Facilities & Construction Category - Government-wide Category Management

Framework, Goals, & Implementation

March 2017
Category Management Overview

Category Management Approach

Category management is a purchasing approach that the federal government is applying to buy smarter and more like a single enterprise.

It involves:
- Identifying core categories of products and services, and managing them accordingly
- Cultivating and maximizing expertise to inform and enhance a customer’s buying experience
- Developing purchasing strategies so that customers find the best value for the items they need

Category management enables us to eliminate redundancies, increase efficiency, and deliver more value and savings from the government’s acquisition programs.
Category Management Overview

Category Management Goals

Category management seeks to achieve the following goals around cost savings, knowledge sharing, relationship-building, and efficiency:

**Increase Cost Savings**
- Increase spend under management
- Achieve volume savings
- Achieve **administrative** savings

**Foster Knowledge Sharing**
- Share best practices
- Grow and share expertise

**Promote Efficiency**
- Reduce contract duplication
- Enhance transparency
- Create better contract vehicles
- Manage data collection and analysis
- Enable better decisions

**Improve Relationships**
- Maximize purchasing agency relationships
- Leverage supplier relationships
- Optimize buying channels
- Manage the solution landscape
Across the Federal Government, there are 10 common categories of spend

<table>
<thead>
<tr>
<th>Category</th>
<th>Total FY 2014 Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT</td>
<td>$49.9B</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$61.9B</td>
</tr>
<tr>
<td>Security and Protection</td>
<td>$5.5B</td>
</tr>
<tr>
<td>Facilities &amp; Construction</td>
<td>$77.2B</td>
</tr>
<tr>
<td>Industrial Products &amp; Services</td>
<td>$10.5B</td>
</tr>
<tr>
<td>Office Management</td>
<td>$1.9B</td>
</tr>
<tr>
<td>Transportation &amp; Logistics Services</td>
<td>$26.8B</td>
</tr>
<tr>
<td>Travel &amp; Lodging</td>
<td>$2.7B</td>
</tr>
<tr>
<td>Human Capital</td>
<td>$4.1B</td>
</tr>
<tr>
<td>Medical</td>
<td>$36.0B</td>
</tr>
</tbody>
</table>

These 10 categories account for nearly $300B in annual spending.

- **IT**
  - IT Software
  - IT Hardware
  - IT Consulting
  - IT Security
  - IT Outsourcing
  - Telecommunications

- **Professional Services**
  - Business Administration Services
  - Legal Services
  - Management Advisory Services (excl. R&D)
  - Marketing and Distribution
  - Public Relations and Professional Communications Services
  - Real Estate Services
  - Trade Policy and Services
  - Technical & Engineering Services (non-IT)
  - Financial Services
  - Social Services

- **Security and Protection**
  - Security Animals & Related Services
  - Security Systems
  - Security Services

- **Facilities & Construction**
  - Construction Related Materials
  - Construction Related Services
  - Facility Related Materials
  - Facility Related Services
  - Facilities Purchase & Lease

- **Industrial Products & Services**
  - Machinery & Components
  - Fire/Rescue/Safety/ Environmental Protection Equipment
  - Hardware & Tools
  - Test & Measurement Supplies
  - Industrial Products Install/Maintenance/ Repair/Rebuild
  - Basic Materials
  - Oils, Lubricants, and Waxes

- **Office Management**
  - Office Management Products
  - Office Management Services
  - Furniture

- **Transportation & Logistics Services**
  - Package Delivery & Packaging
  - Logistics Support Services
  - Transportation of Things
  - Motor Vehicles (non-combat)
  - Transportation Equipment
  - Fuels

- **Travel & Lodging**
  - Passenger Travel
  - Lodging
  - Travel Agent & Miscellaneous Services

- **Human Capital**
  - Specialized Educational Services
  - Vocational Training
  - Human Resources Services

- **Medical**
  - Drugs and Pharmaceutical Products
  - Medical Equipment & Accessories & Supplies
  - Healthcare Services

Defense-Centric categories not shown. Common Government Spend Categories 1-10 (total FY 2014 spend $275B)
Each category is managed by a cross-agency Category Leadership Team led by an OMB assigned Category Executive.

