

PROGRAM RETROSPECTIVE

FY 2022



CATEGORY MANAGEMENT

Since 2016, the federal government has adopted category management for its acquisitions.

What is category management (CM)? Generally speaking, it's a business best practice that helps organizations buy smarter for common goods and services – things like laptops, office supplies, travel, housekeeping services, and more.

The government uses CM principles to get more value and savings by:

- buying like an enterprise, instead of individual, isolated purchases
- identifying core areas - 'categories' - of spend
- using data to consolidate and reduce contracts, when possible
- Improving how we manage suppliers and demand, reducing the total cost of ownership

There are four key performance indicators (KPIs): spend under management (SUM), Best-in-Class (BIC) obligations, cost avoidance, and training. KPIs are established and tracked at the agency and category levels, and plans are created annually for how they're going to achieve them.

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A MESSAGE FROM THE GOVERNMENT-WIDE CATEGORY MANAGEMENT PROGRAM

It's time to share with you some of the successes the Federal government has accomplished in FY22 using CM principles.

The President has established an ambitious [Management Agenda](#), and set a policy of using Federal contract spending to support small businesses and advance equity. In Executive Order 13985, [Advancing Racial Equity and Support for Underserved Communities through the Federal Government](#), the President directed agencies to improve Federal contracting and procurement availability for all eligible vendors and to remove barriers faced by underserved individuals and communities. The CM program implemented changes to increase small-business utilization and introduced other initiatives to support Administration priorities.

In support of the President's policy, OMB issued [M-22-03, Advancing Equity in Federal Procurement](#), which enhances and amends the guidance from OMB's 2019 CM policy memorandum [M-19-13](#). This memorandum established a new [Tier 2-Socioeconomic Small Business](#) (SB) SUM measure that gives agencies automatic SUM credit toward agency CM goals for all awards made to certified and self-certified socioeconomic small businesses (SESBs). This empowers all 24 CFO Act agencies to pursue the best acquisition strategy for reaching underserved SB communities, and help to maximize awards to SESBs.

CM continues to help agencies buy smarter and support Administration priorities. After reading a few highlights in this retrospective, check out what CM has coming up next!

FY22:BY THE NUMBERS

The government has avoided \$72.5 billion in costs over the program's life through **Best-in-Class (BIC) solutions**. In FY22 alone, these solutions provided \$12.7 billion in cost avoidance.



Agencies continue to gain value from BIC: 38 BIC solutions from across all 10 common categories of spend accounted for nearly \$54.5 billion in FY22 obligations.

In FY22, the CM program exceeded its SUM target, reaching a record of 72.4%, or \$342.6 billion.



Increased focus on small business: M-22-03 incentivizes using SESBs where possible by earning Tier 2 SUM credit. As a result of the increased focus on SESBs, FY22 spend with SESB vendors accounted for \$85B in SUM credit.

CFO Act agencies continue to go above and beyond in category management training: In addition to Government-wide Category Management (GWCM) PMO-offered training, agencies now can earn credit for their own OMB-approved CM-related training courses. More than 26,000 employees from the acquisition workforce were trained in FY22!



Category Management Helps Meet Administration Priorities

In addition to strongly supporting efforts to advance equity in procurement goals, several actions were taken to support Administration policy and the President's Management Agenda.

Specifically, PMA Priority Area 3, *Managing the Business of Government*, articulates several unique efforts that support the creation of a diverse and resilient workforce. A couple of these center around Best-in-Class solutions; the EPA's Environmentally Preferred Purchasing (EPP) team kicked off their Sustainability Check Initiative, plotting out the course to ensure FAR compliance with all sustainability clauses as needed in select contracts – and the first phase of this plan addressed BIC contracts.



BICs are also notable for ensuring compliance and flexibility in adapting to changing requirements and market conditions. Addressing the dual and related issues of COVID response and supply chain issues, the Medical category is working with supply chain managers to execute an acquisition strategy, supporting the Made in America effort, that bolsters domestic strength in access to and supply of Personal Protective Equipment.

All 10 government-wide categories and agencies have articulated specific opportunities and activities in their FY22 strategic plans.

Executive Order 14057, *Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability*, signed in December 2021, is a broad call-out for agencies to meet several emissions reduction targets over the next two decades. In May 2022, the Industrial Products and Services Category shared a template with customer agencies for communicating with vendors about the upcoming Federal Acquisition Regulation (FAR) changes regarding Greenhouse Gas Emissions requirements.

In support of M-22-03, categories shared specific initiatives promoting small disadvantaged businesses, including industry days highlighting WOSBs, HUBZone vendors, and veteran-owned small businesses.

