

DEPARTMENT OF THE AIR FORCE

Charter

Category Management Program

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1.0 INTRODUCTION

This document provides the overarching principles, capabilities, scope, and authorities to guide the establishment and execution of the Department of the Air Force (DAF) Category Management (CM) program.

1.1 PURPOSE

CM is a structured, data-driven business practice whereby an organization strategically analyzes and manages common categories of spend to eliminate redundancies, increase efficiencies, and enhance mission effectiveness. CM uses a holistic approach to maximize the value of spend across functional lines to increase mission capability per dollar spent. At its core, CM is disciplined, data-driven, strategic cost management of the DAF's requirements and mission needs.

CM is a framework that...

- Shifts the paradigm from budget execution to strategic cost management
- Assigns cost ownership and aligns cost to mission/function
- Obtains insight and innovation from analogous industries
- Uses business intelligence to make data-driven decisions
- Reduces total cost of ownership
- Increases efficiencies through Continuous Process Improvement
- Enables the DAF to buy more like a single enterprise
- Drives efficiencies through rate, process, and demand levers
- Increases requirement standardization across the DAF

The goal of CM is to drive efficiency through business transformation and ultimately increase warfighter lethality, readiness, and modernization.

1.2 STRATEGIC ALIGNMENT AND INTENT

The DAF CM Program objectives, principles, and processes have been aligned to strategic imperatives across the Federal Government. The Department of Defense (DoD) and DAF use CM as an enabler to meet strategic intent as described in:

- President's Management Agenda (PMA)
- Office of Management and Budget (OMB) guidance on CM
- National Defense Strategy (NDS)
- FY22–26 Strategic Management Plan (SMP)
- Office of the Under Secretary of Defense for Acquisition & Sustainment (OUSD A&S) Memorandum on Achieving Small Business goals through CM
- Department of the Air Force Infrastructure Investment Strategy (I2S)

President's Management Agenda (PMA)

The 2021 President's Management Agenda (PMA) defines Government-wide management priorities for all Federal agencies to improve how Government operates and performs. Under the PMA *Priority 3* is '*Managing the Business of Government*,' which addresses the need to foster improvements within the Federal Government and strengthen the U.S. domestic industrial base toward sustainable solutions.

Over the last decade, the Federal acquisition community has made significant strides in moving away from a decentralized system where local buying offices were largely left to research the market and manage acquisitions on their own. Today, agencies follow category management stewardship practices for over \$425 billion in common requirements, where business intelligence for different types of common needs is shared across the Government, saving taxpayers over \$60 billion. Federal agencies are now working together to advance equity in procurement practices, including the President's goal to increase awards to Small Disadvantaged Businesses (SDBs) to 15% by FY 2025.

Office of Management and Budget Memoranda and Guidance on Category Management

On 4 December 2014, the Office of Management and Budget (OMB) issued a memorandum titled "*Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings*." This memo established the Federal CM program; implementing a new vision for purchasing, one that fundamentally shifts from managing purchases and price individually across thousands of procurement units to managing entire categories of purchases across the Federal Government. OMB has released a series of subsequent memoranda providing amplifying guidance on the use of CM. In March of 2019, OMB released M-19-13 "*Category Management: Making Smarter Use of Common Contract Solutions and Practices*." This memorandum emphasized the need to procure goods and services as an enterprise in order to eliminate redundancies, increase efficiency, and deliver more value and savings from governmental acquisition programs. On 2 December 2021, OMB released memorandum M-22-03 "*Advancing Equity in Federal Procurement*," which identified five (5) management actions to enhance small business participation. This Charter further implements OMB M-22-03, including significant revisions to M-19-13. M-22-03, in part, directs federal agencies to review and adjust category management stewardship practices to boost contracting opportunities for SDBs and other socioeconomic small businesses, which is designed to increase spending to underserved communities, and to broaden small business participation from within these communities. These actions are expected to strengthen the breadth and depth of the Federal Government's small business supplier base, which has significantly diminished over the past decade.

National Defense Strategy (NDS)

In support of the NDS, the DAF must strive to contribute to advancing and safeguarding vital U.S. national interests – protecting the American people, expanding America's prosperity, and realizing and defending our democratic values. The DAF must provide superior performance with affordability and speed as we drive to achieve the four Defense priorities: (1) Defending the homeland, paced to the growing multi-domain threat posed by the PRC; (2) Deterring strategic

attacks against the United States, Allies, and partners; (3) Deterring aggression, while being prepared to prevail in conflict when necessary, prioritizing the PRC challenge in the Indo-Pacific, then the Russia challenge in Europe; and (4) Building a resilient Joint Force and defense ecosystem. The NDS directs the Services to undertake reforms to accelerate force development, get the technology we need more quickly, and make investments in the extraordinary people of the Department, who remain our most valuable resource.

FY22–26 Strategic Management Plan (SMP)

The Department of Defense’s Strategic Management Plan (SMP) articulates the Secretary of Defense’s strategic priorities, consistent with the National Defense Strategy (NDS) and with a particular focus on priorities geared to building enduring advantages. The SMP is a statutory requirement pursuant the Government Performance and Results Act of 1993 (GPRA), GPRA Modernization Act of 2010 (GPRAMA), and Office of Management and Budget (OMB) Circular No. A-11, which require federal agencies to develop an Agency Strategic Plan to be submitted in concurrence with the President’s budget, following the year in which the term of a new President commences. The SMP consists of five Strategic Goals: (1) Making the Right Technology Investments; (2) Transforming the Future Force; (3) Strengthen Resilience and Adaptability of Our Defense Ecosystem; (4) Taking Care of Our People and Cultivating the Workforce We Need; (5) Address Institutional Management Priorities. The strategic hierarchy in the SMP consists of four levels, with Strategic Objectives (31), Performance Goals, and Metrics nested under the each Strategic Goal. The Military Departments and Defense Agencies typically nest their Performance Goals and Metrics under the DoD Strategic Objectives as part of the SMP strategic hierarchy.

Office of the Under Secretary of Defense for Acquisition & Sustainment (OUSD A&S) Memorandum on on Achieving Small Business goals through CM

On 27 January 2023, the Office of the Under Secretary of Defense for Acquisition & Sustainment (OUSD A&S) issued a Memorandum titled “*Achieving Small Business Goals through Category Management Practices*”. This OUSD A&S Memorandum highlights specific actions which DoD CM, SB, and Acquisition leaders and planners need to take to implement OMB guidance (including M-22-03) and the DoD Small Business Strategy (dated 26 January 2023) for the purpose of achieving small business goals and reducing small business entry barriers through category management practices and related acquisition strategies. The DAF CM Program will fully follow the tenets of this OUSD A&S Memorandum, which is incorporated by reference into this Charter and all its processes.

Department of the Air Force Infrastructure Investment Strategy (I2S)

The Department of the Air Force will continue to utilize I2S principles to restore the health of our installations by refining business processes and implementing private sector best practices. These include implementing cost management strategies specific to different spending categories, leveraging data to improve the timing of sustainment and recapitalization actions, and establishing standards of services and equipment to achieve economies of scale. In order to maximize the near-term impact of current funding levels, the DAF will continue to assess mission thread

vulnerabilities and prioritize infrastructure repair requirements, which directly affect an installation's primary mission.

Continued implementation and execution of CM by more functional domain owners across the DAF will serve to increase and enhance the way the DAF embraces and enables these recent strategic imperatives. This will ultimately improve and strengthen business operations, drive greater efficiencies in procurement, gain full value for every taxpayer dollar, and drive down the total cost of doing business across the Federal Government.

1.3 BACKGROUND

CM originated as a commercial best practice adopted by leading companies such as United Parcel Service (UPS), Walmart, and Proctor and Gamble. In 2014, the Office of Management and Budget (OMB) adopted CM as an initiative to enable the Federal Government to buy smarter and more like a single enterprise in order to improve Government product and service delivery.

Figure 1 below outlines many of the significant events as the Department of the Air Force worked to develop and implement an enterprise-wide CM program.



Figure 1- DAF CM Implementation Timeline

1.4 GOVERNMENT-WIDE CATEGORY TAXONOMY

A key factor to executing a successful CM program is accurate visibility into spend by category. Under CM, the OMB identified distinct categories of products and services across the entire Federal Government, enabling each to be managed as a business with its own set of strategies. The OMB documented this category structure in what is commonly referred to as the Government-Wide Category Taxonomy. The DAF has adopted this taxonomy, and further adjusted the internal management of the sub-categories based on the DAF Total Cost of Ownership (TOC), as a means for organizing DAF spend and supporting consistent mapping and reporting to OMB.

