



Highlights of [GAO-08-195](#), a report to congressional requesters

Why GAO Did This Study

Competitive sourcing is aimed at promoting competition between federal employees and the private sector as a way to improve government operations. Key work activities—those that are either inherently governmental or core to the agency's mission—are generally exempt from competitions. In fiscal year 2004, Congress began placing spending limitations on the Forest Service's competitive sourcing program because of concerns about how the program was managed. Also, like other agencies, the Forest Service must report annually to Congress on the savings achieved from any competitions it conducted.

GAO was asked to determine the extent to which the Forest Service has (1) plans and guidance to help implement its competitive sourcing program effectively and (2) sufficient cost data to ensure that it complied with its spending limitations and accurately reported its savings to Congress for fiscal years 2004 through 2006. To answer these objectives, GAO examined the agency's strategic plan, guidance, and available cost data for competitive sourcing and interviewed key agency officials.

What GAO Recommends

GAO is recommending that the Secretary of Agriculture direct the Chief of the Forest Service to take certain management steps to improve its competitive sourcing program. In commenting on a draft of this report, the Forest Service generally agreed with GAO's recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-195](#). For more information, contact Robin M. Nazzaro at (202) 512-3841 or nazzaror@gao.gov.

FOREST SERVICE

Better Planning, Guidance, and Data Are Needed to Improve Management of the Competitive Sourcing Program

What GAO Found

The U.S. Department of Agriculture's Forest Service lacks a realistic strategic plan and adequate guidance to help ensure that it can effectively implement its competitive sourcing program. For example, the Forest Service's current strategic plan is unrealistic because it does not take into account the likely availability of personnel and funding resources needed to implement the plan. Furthermore, the Forest Service lacks sufficient guidance on identifying key work activities that should be excluded from competitions. Although Forest Service officials do not believe that inappropriate work activities have been included in competitions that it has held, without clear guidance the Forest Service remains at risk of doing so. The agency also lacks a strategy on how to assess the cumulative effect that competitions could have on its ability to fight wildland fires and respond to other emergencies. Outsourcing a large number of federal jobs to the private sector could, over time, reduce the number of available responders.

For fiscal years 2004 through 2006, the Forest Service lacked sufficiently complete and reliable cost data to (1) demonstrate its compliance with statutory spending limitations on its competitive sourcing activities and (2) accurately report competitive sourcing savings to Congress. Regarding compliance with spending limitations, the Forest Service did not collect cost data on all activities related to competitive sourcing because it believed that some costs were not subject to the limitations. For example, the Forest Service did not collect data on employees' salaries related to studying the feasibility of conducting a competition—a key component of its competitive sourcing process. GAO has interpreted the statutory spending limitations to generally apply to all costs attributable to the Forest Service's competitive sourcing program. Moreover, because the Forest Service's cost data used to determine compliance with statutory spending limitations were not reliable, the Forest Service cannot know if it exceeded the limitations. Regarding the savings achieved from its competitions, the Forest Service reported to Congress a savings totaling over \$38 million between fiscal years 2004 and 2006. However, the Forest Service could not provide GAO with sufficient data or the methodology it used to calculate savings derived from competitions. In addition, GAO found that the Forest Service did not consider certain costs, which were substantial, in its savings calculations. As a result, Congress may not have an accurate measure of the savings from the Forest Service's competitive sourcing competitions during this period.