<table>
<thead>
<tr>
<th>Category</th>
<th>Agency</th>
<th>Category Executive</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Category</td>
<td>GSA</td>
<td>Mary Davie, FAS Assistant Commissioner for Integrated Technology Services</td>
</tr>
<tr>
<td>Professional Services Category</td>
<td>GSA</td>
<td>Tiffany Hixson, FAS Regional Commissioner</td>
</tr>
<tr>
<td>Security and Protection Category</td>
<td>DHS</td>
<td>Jaclyn Smith, Strategic Sourcing Program Office</td>
</tr>
<tr>
<td>Facilities and Construction Category</td>
<td>GSA</td>
<td>Mary Ruwwe, FAS Regional Commissioner</td>
</tr>
<tr>
<td>Industrial Products and Services Category</td>
<td>GSA</td>
<td>George Prochaska, FAS Regional Commissioner</td>
</tr>
<tr>
<td>Office Management Category</td>
<td>GSA</td>
<td>Greg Hammond, FAS Regional Commissioner</td>
</tr>
<tr>
<td>Transportation and Logistics Category</td>
<td>DOD</td>
<td>Lisa Roberts, Acting Deputy Assistant Secretary of Defense for Transportation Policy</td>
</tr>
<tr>
<td>Travel and Lodging Category</td>
<td>GSA</td>
<td>Timothy Burke FAS Director of Travel and Transportation Services</td>
</tr>
<tr>
<td>Human Capital Products and Services Category</td>
<td>OPM</td>
<td>Rob Briede, Acting Training Management Assistance Program Manager</td>
</tr>
<tr>
<td>Medical Products and Services Category</td>
<td>DOD/VHA</td>
<td>Jonathan Woodson, Assistant Secretary of Defense (Health Affairs), David Shulkin, Under Secretary for Health, Veterans Health Administration</td>
</tr>
</tbody>
</table>
Facilities & Construction Category Composition Breakdown by Classification Level (FY16 Spend Totals)

- **Facilities & Construction** $77B
  - **Construction Related Materials** $1.9B
    - Heavy Equipment $404M
    - Temporary Structures $543M
    - Building Materials $945M
    - Mod./Install. of Above Items $9M
    - Lease/Rent of Above Items $34M
  - **Construction Related Services** $21B
    - A&E - All Real Property $4.7B
    - Site Preparation $22M
    - Construction - All Real Property $15.9B
  - **Facilities Purchase and Lease** $592M
    - Purchase - All Real Property $21M
    - Lease./Rent. - All Real Property $571M
  - **Facility Related Materials** $770M
  - **Facility Related Services** $53B
    - Land/Grounds Maint. Equip. $14M
    - HVAC & Plmb. Equip & Cmpnts $426M
    - Electr. Systems and Components $152M
    - Paints and Adhesives $116M
    - Lease./Rent. of Above Items $21M

- **Environmental Systm Protection** $3.9B
- **Operation of Govt. Facilities** $23.7B
- **Utilities** $1.9B
- **Demolition** $332M
- **Fac. Sprt - Jant/ Lndscp/Pest/Trsh** $6.3B
- **Maint./Repair/Alt. of Facilities** $14.3B
- **Nat. Resources / Conservation** $870M
- **Maint./Repair/Install of Equipment** $1.7B
V2.0 Plan Initiatives

- DOE GOCO Tier 2 Validation
- Large-scale Construction Tier 2 Validation
- Create Government-wide Repair & Renovation Vehicle
- Expand Utilization of Government-wide Facilities Services Solutions
- OMB/DOE Demand Management Energy Savings
- USACE FRP BIC Designation, Marketing, and Next Gen Solution
- Increase Acquisition Gateway Development
- Develop Comprehensive F&C Training Requirements and Delivery Options

Govt-wide Solutions

Strategic Sourcing Vehicles –
- BMO
- MRO
- JanSan

Multiple Award Schedules –
- 03FAC
- 05
- 56
- 23V
- 84
- 00CORP
# BMO and BMO SB Scope

