

# ***COMPETITIVE SOURCING***

---

## **Report on Competitive Sourcing Results Fiscal Year 2007**



**May 2008**

*Executive Office of the President  
Office of Management and Budget*

# TABLE OF CONTENTS

|   |    |
|---|----|
| Executive Summary .....   | 1  |
| I. Introduction: The big picture .....  | 3  |
| II. How public-private competition was used in FY 2007 .....                  | 5  |
| A. Anticipated benefits from competition in FY 2007 .....                     | 6  |
| B. Activities competed .....  | 6  |
| C. Overall level of competition .....   | 7  |
| D. Length of competition .....  | 9  |
| E. Provider of service .....  | 9  |
| F. Level of participation .....   | 10 |
| III. Cumulative benefits of public-private competition<br>since FY 2003 ..... | 11 |
| A. Estimated savings .....  | 11 |
| B. Performance and savings achievements .....                                 | 13 |
| 1. Performance achievements .....   | 13 |
| 2. Actual savings .....   | 13 |
| 3. Validation plan .....  | 14 |
| IV. Agency competition profiles .....   | 15 |
| Appendices .....  | 34 |

# List of Tables, Figures, and Appendices

## Tables

|   |    |
|---|----|
| Table 1. Popular activities for competition: FYs 2004 – 2007 .....                            | 7  |
| Table 2. FTEs involved in competitions completed or<br>announced in FY 2007 .....             | 8  |
| Table 3. Average length of competitions completed in FY 2007 .....                            | 9  |
| Table 4. Estimated savings from completed competitions:<br>FYs 2003 – 2007 .....              | 12 |
| Table 5. Total accrued actual savings from competitions<br>completed in FYs 2003 – 2007 ..... | 13 |

## Figures

|  |    |
|--|----|
| Figure 1. Activities competed most frequently in FYs 2004 – 2007 .....                               | 6  |
| Figure 2. Level of private sector competition by FTEs competed<br>from FYs 2004 – 2007 .....         | 10 |
| Figure 3. Popular activities for competition and associated<br>annualized gross savings per FTE..... | 12 |

## Appendices

|   |    |
|---|----|
| Appendix A-1. Competitions Completed in FY 2007.....  | 37 |
| Appendix A-2. Competitions Announced but Not Completed in FY 2007.....                            | 38 |
| Appendix B. Planned Competitions for FY 2008.....   | 39 |
| Appendix C-1. Types of Activities Competed or Announced in FY 2007.....                           | 40 |
| Appendix C-2. Activities Most Frequently Competed by Agency in FY 2007.....                       | 41 |
| Appendix D. FY 2007 Performance Decisions.....  | 42 |
| Appendix E. Incremental Cost of Conducting Competitions in FY 2007 .....                          | 43 |
| Appendix F. FY 2007 Fixed Costs.....  | 44 |
| Appendix G. Estimated Savings for Streamlined & Standard Competitions<br>Completed in FY2007..... | 45 |

## Executive Summary

This report discusses the use of competitive sourcing (i.e., public-private competition) in FY 2007. The report also analyzes trends over the five-year period that the Office of Management and Budget (OMB) has prepared annual reports on competitive sourcing activities.<sup>1</sup> This report is based on data collected by executive agencies.

As the report explains, agencies are effectively using competitive sourcing to improve effectiveness and reduce costs.

### In FY 2007 . . .

- ***Projected savings were impressive.*** Improvements set in motion by competitions completed in FY 2007 are expected to generate net savings or cost avoidances of more than \$395 million over the next five years.
- ***Federal employees fared well.*** Federal employees have been selected to perform 73 percent of the work competed in FY 2007 as a percentage of full-time-equivalent employees (FTEs) competed, meaning competitive sourcing continues to serve as an impetus to help agencies rethink how their commercial operations are currently structured and how greater efficiencies can be achieved through reorganization.
- ***1.5 percent of commercial work was competed.*** Agencies completed 132 competitions involving the commercial workload of 4,164 FTEs, or about 1.5 percent of the commercial positions that were identified as suitable for competition by agencies in their workforce inventories. The number of FTEs competed in FY 2007 decreased from FY 2006 by approximately one third. This decrease is due, in large part, to the Congressional earmarks that block agencies from using competitions to gain new efficiencies through the implementation of an employee-operated “most efficient organization” (MEO) or the award of a contract, where it is significantly more cost-effective than performance by an MEO.

### Over the past five fiscal years . . .

- ***Cumulative estimated net savings surpassed \$7 billion.*** The 1,375 competitions completed in FYs 2003 – 2007 are estimated to save taxpayers over \$7.2 billion over all performance periods. The majority of these savings are expected to be realized over the next five years.
- ***Annualized expected savings exceeded \$1 billion.*** Total annualized expected savings have increased over five-fold between FY 2003 and FY 2007 as the total number of successfully completed competitions generating savings continues to rise.
- ***Agencies paid modest investment costs for their high returns.*** One-time, out-of-pocket expenses for competitions completed in FYs 2003 –

---

<sup>1</sup> For prior year reports, go to [http://www.whitehouse.gov/omb/procurement/index\\_comp\\_sourcing.html](http://www.whitehouse.gov/omb/procurement/index_comp_sourcing.html).

2007 were \$240 million. This means that taxpayers receive a \$30 return for every dollar spent on competition.

- **Actual savings were achieved at an increasing rate.** Agencies are tracking and reviewing the actual costs incurred by their selected service providers for each performance period. To date, actual savings – i.e., baseline costs less actual costs – are approaching close to \$1.9 billion. This represents a 96 percent increase in cumulative actual savings from that achieved through the end of FY 2006. Agencies have established validation plans on a reasonable sampling of competitions to ensure that cost savings and performance improvements are being realized as promised.

### Competitive Sourcing at a Glance Investments and Results: FYs 2003 – 2007

#### Cumulative results

| Factor                                   | Five-Year Total |
|--|-----------------|
| FTE competed                             | 50,989          |
| Number of competitions conducted         | 1,375           |
| FTE competed under standard competitions | 39,487          |
| Incremental cost                         | \$240 million   |
| Estimated net savings                    | \$7.2 billion*  |
| Estimated annualized savings             | \$1.1 billion*  |

\*Dollar savings figures are rounded to nearest \$100 million.

#### Five-year averages

| Factor  | Five-Year Average |
|---|-------------------|
| FTE per competition   | 38                |
| Work competed through standard competitions (as a percentage of total FTEs competed)                | 75%               |
| Incremental cost of a competition per FTE competed  | \$5,000*          |
| Net annual savings per FTE competed   | \$25,000          |
| Competitions where federal agency selected to perform work (as a percentage of total FTEs competed) | 83%               |

\*Incremental cost figures are rounded to nearest thousand.

## I. Introduction: The big picture

Until 2003, few if any agencies other than the Department of Defense (DOD) had a significant history of using public-private competition. Today, the picture is far different. Over twenty civilian agencies have joined DOD in using competition to improve many of their day-to-day commercial support operations through the strategic application of public-private competition.

More importantly, these agencies have developed skills and disciplines to analyze and continually improve the performance of their commercial activities. They have learned that the skills required by Circular A-76 – such as workload measurement, cost analysis and human capital planning – are common-sense management tools and most may be used to improve internal operations even where public-private competition is not suitable.

### **How learning the disciplines of competitive sourcing has improved agencies' management capabilities**

By learning the disciplines called for by OMB Circular A-76, agencies have:

- Improved their ability to perform and integrate human capital planning, workload measurement, cost analysis, and market research to close gaps and continually improve performance.
- Increased their reliance on measurable performance standards, service level agreements, and realistic costing to provide better service, reduce unnecessary spending, and achieve greater accountability for results.
- Facilitated greater involvement of interested stakeholders and technical experts in planning and implementing organizational improvements.
- Strengthened the efficiency of their commercial support activities through:
  - Development of standard operating procedures and enterprise-wide solutions;
  - Adoption of new technologies;
  - Leveraged purchasing;
  - Consolidation of operations;
  - Restructured contract support.

Even where an agency determines competition is not suitable, they can use the common-sense tools of A-76 to improve the performance of their internal operations and contract support to achieve better results from the blended workforce.

Where agencies have chosen to use public-private competition, it has helped them save resources to spend directly on their mission by making the commercial services that support their programs more efficient.

- Projected savings from completed competitions are significant for the small portion of the workforce that was competed. While only 1.5% of commercial activities were competed in FY 2007, these competitions will save taxpayers \$397 million over the next five to seven years, which brings the cumulative total estimated net savings to be realized from competitions conducted since FY 2003 to \$7.2 billion.
- Federal employees continue to receive the clear majority of work – 73 percent in FY 2007 – by creating “most efficient organizations” to eliminate inefficiencies from the federal workplace.

Sections II and III of this report discuss the results of competition in FY 2007<sup>2</sup> and over the past five years respectively. Section IV includes individual competition profiles of selected agencies to describe management and performance achievements at different agencies.

#### Competitive Sourcing in FY 2007

| Factor  | FY 2007 Total |
|---|---------------|
| <b>Completed Competitions</b>   |               |
| Number of agencies completing competitions  | 15            |
| Number of competitions completed  | 132           |
| Number of FTEs competed   | 4,164         |
| Total estimated net savings   | \$397 million |
| Estimated annualized savings  | \$75 million  |
| Competitions where federal agency selected to perform work (as a percentage of total FTEs competed) | 73%           |
| <b>Announced Competitions</b>   |               |
| Number of competitions announced  | 112           |
| Number of FTEs announced  | 6,153         |

#### Competitive Sourcing between FYs 2003 – 2007

| Factor  | FY 2003 – 2007 Total |
|---|----------------------|
| Number of agencies completing competitions  | 25                   |
| Number of competitions completed  | 1,375                |
| Number of FTEs competed   | 50,989               |
| Total estimated net savings   | \$7.2 billion*       |
| Estimated annualized savings  | \$1.1 billion*       |
| Competitions where federal agency selected to perform work (as a percentage of total FTEs competed) | 83%                  |

\*Dollar savings figures are rounded to nearest \$100 million.

<sup>2</sup> All FY 2007 and multi-year figures in this report and its appendices include information on an agency-wide information technology (IT) services competition conducted by the Environmental Protection Agency (EPA) that was completed in Q2 of FY 2008. They exclude Defense Department streamlined competitions of military personnel.

## II. How public-private competition was used in FY 2007

### Basic Facts About How Agencies Use Competitive Sourcing

Competitions in FY 2007, like those conducted between FYs 2003 – 2006 show that agencies:

- Focus on highly commercial functions that are readily available from and can be suitably performed by the private sector, such as IT support, logistics, and property management.
- Compete only a small portion of their commercial activities – about 1.5 percent in FY 2007 (13 percent between FYs 2003 – 2007) of the commercial activities identified as suitable for competition by agencies in their workforce inventories – and only about 3 percent of all government activities.
  - All *inherently governmental* activities are automatically excluded from consideration for competition.
  - According to agency inventories prepared under the Federal Activities Inventory Reform Act, a substantial number of commercial activities are excluded from consideration for competition in order to preserve in-house core capabilities.
  - Additional commercial positions are excluded from consideration for competition for other business reasons (e.g., private sector interest unlikely).
- Complete most streamlined competitions in a three-month period and standard competitions in a 12- to 18-month period under OMB's revised Circular A-76.
- Give in-house teams the resources necessary to compete effectively.
- Select in-house teams when they develop most efficient organizations (MEOs) that eliminate waste and compare favorably to private sector solutions; in-house teams were selected to perform 73 percent of all work awarded in FY 2007 (83 percent of all work awarded between FY 2003 – 2007).



