

GSA ORDER

Subject: General Services Administration Acquisition Manual; GSAM Case 2019-G509,
Category Management and Business Case Process.

1. Purpose. This order transmits a revision to the General Services Administration Acquisition Manual (GSAM) to establish the process for the development, review and approval of key documents required by Office of Management and Budget (OMB) Memorandum M-19-13 when establishing new government-wide solutions.
2. Background. OMB Memorandum M-19-13 dated March 20, 2019 entitled, "Category Management: Making Smarter Use of Common Contract Solutions and Practices" includes new business case requirements for GWACs and new requirements for an AoA for non-IT multi-agency and government-wide contracts. These requirements align to the Government's category management principles and practices (e.g., spend under management and use of best-in-class) and support continued achievement of small business goals and other statutory socioeconomic requirements (e.g., AbilityOne and Federal Prison Industries). Additionally, these requirements supersede those described in the Office of Federal Procurement Policy Memorandum entitled, "Development, Review, and Approval of Business Cases for Certain Interagency and Agency Specific Acquisitions", dated September 29, 2011. This order revises the GSAM to implement the new business case and AoA requirements.
3. Effective date. Date of Signature.
4. Explanation of changes. This amendment includes non-regulatory GSAM changes. For full text changes of the amendment see Tab A-GSAM Text, Line-In/Line-Out. This amendment revises non-regulatory language of the GSAM as summarized below:
 - Deletes the definition of category manager located in 501.601(a) that is otherwise provided by OMB.
 - Deletes 501.670 to remove guidance regarding category manager responsibilities that is otherwise provided by OMB.
 - Revises 504.7104(c) to include evidence of other applicable concurrences (e.g., category manager) for actions requiring SPE review and approval.
 - Adds subpart 507.71 to provide a centralized location within the GSAM for information on category management. This includes the requirements for the development, review, and approval of AoAs and business cases.
 - Revises 510.001 to include the use of market research results to determine the availability of existing Government solutions that can meet requirement needs.

- Revises 517.207 to include the consideration of the availability of a tiered or mandated solution that was otherwise not available at the time of award as part of the exercise of an option.

5. Cancellations. The following are canceled as a result of this order:

- Acquisition Alert AA-2014-07 entitled, "Guidance on Use of Existing GSA Acquisition Vehicles While Meeting GSA's Acquisition Goals" dated August 7, 2014; and
- Acquisition Letter MV-19-02 entitled, "Spend Under Management (SUM)-Buying in a Coordinated and Efficient Way"

Point of contact. For clarification of content, please email the GSA Acquisition Policy Division, at gsarpolicy@gsa.gov.

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ATTACHMENT A
GSAM Text, Line-In/Line-Out

GSAM Baseline: Change 114 effective 10/19 /2020

- Additions to baseline made by rule are indicated by **[bold text in brackets]**
- Deletions to baseline made by rule are indicated by ~~strikethroughs~~
- Five asterisks (* * * * *) indicate that there are no revisions between the preceding and following sections
- Three asterisks (* * *) indicate that there are revisions between the material shown within a subsection

Part 501-General Services Administration Regulation System
Subpart 501.6—Career Development, Contracting Authority, and Responsibilities

501.601 General.
(a) Definitions.

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~~“Category Manager” means the individual(s) and/or agency(ies) responsible for areas of Governmentwide spend as described in OMB Memorandum Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings dated December 4, 2014 which can be found at <https://www.whitehouse.gov/sites/default/files/omb/procurement/memo/simplifying-federal-procurement-to-improve-performance-drive-innovation-increase-savings.pdf>.~~

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~~501.670 Category Managers.~~

~~(a) Category managers are responsible for identifying inefficient purchasing behavior and crafting smarter buying strategies within specific areas of spend as described in Government-wide Category Management, Guidance Document issued by the Office of Management Budget, available at https://hallways.cap.gsa.gov/information/Gov-wide_CM_Guidance_V1.pdf.~~

~~(b) *Transactional data*. Category managers should use transactional data collected via clauses 552.216-75 and 552.238-74 Alternate I in conjunction with commercial market benchmarks to identify potential areas for improvement in contracting methods, pricing, and terms or conditions.~~

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Subpart 504.71—Acquisition Reviews

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504.7104 Acquisitions and contract actions requiring SPE review and approval.

