

114TH CONGRESS
1ST SESSION

H. R. 1760

To promote strategic sourcing principles within the Federal Government.

IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2015

Mr. REED (for himself, Mr. MURPHY of Florida, Mr. BERA, Mr. COFFMAN, Mr. SCHRADER, Mr. RODNEY DAVIS of Illinois, Mr. PETERS, Mr. COOPER, Mrs. BUSTOS, Mr. RIBBLE, Ms. JENKINS of Kansas, and Mr. JOYCE) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

A BILL

To promote strategic sourcing principles within the Federal Government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Buy Smarter and Save
5 Act of 2015”.

1 **SEC. 2. GOALS FOR STRATEGIC SOURCING OF FEDERALLY**
2 **PROCURED GOODS AND SERVICES.**

3 (a) REQUIREMENT TO ESTABLISH GOALS FOR PUR-
4 CHASES AND SAVINGS USING STRATEGIC SOURCING.—

5 The President shall establish—

6 (1) an annual Government-wide goal to procure
7 goods and services using strategic sourcing, in ac-
8 cordance with this section; and

9 (2) an annual Government-wide goal for savings
10 resulting from the use of strategic sourcing, in ac-
11 cordance with this section.

12 (b) AMOUNT OF PROCUREMENT GOAL.—

13 (1) IN GENERAL.—The goal for procurement of
14 goods and services established under subsection (a)
15 shall be—

16 (A) in each of fiscal years 2016 and 2017,
17 at least \$100,000,000,000; and

18 (B) in each of fiscal years 2018, 2019, and
19 2020, at least \$75,000,000,000.

20 (c) AMOUNT OF SAVINGS GOAL.—The goal for sav-
21 ings resulting from the use of strategic sourcing estab-
22 lished under subsection (a) shall be—

23 (1) in each of fiscal years 2016 and 2017, at
24 least \$10,000,000,000; and

25 (2) in each of fiscal years 2018, 2019, and
26 2020, at least \$7,500,000,000.

1 **SEC. 3. IMPLEMENTATION OF STRATEGIC SOURCING**
2 **GOALS BY OFFICE OF MANAGEMENT AND**
3 **BUDGET.**

4 (a) GUIDANCE BY OFFICE OF MANAGEMENT AND
5 BUDGET.—The Director of the Office of Management and
6 Budget shall issue guidance to executive agencies for im-
7 plementing the goals established under section 2. The Di-
8 rector, in consultation with the heads of executive agen-
9 cies, may set specific goals for procurement and savings
10 that are customized to individual executive agencies.

11 (b) MATTERS COVERED.—In the guidance issued
12 under subsection (a), the Director shall include, at a min-
13 imum, the following:

14 (1) Criteria for the goods and services to be
15 procured using strategic sourcing, consistent with
16 the considerations described in subsection (c).

17 (2) A description of the specific data required
18 to be submitted by executive agencies to the Director
19 regarding implementation of the goals.

20 (3) Guidance on calculating and verifying sav-
21 ings generated from strategic sourcing.

22 (4) Standards to measure progress towards
23 meeting savings goals.

24 (5) Procedures to hold agencies accountable
25 and ensure that agencies are achieving their stra-
26 tegic sourcing goals.

1 (6) Procedures to ensure that an agency is not
2 making purchases that significantly exceed the re-
3 quirements of the agency, including purchases of
4 ammunition.

5 (7) A list of existing Government-wide strategic
6 sourcing vehicles.

7 (c) CONSIDERATIONS.—In developing the guidance
8 issued under this section, the Director shall take into con-
9 sideration the application of strategic sourcing in a man-
10 ner that—

11 (1) maintains a strong industrial and manufac-
12 turing base in the United States;

13 (2) is consistent with international trade agree-
14 ments;

15 (3) accounts for the benefits as well as the costs
16 of procuring goods and services;

17 (4) emphasizes the procurement of goods and
18 services that are procured repetitively, procured Gov-
19 ernment-wide and in large amounts, and are non-
20 technical and commercial in nature;

21 (5) allows for easy conduct of a spend analysis
22 under section 4(b); and

23 (6) reflects the requirements of the Small Busi-
24 ness Act, including the provisions addressing con-
25 tract bundling, contract consolidation, and the need

1 to achieve the statutory small business prime con-
2 tracting and subcontracting goals in section 15 of
3 that Act.

4 (d) RELATIONSHIP TO FEDERAL STRATEGIC
5 SOURCING INITIATIVE.—In issuing guidance under this
6 section, the Director shall take into account and be con-
7 sistent with the Federal Strategic Sourcing Initiative man-
8 aged by the Office of Federal Procurement Policy.