The Government-Wide Category Taxonomy, shown in Figure 2 below, is composed of 19 distinct categories of spend based on common characteristics: categories 1 – 10 are common across the entire Federal Government, while categories 11 – 19 are unique to the Department of Defense (DoD).

The OMB CM program focuses on common goods and services, outlined in categories 1 – 10. Likewise, the DAF CM program will focus on those common categories.

General Government Categories 1-10				
1. IT 1.1 IT Software 1.2 IT Hardware 1.3 IT Consulting 1.4 IT Security 1.5 IT Outsourcing 1.6 Telecommunications	2. Professional Services 2.1 Business Administration Services 2.2 Legal Services 2.3 Management Advisory Services (excl. R&D) 2.4 Marketing and Distribution 2.5 Public Relations and Professional Communications Services 2.6 Real Estate Services 2.7 Trade Policy and Services 2.8 Technical & Engineering Services (non-IT) 2.9 Financial Services 2.10 Social Services	3. Security & Protection 3.1 Security Animals & Related Services 3.2 Security Systems 3.3 Security Services	4. Facilities & Construction 4.1 Construction Related Materials 4.2 Construction Related Services 4.3 Facility Related Materials 4.4 Facility Related Services 4.5 Facilities Purchase & Lease	5. Industrial Products & Services 5.1 Machinery & Components 5.2 Fire/Rescue/Safety/Environmental Protection Equipment 5.3 Hardware & Tools 5.4 Test & Measurement Supplies 5.5 Industrial Products 5.6 Install/Maintenance/Repair/Rebuild 5.7 Basic Materials 5.8 Oils, Lubricants, and Waxes
6. Office Management 6.1 Office Management Products 6.2 Office Management Services 6.3 Furniture	7. Transportation & Logistics Services 7.1 Package Delivery & Packaging 7.2 Logistics Support Services 7.3 Transportation of Things 7.4 Motor Vehicles (non-combat) 7.5 Transportation Equipment 7.6 Fuels	8. Travel and Lodging 8.1 Passenger Travel 8.2 Lodging 8.3 Travel Agent & Misc. Services	9. Human Capital 9.1 Specialized Educational Services 9.2 Vocational Training 9.3 Human Resources Services	10. Medical 10.1 Drugs and Pharmaceutical Products 10.2 Medical Equipment & Accessories & Supplies 10.3 Healthcare Services
Defense Centric Categories 11-19				
11. Aircraft, Ships/Submarines & Land Combat Vehicles 11.1 Aircraft 11.2 Land Combat Vehicles 11.3 Ships & Submarines 11.4 Space	12. Weapons & Ammunition 12.1 Ammunition & Explosives 12.2 Fire Control 12.3 Guided Missiles 12.4 Guns 12.5 Nuclear Ordnance 12.6 Weapons	13. Electronic & Communication Equipment 13.1 Communication Equipment 13.2 Detection & Coherent Radiation Equipment 13.3 Electrical and Electronics Equipment 13.4 Night Vision Equipment	14. Sustainment S&E 14.1 Drones 14.2 Engines, Components & Spt Eq 14.3 Materials 14.4 Supply Parts 14.5 Support Ships & Small Craft 14.6 Training Aids and Devices	15. Clothing, Textiles & Subsistence S&E 15.1 Subsistence 15.2 Textiles, Clothing & Equipage
16. Miscellaneous S&E 16.1 Non-Food Items for Resale 16.2 S&E Not Classified Elsewhere	17. Research & Development 17.1 Systems Development 17.2 Operational Systems Development 17.3 Technology Base 17.4 Commercialization 17.5 Pre-FY 1998 2-Digit Category	18. Equipment Related Services 18.1 Maintenance, Repair and Overhaul 18.2 Equipment Modification 18.3 Installation of Equipment 18.4 Quality Control 18.5 Technical Representative Services 18.6 Purchases and Leases 18.7 Salvage Services	19. Electronic Communication Services 19.1 Equipment Maintenance 19.2 Equipment Leases	

Figure 2 - Government-Wide Category Taxonomy

1.5 DEPARTMENT OF THE AIR FORCE CATEGORY MANAGEMENT AUTHORITY AND APPOINTMENT

The OMB established CM as the principal way in which all Executive Branch agencies should acquire and manage common goods and services spend to drive greater economy and efficiency. CM authority originates with OMB and flows down to each executive agency.

In August 2017, the President's Management Council, in coordination with OMB, directed all CFO Act agencies to designate a Senior Accountable Official (SAO), who is assigned authority and responsibility for the strategic cost management of assigned categories of spend in their agencies. These SAOs are at the Deputy Secretary-level of an agency, unless otherwise delegated, with the responsibility to apply CM principles and practices across the agency to reduce duplication, better leverage the government's buying power, and promote the use of effective Best- In-Class (BIC) solutions. For the purposes of the DAF CM program, the SAO position is referred to as the CM Accountable Official, or CMAO.

The Under Secretary of the Air Force has appointed SAF/MG to serve as the DAF CMAO and DAF representative to the Category Management Leadership Council (CMLC). SAF/MG is responsible for improving the effectiveness and efficiency of DAF business operations and advising DAF senior leadership on establishing strategic performance goals and managing DAF-wide cross-functional activities to meet those goals. This makes SAF/MG well postured and aligned to lead the CM program on behalf of the DAF and the Under Secretary of the Air Force.

The DAF CMAO appoints senior functional requirement owners, who are typically already responsible for controlling the requirement and managing the area of assigned spend, as Category Managers. The DAF CMAO has identified these senior DAF functional requirement owners by office/organization, versus individual names, so that new appointments are not necessary whenever there is a transition in the organization's senior leadership. The following offices/organizations, identified below by category, have been appointed as Category Managers¹:

- **Category 1 – Information Technology Category Manager** – DAF Chief Information Officer (SAF/CN)
- **Category 2 – Professional Services Category Manager** – Program Executive Officer for Combat and Mission Support (AFPEO/CM)
- **Category 3 – Security and Protection Category Manager** – Air Force Security Forces Center Commander (AFSFC/CC)
- **Category 4 – Facilities and Construction Category Manager²** – Air Force Civil Engineer Center Commander (AFCEC/CC)

¹ DAF CMAO has appointed Category Managers for Categories 1, 2, 3, 4, 5 and 7 accounting for 94% of DAF installation's spend on common goods and services. Category Managers have not been appointed for Category 6 – Office Management, Category 8 – Travel, or Category 9 – Human Capital. Additionally, the DAF will partner with the Defense Health Agency (DHA), the DoD Category Manager for Category 10 – Medical.

² Sub-Categories 5.2 (Protection Equipment) and 6.3 (Furniture) have been aligned to Category 4 due to existing mission structure under AFCEC.

- **Category 5 – Industrial Products and Services Category Manager** – 448th Supply Chain Management Wing Director (448 SCMW/CL)
- **Category 7 – Transportation and Logistics Services Category Manager** – 448th Supply Chain Management Wing Director (448 SCMW/CL)

