

Federal Acquisition Service



Agenda

- **▶DDS2** History, Update and Insights Stevie Graham, GSA
- > UPS Sustainability- Tom Dames



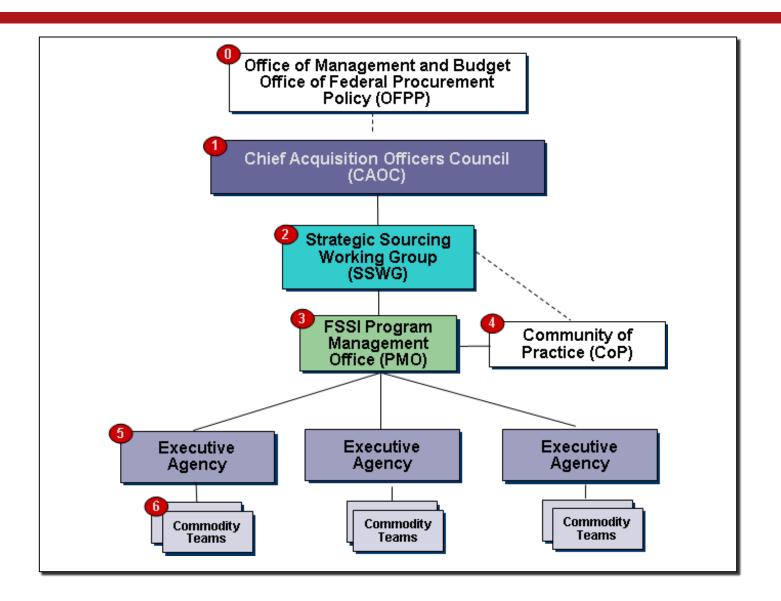
Definition of Strategic Sourcing

What is Strategic Sourcing?

"Strategic sourcing is the collaborative and structured process of critically analyzing an organization's spending and using this information to make business decisions about acquiring commodities and services more effectively and efficiently"

Clay Johnson

Former Deputy Director for Management, OMB



DDS1

- FedEx Oct 2006 Sep 2010
- Discounted accessorials
- No fuel surcharges (FSCs)
- Quarterly shipping reports
- 61 participating customers
- 9% ground shipments

DDS2

- UPS Oct 2009 Sep 2010 + four options
- Saves an average of 26.5% off competing MAS rates
- Lower discounted common accessorials
- Continue with no FSCs for parcels
- Monthly enhanced shipping reports
- Over 158 participating customers
- 40% ground shipments



DDS3 UPDATE

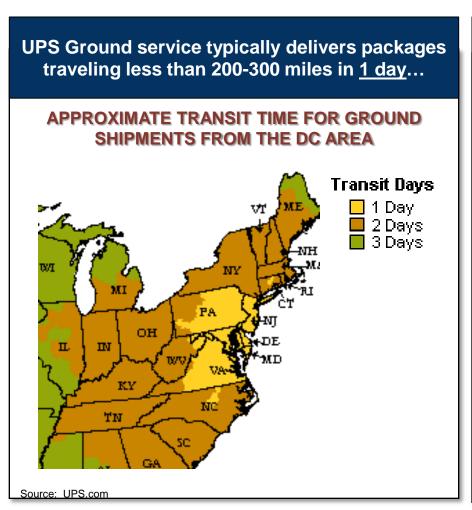
- Assembling the Commodity Team
- Multiple Award or Single Award
- > Award in late 2013

- Regular town hall meetings to share best practices
- UPS reviews to help agencies achieve their DDS2 goals
 - Over 20,000 UPS accounts created
 - \$118M spend
 - 15.3M packages shipped
 - 8.10 LBS average package weight
 - \$6.82 average cost per package
 - 98.7% on-time performance
 - 60% Express and 40% Ground

- Avoiding or minimizing pickup fees
 - Consolidate packages to a central pickup point, use a Drop Box, take packages to an authorized UPS facility, hand them to a UPS courier
- Realize optimal savings without degradation of service
 - Use UPS Ground vs. Air services to the extent possible
- Using USPS First Class Mail for <u>letters</u> is still the best deal in town!
 - Do you really need to send letters via express service?



Agencies can further reduce costs by helping users select the optimal service for their domestic packages







For more information

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www.gsa.gov/dds