



Cross-Agency Priority Goal

Strategic Sourcing: Reduce the costs of acquiring common products and services by agencies' strategic sourcing of at least two new commodities or services in both 2013 and 2014, that yield at least a 10 percent savings.

Print Date: 03-02-2013 03:50:13 AM

Field	Content
Goal Leader:	Joseph Jordan, Administrator for Federal Procurement Policy, Office of Management and Budget
Goal Statement:	Reduce the costs of acquiring common products and services by agencies' strategic sourcing of at least two new commodities or services in both 2013 and 2014, that yield at least a 10 percent savings.
Description:	<p>The Federal government spends over \$500 billion annually to acquire goods and services to conduct agencies' business. The Administration has already identified commodities for which agencies spend billions annually and has initiated acquisition and management savings efforts aimed at reducing the government's costs to acquire and use these commodities. For example, the Federal Strategic Sourcing Initiative (FSSI):</p> <ul style="list-style-type: none">• is saving at least \$40 million annually on office supplies;• is projected to save 30% in cost of printing and copying by reducing the purchase cost of the devices and implementing better print management strategies; and• is projected to save at least \$100 million on wireless devices and services by the end of FY 2013 and increasing savings to \$170 million annually by the end of FY 2016.

However, agencies have traditionally acquired and managed these common commodities in a decentralized manner and failed to achieve economies of scale or to implement effective spend management practices internally or across the government. As a result, many agencies often pay higher prices to acquire and use these commodities than necessary. This cross-agency goal will encourage agencies to reduce duplication, leverage their buying power, and improve the management of these products and services. Agencies may meet this goal by leading agency-wide strategic sourcing efforts, establishing a new inter-agency strategic sourcing vehicle, or participating in another solution that leverages the government's buying power and reduces the cost to the taxpayer. In addition, agencies must increase their use of Federal Strategic Sourcing Initiative vehicles by at least 10 percent in both fiscal years 2013 and 2014, unless they can establish that their current spending patterns on such products are more cost-effective.