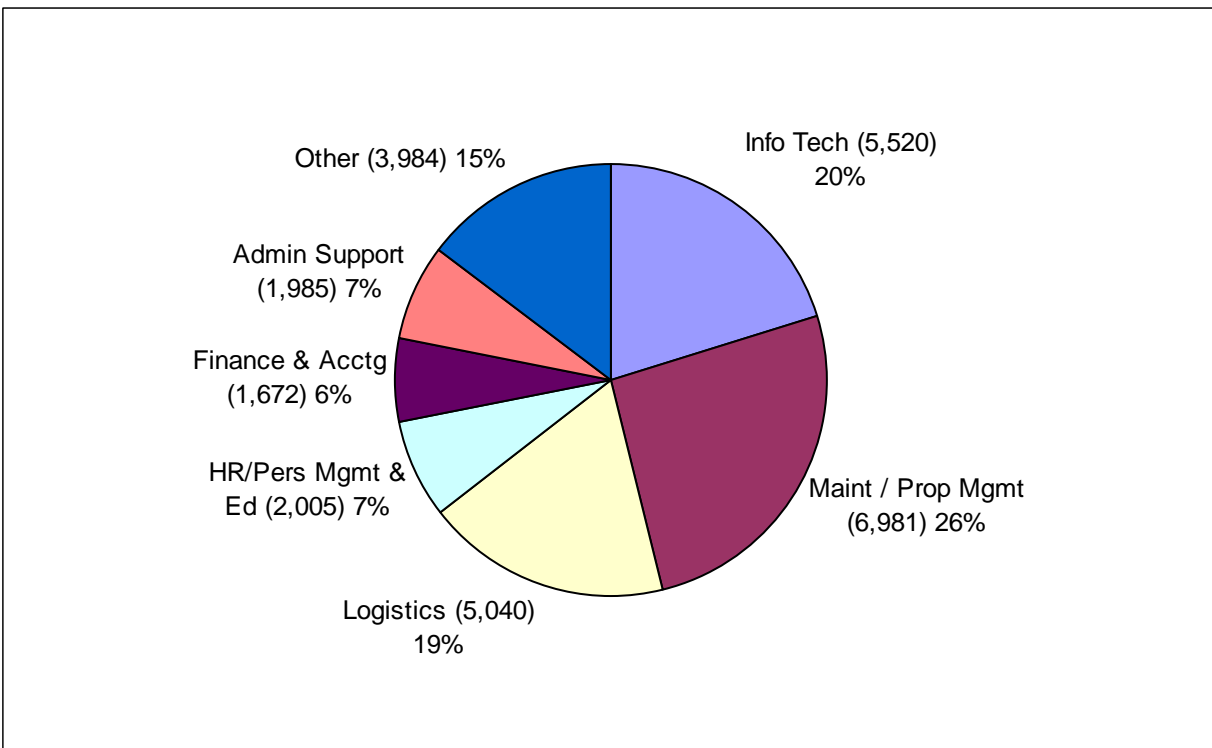
## A. Anticipated benefits from competition in FY 2007

Agency competitions completed in FY 2007 will help agencies reduce costs and improve the efficiency of a wide range of commercial support activities. Agencies project that competitions completed in FY 2007 will help them achieve net savings, or cost avoidances, totaling over \$395 million over the next five to seven years. One-time, out-of-pocket expenses for conducting competitions in FY 2007 were approximately \$15 million and fixed costs to provide central direction and oversight of the competitive sourcing program were approximately \$24 million. See the Appendices for a breakdown by agency on incremental costs, fixed costs, and estimated savings.

## B. Activities competed

In FY 2007, 57 percent of the FTEs competed fell within one of the following three categories: (1) maintenance and property management, (2) IT, or (3) logistics. Between FYs 2004-2007, 65 percent of the FTEs competed fell within the same three categories. Human resources (HR)/education, finance & accounting, and administrative support represented 20 percent of the remaining activities competed between FYs 2004 – 2007. Figure 1 shows the relative popularity of these activities in competitions completed in FYs 2004 – 2007. Table 1 shows a breakdown by fiscal year. For an-agency-by-agency breakout on types of activities competed or announced see the Appendices.

**Figure 1. Activities competed most frequently in FYs 2004 – 2007**



<sup>a</sup> Data does not reflect NASA science competitions, which were conducted pursuant to a deviation, or competitions with no savings data at the time of the compilation of this report.

**Table 1. Popular activities for competition: FYs 2004 – 2007<sup>a</sup>**

| Activity                              | FY 2004<br>FTE | FY 2005<br>FTE | FY 2006<br>FTE | FY 2007<br>FTE | Total<br>FY 04 – 07 |    |
|---------------------------------------|----------------|----------------|----------------|----------------|---------------------|----|
|                                       |                |                |                |                | FTE                 | %  |
| Maintenance/property management       | 4,138          | 1,321          | 661            | 861            | 6,981               | 26 |
| Information technology                | 2,207          | 1,055          | 1,716          | 542            | 5,520               | 20 |
| Logistics                             | 1,448          | 2,987          | 352            | 253            | 5,040               | 19 |
| HR / personnel management & education | 1,209          | 169            | 391            | 236            | 2,005               | 7  |
| Administrative support                | 315            | 763            | 618            | 289            | 1,985               | 7  |
| Finance & accounting                  | 968            | 210            | 341            | 153            | 1,672               | 6  |
| Other <sup>b</sup>                    | 1,609          | 708            | 1,130          | 538            | 3,984               | 15 |

<sup>a</sup> Data does not reflect NASA science competitions, which were conducted pursuant to a deviation, or competitions with no savings data at the time of the compilation of this report.

<sup>b</sup> Activities in this category include: regulatory and program management support services (3.1%); research, development, test & evaluation (1.7%); depot activities (0.9%); and procurement (2.2%).

### C. Overall level of competition

In FY 2007, agencies completed 132 competitions covering 4,164 FTEs and announced an additional 112 competitions with 6,153 FTEs that were ongoing at the end of the fiscal year. See Table 2. The number of FTEs competed in FY 2007 decreased from FY 2006 by approximately one third. OMB believes this decrease is due, in large part, to legislative actions that block or otherwise defund competitions. The Consolidated Appropriations Act, FY 2008, P.L. 110-161 contains at least eight new provisions addressing competitive sourcing, most of which limit its use. Notwithstanding these actions, where agencies were able to complete competitions in FY 2007, results continued to be impressive. As explained in Part III of this report, agencies project that each position competed will show a return of approximately 27 percent.

**Table 2. FTEs involved in competitions completed or announced in FY 2007**

| Agency                            | FTEs in Completed Competitions <sup>a</sup> | FTEs in Announced Competitions <sup>b</sup> | Total         |
|-----------------------------------|---|---|---------------|
| Agriculture                       | 0   | 129   | 129           |
| Commerce                          | 27  | 0   | 27            |
| Defense                           | 829   | 4,875                                       | 5,704         |
| Education                         | 24  | 0   | 24            |
| Energy                            | 0   | 0   | 0             |
| EPA                               | 117   | 15  | 132           |
| HHS                               | 396   | 403   | 799           |
| Homeland                          | 261   | 154   | 415           |
| HUD                               | 0   | 22  | 22            |
| Interior                          | 409   | 305   | 714           |
| Justice                           | 182   | 0   | 182           |
| Labor                             | 329   | 0   | 329           |
| State                             | 21  | 0   | 21            |
| DOT                               | 0   | 0   | 0             |
| Treasury                          | 173   | 0   | 173           |
| VA                                | 0   | 0   | 0             |
| AID                               | 5   | 0   | 5             |
| Corps                             | 0   | 0   | 0             |
| GSA                               | 0   | 0   | 0             |
| NASA                              | 1,359                                       | 247   | 1,606         |
| NSF                               | 0   | 0   | 0             |
| OMB                               | 0   | 0   | 0             |
| OPM                               | 11  | 0   | 11            |
| SBA                               | 0   | 0   | 0             |
| Smithsonian                       | 0   | 0   | 0             |
| SSA                               | 21  | 3   | 24            |
| <b>GOVERNMENTWIDE<sup>c</sup></b> | <b>4,164</b>                                | <b>6,153</b>                                | <b>10,317</b> |

a. Includes competitions completed in FY 2007 irrespective of when they were initiated.

b. Includes competitions announced but not completed in FY 2007, including competitions conducted under deviations.

c. Governmentwide FTE numbers reflect the actual total FTEs competed, and may not match the sum of the rounded agency totals in each column.

See the Appendices for a complete agency-by-agency breakdown on the numbers of competitions conducted and FTEs covered in FY 2007 and a listing, by agency, of the number of FTEs in competitions planned for FY 2008.

In most cases, FTE projections for planned competition are estimates subject to adjustment based on the results of agency analyses – e.g., business case analysis, cost-benefit analysis. For example, agencies projected that they would announce competitions involving almost 18,000 FTEs in FY 2007, but they announced competitions involving less than this amount.

## D. Length of competition

The average length of time for competitions completed in FY 2007 was over 13 months for standard competitions and just over 3 months for streamlined competitions. See Table 3.

**Table 3. Average length of competitions completed in FY 2007\***

| Type of Competition     | Average Length of Competition (in months) |
|-------------------------|---|
| Streamlined without MEO | 2.7                                       |
| Streamlined with MEO    | 3.7                                       |
| Standard                | 13.6                                      |

\* Figures include standard and streamlined competitions with time limit waivers.

The figures in Table 3 reflect the time between the date the agency publicly announced the competition and the date of the performance decision. This is a noteworthy improvement over the general timeframes documented before Circular A-76 was revised in 2003. Under the previous Circular, standard competitions were taking 2-3 years on average, which lessens the accountability for results and increases employee uncertainty.<sup>3</sup> Time-limit waivers have been used where a competition is complex and requires additional time to complete the source selection evaluation in a reasoned and responsible manner.

## E. Provider of service

In FY 2007, agencies determined that in-house organizations would provide the best service when compared to the private sector for 73 percent of the FTEs competed.<sup>4</sup> Between FY 2003 and FY 2007, Federal employees were selected to perform 83 percent of the work competed. This figure remains well above the historical average of between 50-60 percent<sup>5</sup> and continues to show that agencies are giving federal employees meaningful opportunities to increase efficiency and the overall value of the operation to the taxpayer.

### Federal Employees Fare Well in Public-Private Competition

The development of MEO plans to eliminate operational waste has been a large factor in the success of in-house providers, who received:

- o 73 percent of the work competed in FY 2007; and
- o 83 percent of the work competed between FYs 2003 – 2007.

<sup>3</sup> See Final Report of the Commercial Activities Panel: *Improving the Sourcing Decisions of the Government* (April 2002) at p. 23.

