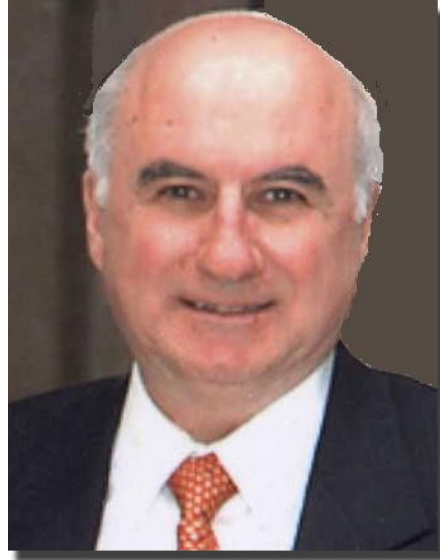




Competitive Sourcing

The Department of Energy's (DOE) Competitive Sourcing program is a management initiative aimed at improving DOE's performance and reducing the Department's operational costs. The program is governed by Office of Management and Budget (OMB) Circular A-76, *Performance of Commercial Activities*, dated May 29, 2003. The commercial activities selected for review and competition include functions performed by government employees that are readily available in the private sector, and where the potential for efficiencies, regardless of the winning provider, are highly likely. The candidate functions are chosen from the Department's annual Federal Activities Inventory Reform (FAIR) Act Inventory and subjected to a feasibility review to determine if a prudent business case can be made to enter the activity into a public-private sector competition. A Competitive Sourcing Executive Steering Group of senior agency officials and advisors, chaired by the Deputy Secretary, oversees the initiative and meets periodically to gauge program status and provide direction to the study teams.



Dennis O'Brien
Director
Office of Competitive Sourcing

The Department's overall goal identified in our original Getting to Green Plan provided to OMB is for studying 2,346 Full-Time Equivalent (FTEs) positions. As of December 2005, DOE has completed six competitions involving 1042 FTEs performing primarily administrative activities (Graphics, Civil Rights, Financial Services, NNSA-Logistics, Human Resources/Training and Information Technology Services), with expected savings of \$523M over the period of performance. There are three ongoing studies, DOE-Logistics (144 FTEs), New Brunswick Laboratory (NBL) (40 FTEs) and the Albany Research Center (ARC) (72 FTEs). The NBL and ARC studies involve activities more closely associated with DOE's mission work. The Department has committed to announce additional studies for competition in FY 2006.



Highlights of What We've Accomplished

- *Achieved \$523 Million in Expected Savings.* Since 2002, DOE has completed six competitive sourcing studies that are expected to achieve \$523 million in savings over the period of performance.
- *Launched an Additional Study.* DOE recently announced a new study involving 72 positions at the Albany Research Center, in Oregon, that is expected to be concluded in FY 2007.
- *Integrated Competitive Sourcing into Human Capital Plans.* The Department has created a competitive sourcing infrastructure to ensure that competitive sourcing is a management option for enhancing performance and reducing costs.

FY 2006 Goals

- *Launch Additional A-76 Studies.* DOE will launch an additional study or studies in FY 2006. The positions that will be competed will be identified through a review process used to determine which positions are best suited for an A-76 study.