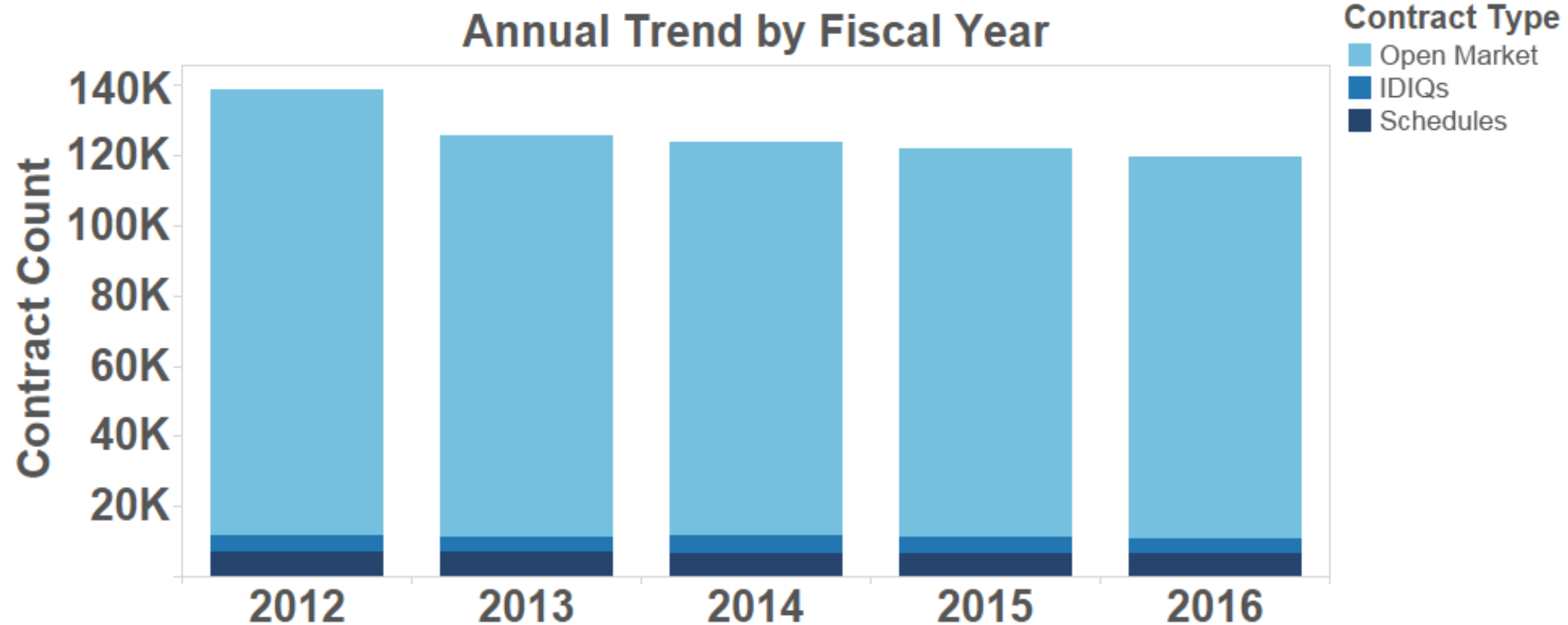
Category Management & Services Acquisition

- Services are procured very differently than commodities
- Traditional strategic sourcing approaches do not work well in services acquisition
- Significant and unnecessary contract duplication exists in services contracting, driven by current regulatory and statutory procurement frameworks
- Significant savings and improvement in the quality of services acquisition can be achieved through changes in statute, supporting regulations, and use of common technology

FY 2016 Services Spend & Industrial Base



FY 2016 Services Contract Inventory



	2012	2013	2014	2015	2016
Open Market	127,229	114,421	111,934	110,417	108,911
IDIQs	4,423	4,186	5,025	4,754	4,189
Schedules	7,115	6,852	6,732	6,653	6,560