<sup>4</sup> See Appendix D for the percentage of work to be performed by each sector based on performance decisions made by each agency.

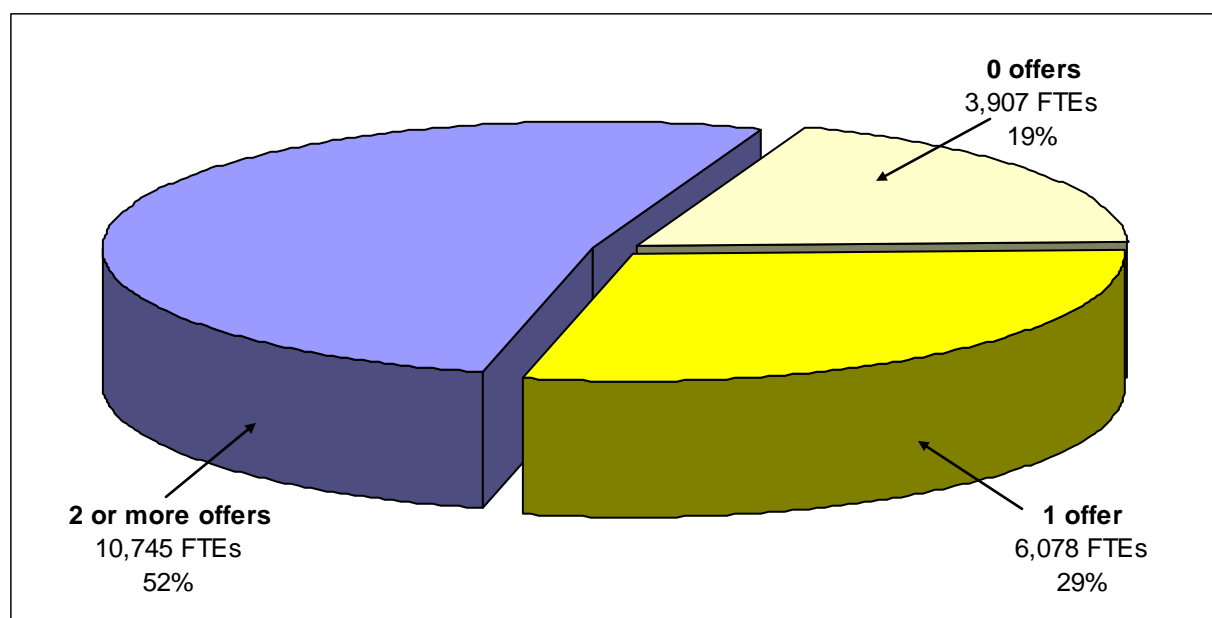
<sup>5</sup> These figures are derived from data collected by DOD since 1978 tracking the results of its public-private competitions over the years.

Agencies continue to make concerted efforts to provide soft landings for affected employees, including buyouts, early retirements, reassignment to priority programs within the agency or at another agency, and priority consideration for employment with the contractor where work has been converted to private sector performance.

## F. Level of participation<sup>6</sup>

Results regarding private sector participation were mixed in FY 2007. One or more private sector offers were received in 64 percent of the standard competitions completed in FY 2007 (as measured by the number of FTEs competed). The four-year average is 81 percent. Two or more private sector offers were received in 49 percent of the standard competitions completed in FY 2007 versus 52 percent on average during the four-year period. Four-year averages are shown in Figure 2.

**Figure 2. Level of private sector competition by FTEs competed from FYs 2004 – 2007<sup>a</sup>**



<sup>a</sup> Data does not reflect NASA science competitions, which were conducted pursuant to a deviation.

The increase in Congressional limitations on public-private competition has undoubtedly discouraged private sector interest in competitive sourcing. The Administration will continue to urge Congress to eliminate restrictions on competitive sourcing so that competition may be applied in a strategic and tailored manner to reduce costs, improve quality, increase effectiveness, and eliminate wasteful processes.

<sup>6</sup> OMB began keeping track of the level of participation in public-private competitions in FY 2004. Agencies now collect data on the number of offers received from private sector contractors and public reimbursable providers in response to a solicitation issued in connection with a standard competition.

### III. Cumulative benefits of public-private competition since FY 2003

#### A. Estimated savings

##### Basic Facts About Estimated Savings from Competitive Sourcing

Agencies project that:

- Competitions completed between FYs 2003 – 2007 will save taxpayers \$7.2 billion, with the majority of savings to be realized over the next five years.
- Annualized expected savings are over \$1 billion. Savings will continue to grow as more competitions are conducted and cost control and other performance improvements are applied to more of our commercial activities.
- The average net savings per FTE competed over the last five fiscal years is approximately \$25,000, a 27 percent return for each position competed.<sup>7</sup>
- The incremental cost (i.e., one time, out-of-pocket expense) for competitions conducted between FYs 2003 – 2007 was \$239 million, meaning taxpayers will receive a return of about \$30 for every dollar spent on competition.

Total annualized expected savings have increased over five-fold between FYs 2003 – 2007, from \$237 million to \$1.19 billion, as the total number of successfully completed competitions has risen. See Table 4.

Total annualized savings projected from FY 2007 competitions is less than that projected from competitions completed in FYs 2003 – 2006 due to a decrease in the number of FTEs competed. However, the expected return from competition for the work studied remains strong – approximately a 27 percent return for each position competed.<sup>8</sup>

Returns on investment for the most frequently competed activities remain strong. Three-year savings averages per FTE competed in the areas of HR, finance and accounting, IT, logistics, and property management range from \$20,000 to \$60,000, with the highest returns for IT and Logistics. See Figure 3.

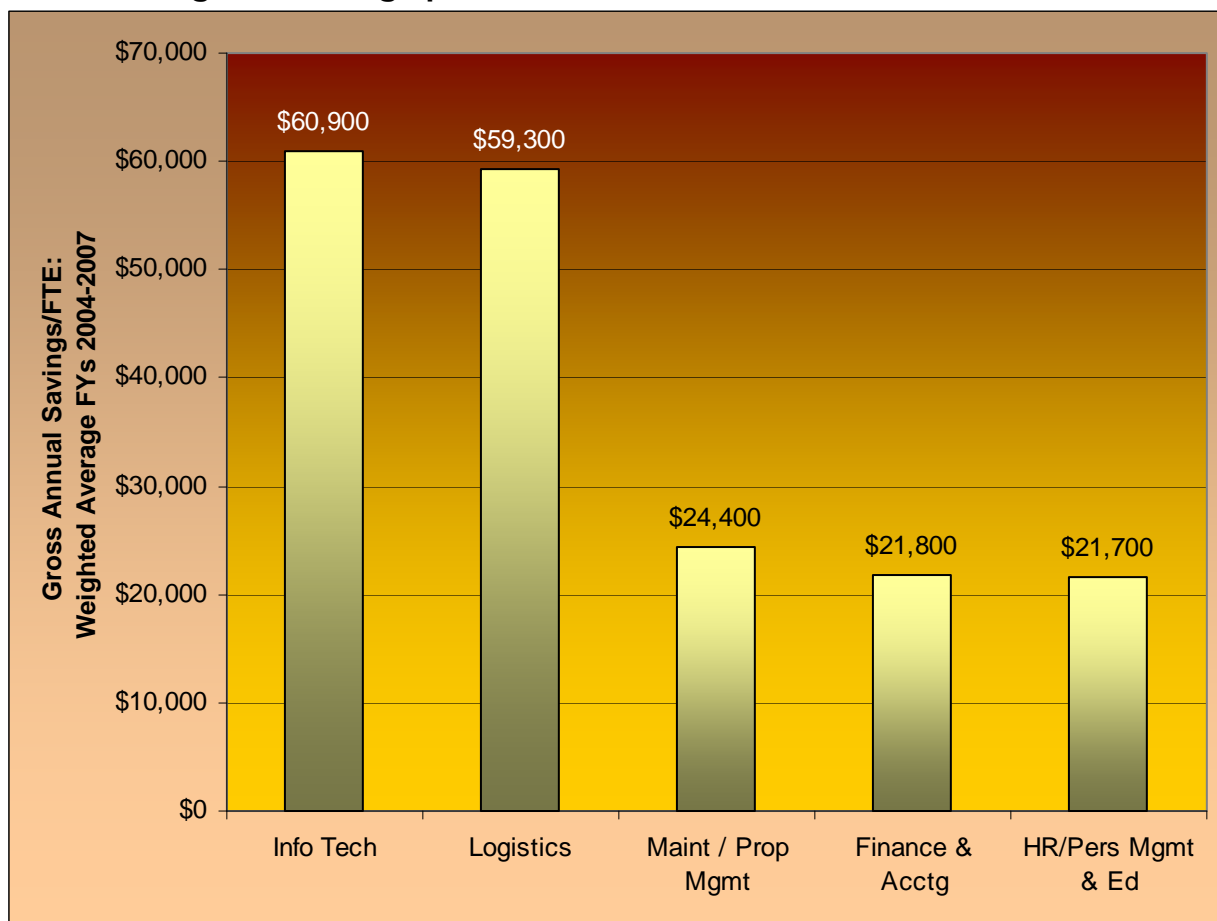
<sup>7</sup> This figure assumes the government paid roughly \$92,000 in annual salary and benefits per FTE, on average, during these five years. This assumption is based on actual costs for executive branch personnel (excluding U.S. Postal Service and DOD uniformed personnel) total compensation & benefits and FTEs in FYs 2003-2007, as reported in *Analytical Perspectives, Budget of the U.S. Government, FYs 2005-2009*.

<sup>8</sup> This figure assumes the government paid roughly \$100,000 in annual salary and benefits per FTE in FY 2007. This assumption is based on actual costs for executive branch personnel (excluding U.S. Postal Service and DOD uniformed personnel) total compensation & benefits and FTEs in FY 2007, as reported in *Analytical Perspectives, Budget of the U.S. Government, FY 2009*.

**Table 4. Estimated savings from completed competitions: FYs 2003 – 2007**

| Savings          | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Five-Year Total |
|------------------|---------|---------|---------|---------|---------|-----------------|
| Gross            | \$1.2 B | \$1.5 B | \$3.1 B | \$1.3 B | \$436 M | \$7.4 B         |
| Net*             | \$1.1 B | \$1.4 B | \$3.1 B | \$1.3 B | \$397 M | \$7.2 B         |
| Annualized gross | \$237 M | \$285 M | \$375 M | \$220 M | \$75 M  | \$1.19 B        |

\*Net savings = gross savings less incremental costs (i.e., out-of-pocket expenses) and fixed costs. Incremental costs attributable to completed competitions were \$88 million in FY 2003, \$74 million in FY 2004, \$50 million in FY 2005, \$15 million in FY 2006, and \$15 million in FY 2007. Net savings reflect adjustments for fixed costs in FYs 2007, 2006, 2005 and 2004, the first year OMB started to collect such costs. Adjustments have not been made for transition costs.

**Figure 3. Popular activities for competition and associated annualized gross savings per FTE\***

\*See Figure 1 and Table 1 for information regarding the level of competition activity in each of these categories.