<table>
<thead>
<tr>
<th>Operations and Maintenance</th>
<th>Facility Support Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>HVAC Maintenance</td>
<td>Janitorial</td>
</tr>
<tr>
<td>Plumbing and Pipefitting</td>
<td>Landscaping/Grounds Maintenance</td>
</tr>
<tr>
<td>Elevator Maintenance</td>
<td>Pest Control</td>
</tr>
<tr>
<td>Electrical Maintenance</td>
<td>Waste Management Recycling Services</td>
</tr>
<tr>
<td>Fire Alarm System Maintenance Repair</td>
<td></td>
</tr>
<tr>
<td>Fire Suppression (Water-Based) System</td>
<td></td>
</tr>
<tr>
<td>Preventative Maintenance and Repair</td>
<td></td>
</tr>
<tr>
<td>Roofing Services</td>
<td></td>
</tr>
<tr>
<td>Building Management Services</td>
<td></td>
</tr>
<tr>
<td>Architectural and Framework Building Maintenance Services</td>
<td></td>
</tr>
<tr>
<td>Commissioning Services</td>
<td></td>
</tr>
<tr>
<td>Elevator Inspection Services</td>
<td></td>
</tr>
<tr>
<td>Other Facility Management Related Services</td>
<td></td>
</tr>
</tbody>
</table>
BMO Current and Future Zones

**Zone 1**
States: DC, VA, MD, PA, DE, NY, NJ, WV
Sq. Miles: 200K
Est. Annual Spend: $1.8B

**Zone 2**
States: MA, CT, NH, VT, ME, RI
Sq. Miles: 73K
Est. Annual Spend: $237M

**Zone 3**
States: FL, GA, NC, SC
Sq. Miles: 221K
Est. Annual Spend: $848M

**Zone 4**
States: TX, OK
Sq. Miles: 338K
Est. Annual Spend: $717M

**Zone 5**
States: CA, NV
Sq. Miles: 274K
Est. Annual Spend: $586M

**Zone 6**
States: MO, IL, IA, NE, KS
Sq. Miles: 344K
Est. Annual Spend: $370M

*Spend estimates based on FY14 obligated dollars*
BMO Ordering: Delegation of Procurement Authority (DPA)

• To issue orders, you must have a DPA
  o Issued by GSA after completing mandatory BMO training
• DPAs are issued to individuals, not agencies at large
• DPAs are not re-delegable and non-transferrable
• Agency CO issued a DPA is designated as an Ordering Contracting Officer (OCO)
• Only OCOs award, administer, and modify orders
• Visit the BMO website, [www.gsa.gov/bmo](http://www.gsa.gov/bmo), to register for DPA training or find more information on the Acquisition Gateway at [hallways.cap.gsa.gov](http://hallways.cap.gsa.gov)
Repair & Renovation JOC/SABER/Line Item-type contracts could substantially benefit from reductions in duplication, streamlined acquisition, and increases in spend under management.

To achieve the many potential benefits of enhanced category management while retaining:

- Lower PALT with pre-established solutions
- Drive administrative and personnel savings on the >95K annual contract actions - median project size ~$25K
- Increase management of an estimated $6.3B annual market

Ease of use
- Adequate response times
- Maintain vendor performance
- Resolve vendor reach issues
- Local community impact
- Small business utilization
Advantages of using the Multiple Award Schedule (MAS) for the Repair and Renovation Solution

• Improved capacity and time savings to support customer needs

• (5) year base contract plus three (5) year options - potentially 20 years total

• Streamline acquisition through MAS using direct task order or establishing BPAs vs. open market
  • MAS saves 12+ months procurement administrative lead time compared to the establishment of JOC/SABER/Line-Item solution
  • For agencies with no pre-existing solution or an expiring solution, MAS will decrease task order award cycle time from average 90-120 days to 14 days depending on project complexity
    • Industrial Funding Fee (IFF) remains a very low 0.75%
    • Continuous open solicitation allows for onboarding of contractors at the parent contract level at any time
Additional Advantages of Repair and Renovation MAS Solution

