DHS Strategic Sourcing Metrics: FY15

Peter Ko and York Whitaker
Strategic Sourcing Program Office
Office of the Chief Procurement Officer

November 10, 2015

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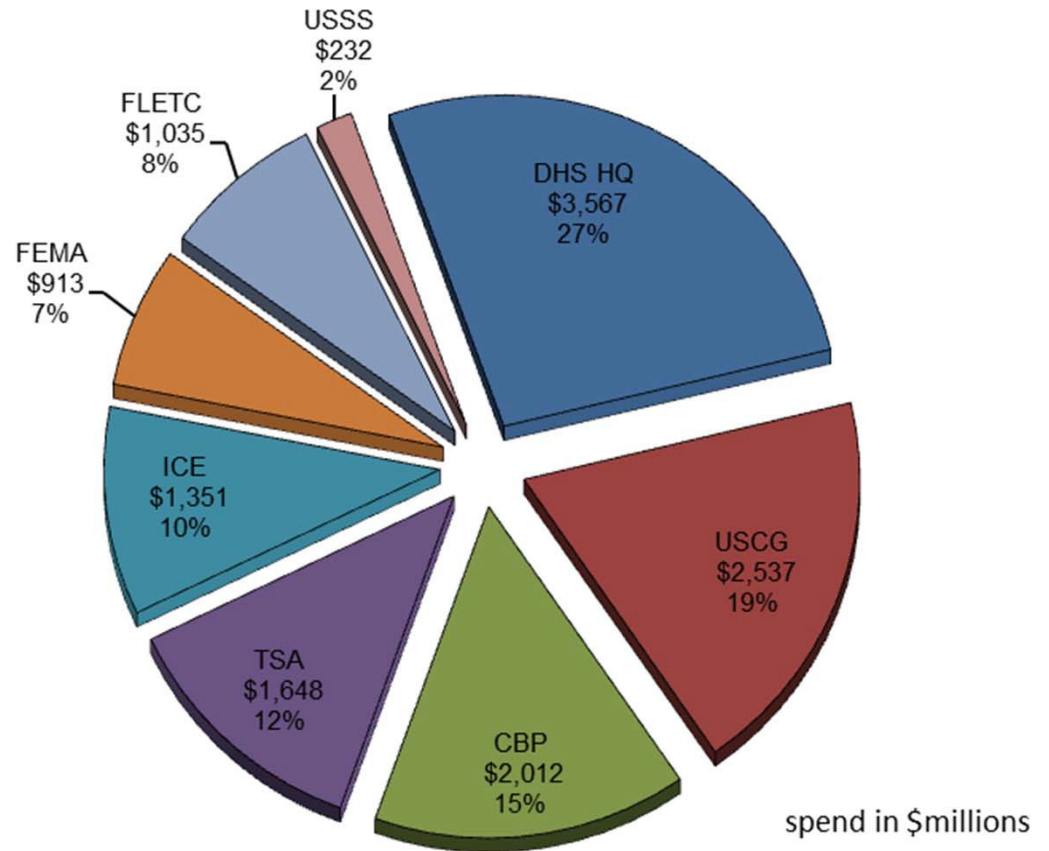
DHS Contracting Spend

FY15 Spend By Component

> **FPDS-NG reports ~$13.3B of spend in FY15**

SPEND BY COMPONENT

Component	Total ($M)	
DHS HQ	$	3,567
USCG	$	2,537
CBP	$	2,012
TSA	$	1,648
ICE	$	1,351
FEMA	$	913
FLETC	$	1,035
USSS	$	232
Grand Total	**$**	**13,294**

USSS $232 2%
FLETC $1,035 8%
FEMA $913 7%
DHS HQ $3,567 27%
ICE $1,351 10%
USCG $2,537 19%
TSA $1,648 12%
CBP $2,012 15%

spend in $millions

Data Source: FPDS-NG

DHS HQ = CIS + HQ

FY15 Spend By Commodity Family

FPDS-NG reports ~$13.3B of spend in FY15

SPEND BY COMMODITY FAMILY

Commodity Family	Total ($M)
IT & Telecom	$ 3,452
Professional & Office Area Support Svcs	$ 3,297
Security	$ 2,211
Facilities & Construction	$ 1,817
Industrial Products & Services	$ 1,780
Office Management & Misc Products	$ 451
Travel & Lodging	$ 193
Logistics Operations & Package Delivery Svcs	$ 91
Other	$ 1
Grand Toal	**$ 13,294**
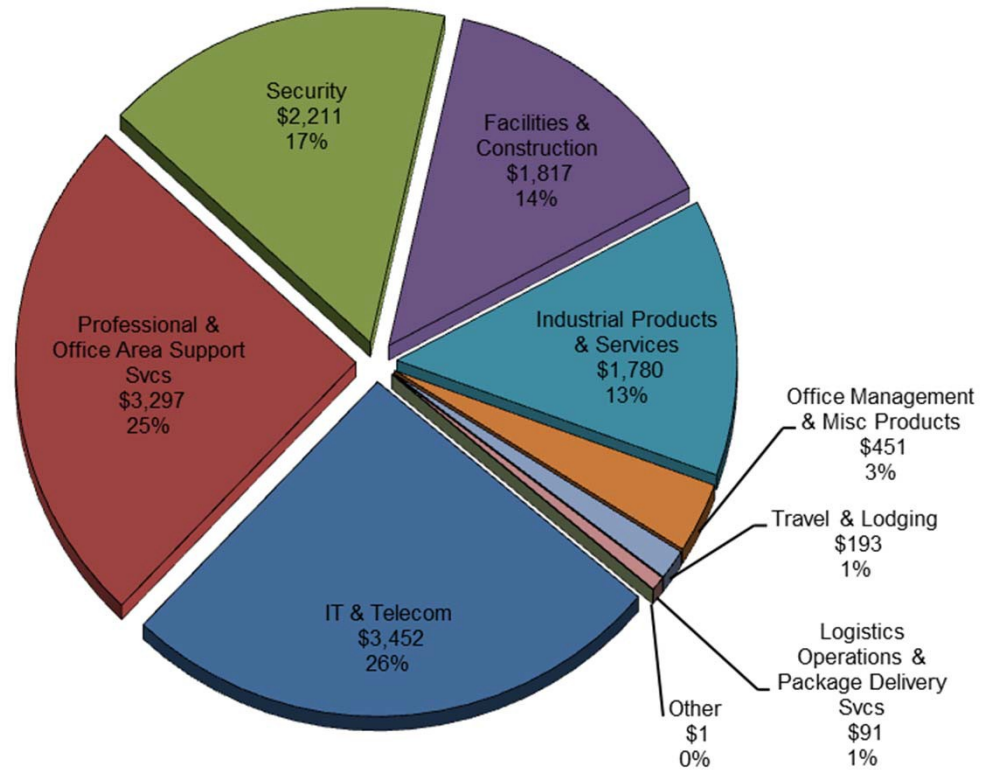
spend in $millions

