

Who Moved My Contract?

Category Management, Strategic Sourcing and Recent Changes

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ABOUT GOVCONTRACTPROS

GovContractPros helps government contractors access the \$500 billion federal marketplace with proven expertise. The GovContractPros mission is to ensure the prosperity of our clients throughout all stages of their growth and development. We collaborate with clients to develop effective business strategies, provide education and advocacy services, and work to facilitate access to government contracting opportunities, while leveraging small business contracting programs. Our services are offered through traditional consulting engagements or as part of our membership platform.

Our primary practice areas are:

- **Business Strategy**
- **Business Development**
- **Advocacy and Government Relations**
- **Business Software Platform**
- **Certifications and Training**
- **Expert Witness**

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Overview

- Category Management
- Small Business Regulatory Streamlining
- National Defense Authorization Act of 2018
- National Defense Authorization Act of 2019
- Section 809 Panel
- Questions

Category Management

Category Management

- What it is not:
 - It is not strategic sourcing and only buying from large consolidated vehicles.....but....
- What it is:
 - Reduce redundancies, identify core categories to put under management, develop enterprise-wide buying strategies and vehicles, develop tools and agency-level expertise around specific categories
 - The President's Management Reform Agenda directs agencies to increase BIC spending by 2020 to 40 percent over the fiscal 2016 baseline, while utilizing 13 percent fewer contracts
 - In FY 2017, 84,000 non-preferred small business contracts worth \$32 billion were candidates for efficiencies and BIC consolidation (Source: Bloomberg Government)
- Categories:
 - Facilities & Construction , Professional Services, IT, Medical, Industrial Products and Services, Transportation and Logistics Services, Security and Protection, Human Capital, Travel, Office Management

The U.S. government's implementation of Category Management Involves:

- Defining the government's major market categories (10 common markets)
- Assigning market and agency leadership roles to implement CM (CMLC, Category Managers, Agency Category Teams, etc.)
- Collecting and sharing data about companies, products & services, licenses, pricing, terms and conditions, best practices, past performance, case studies — transparency is a critical element of CM
- Developing common standards and configurations to consolidate demand, reduce duplication across agencies and leverage better pricing from vendors
- Identifying preferred, government-wide contract vehicles and other buying solutions that meet rigorous OMB and GSA standards (Tiers 0, 1, 2 and 3 vehicles)
- Setting and enforcing procurement metrics, benchmarking
- Education and training (seminars, webinars, handbooks, etc.) in order to heighten expertise (e.g. [TechFAR handbook](#))
- Independent validation of CM savings



Federal Agencies:

- The CMLC Principals, which plays an important role in shaping the direction of the effort, consists of representatives from the DoD, DoE, HHS, DHS, VA, GSA, and NASA.
- The Category Managers represent the following agencies: Office of Management and Budget (OMB), General Services Administration (GSA), Department of Homeland Security (DHS), Office of Personnel Management (OPM), Department of Defense, and Department of Veterans Affairs.
- The head of each of the 24 Chief Financial Officer Act departments and agencies has designated a CMLC Lead, who coordinates their agency's participation in government-wide category management efforts.
- The Category Management Program Management Office, which resides in GSA, provides overall program management support to Category Managers and their teams, and facilitates the development and implementation of business rules and processes.

Regulation:

- Federal Acquisition Regulations, Part 8.

Policies:

- OMB Category Management Memorandums 16-02, 16-12, 16-20, 17-22, 17-26, 17-29.

Source: [President's Management Agenda, March 2018](#)





Category Management Government-wide Categories

Total FY17 Spend - \$465B | FY17 common spend - \$303B

<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

Source: [President's Management Agenda, March 2018](#)



Category Management – Best in Class (BIC)

- Alliant Small Business
- Alliant
- AutoChoice For Vehicle Purchasing
- BMO (Building Maintenance & Operations FSSI)
- City Pair Program
- EIS
- FedRooms
- GSA Fleet for Vehicle Leasing
- GSA SmartPay 2
- HCaTS
- IPS BPA: Identity Protection Services Multiple Award BPA
- JanSan (Janitorial & Sanitation Supplies FSSI)
- MRO: Maintenance, Repair & Operations FSSI
- Networx
- OASIS SB
- OASIS
- OS3 (Office Supplies FSSI)
- Schedule 48: (Civilian Employee Relocation Homesale Solution - SINs 653-1 and 653-5)
- Schedule 70: Hardware & Software SINs including Governmentwide Strategic Solutions (GSS)
- VETS 2: Governmentwide Acquisition Contract (GWAC)
- Wireless BPAs: (FSSI - Federal Strategic Sourcing Initiative)

<https://www.gsa.gov/acquisition/category-management/bestinclass>

Category Management – Best Practices

- Require on/off Ramps
- Establish a Small Business Track.
- Establish “Swim Lanes” for all socio-categories.
- Require strong subcontracting plans with monitoring and corrective actions.

