

# **Procurement Advisory No. 101B**

## **Shared First Policy in USDA Contracts**

### **1. SUMMARY**

The U.S. Department of Agriculture (USDA) spends more than \$5 Billion on goods and services each year. Acquisition workforce members, agency officials, managers and others involved in the acquisition process are responsible for getting the most value for each dollar spent. Central to our future success is the use of strategic sourcing and other strategic procurement methods. To further these efforts, USDA has implemented a “shared first” policy.

### **2. BACKGROUND**

Maximizing value for taxpayers is a top priority for USDA, and USDA shall continue to be prepared, in light of continuing budget challenges, to organize and implement successful strategies to maximize value from every procurement. Every acquisition provides an opportunity to reduce the prices of goods and services bought, reduce the cost of doing business, improve performance, and increase achievement of socio-economic acquisition goals.

### **3. REFERENCES**

[Office of Management and Budget \(OMB\) Memo “Implementing Strategic Sourcing” dated May 20, 2005](#)

[OMB Memo “Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings” dated December 4, 2014](#)

Federal Acquisition Regulation (FAR) 48 CFR, accessible at <https://www.acquisition.gov/far/>.

### **4. ACTIONS**

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. It is the policy of USDA to conduct its procurements using collaboration and resource sharing to reduce the number of procurement actions and the administrative burden of conducting large numbers of isolated, individual procurements. “Shared first” means that USDA shall make every effort to acquire goods and services using shared resources such as department-wide contracts, before issuing new awards, and to issue any new awards for as many users as possible. To implement the “shared first” policy, all contracting activities shall adhere to FAR Subpart 17.5 and as applicable take the following actions:

- A. All new indefinite-delivery contracts, including blanket purchase and other agreements against which orders can be placed, shall allow, to the maximum extent practicable, placement of orders by as many USDA contracting officers and Government Purchase Cardholders as possible. Consideration shall be given to opening all new contracts and agreements:
  - i. Department-wide (to allow ordering by all USDA offices)
  - ii. Contracting agency-wide (e.g. Farm Service Agency-wide or Forest Service-wide to allow ordering by all offices in those agencies)

- iii. Open to all offices in a geographic area (e.g. Pacific Northwest-wide, to allow ordering by all USDA offices in the Pacific Northwest)
- iv. Office-wide (to allow ordering by all authorized users in or attached to a single contracting office)

No new indefinite-delivery contracts or blanket purchase or other agreements shall be less than office-wide. Contracting Officers (COs) issuing shared contracts and agreements shall also issue instructions for their use by authorized users at the time of award.

- B. All new requirements will be evaluated for suitability for fulfillment via order placement against existing contracts or agreements, including available department-wide or Government-wide contracts. Upon receipt of a procurement request, COs shall:
- i. Consider existing Department-wide contract vehicles which may be found at <https://ems-team.usda.gov/sites/OPPM-SS/SitePages/Home.aspx>.
  - ii. Query the Integrated Acquisition System (IAS) to identify Department-wide contracting vehicles. (Please refer to Section III of the [IAS User Guide](#) for query assistance).
  - iii. Visit Federal strategic sourcing websites such as, but not limited to, the [General Services Administration \(GSA\) Federal Strategic Sourcing Initiative \(FSSI\)](#), [GSA Category Management](#) and the [GSA Acquisition Gateway](#) for strategic sourcing opportunities; and
  - iv. Research Federal policies and procedures as to the use of strategic sourcing agreements.

If an applicable strategically sourced vehicle is available, the CO shall utilize the vehicle to attain the overall best value in terms of cost and economic efficiencies. When use of an existing Department-wide or Government-wide contract is **not** anticipated for procurements above the simplified acquisition threshold, CO's shall include in the contract file a brief analysis of the comparative value, including price and non-price factors, between the services and supplies offered under the source or sources used for the purchase and the strategic sourcing agreement. This action, during the acquisition planning phase, ensures that COs have considered the use of strategic sourcing as an acquisition strategy.

