



THE DEPUTY SECRETARY OF THE INTERIOR  
WASHINGTON

DEC 29 2005

The Honorable Richard B. Cheney  
President of the Senate  
Washington, D.C. 20510

Dear Mr. Cheney:

Enclosed is Department of the Interior's report to Congress on Fiscal Year 2005 competitive sourcing, required by the Consolidated Appropriations Act, Fiscal Year 2004 (P.L. 108-199). In FY 2005, we announced three standard reviews involving 576 FTEs and 11 streamlined reviews involving 397 FTEs. DOI employees won all four studies completed during FY 2005. DOI plans to announce reviews on approximately 1,415 FTEs in FY 2006.

Competitive reviews improve the quality, efficiency, and effectiveness of the services that we deliver to the American people. The completed reviews this fiscal year have projected savings of \$1.664 million annually, with the expectation that the annual savings will continue over at least the next five years. The savings will result from implementing the employee most efficient government organizations.

We continue to look for ways to implement our workforce plans using competitive sourcing as a means to reduce organizational redundancies, identify skill imbalances and address employee attrition and recruitment challenges. To date, only one permanent Interior employee out of 5,116 reviewed has been involuntarily separated as a result of our competitive reviews. We are capturing annual savings of \$7 million.

Competitive sourcing is one of a variety of management tools we will continue to use to carry out our mission in the most efficient, effective manner possible. We will also be looking at reducing redundancies and increasing efficiencies across the agency in space management, fleet management, IT management and wildland fire management.

We expect the success of the competitive sourcing initiative to grow substantially in FY 2006 as we report the additional savings from uncompleted studies from FY 2005 and announce 16 new studies.

Sincerely,

P. Lynn Scarlett  
Deputy Secretary

Enclosures

December 9, 2005

**DOIFY 2006 ACTIVITIES LIKELY TO BE ANNOUNCED FOR COMPETITION**

Bureau, Activity, Function Code & Location	# of FTE	Announcement Date (Quarter)	Type of Competition (Standard/ Streamlined)
BIA, Administrative Support, Y000, Various locations	72.0	2 <sup>nd</sup> Qtr	Standard
BIA, Other Installation Maint. Services, S999, Various locations	49.0	2 <sup>nd</sup> Qtr	Streamlined
BLM, Recreation Resources, Q620, <u>Recreation Aids</u> – Various locations	55.0	2 <sup>nd</sup> Qtr	Streamlined
BLM, Recreation Resources, Q620, Various locations	45.0	2 <sup>nd</sup> Qtr	Streamlined
BLM, Remote Automated Weather System, S440, ID (see Note 1 below)	25.0	2 <sup>nd</sup> Qtr	Streamlined
FWS, Administrative Support – Streamlined studies will be conducted by Region	162.0	2 <sup>nd</sup> Qtr	Streamlined
FWS, Human Resources, GA	24.0	2 <sup>nd</sup> Qtr	Streamlined
MMS, Budget Support, D100, Y000, Y510; VA, LA, AK	12.0	3 <sup>rd</sup> Qtr	Streamlined
MMS, Secretarial Support, D100, D703, Y000; New Orleans, LA	40.0	3 <sup>rd</sup> Qtr	Streamlined
MMS, Secretarial Support, Y000; VA, CA, DC, AK	22.8	3 <sup>rd</sup> Qtr	Streamlined
MMS, Support Services, Various Function Codes; CO, CA, AK, VA, LA	18.5	3 <sup>rd</sup> Qtr	Streamlined
NPS, Administrative Functions – locations TBD	344.0	N/A	Preliminary Planning Effort
NPS, Human Resources Support Personnel – nationwide	411.0	N/A	Preliminary Planning Effort
USGS, Science Technicians, R660, CA	11.0	2 <sup>nd</sup> Qtr	Streamlined
USGS, Science Technicians, R660, CO	46.0	2 <sup>nd</sup> Qtr	Streamlined
USGS, Science Technicians, R660, MS	16.0	2 <sup>nd</sup> Qtr	Streamlined
USGS, Science Technicians, R660, VA	43.0	2 <sup>nd</sup> Qtr	Streamlined
USGS, Science Technicians, R660, WA	19.0	2 <sup>nd</sup> Qtr	Streamlined
<b>Total FTE</b>	<b>1,415.3</b>		

1. BLM's Remote Automated Weather System study will include an additional 6 FTE from the US Forest Service. 1 FTE from the National Park Service has been included in the total of 25 FTE above.