## B. Performance and savings achievements

**1. Performance achievements.** Competitions completed prior to FY 2007 have helped agencies achieve a number of performance objectives that are making government programs more efficient. Efficiencies, especially in the larger and more successful competitions, are achieved in a number of ways – not simply through workforce realignments and reductions in labor costs. Competition has brought about improved performance standards, the adoption of new technologies, the consolidation of operations and other process reengineering, and lower contract support costs.

Section IV of this report includes individual profiles describing the management and performance achievements of each agency that has completed at least one competition involving 10 FTEs between FYs 2003 - 2007.

**2. Actual savings.** Total accrued actual savings and cost avoidances from competitions completed between FYs 2003 – 2007 are \$1.88 billion.

**Table 5. Total accrued actual savings from competitions completed in FYs 2003 – 2007**

| <b>Agency</b>         | <b>Total Accrued Actual Savings<br/>(in millions)</b> |
|-----------------------|---|
| Agriculture           | \$70.3  |
| Commerce              | \$10.3  |
| Defense               | \$1,167.9   |
| Education             | \$29.3  |
| Energy                | \$127.5   |
| EPA                   | \$4.3   |
| HHS                   | \$162.8   |
| Homeland              | \$12.9  |
| HUD                   | \$1.4   |
| Interior              | \$21.0  |
| Justice               | \$7.8   |
| Labor                 | \$15.7  |
| State                 | \$4.2   |
| DOT                   | \$7.5   |
| Treasury              | \$146.8   |
| VA                    | \$28.9  |
| AID                   | \$0.1   |
| Corps                 | \$0.0   |
| GSA                   | \$30.9  |
| NASA                  | \$2.2   |
| NSF                   | \$0.0   |
| OMB                   | \$0.0   |
| OPM                   | \$9.3   |
| SBA                   | \$0.0   |
| Smithsonian           | \$0.0   |
| SSA                   | \$19.9  |
| <b>GOVERNMENTWIDE</b> | <b>\$1,881.0</b>                                      |



Approximately 62 percent of actual savings were reported by DOD. DOD's policies and practices include regular validations and reviews of every competition decision to ensure savings and cost avoidances are realized.

As expected, the \$1.9 billion in actual savings is less than the \$2.8 billion in straight-line projected savings for competitions completed during this five-year period. There is reason to believe most agencies are generally on track to achieve their savings projections when all performance periods for these competitions are completed, generally over a five-year period:

- *Actual savings are likely to be smaller in the near term and greater in the out years.* Average annualized savings projections assume that savings accrue evenly over the entire implementation period. However, near term savings are likely lower than average, while investment costs, such as transition costs and capital expenditures, are likely higher than average in the early years. In addition, some letters of obligation with MEOs or contracts may not call for full performance until the second or third year of implementation, so the opportunity to achieve the full benefit of new efficiencies may not be realized in the early stages of implementation.
- *Some actual savings are not reported to OMB in time to be captured in its consolidated report.* Agencies generally report savings at the end of a full year's performance and annually thereafter. Because a number of FY 2006 competitions did not complete a full year's performance as of the end of FY 2007, actual savings that may have accrued during FY 2007 have not yet been reported to OMB. In fact, FY 2006 actual savings were underreported in last year's consolidated report, with agencies identifying an additional 49 percent in actual savings (\$202 million) after its publication.

**3. Validation plans.** In April 2007, OMB issued guidance addressing the monitoring of management decisions made through the use of public-private competition. See *Validating the Results of Public-Private Competition*, available at [www.whitehouse.gov/omb/procurement/comp\\_src/cs\\_validating\\_results.pdf](http://www.whitehouse.gov/omb/procurement/comp_src/cs_validating_results.pdf). Effective post competition management and oversight ensures agencies and our taxpayers receive the expected benefits from competition. It also reinforces public trust and confidence in the competitive sourcing initiative.

In accordance with OMB's guidance, civilian agencies developed plans to validate savings and performance improvements achieved through public-private competitions. Independent validations have been planned on more than 70 agency competitions, including awards both to agency "most efficient organizations" (MEOs) and contractors. The competitions selected for independent validations are projected to produce \$3.5 billion in savings for the taxpayer over their full periods of performance.

Independent validations are being conducted by agency Inspectors General offices, competitive sourcing offices, offices that perform similar independent analyses, or contractors other than one that provided consulting services to the agency tender official and MEO team. At a minimum, validations will assess the completeness and accuracy of cost and performance data and evaluate the effectiveness of post-competition management actions.

DOD is conducting a comprehensive independent review to evaluate how its Components are meeting the Circular's post-competition accountability provisions and the Department's internal tracking, validation, and review requirements.

### **HHS validates savings from competitive sourcing**

In the Fall of 2007, the Department of Health and Human Services validated the savings estimates for five of its public-private competitions involving administrative support for the National Institutes of Health Extramural Research Program, library services at the Food and Drug Administration (FDA), FDA real property management, the HHS Program Support Center's activities supporting enterprise IT applications and the Health Resources Services Administration's health services activities for the National Hansen's Disease Program.

Collectively, the competitions of these activities were expected to generate savings of close to \$25 million over each activity's first year of performance. The validations, which were performed by an independent contractor, indicate that the first-year actual savings were higher than the originally estimated savings by about \$2.2 million, approximately 9 percent above the original projections.

## **IV. Agency competition profiles**

Over the past five years, more than 20 agencies developed skills and disciplines to analyze the performance of their commercial activities and consider the suitability of competition. By doing so, these agencies have improved their ability to perform and integrate human capital planning, workload measurement, cost analysis, and market research to close gaps and continually improve performance. Even where an agency determines competition is not suitable, it can use the common-sense tools of Circular A-76 to improve the performance of its internal operations and contract support to achieve better results from the blended workforce.

This section includes profiles of selected individual agencies to illustrate the various types of management and performance achievements experienced at different agencies.

## Government-wide Competition Profile FYs 2003-2007

| <b>Competition</b>  | <b>Savings</b>  |
|---|---|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Maintenance/Property Management<br/>Logistics<br/>Information Technology<br/>Human Resources</p> <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 1,006<br/>Standard: 368<br/>Total: 1,374</p> <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 11,503<br/>Standard: 39,439<br/>Total: 50,942</p> | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$7.4 B<br/>Net: \$7.2 B</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$24,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$1.9 B</p> |

### Performance Achievements

Use of competitive sourcing as a management tool has:

- Improved agencies' ability to perform and integrate human capital planning, workload measurement, cost analysis, and market research to close performance gaps and strengthen program performance.
- Increased use of measurable performance standards, service level agreements, and realistic costing to provide better service, reduce unnecessary spending, and achieve greater accountability for results.
- Greater involvement of interested stakeholders and technical experts in planning and implementing organizational improvements.
- Strengthened efficiency of commercial support activities through:
  - Development of standard operating procedures and enterprise-wide solutions;
  - Adoption of new technologies;
  - Leveraged purchasing;
  - Consolidation of operations;
  - Restructured contract support.

## DOD Competition Profile FYs 2003-2007

| <b>Competition</b>  | <b>Savings</b>  |
|---|---|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Maintenance/Property Management<br/>Logistics<br/>Health Services<br/>Finance &amp; Accounting</p> | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$1.9 B<br/>Net: \$1.8 B</p> |
| <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 63<br/>Standard: 45<br/>Total: 208</p>   | <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$17,000</p>   |
| <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 1,201<br/>Standard: 19,319<br/>Total: 20,520</p>  | <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$1.2 B</p>   |

### Performance Achievements

- Consolidated management and logistics functions in the area of retail supply by decreasing seven stand alone organizations and using economies of scale to meet mission requirements while attaining additional cost savings.
- Eliminated chronic overtime in military construction management, and testing & abatement activities through processing efficiencies gained through competition.
- Reduced overhead and eliminated redundancies in printing and duplicating services through the consolidation of document automation and production services from 225 to 145 facilities.
- **Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results. Increased accountability through implementation of performance standards.**

## DOE Competition Profile FYs 2003-2007

| <b>Competition</b>   | <b>Savings</b>  |
|--|---|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Information Technology<br/>Maintenance/Property Management<br/>Human Resources/Training</p> <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 2<br/>Standard: 6<br/>Total: 8</p> <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 84<br/>Standard: 1,136<br/>Total: 1,220</p> | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$537 M<br/>Net: \$531 M</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$66,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$128 M</p> |

### Performance Achievements

- More efficient delivery of payment services through the consolidation of three financial service centers into a single organizational activity.
- Modernized property and space management practices that allow rapid retrieval and verification of work products.
- Reduced cyber risk and reduction in IT redundancies through consolidation of seven authentication domains, 17 separate messaging systems, and migration of desktop computers to a common operating environment.
- Greater economies of scale in the provision of training services from two sites, down from fifteen.
- Improved tracking tools enabling readily assessment of performance measures, validation/approval status, and performance ratings.
- **Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results. Increased accountability through implementation of performance standards.**

## EPA Competition Profile FYs 2003-2007

| <b>Competition</b>   | <b>Savings</b>  |
|--|---|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Information Technology<br/>Finance &amp; Accounting<br/>Research &amp; Development</p> <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 33<br/>Standard: 1<br/>Total: 34</p> <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 257<br/>Standard: 26<br/>Total: 283</p>  | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$20 M<br/>Net: \$20 M</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$14,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$4 M</p> |
| <p><b>Performance Achievements</b></p> <ul style="list-style-type: none"> <li>• Streamlined financial services activities through the increased use of automated clearinghouse direct deposit payments.</li> <li>• Decreased erroneous payments and increased timely payments through adoption of improved process controls.</li> <li>• Enhanced IT security through the installation of encryption software on agency laptops.</li> <li>• Shortened response times of customer service requests for computer desktops, telephones, and video conferencing.</li> <li>• Expanded in-house skill levels as a result of job training for employees in the most efficient organizations.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results. Increased accountability through implementation of performance standards.</b></li> </ul> |   |

## HHS Competition Profile FYs 2003-2007

| <b>Competition</b>   | <b>Savings</b>  |
|--|---|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Information Technology<br/>Health Services<br/>Administrative Support<br/>Testing &amp; Inspection Services</p> <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 150<br/>Standard: 24<br/>Total: 174</p> <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 2,009<br/>Standard: 3,102<br/>Total: 5,111</p>   | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$483 M<br/>Net: \$466 M</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$18,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$163 M</p> |
| <p><b>Performance Achievements</b></p> <ul style="list-style-type: none"> <li>• Increased proficiency of payroll services through development of standard operating procedures that promote fast and accurate responses to customers.</li> <li>• Improved accounting procedures for the new HHS Unified Financial Management System.</li> <li>• Strengthened operational efficiency of enterprise application, customer service, accounting, and visual service support activities through better use of technology.</li> <li>• A more agile workforce to accommodate fluctuations in workload.</li> <li>• Elimination of organizational redundancies related to financial &amp; payroll service, public affairs, marketing and administrative support activities.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |   |