Data Source: FPDS-NG

FY15 Spend By Commodity and Component

Commodity Family	CBP	DHS HQ	FEMA	FLETC	ICE	TSA	USCG	USSS	Total ($M)
Facilities & Construction	6%	1%	23%	92%	4%	3%	15%	5%	$ 1,817
Industrial Products & Services	21%	0%	1%	0%	0%	2%	49%	20%	$ 1,780
IT & Telecom	38%	31%	30%	3%	20%	31%	15%	42%	$ 3,452
Logistics Operations & Package Delivery Svcs	0%	1%	0%	0%	0%	1%	2%	3%	$ 91
Office Management & Misc Products	5%	6%	1%	1%	2%	2%	1%	8%	$ 451
Professional & Office Area Support Svcs	22%	35%	42%	1%	26%	26%	16%	15%	$ 3,297
Security	4%	26%	1%	2%	39%	36%	1%	5%	$ 2,211
Travel & Lodging	3%	0%	0%	1%	9%	0%	1%	1%	$ 193
Other	0%	0%	0%	0%	0%	0%	0%	0%	$ 1
Grand Total ($M)	$2,012	$3,567	$913	$1,035	$1,351	$1,648	$2,537	$232	$13,294

Data Source: FPDS-NG

DHS HQ = CIS + HQ

Homeland Security

Industrial Products & Services
$1,780,121,217

| Transportation Equipment |
| $1,077,507,783 |

| Industrial Products Install / Maintenance / Repair |
| $538,647,915 |

| Machinery & Components |
| $84,959,195 |

| Hardware & Tools |
| $21,131,600 |

| Basic Materials |
| $6,947,821 |

| Fuels & Related Materials |
| $11,301,756 |

| Test & Measurement Supplies |
| $37,527,184 |

| Fire / Enviromental Protection Equipment |
| $2,097,963 |

IT & Telecom
$3,451,904,959

| Telecom & Communications |
| $248,075,476 |

| IT Hardware, Software & Support Svcs |
| $3,203,829,482 |

Office Mgmt. & Misc. Products
$451,018,452

| Office Management Products & Related Svcs |
| $307,352,037 |

| Non-Protective Apparel |
| $92,916,933 |

| Misc Products |
| $50,749,482 |

Professional & Office Area Support Services
$3,297,170,769

| Management Support Svcs |
| $1,725,606,230 |

| Technical Svcs |
| $1,081,514,105 |

| Clerical & Administrative Svcs |
| $351,738,715 |

| Health Related Svcs |
| $138,311,719 |

Travel & Lodging
$192,598,157

| Passenger Travel |
| $100,636,738 |

| Lodging |
| $13,456,159 |

| Travel Agent & Misc Svcs |
| $78,505,260 |

Security
$2,210,716,219

| Security Systems & Services |
| $2,127,038,614 |

| Ammunition & Explosives |
| $31,116,895 |

| Security Animals & Related Svcs |
| $8,823,259 |

| Protective Apparel & Equipment |
| $24,776,275 |

| Weapons |
| $18,961,176 |

Logistics Operations & Package Delivery Svcs
$91,316,984

| Logistics Svcs |
| $70,619,349 |

| Package Delivery & Packaging |
| $20,697,635 |

Facilities & Construction
$1,817,304,964

| Construction Related Svcs |
| $1,148,751,696 |

| Facility Related Svcs |
| $576,256,237 |

| Facilities Purchase & Lease |
| $15,123,011 |

| Facility Related Materials |
| $62,005,234 |

| Construction Related Materials |
| $15,168,786 |

Data Source: FPDS-NG

Spend by Products vs. Services FY2015

Products
$3,028.90
23%

Services
$10,264.66
77%

spend in $millions
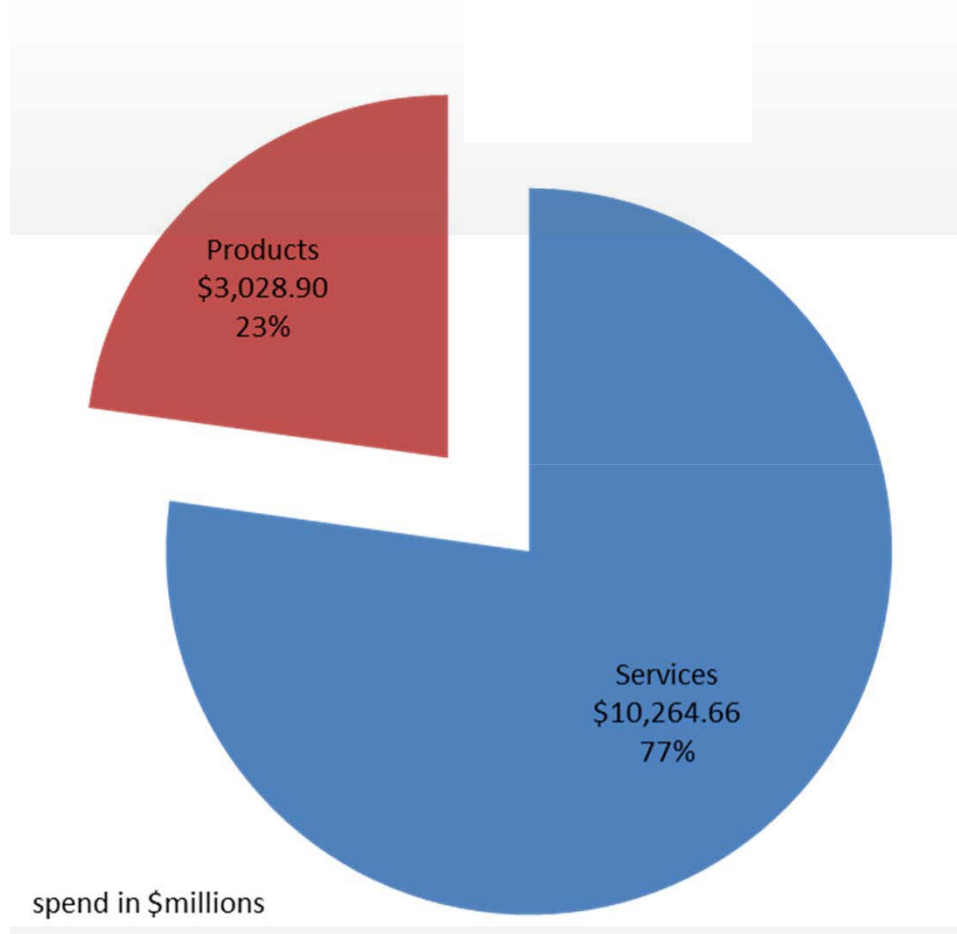
Based on Product & Service Code (PSC) types

