

Attachment 1
to
Initiatives to Achieve Strategic Plan 2014-2018 Performance Goal
Focused on Cost Savings

Strategic Sourcing initiatives

The DOE Strategic Plan, Goal 3 – Management and Performance, Strategic Objective 10 includes the Performance Goal to *“Expand use of Federal Strategic Sourcing Initiative (FSSI) to DOE federal procurement operations while continuing focus on Contractor Supply Chain Council (CSCC) activities to achieve 4% cost savings against actionable spending in FY 2015”*.

To maintain the forward momentum, continued support is needed to execute the following initiatives:

Continue to support OFPP’s Strategic Sourcing Leadership Council (SSLC), FSSI, and other strategic sourcing processes

- OAPM’s Office of Contract Management (MA-62) will continue to lead DOE’s support of and coordination with the SSLC. The SSLC leads the government’s efforts to increase the use of government-wide management and sourcing of goods and services. MA-62 will coordinate with DOE and National Nuclear Security Administration (NNSA) Procurement Offices, both federal and contractor, as necessary to meet the SSLC’s requirements and to help maximize use of the SSLC-sponsored vehicles which benefits DOE and the federal government.
- MA-62 will champion the use of FSSI and other strategic sourcing vehicles by providing relevant and timely information to DOE/NNSA Procurement Offices, establishing guidelines for the Department’s use of the vehicles, and managing the Department’s reporting of results.

Establish cost savings as an element of the Performance Plan and Appraisal process

- Heads of Contracting Activity (HCAs) and Procurement Directors (PDs) are encouraged to establish cost savings as an element in employee performance appraisals. The annual cost savings goal, along with increasing usage or spend against FSSI and other strategic sourcing vehicles are excellent options for establishing objective performance elements. HCAs and PDs can determine the best application of the performance standards within their office to reach the annual goals. MA-62 can assist with ideas for establishing objectives.

Procurement spend and planning cost savings

- Both federal and M&O contractor Procurement Offices will submit annual procurement spend actuals and projections for inclusion in the Performance Measurement Report to DOE Management and for reporting to OMB/OFPP. Federal Procurement Offices should coordinate with their Program Offices to establish a plan for reaching the 4% cost savings goal. Attachments 2 and 3 are intended to provoke thoughts and provide examples for discussions and planning. Attachment 3 includes hyperlinks to available strategic sourcing vehicles, which can help offices reach their cost saving goal and can be used to calculate anticipated savings. Procurement Offices can find estimated savings for strategic sourcing vehicles on that particular vehicle's website.

Establish an order of precedence for use of FSSI and strategic sourcing vehicles

- MA-62 will maintain an order of precedence for using FSSI and other strategic sourcing vehicles. The order of precedence will take all of the federally established programs for required sources into consideration.

Work with the General Services Administration (GSA) to establish the most efficient access to strategic sourcing vehicles

- MA-62 will continue to work with GSA to improve accessibility to all GSA-managed strategic sourcing vehicles in order to facilitate greater DOE usage or spend, particularly for Contractor Supply Chain Council (CSCC) member contractors. The spend represented by CSCC member contractors is important to achieving this Performance Goal and to saving taxpayer dollars. MA-62 will focus on seamless solutions for access and reporting of results. The CSCC and/or Procurement Offices may be asked to support this initiative by participating in developing and piloting solutions.

Continue GSA SmartPay purchase card expansion

- MA-62 will continue its efforts to increase the use of the GSA SmartPay purchase card as the preferred method of making small purchases and as a payment mechanism against existing contracts. This includes using the purchase card within federal offices and by cost-reimbursement contractors. MA-62 will also ensure that spend using the SmartPay purchase card is accurately captured for reporting purposes.

Procurement Management Reviews (PMR) and Procurement Evaluation & Re-engineering Team (PERT)

- The DOE PMR and PERT program review criteria (lines of inquiry) will be modified to validate strategic sourcing planning and implementation activities.

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Example Summary of Planning Cost Savings

During FY __, the _____ Procurement Office will focus on using existing agreements and contracts to accomplish the 4% cost savings goal. Our site's current Print Management BPA with Xerox will expire in December __. Pre-solicitation actions for use of the FSSI Print Management agreement are already underway and we anticipate recognizable savings beginning in the month of March __. All Office Supply purchases will be directed to the current FSSI Office Supplies agreement, or to another strategic sourcing vehicle with a demonstrated history of savings. Through close coordination with our Program Office we have identified two expiring support services contracts with requirements that can be moved to OASIS this FY and we anticipate Total Cost of Ownership plus price reduction savings of over \$____. We anticipate that these activities combined will result in a __% cost savings for the FY. We are also considering new and expiring actions, such as _____, in future FYs in anticipation of meeting the goal for the foreseeable future.

EXAMPLE

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Example Cost Savings Plan Worksheet

FYXX Actionable Spend	\$ 100,000,000.00	7.63%	% Cost Savings
<u>Strategic Sourcing Opportunities</u>	<u>Estimated Spend</u>	<u>Estimated Savings</u>	<u>% Cost Savings</u>
<u>DOE Federal and Eligible Contractor Use</u>	\$ 60,000.00	\$ 4,000.00	6.67%
<u>DOE Enterprise Wide Agreements</u>	\$ 1,000,000.00	\$ 120,000.00	12.00%
<u>Government-Wide Acquisition Contracts for Federal Use</u>	\$ 12,000,000.00	\$ 1,000,000.00	8.33%
<u>Government-Wide Federal Strategic Sourcing Initiative</u>	\$ 70,000.00	\$ 7,000.00	10.00%
<u>Government-Wide Initiatives for Federal & All Contractor Use</u>	\$ 40,000,000.00	\$ 5,000,000.00	12.50%
<u>One Acquisition Solution for Integrated Services (OASIS)</u>	\$ 10,000,000.00	\$ 1,500,000.00	15.00%
Total		\$ 7,631,000.00	7.63%

EXAMPLE