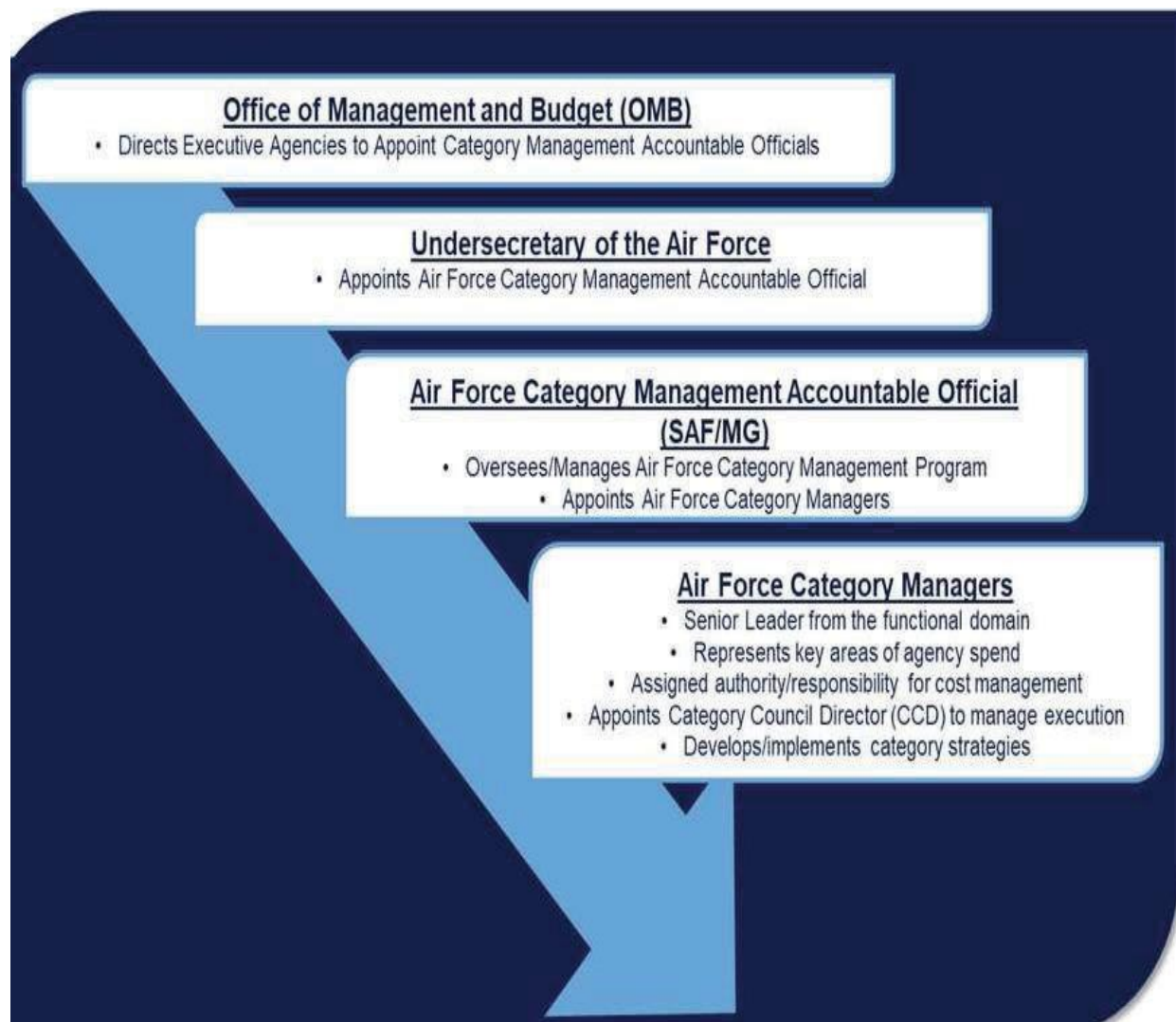


Figure 3 – Category Management Authority Flow

1.6 DEPARTMENT OF THE AIR FORCE CATEGORY MANAGEMENT PRINCIPLES

The DAF discipline of CM focuses on an organization's costs by segmenting it into discrete categories of similar types of products and services. As shown in Figure 4 below (known as the "DAF CM Parthenon"), the foundational principles of CM are: (1) categorization of spend, (2) assigning cost ownership via Category Managers, (3) developing business intelligence, and (4) driving results by managing demand and consumption, issuing policy, implementing strategic acquisitions consistent with OMB, SBA, and OSD guidance on small business participation, and adopting industry best practices to strategically manage costs. It is important to note that DAF CM is not an acquisition-driven process, but rather a mission and requirements- focused process. The "drive results" pillars of the CM Parthenon are color-coded to differentiate acquisition solutions from non-acquisition solutions. True strategic cost management cannot be achieved through the implementation of acquisitions alone, it requires functionally driven strategies (e.g., demand management, policies, best practices) to influence the underlying requirement and fully realize rate, process, and demand efficiencies.

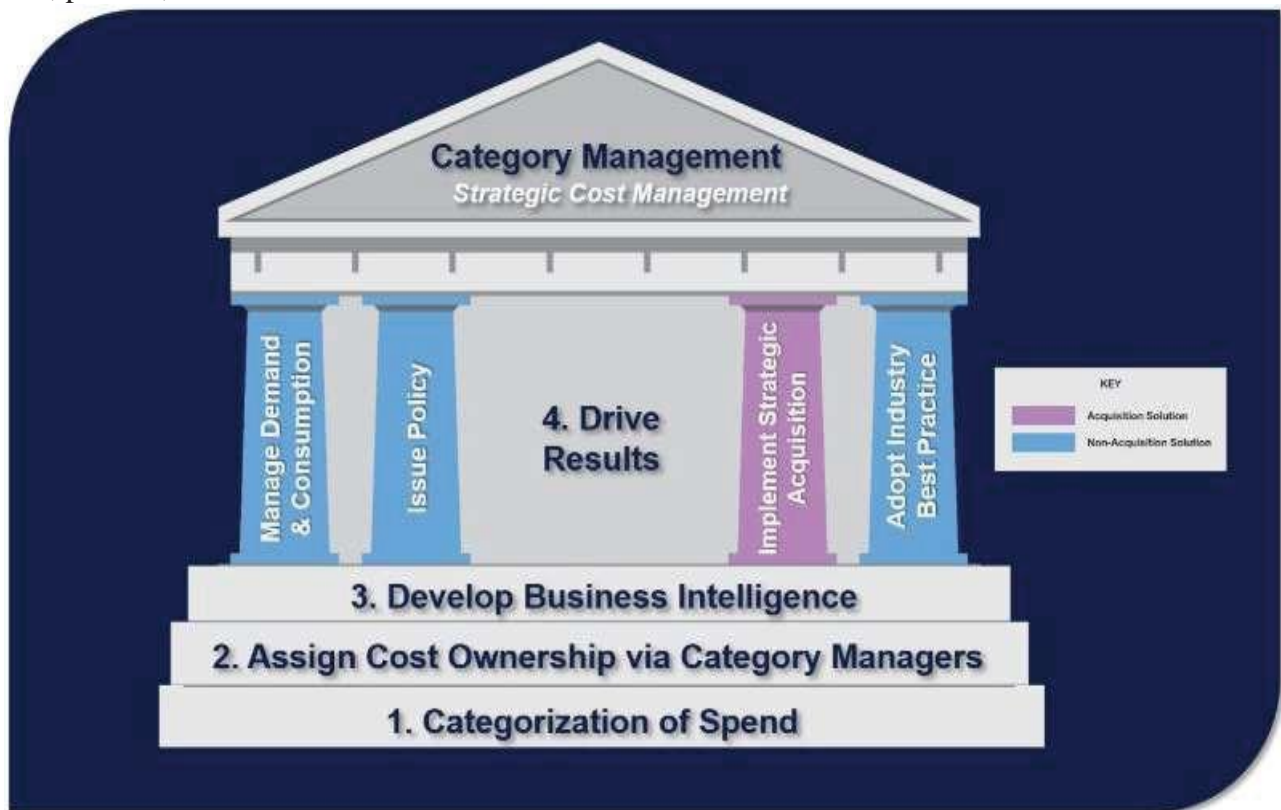


Figure 4 – Department of the Air Force Category Management Foundational Principles

2.0 DEPARTMENT OF THE AIR FORCE CATEGORY MANAGEMENT STRUCTURE

The Department of the Air Force Category Management structure shown in Figure 5 below identifies key participants and relationships within the DAF CM Program, from the Category Management Accountable Official down through the acquisition support organizations. Within the structure of the DAF CM Program, there are several key roles responsible for the execution of DAF CM objectives, which will be described in the following sections.