FY15 Contracting vs. P-Card Spend

Spend

Purchase Card $421 3%

Contracting $13,294 97%

Spend in $M

# of Transactions

Contracting 80,679 9%

Purchase Card 840,513 91%
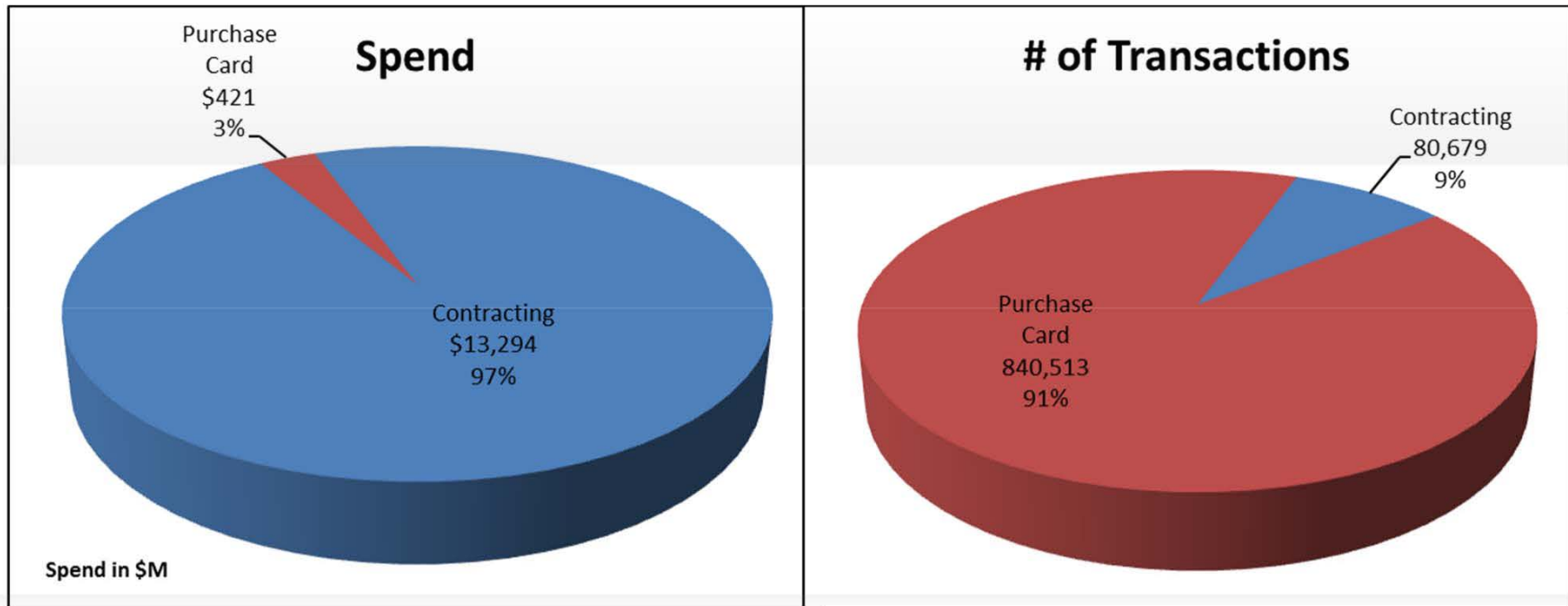
Data Source: Purchase card - JPMorgan Chase. Contracting - FPDS-NG.

DHS Strategic Sourcing Metrics

DHS Strategic Sourcing Highlights

SPEND

- Strategically sourced $2.9 billion in FY15

- This represents approximately 21% of the total FY15 obligated dollars

- Small businesses received 50% of the spend through strategic sourcing contracts

SAVINGS

- Cumulative savings = $3.0 billion (since FY05)

  - FY15 = $466 million
  - FY14 = $471 million
  - FY13 = $336 million

- Savings methodologies independently validated (March 2011)

- FY16 goal = $425 million

UTILIZATION

- DHS achieved a 43% utilization rate of strategic sourcing contracts in FY15

  - i.e., DHS purchased 43% of its needs through strategic sourcing for the areas covered by the vehicles we had in place during FY15.

