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HHS *BUY*SMARTER

PLAYBOOK

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PLAYBOOK OVERVIEW

What Is It

The ***BUY*SMARTER** Playbook is a guiding resource that describes the *BUY*SMARTER operating model to help agencies understand how the operational process and membership structures function. Agencies will be informed on how to commit purchasing to the *BUY*SMARTER model. The *BUY*SMARTER Playbook will guide users through the steps of how the *BUY*SMARTER operating model works and what to expect. This playbook can be used as a communication tool to senior leadership that showcases the governance and approach to securing acquisition cost avoidance and efficiencies, demonstrating the potential power behind *BUY*SMARTER.

How to Use It

The *BUY*SMARTER Playbook provides a high-level overview of the operating model. The sections detailing the operating model are organized according to the ten steps of the model and provide the following information:

Overview

A description of each operating model step and how it fits into the overall model.

Purpose and Outcomes

The purpose articulates why the highlighted step is part of the model and the outcome articulates the result.

Leveraging Artificial Intelligence Technology

A description on how artificial intelligence (AI) can support each operating model step.

*BUY*SMARTER OVERVIEW

*BUY*SMARTER is an initiative that maximizes HHS's group purchasing power to establish a cohesive acquisition structure across HHS in order to drive better pricing and achieve better terms and conditions, while consolidating the total number of contracts and shifting acquisition staff-time to higher-priority, mission-critical work. *BUY*SMARTER seeks to transform the way HHS does business by focusing on four main objectives:

1. Realize cost savings by leveraging the enormous purchasing power of HHS
2. Enhance and streamline the end-to-end procurement process
3. Establish a cohesive, cross-HHS acquisition organization, which operates transparently, efficiently, and effectively
4. Encourage competition as an incentive to reduce spend and control lifecycle costs

*BUY*SMARTER uses **artificial intelligence (AI)** technology to analyze departmental requirements based on current HHS-wide spend data. This helps identify opportunities to consolidate contract vehicles across agencies within HHS to leverage overlapping requirements at a significant cost savings for the federal government. With AI technology at the center of the *BUY*SMARTER operating model, HHS can transform its data into actionable information to leverage its buying power and achieve best-value savings. Specifically, HHS can now clearly demonstrate where a single vendor is charging HHS agencies different prices for the same goods and services, and/or different prices for additional features or terms that are not necessary for the primary use of the goods or services. HHS contracting officers will be able to negotiate better prices and achieve savings that will be directed to their mission objectives. Once *BUY*SMARTER is fully implemented, HHS can expect to achieve significant cost avoidance of at least $720M on an annual basis based on initial projections even at the most conservative estimates.

*BUY*SMARTER Unique Initiative

This unique approach brings buying agencies together around each of the 10 General Services Administration (GSA) common government spend categories:

1. Information Technology
2. Professional Services
3. Security and Protection
4. Facilities and Construction
5. Industrial Products and Services
6. Office Management
7. Transportation and Logistics Services
8. Travel and Lodging
9. Human Capital
10. Medical

Why *BUY*SMARTER?

HHS will realize significant cost savings of at least $720M on an annual basis.

A Sample of HHS-Wide Contract Data for 18 Months (FY 2016-2017)

Good/Service	High	Low	% Difference
VMware vSphere	$1,028.00	$571.00	**80%**
Case Copy Paper	$59.41	$27.00	**102%**
Automated External Defibrillator	$2,627.00	$946.00	**178%**
RN Services	$96.20	$42.00	**129%**
Adobe Connect (500 Seats)	$18,149.00	$4,309.00	**322%**

*BUY*SMARTER OPERATING MODEL

The overall *BUY*SMARTER operating model illustrates how this new, transformative process will help HHS achieve an efficient and cohesive approach to federal procurement.

01 THE EXECUTIVE STEERING COMMITTEE

The Executive Steering Committee (ESC), comprised of representatives from each HHS agency, is the primary decision-making body for the *BUY*SMARTER initiative and sets the overall strategy.

