



Federal Aviation Administration

Memorandum

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To: AAQ, AAP, and APM

From: Nathan Tash, Deputy Assistant Administrator for Acquisition and Business Services, FAA Acquisition Executive (ACQ-1)

Subject: FAA Future Implementation of Category Management

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1. **PURPOSE.** The purpose of this Memorandum is to provide awareness for the future use of category management. The FAA is committed to effectively managing contract spending by properly balancing procurements utilizing Government-wide, agency-wide, and local contracts. Category Management is a viable means for achieving cost reduction through economies of scale and better pricing, while continuing to support small business participation. The expected results are to reduce unnecessary contract duplication, increase cost savings, and continue achievement of small business goals.
 2. **BACKGROUND.** On March 20, 2019, the Office of Management Budget (OMB) issued M-19-23, Category Management: Making Smarter Use of Common Contract Solutions and Practices. OMB required agencies to carry out a set of tailored management actions and provide updates on these management actions to evaluate their progress in bringing common spending under management. On December 2, 2021, OMB issued M-22-03, Advancing Equity in Federal Procurement, amending M-19-13, which implemented the President's commitment to increase spending to small, disadvantaged businesses.

While the FAA has been getting credit for Category Management since Fiscal Year 2016, in support of M-22-03, this Memorandum recognizes Category Management as a strategic approach and best practice that can further enhance the FAA's operational capabilities.

3. CATEGORY MANAGEMENT OVERVIEW.

a. Category Management.

Category Management is an approach the Federal government is applying to buying smarter by behaving like a single enterprise. Category Management enables the government to eliminate redundancies, increase efficiency, and deliver more value and savings from the government's acquisition programs.

FAA Acquisition personnel must consider existing Category Management contract solutions both internally and externally to the FAA with an emphasis for commercial products specifically created to meet these goals.

The primary goals of Category Management are to:

1. Deliver more savings, value, and efficiency;
2. Eliminate unnecessary contract redundancies and duplicative contracts;
3. Enable the acquisition workforce to concentrate directly on agency specific and mission centric contracts; and
4. Achieve small business participation at current or increased levels.

b. Spend Under Management

An important component of Category Management is to increase Spend Under Management (SUM). SUM is a total percentage of dollars spent on Government-wide established contracts that meet defined criteria and are actively managed in accordance with category management principles to acquire similar goods and services through best value solutions.

To help the FAA evaluate its progress in aligning common spending activities with category management principles, the FAA is utilizing a SUM tiered maturity model. This model assigns tiers to FAA's spending activity based on attributes demonstrating the agency's progress and sophistication in adopting SUM practices, utilizing category management principles. A full description of the model and the current maturity tiers is summarized as follows:

- **Tier 0:** *Spend NOT Aligned to Category Management Principles.* Dollars obligated in a decentralized manner that does not fit into one of the three higher tiers. Agencies should analyze Tier 0 spend to find opportunities for shifting to higher-tier solutions.
- **Tier 1:** *Mandatory-Use Agency-Wide Solutions.* Dollars obligated on agency-wide contracts with mandatory-use or mandatory-consideration policies (e.g., SAVES).
- **Tier 2:** *Multi-Agency Solutions.* Dollars obligated on multi-agency contracts that satisfy rigorous standards set for leadership, strategy, data, tools, and metrics. Tier 2 is also applicable for dollars obligated to socioeconomically disadvantaged small businesses (e.g., eFAST, Ability One).
- **Tier 3:** *Best-in-Class (BIC) Solutions.* Dollars obligated on BIC contracts. Government-wide contract solutions considered to be well vetted and are either recommended or may be required for consideration.

BIC solutions are the highest rated Government-wide contracts to meet SUM goals, however, they are not intended to be one-size-fits-all vehicles. BIC contract solutions are based on common categories and are subject to change. BIC solutions are reviewed on an annual basis to determine if they continue to meet the set criteria. BIC contract solutions are pre-vetted and considered well managed. The use of BIC solutions is just one element of an effective Category Management strategy.

When used across government, BIC contracts:

- Lead to a reduction in contract duplication, better leveraging the government's collective buying power and helping agencies to operate more efficiently;
- Provide transparency and standardization that leads to better data-driven business decisions; and
- Reduce administrative costs and eliminate practices that dilute the government's shared purchasing power.

- 4. FUTURE AMS CHANGES.** Pursuant to 49 U.S.C § 40110(d), the FAA independently develops and implements the AMS in a manner that addresses the unique needs of the agency. In support of its mission, the FAA will implement future AMS changes related to Category Management to maximize procurement flexibilities under the AMS.
- 5. ATTACHMENTS.** The FAA has attached a *List of FAA Awarded and Pending TIER 1 Contracts* that align common spending activities with category management principles. See Attachment 1: *List of FAA Awarded and Pending TIER 1 Contracts*.
- 6. CONTACT FOR QUESTIONS.** Contracting Officers may forward questions to their management, who will respond or consult with AAQ/AAP management, as needed.

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Attachment 1: *List of FAA Awarded and Pending TIER 1 Contracts*

Attachment 1
List of FAA Awarded and Pending TIER 1 Contracts

Contract Name	Tier	Master Idv Type	Contract Number(s)	Contract Officer
ELECTRONIC FAA ACCELERATED AND SIMPLIFIED MASTER ORDERING AGREEMENT	TIER 1	BPA (Multiple Award)	afn-acq-efast-master-ordering-agreements-moa-holders-list.xlsx (live.com)	afn-acq-efast-master-ordering-agreements-moa-holders-list.xlsx (live.com)
NATIONAL FURNITURE PROCUREMENT - SYSTEMS AND MODULAR FURNITURE	TIER 1	IDIQ	DTFAWA16D00042	MARIA.FLORENTINO@FAA.GOV
SYSTEM ENGINEERING -2025 (SE-2025) PROGRAM	TIER 1	IDIQ (Multiple Award)	DTFAWA15D00026 DTFAWA15D00028 DTFAWA15D00029 DTFAWA15D00030 DTFAWA16D00002	ANNEMARIE.TERNAY@FAA.GOV
TRANSPORTATION - FAA ADMINISTRATIVE VOICE ENTERPRISE SERVICES	TIER 1	IDIQ	DTFAWA10D00003	RENU.CTR.SIMON@FAA.GOV
Air Traffic Control Tower Operations	PENDING TIER 1	Contract (Multiple Award)	DTFAWA-15-C-00017 DTFAWA-15-C-00018 DTFAWA-15-C-00019 DTFAWA-15-C-00020 DTFAWA-15-C-00021 DTFAWA-15-C-00022 DTFAWA-15-C-00023	ANTHONY.HILL@FAA.GOV
SETIS	PENDING TIER 1	IDIQ (Multiple Award)	693KA8-22-D-00019 693KA8-22-D-00020 693KA8-22-D-00021 693KA8-22-D-00022 693KA8-22-D-00023 693KA8-22-D-00024 693KA8-22-D-00025 693KA8-22-D-00026 693KA8-22-D-00027 693KA8-22-D-00028 693KA8-22-D-00029 693KA8-23-D-00004 693KA8-23-D-00005 693KA8-23-D-00006 693KA8-23-D-00007	SHAUN.OCONNOR@FAA.GOV
IT Saves	PENDING TIER 1	IDIQ (Multiple Award)	692M15-19-D-00007 692M15-19-D-00015 692M15-19-D-00014 692M15-19-D-00013	RUSSELL.J.ROGERS@FAA.GOV