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(c) *Approval*. Acquisitions and contract actions requiring SPE review or approval shall be sent to spe.request@gsa.gov and include the following information;

- (1) Description of the requirement, action required, and due date;
- (2) The document(s) requiring SPE review or approval;
- (3) Evidence of Service-level concurrences;
- (4) Evidence of legal concurrence;

[(5) Evidence of other applicable concurrences where applicable (e.g., category manager and OSDBU);

(6)](5) Supporting attachments, if applicable; and

[(7)](6) Any other important information.

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PART 507—ACQUISITION PLANNING

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[Subpart 507.71—Category Management

507.7100 Definitions.

As used in this subpart—

“Category Management” means the business practice of buying common goods and services as an enterprise to eliminate redundancies, increase efficiency, and deliver more value and savings from the Government's acquisition programs.

“Senior Accountable Official” (SAO) means the GSA’s Deputy Administrator.

507.7101 General.

(a) OMB expects agencies to effectively manage contract spending through a balance of Government-wide, agency-wide, and local contracts; to reduce unnecessary contract duplication and cost avoidance; and to continue achievement of statutory small business goals and other statutory socioeconomic requirements (e.g., AbilityOne and Federal Prison Industries). Information about category management, including who the designated category managers are, and copies of OMB memos can be found on the Category Management, AoAs & Business Cases page on the GSA Acquisition Portal available at <https://insite.gsa.gov/acquisitionportal>.

(b) The contract tiered maturity model is a category management tool that can be used by agencies to evaluate their progress in aligning common spend with category management principles, in acquisition planning and market research, and in support of other actions and decisions:

- (1) Tier 3 - Spend through best practice solutions.

(2) Tier 2 - Spend through multi-agency solutions or government-wide solutions that are not best practice solutions.

(3) Tier 1 - Spend through agency-wide mandatory use solutions.

(4) Tier 0 - Spend not aligned to category management principles.

507.7102 Analyses of Alternatives (AoA).

(a) *General.* With exception to paragraph (b) of this section—

(1) An AoA shall be developed for a planned acquisition that is—

(i) Over \$50 million, including all options and incentives, and will be considered Tier 0 spending, or

(ii) Over \$100 million, including all options and incentives, and will be considered Tier 1 spending.

(2) An AoA may be required for any planned acquisition at any dollar value for a Tier 2 Governmentwide acquisition contract (GWAC) or multi-agency contract other than a GWAC or Federal Supply Schedule (FSS) Blanket Purchase Agreement (BPA).

(b) *Exceptions.* An AoA is not required when the planned acquisition is for—

(1) Defense-centric spend;

(2) Agency-wide spend through FSS, FSS BPA, and certain other GSA IDIQ contract vehicles;

(3) The establishment of a GWAC including the next generation of an existing GWAC (but see 507.7103); or

(4) Acquiring leasehold interests in real property (see part 570).

(c) *Timeframe for development.* An AoA shall generally be developed no less than 18-24 months prior to award. Prior to developing an AoA, the contracting officer shall follow their Service-level procedures and the process described in subpart 504.71 for purposes of notifying the SPE and, if applicable, scheduling an acquisition review.

(d) *Coordination.* The contracting officer shall coordinate with their applicable Service-level acquisition policy organization, the applicable category manager(s), and the OSDBU in developing the AoA.

(e) *Content.* An AoA sample is available on the Category Management, AoAs & Business Cases page on the GSA Acquisition Portal at

<https://insite.gsa.gov/acquisitionportal> and maybe used for developing an AoA.

