

Competitive Sourcing Expected to Save FAA \$1.7 Billion

This past quarter, the Federal Aviation Administration (FAA) completed the largest competition ever initiated in the 50-year history of the competitive sourcing program. Using the competitive process, FAA analyzed its Automated Flight Service Station (AFSS) System, and compared the government's in-house proposal, in the form of a most efficient organization (MEO), to four proposals from the private sector. Studies by the FAA and the Department of Transportation's Inspector General identified significant deficiencies with the AFSS system, including use of outmoded technologies and deteriorating facilities. The winning proposal, from Lockheed Martin, will introduce new and modified equipment and better facilities to improve the AFSS services, including pilot weather briefings, in-flight radio communications, flight planning, and search-and-rescue support. These improvements are expected to save taxpayers \$1.7 billion over ten years. Lockheed Martin's proposal includes job offers to all AFSS incumbents at one of three new hub facilities.

Other Achievements

- The Department of Interior (DOI) has developed a forward-looking green plan that charts its long-term vision for competitive sourcing. DOI has achieved "green" status for successfully meeting the competitive sourcing standards for success on the PMA scorecard.
- The Office of Personnel Management (OPM) completed a standard competition of 163 administrative support positions and determined that the agency can save \$15.2 million over four plus years by having the services provided by a small disadvantaged business contractor.
- The Department of Energy (DOE) conducted a pilot to study the possible benefits of using the General Services Administration's Multiple Award Schedules (MAS) to identify private sector bidders in a standard competition. To maximize the value of competition, DOE issued: (1) a formal questionnaire to a number of schedule vendors with direct work experience, including small businesses, that are capable and willing to submit an offer; and (2) a request for quotation to multiple MAS vendors and DOE's most efficient organization. DOE received multiple proposals and is working with OMB to consider other potential MAS applications to standard competitions.
- OMB completed its first competition under the revised Circular A-76 -- a streamlined competition of Information Technology Technical Services within the Office of Administration. The cost of in-house performance was compared to a composite estimate of published MAS prices offered by small and large businesses. The comparison showed that the cost of private sector performance was approximately \$400,000 above the cost of in-house performance over all performance periods. The function will be retained in-house. To promote transparency, the streamlined competition form identifying the performance decision was posted with the FedBizOpps notice announcing the conclusion of the competition.

Sincerely,

David Safavian
Administrator
Office of Federal Procurement Policy