

Making the Right Buying Decisions: Insights from Tiffany Hixson, Assistant Commissioner, Professional Services and Human Capital Categories, Federal Acquisition Service, U.S. General Services Administration

By Michael J. Keegan




As an integral part of the U.S. General Services Administration (GSA), the Federal Acquisition Service (FAS) works to deliver comprehensive products and services across government at the best value possible.

In June 2016, GSA established a new office within FAS called the Office of Professional Services and Human Capital Categories responsible for oversight and program direction of GSA's professional services and human capital services under its category management initiative. These changes support FAS's goals in implementing category management and improving service delivery efficiency and effectiveness.

What is category management? How does the Office of Professional Services and Human Capital Categories assist federal agencies in making the right buying decisions? What is FAS doing to improve requirements development and acquisition management? Tiffany Hixson, Assistant Commissioner, Office of Professional Services and Human Capital Categories within FAS, joined me on *The Business of Government Hour* to share her insights on these topics and more. The following is an edited excerpt of our discussion, complemented with additional research.

Would you tell us more about your role within the Federal Acquisition Service at GSA?


 **Tiffany Hixson:** I am the Assistant Commissioner of Office of Professional Services and Human Capital Categories (PSHC)—a fairly recent portfolio and new organization within FAS. The Professional Services Category team focuses on combining expertise from industry and government to bring our customers the resources and tools they need to


make the right buying decisions. We're also committed to working closely with industry to make sure that the best they have to offer is available to the government.

I oversee all contract programs that support professional services or human capital services. Anything that's a service that is not IT or construction related is under my portfolio. It includes: the Professional Services Schedule (PSS), the OASIS Multiple Award Contract, and the Human Capital and Training Solutions (HCaTS) contract. In addition, my organization oversees the SmartPay program that provides the federal government with fleet travel and purchase card services that supports about 3 million card holders. It's a very broad portfolio of work.

Over the last year, we spent time really looking at the data through the Federal Procurement Data System. What are people buying? How's that categorized? What contract types are we using? How much contract overlap is there among key suppliers? Is that good? Is that bad? Do we know yet? I work across agencies to start to answer these questions.

With such an expansive portfolio, what are the challenges you've faced?

 **Tiffany Hixson:** Setting up a new organization is fraught with many challenges. Couple that with the reality that FAS is fee-for-service, which means we don't receive a budget appropriation. It's always a challenge building the foundation to help make an office successful. And just like private sector companies, I have to establish my budget. How do I cover my costs? What do I need to do to ensure that we're being efficient, effective, and delivering the best value for the services that federal agencies need? These fundamental concerns disclose other challenges: How many employees

A close-up, profile view of a woman with long, wavy blonde hair and blue eyes. She is wearing a white, sleeveless top. She is looking slightly to the left and has a slight smile on her face. Her hands are visible at the bottom of the frame, gesturing as if she is speaking. The background is dark and out of focus.

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do we need? How many team members do we need to be effective? How do we want to do our work? It's a challenge to craft a vision and identify what we want to accomplish over the next three years and how we do that as a team.

Given your experience, what characteristics make an effective leader?



Tiffany Hixson: Being an effective leader requires you to be authentic and true to yourself. An effective leader must have a vision that charts the direction for an organization, tying it to key goals, and achieving those goals in a thoughtful and focused manner. I am very values-driven. I think leading with integrity is a core characteristic. Leaders need to foster a culture of collaboration and engagement that follows their vision and related goals. Leading by example, exhibiting integrity, authenticity, and vision, engages staff and is essential to being an effective leader.

How would you define professional services and its relationship with the government-wide category management initiative?



Tiffany Hixson: The Professional Services Category includes professional, scientific, and technical activities that require a high degree of expertise and training. Category management divides the federal marketplace into ten "super categories" of common spend. The professional services category represents one of ten categories of spend under the government-wide category management initiative and is the second largest category of spend after IT.

Category management is an approach the federal government is applying to buy smarter and more like a single enterprise. Category management enables the government to eliminate redundancies, increase efficiency, and deliver more value and savings from the government's acquisition programs. It involves:

- Identifying core areas of spend
- Collectively developing heightened levels of expertise
- Leveraging shared best practices
- Providing acquisition, supply, and demand management solutions

Key initiatives being pursued under the professional services category are:

- Improving contract offering
- Sharing expertise for professional services acquisition
- Building stronger relationships with key customers
- Enhancing engagement and management of vendors

Maximizing the relationship with your customers (e.g., federal agencies) is key. We need to make sure our customers are getting the best value that in the end helps them meet their missions. Leveraging relationships with our key suppliers and the supplier base in general, and doing that in a very thoughtful way, in a structured way with repeatable practices, is also critical for our efforts.

What are some of the unique challenges you face when you apply category management to services as opposed to commodities?



Tiffany Hixson: There's an obvious difference between buying services and commodities. With services, we are not necessarily buying in bulk for the most part. We do have some commoditized services. For example, identity protection services are priced very differently than if you were buying something that is high-end engineering or program management support.