Summary of Professional Services Category Initiatives

Cross Cutting Goal		Key Initiatives
1	Reduction of unmanaged spend and increased use of BICs	<ul style="list-style-type: none"> • Increase use of OASIS, IPS, and SmartPay 3 BIC's <ul style="list-style-type: none"> ◦ Onramps for OASIS (and HCaTS) • Increase use of the Professional Services Schedule
2	Reduction in the number of duplicate contracts and/or more coordinated communications and strategies through focused vendor management efforts	<ul style="list-style-type: none"> • Implement PS SRM program • Services spend analyses completed for top five PS spend agencies • Administrative savings methodology adopted for the Professional Services Schedule
3	Implementation of demand management strategies	<ul style="list-style-type: none"> • Steps to Performance Based Acquisition digital tool development • Sharing good practices • Services acquisition workshops initiative for civilian agencies
4	Sharing of transactional data and analysis to inform better buying	<ul style="list-style-type: none"> • Pricing data for services contracting shared through AG • Complete value analysis of pricing data for BIC's and Tier 2 SUM contracts • Ingest SmartPay as an additional "total spend" data source
5	Maximizing small business participation and meeting requirements to buy from Ability One.	<ul style="list-style-type: none"> • "Did you know" educational campaign for small business usage

Professional Service Category Accomplishments

- Delivered **Category Spotlights** an educational series of webinars on topics such as Organizational Conflict of Interest, Performance Based Acquisitions, Requirements Development, and Smartpay3 with 1,866 total attendees
 - **Small Business Mentor Protege Education Webinar scheduled for July 19, 2018**
- Provided tools to the acquisition workforce in support of market research and better contracting practices through the launch of **Steps to Performance Based Acquisition, CALC and Discovery**
 - *Additional functionality being developed*
- Developed approach to **Supplier Relationship Management** including segmentation and interviews leading to a white paper with findings
 - **Small Business Industry Exchange Forum June 28, 2018**
- GSA Smartpay3 and OASIS received annual BIC recertification
- GSA Smartpay3 contract transition on track
- Services Acquisition Workshop Cohort established
- Proposed approach to **capture administrative savings for services contracts**, bringing together analysis from government and private sector consultants
- Small Business - “Did You Know” education campaign

Professional Services Digital Tools*



Users: 181,570
New Users: 23,939
Avg. time: 2:17 min



Users: 26,014
New Users: 13,060
Avg. time: 11:52 min



Accounts: 23,578
New Users: 311
Avg. time: 2:01 min



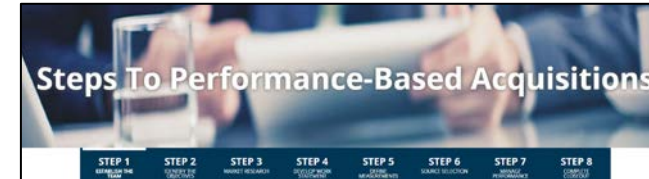
Users: 3,185
New Users: 386
Avg time: 2:58 min



Users: 1,689
New Users: 689
Avg. time: 4:31 min



Total Users: 19,016
Weekly PS: 241 sessions



Launched Nov 2017
Users: 2,811
New Users: 2,518
Avg. time: 4:37 min

*Analytics as of April 30, 2018

Summary of Professional Services KPIs

FY17 Total Spend = \$70.5B

KPI Targets						
KPI	FY17 Target	FY17 Actual	FY18 Target	Increase Over FY17	FY19 Target	Increase over FY18
SUM	\$2.2B	\$23.6B	\$24.1B*	2%	\$25.3B*	5%
Savings (BIC Only)	\$288M	\$304M	\$275M**	-7.7%***	\$280M**	1.8%
Contract Reduction	-10%	-0.83%	-5%	5%	-5%	5%
Small Business	32.1%	32.5%	33%	0.5% (1.5% effective rate of increase)	34.5%	1.5% (4.5% effective rate of increase)

