PUBLIC PROCUREMENT TOOLBOX

Implementing cross-agency goals and targets in the United States

Public Procurement Principle: **Evaluation**

Procurement Stage: **All stages**

Audience: **Procuring entity, Policy makers**

Description

The President's Management Agenda lays out a long-term vision for modernising the United States Federal Government in key areas, in order to improve the ability of agencies to deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars. To drive these management priorities, the Administration leverages Cross-Agency Priority (CAP) Goals to coordinate and publicly track implementation across Federal agencies.

Each of the 18 CAP goals names a senior accountable official and establishes concrete goals and trackable metrics to ensure public accountability for each of the goals. Several goals relate to public procurement, including a commitment to improve the transfer of federally-funded technologies from lab-to-market, and most notably the goal of improving category management by leveraging common contracts and best practices to drive savings and efficiencies.

The category management goal identifies and names two owners from two different contracting authorities. Progress against goals is reported on the performance.gov site every 3 months, with a more fulsome report produced each year. The goal is summarised under the following three sub-headings:

- **Goal Statement**: Federal agencies will leverage common contracts in order to buy common goods and services as an enterprise. By the end of financial year 2020, the Government will achieve $18 billion in savings for taxpayers by applying

category management principals—or smart decision-making where agencies buy the same kinds of goods and services through best value contract solutions—to 60% of common spend (this savings target is supported by a savings methodology). In addition, the Government will reduce duplicative contracts by 50 000, potentially reducing administrative costs by hundreds of millions of dollars.

- **The Challenge**: The government spends over $300 billion on common goods and services every year. However, because agencies buy in a fragmented manner, taxpayers often do not get the benefit of the government's buying power. Hundreds—and in some cases thousands—of duplicative contracts are awarded to the same vendors for similar requirements. This fragmentation leads agencies to pay significantly different prices—sometimes varying by over 300%—for the same items.

- **What Success Looks Like**: Success means the government will not only save taxpayer dollars but will improve mission outcomes. For example, this work will allow: law enforcement personnel to ensure their safety through easy access to equipment such as ammunition and body armour; medical professionals to save time and focus more on patients by ordering pharmaceuticals through electronic catalogues; agencies to more easily prioritise modernising the Government's IT infrastructure, to include efforts such as buying standardised computers; and the goal will be evaluated using industry best practice metrics, including savings, spend through common contract solutions, reduction of duplicative contracts, small business utilisation and training the workforce.

Source: OECD (2019), [Productivity in Public Procurement: a case study of finland: measuring the efficiency and effectiveness of public procurement](#), OECD Publishing, Paris