- Will enable achievement of socio economic small business goals
  - Solution set-aside entirely for small businesses

- Cost Savings
  - Not-to-exceed coefficients provide ceilings and ensure competitive pricing within multiple award pool
  - Competition at task order level will further drive lower coefficients

- Other
  - Enhanced data collection would provide insight into agency buying patterns
  - Line item pricing will enable transparency in pricing at task order level
  - Awards will be regionally based with pricing determined by the metropolitan/local designations in RS Means
**Best-in-class** is a new contracting and acquisition designation which will be used across government, denoting those contracts and vehicles that meet five rigorous category management performance criteria as defined by Office of Management and Budget guidance.

**Traits of these solutions:**
- Get customers and industry involved in upfront planning and requirements definition to create a vehicle that generates the best value and meets socioeconomic goals
- Utilize tools to track, analyze, and share data
- Monitor and share vendor and solution performance with continuous feedback loop from customers and contractors

**The benefits:**
- Expand a solution’s appeal and usage with all federal agencies
- Give acquisition experts in other agencies the confidence to begin tapping into the vehicles
- Pave the way for first time users to begin utilizing high-value, acquisition tools
What Best-in-Class (BIC) Requires:

1. Rigorous Requirements Definitions and Planning Processes
   • Reflects input from agencies - especially the largest likely users
   • Focuses on the most frequently purchased goods and services
   • Aligns with market capabilities
   • Demonstrates a commitment to small business considerations
   • Advances sustainable acquisition

2. Appropriate Pricing Strategies
   • Allows for industry or requirement-appropriate discounting strategies
   • If applicable, includes point of sale accommodations
   • Requires contractors to provide prices paid information that supports comparative analytics

3. Data-driven Demand Management Strategies
   • Requires standardized data elements / formats for consumption and performance analytics to enable agencies to improve their commodity management practices on an ongoing basis

   • Includes ongoing management provisions which align with the Category's Category Management Plan
   • Requires that pricing be monitored and analyzed on a regular basis
   • Vehicle owner / program office monitors and shares vendor and solution performance
   • Contains a documented post-award management approach

5. Independent Validation and Reviews by Category Teams
   • Includes structures and/or mechanisms established to allow contractor feedback
   • Includes structures and/or mechanisms established to allow customer / user feedback
   • Allows for ongoing monitoring by independent sources outside of the solution team

* The sub-criteria listing above is an abbreviated summary of the full list. Sub-criteria may vary by Category.
Acquisition Gateway Will Enable Category Management

The Acquisition Gateway is intended to be the desktop for the Federal acquisition workforce.
Acquisition Gateway Features

- **Hallways** - Contain information and tools specific to each category management category or sub-category

- **Project Center** - A personal location in the Gateway where users can save statements of work, community posts, and other information relevant to their acquisitions

- **Solutions Finder** - Search tool to allow federal buyers to locate “best-fit” contract vehicles across federal agencies

- **“My Community”** - A series of forums on specific acquisition topics, allowing users to ask questions of experts and participate in discussions with cross-agency peers

- **Document Library** - Users can share documents like statements of work in a centralized location and have the ability to “upvote” their favorites
Engage with us!

The Acquisition Gateway is the best way for federal agencies and their vendors in be involved in the F&C Category

Step 1
• Go to [https://max.gov](https://max.gov)
• Why? The Acquisition Gateway is a secure site

Step 2
• First time users? = click on upper right [Register Now] button

Step 3
• Fill out the form; click [Continue]
• Read the user agreement and non-disclosure; check “I Agree”

Step 4
• Wait for email from @max.gov
• Click on link to reset your max.gov password

Step 5
• Go to [https://hallways.cap.gsa.gov](https://hallways.cap.gsa.gov); select [Federal Employees Sign-in]
• Click on with “PIV or CAC card”; click [Login]

Step 6
• Login with Max.gov credential to associate with your PIV or CAC card
• Click [Continue]; you can now access the Acquisition Gateway!

1st time: Access the Gateway in <5 minutes

2nd time: Access the Gateway in <15 seconds