



MEMORANDUM FOR THE GSA ACQUISITION WORKFORCE

FROM: JEFFREY A. KOSES 
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SUBJECT: Spend Under Management (SUM) - Buying in a Coordinated and Efficient Way

1. Purpose. The purpose of this letter is to provide guidance on how GSA acquisition activities can increase the use of preferred contract solutions and practices to more effectively manage contract spend, reduce contract duplication, and increase savings.

2. Background. The Office of Management and Budget (OMB) issued Memo M-17-22, *Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce* with a focus on reform efforts to create a more efficient Government that includes leveraging existing solutions for common requirements. Consistent with OMB policy, contracting officers should use existing contract solutions “to the maximum extent practicable”¹. A list of preferred contract vehicles can be found on the [Acquisition Gateway](#).

OMB measures the Federal Government’s category management maturity by assessing spend under management (SUM), which highlights successes at both the Government-wide and agency-wide level and identifies areas for improvement. SUM is the percentage of an agency’s spend (dollars obligated) that is actively managed according to category management principles². The SUM model categorizes addressable spend (i.e., spend for common goods and services) into four tiers³. In general, for spend to be managed at a Tier 3 or 2 level, it must be managed at the Government-wide level. Tier 1 spend must be managed at the agency level and Tier 0 is unaligned spend. A description of each tier and example solutions of each tier can be found on the [SUM Topics page](#).

Best-In-Class (BIC) acquisition designation identifies Government-wide contracts that satisfy key criteria defined by OMB. BIC is a subcategory of SUM because BIC solutions are designated as Tier 3, which is spend that OMB has classified as managed at the Government-wide level. A full list of BIC solutions can be found on the [Acquisition Gateway](#).

In FY 2018, each agency was given a target to increase their SUM usage by 20 percent and BIC usage to 35 percent compared to FY 2016 baseline spend by the President’s Management Council (PMC). GSA has reviewed its addressable spend across all categories of goods and services to understand where the greatest opportunities exist to increase SUM. To address these opportunities, GSA set up a cross-agency working group and identified facilities maintenance and management services as the top area of potential to increase managed spend.

¹ <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2017/M-17-22.pdf>

² See <https://hallways.cap.gsa.gov/app/#/gateway/category-management>

³ The OMB SUM model categorizes addressable spend into tiers. See <https://hallways.cap.gsa.gov/app/#/gateway/category-management/8586/spend-under-management>

3. Effective Date. Immediately.

4. Expiration Date. This AL will remain in effect until the FAR or GSAM is amended.

5. Applicability. This AL is applicable to all contracting officers. The best way to meet GSA's SUM and BIC goals is to use existing Government-wide vehicles. Based on GSA's historical spending behaviors, the greatest opportunities to move spend to Government-wide vehicles are when awarding new orders for facilities maintenance and management services. The second greatest opportunity is for professional services. As current contracts expire, Contracting Officers should review new requirements to understand if there is a SUM/BIC vehicle that would be a good fit.

6. Requirements. The categories of spend listed below have the greatest opportunity to increase SUM. By using the following strategies, the use of preferred contract solutions will increase and help GSA achieve its SUM/BIC goals:

Facilities Maintenance and Management Services

1. [03FAC Schedule](#) (Tier 2) - The Facilities Maintenance and Management Schedule offers a range of products and services necessary to maintain and manage a facility. For recurring services, establish a BPA under the 03FAC Schedule, and for those non-recurring or unknown services, utilize the new order-level materials (OLM) authority⁴ that provides flexibility when the supplies or services are not known at Schedule or BPA award (See [FAS PAP 2018-05 OLMs FSS Program Implementation](#)). The OLM authority could be used for unknown repairs and those services can make up to 33.33 percent of the value of the BPA as a whole (not each order under it).
2. [Building Maintenance and Operations \(BMO\)](#) (Tier 3, BIC) - BMO and BMO SB are MA-IDIQ contracts that offer services for a total solution to maintain and operate federal buildings and assets. Six geographic zones have been awarded and additional zones are planned for future award. Orders can be competed with these vendors for specific tasks when a long-term arrangement with a facilities vendor is not needed.

Professional Services

1. [00CORP Schedule](#) (Tier 2) - The Professional Services Schedule offers a range of professional services such as advertising, marketing and financial services.
2. [One Acquisition Solution for Integrated Services \(OASIS\)](#) (Tier 3, BIC) - OASIS and OASIS SB are MA-IDIQ contracts that offer complex integrated professional services that involve IT components.

These same strategies apply to other categories of spend. For example, for the information technology (IT) category, review Tier 2 and Tier 3 (BIC) vehicles to understand if they make sense for new requirements. Schedule 70, General Purpose Commercial Information Technology Equipment, Software and Services offers a wide range of IT products, services, and solutions.

7. References. This Acquisition Letter incorporates "Updated Preferred Use of Existing GSA Contract Vehicles" dated October 11, 2012.

⁴ See GSAR 552.238-82 Special Ordering Procedures for the Acquisition of Order-Level Materials

8. Point of Contact. If you have any questions regarding this AL, please contact Leah Price, Procurement Analyst, GSA Acquisition Policy Division, at leah.price@gsa.gov. If you have questions regarding category management data analytics and solutions, please contact the Category Management Program Management Office at cm_pmo@gsa.gov. For additional information on SUM/BIC, refer to the [SUM topics page](#) located on the GSA [Acquisition Portal](#).