GSA PSHC Contracts - SUM Contributions

FY2017 PSHC Contributions to Gov-wide CM Common Categories

Level 1 Category	HCATS	OASIS	PROFESSIONAL SERVICES SCHEDULE (PSS)	SCHEDULE 736 - TEMPORARY ADMINISTRATIVE AND PROFESSIONAL STAFFING SERVICES (TAP)	SCHEDULE 738X - HUMAN RESOURCES & EQUAL EMPLOYMENT OPPORTUNITY	Category Contribution Total
Facilities & Construction		\$ 30,599,395	\$ 193,395,971	\$ 3,755,003	\$ 621,825	\$ 228,372,193
Human Capital	\$ 15,422,196	\$ 26,000,757	\$ 170,337,432	\$ 2,804,070	\$ 81,037,013	\$ 295,601,467
Industrial Products & Services		\$ 6,654,009	\$ 2,480,356	\$ 142,983		\$ 9,277,349
IT		\$ 53,021,492	\$ 219,614,192	\$ 1,080,679	\$ 3,182,408	\$ 276,898,771
Medical		\$ 3,182,312	\$ 54,884,211	\$ 3,005,629	\$ 18,197,167	\$ 79,269,320
Office Management		\$ -	\$ 2,601,580	\$ (5,152)	\$ 65,298	\$ 2,661,726
Professional Services	\$ 4,957,699	\$ 2,587,410,812	\$ 5,903,435,814	\$ 87,040,994	\$ 157,846,623	\$ 8,740,691,943
Security and Protection		\$ 6,154,341	\$ 273,870	\$ 42,464	\$ 1,596,486	\$ 8,067,162
Transportation and Logistics Services		\$ 81,991,380	\$ 228,763,458	\$ 2,353,326	\$ -	\$ 313,108,164
Travel		\$ 1,324,802	\$ 5,306,103	\$ 68,851		\$ 6,699,756
Grand Total	\$ 20,379,896	\$ 2,796,339,301	\$ 6,781,092,987	\$ 100,288,848	\$ 262,546,819	\$ 9,960,647,851

Professional Services Category	FY 2015	FY 2016	FY 2017	FY 2018
Total GSA Vehicles	\$7,304.4	\$10,000.3	\$11,261.9	\$1,356.3
Total PS Spend	\$64,773.0	\$68,120.0	\$70,171.0	\$7,754.0
PSU	11.3%	14.7%	16.0%	17.5%

*Dollars on Millions

Human Capital Category	FY 2015	FY 2016	FY 2017	FY 2018
Total GSA Vehicles	\$308.6	\$320.9	\$379.2	\$55.9
Total HC Spend	\$4,754.0	\$4,340.0	\$4,430.0	\$413.0
PSU	6.5%	7.4%	8.6%	13.5%

*Dollars on Millions

PSHC Categories (combined)	FY 2015	FY 2016	FY 2017	FY 2018
Total GSA Vehicles	\$7,613.0	\$10,321.2	\$11,641.1	\$1,412.2
Total PSHC Spend	\$69,527.0	\$72,460.0	\$74,601.0	\$8,167.0
PSU	10.9%	14.2%	15.6%	17.3%

*Dollars on Millions

Appendix

Initiatives & Key Program Objectives

Initiative	Key Program Objectives			
	Sourcing	Demand	Value & Savings	Supplier Relationships
Increase use of BIC Contracts	✓		✓	
Increase use of Tier 2 SUM - PSS	✓		✓	
Implement SRM Program				✓
Steps to Performance Based Acquisition			✓	
Category Spotlights & Good Practices		✓		
Services Acquisition Workshops (Civilian)		✓	✓	
Value and Pricing Analysis			✓	
“Did You Know” Small Business Educational Campaign	✓			

Key Performance Indicators

- **Spend Under Management (SUM)**: the amount of obligations through contracts that are actively managed in compliance with the SUM contract tiered maturity model
- **Best in Class Obligations Against Addressable Market**: the amount of obligations tracked via FPDS through BIC solutions
- **Cost Avoidance**: demonstrates the extent to which the program is delivering increased value for the goods and services acquired by agencies
- **Tier 0 Contract Reduction**: demonstrates the extent to which the program is reducing the number of Tier 0 (“open market”) contracts, defined as those contracts not aligned to category management principles
- **Small Business Utilization**: demonstrates the extent to which the program maintains or increases government use of small businesses (measured as a percentage) while implementing category management strategies
- **Category Management Training**: tracks the number of individuals trained in the aspects and components of category management

