

Date: November 17, 2020

From: Secretary (00)

Subj: Designation of Department Level Category Managers (VIEWS 1474606)

To: Under Secretaries, Assistant Secretaries and Other Key Officials

1. This memorandum appoints Category Managers within the Department of Veterans Affairs (VA) to support our implementation of Category Management (CM) as directed by Office of Management and Budget (OMB) memorandum M-19-13.¹ CM is a Cross-Agency Priority (CAP) in the President's Management Agenda (PMA) and refers to the business practice of using a disciplined approach to perform strategic cost management that eliminates redundancies, increases efficiency and effectiveness, improves customer satisfaction, and ultimately maximizes mission capabilities driving performance and Veteran experience outcomes per dollar spent.

2. As directed by OMB M-19-13, and as the Senior Accountable Official (SAO), I am responsible for developing and executing VA's governance and execution framework, to include establishing policies and other guidance required to ensure the tenets of CM are applied throughout the Department. To satisfy these requirements and ensure effective implementation of CM, Attachment 1 designates specific Category Managers, aligned with our Departmental mission areas.

3. The term "Category Manager" refers to the senior executive responsible for improving mission value, reducing total ownership costs as appropriate, along with developing and executing a strategic cost management plan for his/her assigned functional category. VA's focus on CM starts with analysis of the supply chain, reducing duplicative purchases, and managing total cost to assess demand and consumption patterns that impact our service delivery costs. Attachment 2 provides additional details regarding CM roles and responsibilities.

4. The Office of the Deputy Secretary retains responsibility for oversight in accordance with OMB M-19-13. Should you have any questions concerning CM, please contact Dr. Angela Billups, Executive Director, Office of Acquisition and Logistics, at 202- 461-6924 or Angela.Billups4@va.gov.



Robert L. Wilkie

Attachments

¹ M-19-13, Category Management: Making Smarter Use of Common contract Solutions and Practices, March 20, 2019.

Appointments as VA Category Managers
(in Accordance with OMB Memorandum M-19-13)

The following key officials are appointed as Department Category Managers for each of the 10 Federally-designated functional cost categories. These appointments are specifically linked to official positions to ensure continuity during incumbent transitions. Category Managers may delegate category management duties to no lower than a Deputy Assistant Secretary or equivalent executive position. Category Managers will retain full accountability for the strategic management and business outcomes of their assigned categories.

1. **Medical Category** - Under Secretary for Health (USH), Veterans Health Administration (this assignment is consistent with USH assignment as co-lead for the medical category at the Federal level).
2. **Information Technology Category** - Assistant Secretary for Information and Technology and Chief Information Officer (this assignment aligns with requirements of the Federal Information Technology Acquisition Reform Act (FITARA)).
3. **Human Capital Category** - Assistant Secretary for Human Resources and Administration/Operations, Security, and Preparedness.
4. **Security and Protection Category** - Assistant Secretary for Human Resources and Administration/Operations, Security, and Preparedness.
5. **Professional Services Category** - Principal Executive Director, Office of Acquisition, Logistics and Construction and Chief Acquisition Officer.
6. **Travel Category** - Assistant Secretary for Management and Chief Financial Officer.
7. **Office Management Category** - Principal Executive Director, Office of Acquisition, Logistics and Construction and Chief Acquisition Officer.
8. **Facilities and Construction Category** - Principal Executive Director, Office of Acquisition, Logistics and Construction and Chief Acquisition Officer.
9. **Transportation and Logistics Category** - Principal Executive Director, Office of Acquisition, Logistics and Construction and Chief Acquisition Officer.
10. **Industrial Products and Services Category** - Principal Executive Director, Office of Acquisition, Logistics and Construction and Chief Acquisition Officer.

VA's Category Management Initiative, Roles, and Responsibilities

1. VA's Chief Acquisition Officer (CAO) and Senior Procurement Executive (SPE) are established and maintain efficient processes and policies to support category management (CM). Accordingly, the Office of Acquisition, Logistics and Construction (OALC) is staffing an office to operationalize VA enterprise CM activities; develop processes, guides, tools, and training; and provide analytic support to category managers and their staff.
2. An Enterprise Category Management Council (CMC) Charter is in development. The council will guide execution of this initiative and provide overarching principles and operating details to improve mission value and total cost of ownership through disciplined data-driven cost management processes. Unless superseded in the charter, my designee or as staffed from within the Office of the Deputy Secretary, will chair the CMC. Members will include the five appointed Category Managers (see Attachment 1), the CAO and SPE, and the Executive Director, Office of Small & Disadvantaged Business Utilization (OSDBU). The CMC will serve in an advisory capacity supporting the Senior Accountable Official (SAO) and meet semi-annually or as needed at the direction of the SAO to support this initiative's implementation.
3. Specific Category Manager responsibilities include, but are not limited to the following:
 - a. Appointing Category Leads as necessary to manage day-to-day activities associated with various sub-categories based on functional subject matter expertise and/or organizational alignment, and establishing standing or ad hoc category teams as appropriate to analyze categories. In addition, Category Leads identify opportunities to maximize mission capabilities while managing cost, and executing improvement plans and strategies;
 - b. Developing and implementing strategic cost management plans to reduce unaligned spend and optimize use of Federal Best-in-Class (BIC) acquisition solutions for common goods and services, consistent with small business and other statutory acquisition requirements and goals;
 - c. Documenting transactions or types of transactions mandated for set-aside under the Veterans First Contracting Program, based on market research or other analysis, for reporting as Tier 1 Spend Under Management;
 - d. Collaborating with Federal Agency Category Managers to leverage resources and best practices;

- e. Developing, in conjunction with Heads of Contracting Activities (HCA), effective vendor management strategies to improve communications with contractors, especially those that support mission-critical functions;
- f. Implementing demand management and service delivery strategies to eliminate inefficient purchasing and consumption behaviors;
- g. Continuously evaluating and implementing policies and procedures that support strategic cost management in assigned categories;
- h. Adopting industry and Government best practices to maximize mission capabilities, eliminate waste and inefficiency, and strategically manage cost;
- i. Keeping the SAO informed on a periodic basis of performance results in relation to established plans;
- j. Capturing and reporting cost avoidance and/or budget savings as applicable;
- k. Participating as members of the Department Category Management Council (CMC) established to advise the SAO and be the principal forum to provide strategic direction, guidance and oversight of category management implementation across the enterprise;
- l. Sharing data across the Department and the Federal Government to differentiate quality and value of products and services in making buying decisions; and
- m. Training and developing support staff in category management principles and practices.

4. Category managers will be expected to develop, brief, and obtain the SAO or designee's approval of initial strategic cost management plans for their respective categories. The initial plan will cover fiscal year (FY) 2021 and FY 2022 efforts and initiatives. Subsequent annual plans will cover the upcoming fiscal year and the following year. The first annual update is due December 1, 2020. OALC will act as my enterprise integrator in advance of the CMC charter.

Department of Veterans Affairs
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