Applying a management principle like category management to the procuring of services does require a different approach. There are many questions that need to be answered that make it more complicated than simply knowing the unit price of, say, a laptop. Given this reality, we start first with focusing on how do we buy a service better? How do you buy program management support services in an effective way? How do you do that in a performance-based way? What are the good models for that? If you're buying an integrated, total solution that includes services, it is critical to structure that contract in a way that makes sense and really delivers value. To put a finer point on the difference between buying commodities and services under category management principles, the former focuses on the unit price while the latter really looks at the total cost of ownership. A fundamentally different set of questions must be asked when you apply category management to services to make sure that what's being purchased is needed.

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We've informed our efforts by looking at the successes and experiences of both the UK and Canada. We've learned how important it is to think through the best practices for moving our category management along. We're in the early stages. It's going to take time as we're still evolving, still learning.

There's a thought process that if you're trying to drive cost out of the lifecycle for services, you may be buying the services cheaply but the government may not be getting the value it wants. Is there any legitimacy to that kind of a claim?

 **Tiffany Hixson:** Cost is not price. When we talk about cost, it seems reflexive for people to focus solely on price. I'm not talking about price. I'm talking about the total cost of the whole lifecycle of getting a service delivered. Are we delivering a service in a cost-effective way? For example, did we spend two years writing requirements? How well written were those requirements? Did the requirements contain the right drivers and incentives? How long did it take us to get through the procurement cycle once we had the requirements defined? Do we have the right funding structure? How is that funding structure adding cost? This is what I mean by cost.

I think the focus tends to be on the price of the transaction instead of really looking at the full cost of an acquisition.

What's being done in the area of improving requirements development? What are the challenges in this area?

 **Tiffany Hixson:** All category management strategies employed for services must be developed and implemented in a manner which addresses the principal challenges in acquiring them such as effective requirements definition, utilizing performance-based contracting techniques, and effective contract administration.

There are many challenges in developing requirements. The key challenge we really need to focus on is effectively using performance-based contracting in a meaningful way. Doing this helps develop a repeatable structure, process, and template for writing requirements. Getting the requirements right upfront can reduce cost and also equates to cost savings.

We are offering our own version of a Services Acquisition Workshop (SAW). These sessions are designed to help agencies buy professional services more successfully. After using an SAW in 2015, I thought it was something civilian agencies could benefit from a great deal. After the cyber breach where hackers stole the personal information of 21.5 million current and former federal employees, GSA, DoD, the Office of Management and Budget and Office of Personnel Management formed an SAW to create the blanket purchase agreement (BPA) for identity protection services. We were able to go from concept and requirements through to contract award based on getting those requirements well defined in a performance-based way in about three-and-a-half months. That was for an \$800 million BPA. We learned a lot of lessons through that procurement process and will be transitioning that BPA to a special item number (SIN) under the PSS. Even with the requirements under the SIN, we have gone back and validated those requirements and they still mirror what the original inter-agency working group came up with. So, I think that is a real testament to the efficacy of the process.

We are planning with the Defense Acquisition University (DAU), the Federal Acquisition Institute (FAI), and the Office of Federal Procurement Policy (OFPP) to expand access to SAWs and training for federal agencies to run these workshops. We're also adding to the Acquisition Gateway's Professional Services Hallways details about how an SAW works and where agencies can find more information on how to run one through webinars or how they can buy the service

from DAU. The U.S. Department of Defense (DoD) has done excellent work in thinking through how to use the facilitated workshop to devise performance-based requirements.

Looking into your crystal ball, what are some of the key issues you are focusing on over the next couple of years?



Tiffany Hixson: Though I don't own a crystal ball, we are now working and will continue to work on making a difference. Regarding improving contracts solutions, in the near term we're focusing on:

- Improving the usability of GSA Schedule contracts
- Implementing SmartPay 3, the next generation of the largest government charge card program in the world
- Preparing for industry on-ramps to OASIS in FY 2019
- Improving civilian contract audit and identity protection services
- Improving pricing intelligence, tools, and data for our services contracts

Regarding efforts to improve and expand stakeholder support capabilities, we are looking to increase customer engagement and support (video training, office hours, PS and HC Hallways, other online resources). We're also working to mature our supplier relationship management program as well as continuing to enhance Category Hallway content and tools.

What advice would you give someone who's thinking about a career in public service?



Tiffany Hixson: I love public service. It's my passion. I think you have an opportunity to make your country a better place. Every day I come to work, I contribute to making the government more efficient and effective. It is as important as it is rewarding. I'm out there recruiting all the time and I encourage those with interest in public service to do it. They may also be surprised at the quantity of opportunities and the quality of work that can be done in public service, especially within the federal government. ■

To learn more about GSA's Office of Professional Services and Human Capital Categories, go to www.gsa.gov/acquisition/products-services/professional-services.



To hear *The Business of Government Hour* interview with Tiffany Hixson, go to the Center's website at www.businessofgovernment.org.



To download the show as a podcast on your computer or MP3 player, from the Center's website at www.businessofgovernment.org, right click on an audio segment, select Save Target As, and save the file.



To read the full transcript of *The Business of Government Hour* interview with Tiffany Hixson, visit the Center's website at www.businessofgovernment.org.