



U.S. General Services Administration

Federal Acquisition Service

Federal Strategic Sourcing...
making it work for your agency

January 30, 2007





Strategic Sourcing Overview

- Federal Government spends about \$300 billion on goods and services each year
- Agencies need to leverage spending to maximum extent possible through strategic sourcing



What is Strategic Sourcing?

“Strategic sourcing is the collaborative and structured process of critically analyzing an organization’s spending and using this information to make business decisions about acquiring commodities and services more effectively and efficiently”

Clay Johnson
Deputy Director for Management, OMB



FSSI Chartering Authority

The Federal Strategic Sourcing Initiative (FSSI) is chartered under the purview of the Chief Acquisition Officer's Council and the Strategic Sourcing Working Group monitored by the Office of Federal Procurement Policy.

The FSSI is co-chaired by Mary Davie, General Services Administration and Tom Sharpe, Department of the Treasury



FSSI Overarching Goals

- Test ability to strategically source across federal agencies
- Establish mechanisms to increase savings, value, and socio-economic participation
- Share good practices and build the strategic sourcing community of practice
- Learn lessons applicable to future strategic sourcing efforts at federal or agency levels
- Avoid unnecessary duplication of effort in pursuing OMB Strategic Sourcing Initiative



What the initiative is **NOT** about

- Soliciting guarantees
- Mandatory participation
- Mandatory use of team's solutions
- Relieving agencies of addressing OMB policy
- Satisfying 100% of agencies' requirements



FSSI is voluntary and flexible

“Although participation on this team includes the ability to utilize any resulting procurement vehicles, guarantees regarding participating agencies’ usage of these vehicles are neither intended nor implied. All team member agencies retain the flexibility to determine the approach that will best meet their needs for ExGDDS services, either within or external to this acquisition process.”



Agency Implementation of FSSI Program Executive Summary of Events

Vince Scarfo

Federal Express



Federal Acquisition Service

- GSA provides FedEx copies of signed acceptance letter from Agencies Chief Procurement Officer, Agencies FSSI Chairperson or Senior Executive, contact to signor agreed upon
 - Agencies provides their all up anticipated revenue committed to the program

- FedEx Government WorldWide Account Manager contacts signor within 48 hours



Federal Acquisition Service

- Implementation meeting established
- Individual agency implementation plan is then developed and implemented
- Review meetings with signor or designee to monitor and adjust progress of program established



Federal Acquisition Service

- Determine level of agency involvement
 - Senior Executive involvement will determine success

- Develop implementation plan in conjunction with Senior Executive/s, FSSI committee
 - Elements not to be missed:
 - Establish agreed upon measurements of success
 - GSA articulates that the first two objectives are met
 - Dedicated Procurement Vehicle for Agencies
 - Cost Savings



Federal Acquisition Service

- Third objective, use best practices and business intelligences to streamline processes and reduce costs
- Load known FedEx accounts
- Load agency known accounts
- Load competitive know accounts
 - All account conversions may take up to 90 days to convert due to already established agreements and quality control measures
- First class mail over 1 pound
- LTL shipments less than 1,000lbs



Federal Acquisition Service

- In bound control
- Billing options
- Technology enhancements
- Training
- Communication
- Establish review meetings



Bill Bardwell
Traffic Manager
Department of Veterans Affairs



Federal Acquisition Service

Federal Strategic Sourcing Initiative

Express Small Package, Express Heavyweight and
Ground Delivery Services(FSSI ExGDDS)
Awarded to Federal Express, Inc.

All data and figures used in this briefing are from the VA Domestic Express Small Package Delivery Program BPA for the period July 1, 2005 through June 30, 2006, GSA's briefings of the Federal Strategic Sourcing Initiative (FSSI), and GSA's 2001 Federal Supply Schedule Multi-Award Small Package Contract



Primary FSSI Objectives

- Establish a common procurement vehicle through which Government agencies may procure and utilize Express and Ground Domestic Delivery Services (ExGDDS)
- Lower total costs associated with Express and Ground Delivery Services while achieving similar or improved service levels versus today
- Utilize business intelligence to better support overall decision making and performance management



Key Features

- Interagency acquisition team with 12 agencies
- Domestic delivery for both air and ground shipments between Continental U.S., Alaska, Hawaii, and Puerto Rico
- Express small package, express heavyweight, and ground small package money-back guarantee



Key Features (continued)

- Best value Blanket Purchase Agreement awarded to FedEx on October 6, 2006, for one base-year plus two 1-year options
- Discounts increase as collective volume increases
- Fuel surcharges waived
(7% value for express; 3.5% value for ground)



Why Participate in FSSI?

- Meet OMB's goal for cross-Government participation
- Collect and analyze data
- Identify trends
- Re-engineer high-cost business processes
- Replicate cost-saving business processes



Why Participate in FSSI? (continued)

- Share lessons learned and best practices
- Enjoy quality service levels
- Drive additional discounts
- Identify adjustments for future FSSI acquisition



Value-Added Services

- Annual high-level spend analysis
- Dedicated customer support
- Integration with VA General Freight Management Program



Current Agreements

- GSA FSS Multi-Award Small Package Express & Ground (MAS) contract from 2001 to present will continue to be available. It provides the baseline rates for VA DOMEX BPA & FSSI agreements.
- VA DOMEX BPA awarded through the GSA FSS MAS provides a 13% MAS discount
- FSSI ExGDDS at Tier 2 has a 24% MAS discount



Current Agreements (continued)

- UPS rate tenders submitted to the Government and to VA activities have deeply discounted ground rates. (Possibly at FSSI Tier 4)
(FedEx canceled its ground tender to VA on 01/11/2007)
- U.S. Postal Service Parcel Rates (Ground Rates)
(Machine metered & Non-Machine metered)

Participating Agencies as of January 26, 2007

1	Department of Veterans Affairs	\$34,500,000
2	Department of Homeland Security	\$6,500,000
3	General Services Administration	\$5,000,000
4	Department of Health and Human Services	\$3,000,000
5	Department of Labor	\$2,500,000
6	Small Business Administration	\$1,534,525
7	Department of the Treasury	\$1,230,000
8	Securities and Exchange Commission	\$900,500
9	Federal Motor Carrier Safety Administration (DOT)	\$252,027
10	Pension Benefit Guaranty Corporation	\$150,000
11	Peace Corps	\$80,000
12	Federal Communications Commission	\$60,200
13	Federal Energy Regulatory Commission	\$50,000
14	Executive Office of the President	\$30,120
15	US Office of Special Counsel	\$12,000
16	Defense Nuclear Facilities Safety Board	\$10,000
17	Christopher Columbus Fellowship Foundation	\$3,500
18	Stennis Center for Public Service	\$1,400
	Total	\$55,814,272



Federal Acquisition Service

VA DOMEX BPA

(VA Domestic Express Small Package Blanket Purchase Agreement)

- VA committed to the FSSI ExGDDS on November 8, 2006 for VA implementation on December 15, 2006 (on schedule)
- VA DOMEX BPA with FedEx is in the final option year. VA DOMEX BPA will be canceled January 19, 2007, after VA FedEx accounts are transitioned to FSSI ExGDDS.
- There is no penalty to end VA DOMEX BPA

(FSSI Express, Express Heavyweight, and Ground Domestic Delivery Services)



Federal Acquisition Service

Point of Contact

Blaine Jacobs

Office of Travel & Transportation Services

Federal Acquisition Service

General Services Administration

(703) 605-2892

blaine.jacobs@gsa.gov

www.gsa.gov/exgdds