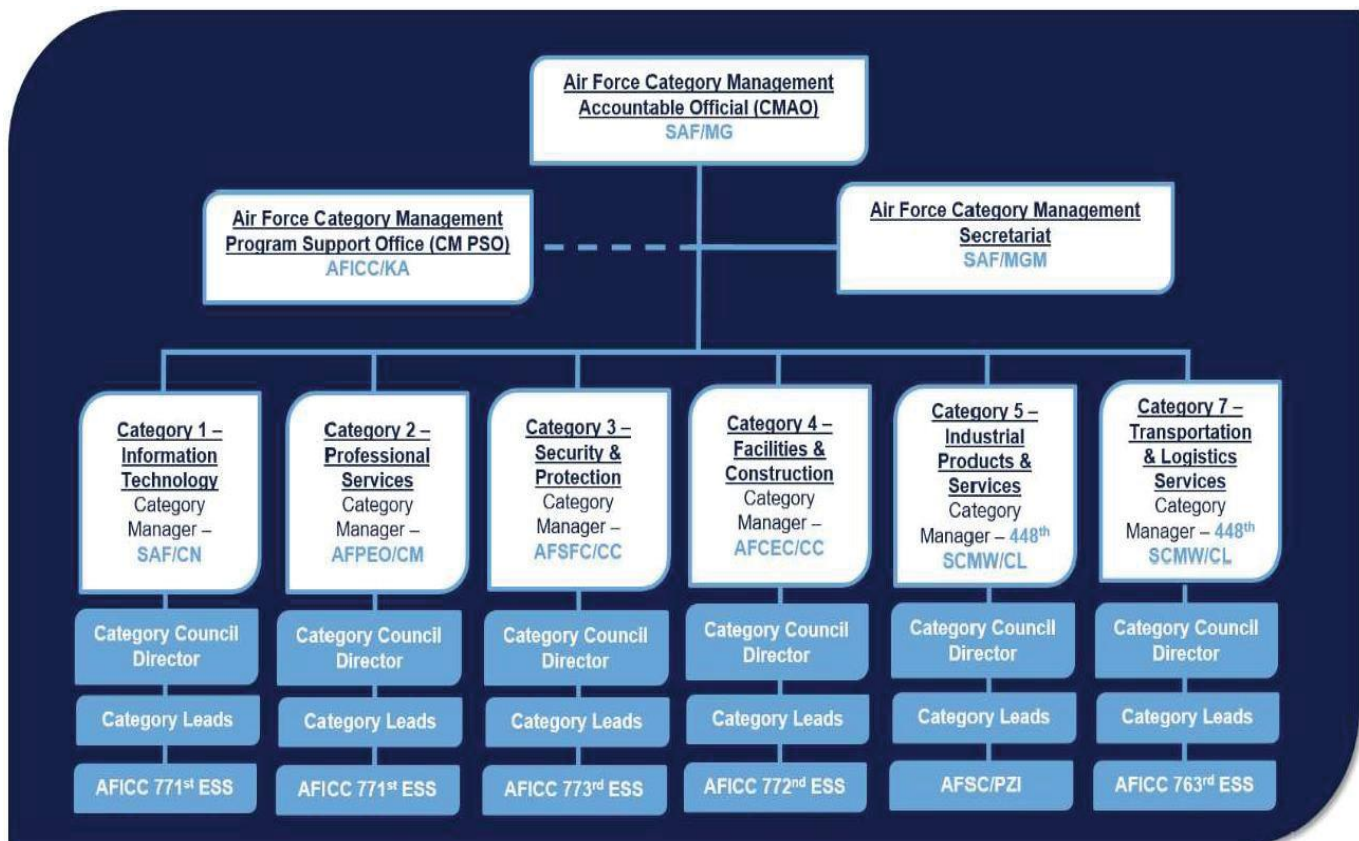


Figure 5 – Department of the Air Force Category Management Structure³

2.1 DEPARTMENT OF THE AIR FORCE CATEGORY MANAGEMENT ACCOUNTABLE OFFICIAL

Appointed by the Under Secretary of the Air Force, the DAF CMAO directs, monitors, and reports progress on the implementation and execution of the DAF CM Program. Responsibilities include:

³ The list of execution organizations (i.e., Air Force Installation Contracting Center, Air Force Sustainment Center (AFSC) Contracting) is non-inclusive. Category Managers may seek acquisition support outside the organizations listed, as required/appropriate.

- a) Provides DAF-wide CM governance
- b) Represents DAF on the federal-level Category Management Leadership Council (CMLC) as a voting principal, representing DAF equities
- c) Chairs the DAF quarterly Category Management Council (CMC)
- d) Chairs annual DAF Program and Category Deep Dives
- e) Approves standard DAF CM processes
- f) Ensures the implementation and execution of the CM Program, policies, and processes across the DAF
- g) Designates SAF/MGM as the DAF Category Management Program Secretariat
- h) Charters the Department of the Air Force Installation Contracting Center (AFICC) Category Management Branch (AFICC/KABC) as the DAF Category Management Program Support Office (CM PSO)
- i) Appoints senior DAF functional cost owners as agency-level Category Managers
- j) Develops and submits DAF CM plan annually to Office of the Secretary of Defense (OSD) and OMB
- k) Manages and monitors each DAF Category Manager's CM initiatives, focusing on implementation and execution of category strategies
- l) Reviews and provides the final endorsement for Category Charters and Category Strategic Plans (CSPs)
- m) Supports the cultivation and expansion of CM resources, training, and business intelligence tools across the DAF

2.2 DEPARTMENT OF THE AIR FORCE CATEGORY MANAGEMENT PROGRAM SECRETARIAT

Appointed by the DAF CMAO, the DAF CM Program Secretariat (SAF/MGM) directly supports the DAF CMAO in overseeing the implementation, execution, and administration of DAF CM Program activities. Responsibilities include:

- a) Appoints highly qualified, forward-thinking personnel to provide direct assistance to the CMAO in management of the CM Program
- b) Distributes, manages, and ensures timely completion of OMB, OSD, and CMAO tasks
- c) Schedules, organizes, and conducts quarterly DAF CMC meetings
- d) Schedules, organizes, and facilitates annual Category Deep Dive meetings
- e) Tracks and reports action items associated with the CMC and Deep Dives
- f) Collaborates with Category Council Directors (CCDs) on submission of CM Mid-Activity Reports (MARs), CMC slides, Deep Dive slides, and CM Program Integrated Master Schedule (IMS) deliverables by established suspense dates
- g) Ensures CCD reporting submissions are consistent with templates published and maintained by the DAF CM PSO
- h) Schedules and conducts recurring meetings with CCDs and CM PSO to review progress of category activities to include status of Charters, CSPs, and business intelligence products (e.g., Category Intelligence Reports (CIR), Business Case Analyses (BCA), and other analyses as appropriate)

- i) Schedules and conducts recurring meetings with the CM PSO to review CM program implementation, execution, and administration activities
- j) Identifies program concerns and risks for DAF CMAO engagement
- k) Oversees the DAF CM Program Integrated Master Schedule
- l) Manages CM execution updates in the PERforM Execution Dashboard
- m) Participates in workshops supporting Category Charters, CSPs, CEPs, and business intelligence products (e.g., CIRs, BCAs, and other analyses as appropriate)
- n) Fosters CM strategic communication and information sharing across the DAF and Federal Government, including the collection and dissemination of CM lessons learned
- o) Ensures Category Managers and CCDs submit CM OMB (e.g., SUM, BIC Tier credit, Small Business Utilizations (SBU), etc.) and DAF metrics to SAF/AQC and SAF/MG on a recurring basis in support of the CMC
- p) Oversees DAF CM change management program to enable CM teams to effectively adjust to changing program direction and requirements

2.3 DEPARTMENT OF THE AIR FORCE CATEGORY MANAGEMENT PROGRAM SUPPORT OFFICE (CM PSO)

Chartered by the DAF CMAO, the AFICC Enterprise Solutions Directorate, Enterprise Innovation Division, Category Management Branch (AFICC/KABC) operates as the DAF CM PSO with direct priority support from the Business Intelligence Branch (AFICC/KABB). As depicted in Figure 5, the DAF CM PSO has been designated by SAF/MG as a dotted-line reporting organization. In this capacity, the DAF CM PSO will act as an extension of SAF/MG, ensuring quality, consistency, timeliness, and accuracy of DAF CM products and deliverables on behalf of the DAF CMAO. Further, the DAF CM PSO will provide CM subject matter expertise to support the implementation and execution of DAF CM Program initiatives. In addition to delivering direct research, analysis, and advisory support, the DAF CM PSO will provide CM tools, templates, and training to enable high-quality, successful CM execution. Responsibilities include:

- a) Appoints highly qualified, forward-thinking personnel as CM PSO advisors for each Category to provide direct support to Category Managers, Category Council Directors (CCDs), and Category Leads (CLs) in the implementation and execution of the DAF CM Program
- b) Designs and develops standard DAF CM processes
- c) Designs and performs market research, analysis, and benchmarking
- d) Leads development of Spend Analysis, Category Intelligence Reports (CIRs), and CIR-related Category Execution Plans (CEPs)
- e) Advises and assist on Strategic Acquisitions strategies and non-CIR business intelligence products (e.g., Business Case Analyses, Opportunity Assessments, and other analyses) as appropriate
- f) Facilitates development of non-CIR related CEPs
- g) Designs and performs research methodologies to include data mining, analysis, interpretation, modeling, and simulation

- h) Develops tools, templates, and guides to aid in the consistent execution of CM initiatives
- i) Facilitates workshops in support of Category Charters, CSPs, CIRs, and CEPs, as appropriate
- j) Reviews, comments, and coordinates on CM documentation to include Category Charters, CSPs, CEPs, and other deliverables, as appropriate
- k) Supports recurring meetings with DAF CM Program Secretariat and CCDs to review CM reporting materials such as CMC slides, Deep Dive slides, MARs, and CM IMS entries
- l) Reviews, comments, and coordinates on CM reporting materials to include the CMC slides, Deep Dives slides, MARs, and CM IMS
- m) Schedules, organizes, and conducts annual DAF CM Program Deep Dive
- n) Develops and provides CM training and educational materials
- o) Conducts CM training and recurring CM immersions
- p) Primary liaison with Federal CM team on DAF CM training status and reporting
- q) Develops and disseminates CM strategic communication materials
- r) Facilitates coordination of Acquisition Decision Memorandums (ADM) and Opportunity Assessments (OA) associated with CM strategic acquisitions
- s) Collaborates with various government-wide organizations and entities involved with CM-related activities and events
- t) Administers and manages DAF CM knowledge management repository
- u) Manages DAF CM Cost Savings Tracker
- v) Facilitates CM strategic communication and information sharing across the DAF and Federal Government, including the collection and dissemination of CM lessons learned

