



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

FEB 12 2007

The Honorable Nancy Pelosi  
Speaker of the U.S. House  
of Representatives  
235 Cannon House Office Building  
Washington, D.C. 20515

Dear Madam Speaker:

In accordance with Section 647(b) of Division F, Title VI, of the Consolidated Appropriations Act, 2004, P.L. 108-199, 118 Stat. 361, the Department of Agriculture's (USDA) Report to Congress on fiscal year (FY) 2006 Competitive Sourcing Efforts is enclosed.

In FY 2006, USDA announced but did not complete two competitive sourcing studies for 167 full-time equivalent employees. Additionally, the Department completed several feasibility studies that may lead to competitions in FY 2007.

The Forest Service (FS) public-private competition of Information Technology (IT) services completed in FY 2005, which is projected to save \$146.7 million over 5 years, is a good example of the Department's ability to use competitive sourcing as a management tool to achieve positive results. As a result of this competition, FS realized actual savings of \$18.4 million in FY 2006.

USDA continues to implement the President's Management Agenda Competitive Sourcing Initiative in a fair and equitable manner. USDA's Competitive Sourcing plan reflects a broad, strategic grouping of related functional area to define feasibility and competitive sourcing study groups. Based on our continued progress we urge the elimination of the cap in the Interior Appropriations Act that currently restricts the amount of resources the FS may spend on competitive sourcing. USDA estimates competitions announced in FY 2007 could include up to 2,500-3,000 FTEs.

If you have any questions or need additional information, please contact Charles R. Christopherson, Jr., Chief Financial Officer, at (202) 720-5539.

Sincerely,

Mike Johanns  
Secretary

Enclosures

Department of Agriculture  
 FY 2006 COMPETITIVE SOURCING ACTIVITIES

SAVINGS & PERFORMANCE UPDATE  
 (Dollars in Millions)

Agency	Bureau	Function Competed	Description of Activity Competed	Type of Competition	FTEs	Total Estimated Savings (As reported to Congress in past 647 reports)	Total Performance Period (in years)	Actual Phase-In Completion Date (Mo/Yr)	Actual Accrued Savings FY 2003	Actual Accrued Savings FY 2004	Actual Accrued Savings FY 2005	Actual Accrued Savings FY 2006	Total Actual Accrued Savings	Pd Over Which Actual Savings Accrued (In Years)	Savings Methodology: Calculation/ Proxy	Quantifiable Description of Improvements in Service or Performance (if appropriate)
<b>STREAMLINED COMPETITIONS</b>																
Agriculture	REE-ARS	S745	Security Services	Streamlined competition with MFO	24	1.120		5/01/04/2004	0.000	0.000	0.257	0.275	0.532		Calculation	Contract was terminated on 04/30/2006. A New consolidated security contract then was put place with SECTEK.
Agriculture	FS	Z993	Road Maintenance	Streamlined cost comparison	8	0.420		3/04/01/2004	0.000	0.052	0.065	0.062	0.179		2.5/Calculation	
Agriculture	NRCS	T829	Clerical	with MFO	6	0.143		5/01/01/2004	0.000	0.000	0.004	0.021	0.025		2.75/Calculation	
<b>SUBTOTAL, STREAMLINED COMPETITIONS</b>					38	1.683							0.792			
<b>STANDARD COMPETITIONS</b>																
Agriculture	FS	Z993	R5 Road Maintenance	Standard competition	64	5.700		5/07/07/2004	0.000	0.670	0.871	0.660	2.202		1.7/Calculation	
Agriculture	FS	A400	R5 Road Maintenance	Standard competition	57	5.700		4/31/02/22/2005	0.000	0.000	0.716	0.600	0.716		1.7/Calculation	
Agriculture	FS	W601	IT Infrastructure	Standard competition	1,200	146,700		5/02/06/2005	0.000	0.000	16,800	18,402	35,202		1.7/Calculation	
Agriculture	NRCS	T853	Cartography	Standard competition	96	11,458		5/11/10/2004	0.000	0.000	1,936	2,505	4,441		1.75/Calculation	Soil survey mapping goals consistent with the NRCS strategic and Performance Planning
Agriculture	REE-ARS	R140	Maintenance	Standard competition	189	4,700		5/05/15/2005	0.000	0.000	0.424	1.635	2,059		1.4/Calculation	
Agriculture	REE-ARS	R900	Support	Standard competition	81	3,400		3/05/15/2005	0.000	0.000	0.144	0.789	0.933		1.4/Calculation	
<b>SUBTOTAL, STANDARD COMPETITIONS</b>					1,680	177,658							45,553			
<b>TOTAL, ALL COMPETITIONS</b>					1,727,000	179,333							46,346			

**Department of Agriculture  
FY 2006 COMPETITIVE SOURCING ACTIVITIES SUMMARY SHEET**

Announced Competitions\*  
(Dollars in Millions)

Competition Description											
Agency	Bureau	Primary Activity Code	Secondary Activity Code	Additional Activity Code	Description of Activity Competed	Type of Competition	Location (State)	# of FTE in study	Source Selection Strategy Used (If Known)	Incremental Costs of Conducting Studies	Anticipated Savings or Quantifiable Description of Improvements in Service or Performance (if available)
<b>STREAMLINED COMPETITIONS</b>											
<b>SUBTOTAL, STREAMLINED COMPETITIONS</b>								0		0.000	
<b>STANDARD COMPETITIONS</b>											
Agriculture	NRCS	T841			Geological Analysis Functions	Standard competition	MN, MO, MT,	34	technically	0.001	
Agriculture	Forest Service	Y515	Y620	Y000	Photography and Web Posting	Standard competition	NATUS	133	technically	0.761	
<b>SUBTOTAL, STANDARD COMPETITIONS</b>								167		0.762	
<b>TOTAL, ALL COMPETITIONS</b>								167		0.762	