CATEGORY MANAGEMENT SUCCESS IN FISCAL YEAR 2022

The Professional Services Category Increases Civilian Services Workshops (CSAW)

The CSAW program continues to progress toward making performance-based acquisition attainable, understandable and applied across the government. In FY22, the program delivered more than 10 custom-tailored workshops, with an estimated total lifecycle value of \$1.3 billion, to acquisition teams at USDA, DOJ, Education, NASA, HUD, DOE, DOI, and EPA. Over 13,500 CLPs were issued through workshops and training.



The Defense Logistics Agency's Medical Surgical Prime Vendor Program Supports Key Administration's Priorities



In FY22, the Defense Logistics Agency's (DLA) Medical Surgical Prime Vendor Program (MSPV) program continued to deliver outstanding results. MSPV combatted COVID by providing an array of top-quality medical/surgical products crucial to mitigating COVID-19's effects on the U.S. population and economy. The program supported domestic production by delivering nearly 68 percent of items from domestic sources, and commercial prime vendors delivered all MSPV products via environmentally friendly processes. In FY22, MSPV reduced federal costs by \$14.6 million and offered 305,000 items at industry-low fees. DLA worked with its federal partners to add 31 reputable small businesses to the program, which resulted in an additional \$157.7 million in SB sales – 28 percent of total sales.

FY22 CM SUCCESSES CONTINUED

Department of Treasury Exceeds Its Contracting Socio-economic Goals

The Treasury has undertaken several specific initiatives in FY22 to support and promote greater SB supplier diversity and increase awards to SDBs. It has revised the Treasury CM policy to prioritize equity while balancing CM goals. The department also has instituted the Treasury Procurement Equity Council and coordinated changes to improve equity across the enterprise. The Treasury has collaborated with SBA and OMB to define and track new entrants and improve data analytics capabilities to identify opportunities for underserved communities. The department also created new data analytic tools and techniques to improve data accuracy and forecasting.

As a result, in FY22, the Treasury overperformed in all the prime contracting socio-economic categories, and eight of the 12 Treasury components exceeded their goals in every category.

Industrial Products & Services Category Partners with AbilityOne to Increase FY22 Spending

The Industrial Products & Services Category (IP&S) and AbilityOne collaborated to bring awareness to agencies of AbilityOne's lesser-known capabilities in the industrial products and services arena. This initiative started with a presentation to the Department of Defense on strappings and webbings.

IP&S plans on continuing this initiative into the next fiscal year to find and highlight other capability areas. As a result, AbilityOne spending went up from \$40 million in FY21 to \$44M in FY22 in the IP&S category.



IT Vendor Management Office Matures as Valuable Resource

The IT Vendor Management Office (ITVMO) is a testament to the benefits of collaboration across agencies in supporting CM principles. The ITVMO is a supplemental resource of the IT Category, funded under an agreement among the National Aeronautics and Space Administration, the Department of Health and Human Services, and the General Services Administration. One success has been the FY22 launch of the IT Buyers Community of Practice (ITBCOP). Since May 2022, this CoP has added representatives from 34 agencies and grown their community network to just under 100. The organization held four community events in its first five months, with an average participation of ~50 agency practitioners. Topics spanned cybersecurity, zero trust, emerging technologies, and SB intelligence topics.

MORE FY22 CM SUCCESSES

Department of Commerce Uses Small Businesses to Perform Unique Requirements

The Department of Commerce devised a strategy to enable small and small disadvantaged businesses to overcome barriers often encountered when competing for large contracts with broad scopes.

ProTech is the Department's \$3 billion CM vehicle for professional and technical services, focused on four areas: satellite, weather, fisheries, and ocean. Rather than focus on job characteristics, the Department structured the contract into unique subject-matter areas to align with the National Oceanic Atmospheric Administration's mission areas and enable more specific requirements. In addition, the strategy included teaming on the fly and using SB reserves, which enabled the Department to capture niche small business contractors who could only perform part of the requirement.

The Department focused on unique subject-matter areas, resulting in over 95 percent of task-order awards going to small and small disadvantaged businesses.