02 MISSION NEEDS & CONTRACT/ PURCHASE HISTORY ASSESSMENT

Agency missions needs drive *BUY*SMARTER strategies.

+ FULL CONTRACT SCAN WITH AI

Artificial intelligence (AI) tools ingest HHS-wide contract data and uncover common purchase data and price variances.

03 CONTRACT ROADMAP

Combine mission needs and historical contract data to identify and sequence contracting activity/categories.

04 CATEGORY COLLABORATIVES

Organize groups around GSA categories. Comprised of SMEs from each agency.

- Category A Collaborative
- Category B Collaborative
- Category 'n' Collaborative

05 REQUIREMENTS DEFINITION

Category Collaboratives define key requirements for targeted acquisitions:

- Cost
- Quality
- Outcomes
- Features
- Distribution
- Logical Unit Size
- T&Cs
- Future Innovations

Sub-Category

- Pursuit Team A
- Pursuit Team B
- Pursuit Team C
- Pursuit Team 'n'

06 COST/OUTCOME DATA ANALYTICS

Using AI, HHS contracting teams assemble cost and quality data around identified goods or services.

07 CONTRACT VEHICLE/RFP

Procurement offices select contract vehicle to accommodate mission needs. Posts RFP with clear direction on *BUY*SMARTER process.

08 CONDUCT CONTRACT RECOMMENDATION EVENT

Source Selection Committee, with support from Category Collaboratives, convene for oral presentations from best qualified vendors and make selection recommendations to contracting officer.

09 SPECIALIZED CONTRACT ADMINISTRATION

OR

E-COMMERCE ORDERING PLATFORM

Awarded product/service loaded onto e-commerce platform:

- User friendly
- Direct order/ ship
- P-card friendly
- Tracks usage
- Data analytics

10 CONTRACT OVERSIGHT

Collect and analyze *BUY*SMARTER participating organizations' contract and purchasing activity.

Expedited Process

*BUY*SMARTER will design an expedited acquisition process to help HHS deliver the mission during crisis situations.

THE EXECUTIVE STEERING COMMITTEE

Overview

The *BUY*SMARTER Executive Steering Committee (ESC) is the primary governing and decision-making body for *BUY*SMARTER. The ESC initiates a process of assessing, coordinating, and developing a full-spectrum HHS acquisition strategy that streamlines the entire buying lifecycle. ESC members define and set standards on the appropriate contract compliance rates to drive adherence and realize projected cost avoidance. The ESC is expected to make the final decisions for recommendation after fully-developed opportunities from down-selected vendors are presented.

Purpose and Outcomes

Purpose: To develop a lead entity that is the primary decision-making body for the *BUY*SMARTER operating model

Outcome: Understanding of a clear governance model that undertakes the primary decisions of the operating model

Leveraging AI Technology

Generate clear and concise decision packets/pre-reads for the ESC members to review with their staff prior to the Contract Recommendation Event and each respective ESC meeting. These packets contain all the relevant data for the goods and services under consideration and will be used as a basis for decisions.

HOW IT WORKS

Develop Strategy

The ESC develops an overall strategy for *BUY*SMARTER, including overall sequencing of agencies, good or service groups/categories, identifying centers of excellence for specific contract types, Federal Acquisition Regulation (FAR) compliance, and vendor engagement strategy.

Approve Acquisition Roadmap

The ESC reviews and approves the Contract Roadmap for each targeted category, good, and service.

Identify SMEs

Based on the Contract Roadmap sequencing, each ESC Member will identify key SMEs within their agencies to drive requirement determinations for each targeted contract.

Make Final Decision Recommendation

Fully developed opportunities are presented to ESC members prior to each Contract Recommendation Event (CRE). Down-selected vendors present their case to the ESC and the ESC makes the final decision for recommendation. Separate events are held for small and disadvantaged vendors.