2.4 CATEGORY MANAGERS

Appointed by the DAF CMAO, DAF Category Managers, typically General Officers (GOs) or members of the Senior Executive Service (SES), are senior-level functional mission owners with responsibility for cost ownership of the requirements within their assigned category of spend (e.g., Category 1 – Information Technology). This authority and responsibility require deliberate and proactive strategic cost management of assigned categories. Responsibilities include:

- a) Ensures the implementation and execution of DAF CM Program initiatives, policies, and processes across their assigned category of spend
- b) Aligns and integrates CM activities with organizational strategic initiatives
- c) Appoints highly qualified, forward-thinking personnel as CCDs and CLs
- d) Manages CCDs to ensure accountability, effective category performance and oversight
- e) Develops, updates, and approves a Category Charter for final endorsement by CMAO
- f) Develops, updates biennially and approves a CSP for final endorsement by CMAO
- g) Ensures knowledgeable and effective SME personnel availability to implement and execute CM initiatives identified in the respective CSP
- h) Ensures resource and funding availability required to implement and execute CM initiatives identified in the respective CSP

- i) Ensures the establishment and implementation of CSP initiatives are consistent with statutory socioeconomic responsibilities, promotes diversification of Small Business (SB) supplier base, and maximizes practicable opportunities to SBs
- j) Reviews and approves CIR Team Charters, CIRs, and CEPs
- k) Reviews and approves CM reporting materials to include the CMC slides, Deep Dives slides, MARs, and CM IMS
- l) Functions as the enterprise requirement owner or identifies alternate technical/functional requirement owners to support CM-related enterprise or strategic acquisitions
- m) Approves or identifies alternate technical/functional approval authority for CM-related mandatory-use policies
- n) Monitors and reports category progress/performance to include schedules, risks, and action plans for CM initiatives directly to the DAF CMAO at quarterly CMC meetings
- o) Leads effective and timely Category strategic communications and change management
- p) Provides recommendations to the DAF CMAO on Federal CSPs and OMB CMLC efforts that impact their respective category
- q) Provides recommendations on DAF use of federal BIC contract vehicles, with no prioritization of spending on BICs at the expense of socioeconomic SB goals
- r) Participates in and represents the DAF at DoD and Federal-level category forums for respective category efforts, as necessary

2.5 CATEGORY COUNCIL DIRECTORS

Appointed by their respective Category Managers, Category Council Directors, typically O-6 or equivalent personnel, are highly qualified, functional experts with responsibility for the execution of day-to-day CM operations of their category. CCDs require leadership and management skills, keen knowledge of their functional community, as well as a robust understanding of DAF CM principles, processes, templates, and tools. Additionally, the CCD role necessitates a proactive and forward-thinking mindset in order to gain the full value of CM. Responsibilities include:

- a) Drives timely and effective implementation and execution of all DAF CM initiatives and action items throughout their assigned category
- b) Leads Category activities on behalf of, and reports directly to, the Category Manager
- c) Coordinates with the Category Manager to ensure CM teams are effectively resourced with highly qualified and committed SMEs that are available throughout the life of each CM effort
- d) Provides CM support, knowledge, and facilitation to the Category Manager, CLs, and CM teams to ensure timely completion of CM deliverables
- e) Develops, updates and submits Category Charter and CSPs for Category Manager approval and for final endorsement by DAF CMAO
- f) Coordinates with Air Force Installation and Mission Support Center (AFIMSC) Enterprise Managers, as applicable, to ensure transparent oversight, policy, requirements planning, and budgetary execution

- g) Ensures the establishment and implementation of CSP initiatives are consistent with statutory socioeconomic responsibilities, promote diversification of SB supplier base, and maximize practicable opportunities to SBs
- h) Supports development of business intelligence products with assistance from CM PSO
- i) Coordinates with CLs or initiative leads on CM reporting materials to include the CMC slides, Deep Dive slides, MARs, and CM IMS
- j) Coordinates and obtains Category Manager approval on CM reporting materials to include the CMC slides, Deep Dive slides, MARs, and CM IMS
- k) Prepares and submits the approved category MAR to DAF CM Program Secretariat by established suspense dates and ensures reports are consistent with templates, are complete, concise, and convey pertinent information, including milestones and initiative status
- l) Prepares and submits the approved CMC and category Deep Dive slides to DAF CM Program Secretariat by established suspense dates and ensures slides are consistent with templates, are complete, concise, and convey pertinent information, including milestones and initiative status
- m) Submits CM metrics (e.g., SUM, BIC tier credit, SBU, etc.) to DAF CM Program Secretariat and SAF/AQC on a quarterly basis as part of the CMC
- n) Conducts recurring meetings with DAF CM Program Secretariat and DAF CM PSO advisor to review CM reporting materials such as CMC slides, Deep Dive slides, MARs, and CM IMS, with emphasis on the progress of category activities to include status of Charters, CSPs, business intelligence products, CEPs, and related Action Items
- o) Coordinates and collaborates with respective DAF CM PSO advisors to obtain CM SME support, guidance, best practices, and to ensure CM processes and procedures are consistent with those published and maintained by the DAF CM PSO
- p) Leads workshops supporting respective Category Charters and CSPs with assistance from CM PSO
- q) Participates in workshops supporting CIRs and CEPs, as applicable
- r) Provides recommendations on DAF use of federal BIC contract vehicles, on behalf of the Category Manager, with no prioritization of spending on BICs at the expense of socioeconomic SB goals
- s) Leads an effective and timely strategic communications program on behalf of the Category Manager
- t) Primary liaison between DAF CM team and Federal CM team

2.6 CATEGORY LEADS

Appointed by their respective Category Managers and/or CCD, CLs are highly qualified, forward-thinking technical, functional, and/or acquisition SMEs with responsibility for supporting their area of expertise on behalf of their assigned Category Manager. CLs are critical members of the Category Council and function as part of their Category Manager's brain trust. CLs may be aligned by sub-category (e.g., Category 1.2 – Hardware) or they may be appointed to represent their organization's portfolio and requirements, mission equities, or other specialized capabilities that benefit the Category Council. Responsibilities include:

- a) Advises the assigned Category Manager and CCD as the technical, functional, and/or acquisition SME
- b) Establishes the strategic direction and leads efforts to gather, aggregate, and analyze requirements
- c) Identifies opportunities to improve overall category performance
- d) Directs and guides the timely execution of CM efforts within assigned portfolio and ensures expeditious implementation of the recommendations and milestones identified
- e) Leads development of business intelligence products (e.g., BCAs and other analyses, as appropriate) with assistance from the CCD, CM PSO and other SMEs, as applicable
- f) Leads development of CEPs associated with completed business intelligence products with assistance from the CCD, CM PSO and other SMEs, as applicable
- g) Supports market research, analysis, and benchmarking
- h) Supplies technical, functional, and asset management data in support of data mining, analysis, interpretation, modeling, and simulation
- i) Ensures CM teams are effectively resourced with highly qualified and committed SMEs that are available throughout the specific CM effort
- j) Coordinates with the CCD on CM reporting materials to include the CMC slides, Deep Dive slides, MARs, and CM IMS inputs
- k) Participates in recurring reporting events to include CMCs and Deep Dives
- l) Participates in workshops supporting Category Charters, CSPs, CIRs, and CEPs, as applicable
- m) Coordinates and collaborates with respective DAF CM PSO advisors to obtain CM SME guidance, best practices, and to ensure CM processes and procedures are consistent with those published and maintained by the DAF CM PSO
- n) Participates in and represents the DAF at DoD and federal-level category forums for assigned efforts

2.7 OTHER AIR FORCE CATEGORY MANAGEMENT PROGRAM GOVERNANCE AND EXECUTION SUPPORT

2.7.1 SAF/AQC shall support the DAF CM program and DAF CMAO in the governance, reporting and execution of the DAF CM program:

- a) Serves as the acquisition/contracting advisor to provide guidance and governance to support the DAF CM program and the DAF CMAO
- b) Serves as an advisor to the quarterly CMC and support Category Managers as needed to execute category initiatives
- c) Develops, consolidates, and submits DAF SUM and BIC tier credit reports, DAF annual CM plan and other key performance metrics to DAF CMAO, OSD and OMB as required
- d) Assists Category Managers in the preparation of SUM, BIC, tier credit and SBU requests; submitting to GSA CM PMO as completed with final updates no later than end of each fiscal year and ensures no prioritization of spending on BIC at expense of socioeconomic SB goals