Category Initiatives

Reduction of unmanaged spend and increased use of BICs

Goal	Initiative(s) Description	Key Milestones FY18		Targeted Spend	KPI Targets		
					KPI	FY18	FY19
1	<ul style="list-style-type: none"> Improve usage of PS BIC's Improve usage of the Professional Services Schedule 	Q1	<ul style="list-style-type: none"> OASIS: HHS usage commitment (HHS) 	\$70.5B	SUM	\$24.1B*	\$25.3B*
			<ul style="list-style-type: none"> Discovery digital tool <ul style="list-style-type: none"> Award contract for additional iterative enhancement 		Savings	\$275M**	\$280M**
		Q2	<ul style="list-style-type: none"> OASIS and IPS SIN recertified as BIC Administrative savings methodology adopted for OASIS BIC and Tier 2 spend contracts education/awareness campaign 		Contract Reduction	5%	5%
			<ul style="list-style-type: none"> Discovery digital tool <ul style="list-style-type: none"> Expand available Contract data - HCATs and BMO 		Small Business	33%	34.5%
		Q3	<ul style="list-style-type: none"> Spend and opportunities for improvement analyses shared with top 5 PS spend agencies 		Acquisition Gateway	1,000	1,100
Q4	<ul style="list-style-type: none"> SmartPay 3 implemented Administrative savings methodology adopted for the Professional Services Schedule Implement ODC's on PSS 						

* SUM Tier 1 analysis completion could impact target **Savings targets can be increased significantly with proposed administrative saving methodology

Category Initiatives

Reduction in the number of duplicate contracts and/or more coordinated communications and strategies through focused vendor management efforts

Goal	Initiative(s) Description	Key Milestones FY18		Targeted Spend	KPI Targets		
					KPI	FY18	FY19
2	<ul style="list-style-type: none"> Implement PS SRM program Services spend analyses completed for top five PS spend agencies Administrative savings methodology adopted for the Professional Services Schedule (PSS) 	Q1	<ul style="list-style-type: none"> Industry interviews continue Host quarterly SRM CM Community of Interest meeting 	\$70.5B*	SUM	\$24.1B*	\$25.3B*
		Q2	<ul style="list-style-type: none"> Industry interviews continue Host quarterly SRM CM Community of Interest Meeting Host first Supplier Advisory Group (Information Exchange Forum) meeting SRM Spotlight on Hallway* 		Savings	\$275M**	\$280M**
		Q3	<ul style="list-style-type: none"> Industry interviews continue Host quarterly SRM CM Community of Interest Meeting Develop forecast opportunities strategy Finalize draft template for common industry capability statements Spend and opportunities for improvement analyses shared with top 5 PS spend agencies Administrative savings methodology adopted for PSS 		Contract Reduction	5%	5%
		Q4	<ul style="list-style-type: none"> Industry interviews continue Host quarterly SRM CM Community of Interest Meeting 1 PS sub-category segmentation and stratification completed Work Capability statements digital tool product release plan 		Small Business	33%	34.5%
					Acquisition Gateway	1,000	1,100

* SUM Tier 1 analysis completion could impact target **Savings targets can be increased significantly with proposed administrative saving methodology

Category Initiatives

Implementation of demand management strategies

Goal	Initiative(s) Description	Key Milestones FY18	Targeted Spend	KPI Targets		
				KPI	FY18	FY19
3	<ul style="list-style-type: none"> •Steps to Performance Based Acquisition digital tool development • Sharing good practices • Services acquisition workshops (SAW) initiative for civilian agencies 	Q1 <ul style="list-style-type: none"> •Steps to PBA <ul style="list-style-type: none"> • Launch SPBA • Award contract for additional iterative enhancement • Good Practices <ul style="list-style-type: none"> • 9 new articles (+1 sub-hallway article) • 2 Hallway Spotlights (Reverse Industry Days and SPBA) 	\$70.5B*	SUM	\$24.1B*	\$25.3B*
				Savings	\$275M**	\$280M**
				Contract Reduction	5%	5%
				Small Business	33%	34.5%
				Acquisition Gateway	1,000	1,100
	Q2 <ul style="list-style-type: none"> •Steps to PBA <ul style="list-style-type: none"> • Establish content advisory board <ul style="list-style-type: none"> • Develop charter • Review and contribute content • Begin phase II development • Good Practices <ul style="list-style-type: none"> • 9 new articles (+1 sub-hallway article) • 2 Hallway Spotlights (SRM and SmartPay) • Organize Hallway Hubs • ACT IAC Acquisition Excellence Conference collaboration •SAW <ul style="list-style-type: none"> •Complete market research with OMB, FAI, DAU, agency SMEs 					