Drive Compliance and Realize Savings

The ESC is presented with the contract compliance rates for their respective agencies in order to drive compliance and realize expected cost avoidance and recovery.

MISSION NEEDS & CONTRACT/PURCHASE HISTORY ASSESSMENT

Overview

The Mission Needs and Contract/Purchase History Assessment step in the operating model is the means by which *BUY*SMARTER will understand the goods and services that will have the most impact on the mission and cost profile of an agency. Contracting data will be digested, categorized, and analyzed to enable agencies to perform direct comparisons for every type of good and service category and determine the highest quality, best delivery, and best cost contracts.

Leveraging AI Technology

Ingests the contract writing systems and organizes data with the structured Category Management approach. It is based on drivers including price differences, duplication, disparity of vendors, and coterminous expirations.

Purpose and Outcomes

Purpose: To adequately track, categorize, and sort current contracting data

Outcome: Shared understanding of a full analyses on contracting data that can demonstrate the 'like-to-like' contracts for goods and services such that price variation can be determined

HOW IT WORKS

MISSION NEEDS ASSESSMENT

Reach Out to Participating Agencies

Determine which agencies will be participating in *BUY*SMARTER and at what level of commitment.

Conduct Mission Needs Assessment

Conduct a mission needs assessment for each agency and participating stakeholder groups through stakeholder interviews, surveys, and/or listening sessions.

FULL CONTRACT SCAN

Obtain Data

Obtain relevant agency contracting data from contract writing systems to be ingested into the Full Contract Scan Tool and sorted into data taxonomy as defined by the ten GSA common spend categories.

Initial Output Produced

An initial output is produced for the contracting experts to review with results rank ordered based on a set of parameters determined by subject matter experts.

Analyze Data

A final analysis report is provided that outlines key metrics such as low price, mean price, high price, spend, and potential savings if all purchases were made at the lowest price.

CONTRACT ROADMAP

Overview

The *BUY*SMARTER Contract Roadmap serves as the primary driver for all actions of the *BUY*SMARTER operating model. It organizes the *BUY*SMARTER contracting actions through Category Management, and arrays the targeted good or service contract events over a monthly and/or quarterly schedule. The roadmap serves as the overall work plan for the Category Collaboratives and defines the functional SME engagement sequencing from each agency for all good and service requirements gathering and analysis.

Leveraging AI Technology

Yields exact sequencing of complex acquisition efforts to pursue. It also monitors contract expirations to ensure contracts are current.

Purpose and Outcomes

Purpose: To identify and sequence contracting activity and categories
Outcome: A clear understanding on the contracting pursuit timeline and details

HOW IT WORKS

Analyze Data

Data from all contracts is put through the AI tool and organized into categories with a data analysis structure that follows the Agency-Vendor-Category-Product-Cost-UOM model. Overall cost avoidance for each category, vendor, good, and service is calculated.

Review Data Analysis and Engage Sub-Committee

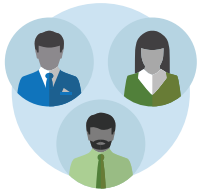
The Category Collaborative reviews the analysis, prioritizing their mission priorities around goods and services, and agrees upon the sequencing of contract pursuits for the final Roadmap.

Receive Approval and Communicate Roadmap

The Roadmap is taken to the ESC for final approval. It is then communicated to key stakeholders with expectations and relevant timelines.

Conduct Monthly Roadmap Review

The Category Collaboratives conduct a monthly review and update of the Roadmap, with attention paid to pending contract expirations, co-terminating contracts, budgetary needs, and industry changes.



CATEGORY COLLABORATIVES

Overview

The *BUY*SMARTER Category Collaboratives bring buying agencies together with a focused mission around procurement for each of the ten General Services Administration (GSA) common government spend categories. The Category Collaboratives are responsible for the requirements gathering process and provide the necessary data for improved contract negotiations.