When a CO plans to prepare a new Department-wide contract vehicle or Economy Act Interagency Agreement, approval shall first be obtained from USDA's Procurement Policy Division (PPD) regardless of dollar value, prior to solicitation release. This approval shall be achieved by COs submitting Attachment A, Shared First Policy Checklist, to PPD ([procurement.policy@dm.usda.gov](mailto:procurement.policy@dm.usda.gov)) at least 15 business days prior to solicitation release and ensuring PPD approval prior to COs releasing solicitation.

- C. New requirements should, to the maximum extent practicable, be coordinated among the various contracting offices, program offices and users to achieve the most efficient procurement feasible. This includes:
- i. Co-sourcing, or pooling of multiple requirements into fewer contract actions to reduce administrative costs; and,
  - ii. Consolidation of requirements to achieve volume discounts.

Particular care shall be taken to avoid bundling contracts in a manner that makes the resulting solicitation unsuitable for award to small business concerns.

To support these efforts, OPPM has established a USDA Strategic Sourcing/Category Management Program/Project Office (AgSSI PMO) that supports the agencies missions and provides access to data and analysis, helps with identification of new opportunities, and manages and oversees the Strategic Sourcing and Category Management process within USDA. The AgSSI PMO has the overall responsibility to the Chief Acquisition Officer (CAO) and Senior Procurement Executive (SPE) regarding the status of the Strategic Sourcing Program within USDA. The Strategic Sourcing Program was established with cross-functional teams and representatives from across the mission areas. Each category team has representatives from areas such as Finance, Procurement, Small Business, Legal, and Subject Matter Experts to find solutions with value for USDA, including balancing cost and performance goals with socioeconomic goals.

Sharing resources and collaborating with other contracting officials and offices will help reduce administrative burdens and help to maximize the value of every dollar spent. Shared procurements and strategic sourcing should always be considered as part of the procurement process before an isolated, individual action is undertaken whenever possible. No additional delegation of authority is required for existing USDA contracting officers to place orders against shared contracts or agreements, or to issue contracts or agreements that will be shared with other USDA offices. However, this shared first policy does not relieve COs from their responsibilities to maximize competition, conduct market research, achieve socio-economic goals, or to ensure that all requirements of law, executive orders, regulations, and all other applicable procedures, including clearances and approvals, have been met. In addition to cost and performance goals, strategic sourcing must be balanced with socio-economic goals for small businesses, small disadvantaged businesses, women-owned small businesses, veteran-owned businesses, service-disabled veteran-owned businesses, HUB-Zone and preference programs (e.g., AbilityOne), and others, as appropriate.

All acquisition workforce members, requirements staff, program and project managers and others that have an interest in or a need for strategic sourcing resources are encouraged to visit USDA's Strategic Sourcing SharePoint Site, <https://ems-team.usda.gov/sites/OPPM-SS/SitePages/Home.aspx>. This site contains the latest guidance, best practices, and lists of existing shared contracts and agreements.

## **5. EXCLUSIONS**

None

## **6. CONTACTS**

Please submit all Attachment A requests for approval to the OPPM Procurement Policy Division at [procurement.policy@dm.usda.gov](mailto:procurement.policy@dm.usda.gov). Also, if you have questions or comments regarding this advisory, please send an email message to [procurement.policy@dm.usda.gov](mailto:procurement.policy@dm.usda.gov).

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Procurement Advisories are issued by the Procurement Policy Division of the Office of Procurement and Property Management, Departmental Management, and posted on the USDA World Wide Web site at: <http://www.dm.usda.gov/procurement/policy/advisories.htm>.

**EXPIRATION DATE:** Effective upon issue date until canceled.

[END]

## Shared First Policy Procurement Advisory FAQs

1. What is the purpose of this “Shared First Policy” Procurement Advisory?

The purpose of this Advisory is to provide guidance to the acquisition workforce and those at USDA involved in the acquisition process about specific strategic sourcing methods designed to achieve strategic sourcing goals.