**DEPARTMENT OF INTERIOR  
FY 2005 COMPETITIVE SOURCING ACTIVITIES SUMMARY SHEET**

COMPLETED COMPETITIONS  
(Dollars in Millions)

Competition Description														Savings and/or Performance Improvements									
Agency	Bureau	Primary Activity Code	Secondary Activity Code	Additional Activity Code	Description of Activity Competed	Type of Competition	Location (State)	# of FTE In study	# of Bids Received	Start Date (MM/DD/YYYY)	End Date (MM/DD/YYYY)	Expected Phase-In Completion Date (MM/DD/YYYY)	Actual Phase-In Completion Date (MM/DD/YYYY)	Source Selection Strategy Used	Winning Provider	FY 2005 Costs	Total Cost - All Years	Estimated Savings	Period of Est. Savings (Performance Period--in years)	Annualized Savings	Actual Savings (if available)	Saving Methodology: Calculation/Proxy	Quantitative Description of Improvements in Service or Performance (if available)
<b>STREAMLINED COMPETITIONS</b>																							
DOI	BIA	S716 Motor Vehicle Operation			Road Maintenance Operation	Streamlined competition with MEO	MT	27	N/A	5/16/2005	9/26/2005	1/1/2006			in-house government personnel (I/H)	0.049	0.049	1.700	5.000	0.340			
DOI	BLM	X999 Other Products Manufactured and Fabricated			National Sign Center	Streamlined competition with MEO	WV	7	N/A	5/17/2005	9/29/2005	1/1/2006			in-house government personnel (I/H)	0.058	0.058	0.422	10.000	0.042			
DOI	MMS	D100 Regulatory Activities Support	T807 Visual Information	E800 Multimedia Compliance/Pollution Prevention	Scientific	Streamlined competition with MEO	LA	10	N/A	6/22/2005	9/20/2005	10/1/2005			in-house government personnel (I/H)	0.014	0.014	1.755	5.000	0.351			
DOI	MMS	D400 Compliance Surveys and Inspections			Yellow Book Auditors	Streamlined competition with MEO	CO	40	N/A	4/6/2005	6/26/2005	10/1/2005			in-house government personnel (I/H)	0.035	0.035	4.653	5.000	0.931			
									N/A														
<b>SUBTOTAL, STREAMLINED COMPETITIONS</b>								84	0														
<b>STANDARD COMPETITIONS</b>																							
								0	0														
<b>SUBTOTAL, STANDARD COMPETITIONS</b>								0	0														
<b>TOTAL, ALL COMPETITIONS</b>								84	0														

FY 2005 FIXED COSTS\* 1.020

\*Note: These costs are not competition-specific

**Department of Interior**  
**FY 2005 COMPETITIVE SOURCING ACTIVITIES SUMMARY SHEET**

Announced Competitions\*  
(Dollars in Millions)

Agency	Bureau	Primary Activity Code	Secondary Activity Code	Additional Activity Code	Competition Description		Location (State)	# of FTE in study	Source Selection Strategy Used (if known)	Incremental Costs of Conducting Studies	Anticipated Savings or Quantifiable Description of Improvements in Service or Performance (if available)
					Description of Activity Competed	Type of Competition					
<b>STREAMLINED COMPETITIONS</b>											
DOI	BIA	S716 Motor Vehicle Operation			Road Maintenance Operations	Streamlined competition with MEO	NM	43		0.049	
DOI	BOR	U303 Training Technical Support	U304 Vocational Training	U760 Dependent Education - Teacher Instruction	Job Corps	Streamlined competition with MEO	CO	58.5		0.000	
DOI	BOR	U303 Training Technical Support	U304 Vocational Training	U760 Dependent Education - Teacher Instruction	Job Corps	Streamlined competition with MEO	UT	62.7		0.000	
DOI	BOR	U303 Training Technical Support	U304 Vocational Training	U760 Dependent Education - Teacher Instruction	Job Corps	Streamlined competition with MEO	WA	65		0.000	
DOI	BOR	U303 Training Technical Support	U304 Vocational Training	U760 Dependent Education - Teacher Instruction	Job Corps	Streamlined competition with MEO	WA	61		0.000	
DOI	FWS	Y000 Administrative Support			Clerical/Admin Assts	Streamlined competition with MEO	MN	19		0.046	
DOI	FWS	Y000 Administrative Support			Clerical/Admin Assts	Streamlined competition with MEO	MA	14		0.046	
<b>SUBTOTAL, STREAMLINED COMPETITIONS</b>								323.2		0.141	
<b>STANDARD COMPETITIONS</b>											
DOI	FWS	Y000 Administrative Support			Admin - Hdqtrs - DC	Standard competition	VA	52	N.A.	0.000	
DOI	USGS	R660 RDT&E			Hydrologic Data Collection	Standard competition	AL	124	scaled bid	0.000	
DOI	USGS	W430 Mapping and Charting			National Geospatial Technical Operations Center	Standard competition	CO	400	cost-technical trade-off	0.000	
										0.000	
<b>SUBTOTAL, STANDARD COMPETITIONS</b>								576		0.000	
<b>TOTAL, ALL COMPETITIONS</b>								899		0.141	
<b>CANCELLED COMPETITIONS (per performance declines)</b>											
DOI	FWS	S700 Natural Resources Services			Aquatic Species Husbandry Support - Multiple States	Standard competition	CO	70	cost-technical trade-off	0.277	
										0.000	

