

# GAO Highlights

Highlights of [GAO-17-164](#), a report to congressional requesters

## Why GAO Did This Study

Each year, federal agencies obligate over \$400 billion on goods and services, but they miss out on savings when they do not leverage their collective buying power. In 2005, the Office of Management and Budget (OMB) directed agencies to leverage spending through strategic sourcing. In 2014, OFPP, an office in OMB, announced its category management initiative, which is intended to further streamline and manage entire categories of spending across the government more like a single enterprise.

GAO was asked to examine the current status of the FSSI program and the extent to which OFPP has incorporated lessons learned from the program into its category management initiative. This report addresses (1) savings and other benefits the FSSI program has achieved, and (2) lessons identified and incorporated into OFPP's category management initiative. GAO analyzed FSSI spending, savings, and adoption data for all seven active FSSIs for fiscal years 2011 through 2015; reviewed OMB, OFPP, Leadership Council, and GSA strategic sourcing and category management guidance; and interviewed GSA and FSSI program officials and OFPP staff.

## What GAO Recommends

To increase potential savings, GAO is making 6 recommendations, including that OFPP ensure agencies submit transition plans, monitor their use, and ensure agency-specific targets and performance metrics to measure adoption of FSSI and category management solutions are set. OMB and GSA concurred with the recommendations.

View [GAO-17-164](#). For more information, contact Timothy J. DiNapoli at (202) 512-4841 or [DiNapoli@gao.gov](mailto:DiNapoli@gao.gov).

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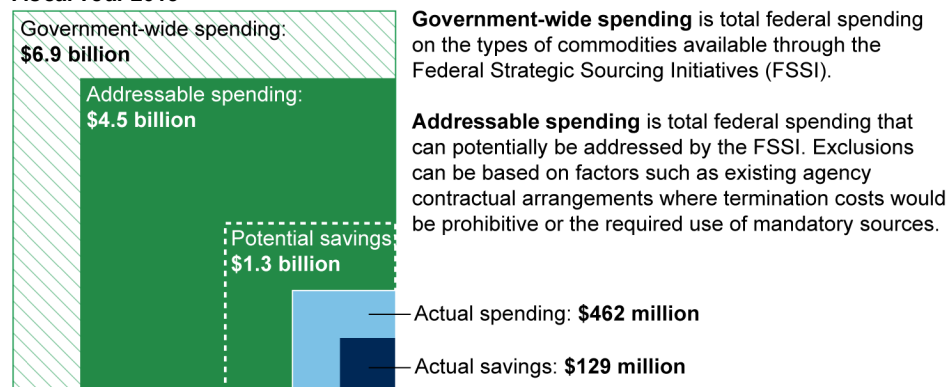
## FEDERAL PROCUREMENT

# Smarter Buying Initiatives Can Achieve Additional Savings, but Improved Oversight and Accountability Needed

## What GAO Found

From fiscal year 2011 through 2015, federal agencies reported spending almost \$2 billion through the Federal Strategic Sourcing Initiatives (FSSI) GAO reviewed and reported an estimated total of \$470 million in savings. Federal agencies' low use of the FSSIs, however, diminished the potential savings that could have been achieved. For example, in fiscal year 2015, federal agencies spent an estimated \$6.9 billion on the types of goods and services available through these FSSIs. Of this amount, \$4.5 billion was considered "addressable" and could have been spent through the FSSIs, but just \$462 million was. While total savings reported for fiscal year 2015 came in at \$129 million—a savings rate of 28 percent—had all of the agencies directed their addressable spending through FSSIs, up to \$1.3 billion in savings could have been achieved, assuming the same savings rate. See figure.

### Actual and Potential Spending and Savings through Federal Strategic Sourcing Initiatives Fiscal Year 2015



Source: GAO analysis of General Services Administration data. | GAO-17-164

GAO found that FSSI use has been low, in part, because Leadership Council agencies, a cohort of large federal agencies responsible for FSSI governance, directed only 10 percent of their collective spending to the FSSIs. FSSI guidance requires agencies to develop plans to transition from existing agency vehicles to FSSIs, but Office of Federal Procurement Policy (OFPP) staff and General Services Administration (GSA) officials stated such plans were not collected or used to monitor FSSI use. Ensuring agencies submit these plans and monitoring them is consistent with internal control standards to evaluate and hold agencies accountable for performance.

OFPP's category management initiative largely incorporates key lessons learned from the FSSIs into guidance, such as addressing small business concerns and obtaining data on prices paid. OFPP, however, has not yet ensured that agency-specific targets and performance measures for adoption of FSSI and category management solutions are set. Until OFPP takes action to do so, it is at risk of agencies underutilizing existing FSSI and category management solutions and, in turn, of diminished cost savings.