2. What is strategic sourcing?

Strategic sourcing is a structured, collaborative way to analyze spending to make effective and efficient acquisition decisions.

3. What does “shared first” mean?

“Shared first” means that those at USDA involved in the acquisition process will attempt to use existing department-wide contracts or other shared resources before issuing new awards, and to issue any new awards for as many users as possible.

4. Who should follow the Shared First policy?

All those at USDA involved in the acquisition process are responsible for implementing this shared first policy.

5. When should I use shared first?

Shared first shall be considered as part of the acquisition planning process before issuing new contracts, agreements and orders.

6. How does this policy affect transacting with small businesses?

Particular care should be taken to avoid bundling contracts in a manner that makes the resulting solicitation unsuitable for award to small business concerns. Strategic sourcing and shared first must be balanced with socio-economic goals for small businesses, small disadvantaged businesses, women-owned small businesses, veteran-owned businesses, service-disabled veteran-owned businesses, HUB-Zone and preference programs (e.g., AbilityOne), and others, as appropriate.

7. How does strategic sourcing and shared first help my agency?

Sharing resources helps reduce administrative burdens and maximize the value of every dollar spent. No additional delegation of authority is required to place orders against shared contracts or agreements, or to issue contracts or agreements that will be shared with other USDA offices.

8. Where can I go to get more information to take advantage of category management, strategic sourcing and shared first?

Visit USDA’s Strategic Sourcing Connect Site at <https://ems-team.usda.gov/sites/OPPM-SS/SitePages/Home.aspx>. This site contains the latest guidance, best practices, and lists of existing shared contracts and agreements.

9. What is category management?

Category management, used extensively in industry and other countries, is accomplished by managing commonly purchased goods and services—approximately half of the Federal

Government's overall spend—through common categories like information technology (IT) hardware and IT software. This approach includes strategic sourcing, but also a broader set of strategies to drive performance, like developing common standards in practices and contracts, driving greater transparency in acquisition performance, improving data analysis, and more frequently using private sector (as well as government) best practices. Each category will be led by a senior Government executive who is a true expert in the category and who will develop a Government-wide strategy to drive improved performance.

## Attachment A: Shared First Policy Checklist

Date:

Purchase Description:

For Economy Act Interagency Agreements
Requirement was evaluated for placement against existing Department-wide or Government-wide contracts: <input type="checkbox"/> Yes <input type="checkbox"/> No <span style="font-size: 2em; vertical-align: middle;">{</span> Department-wide, contracting agency-wide (FS, NRCS, FSIS, etc.) and government-wide (GSA, FSS, etc.) <span style="font-size: 2em; vertical-align: middle;">}</span>
If requirement is not planned for existing Department-wide or Government-wide contract please explain why not (submit attachment if additional space is needed):  _____ _____ _____
Provide brief analysis of the comparative value, including price and non-price factors, between the services and supplies offered under the source or sources contemplated for the purchase and existing department-wide or government-wide agreement(s):  _____ _____ _____

For new Department-wide contract vehicles
<input type="checkbox"/> The action allows as many USDA contracting officers and Government Purchase Card holders as possible to place orders. If not, why not?  _____ _____ _____
New procurement is shared:
<input type="checkbox"/> Department-wide <input type="checkbox"/> Contracting agency-wide
<input type="checkbox"/> In my geographic area <input type="checkbox"/> <b>Office-wide (at a minimum)</b>
<b>Communications</b>
<input type="checkbox"/> This new contract agreement will be made known to others via appropriate action in the Integrated Acquisition System (IAS)
<input type="checkbox"/> Instructions will be issued for shared contracts and agreements for use by authorized users

PPD Approver (Name): \_\_\_\_\_

PPD Approver (Signature): \_\_\_\_\_ Date: \_\_\_\_\_