

**SPEND UNDER MANAGEMENT  
Tiered Maturity Model**

Attributes	Level 1 Agency-wide Strategies	Level 2 Cross-Agency Collaboration	Level 3 Adherence to Government-wide Strategies
<p><b>Background:</b> Category Management is a management concept the Federal government is applying to buy smarter and more like a single enterprise. It involves identifying commonly purchased areas of spend, collectively developing heightened levels of expertise, leveraging shared best practices, and providing acquisition, supply and demand management solutions. The overarching goals are to increase efficiency and effectiveness, increase savings, meet small business goals, and reduce contract duplication.</p> <p>One key metric in evaluating success of Category Management efforts is "Spend Under Management." By bringing common "Spend Under Management," which includes collecting and sharing prices paid and other key performance information, agencies will get the same competitive price and quality of performance when they are buying similar commodities and services under similar circumstances.</p> <p><b>Definition:</b> OMB is proposing to define "Spend Under Management" according to a tiered maturity model. The tiered maturity model includes three tiers and each tier includes the same five attributes: leadership, strategy, data, tools, and metrics. This approach will assign credit for the tremendous work done by agencies individually and collectively in the past, while tracking progress toward more government-wide spend under management solutions. Tier 1 and Tier 2 are geared toward assessing SUM at the agency level. Tier 3 is meant to assess the maturity of the government-wide category.</p>			
<p><b>Leadership:</b> Do individuals and organizations have clear category management responsibilities?</p>	<ul style="list-style-type: none"> <li>• Designated Agency Category Lead with specific category expertise and day-to-day management and oversight responsibility (i.e. Program Manager for IT software contract; this is not agency CIO).</li> <li>• Clear understanding of Category Manager, Category Lead, Commodity team roles.<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Designated Part-Time Government-wide Category Manager (approved by OMB); and/or</li> <li>• Designated Agency Category Lead</li> <li>• Active participation on Interagency Category teams or Commodity Teams.</li> </ul>	<ul style="list-style-type: none"> <li>• Designated Full-Time Government-wide Category Manager (appointed by OMB)</li> <li>• Government-wide Category Management Council Staffed by Senior Level Agency Staff (endorsed by Category Manager)</li> <li>• Active Category Teams</li> <li>• Government-wide PMO support.</li> </ul>
<p><b>Strategy:</b> Are category management practices in place?</p>	<ul style="list-style-type: none"> <li>• Existing agency-wide solutions are being used, per mandatory use or consideration policies [For the following categories assessed, credit will not be given for new agency-specific solutions awarded after September 30, 2016 unless approved by the Government-wide Category Manager and meet strategic sourcing principals] and/or</li> <li>• Policies are implemented and adopted</li> </ul>	<ul style="list-style-type: none"> <li>• Meets One of Three Criteria: <ul style="list-style-type: none"> <li>✓ Government-wide solutions in use, per mandatory use or consideration policies in place in accordance with strategic sourcing principles outlined in OMB Memo M-13-02; and/or</li> <li>✓ Implements government-wide policies that drive behavior changes; and/or</li> <li>✓ Agency-wide strategic sourcing solutions in place in accordance with strategic sourcing principles outlined in OMB Memo M-13-02.<sup>2</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• CMLC approved category management strategy that endorses a limited number of "Best In Class" solutions (vehicles, demand management policies, etc.) for the category.</li> </ul>

<sup>1</sup> As defined by the Government-wide Category Management Guidance Version 1.0, May 2015.

<sup>2</sup> OMB Memorandum M-13-02 "Improving Acquisition through Strategic Sourcing," December 5, 2012.