At a minimum, each AoA shall include the following information:

(1) Identification of the document as a “Analysis of Alternatives”;

(2) The name of the agency, the contracting activity, and requiring activity(ies);

(3) Description of the requirement;

(4) The spend category(ies) and subcategory(ies) associated with the planned acquisition;

(5) The contract/program name;

(6) The total contract value and spend;

(7) The contract tier;

(8) Identification of existing contracts, if applicable, and explanation of why they are not an appropriate solution;

(9) The contract type, product and service code(s), and North American Industry Classification Systems code(s); and

(10) Identification of the applicable OMB Justification Code as well as providing a justification explaining why a certain contract tier is not suitable (e.g., for Tier 0 planned acquisitions, provide an explanation as to why Tier 1, Tier 2, and Tier 3 solutions are not suitable);

(11) Any other information supporting the planned acquisition (e.g., service-level requirements); and

(12) Name(s) of key point of contacts for the planned acquisition.

(f) *Approval*. The SPE is the designated agency approving authority for AoAs.

507.7103 Business case and executive agent designation requirements.

(a) *General*. Per 40 U.S.C. § 11302, OMB issues an executive agent designation to a federal agency to establish and operate a Governmentwide Acquisition Contract (GWAC). OMB requires a business case as part of their executive agent designation review process. A business case is required for the establishment of a new GWAC including the next generation of an existing GWAC.

(b) *Timeframe for development*. A business case and executive agent designation shall generally be developed no less than 18-24 months prior to award (see FAR 17.502-1(b) for additional details). Prior to developing a business case and executive agent designation, the contracting officer shall follow their Service-level procedures and the process in subpart 504.71 for purposes of notifying the SPE and, if applicable, scheduling an acquisition review.

(c) *Coordination*. The contracting officer shall coordinate with their applicable Service-level acquisition policy organization, the applicable category manager(s), and the OSDBU when developing a business case and executive agent designation.

(d) *Business case content*. A GWAC Business Case Analysis sample is available on the Category Management, AoAs & Business Cases page on the GSA Acquisition Portal at <https://insite.gsa.gov/acquisitionportal> and maybe used for developing a business case. At a minimum, each AoA shall include the following information:

(1) Identification of the document as a “Business Case Analysis for the Establishment a Governmentwide Acquisition Contract (GWAC)”;

(2) The name of the agency, the contracting activity, and requiring activity(ies);

(3) Description of the scope of the GWAC;

(4) The spend category(ies) and subcategory(ies) associated with the planned acquisition;

(5) The total contract value and spend;

(6) The anticipated contract tier;

(7) Identification of existing contracts, if applicable;

(8) The contract type, order type(s), product and service code(s), and North American Industry Classification Systems code(s);

(9) A discussion of the planned GWAC’s:

(i) Uniqueness;

- (ii) Benefits;
- (iii) Prices paid;
- (iv) Small business opportunities;
- (v) Anticipated demand;
- (vi) Cost and fees;
- (vii) Vendor management; and
- (viii) Acquisition Gateway best practices.

(10) Any other information supporting the planned acquisition (e.g., service-level requirements); and

(11) Name(s) of key point of contacts for the planned acquisition.

(e) *Approval.* The SPE is the designated agency approving authority for business cases. OMB approves executive agent designations. The Administrator must sign-off on an executive agent designation prior to its submission to OMB.]

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PART 510—MARKET RESEARCH

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[510.001 Policy.

Requiring activities and contracting officers shall use the results of market research to identify if there are existing tiered solutions (i.e., Tier 3, Tier 2, or Tier 1 solutions) that can meet the need prior to proceeding with establishing a Tier 0 solution (see subpart 507.71).]

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PART 517—SPECIAL CONTRACTING METHODS

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Subpart 517.2—Options

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517.207 Exercise of options.

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[(c) The consideration of other factors as prescribed by FAR 17.207(c)(3) should also include consideration of any tiered solutions (see subpart 507.71) or mandated solutions that were otherwise not available at the time of award.]

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