- e) Reviews and approves CM preferred or mandatory-use policies for acquisition solutions
- f) Supports the CMAO and DAF CM Secretariat in the governance, reporting, and execution of the DAF CM program
- g) Provides applicable CM updates regarding DAF SUM and BIC achievement in the PERforM application
- h) Provides any relevant support and analyses to help determine any adjustments in CM spend or practices, guidance, and/or policies to drive more equitable CM results
- i) Provides support in understanding the impacts of current buying practices across industries and market sectors, identifies events/actions with greatest opportunity for growing industrial base
- j) Provides advice on innovative business practices that may lower barriers for competition, increase participation and reduce administrative burden

2.7.2 SAF/SB shall support the DAF CM program and DAF CMAO in the reporting and execution of the DAF CM program:

- a) Serves as the Small Business lead and advisor to provide guidance and support to the DAF CM program and the DAF CMAO
- b) Supports the development of DAF SUM, BIC, Tier Credit, SBU reports, DAF Annual CM plan, and key performance metrics to DAF CMAO, OSD and the OMB as related to growing the SB industrial base
- c) Serves as an advisor in the quarterly CMC and ensures SB functional monitoring and expertise support to CM PSO, CM Secretariat, Category Managers, Category Council Directors, Category Leads and their acquisition support organizations (see Figure 5) in the implementation and execution of category initiatives related to Small Business concerns
- d) Provides reporting at the CMC on DAF progress toward achieving SB goals
- e) Provides any relevant support and analyses of market trends of U.S. economy to help determine any adjustments in procurement practices, targeted outreach event, and/or to drive more equitable SB results
- f) Provides advice on innovative business practices that may increase participation rate of SBs and/or reduce SB administrative burden
- g) Reviews and provides SB functional coordination and expertise on CM mandatory-use policies and acquisition solutions to ensure maximizing Small Business Utilization and to boost opportunities for Small Disadvantaged Businesses and other small business categories.
- h) Provides SB Professional functional coordination and expertise to Category Managers and CCDs in the establishment and implementation of CM efforts consistent with statutory socioeconomic responsibilities, promotes greater SB supplier diversity, maximizes practicable opportunities to SB and ensures no prioritization of spending on BIC at expense of socioeconomic SB goals
- i) Participates in CM initiatives to include Category Intelligence Reports (CIRs) as well as acquisition initiatives (e.g. Strategic Sourcing)
- j) Provides support in understanding the impacts of current buying practices across industries and market sectors, identifies events/actions with greatest opportunity for growing the

industrial base while maximizing SB opportunities.

2.7.3 SAF/FM shall support the CMAO in the execution and reporting of the DAF CM program. SAF/FMB will act as the primary liaison to the DAF CM program and:

- a) Provides financial management guidance, financial analysis and support to the DAF CM Program and the DAF CMAO
- b) Serves as an advisor to the quarterly CMC and support Category Managers as needed to validate category initiatives
- c) Provides budgetary guidelines, validation and recommendations in the tracking of cost savings and avoidances as a result of DAF CM initiatives
- d) Interprets financial management data and provides budgetary recommendations to fulfil CM Business Case Analyses (BCAs)
- e) Supports the DAF CMAO and DAF CM Program Secretariat in the execution and reporting of the DAF CM Program
- f) Reviews and provides functional expertise on CM guidance and policies for DAF CM Program

2.7.4 AFICC ENTERPRISE SOURCING SQUADRONS (ESS) AND AIR FORCE SUSTAINMENT CENTER CONTRACTING (AFSC/PZ)

AFICC ESS will support DAF Category Managers and their teams in the execution of DAF CM. The AFICC Commander retains both operational and organizational authority over all AFICC ESS, designating the following ESS support to the respective DAF CM program⁴:

- **Category 1 – Information Technology** – 771st Enterprise Sourcing Squadron
- **Category 2 – Professional Services** – 771st Enterprise Sourcing Squadron
- **Category 3 – Security and Protection** – 773rd Enterprise Sourcing Squadron
- **Category 4 – Facilities and Construction** – 772nd Enterprise Sourcing Squadron
- **Category 6 – Office Management** – 773rd Enterprise Sourcing Squadron
- **Category 7 – Transportation and Logistics Services** – 763rd Enterprise Sourcing Squadron
- **Category 9 – Human Capital** – 338th Enterprise Sourcing Squadron
- **Category 10 – Medical** – 773rd Enterprise Sourcing Squadron

AFSC/PZ will support DAF Category 5 Category Manager and their team in the execution of DAF CM. The AFSC Contracting Director retains both operational and organizational authority over AFSC contracting organizations, designating the following organization to support the DAF CM Program:

⁴ DAF CMAO has appointed Category Managers for Categories 1, 2, 3, 4, 5 and 7 accounting for 94% of DAF installation's spend on common goods and services. Category Managers have not been appointed for Category 6 – Office Management, Category 8 – Travel, or Category 9 – Human Capital. Additionally, the DAF will partner with the Defense Health Agency (DHA), the DoD Category Manager for Category 10 – Medical.

- **Category 5 – Industrial Products and Services – AFSC/PZI**

AFICC ESS and AFSC/PZ responsibilities include:

- a) Conducts effective and timely Opportunity Assessments (OAs)
- b) Executes effective and timely enterprise or strategic acquisition solutions
- c) Supports development of CIRs and CEPs, as appropriate
- d) Participates and provides acquisition-related inputs in workshops supporting assigned Category Charters, CSPs, CIRs, and CEPs, as appropriate
- e) Participates in recurring reporting events to include CMCs and Deep Dives, as applicable
- f) Develops and coordinates Acquisition Decision Memorandums (ADMs) for enterprise or strategic acquisitions, as applicable
- g) Develops and coordinates on CM mandatory-use policies for awarded enterprise or strategic acquisitions, as applicable
- h) Develops and coordinates strategic communications in support of awarded enterprise or strategic acquisitions , as applicable
- i) Coordinates with CCD on CM reporting materials to include the CMC slides, Deep Dive slides, MARs, and CM IMS
- j) Coordinates and collaborates with respective DAF CM PSO advisor to obtain CM SME guidance, best practices, and to ensure CM documentation, processes, and procedures are consistent with those published and maintained by the DAF CM PSO

2.7.5 AFIMSC AND AFCEC ENTERPRISE MANAGERS provide applicable support to the DAF Category 1, 3, 4 and 7 Category Managers and their teams in the execution of DAF CM initiatives within their respective portfolios. Enterprise Managers are requirement owners responsible for enterprise-wide installation and mission support capabilities for 77 installations, ensuring transparent and standardized intermediate-level oversight, policy, and guidance for installation engineering, protection services, and operations support. The Enterprise Managers and their support teams provide requirements planning, fiscal guidance, policy, and analytical support for enterprise management portfolios, installations and subordinate units, and higher headquarters including program validation, budget execution, financial data calls, financial tools, and cost reporting. The AFIMSC and AFCEC Enterprise Managers specific portfolios support the following DAF Category Managers and their team in the execution of DAF CM:

- **Category 1 – Information Technology**
 - AFIMSC/IZC Enterprise Manager for Base Ops Support/IT
- **Category 3 – Security and Protection**
 - AFIMSC/IZP Enterprise Manager for Protection and Combat Support
- **Category 4 – Facilities and Construction**
 - AFIMSC/IZB Enterprise Manager for Facility Recap, Sustainment and Ops;
 - AFCEC/CZ Enterprise Manager for Environmental
 - AFCEC/CIM Enterprise Manager for Housing

- **Category 7 – Transportation and Logistics Services**
 - AFIMSC/IZD Enterprise Manager for Deployment & Distribution

AFIMSC AND AFCEC Enterprise Managers responsibilities include:

- Advises Category Managers and CCDs as a technical/functional SME, as applicable
- Provides requirement, policy, and budgetary insight within assigned portfolio
- Informs and enables the strategic direction of Categories within assigned portfolio
- Supports market research, analysis, and benchmarking, as applicable
- Participates in recurring reporting events to include CMCs and Deep Dives, as appropriate
- Participates in workshops supporting Category Charters, CSPs, CIRs, and CEPs, as applicable

3.0 GOVERNANCE AND REPORTING

At the Department of the Air Force level, Category Management governance is the responsibility of the DAF Category Management Council and applies to all DAF Category Managers and appointed roles. DAF CM governance details and other reporting activities are as follows.