## DHS Competition Profile FYs 2003-2007

| <b>Competition</b>   | <b>Savings</b>   |
|--|--|
| <p><b>Most frequently competed activities</b></p> <p>Maintenance/Property Management<br/>Human Resources/Training<br/>Finance &amp; Accounting<br/>Research &amp; Development</p> <p><b>Number of competitions completed</b></p> <p>Streamlined: 14<br/>Standard: 9<br/>Total: 23</p> <p><b>Number of FTEs competed</b></p> <p>Streamlined: 393<br/>Standard: 333<br/>Total: 726</p>   | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p>Gross: \$53 M<br/>Net: \$48 M</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="text-align: center;">\$13,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="text-align: center;">\$13 M</p> |
| <p><b>Performance Achievements</b></p> <ul style="list-style-type: none"> <li>• Reduced turnaround time for responses to Department-wide translation and interpretation requests using economies of scale gained through consolidating like activities in common areas.</li> <li>• Improved efficiency and responsiveness through the elimination of redundancies in workflow and reductions in overhead from the consolidation of forms warehousing and distribution organizations.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |  |



## DOI Competition Profile FYs 2003-2007

| <b>Competition</b>   | <b>Savings</b>  |
|--|---|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Human Resources/ Training<br/>Maintenance/Property Management<br/>Administrative Support<br/>Research &amp; Development</p> <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 117<br/>Standard: 5<br/>Total: 122</p> <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 1,480<br/>Standard: 505<br/>Total: 1,985</p>  | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$88 M<br/>Net: \$83 M</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$7,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$21 M</p> |
| <p><b>Performance Achievements</b></p> <ul style="list-style-type: none"> <li>• New efficiencies through the sharing and upgrading of equipment for maintenance and property management and the elimination of redundant organizational structures for road maintenance activities.</li> <li>• Decreased agency expenditures by leveraging the buying power of multiple maintenance offices.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |   |

## DOJ Competition Profile FYs 2003-2007

| Competition  | Savings   |
|--|---|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Information Technology<br/>Grants Management<br/>Health Services<br/>Maintenance/Property Management</p> <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 14<br/>Standard: 3<br/>Total: 17</p> <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 191<br/>Standard: 360<br/>Total: 551</p>   | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$53 M<br/>Net: \$52 M</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$17,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$8 M</p> |
| <p><b>Performance Achievements</b></p> <ul style="list-style-type: none"> <li>• More efficient and standardized Web site development operations through the migration of performance responsibilities from program offices to the Office of the Chief Information Officer.</li> <li>• Improved performance of IT functions through the realignment of human capital to match qualified employees to each position.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |   |

## State Competition Profile FYs 2003-2007

| <b>Competition</b>   | <b>Savings</b>  |
|--|---|
| <p><b>Most frequently competed activities</b></p> <p>Installation Services</p><br><p><b>Number of competitions completed</b></p> <p>Streamlined: 10<br/>Standard: 2<br/>Total: 12</p><br><p><b>Number of FTEs competed</b></p> <p>Streamlined: 131<br/>Standard: 220<br/>Total: 351</p>  | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p>Gross: \$82 M<br/>Net: \$81 M</p><br><p><b>Projected annual net savings per FTE competed</b></p> <p>\$23,000</p><br><p><b>Actual savings to date from completed competitions</b></p> <p>\$4 M</p> |
| <p><b>Performance Achievements</b></p> <ul style="list-style-type: none"> <li>• Improved printing and graphics customer care through the adoption of industry best practices and a Web-based ordering and proofing system, including faster printing service with a 98 percent equipment uptime.</li> <li>• Improved motor pool service due to increased flexibility in motor vehicle services workforce and proactive quality control procedures.</li> <li>• Reduced costs for foreign language training while maintaining quality standards.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |   |

## DOT Competition Profile FYs 2003-2007

| <b>Competition</b>   | <b>Savings</b>  |
|--|---|
| <p style="text-align: center;"><b>Most frequently competed activities</b></p> <p style="text-align: center;">Logistics<br/>Management &amp; General Support<br/>Regulatory &amp; Program Management Support</p> <p style="text-align: center;"><b>Number of competitions completed</b></p> <p style="text-align: center;">Streamlined: 16<br/>Standard: 6<br/>Total: 22</p> <p style="text-align: center;"><b>Number of FTEs competed</b></p> <p style="text-align: center;">Streamlined: 177<br/>Standard: 2,535<br/>Total: 2,712</p>   | <p style="text-align: center;"><b>Projected savings from completed competitions over all performance periods</b></p> <p style="text-align: center;">Gross: \$2.3 B<br/>Net: \$2.2 B</p> <p style="text-align: center;"><b>Projected annual net savings per FTE competed</b></p> <p style="text-align: center;">\$82,000</p> <p style="text-align: center;"><b>Actual savings to date from completed competitions</b></p> <p style="text-align: center;">\$8 M</p> |
| <h3><b>Performance Achievements</b></h3> <ul style="list-style-type: none"> <li>• Improved service delivery from automated flight service stations through new automations system and communications system to route calls from private pilots to the best-qualified available specialist. Improvements include: <ul style="list-style-type: none"> <li>○ reduced response times for retrieving weather reports, filing flight plans, and initiating communications; and</li> <li>○ decreased the average time for initiating radio service for private pilots from 37 to 13 seconds.</li> </ul> </li> <li>• Increased time and attendance reporting accuracy by 35 percent at the Research and Innovative Technology Administration (RITA), Volpe Center.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |   |

## Treasury Competition Profile FYs 2003-2007

| Competition   | Savings   |
|---|---|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Logistics<br/>Information Technology<br/>Maintenance/Property Management</p> <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 18<br/>Standard: 11<br/>Total: 29</p> <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 169<br/>Standard: 2,184<br/>Total: 2,353</p>   | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$300 M<br/>Net: \$292 M</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$31,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$147 M</p> |
| <p><b>Performance Achievements</b></p> <ul style="list-style-type: none"> <li>• Reduced leasing costs by releasing 841,000 square feet of underutilized warehouse space.</li> <li>• Improved on-time print services for the Integrated Document Systems Enterprise, IRS Modernization Information Technology Services organization, by 91 percent since FY 2006.</li> <li>• Enhanced building security by establishing remote mail facilities.</li> <li>• Provided meaningful home-based employment for over 375 individuals with disabilities.</li> <li>• Upgraded building infrastructures at multiple locations.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |   |

## VA Competition Profile FYs 2003-2007

| <b>Competition</b>   | <b>Savings</b>   |
|--|--|
| <p><b>Most frequently competed activities</b><br/>Maintenance/Property Management</p> <p><b>Number of competitions completed</b></p> <p style="padding-left: 20px;">Streamlined: 0<br/>Standard: 1<br/>Total: 1</p> <p><b>Number of FTEs competed</b></p> <p style="padding-left: 20px;">Streamlined: 0<br/>Standard: 276<br/>Total: 276</p>   | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$47 M<br/>Net: \$45 M</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$36,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$29 M</p> |
| <h3><b>Performance Achievements</b></h3> <ul style="list-style-type: none"> <li>• Realized greater economies of scale and reduced redundant IT activities by consolidating program facilities from 46 locations to one.</li> <li>• Alleviated burden on veterans affected by Hurricane Katrina by managing over 300 rental units for FEMA tenants.</li> <li>• Improvement in the sale of VA-acquired real estate owned (REO) properties through the adoption of industry best-practices.</li> <li>• Took advantage of the skills and talents of small businesses to provide cost-effective services.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |  |

## AID Competition Profile FYs 2003-2007

| <b>Competition</b>   | <b>Savings</b>  |
|--|---|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Management &amp; General Support<br/>Logistics</p> <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 2<br/>Standard: 0<br/>Total: 2</p> <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 9<br/>Standard: 0<br/>Total: 9</p>   | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$1 M<br/>Net: \$1 M</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$31,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$0 M</p> |
| <h3><b>Performance Achievements</b></h3> <ul style="list-style-type: none"> <li>• Reduced wait time on requests for space assignments by allowing managers to view space management data in real time.</li> <li>• Increased customer satisfaction for maintenance service calls, achieved an overall satisfaction rate of 100 percent, and reduced the number of complaints.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |   |

## Corps of Engineers Competition Profile FYs 2003-2007

| <b>Competition</b>   | <b>Savings</b>   |
|--|--|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Information Technology<br/>Finance &amp; Accounting<br/>Maintenance/Property Management</p> <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 0<br/>Standard: 3<br/>Total: 3</p> <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 0<br/>Standard: 1,596<br/>Total: 1,596</p>  | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$1.0 B<br/>Net: \$1.0 B</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$127,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$0 M</p> |
| <p><b>Performance Achievements</b></p> <ul style="list-style-type: none"> <li>• Improved cyber-security through the consolidation of redundant IT activities.</li> <li>• Unified enterprise quality management system for IT services with defined metrics, performance measures, and standardized information management/information technology business processes.</li> <li>• Greater compatibility in IT solutions through leveraged enterprise-wide purchasing.</li> <li>• Increased accountability through a formal, documented process for evaluating and approving changes in requirements.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |  |



## NASA Competition Profile FYs 2003-2007

| <b>Competition</b>  | <b>Savings</b>   |
|---|--|
| <p><b>Most frequently competed activities</b></p> <p>Research &amp; Development<br/>Procurement</p>   | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p>Gross: \$46 M<br/>Net: \$43 M</p>          |
| <p><b>Number of competitions completed</b></p> <p>Streamlined: 1<br/>Standard: 120<br/>Total: 121</p>   | <p><b>Projected annual net savings per FTE competed</b></p> <p>\$20,000*</p>   |
| <p><b>Number of FTEs competed</b></p> <p>Streamlined: 7<br/>Standard: 4,123 (incl. 3,886 science)<br/>Total: 4,130 (incl. 3,886 science)</p>  | <p><b>Actual savings to date from completed competitions</b></p> <p>\$2 M</p> <p><small>*Excludes science competition FTEs</small></p> |
| <p><b>Performance Achievements</b></p> <ul style="list-style-type: none"> <li>• World-class science opportunities matched with the right mix of government and private sector scientists to further NASA's mission and strategic plan objectives.</li> <li>• 100 percent accuracy and timeliness for the processing of payroll for the entire agency.</li> <li>• Decreased processing time of agency-wide domestic travel vouchers from an average of 4.6 days to 1.6 days, and foreign travel vouchers from 3.5 days to 1.4 days.</li> <li>• Reduced processing time for off-site training registrations from an average of 10 days to 2 days.</li> <li>• Increased efficiencies in forms processing and IT support through the standardization of forms and consolidation of software licenses.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |  |

## OPM Competition Profile FYs 2003-2007

| <b>Competition</b>   | <b>Savings</b>  |
|--|---|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Human Resources<br/>Information Technology<br/>Finance &amp; Accounting</p> | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$28 M<br/>Net: \$26 M</p> |
| <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 16<br/>Standard: 2<br/>Total: 18</p>                              | <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$9,000</p>  |
| <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 268<br/>Standard: 343<br/>Total: 611</p>                                   | <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$9 M</p>   |

### Performance Achievements

- Increased cyber-security through the integration of three mainframe IT environments.
- Maintained 100% compliance with medical record keeping standards, and no customer complaints.
- Installed and implemented an online Test Candidate Scheduling System.
- Improved responsiveness to customer inquiries through establishment of a call center.
- Increased data processing capacity and volume through major computer upgrades.
- Improvements made to finance & accounting function helped agency achieve a clean audit opinion on FY 2006 and FY 2007 consolidated financial statements, with no material weaknesses on internal control.
- **Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.**