Purpose and Outcomes

Purpose: To organize acquisition professionals and good or service subject matter experts efficiently around acquisition categories

Outcomes:

- Alignment on common and unique acquisition needs across all OpDivs/StaffDivs for each of the 10 GSA common government spend categories
- Equal representation that robustly captures requirements for all combined acquisition pursuits

Leveraging AI Technology

Supplants the endless 'like-to-like' comparative analysis with constant, real-time output for each team around the best contracts. Market research will empower negotiations on pricing, outcomes, and terms and conditions.

HOW IT WORKS

Determine Data Needs

Each Category Collaborative reviews their portion of the Roadmap and determines the required spend, pricing, and terms and conditions data needed for the upcoming acquisition events. Data needs are then sent to the data team for extraction.

Develop Requirements Documents

The Category Collaborative reviews the outcome of the data extraction for target acquisitions, develops requirements input documents for the Category Sub-Committees, and reviews and categorizes the agency requirements to develop a final requirements document (See Step 5: Mission Needs Requirements for more information).

Assess/Rank Potential Vendors and Goods/Services

The Category Collaborative leverages requirements documentation to assess potential vendors and goods and/or services. All available data around costs and outcomes are gathered, analyzed, and combined into a structured tool that force ranks potential vendors (See Step 6: External Cost/Quality Market Assessment for more information).

Develop RFP and Select Contracting Vehicle

The Category Collaborative works directly with the lead agency Contracting Officers (C.O.) to develop the Request for Proposal (RFP) for the targeted goods and services as well as determining the best contract vehicle for the contract. They select the top two to four vendors for the contracting event (See Step 7: Contract Vehicle/ RFP for more information).

Host Contracting Event and Communicate Vendor Selection Decision

The Category Collaborative participates in the contract recommendation event, including developing the pre-read packages, coordinating with selected vendors, leading the event with the ESC, and communicating ESC decision to all stakeholders (See Step 8: Conduct Contract Recommendation Event for more information).

REQUIREMENTS DEFINITION

Overview

The Requirements Definition phase is the critical interface step between *BUY*SMARTER and the operating and staff divisions. This phase serves as the means for the Category Collaboratives to engage closely with SMEs. It strives to meet both the need for common/standard requirements and the special needs of agencies that are mission critical.

Leveraging AI Technology

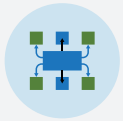
Intakes requirements from SMEs; runs a diagnostic on the available vendors, contracts, goods, and services; and produces a fully vetted and approved requirements traceability matrix for SPT review.

Purpose and Outcomes

Purpose: To efficiently and simply capture all key good and service requirements across agencies

Outcomes: Defined and fully representative requirements that inform the Sub-Category Pursuit Team's (SPT) actions

HOW IT WORKS



Develop Acquisition Pursuit Plans

The Category Collaborative SPT reviews the roadmap for all acquisition efforts to determine what requirements will be needed from operating and staff divisions (based on specialty). Acquisition Pursuit Plans are developed for each targeted good or service.

Develop Requirements Plan and Identify SMEs

The SPT reviews upcoming acquisitions with their members, develops a specific requirements plan, and identifies and engages SMEs for requirements input.

Determine Common and Speciality Requirements

Incoming common and unique requirements are reviewed by the SPT and ranked based on primary and secondary acquisition effort.

Develop Acceptable Parameters

Requirements are passed onto the cost/outcome data collection effort by the SPT. Parameters within each requirement are defined as guides for the data collection.

COST/OUTCOME DATA ANALYTICS

Overview

The Cost/Outcome process is the key research component that involves leveraging appropriate third party tool(s) that aggregate cost and outcomes data, including those that can properly analyze purchased services spend. Acquisition professionals can 1) develop criteria for a web crawl on a specific type of good or service based upon the requirements gathered, 2) launch a web crawl for results matching those requirements, and 3) collate all of the captured information into a report that will support the development of a highly-specific and fact-based acquisition. This summary report called the cost/quality/terms (CQT) summary report will serve as a key resource for the SPT to interact with vendors during the pre-solicitation, proposal review, and the final selection phases.