- FY16 goal = 42%

FEDERAL PARTICIPATION

- DHS is an active participant on the Category Management Leadership Council (CMLC) and numerous Federal strategic sourcing initiatives (FSSI)

- DHS is a recognized leader in Federal strategic sourcing by organizations such as OMB, GAO, and Congress
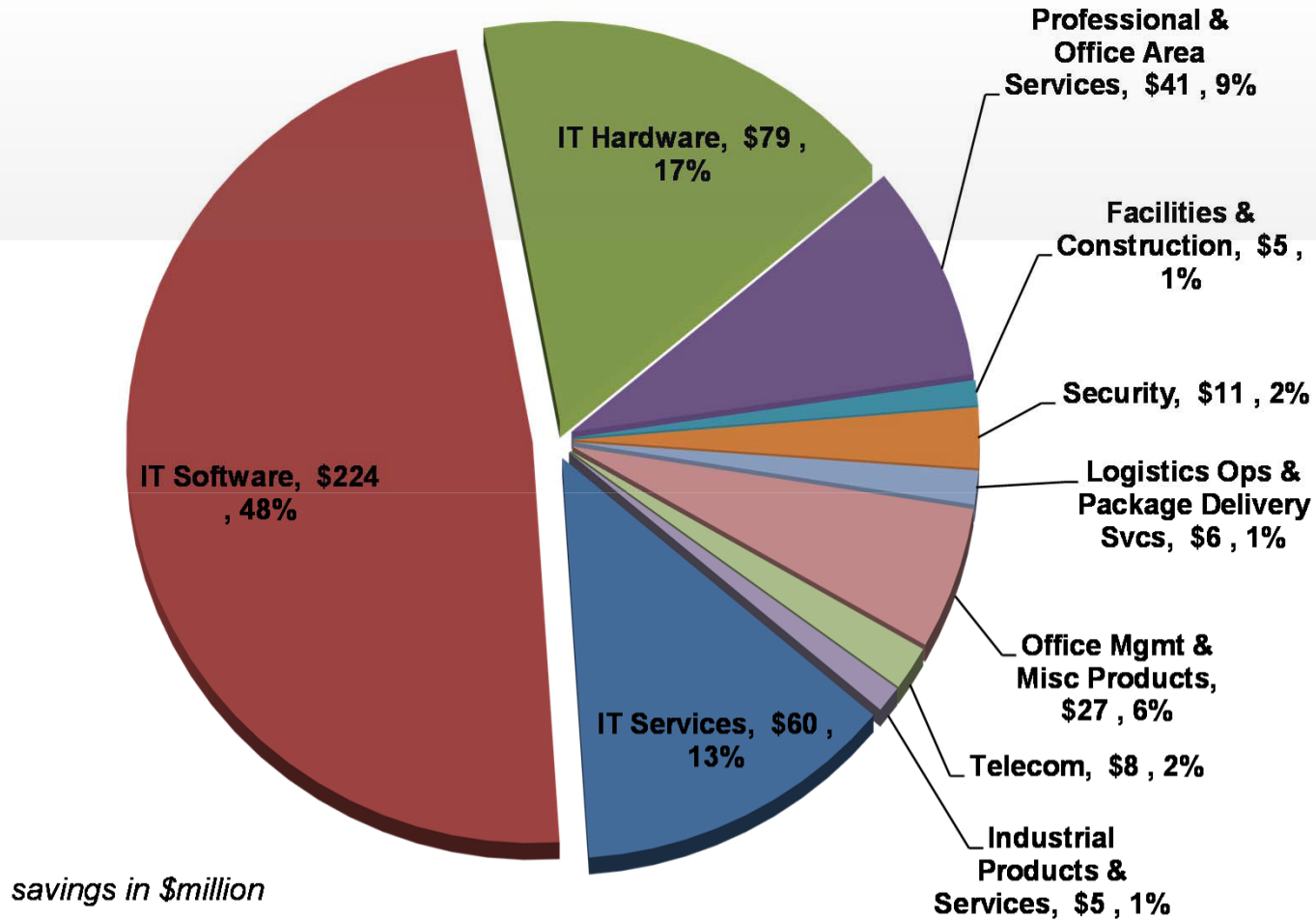
Strategic Sourcing Spend ($M)
FY2015

IT Hardware; $445 ; 15%

IT Software; $472; 16%

Professional & Office Area Services; $459; 16%

Facilities & Construction; $109 ; 4%

Security; $56 ; 2%

Logistics Ops & Package Delivery Svcs; $23 ; 1%

Office Mgmt & Misc Products; $105 ; 4%

Telecom; $40 ; 1%

IT Services; $1,139 ; 40%

Industrial Products & Services; $22 ; 1%
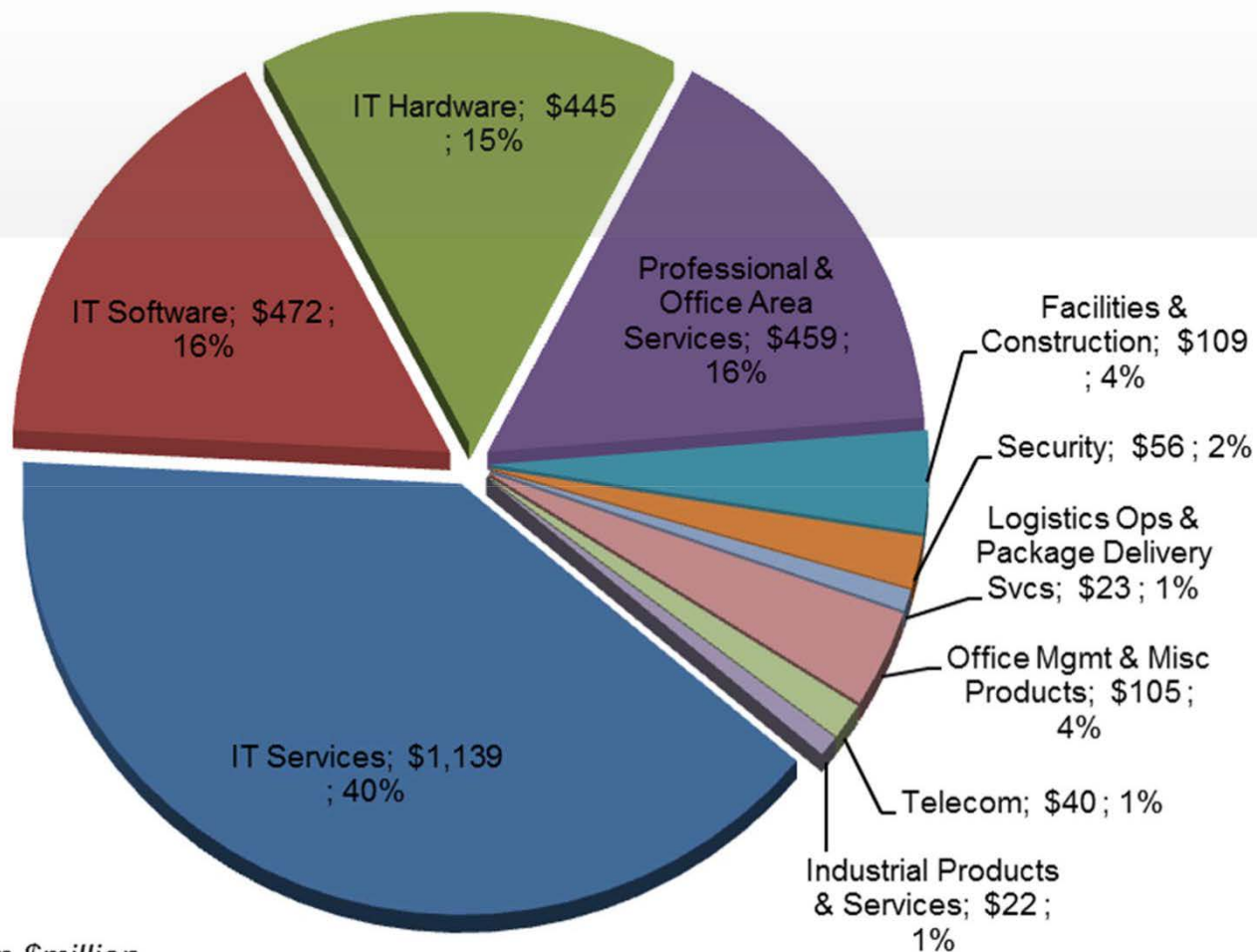
spend in $million