3.1 CATEGORY MANAGEMENT LEADERSHIP COUNCIL (CMLC)

The CMLC is the governing body for the federal CM strategies and initiatives.



Figure 6 - CMLC Structure

Structure. The CMLC is chaired by the Office of Federal Procurement Policy (OFPP) with twelve (12) voting members: the Department of Defense (DoD) (to include the Office of the Secretary of Defense (OSD), the Military Departments, and the Defense Logistics Agency (DLA)), the Department of Energy (DoE), the U.S. Department of Health and Human Services (HHS), the Department of Homeland Security (DHS), the Veterans Administration (VA), the General Services Administration (GSA), the National Aeronautics and Space Administration (NASA), and the Small Business Administration (SBA).

Frequency. The CMLC meets on an ad hoc basis.

The CMLC meeting schedule is determined by OFPP. OMB's CMLC Charter further outlines the purpose, roles, and responsibilities of the CMLC. In general, the CMLC will:

- a) Approve and support the execution of Federal Category Plans
- b) Review agency requests for exceptions to approved OMB CM policies
- c) Assess performance of government-wide strategies and solutions (to include small business participation)
- d) Approve any changes to the Government-wide category taxonomy and governance
- e) Establish guiding principles for BIC criteria
- f) Support vendor management efforts

3.2 DEPARTMENT OF DEFENSE DOCC CATEGORY MANAGEMENT (DOCC-CM) SUB-COMMITTEE

The Department of Defense (DoD) is taking a minimalist approach to re-establishing an OSD CM leadership apparatus using the existing DoD-OMB CXO Council (DOCC), which reports to the Defense Business Council (DBC). A DOCC Category Management (DOCC-CM) sub-committee has been established as the primary body for coordination of the DoD's Category Management activities, will engage the DBC on Category Management topics (by exception), and facilitate cross-component coordination.

Structure. The DOCC-CM will be co-chaired by the DoD CMAO (A&S) and OSDA&M. Membership will include the DOCC-CM Program Secretariat (OSDA&M), Services and DLA CMAOs with representation from OSD A&S and Office of Small Business Programs (OSBP) along with other members as necessary.

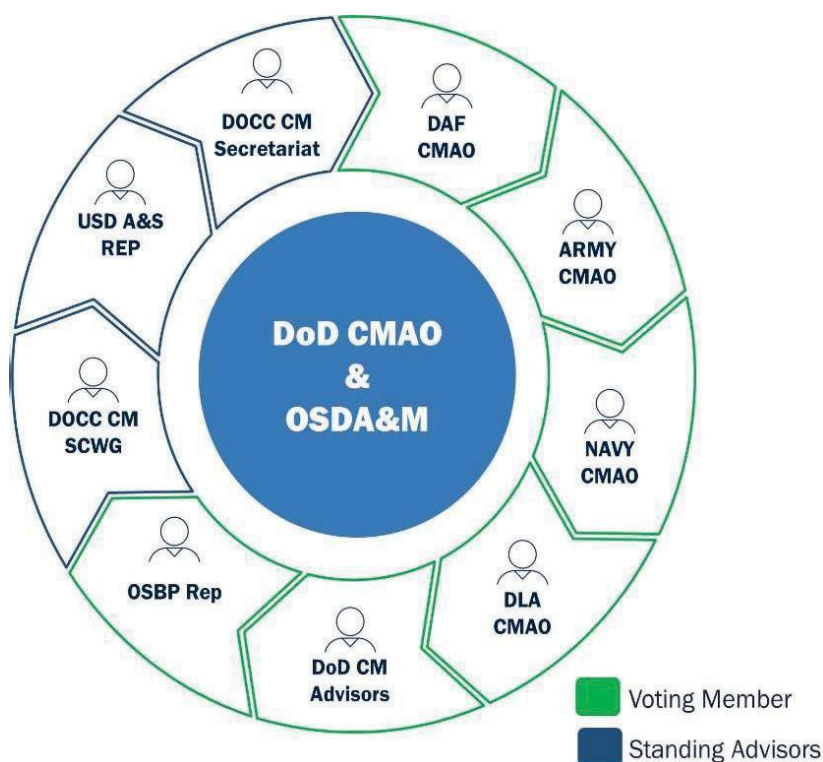


Figure 7 - DoD DOCC-CM Structure

Frequency. DOCC-CM shall have a recurring meeting at least bi-monthly. If deemed necessary by the DoD CMAO, a special session may be convened outside the established frequency.

3.3 DEPARTMENT OF THE AIR FORCE CATEGORY MANAGEMENT COUNCIL (CMC)

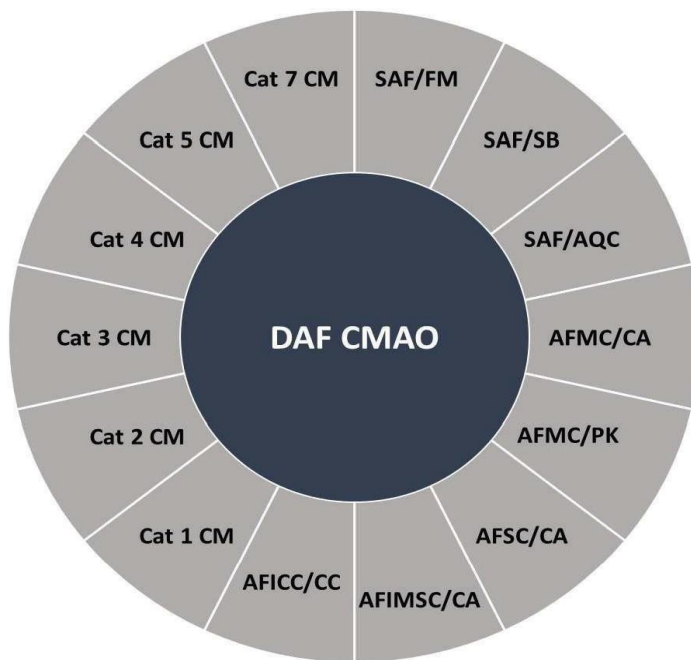


Figure 8 - DAF CMC Structure

The DAF CMC is a forum intended to ensure that the DAF is executing a disciplined, data-driven process for strategic cost management. The CMC serves to establish strategic direction for the CM program and ensure successful implementation of CM efforts across all Categories.

Structure. The DAF CMC will be chaired by the CMAO, and each of the DAF Category Managers will serve as members. Additionally, SAF/FM, SAF/SB, SAF/AQC, AFMC/CA, AFMC/PK, AFSC/CA, AFIMSC/CA, and AFICC/CC will serve as advisors to the CMC. The DAF CM Program Secretariat is responsible for tracking all content, metrics, and Action Items associated with the CMC.

Frequency. The DAF CMC shall have a recurring meeting at least once per quarter. If deemed necessary by the DAF CMAO, a special session may be convened outside the established frequency.

The DAF CMC:

- a) Enables the DAF CMAO to provide strategic direction, guidance, and oversight of the DAF CM Program
- b) Monitors progress on overall CM metrics for the DAF
- c) Assesses progress of implementation activities such as Category Charters, CM appointments, and CSPs
- d) Assesses progress of analysis activities such as CIRs, BCAs, etc.
- e) Assesses progress of execution activities such as CEPs and other strategic initiatives
- f) Monitors overall category performance, with emphasis placed on the review of selected special interest initiatives
- g) Reviews delayed or late activities, key risks, resource constraints, and associated mitigation or corrective action plans
- h) Ensures strategies and resulting solutions support the planning, programming, budgeting, and execution (PPBE) of DAF-wide requirements, capabilities, and resources

- i) Reviews Category Managers' determinations for enterprise-level policy for mandatory-use or preferred-use contract solutions along with the application of federal BIC solutions and recommendations for "opt-out" strategies, when applicable
- j) Reviews and provide recommendations on any federal or CMLC initiatives and CM policies, guidance, and tools to the OMB/CMLC
- k) Forum to communicate changes and updates to the CM program processes and procedures
- l) Ensures integration with DoD and DAF enterprise initiatives (e.g., DoD reform, Cost transparency, Enterprise IT, etc.)
- m) Ensures specific initiatives proposed by Category Managers are communicated in appropriate functional channels via SAF, HAF or MAJCOM forums, as needed
- n) Ensures annual DAF Category Management plan and Category Strategic Plans are consistent with Advancing Equity in Procurement

3.4 DEPARTMENT OF THE AIR FORCE CATEGORY DEEP DIVES

As a companion forum to the CMC, Category Deep Dives afford Category Managers and Category Councils sufficient time to provide the DAF CMAO a thorough review of all recently completed, active, and planned activities within a category.

