

Subpart 507.71 - Category Management

Parent topic: [Part 507 - Acquisition Planning](#)

507.7101 General.

(a) OMB expects agencies to effectively manage contract spending through a balance of Government-wide, agency-wide, and local contracts; to reduce unnecessary contract duplication and cost avoidance; and to continue achievement of statutory small business goals and other statutory socioeconomic requirements (*e.g.*, AbilityOne and Federal Prison Industries). Information about category management, including who the designated category managers are, and copies of OMB memos can be found on the Category Management, AoAs & Business Cases page on the GSA Acquisition Portal available at <https://insite.gsa.gov/acquisitionportal>.

(b) The contract tiered maturity model is a category management tool that can be used by agencies to evaluate their progress in aligning common spend with category management principles, in acquisition planning and market research, and in support of other actions and decisions:

- (1) Tier 3 - Spend through best practice solutions.
- (2) Tier 2 - Spend through multi-agency solutions or government-wide solutions that are not best practice solutions.
- (3) Tier 1 - Spend through agency-wide mandatory use solutions.
- (4) Tier 0 - Spend not aligned to category management principles.

507.7102 Analyses of Alternatives (AoAs).

(a) *General.* With exception to paragraph (b) of this section, an AoA shall be developed—

- (1) For GSA-funded Tier 0 acquisitions over \$50 million, including all options and incentives;
- (2) For GSA-funded Tier 1 acquisitions over \$100 million, including all options and incentives; or
- (3) When establishing a new Tier 2 contract at any dollar value if the acquisition is not included in a governmentwide category management strategic plan approved by the Category Management Leadership Council at <https://hallways.cap.gsa.gov/category-management-strategic-plans>.

(b) *Exceptions.* An AoA is not required when the planned acquisition is for—

- (1) Defense-centric spend;
- (2) Agency-wide spend through FSS, including FSS BPAs;
- (3) Any planned acquisition considered Tier 2 spending which is included in a governmentwide category management strategic plan approved by the Category Management Leadership Council at <https://hallways.cap.gsa.gov/category-management-strategic-plans>, since the AoA requirement is satisfied through the category management process;

(4) Any OMB designated Tier 3 solution, including those mandated by statute such as the GSA AutoChoice Program ([Pub. L. 107-217, Aug. 21, 2002](#)) and GSA City Pair Program (CPP) ([Pub. L. 96-192, Feb. 15, 1980](#)), since the AoA requirement is satisfied through the category management process;

(5) The establishment of a GWAC including the next generation of an existing GWAC (but see [507.7103](#)); or

(6) Acquiring leasehold interests in real property (see [part 570](#)).

(c) *Timeframe for development.* An AoA shall generally be developed no less than 18-24 months prior to award. Prior to developing an AoA, the contracting officer shall follow their Service-level procedures and the process described in subpart [504.71](#) for purposes of notifying the SPE and, if applicable, scheduling an acquisition review.

(d) *Coordination.* The contracting officer shall coordinate with the applicable Service-level acquisition policy organization, category manager(s), and OSDBU in developing the AoA.

(e) *Content.* An AoA sample is available on the Category Management, AoAs & Business Cases topic page on the GSA Acquisition Portal at <https://insite.gsa.gov/acquisitionportal> and may be used for developing an AoA. Each AoA shall include, at a minimum, the following information:

(1) Identification of the document as a “Analysis of Alternatives”;

(2) The name of the agency, the contracting activity, and requiring activity(ies);

(3) Description of the requirement;

(4) The spend category(ies) and subcategory(ies) associated with the planned acquisition;

(5) The contract/program name;

(6) The total contract value and spend;

(7) The contract tier;

(8) Identification of existing contracts, if applicable, and explanation of why they are not an appropriate solution;

(9) The contract type, product and service code(s), and North American Industry Classification Systems code(s); and

(10) Identification of the applicable OMB Justification Code as well as providing a justification explaining why a certain contract tier is not suitable (*e.g.*, for Tier 0 planned acquisitions, provide an explanation as to why Tier 1, Tier 2, and Tier 3 solutions are not suitable);

(11) Any other information supporting the planned acquisition (*e.g.*, service-level requirements); and

(12) Name(s) of key points of contacts for the planned acquisition.

(f) *Approval.* The SPE is the designated agency approving authority for AoAs.

507.7103 Business cases for GWACs.

(a) *General.* A business case is required for the establishment of a new Governmentwide Acquisition Contract (GWAC) (see definition at [FAR 2.101](#)) including the next generation of an existing GWAC.

(b) *Timeframe for development.* A business case shall generally be developed no less than 18-24 months prior to award (see [FAR 17.502-1\(b\)](#) for additional details). Prior to developing a business case, the contracting officer shall follow their Service-level procedures and the process in subpart [504.71](#) for purposes of notifying the SPE and, if applicable, scheduling an acquisition review.

(c) *Coordination.* The contracting officer shall coordinate with the applicable Service-level acquisition policy organization, category manager(s), and the OSDDBU when developing a business case.

(d) *Business case Content.* A GWAC Business Case Analysis sample is available on the Category Management, AoAs & Business Cases page on the GSA Acquisition Portal at <https://insite.gsa.gov/acquisitionportal> and may be used for developing the respective business case. Each business case shall include, at a minimum, the following information:

(1) Identification of the document as a “Business Case Analysis for the Establishment a Governmentwide Acquisition Contract (GWAC)”;

(2) The name of the agency, the contracting activity, and requiring activity(ies);

(3) Description of the scope of the GWAC;

(4) The spend category(ies) and subcategory(ies) associated with the planned acquisition;

(5) The total contract value and spend;

(6) The anticipated contract tier;

(7) Identification of existing contracts, if applicable;

(8) The contract type, order type(s), product and service code(s), and North American Industry Classification Systems code(s);

(9) A discussion of the planned GWAC’s:

(i) Uniqueness;

(ii) Benefits;

(iii) Prices paid;

(iv) Small business opportunities;

(v) Anticipated demand;

(vi) Cost and fees;

(vii) Vendor management; and

(viii) Acquisition Gateway best practices.

(10) Any other information supporting the planned acquisition (*e.g.*, service-level requirements); and

(11) Name(s) of key points of contacts for the planned acquisition.

(e) *Approval*. The SPE is the designated agency approving authority for business cases.

507.7104 Executive Agent Designations

(a) *General*.

(1) OMB issues executive agent designations to Federal agencies to establish and operate GWACs, per 40 U.S.C. § 11302.

(2) OMB may issue executive agent designations to Federal agencies to establish and operate certain other programs consistent with applicable statutory requirements.

(3) OMB requires an alternative of analysis (see [507.7103](#)) or business case (see [507.7103](#)) as part of their executive agent designation review process.

(b) *Exceptions*. Any statute that designates an executive agent does not require a request to OMB, including the GSA AutoChoice Program ([Pub. L. 107-217, Aug. 21, 2002](#)) and GSA City Pair Program (CPP) ([Pub. L. 96-192, Feb. 15, 1980](#)).

(c) *Timeframe for development*. An executive agent designation shall generally be developed no less than 18-24 months prior to award (see [FAR 17.502-1\(b\)](#) for additional details). Prior to developing an executive agent designation request, the contracting officer shall follow their Service-level procedures and the process in subpart [504.71](#) for purposes of notifying the SPE and, if applicable, scheduling an acquisition review.

(d) *Coordination*. The contracting officer shall coordinate with the Service-level acquisition policy organization, the category manager(s), and OSDBU when developing an executive agent designation request.

(e) *Approval*. OMB approves executive agent designations. The Administrator must approve an executive agent designation request prior to its submission to OMB.