Leveraging AI Technology

Digests all known information about each good and service (e.g., clinical trials, research papers, vendor developed solutions, etc.) and produces an analysis that matches good and service outcomes to the defined requirements.

Purpose and Outcomes

Purpose: To assemble cost and quality data around identified goods or services

Outcomes: Acquisition professionals will be equipped with key information on their acquisitions and the breadth of goods and services in the marketplace, allowing them to make informed purchasing decisions

HOW IT WORKS

Review of Search Parameters

The SPT reviews the agreed-upon search parameters to ensure they are robust.

Conduct Web Crawl and Review Results

Following the technology-enabled web crawl and return of overall aggregate results, the SPT reviews the results and deletes irrelevant and duplicative information. Key information is selected to be in the final CQT summary report.

Develop CQT Summary Report

A final summary report is developed by the AI tool and presented on a dynamic user interface.

CONTRACT VEHICLE/RFP

Overview

The Contract Vehicle/ /Request for Proposals (RFP) process will yield the proper contract type necessary for the acquisition and identify the lead agency for the contract to be managed pre-, during the course of, and post-recommendation. For each *BUY*SMARTER contract, a lead agency and associated Contracting Officer will be named based on spend volume. The key input for this process will be the output produced from the cost/quality/terms (CQT) summary report, which will inform the contract parameters around cost, outcomes, terms and conditions for the identified vendors.

Leveraging AI Technology

Automatically selects the best contract vehicle based on criteria determined and reviewed by the SPT and ESC. Produces a packet of information for the SPT and ESC including pricing, outcomes, and terms and conditions.

Purpose and Outcomes

Purpose: To efficiently select contract vehicles that accommodate mission needs

Outcomes: Negotiating parties are well-equipped with contracting information to choose a lead contracting agency

HOW IT WORKS

Select Contract Vehicle and Lead Agency

The SPT reviews the CQT summary report and determines the best contract vehicle to leverage for that particular type of good or service. The lead agency is selected by the ESC.

Develop and Post the RFP

The RFP is developed by the lead agency with assistance from the SPT. A list of targeted vendors is finalized and vendors are contacted when the solicitation is posted.

Review Proposals and Contact Vendors

Vendors submit their proposals and they are reviewed and the top three to five are ranked against agency requirements. Vendors are contacted and asked to compete in the CRE.

Schedule Contract Recommendation Event

A target date for the contract recommendation event is set and communicated to selected vendors along with the expectations for their participation in the event.

CONDUCT CONTRACT RECOMMENDATION EVENT

Overview

The Contract Recommendation Event (CRE) is the primary event that all prior efforts have worked to achieve. It gives the ESC the information they need to make a decision on the goods or services that will best serve the overall needs of HHS as well as their OpDivs/StaffDivs. Armed with a pre-read package with all pertinent details on the relevant acquisition, the ESC can make informed decisions on the best contracts to pursue. The actual event entails a very scripted and time-bound presentation format for the selected vendors to present their very best cases on why their goods or services would best serve HHS. The ESC takes all information into deliberations and votes on their recommendation.

Leveraging AI Technology

Compiles all relevant information from each step of the *BUY*SMARTER operating model into a clear and easily digestible format to enable leaders to make the best and most informed acquisition decisions.

Purpose and Outcomes

Purpose: For leadership and acquisition professionals to make informed decisions on the best contracts to pursue
Outcomes: The development of comprehensive packages necessary for agency leaders to make their final and informed recommendations on acquisitions

HOW IT WORKS

Review Pre-Read Documents

The ESC receives a CRE package produced by the AI tool and reviews all pertinent information with their organization's domain SMEs to gain full knowledge of key requirements to feed into their decision making during the CRE.