[http://www.whitehouse.gov/sites/default/files/omb/memoranda/2013/m-13-02\\_0.pdf](http://www.whitehouse.gov/sites/default/files/omb/memoranda/2013/m-13-02_0.pdf)

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	that drive behavior changes (e.g., double sided printing).		
<b>Data:</b> Is analysis conducted and shared?	<ul style="list-style-type: none"> <li>Conducted and documented high level analysis, which includes elements required by KDP-1 process<sup>3</sup> for establishing a baseline assessment, including total spend, vendors, market dynamics, small business participation.</li> <li>When requested by the Category Manager, agency shares relevant contract terms, condition, saving methodologies, and prices data across government, preferably via the Common Acquisition Gateway<sup>4</sup>, within 90 days.</li> </ul>	<p>In addition to meeting Tier 1 criteria:</p> <ul style="list-style-type: none"> <li>Agency collects data on contract administration performance and benchmarks other internal/external processes, including pricing, agency use, solution performance; and other appropriate elements if solution is demand management policy</li> <li>Agency collects customer feedback data on vendor performance, offerings, value, and customer support<sup>5</sup>.</li> </ul>	<p>In addition to meeting Tier 1 and 2 criteria:</p> <ul style="list-style-type: none"> <li>Active commodity management analysis: pricing, supply chain analysis, market information, agency use, solution performance, validated savings,<sup>6</sup> demand management strategies, other activities to drive better acquisition</li> <li>Vendors analysis: prices paid data collected in a way that supports comparative analytics (i.e., normalizes for quantity or delivery term variances); feedback on modification time, terms and condition issues, and customer service</li> <li>Customer analysis: customer profiles to understand what is being purchased, from whom, when and why; and customer/user feedback on vendor performance, offerings, value, and customer support.</li> <li>Analysis of outstanding opportunity spend relative to actual spend.</li> </ul>
<b>Tools:</b> Are tools in place to share information and reduce duplication?	<ul style="list-style-type: none"> <li>Tools (e.g., DHS Connect, DoD eMall, GSAdvantage!) are in place and shared to capture and share information on the category, such as contract vehicles, availability, terms/conditions, pricing, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Agency meets one of the following: <ul style="list-style-type: none"> <li>✓ Worked with Category Manager to populate the Common Acquisition Gateway with relevant information, including: <ul style="list-style-type: none"> <li>- Best In Class agency solutions<sup>7</sup>; and/or</li> <li>- Government-wide strategic sourcing solutions (FSSI), GWAC, MAS, or MAC that are in place in accordance with strategic sourcing principles outlined in OMB Memo M-13-02; and/or</li> <li>- Government-wide policies (e.g., demand</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Acquisition Gateway includes only solutions (acquisition vehicles and/or policies) that are endorsed by Government-wide Category Manager as “Best in Class”</li> </ul>

<sup>3</sup> CMLC Key Decision Point Process, June 2013

<sup>4</sup> <https://hallways.cap.gsa.gov/>

<sup>5</sup> Data reported via the Past Performance Information Retrieval System. <https://www.ppirs.gov/>

<sup>6</sup> As the government implements Category Management, Tier 3 will require savings to be validated independently and performance of servicing agency to be evaluated.

<sup>7</sup> CMLC, “Best In Class” Definition, December 2014.

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		<p>management) that drive behavior changes.</p> <ul style="list-style-type: none"> <li>✓ Agency has developed a plan and milestone schedule, in coordination with the Category Manager, for providing data under items above.</li> </ul>	
<p><b>Metrics:</b> Are metrics defined, tracked, and publicized?</p>	<ul style="list-style-type: none"> <li>• Metrics are in place, including at a minimum, savings and small business participation;</li> <li>• Agency has a documented methodology for tracking these metrics (internal or at servicing agency).</li> </ul>	<p>In Addition to Meeting Tier 1 Criteria:</p> <ul style="list-style-type: none"> <li>• Agency tracks metrics quarterly on duplication reduction, adoption, savings, and small business participation for “Best In Class” FSSI, GWAC, MAS, or MAC solutions that are in place in accordance with strategic sourcing principles outlined in OMB Memo M-13-02.</li> </ul>	<p>In Addition to Meeting Tier 1 and 2 Criteria:</p> <ul style="list-style-type: none"> <li>• Duplication reduction, adoption, savings, and small business participation are tracked on a quarterly basis.</li> </ul>