

Department of Commerce Feasibility Study Reviews:

BACKGROUND

Competitive Sourcing can provide significant benefits for programs and the taxpayer by streamlining and reducing the cost of operations. Since actual cost comparisons can be disruptive to performance and cost money, the Department of Commerce (DOC) wants to make sure we are targeting the best opportunities with good return on investment. To this end the DOC will perform a “Feasibility Study” for targeted opportunities to determine if a function, identified by the bureaus on the FAIR Act Inventory as Commercial, is appropriate for a full cost comparison. The Department of Commerce’s (DOC) objective in conducting feasibility studies is to provide the best value for taxpayers and be fair to employees while meeting Departmental and Federal government objectives.

THE BENEFITS OF FEASIBILITY STUDIES

Departmental management is conducting feasibility studies to develop a fair and effective method for the competitive sourcing of the identified commercially available functions. The feasibility studies are an in depth analysis of whether potential competitions in certain functional, geographical, or operational areas would provide a good return on investment.

The studies ask the following types of questions:

- Is there a market in the private sector for the activity? If so, would potential bidders be interested?
- Does the agency have resources to devote to a potential competition?
- Is any portion of the activity closely tied to mission-critical activities that make it difficult to contract out?

Depending on the answers to the questions it may be determined that particular activities or functions are not good candidates for competition in the near future.

FREQUENTLY ASKED QUESTIONS

Which functions are being reviewed?

After a review of the FAIR Act inventory, the Department is conducting high-level reviews in broad functional areas (e.g., personnel management, information technology, various finance and administrative activities, data analysis, and facilities and building management) in coordination with the bureaus to determine their best opportunities.

What is the FAIR Act Inventory?

The Federal Activities Inventory Reform (FAIR) Act of 1998 (P.L. 105-270) requires federal agencies to prepare and submit to the Office of Management and Budget (OMB) by June 30th of each year, inventories of commercial activities performed by federal

employees. OMB Circular A-76, Performance of Commercial Activities, further requires agencies to submit inventories of their inherently governmental activities to OMB. By annually reviewing and revising complete workforce inventories, agencies are better able to understand the functions their workforce is performing and how those functions relate to the agency's mission. Functions deemed suitable for competition may be examined as potential candidates for competitive sourcing studies.

Is this a competition?

No, this is not a competition, but rather a “sanity check” to analyze which functions would make good candidates. If the conclusion is that a function is not a good candidate, the Department will still receive credit for the review and will plan to conduct another feasibility study on the same function in the out-years. If the conclusion is that competitively sourcing the function would provide a good return on investment, a “pre-planning phase” will be initiated to verify and validate the analysis.

How will I be informed of the progress?

Our website will provide progress information as it becomes available. Additionally, your bureau competitive sourcing point of contact can provide additional assistance.