**Department of Interior**  
**FY 2003 and FY 2004 COMPETITIVE SOURCING ACTIVITIES**

**SAVINGS & PERFORMANCE UPDATE**  
(Dollars in Millions)

Agency	Bureau	Function Competed	Type of Competition	Total Estimated Savings (As reported in Congress in past 647 reports)	Total Performance Period (in years)	Actual Phase: In Completion Date (MM/DD/YY)	Actual Accrued Savings FY 2002	Actual Accrued Savings FY 2003	Actual Accrued Savings FY 2004	Actual Accrued Savings FY 2005	Total Actual Accrued Savings	Pd Over Which Actual Savings Accrued (in Years)	Savings Methodology Calculation/ Proxy	Quantifiable Description of Improvements in Service or Performance (if appropriate)
<b>STREAMLINED COMPETITIONS</b>														
DOI	BLM	W430 Mapping and Charting	Streamlined competition with MEO	4,200	10	4/1/2005				0.169	0.169	0.5	Calculation	
DOI	MMS	1807 Visual Information	Streamlined competition with MEO	0.567	5	2/1/2004			0.106	0.091	0.197	1.75	Proxy	
DOI	MMS	D100 Regulatory Activities Support	Streamlined competition with MEO	0.705	5	1/1/2005				0.118	0.118	1.81	Proxy	
DOI	NPS	1873 Archeology - SEAC FL	Streamlined competition with MEO	4,734	5	3/1/2004			0.788	1.174	1.962	2	Calculation	
<b>SUBTOTAL, STREAMLINED COMPETITIONS</b>				<b>9,706</b>						<b>0.040</b>	<b>2,446</b>			
<b>STANDARD COMPETITIONS</b>														
DOI	BLM	2992 Minor Construction, Maintenance and Repair of Buildings and Structures Other Than Family Housing	Standard competition	9,000	5	10/1/2004				1,800	1,800	1	Proxy	
DOI	BOR*	U999 Other Training Functions	Standard competition	1,850	5	7/1/2004			0.120	0.481	0.601	1.25	Proxy	
DOI	NPS	2993 Maintenance and Repair of Grounds and Surfaced Areas	Standard competition	1,403	5	10/1/2004				0.201	0.201	1	Calculation	
<b>SUBTOTAL, STANDARD COMPETITIONS</b>				<b>11,953</b>						<b>0.000</b>	<b>2,602</b>			
* BOR U999 Other Training Function standard stud had changed it's "Total Estimated Savings" from 2,301 to 1,850 due to an IG audit.														
<b>TOTAL, ALL COMPETITIONS</b>				<b>21,659</b>						<b>5.048</b>				

## **JOINT ACCOMPLISHMENTS OF DOI HUMAN RESOURCES AND COMPETITIVE SOURCING OFFICES DURING FISCAL YEAR 2005**

During FY 2005, the Office of Human Resources (HR) and the Center for Competitive Sourcing Excellence (Center) worked together to review the DOI Strategic Human Capital Management Plan for areas where competitive sourcing might be used as the tool to address skill imbalances, competency gaps and organizational redundancies. Specific examples include:

- **Information Technology (IT):** In order to determine where skill imbalances, competency gaps and organizational redundancies exist in IT across the Agency, a team consisting of IT, HR and Center representatives began meeting monthly in FY '05 to determine the best strategy to identify imbalances and gaps and the steps necessary to correct them. The team drafted a survey tool which includes identification of skill sets, commercial/inherently governmental status, training and other information to assist management in determining what skills are lacking and where organizational redundancies exist. A consultant has been hired to condense the data into a plan of action. Next steps include determining competitive sourcing strategies.
- **Bureau of Indian Affairs (BIA) Road Maintenance Studies:** Two streamlined studies on road maintenance were announced by the BIA during FY '05. The Center worked very closely with the BIA Regional HR Director in the Navajo Region to handle sensitive union issues, provide interpretation where language barriers existed and jointly conducted all training, Performance Work Statement (PWS) and Most Efficient Organization (MEO) meetings with HR.
- The Center worked closely with the Office of Human Resources to develop the FY 2005 VSIP/VERA request. The Center and HR worked together to provide OPM with additional information as requested. HR and the Center jointly kept Bureaus and employees up-to-date on the status of the request.