Category Management – Strategies for Small Business

- Know which clients are using which vehicles.

Is your client agency committed to using any of the BIC Vehicles?

Are your contracts being transitioned over?

- Can I buy a vehicle if I don't own one?

You can not buy and sell federal contracts, but?

- Maintaining Small Business Status on an IDIQ/GWAC?

Do I have to recertify upon acquisition or merger; can I still receive contracts?

- Teaming to be successful

Do I have the right team, background and financial capacity to win a GWAC?

Small Business Regulatory Streamlining

Reviewing Existing Regulations

- Last year SBA requested input on which regulations could be repealed, replaced, or modified due to being obsolete, unnecessary, ineffective, or burdensome
- Possible Changes:
 - Consistency of set-aside programs
 - Ownership and Control
 - Joint Venture Requirements
 - Size and Affiliation Rules
 - Economic Disadvantage metrics
 - Requirements around size recertification

Other Recent Changes

- VA Secretary's authority curtailed
 - VA prohibited from issuing regulations regarding ownership, control and size status of an SDVOSB or VOSB
 - VA required to use SBA regulations which will apply to both VA's verification and SBA's self-certification SDVOSB programs
 - VA will continue to verify status, but using SBA regulations
- SBA issued a final rule which will allow OHA to hear protests of eligibility for inclusion in the VA's Center for Verification and Evaluation (CVE) database. Effective 1 October 2018.

NDAAs 2018

Provisions of NDAA 2018

- Section 801 – Revises DFARS statement of purpose to emphasize quality, timeliness and price
- Section 805 – Increases Simplified Acquisition Threshold to \$250,000
- Section 806 – Increases Micro-Purchase Threshold to \$10,000
- Section 827 – Procurement Pilot Program requiring contractors to reimburse DoD for GAO protest costs (Only affects contractors with revenues greater than \$250M)
- Section 846 – GSA Pilot Program establishing a program to procure commercial products through e-commerce portals

NDAAs 2019

Provisions of NDAA 2019

- Section 218 – National Defense Science and Technology Strategy – Science and Technology Priorities – SBIR and STTR Programs
- Section 220 – Create Innovation Information Repository – Review Repository Prior to Issuance of an RFI or RFP
- Section 812 – Clarify Role of OSDBU Further
- Section 822 – Protest Comparison GAO Vs. Court of Federal Claims; Large vs. Small
- Section 846 – Defense Manufacturing Communities – Allows for Establishment and Funding of Consortiums (% years)
- Section 851 – Small Business Strategy for Department of Defense
- Section 852 – Accelerated payments to Small Businesses

Provisions of NDAA 2019 (Continued)

- Section 854 – Extension of SBIR and STTR Programs; Strengthening Reporting Requirements, and Allowing Third Party Vendors to Provide Technical Assistance to Small Businesses
- Section 855 – Construction Projects – Clarification and timeliness of Equitable Adjustments
- Section 858 – Additional Funding for PTACs
- Section 860 – SBIR Commercialization Assistance Program
- Section 861 – Puerto Rico Small Businesses – Awards to PR businesses count as double for Small Business Goaling Purposes
- Section 2804 – Architectural and Engineering Set-Aside Thresholds Increased

Section 809 Panel

The Panel

- Refocus DoD's small business policies and programs to prioritize mission and advance warfighting capabilities and capacities.
- Establish the infrastructure necessary to create and execute a DoD small business strategy.
- Ensuring alignment of DoD's small business programs with the agency's critical needs.
- Build on the successes of the SBIR/STTR and RIF programs.
- Enable innovation in the acquisition system and among industry partners.

<https://section809panel.org/>

Any Questions?

Thank you for joining us today! If you would like to speak with John about our services or any of the information presented today, please contact him at 240-480-2978 or:

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