9 (e) REPORT.—Not later than 180 days after the end
10 of a fiscal year for which a goal is established under sec-
11 tion 2, the Director shall submit to Congress a report on
12 the implementation of this Act. The report shall include,
13 at a minimum—

14 (1) the dollar amount of spending for goods and
15 for services that was strategically sourced during the
16 year covered by the report;

17 (2) the extent of savings on purchases of goods
18 and services realized by executive agencies during
19 that year; and

20 (3) such findings and recommendations as the
21 Director considers appropriate.

1 **SEC. 4. STRATEGIC SOURCING DUTIES OF COVERED DE-**
2 **PARTMENTS.**

3 (a) IN GENERAL.—The Secretary of a covered de-
4 partment shall take the following actions to support stra-
5 tegic sourcing efforts in the department:

6 (1) Establishment of department-wide goals and
7 savings targets for strategic sourcing efforts in sup-
8 port of the goals established under section 2.

9 (2) Establishment of a strategic sourcing ac-
10 countability official within the department.

11 (3) Issuance of a policy that outlines the role,
12 authority, and responsibilities of the strategic
13 sourcing accountability official and department prac-
14 tices for strategic sourcing.

15 (4) Identification of department-specific stra-
16 tegic sourcing contracts already in use and establish-
17 ment of utilization goals for current and future stra-
18 tegic sourcing efforts.

19 (5) Development of standards to track and as-
20 sess compliance with the goals established under sec-
21 tion 2, consistent with the guidance and consider-
22 ations under section 3.

23 (b) SPEND ANALYSIS REQUIREMENT.—Not later
24 than six months after the date of the enactment of this
25 Act, and in accordance with the guidance and consider-
26 ations under section 3, the Secretary of a covered depart-

1 ment shall conduct a spend analysis of procurements by
2 the department during fiscal year 2014 to identify, assess,
3 and quantify goods and services suitable for strategic
4 sourcing. Based on the analysis, the Secretary shall select,
5 for implementation in fiscal year 2016, at least one good
6 or service to strategically source from among the top 20
7 procurement spending categories for commercial goods
8 and services that are identified in the analysis as suitable
9 for strategic sourcing.

10 **SEC. 5. STUDY AND REPORT BY COMPTROLLER GENERAL.**

11 (a) STUDY ON CONTRACT UTILIZATION FEES.—The
12 Comptroller General of the United States shall conduct
13 a study to assess the effect of contract utilization fees on
14 the use of multiple agency contracts, including strategic
15 sourcing vehicles using multiple award schedules, and
16 shall submit a report on the results of the study to Con-
17 gress not later than one year after the date of the enact-
18 ment of this Act.

19 (b) STUDY ON ESTABLISHING CONTRACT VEHI-
20 CLES.—The Comptroller General shall conduct a study to
21 examine the cost of establishing each of the current Fed-
22 eral strategic sourcing initiative contract vehicles, and
23 shall submit a report on the results of the study to Con-
24 gress not later than one year after the date of the enact-
25 ment of this Act.

1 (c) ANNUAL REPORT ON IMPLEMENTATION OF
2 ACT.—

3 (1) ASSESSMENTS.—Each year, the Comptroller
4 General shall assess—

5 (A) the performance of executive agencies
6 in implementing the strategic sourcing goals re-
7 quired by this Act; and

8 (B) the amounts saved through the use of
9 strategic sourcing, including a comparison of
10 the costs of establishing and maintaining stra-
11 tegic sourcing contract vehicles.

12 (2) REPORT.—The Comptroller General shall
13 submit a report on the results of the assessment to
14 Congress not later than one year after the date of
15 the enactment of this Act and annually thereafter
16 while the goals are in effect.

17 **SEC. 6. DEFINITIONS.**

18 In this Act:

19 (1) EXECUTIVE AGENCY.—The term “executive
20 agency” has the meaning given the term “Executive
21 agency” in section 105 of title 5, United States
22 Code.

23 (2) COVERED DEPARTMENT.—The term “cov-
24 ered department” means the Department of De-
25 fense, the Department of Homeland Security, the

1 Department of Energy, the Department of Veterans
2 Affairs, the National Aeronautics and Space Admin-
3 istration, the Department of Health and Human
4 Services, the General Services Administration, and
5 the Small Business Administration.

6 (3) STRATEGIC SOURCING.—The term “stra-
7 tegic sourcing” means a structured and collaborative
8 process of critically analyzing an organization’s
9 spending patterns to better leverage its purchasing
10 power, reduce costs, and improve overall value and
11 performance.

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