

GAO Highlights

Highlights of [GAO-21-40](#), a report to congressional requesters

Why GAO Did This Study

In fiscal year 2019, federal agencies obligated over \$350 billion to meet requirements for common products and services, such as medical supplies and computers. Since 2016, OMB has led efforts to improve how agencies buy these products and services through the category management initiative, which directs agencies across the government to buy more like a single enterprise. OMB has reported the federal government has saved \$27.3 billion in 3 years through category management.

GAO was asked to assess the initiative. This report assesses the extent to which: (1) OMB has focused on agencies' requirements definition, (2) agencies face challenges analyzing data, and (3) agencies bought common products and services from small businesses.

GAO assessed data for all 28 agencies OMB tracks under the initiative, reviewed category management guidance from four selected agencies (with varying levels of implementation experience), and interviewed a broad range of officials from nine agencies as well as four small business advocacy groups.

What GAO Recommends

GAO is making 10 recommendations to OMB to increase emphasis on requirements, lead efforts to address data challenges, and improve training for small business personnel. OMB concurred with the substance of GAO's recommendations.

View [GAO-21-40](#). For more information, contact Timothy DiNapoli at (202) 512-4841 or DiNapoliT@gao.gov.

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FEDERAL BUYING POWER

OMB Can Further Advance Category Management Initiative by Focusing on Requirements, Data, and Training

What GAO Found

Category management is a government-wide initiative led by the Office of Management and Budget (OMB) that saves the federal government billions of dollars each year by improving how agencies buy common products and services. Defining requirements is a key first step agencies should take to understand what products and services they need before deciding how to buy them. However, OMB has primarily focused on the contracting aspects of the initiative, for example, in its guidance and implementation metrics. Leading practitioners of category management told GAO that agencies could save billions of additional dollars if OMB focused more on how agencies define requirements, which is consistent with GAO's previous findings (see figure).

Office of Management and Budget's (OMB) Category Management Guidance and Metrics



Source: GAO analysis of Office of Management and Budget (OMB), Category Management Leadership Council, and General Services Administration documentation. | GAO-21-40

Agency officials told GAO that data challenges—particularly challenges in collecting, analyzing, and sharing data on their spending and the prices they pay—have hindered implementation of the category management initiative. OMB is aware of these government-wide challenges and has directed agencies to take certain steps on their own to address them. However, OMB's Fiscal Year 2020 Action Plan for managing government data states OMB should take a leadership role in addressing government-wide data challenges (see figure).

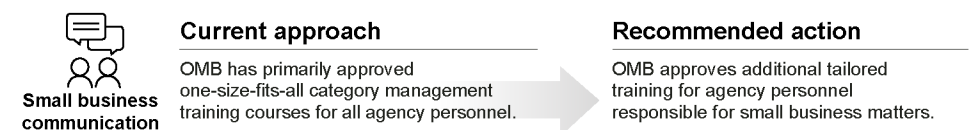
Office of Management and Budget's (OMB) Approach to Category Management Data Challenges



Source: GAO analysis of Office of Management and Budget (OMB) documentation. | GAO-21-40

GAO found small businesses received 30 percent or more of annual category management obligations since 2016, but the number of small business vendors providing common products and services decreased each year, continuing a decade-long trend affecting both small and larger businesses. GAO also found that OMB should improve communication with small businesses by enhancing training for agency personnel responsible for small business matters (see figure).

Office of Management and Budget's (OMB) Category Management Training for Agency Personnel Responsible for Small Business Matters



Source: GAO analysis of Office of Management and Budget (OMB) and General Services Administration documentation. | GAO-21-40