

Agencies sharing practices to leverage the collective interest of the competitive sourcing and human capital initiatives

This quarter, several steps were taken to help agencies leverage the shared interests of the competitive sourcing and human capital initiatives. In May, OPM and OMB hosted a forum to explore how the two PMA initiatives can be better aligned. The Departments of Transportation and Health and Human Services discussed how improved collaboration enables better informed decision-making for closing competency and skill gaps, restructuring organizations, and redeploying resources to higher program priorities. In June, OMB sponsored a forum where agencies shared best practices for getting the most out of their workforce inventories as a management tool. One participant, the Internal Revenue Service (IRS), described how efforts to achieve greater consistency in the use of function codes has led to a better understanding of the activities their employees perform. This, in turn, has made their inventory a more meaningful starting point for mapping out competitions that result in a better alignment of the workforce with agency mission. Not surprisingly, IRS has achieved significant success in its use of public-private competition. Two competitions completed in FY 2004 for the reengineering of its support operations are expected to generate more than \$200 million in savings over the next five years.

Other Achievements

- The Federal Aviation Administration (FAA) continues with its efforts to transition to a new provider for automated flight service station (AFSS) activities. The new technology infrastructure that the selected “best value” provider, Lockheed Martin, has committed to build will facilitate better service and increased pilot safety. It will also save taxpayers \$2.2 billion -- from the initiation of the competition to the completion of the contract. If Congress were to prevent FAA from implementing its contract with Lockheed Martin, taxpayer interests would be undermined by: (1) significant delays in air traffic modernization, (2) the loss of \$1.7 billion in future savings plus up to \$325 million in termination liability costs, and (3) hefty costs and increased risk to maintain the status quo with substandard technology and a deteriorating infrastructure. The Administration is working to ensure the FAA is allowed to move forward with implementation and the realization of long-lasting improvements for our citizens.
- The National Aeronautics and Space Administration (NASA) completed a public-private competition to consolidate human resources, procurement, financial management and IT activities at its centers and headquarters. Through competition, NASA sought to determine the best provider of service and the best location to consolidate this work. In May, NASA announced its selection of a private sector contractor whose offer represented the best value based on overall cost and technical merit. NASA anticipates savings of \$42 million over 10 years from the consolidation, as well as redeployment of staff and budget to core mission needs. The transition is scheduled to begin in October 2005 and continue through September 2008. With the completion of the competition, NASA achieved green status for competitive sourcing on the PMA scorecard.

- The Department of Labor (DOL) has developed a long-range green plan for the strategic use of competitive sourcing. According to its workforce inventory of commercial activities, DOL employees perform a number of activities that have been successfully competed by other agencies. The green plan is intended to help the Department determine where and how competition can be best applied. In FY 2004, DOL completed competitions that will save a projected \$3.4 million over five years. The Department has achieved green status for meeting the competitive sourcing standards for success on the PMA scorecard.
- The Department of Housing and Urban Development (HUD) has moved from red to yellow status on the PMA scorecard. Completed competitions related to the Department's Spanish translation services and financial management systems compliance review function are expected to save in excess of \$3.1 million over a five-year performance period. In addition, HUD is in the process of conducting a competition to strengthen the administration of its project-based multifamily housing rental assistance programs.