Department of Navy (DON) Awards Billions to Small Business



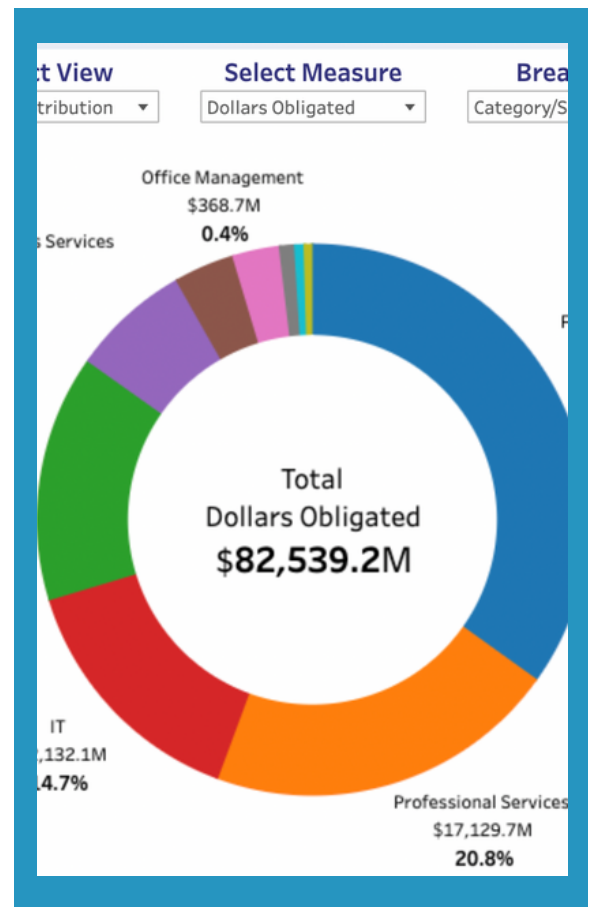
SeaPort-NxG is the Department of the Navy's mandatory-use contract for buying professional support services, such as engineering and program management.

The DON had a goal to increase its SB participation metrics for FY22. The DON's SeaPort Program Office held a rolling admission, which renewed the SeaPort-NxG vendor base and added many new SBs seeking opportunities with the Navy. As a result of this rolling admission, there are currently 2,416 prime contractor MAC holders, of which 85 percent are SB prime MAC holders. Under SeaPort-NxG, the DON obligated \$2.9 billion to SBs in FY22, reflecting about 48 percent of its total dollars obligated.

Category Management Dashboards Optimized to Easily Streamlined to Increase Efficiency

In February 2022, the GWCM PMO centralized four dashboards – available to federal and public users - into one reporting tool: [the Category Management Reporting Workbench \(“the CMR”\)](#). The landing page allows quick access to numerous dashboards and queries and includes expanded quick analytics views for commonly requested data such as spend by vendors, contracts, and SUM tiers. This streamlined dashboard also increased efficiency, by reducing the total number of unique dashboards and the resources required to support the platform.

The GWCM PMO held numerous training sessions to roll-out the CMR, training over 500 individuals, and plans to apply similar streamlining techniques to other dashboards in the future. View the [training deck](#) and [CMR Quick Play Guide](#) for more information on the CMR.



Category Management Program Closes Three GAO Recommendations

While recognizing the value of CM, in November 2020, the Government Accountability Office (GAO) audited and made [10 recommendations](#) to continue to drive CM adoption in the federal government, broadly addressing the need for guidance on requirements definition practices, training for SAOs and SB interests, and KPI maturation. This year, several recommendations were closed-out by emphasizing requirements definition, rolling out a pilot KPI to measure the reduction of duplicative contracts and the impact on SBs, and a new small-business training for OSDBUs. For up-to-date information on the status of the remaining recommendations, click [here](#).

What's Next for Category Management in FY23?



Continued Support of Administration Priorities

The [President's Management Agenda](#) (PMA) emphasizes how integral CM is to government-wide priorities and performance. The CM program will continue to align with PMA priorities to foster lasting improvements in the federal acquisition system to strengthen the U.S. domestic manufacturing base, support American workers' lead-by-example toward sustainable climate solutions, and create opportunities for underserved communities.



Sustainability Check Initiative

In coordination with the EPA's Environmentally Preferred Purchasing team, the 10 government-wide categories will review BICs and other select Tier 2 and Tier 1 contracts to include clauses supporting the Sustainability Check initiative. This effort supports Administration environmental priorities and ensures that contracts within the CM SUM framework are attentive to environmental concerns.



Small Business Landscape Analysis (SBLA) Highlights CM and Small Business

The annual SBLA evaluates how Administration policies and actions have individually impacted SB performance since their introduction. The GWCM PMO develops this in-depth report, scheduled for public release in April 2023.



New Acquisition Gateway Launch

In FY22, the GWCM PMO assumed business ownership of the Acquisition Gateway and began full technology and usability upgrades based on user feedback collected through the CM program. Development changes will include new and improved features, expanded government-wide content focused on serving the federal acquisition community, and a new web address (acquisitiongateway.gov) to reflect the government-wide nature of the site. The new site will launch in August 2023, with the legacy site scheduled for retirement by the end of FY23.

Related Links

[Acquisition Gateway](#)

[CM Program Retrospectives](#)

[CM: Making Smarter Use of Common Contract Solutions and Practices, M-19-13](#)

[Advancing Equity in Federal Procurement, M-22-03](#)

[President's Management Agenda](#)

[CM PMA Announcement](#)

[Data to Decisions Dashboards](#)

[Tier 2-SB Spend Under Management Credit - FAQs](#)

[OMB's GAO Recommendations](#)

[CM Success Stories Hub](#)