



# WASHINGTON UPDATE

444 N. Capitol Street NW, Suite 234 ♦ Washington, DC 20001 July 22, 2013

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## GAO Releases Strategic Sourcing Report

Last week, the U.S. Government Accountability Office released its latest report on procurement and strategic sourcing initiatives at the federal government level. By definition, strategic sourcing is a procurement process that seeks to move an organization away from numerous individual procurements to a broader aggregate approach.

GAO noted that even a small savings rate of 10 percent of total federal procurement spending would represent more than \$50 billion annually in actual savings. GAO also noted that while strategic sourcing makes good sense and holds the potential to achieve significant savings, federal agencies have been slow to embrace the process.

The report outlined several principles that are important to achieving successful services acquisition outcomes:

- Maintaining spending visibility.
- Centralizing procurement.
- Developing category strategies.
- Focusing on total cost of ownership.
- Regularly reviewing strategies and tactics.

GAO concluded the analysis with a reminder and a push for greater acceptance:

“These practices drive efficiencies and yield benefits beyond savings, such as increased business knowledge and better supplier management. Government-wide strategic sourcing efforts have

been initiated, and federal agencies have improved and expanded upon their use of strategic sourcing to achieve cost savings and other benefits. However, little progress has been made over the past decade and much more needs to be done to better incorporate strategic sourcing leading practices...”

The full strategic sourcing report can be found at [www.gao.gov/assets/660/655875.pdf](http://www.gao.gov/assets/660/655875.pdf).

## Senate Committee Moves SEC Nominees

The Senate Banking, Housing and Urban Affairs Committee last week voted to approve the pending nominations of Kara Stein and Michael Piwowar to become the new members of the Securities and Exchange Commission. The committee also approved the rest of the term for SEC Chairman Mary Jo White: a five-year stint and the remainder of the term vacated by her predecessor Mary Schapiro. The nominations now move to the full Senate, which may vote on them prior to the summer recess which begins on August 2.

## The Week Ahead: State Resource Revenue sharing (x2) and Financial Literacy

- On Tuesday, the Senate Energy and Natural Resources Committee will hold a hearing on S. 1273, the Fixing America's Inequities with Revenues Act (FAIR Act) of 2013. The bill, introduced on July 10 by Sen.

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- Lisa Murkowski (D-AK), would establish a revenue-sharing partnership between states that produce energy onshore and offshore with the federal government, effective October 1, 2013.

[www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=1ff67840-7880-4549-b236-574b01da1df9](http://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=1ff67840-7880-4549-b236-574b01da1df9)

- On Wednesday the Senate Special Aging Committee will hold a hearing entitled “Payday Loans: Short-term Solution or Long-term Problem?”

[www.aging.senate.gov/hearing\\_detail.cfm?id=345334&](http://www.aging.senate.gov/hearing_detail.cfm?id=345334&)

- On Thursday the House Natural Resources Energy and Mineral Resources Subcommittee of will hold a hearing on a bill entitled “Protecting States’ Rights to Promote American Energy Security Act,” which recognizes states’ authority to regulate oil and gas operations and promote American energy security, development, and job creation.

<http://naturalresources.house.gov/calendar/eventsingle.aspx?EventID=342971>