Conduct Contract Recommendation Event

The CRE agenda is finalized and each vendor defends their proposal to the ESC. Upon conclusion of each vendor presentation, the ESC Members conduct a vote on their preferred award.

Award and Administer Contracts

Final ESC Contract Recommendations are delivered to the lead contracting agency Contracting Officer (CO). The CO then determines the final award disposition on behalf of the agency and owns the administration of said contracts.

E-COMMERCE ORDERING PLATFORM

Overview

The e-Commerce Ordering Platform is a new, modernized method of leveraging a commercial grade offering that will allow the awarded contracts to be uploaded into the secure, e-commerce platform, and for agency employees to have access to them to directly order their goods and services through the platform. It will also allow agencies to introduce influencers and controls over buying behaviors such that small and/or disadvantaged vendors will receive their appropriate share of the spend volumes and higher priced/lower quality goods and services are disabled within the ordering interface. The platform will serve as a key source for understanding buying behaviors as well as contract compliance across all agencies and divisions.

Leveraging AI Technology

Produces data around purchasing volumes. This data and subsequent analysis of buying behaviors by agency, function, and individual purchase cards are used to drive proper buying behaviors.

Purpose and Outcomes

Purpose: To design a streamlined source for employees to view and make informed purchasing decisions

Outcomes: A simplified and centralized source for a greater variety of acquisition professionals to purchase goods and services at a pre-negotiated price

HOW IT WORKS

Contract Writing System

Load Awarded Contracts to e-Commerce Platform

Awarded goods or services are uploaded onto the e-commerce platform and are available for purchase.

Register In the e-Commerce Platform

All HHS Purchase Card (p-card) holder's information is uploaded into the e-commerce tool. Invoicing requirements for goods and service not listed on the P-Card will also be available on the e-commerce tool.

Submit Orders

Users submit orders in the e-commerce tool for approval. Approving authority/authorities confirms the order is within purchase limits and is necessary for the mission.

Ship Goods

Order is shipped directly to the recipient's assigned delivery location.

CONTRACT OVERSIGHT

Overview

Contract Oversight is a process for monitoring, alerting, and reporting on how well each participating agency in the *BUY*SMARTER program is being utilized to its highest and best potential. It gives acquisition professionals the ability to monitor the volume and percentage of committed spend across agencies and as an aggregate. Through the Contract Oversight process and detailed reporting, each acquisition professional will be equipped to engage their program leadership team to help drive the buying behaviors that will best impact the success of their agencies.

Purpose and Outcomes

Purpose: To develop a process that ensures proper oversight of the program to ensure best utilization of the program
Outcomes: The ability to pinpoint the buying discrepancies and modifying the behaviors of the buying staff to achieve the stated goals and cost avoidance targets

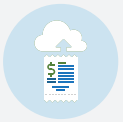
Leveraging AI Technology

For each agency and HHS as a whole, the compliance report will list the total contracted spend, actual spend, target compliance percentage, actual compliance percentage, total potential avoidance and recovery, actual avoidance and recovery, and unrealized savings potential (annual and monthly for each).

HOW IT WORKS

Load Awarded Contracts Into AI Tool

Awarded contracts are loaded into the Artificial Intelligence (AI) tool with the key metrics necessary for compliance: target spend, target cost avoidance, and target contract compliance rate for each agency participating in the contract.



Load Purchases Into AI Tool

Employees make their purchases of goods and services through the means available to them (e.g., purchase orders, e-commerce, direct p-card purchases). All purchases made against the negotiated contracts within the e-commerce tool are tracked, and uploaded.

Analyze Buying Behaviors

The AI tool uploads all purchases from participating agencies and reports on buying behaviors toward reaching the full spend targets, compliance rates, and cost avoidance by agency, division, function, team, and individual.

Distribute Reports

Reports are distributed to all pre-determined acquisition professionals and agency leadership to engage their buying population in increasing purchases from negotiated contracts.