FY15 Total = $2.9B

Strategic Sourcing Savings
FY15

savings in $million

FY15 Total = $466M

- IT Software, $224, 48%
- IT Hardware, $79, 17%
- Professional & Office Area Services, $41, 9%
- Facilities & Construction, $5, 1%
- Security, $11, 2%
- Logistics Ops & Package Delivery Svcs, $6, 1%
- Office Mgmt & Misc Products, $27, 6%
- Telecom, $8, 2%
- Industrial Products & Services, $5, 1%
- IT Services, $60, 13%

Strategic Sourcing Savings Since Inception to FY2015

Top 3 commodity family savings (since FY2005)

- IT & Telecom (81%)
  - 44 vehicles
  - 360 contracts

- Professional & Office Area Services (10%)
  - 19 vehicles
  - 621 contracts

- Office Management & Misc. Products (5%)
  - 9 vehicles
  - 89 contracts

Top 3 component savings (since FY2007)
- CBP (33%)
- DHS HQ (28%)
- ICE (10%)
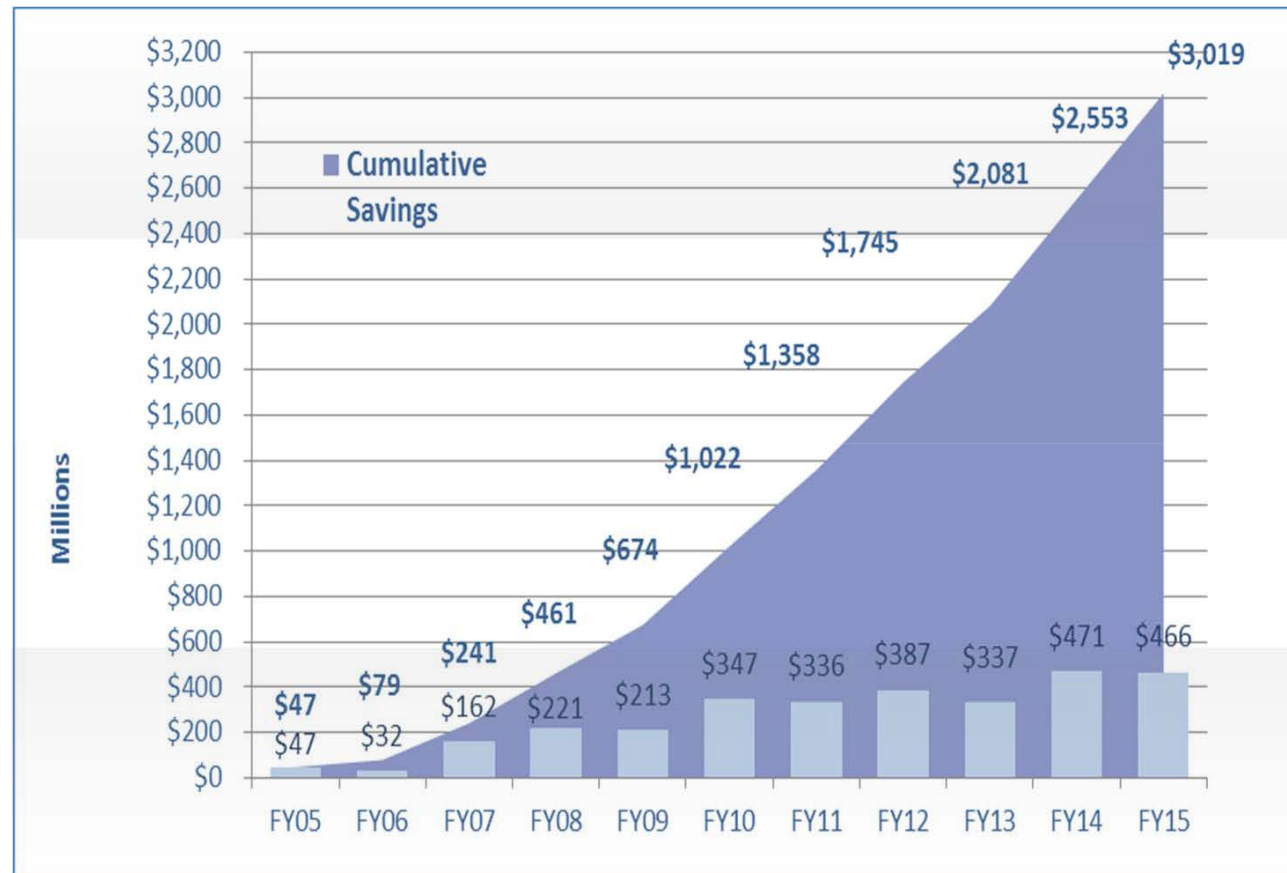
Data Source: FPDS.gov; vendor reports