* SUM Tier 1 analysis completion could impact target **Savings targets can be increased significantly with proposed administrative saving methodology

Category Initiatives

Implementation of demand management strategies, continued

Goal	Initiative(s) Description	Key Milestones FY18	Targeted Spend	KPI Targets		
				KPI	FY18	FY19
3	<ul style="list-style-type: none"> Steps to Performance Based Contracting digital tool development Sharing good practices Services acquisition workshops initiative (SAW) for civilian agencies 	Q3 <ul style="list-style-type: none"> Steps to PBA <ul style="list-style-type: none"> Good Practices <ul style="list-style-type: none"> 9 new articles (+1 sub-hallway article) 2 Hallway Spotlights (CALC and SAWS) 	\$70.5B*	SUM	\$24.1B*	\$25.3B*
				Savings	\$275M**	\$280M**
		Contract Reduction		5%	5%	
		Small Business		33%	34.5%	
		Acquisition Gateway		1,000	1,100	
		Q4 <ul style="list-style-type: none"> Steps to PBA <ul style="list-style-type: none"> Integrate with Gateway Integrate with Project Center Quarterly Meeting Review and contribute Update Gateway and SPBA Tool (Source and prioritize updates based on input from the Advisory Group) Good Practices <ul style="list-style-type: none"> 9 new articles (+1 sub-hallway article) 2 Hallway Spotlights (Defense Base Act & Req't Dev) SAW <ul style="list-style-type: none"> Plan for SAW program and SAW as a Service completed 				

* SUM Tier 1 analysis completion could impact target **Savings targets can be increased significantly with proposed administrative saving methodology

Category Initiatives

Sharing of transactional data and analysis to inform better buying

Goal	Initiative(s) Description	Key Milestones FY18		Targeted Spend	KPI Targets		
					KPI	FY18	FY19
4	<ul style="list-style-type: none"> Pricing data for services contracting shared through AG Complete value analysis of pricing data for BIC's and Tier 2 SUM contracts Add SmartPay transactions as a data source for Categories 	Q1	<ul style="list-style-type: none"> NA 	\$70.5B*	SUM	\$24.1B*	\$25.3B*
		Q2	<ul style="list-style-type: none"> CALC <ul style="list-style-type: none"> Award contract for additional iterative enhancements HC & F&C Schedules Data Capture Partner w/ Gateway on IGCE Tool using CALC Applet 		Savings	\$275M**	\$280M**
		Q3	<ul style="list-style-type: none"> CALC <ul style="list-style-type: none"> Load NAIC to SIN crosswalk & create a filter Add locality pricing / clearance and certification search criteria Analyze TDR and BIC CPRM data for usability and CALC integration 		Contract Reduction	5%	5%
		Q4	<ul style="list-style-type: none"> CALC <ul style="list-style-type: none"> Enhance search capabilities - keyword, location, capability statements Incorporate SmartPay transactional data to dashboards 		Small Business	33%	34.5%
					Acquisition Gateway	1,000	1,100

* SUM Tier 1 analysis completion could impact target **Savings targets can be increased significantly with proposed administrative saving methodology

Category Initiatives

Maximizing small business participation and meeting requirements to buy from Ability One

Goal	Initiative(s) Description	Key Milestones FY18		Targeted Spend	KPI Targets		
					KPI	FY18	FY19
5	<ul style="list-style-type: none"> “Did you know” educational campaign for small business usage 	Q1	<ul style="list-style-type: none"> NA 	\$70.5B*	SUM	\$24.1B*	\$25.3B*
		Q2	<ul style="list-style-type: none"> Work with Interagency Team to collect agency best practices Meet with federal OSDDBU Council Strategic SRM engagement with SB’s 		Savings	\$275M**	\$280M**
		Q3	<ul style="list-style-type: none"> Complete communication strategy and plan Post 3 “did you know” articles on AG Strategic SRM engagement with SB’s Meet with federal OSDDBU Council 		Contract Reduction	5%	5%
		Q4	<ul style="list-style-type: none"> Implement communications strategy and plan Meet with federal OSDDBU Council Post 3 “did you know” articles on AG 		Small Business	33%	34.5%
					Acquisition Gateway	1,000	1,100

* SUM Tier 1 analysis completion could impact target **Savings targets can be increased significantly with proposed administrative saving methodology