## SBA Competition Profile FYs 2003-2007

| <b>Competition</b>  | <b>Savings</b>  |
|---|---|
| <p style="text-align: center;"><b>Most frequently competed activities</b></p> <p style="text-align: center;">Finance &amp; Accounting<br/>Regulatory &amp; Program Management Support</p> <p style="text-align: center;"><b>Number of competitions completed</b></p> <p style="text-align: center;">Streamlined: 5<br/>Standard: 5<br/>Total: 10</p> <p style="text-align: center;"><b>Number of FTEs competed</b></p> <p style="text-align: center;">Streamlined: 236<br/>Standard: 320<br/>Total: 556</p> | <p style="text-align: center;"><b>Projected savings from completed competitions over all performance periods</b></p> <p style="text-align: center;">Gross: \$47 M<br/>Net: \$46 M</p> <p style="text-align: center;"><b>Projected annual net savings per FTE competed</b></p> <p style="text-align: center;">\$17,000</p> <p style="text-align: center;"><b>Actual savings to date from completed competitions</b></p> <p style="text-align: center;">\$0 M</p> |
| <p><b>Performance Achievements</b></p> <ul style="list-style-type: none"> <li>• Improved disaster loss verification function to enable more efficient processing of small business claims for financial assistance.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul>                                   |   |

## SSA Competition Profile FYs 2003-2007

| Competition  | Savings  |
|--|--|
| <p><b>Most frequently competed activities</b></p> <p style="padding-left: 40px;">Information Technology<br/>Management &amp; General Support<br/>Administrative Support<br/>Maintenance/Property Management</p> <p><b>Number of competitions completed</b></p> <p style="padding-left: 40px;">Streamlined: 25<br/>Standard: 1<br/>Total: 26</p> <p><b>Number of FTEs competed</b></p> <p style="padding-left: 40px;">Streamlined: 163<br/>Standard: 68<br/>Total: 231</p>  | <p><b>Projected savings from completed competitions over all performance periods</b></p> <p style="padding-left: 40px;">Gross: \$39 M<br/>Net: \$39 M</p> <p><b>Projected annual net savings per FTE competed</b></p> <p style="padding-left: 40px;">\$34,000</p> <p><b>Actual savings to date from completed competitions</b></p> <p style="padding-left: 40px;">\$20 M</p> |
| <p><b>Performance Achievements</b></p> <ul style="list-style-type: none"> <li>• Improved disability claims processing through the reinvestment of savings generated by the reengineering of non-mission related activities.</li> <li>• Higher economies of scale and consolidation of expertise through the merging of three separate IT help desk activities into one.</li> <li>• Improved professional medical oversight over occupational health nurse functions.</li> <li>• <b>Improved ability to perform and integrate human capital planning, workload measurement, cost analysis, market research, and project management to close performance gaps and achieve greater accountability for results.</b></li> </ul> |  |

## Appendices

The following appendices have been included in this report to provide additional consolidated information on agencies' competitive sourcing efforts:

- Appendix A-1. Competitions Completed in FY 2007
- Appendix A-2. Competitions Announced in FY 2007
- Appendix B. Planned Competitions for FY 2008
- Appendix C-1. Types of Activities Competed or Announced in FY 2007
- Appendix C-2. Activities Most Frequently Competed by Agency in FY 2007
- Appendix D. FY 2007 Performance Decisions
- Appendix E. Incremental Cost of Conducting Competitions in FY 2007
- Appendix F. FY 2007 Fixed Costs
- Appendix G. Estimated Savings for Streamlined & Standard Competitions Completed in FY 2007

1. *General caveat regarding data in the appendices.* The data provided in this report and these appendices have been derived from individual agency reports prepared in accordance with OMB Memorandum M-08-02, *Report to Congress on FY 2007 Competitive Sourcing Efforts* (October 31, 2007), available at [www.omb.gov](http://www.omb.gov). This guidance is intended to ensure consistent and clear agency reporting. It provides a standard reporting format and describes how agencies should calculate savings and costs, including the incremental cost of a specific competition and the fixed costs associated with overseeing an agency's competitive sourcing efforts.

Each agency has made a good faith attempt to provide the competition-specific information requested by OMB in its individual report and has reviewed the data in these appendices for consistency with its individual report to Congress. The attached appendices and the summary tables in the report are limited to the extent information was not included in an agency's report.

2. *Methodologies and assumptions.* The following explanations are provided for readers to better understand what figures in the appendices represent.

a. Streamlined and standard competitions. These terms include streamlined and standard competitions conducted under the revisions to OMB Circular A-76 published on May 29, 2003.

b. Reporting period. Data reflect: (i) competitions completed in FY 2007 regardless of when they were initiated; and (ii) competitions announced in FY 2007 but not completed in 2007.

c. Incremental costs. To evaluate agency results in a consistent manner, OMB developed guidelines for agencies to calculate the incremental cost of

competition and estimated savings. Consistent with Section 647, which calls for agencies to identify the incremental costs of competition, OMB developed guidance to capture only the out-of-pocket expense of competition. These costs include:

- The costs of consultants or contractors who participated in the conduct of the reported competitions;
- The costs of travel, training, or other incremental expenses directly attributed to the conduct of the reported competitions; and
- Incremental in-house staff costs that were incurred as part of conducting the competition (i.e., any staff hired specifically to work on a particular competition or fill behind employees temporarily working on a competition or overtime costs (where overtime costs are tracked)).

Reporting excludes any costs that would have been paid irrespective of whether the agency pursued competition, such as the costs of in-house staff that may have spent time on the competition during regular working hours, but were not hired to work on a competition and will continue to be on-board after the competition is completed. Any costs incurred prior to public announcement of the competition are also excluded. The steps typically involved in preliminary planning – e.g., conducting a workload assessment, evaluating how the organization could be reorganized to operate more efficiently, benchmarking against industry standards – are good management practices that offer benefit to the agency irrespective of whether public-private competition is pursued.

Incremental cost does not reflect, nor is it intended to reflect, the amount of overall effort an agency applies to competitive sourcing. It simply reflects the out-of-pocket costs to the agency.

d. Fixed costs. OMB's guidance for FY 2007 reporting requires that agencies identify fixed costs – i.e., labor costs associated with providing central direction and oversight. Central direction includes that provided both by an agency's headquarters and, if applicable, that provided by a bureau. Fixed costs include the cost of FTEs that are fully dedicated to managing the competitive sourcing initiative at the agency and any contract support costs associated with this effort. They do not include the cost of FTEs or contract support associated with specific competitions or out-of-pocket (incremental) costs for conducting individual competitions. Some agencies are not currently collecting information on fixed costs in a systematic fashion and have provided an estimate.

e. Savings. To estimate savings achieved under the winning offer, agencies developed an "as is" baseline reflecting the total personnel costs, overhead, contract costs, and, in some cases, other costs (e.g., cost of capital, leases, supplies and materials) of the incumbent organization. Transition costs (e.g., Voluntary Early Retirement Authority or Voluntary Separation Incentive Program costs, moving expenses, etc.) are not included in the baseline and are not captured in the savings figures in this report.

Agencies were instructed to develop estimates that correspond to the manner in which the function was planned for budgeting purposes in the year that

the announcement was made. This guidance is designed to produce a realistic estimate of savings and avoid baselines that reflect desired staffing levels or staffing that happened to exist at the time the competition was announced. In addition, agencies were instructed to adjust savings figures to constant 2007 dollars.

*Note:* Some figures in the appendices and the body of the report are presented in terms of FTE in order to provide a common measure across agencies. This does not mean that savings are exclusively the result of lower personnel costs. Reported savings are being derived in a number of ways. For example, where in-house sources have relied on private support contractors, the development of a most efficient organization may result in lower contract support costs. Savings are also being derived from operational consolidations that enable agencies to eliminate duplicative and wasteful capital investments and leverage technology more effectively.

f. Direct conversions. Prior reports identified several direct conversion actions pursued prior to the issuance of the revised Circular. No such actions were reported this year. The revised Circular does not authorize direct conversions.

g. Planned competitions. In most cases, FTE figures are estimates that may be subject to adjustment based on the results of agency analyses (e.g., business case analysis, cost-benefit analysis).

## Appendix A-1

Competitions Completed in FY 2007<sup>1</sup>

| Agency               | Number of Competitions |          |                    |          | Number of FTEs Completed |          |                         |          |                    |          |
|----------------------|------------------------|----------|--------------------|----------|--------------------------|----------|-------------------------|----------|--------------------|----------|
|                      | Streamlined            |          | Direct Conversions |          | Total                    |          | Average per competition |          | Direct Conversions |          |
|                      | Streamlined            | Standard | Streamlined        | Standard | Streamlined              | Standard | Streamlined             | Standard | Streamlined        | Standard |
| Agriculture          | 0                      | 0        | 0                  | 0        | 0                        | n/a      | n/a                     | n/a      | n/a                | n/a      |
| Commerce             | 1                      | 1        | 0                  | 2        | 23                       | 4        | n/a                     | n/a      | n/a                | n/a      |
| Defense <sup>2</sup> | 13                     | 10       | 0                  | 23       | 158                      | 671      | 12                      | 67       | n/a                | n/a      |
| Education            | 2                      | 0        | 0                  | 2        | 24                       | 0        | n/a                     | n/a      | n/a                | n/a      |
| Energy               | 0                      | 0        | 0                  | 0        | 0                        | 0        | n/a                     | n/a      | n/a                | n/a      |
| EPA <sup>3</sup>     | 7                      | 1        | 0                  | 8        | 70                       | 47       | 10                      | n/a      | n/a                | n/a      |
| HHS                  | 22                     | 0        | 0                  | 22       | 396                      | 0        | 18                      | n/a      | n/a                | n/a      |
| Homeland             | 9                      | 0        | 0                  | 9        | 261                      | 0        | 29                      | n/a      | n/a                | n/a      |
| HUD                  | 0                      | 0        | 0                  | 0        | 0                        | 0        | n/a                     | n/a      | n/a                | n/a      |
| Interior             | 9                      | 1        | 0                  | 10       | 297                      | 112      | 33                      | 112      | n/a                | n/a      |
| Justice              | 3                      | 1        | 0                  | 4        | 55                       | 127      | 18                      | 127      | n/a                | n/a      |
| Labor                | 2                      | 4        | 0                  | 6        | 53                       | 276      | 27                      | n/a      | n/a                | n/a      |
| State                | 0                      | 1        | 0                  | 1        | 0                        | 21       | n/a                     | 21       | n/a                | n/a      |
| DOT                  | 0                      | 0        | 0                  | 0        | 0                        | 0        | n/a                     | n/a      | n/a                | n/a      |
| Treasury             | 0                      | 1        | 0                  | 1        | 0                        | 173      | n/a                     | n/a      | n/a                | n/a      |
| VA                   | 0                      | 0        | 0                  | 0        | 0                        | 0        | n/a                     | n/a      | n/a                | n/a      |
| AID                  | 1                      | 0        | 0                  | 1        | 5                        | 0        | 5                       | n/a      | n/a                | n/a      |
| Corps                | 0                      | 0        | 0                  | 0        | 0                        | 0        | n/a                     | n/a      | n/a                | n/a      |
| GSA                  | 0                      | 0        | 0                  | 0        | 0                        | 0        | n/a                     | n/a      | n/a                | n/a      |
| NASA                 | 0                      | 36       | 0                  | 36       | 0                        | 1,359    | n/a                     | 38       | n/a                | n/a      |
| NSF                  | 0                      | 0        | 0                  | 0        | 0                        | 0        | n/a                     | n/a      | n/a                | n/a      |
| OMB                  | 0                      | 0        | 0                  | 0        | 0                        | 0        | n/a                     | n/a      | n/a                | n/a      |
| OPM                  | 1                      | 0        | 0                  | 1        | 11                       | 0        | 11                      | n/a      | n/a                | n/a      |
| SEBA                 | 0                      | 0        | 0                  | 0        | 0                        | 0        | n/a                     | n/a      | n/a                | n/a      |
| Smithsonian          | 0                      | 0        | 0                  | 0        | 0                        | 0        | n/a                     | n/a      | n/a                | n/a      |
| SSA                  | 6                      | 0        | 0                  | 6        | 21                       | 0        | 4                       | n/a      | n/a                | n/a      |
| GOVERNMENTWIDE       | 76                     | 56       | 0                  | 132      | 1,374                    | 2,791    | 18                      | 50       | n/a                | n/a      |