Available Department-wide Vehicles

IT & Telecom
1. Academy Class Management System
2. Cellular Wireless Managed Services
3. Content Delivery Network II (CDN2)
4. Data Center 2 (DC2)
5. EAGLE II (IT Services)
6. Enterprise PRISM Instance Support Services
7. FirstSource II - IT Hardware and Software
8. Geospatial Tech Support Services (GTSS)
9. Microsoft Enterprise Services
10. Remote Sensing
11. Tactical Comm. (TacCom) Equipment & Services
12. Technical Investigative Surveillance Equipment (TechOps)[a]
13. Wireless Devices & Services (FSSI)[a]

Facilities & Construction
14. Design/Build Construction – National and Regional

Industrial Products & Services
15. Bulk Fuel
16. Janitorial & Sanitation Supplies (FSSI)[a]
17. Maintenance, Repair & Operations (MRO) (FSSI)[a]
18. Medical Countermeasures II (MCM2)
19. Medical Supplies
20. Nitrile Gloves
21. Personal Protective Equipment – Garments
22. Personal Protective Equipment – Goggles
23. Personal Protective Equipment – Hand Sanitizers
24. Personal Protective Equipment – Surgical Masks
25. Personal Protective Equipment – N95 Respirators

Logistics Ops & Package Delivery Services
26. Domestic Delivery Services III (FSSI)[a]
27. Relocation Services

Professional & Office Support Services
28. Architecture & Engineering Services
29. Centers of Excellence
30. Contract Auditing & Review Services
31. Credit Monitoring Services
32. Credit Reporting
33. DHS MarketPlace
34. Employee Shuttle Services
35. Intelligence/Counterintelligence Analysis, Training, & Tradecraft (ICATTS)
36. OASIS
37. OCFO: Assessment of Internal Controls Support Services
38. OCFO: Compliance, Performance, and Statistical Sampling of Internal Controls Support Services
39. OCFO: Financial Management & Reporting Support Services (FMRSS)
40. Regulatory Support Services
41. Technical, Acquisition and Business Support Services (TABSS)
42. Third Party Intern Providers Support Services
43. Workers Compensation Medical Case Management Services

Security
44. .223 Caliber Ammunition (Standard and Enhanced)
45. .223 Readily Identifiable Training Ammunition
46. .357 Sig Caliber Duty and Training Ammunition
47. .38 Special +P Caliber Ammunition 135 Grain
48. .40 Caliber Ammunition 180 Grain
49. .40 Caliber Readily Identifiable Training Ammunition
50. 9mm Luger +P Caliber Ammunition 124 Grain
51. 12 Gauge Shotgun Ammunition (3 Types)
52. Body Armor II
53. Canines
54. Detection Equipment Integrated Logistics Support
55. Explosive Trace Detection – Next Generation

56. Explosives Trace Detection (ETD) Consumables
57. Handheld Radiation Detectors
58. Human Portable Tripwire
59. Less than Lethal Specialty Munitions (LLSM)

IT Software
60. Adobe Enterprise License Agreement
61. Continuous Diagnostic & Mitigation (CDM)[a]
62. Enterprise PRISM Instance Perpetual Licenses & Maintenance
63. Enterprise Software Solutions – F5 Networks
64. Enterprise Software Solutions – IBM
65. Enterprise Software Solutions – McAfee
66. Enterprise Software Solutions – NetApp
67. Enterprise Software Solutions – Quantum
68. Enterprise Software Solutions – Symantec
69. Enterprise Software Solutions – VMWare
70. Enterprise Talent Management System (ETMS)
71. Environmental System Research Institute II
72. Microsoft Enterprise Licensing Agreement
73. Oracle Enterprise License Agreement

Office Mgmt. and Misc. Products
74. Furniture
75. Office Supply III (FSSI)[a]
76. Print Management (FSSI)[a]
77. Uniforms

[a] Federal Initiatives DHS is supporting or leading
Red text denotes FY 2015 Award(s)

FY15 Spend & Savings by DHS-wide Contract

Current Department-wide Contracts	FY15 Spend Total ($M)		FY15 Savings Total ($M)	
Facilities & Construction				
Architecture & Engineering Services	$	9.8	$	0.4
Design Build Construction	$	98.3	$	4.1
Industrial Products & Services				
Janitorial & Sanitation Supplies (JanSan) FSSI	$	0.8	$	0.2
Maintenance, Repair & Operations (MRO) FSSI	$	9.1	$	1.2
Medical Countermeasure II (MCM2)	$	0.3	$	-
Medical Supplies	$	6.7	$	1.0
Nitrile Gloves	$	6.3	$	2.8
Personal Protective Equipment 2	$	-	$	-
IT Hardware				
FirstSource II	$	314.6	$	46.7
Tactical Communication Equipment & Services (TacCom)	$	129.5	$	32.4
Technical Surveillance Equipment (TechOps)	$	1.0	$	0.2
IT Services				
Content Delivery Network II (CDN2)	$	2.1	$	2.3
Data Centers	$	104.5	$	11.6
EAGLE (Enterprise Acquisition Gateway for Leading Edge Solutions)	$	519.4	$	15.5
EAGLE II	$	490.7	$	25.8
Enterprise PRISM Instance (EPI) Support Services	$	(1.0)	$	-
Geospatial Technical Support Services (GTSS)	$	11.3	$	3.3
Microsoft Enterprise Services (Next Generation) (expired)	$	11.9	$	0.9
Remote Sensing	$	0.3	$	-