Structure. The DAF CMAO and the respective DAF Category Manager will chair the Category Deep Dives. Attendance will be limited to a single Category Council, to include support organizations, as appropriate.

Frequency. Each category with an appointed DAF Category Manager shall have a recurring meeting at least once per year. If deemed necessary by the DAF CMAO or DAF Category Manager, a special session may be convened outside the established frequency.

The DAF Category Deep Dive:

- a) Provides the Category Manager and CCD an opportunity for dedicated conversation on current status and way ahead on Category activities, Category-specific issues and opportunities for leadership engagement
- b) Enables the DAF CMAO to provide targeted strategic direction, guidance, and oversight to individual categories
- c) Monitors progress of all recently completed, active, and planned category initiatives
- d) Addresses strategic communications, metrics, risks, and applicable trend analysis

3.5 DEPARTMENT OF THE AIR FORCE CATEGORY MANAGEMENT PROGRAM DEEP DIVE

Similar to Category Deep Dives, a DAF CM Program Deep Dive affords the DAF CM Program Secretariat and DAF CM PSO sufficient time to provide the DAF CMAO a thorough review of program successes, emerging objectives, and an evaluation of DAF CM procedures, tools, templates, training, reporting, and administrative activities to identify process improvement opportunities.

Structure. The DAF CMAO will chair the DAF CM Program Deep Dive, with attendance limited to the DAF CMAO, DAF CM Program Secretariat, and DAF CM PSO.

Frequency. The DAF CM Program Deep Dive shall occur at least once per year. If deemed necessary by the DAF CMAO, a special session may be convened outside the established frequency.

The DAF Program Deep Dive:

- a) Enables the DAF CMAO to provide targeted strategic direction, guidance, and oversight to DAF CM Program Secretariat and DAF CM PSO
- b) Reviews DAF CM Program Charter to assess compliance with roles and responsibilities
- c) Reviews existing or emerging tools, templates, and training products for improvement opportunities
- d) Reviews existing or emerging reporting activities for improvement opportunities
- e) Approves proposed process, procedure, and governance changes
- f) Addresses strategic communications, metrics, risks, and applicable trend analysis

3.6 CATEGORY STATUS UPDATES

Category performance and progress status updates will be provided during quarterly DAF CMCs and in MARs. Reviews of the MARs will be conducted between the DAF CM program Secretariat (SAF/MGM) and each respective CCD approximately 45 days between the quarterly CMCs. Members of SAF/AQC and the DAF CM PSO will participate in an advisory and assistance role as necessary.

Each quarterly CMC and MAR submission should be coordinated by the CCD with the respective Category Manager prior to submission. The MAR will be reviewed and discussed as part of status meetings on CM initiatives, implementation and execution between the CCDs and the DAF CM Secretariat, and will be provided to the DAF CMAO for CM updates in preparation for the upcoming quarterly CMC meeting.

3.7 PERFORMANCE MEASURES AND REPORTING

Federal Category Managers provide an annual strategic plan and report quarterly to the OMB (e.g., SUM, BIC, CM Training, Duplicative Contracts, Cost avoidance and Small Business Utilization). Likewise, the DAF CMAO will provide a CM annual plan to OMB outlining plans for the coming fiscal year. Agency-level Key Performance metrics will be reported as required by OMB. To facilitate this reporting, DAF Category Managers shall be responsible for reporting CM metrics to the DAF CMAO as required.

CM Performance Metrics will evolve over time; however, the following Agency-level metrics are reported to and tracked by OMB:

- a) *Spend Under Management (SUM)*. SUM is the overall measure of maturity for the federal CM program. As one of the principal measures of CM adoption, OMB is tracking the

percentage of agency SUM. To ensure Small Business concerns are not negatively impacted by CM implementation, automatic Tier 2 SUM credit will be applied towards CM goals for *all* socioeconomic SB awards.

- b) *Best in Class (BIC)*. BIC is the overall measure of leveraging government spend on utilizing a strategic contract solution (e.g. GSA OASIS) that has been designated and approved as BIC. OMB is also tracking the percentage of agency BIC; NOTE: shall not prioritize spending on BIC at expense of socioeconomic SB goals and maximum practicable opportunity to SBs.
- c) *Industry Engagement and Vendor Management*. Industry Engagement and Vendor Management is described in OMB M-19-13 as a private sector best practice implemented to achieve better contract outcomes and reduce risk for all parties. These programs typically involve developing collaborative, ongoing partnerships to manage performance and explore opportunities for efficiencies. Industry engagement and vendor management should take into consideration both pre-award and post-award strategies.
- d) *Demand Management*. Overall measure the implementation of best practices to eliminate inefficient purchasing and consumption behaviors. OMB is monitoring the performance and progress of each agency.
- e) *Transaction Data Sharing Readiness*. Details DAF plans for transactional data sharing, pursuant to OMB 19-13: "(i) transactional data to be posted on the Acquisition Gateway, including prices offered, prices paid and other non-price information such as terms and conditions, past performance and other factors for contracts and purchase card transactions that can differentiate quality and value of products and services."
- f) *CM Training*. Describes DAF annual goal to provide training to acquisition, requirements and functional personnel to include approach to achieving annual CM training goal.
- g) *Small Business Utilization*. The DAF CM Secretariat, in collaboration with SAF/AQC and SAF/SB will: track and report progress toward achieving Agency-level small business goals as defined by the Small Business Agency and the DoD Office of Small and Disadvantaged Business Utilization; and ensure establishment and implementation of CM plans are consistent with statutory socioeconomic responsibilities, promote greater SB supplier diversity, maximize practicable opportunities to SB and ensure no prioritization of spending on BIC at expense of socioeconomic SB goals.

In addition, cost savings and cost avoidance are expected to result from improvements in rate, process, or demand through implementation of CM initiatives. Cost savings and cost avoidance will be reported and tracked at the DAF level in the Cost Savings Tracker for each category and cumulatively for the DAF.

4.0 REFERENCES

- 2021 The President’s Management Agenda (PMA): ‘*Managing the Business of Government*’ <https://www.performance.gov/pma/businessofgov/>
- Office of Management and Budget (OMB) “*Transforming the Marketplace*” memorandum, dated 4 Dec 2014
- Office of Management and Budget (OMB) Federal Government-Wide Category Management Guidance Document – Version 1.0, May 2015
- Office of Management and Budget (OMB) President’s Management Council – July Meeting Summary Memo, dated 8 Aug 2017
- Office of Management and Budget (OMB) Memo M-19-13 “*Category Management: Making Smarter Use of Common Contracting Solutions and Practices*” dated 20 Mar 2019 — Office of Management and Budget (OMB) Memo M-22-03 “*Advancing Equity in Federal Procurement*” dated 2 December 2021
- Department of Defense Instruction 5000.74, “*Defense Acquisition of Services*” dated 24 June 2021
- Director, DoD Office of Small Business Programs (OSBP), and Director, Defense Pricing and Contracting (DPC), Office of the Undersecretary of Defense for Acquisition & Sustainment (OUSD A&S), Memorandum “*Achieving Small Business Goals through Category Management Practices*” dated 27 Jan 2023
- 2022 National Defense Strategy of the United States of America
- FY22–26 Strategic Management Plan (SMP)
- Air Force Infrastructure Investment Strategy (I2S)
- Category Management: A Concept of Operations for Improving Costs at the Air Force Installation; William A. Muir, Richard S. Keller and Lawrence E. Knight
- Air Force Instruction 65-509, “*Business Case Analysis*” dated 19 September 2008
- Air Force Manual 65-510, “*Business Case Analysis Procedures*” dated 22 September 2008
- Air Force Installation Contracting Command “*Guide for Opportunity Assessment*” dated 28 March 2016
- United States Air Force, dated March 2014 – Under Secretary of the Air Force Appointment of Air Force Category Management Accountable Official, 22 June 2017
- United States Air Force, Air Force Category Management Strategic Communication Plan, March 2019
- Air Force Category Management Program “*Analysis Deliverables, Definitions & Decision Tree*” dated June 2020

5.0 TERMS OF UNDERSTANDING

This Charter shall be effective upon signature of all Parties and may not be changed and/or modified without consent of all Parties. Each Party will endeavor to resolve all issues in controversy by mutual agreement. This Charter will be subject to biennial review by all parties/offices.

6.0 COORDINATION & APPROVAL

Coordination:

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Contracting Center

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ALICE W. TREVINO, Maj Gen, USAF
Deputy Assistant Secretary (Contracting)
Assistant Secretary of the Air Force
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Executive Director, Air Force Materiel
Command

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Director, Office of Small Business Programs

Approval:

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Deputy Under Secretary of the Air Force,
Management and
Deputy Chief Management Officer