Note:

1. Includes all competitions completed in FY2007 irrespective of when they were initiated.
2. All appendices exclude DOD streamlined competitions of military personnel.
3. EPA FY 2007 cost and savings figures include standard competition of IT services completed in Q2 FY 2008.



## Appendix A-2

Competitions Announced but Not Completed in FY 2007<sup>1</sup>

| Agency         | Number of Competitions |          |                    |       | Number of FTEs Competed |          |                    |                         |             |          |                    |     |
|----------------|------------------------|----------|--------------------|-------|-------------------------|----------|--------------------|-------------------------|-------------|----------|--------------------|-----|
|                | Streamlined            | Standard | Direct Conversions | Total | Total                   |          |                    | Average per competition |             |          |                    |     |
|                |                        |          |                    |       | Streamlined             | Standard | Direct Conversions | Total                   | Streamlined | Standard | Direct Conversions |     |
| Agriculture    | 0                      | 2        | 0                  | 2     | 0                       | 129      | 0                  | 0                       | 129         | n/a      | 65                 | n/a |
| Commerce       | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | 0           | n/a      | n/a                | n/a |
| Defense        | 3                      | 22       | 0                  | 25    | 2,113                   | 2,762    | 0                  | 4,875                   | 704         | 126      | n/a                | n/a |
| Education      | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| Energy         | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| EPA            | 2                      | 0        | 0                  | 2     | 15                      | 0        | 0                  | 15                      | 8           | n/a      | n/a                | n/a |
| HHS            | 17                     | 0        | 0                  | 17    | 403                     | 0        | 0                  | 403                     | 24          | n/a      | n/a                | n/a |
| Homeland       | 5                      | 2        | 0                  | 7     | 123                     | 31       | 0                  | 154                     | 25          | 16       | n/a                | n/a |
| HUD            | 1                      | 0        | 0                  | 1     | 22                      | 0        | 0                  | 22                      | 22          | n/a      | n/a                | n/a |
| Interior       | 2                      | 2        | 0                  | 4     | 63                      | 242      | 0                  | 305                     | 32          | 121      | n/a                | n/a |
| Justice        | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| Labor          | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| State          | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| DOT            | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| Treasury       | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| VA             | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| AID            | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| Corps          | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| GSA            | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| NASA           | 0                      | 53       | 0                  | 53    | 0                       | 247      | 0                  | 247                     | n/a         | n/a      | n/a                | n/a |
| NSF            | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| OMB            | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| OPM            | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| SEA            | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| Smithsonian    | 0                      | 0        | 0                  | 0     | 0                       | 0        | 0                  | 0                       | n/a         | n/a      | n/a                | n/a |
| SSA            | 0                      | 1        | 0                  | 1     | 0                       | 3        | 0                  | 3                       | n/a         | 3        | n/a                | n/a |
| GOVERNMENTWIDE | 30                     | 82       | 0                  | 112   | 2,739                   | 3,414    | 0                  | 6,153                   | 91          | 42       | n/a                | n/a |

Note:

1. Includes competitions announced, but not completed, in FY 2007.

### Planned Competitions for FY 2008

| Agency                      | Number of FTEs in Competitions Planned for Announcement <sup>1</sup> |
|-----------------------------|--|
| Agriculture                 | 691  |
| Commerce                    | 0  |
| Defense                     | 6,000  |
| Education                   | 30   |
| Energy                      | 0  |
| EPA                         | 125  |
| HHS                         | 650  |
| Homeland                    | 1,622  |
| HUD                         | 0  |
| Interior                    | 609  |
| Justice                     | 120  |
| Labor                       | 480  |
| State                       | 490  |
| DOT                         | 58   |
| Treasury                    | 0  |
| VA <sup>3</sup>             | 0  |
| AID                         | 55   |
| Corps                       | 0  |
| GSA                         | 77   |
| NASA                        | 440  |
| NSF                         | 0  |
| OMB                         | 0  |
| OPM                         | 3  |
| SBA                         | 0  |
| Smithsonian                 | 0  |
| SSA                         | 139  |
| GOVERNMENTWIDE <sup>4</sup> | 11,589   |

Notes:

1. These figures are subject to adjustment based on result of agency analyses.
2. These figures have been reduced from those reported in the agencies' individual reports to Congress based on further analyses.
3. Statutory restrictions limit VA's ability to conduct public-private competitions.
4. Where an agency identified a range of FTE, the average of the range was used to calculate the total government-wide FTE planned for competition in FY 2008.

## Appendix C - 1

Types of Activities Competed or Announced for Competition in FY 2007<sup>1</sup>

| Agency      | Function Code <sup>2</sup> |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
|-------------|----------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|-----|
|             | A                          | B | C | D | E | G | H | J | K | L | M | R | S | T | U | W | Y | Z | 000 |
| Agriculture |                            |   | • |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | •   |
| Commerce    |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   | • | • |   |     |
| Defense     | •                          |   |   |   | • |   |   | • | • |   | • |   | • | • | • | • | • | • |     |
| Education   |                            |   |   | • |   |   |   |   |   | • |   |   |   |   |   |   |   |   |     |
| Energy      |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
| EPA         |                            |   | • |   |   |   |   |   |   |   |   |   |   |   |   | • |   |   |     |
| HHS         |                            | • | • | • |   |   | • |   |   |   |   |   | • |   |   | • |   |   | •   |
| Homeland    |                            |   | • |   | • | • |   |   |   |   |   | • | • | • |   | • | • | • |     |
| HUD         |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
| Interior    |                            | • |   | • |   |   |   |   |   |   |   | • | • |   | • | • |   | • | •   |
| Justice     |                            | • |   |   |   |   |   |   |   |   |   |   |   |   |   | • | • |   |     |
| Labor       |                            |   | • |   |   |   |   |   |   |   |   |   | • | • |   |   |   |   |     |
| State       |                            |   |   |   |   |   |   |   |   |   |   |   | • |   |   |   |   |   |     |
| DOT         |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
| Treasury    |                            |   |   |   |   |   |   |   |   |   |   |   | • |   |   |   |   |   |     |
| VA          |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
| AID         |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | • |   |     |
| Corps       |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
| GSA         |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
| NASA        |                            |   |   |   |   |   |   |   |   |   |   | • |   |   |   |   |   |   |     |
| NSF         |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
| OMB         |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
| OPM         |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   | •   |
| SBA         |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
| Smithsonian |                            |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
| SSA         |                            |   |   |   |   |   | • |   |   |   |   |   | • | • |   | • |   |   |     |

## Notes:

1. This chart identifies the primary activities that were the subject of competition.
2. There were no completed or announced competitions for activities primarily in the "F" function code, "Procurement"; the "I" function code, "Investigations"; the "P" function code, "Base Maintenance/Multi-Function Contracts; or the "Q" function code, "Civil Works"; or the "X" function code, "Products Manufactured & Fabricated In-House." There are no "N", "O", or "V" function codes.

## Key

|   |  |  |   |
|---|--|--|---|
| <b>A</b> = Recurring Testing & Inspection Services<br><b>B</b> = Personnel Management<br><b>C</b> = Finance & Accounting<br><b>D</b> = Regulatory & Program Management Support Services<br><b>E</b> = Environment<br><b>G</b> = Social Services | <b>H</b> = Health Services <b>J</b> = Intermediate, Direct, or General Repair & Maintenance of Equipment<br><b>K</b> = Depot Repair, Maintenance, Modification, Conversion, or Overhaul of Equipment | <b>L</b> = Grants Management<br><b>M</b> = Forces & Direct Support<br><b>R</b> = Research, Development, Test, & Evaluation<br><b>S</b> = Installation Services<br><b>T</b> = Other Non-Manufacturing Operations (Logistics)<br><b>U</b> = Education & Training | <b>W</b> = Communications, Computing, & Other Information Services<br><b>Y</b> = Force Management & General Support<br><b>Z</b> = Maintenance, Repair, Alteration, & Minor Construction of Real Property<br><b>000</b> = Administrative Support |
|---|--|--|---|

**Activities Most Frequently Completed  
by Agency in FY 2007<sup>1</sup>**

| Agency      | Activity <sup>2,3</sup>                 | FTE <sup>3</sup> |
|-------------|---|------------------|
| Agriculture | n/a                                     | ---              |
| Commerce    | IT Support                              | 23               |
| Defense     | Maintenance & Property Mangement        | 442              |
| Education   | Regulatory & Program Management Support | 15               |
| Energy      | n/a                                     | ---              |
| EPA         | IT Support                              | 49               |
| HHS         | Administrative Support                  | 173              |
| Homeland    | Maintenance & Property Mangement        | 87               |
| HUD         | n/a                                     | ---              |
| Interior    | Education & Training                    | 140              |
| Justice     | IT Support                              | 127              |
| Labor       | Logistics                               | 169              |
| State       | Maintenance & Property Mangement        | 21               |
| DOT         | n/a                                     | ---              |
| Treasury    | Maintenance & Property Mangement        | 173              |
| VA          | n/a                                     | ---              |
| AID         | Management & General Support            | 5                |
| Corps       | n/a                                     | ---              |
| GSA         | n/a                                     | ---              |
| NASA        | Science Competitions                    | 1,359            |
| NSF         | n/a                                     | ---              |
| OMB         | n/a                                     | ---              |
| OPM         | Administrative Support                  | 11               |
| SBA         | n/a                                     | ---              |
| Smithsonian | n/a                                     | ---              |
| SSA         | Health Services                         | 10               |

Notes:

1. Activities identified on this chart are described in general terms, not by specific function code.
2. Determined based on number of FTEs in standard and streamlined competitions announced or completed in FY 2007.
3. "n/a" indicates not applicable since no competitions were reported.