Current Department-wide Contracts	FY15 Spend Total ($M)	FY15 Savings Total ($M)
IT Software		
Academy Class Management System (ACMS)	$ 2.5	$ 0.3
Adobe BPA	$ 10.0	$ 51.7
Enterprise PRISM Instance (EPI) Perpetual Licenses and Maintenance	$ 1.9	$ 0.0
Enterprise Software Solutions - F5 Network	$ 3.6	$ 1.1
Enterprise Software Solutions - IBM	$ 81.4	$ 79.9
Enterprise Software Solutions - McAfee	$ 16.2	$ 7.1
Enterprise Software Solutions - NetApp	$ 17.9	$ 8.5
Enterprise Software Solutions - Quantum	$ 3.7	$ 1.0
Enterprise Software Solutions - Symantec	$ 25.8	$ 16.3
Enterprise Software Solutions - VMWare	$ 16.2	$ 3.6
Enterprise Talent Management System (ETMS)	$ 9.1	$ -
Environmental Systems Research Institute ELA 2 (ESRI 2)	$ 0.1	$ 0.0
Microsoft ELA 2015-2020	$ 85.5	$ 10.7
Microsoft Enterprise Services 2015-2020	$ 14.4	$ 0.1
Microsoft Enterprise Software (Next Generation) (expired)	$ 6.9	$ 12.1
Oracle BPA	$ 180.0	$ 31.6
Logistics Ops & Package Delivery Svcs		
Domestic Delivery Services 3 (DDS3) FSSI	$ 16.8	$ 5.2
Relocation Services	$ 6.2	$ 1.2
Office Mgmt & Misc Products		
All-In-One Multi-Functional Devices (MFDs)	$ 4.8	$ 1.2
B&W MFDs (expired)	$ 0.6	$ 0.1
Furniture	$ 5.3	$ 11.9
Office Supply III (OS3) FSSI	$ 11.5	$ 4.3
Print Management Services FSSI	$ 6.4	$ 5.2
Uniforms IDIQ	$ 76.8	$ 4.0

Current Department-wide Contracts	FY15 Spend Total ($M)	FY15 Savings Total ($M)
Professional & Office Area Services		
Assessment of Internal Controls Support Services	$ 32.4	$ 16.2
Centers of Excellence (COE)	$ 11.6	$ -
Contract Audit & Review Services (CA&RS)	$ 0.0	$ -
Credit Monitoring Services	$ 1.9	$ 0.3
Employee Shuttle Services	$ 1.4	$ -
Financial Management and Reporting Support Services (FMRSS)	$ 12.6	$ 5.8
OASIS	$ 14.0	$ -
Program Management, Administrative, Clerical and Technical Services (PACTS)	$ 68.5	$ 0.5
Regulatory Support Services	$ 1.6	$ 0.5
Review & Statistical Support for Internal Controls	$ 3.2	$ 0.8
Technical, Acquisition, & Business Support Svcs (TABSS)	$ 306.3	$ 16.1
Tri-Merged Credit Reports	$ 0.7	$ 0.1
Workers' Compensation Medical Case Management Services (WC MCMS)	$ 5.9	$ 0.6
Security		
.223 Cal - Readily Identifiable Training Ammunition	$ 1.9	$ 0.5
.223 Caliber Ammunition	$ 6.9	$ -
.38 Special +P Cal - 135 Grain Ammunition	$ 0.0	$ 0.1
.40 Cal - 180 Grain Ammunition	$ 6.0	$ 7.9
.40 Cal - Readily Identifiable Training Ammunition	$ 2.2	$ 0.6
12 Gauge Shotgun Ammunition	$ 2.0	$ 0.4
9mm Luger +P Cal - 124 Grain Ammunition	$ 0.9	$ 0.7
Body Armor 2	$ 10.8	$ 0.9
Canines IDIQ	$ 2.5	$ 0.2
Explosives Trace Detection (ETD) Next Gen	$ 22.2	$ -
Less than Lethal Specialty Munitions (LLSM)	$ 0.7	$ 0.1
Telecom		
Cellular Wireless Managed Services (CWMS)	$ 38.8	$ 8.0
Wireless FSSI	$ 0.7	$ 0.3

Data Source: FPDS-NG and vendor sales reports (when available)

How do we measure savings?

SSPO FY16 Savings Goal: $425M

Discount off GSA Schedule	GSA Fee Avoidance
Negotiated Contract Discount Rate or Range Off of a Published GSA Schedule	**Cost Avoidance through the Non-Use of a GSA Schedule Vehicle: Up to 3% in fee avoidance**

Discounts off Commercial Pricing	Reduction in Prices Paid
Savings Based on Vendor Provided Discounts off of Commercially Available Pricing	**Difference between prior prices paid through a SSV and follow-on/re-competed SSV prices**

How do we calculate utilization?

SSPO FY16 Utilization Goal: 42%

- Based on SSV contract number(s)
- Data Source: ERA

SSV Utilization

=

Numerator: (SSV Spend)

Denominator: (SSV Commodity Specific PSCs*)

- PSCs directly related to the SSV contract description
- Over 270 PSCs identified in FY14
- Data Source: FPDS-NG

- Not all spend is eligible for a SSV, therefore only relevant PSCs factor into utilization
- PSCs can cut across many SSVs (e.g., 7030 – ADP Software applies to more than 15 SSVs)

*Denominator baseline remains consistent over time because PSCs are constant unless an SSV is awarded or expires