### FY 2007 Performance Decisions

| Agency            | Provider Selected, Str/Std Competitions<br>(Based on FTE Competed) <sup>1</sup> |            |
|-------------------|---|------------|
|                   | In-House  | Contractor |
| Agriculture       | n/a   | n/a        |
| Commerce          | 100%  | 0%         |
| Defense           | 42%   | 58%        |
| Education         | 0%  | 100%       |
| Energy            | n/a   | n/a        |
| EPA               | 100%  | 0%         |
| HHS               | 100%  | 0%         |
| Homeland          | 70%   | 30%        |
| HUD               | n/a   | n/a        |
| Interior          | 100%  | 0%         |
| Justice           | 100%  | 0%         |
| Labor             | 100%  | 0%         |
| State             | 100%  | 0%         |
| DOT               | n/a   | n/a        |
| Treasury          | 0%  | 100%       |
| VA                | n/a   | n/a        |
| AID               | 0%  | 0%         |
| Corps             | n/a   | n/a        |
| GSA               | n/a   | n/a        |
| NASA <sup>2</sup> | n/a   | n/a        |
| NSF               | n/a   | n/a        |
| OMB               | n/a   | n/a        |
| OPM               | 100%  | 0%         |
| SEA               | n/a   | n/a        |
| Smithsonian       | n/a   | n/a        |
| SSA               | 90%   | 10%        |
| GOVERNMENTWIDE    | 73%   | 27%        |

Notes:

1. "n/a" indicates not applicable since no competitions were reported.
2. All NASA competitions completed in FY 2007 were science competitions awarded under a deviation to multiple providers in both the public and private sectors. The science competitions are not included in the calculation as they are not applicable.

## Appendix E

Incremental Cost of Conducting Competitions in FY 2007<sup>1</sup>

| Agency               | Incremental Costs |             |              | Incremental Cost per FTE<br>(Completed Competitions only) |          |          |  |
|----------------------|-------------------|-------------|--------------|---|----------|----------|--|
|                      | Completed         | Announced   | Total        | Streamlined   | Standard | Average  |  |
| Agriculture          | n/a               | \$214,000   | \$214,000    | n/a   | n/a      | n/a      |  |
| Commerce             | \$755,000         | n/a         | \$755,000    | \$31,522  | \$7,500  | \$27,963 |  |
| Defense <sup>2</sup> | \$6,518,000       | \$833,000   | \$7,351,000  | \$1,627   | \$9,331  | \$7,862  |  |
| Education            | \$0               | n/a         | \$0          | \$0   | n/a      | \$0      |  |
| Energy <sup>2</sup>  | n/a               | n/a         | n/a          | n/a   | n/a      | n/a      |  |
| EPA                  | \$723,000         | \$0         | \$723,000    | \$0   | \$15,287 | \$6,171  |  |
| HHS                  | \$898,000         | \$925,000   | \$1,823,000  | \$2,269   | n/a      | \$2,269  |  |
| Homeland             | \$1,072,000       | \$53,000    | \$1,125,000  | \$4,107   | n/a      | \$4,107  |  |
| HUD                  | n/a               | \$104,000   | \$104,000    | n/a   | n/a      | n/a      |  |
| Interior             | \$1,353,000       | \$650,000   | \$2,003,000  | \$3,089   | \$3,893  | \$3,309  |  |
| Justice              | \$70,000          | n/a         | \$70,000     | \$1,273   | \$0      | \$385    |  |
| Labor                | \$1,424,000       | n/a         | \$1,424,000  | \$5,169   | \$4,167  | \$4,328  |  |
| State                | \$193,000         | n/a         | \$193,000    | n/a   | \$9,190  | \$9,190  |  |
| DOT                  | n/a               | n/a         | n/a          | n/a   | n/a      | n/a      |  |
| Treasury             | \$2,045,000       | n/a         | \$2,045,000  | n/a   | \$11,823 | \$11,823 |  |
| VA                   | n/a               | n/a         | n/a          | n/a   | n/a      | n/a      |  |
| AID                  | \$47,000          | n/a         | \$47,000     | \$10,209  | n/a      | \$10,209 |  |
| Corps                | n/a               | n/a         | n/a          | n/a   | n/a      | n/a      |  |
| GSA                  | n/a               | n/a         | n/a          | n/a   | n/a      | n/a      |  |
| NASA                 | \$0               | \$0         | \$0          | n/a   | \$0      | \$0      |  |
| NSF                  | n/a               | n/a         | n/a          | n/a   | n/a      | n/a      |  |
| OMB                  | n/a               | n/a         | n/a          | n/a   | n/a      | n/a      |  |
| OPM                  | \$27,000          | n/a         | \$27,000     | \$2,499   | n/a      | \$2,499  |  |
| SBA                  | n/a               | n/a         | n/a          | n/a   | n/a      | n/a      |  |
| Smithsonian          | n/a               | n/a         | n/a          | n/a   | n/a      | n/a      |  |
| SSA                  | \$26,000          | \$12,000    | \$38,000     | \$1,254   | n/a      | \$1,254  |  |
| GOVERNMENTWIDE       | \$15,151,000      | \$2,791,000 | \$17,942,000 | \$3,142   | \$3,956  | \$3,687  |  |

Notes:

1. "n/a" indicates not applicable since no competitions were reported.

## Appendix F

## FY 2007 Fixed Costs

| Agency                   | Fixed Costs  |
|--------------------------|--------------|
| Agriculture              | \$4,172,630  |
| Commerce                 | \$313,000    |
| Defense                  | \$7,200,000  |
| Education                | \$65,244     |
| Energy <sup>1</sup>      | \$627,595    |
| EPA                      | \$610,453    |
| HHS                      | \$2,035,834  |
| Homeland                 | \$1,813,000  |
| HUD                      | \$107,000    |
| Interior                 | \$969,060    |
| Justice                  | \$143,471    |
| Labor                    | \$499,739    |
| State                    | \$735,010    |
| DOT <sup>1</sup>         | \$0          |
| Treasury                 | \$1,370,000  |
| VA <sup>2</sup>          | \$0          |
| AID                      | \$112,500    |
| Corps <sup>1</sup>       | \$400,000    |
| GSA <sup>1</sup>         | \$347,500    |
| NASA                     | \$647,289    |
| NSF <sup>1</sup>         | \$0          |
| OMB <sup>1</sup>         | \$0          |
| OPM                      | \$117,760    |
| SBA <sup>1</sup>         | \$0          |
| Smithsonian <sup>1</sup> | \$0          |
| SSA                      | \$1,137,171  |
| GOVERNMENTWIDE           | \$23,424,256 |

## Notes:

1. No competitions were conducted by these agencies in FY 2007.
2. Statutory restrictions limit VA's ability to conduct public-private competitions.

Estimated Savings for Streamlined and Standard Competitions Completed in FY 2007<sup>1</sup>

| Agency               | Anticipated Savings |               | Net Savings per FTE |             | Annualized Gross Savings |              |              | Average Annual Net Savings per FTE |           |           |
|----------------------|---------------------|---------------|---------------------|-------------|--------------------------|--------------|--------------|------------------------------------|-----------|-----------|
|                      | Gross               | Net           | Streamlined         | Standard    | Streamlined              | Standard     | Total        | Streamlined                        | Standard  | Total     |
|                      |                     |               |                     |             |                          |              |              |                                    |           |           |
| Agriculture          | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| Commerce             | \$22,300,000        | \$21,745,000  | \$946,739           | -\$7,500    | \$4,500,000              | \$0          | \$4,500,000  | \$189,348                          | -\$1,500  | \$161,074 |
| Defense <sup>2</sup> | \$137,655,000       | \$131,247,000 | \$47,399            | \$184,438   | \$1,355,074              | \$26,064,354 | \$27,419,427 | \$11,316                           | \$39,415  | \$35,077  |
| Education            | \$515,000           | \$515,000     | \$21,474            | n/a         | \$171,790                | \$0          | \$171,790    | \$7,158                            | n/a       | \$7,158   |
| ENERGY               | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| EPA                  | \$120,712,000       | \$119,989,000 | \$76,012            | \$2,424,459 | \$1,062,391              | \$14,423,000 | \$15,487,391 | \$15,202                           | \$303,057 | \$131,393 |
| HHS                  | \$24,604,000        | \$23,705,000  | \$39,862            | n/a         | \$5,057,636              | \$0          | \$5,057,636  | \$12,304                           | n/a       | \$12,304  |
| Homeland             | \$18,355,000        | \$17,283,000  | \$66,217            | n/a         | \$3,210,639              | \$0          | \$3,210,639  | \$11,442                           | n/a       | \$11,442  |
| HUD                  | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| Interior             | \$29,291,000        | \$27,938,000  | \$91,174            | \$7,672     | \$4,144,987              | \$249,090    | \$4,394,077  | \$13,421                           | \$1,475   | \$10,150  |
| Justice              | \$11,990,000        | \$11,920,000  | \$13,082            | \$88,189    | \$157,906                | \$1,018,182  | \$1,176,088  | \$2,616                            | \$8,017   | \$6,385   |
| Labor                | \$34,296,000        | \$32,872,000  | \$80,189            | \$103,704   | \$871,711                | \$5,574,878  | \$6,446,589  | \$15,413                           | \$19,420  | \$18,775  |
| State                | \$1,181,000         | \$988,000     | n/a                 | -\$47,041   | \$0                      | \$224,925    | \$224,925    | n/a                                | \$8,960   | \$8,960   |
| DOT                  | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| Treasury             | \$32,972,000        | \$30,926,000  | n/a                 | \$178,765   | \$0                      | \$6,826,450  | \$6,826,450  | n/a                                | \$37,011  | \$37,011  |
| VA                   | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| AID                  | \$795,000           | \$748,000     | \$160,758           | n/a         | \$159,000                | \$0          | \$159,000    | \$32,152                           | n/a       | \$32,152  |
| Corps                | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| GSA                  | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| NASA <sup>3</sup>    | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| NSF                  | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| OMB                  | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| OPM                  | \$739,000           | \$712,000     | \$64,715            | n/a         | \$147,871                | \$0          | \$147,871    | \$12,943                           | n/a       | \$12,943  |
| SBA                  | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| Smithsonian          | n/a                 | n/a           | n/a                 | n/a         | n/a                      | n/a          | n/a          | n/a                                | n/a       | n/a       |
| SSA                  | \$62,000            | \$36,000      | \$1,715             | n/a         | \$12,472                 | \$0          | \$12,472     | \$343                              | n/a       | \$343     |
| GOVERNMENTWIDE       | \$435,667,000       | \$420,624,000 |                     |             | \$20,851,477             | \$54,382,878 | \$75,234,355 | \$15,028                           | \$37,585  | \$26,554  |

Note:

1. "n/a" indicates not applicable since no competitions were reported.
2. Savings have not yet been identified for DoD competitions involving 84 FTEs (43 streamlined and 41 standard) completed in FY 2007. DoD and government-wide calculations for annual net savings per FTE have been adjusted to include only competitions that have identified an estimated savings figure.
3. All NASA competitions completed in FY 2007 were science competitions awarded under a deviation to multiple provider, and are not included in the government-wide calculations for annual net savings per FTE as they are not applicable.