Strategic Sourcing Contract Utilization FY2015
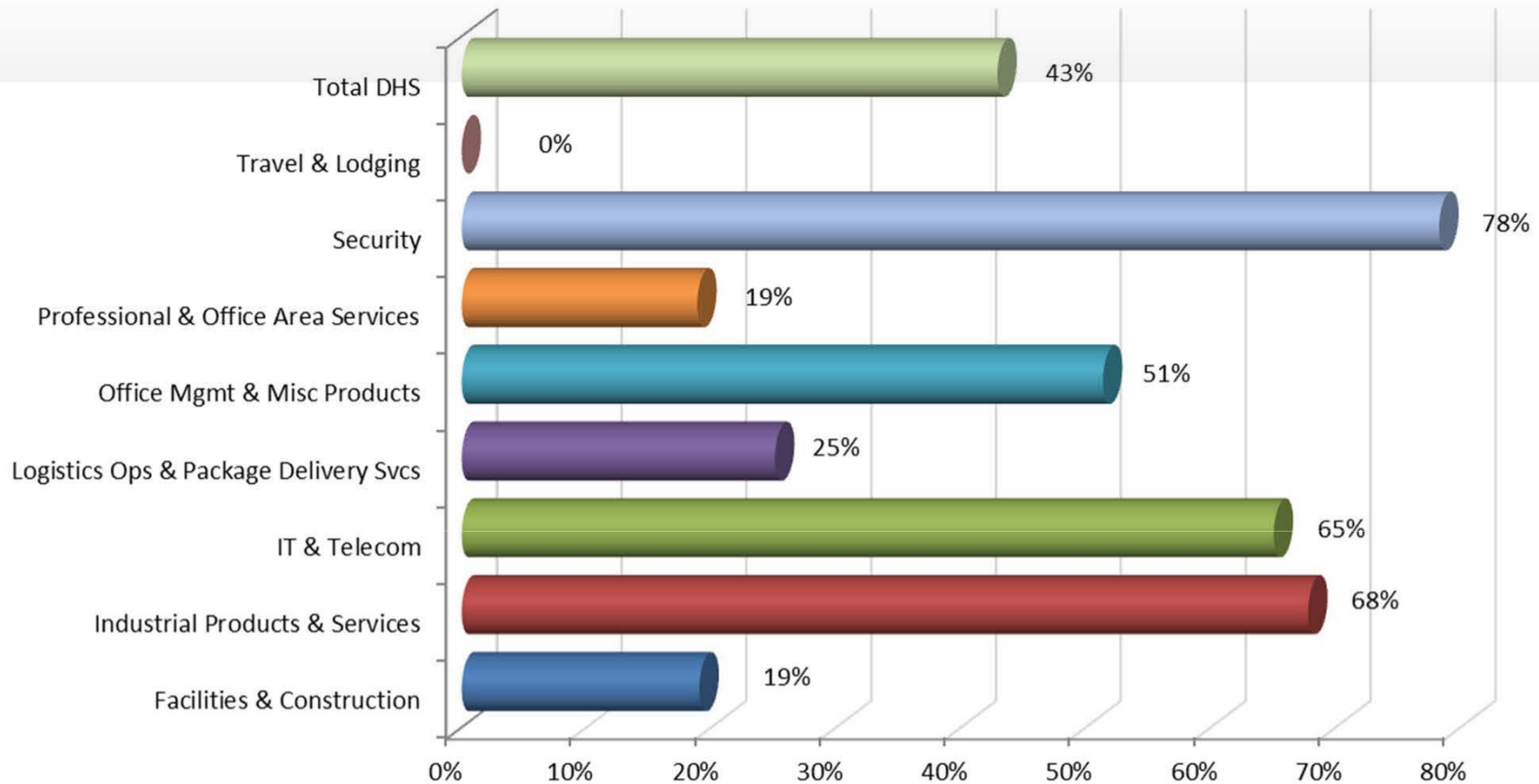
Note: Utilization Rate = Total DHS-Wide Contract Non Emergency Spend / Total Relevant PSC Non Emergency Spend
Note: Total (DHS) utilization is for all of DHS

DHS HQ = HQ + CIS spend

Data Source: FPDS.gov

Small Business Achievements

- **FY15 strategic sourcing vehicle results:**

Strategic Sourcing Spend	
Total	$2,870,490,620
Small Business	$1,442,041,175
% to Small Business	50%
# of Strategic Sourcing Vendors	
Total	614
Small Business	410
% Small Business	67%
# of Strategic Sourcing Vehicles	
Total	77
Full Set-Asides	15
Partial Set-Asides	16
% Full/Partial Set-Asides	40%

- **SSPO partners with OSDBU on all Department-wide vehicles to ensure small businesses receive primary consideration**

- **In FY15, more than 34% of the overall DHS spend went to small businesses. Of this amount, nearly 1/3 were through the use of a strategic sourcing vehicle**

Key Strategic Sourcing Vehicles with Set-Asides

Small Business Tracks	EAGLE II	FirstSource II	OASIS	TABSS	PACTS II (Pending)
8(a)	✓	✓	✓	✓	
HUBZone	✓	✓	✓		
SDVOSB	✓	✓	✓	✓	✓
EDWOSB		✓	✓		
WOSB			✓		
All Small Business	✓	✓	✓	✓	

DHS Strategic Sourcing Initiative-Specific Metrics (Examples)

EAGLE II Metrics

FC	Track	# of TO Awards	Obligated Amount	Base + All Options	% Value
FC1	SB	22	$32,993,480	$180,871,602	9.44%
	SDVOSB	13	16,165,185	71,174,610	3.72%
	HubZone	19	90,477,671	339,460,666	17.72%
	8(a)	21	35,654,360	175,143,559	9.14%
	UNR	28	260,626,585	685,368,917	35.78%
FC2	SB	40	87,167,317	318,265,109	16.61%
	UNR	2	1,901,289	7,975,863	0.42%
FC3	SB	15	25,869,198	70,262,150	3.67%
	UNR	5	17,409,265	67,180,214	3.51%
Total		165	$568,264,351	$1,915,702,690	100.00%

FC1 – Service Delivery, including Integration, Software Design/Development, Operations & Maintenance
FC2 – Information Technology Program Support Services
FC3 – Independent Verification and Validation

TABSS Metrics

Domain Category	Track	# of TO Awards	Obligated Amount	Base + All Options	% Value
D1	T1: UNR	70	$ 95,285,165	$ 245,301,210	11.93%
	T2: SB	105	$ 180,198,548	$ 391,544,735	31.78%
	T3: 8(a)	154	$ 230,094,124	$ 400,956,575	43.73%
D2	T1: UNR	8	$ 2,000	$ 1,750	0.00%
	T2: SB	25	$ 25,688,405	$ 51,002,120	2.67%
	T3: SDVOSB	28	$ 29,439,207	$ 59,139,752	3.87%
D3	8(a)	46	$ 55,148,190	$ 107,065,975	6.02%
Grand Total		436	$ 615,855,639	$ 1,255,012,117	100.00%

D1: Program Management, Engineering and Technology Support Services
D2: Business Management, Financial Management and Audit Support Services
D3: Contract Management Support Services

QUESTIONS AND ANSWERS