

RECLAMATION


Managing Water in the West

Managing for Excellence

Action Item 11

Analyze the Cost of In-House and Outsourced Commercial Workload

Albuquerque, NM
February 27-28, 2007



U.S. Department of the Interior
Bureau of Reclamation

The Makeup of Team 11

- **Organizationally diverse:**
 - Regional Offices
 - Director, Administration
 - Technical Resources
- **Functionally diverse:**
 - Design Manager
 - Senior Executive Service
 - Human Resources
 - Regional Engineer
 - Deputy Regional Director
 - Senior Technical Advisor
 - Business Manager
- Solid understanding of engineering services
- Solid understanding of Reclamation

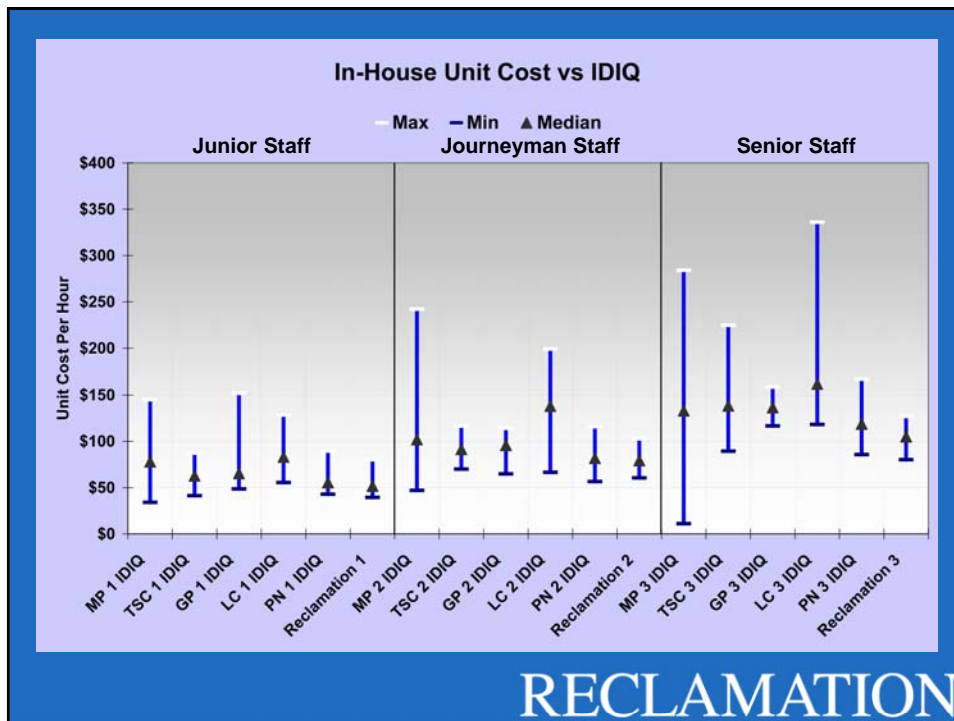
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Team 11 - Unit Cost In-House vs. Indefinite Delivery Indefinite Quantity (IDIQ) Contracting (Outsourcing)

Tasks:

- Present examples of commercial activities performed by contract
- Present comparisons of commercial activities performed by Reclamation staff
- Provide analysis of the data for use by Team 12 (Right-Sizing)

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Team 11 - Unit Cost In-House vs. IDIQ Contracting (Outsourcing)

- **Unit costs per hour**
 - Reclamation compares favorably to contracted IDIQ
- **Median values**
 - Junior staff is 26% higher than Reclamation
 - Journeyman staff is 21% higher, and
 - Senior staff is 29% higher
- **Unit cost rates are only part of the comparison**

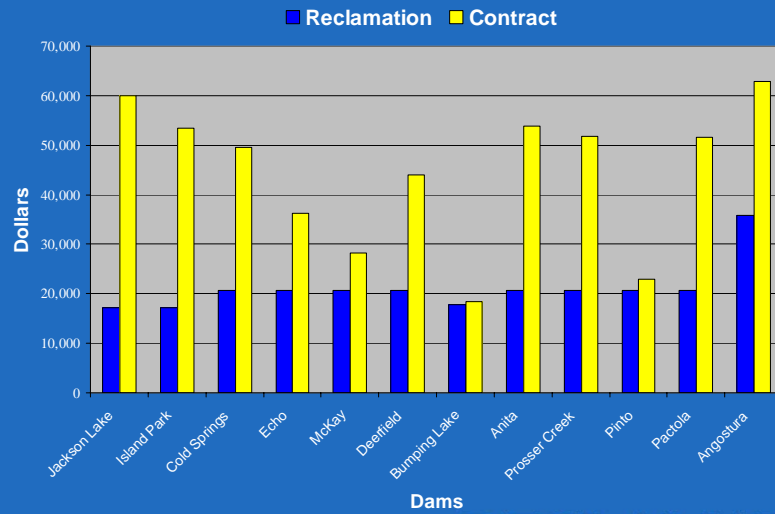
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Team 11 - Unit Cost In House vs. IDIQ Contracting (Outsourcing)

- What about the time required to complete the task
- The total overall cost of a task is more telling
- **Task to Task comparisons are limited**
 - 2005 and 2006 Comprehensive Facility Reviews (CFR) data
 - Some design projects (in progress)
 - Carter Lake Outlet - case study (forth coming)

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Team 11 - Unit Cost by Task CFR Senior Engineer Role



Dams
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Team 11 - Unit Cost In-House vs. IDIQ Contracting (Outsourcing)

- Summary
 - We have comparative unit cost data – Reclamation’s costs compare favorably
 - We have in-house vs. contracting total cost data for CFR Senior Engineer services
 - We will soon have data on the costs for design of the Carter Lake Outlet
 - We will continue to look for examples where total costs are comparable
 - Provide data and analysis to Team 12

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Questions or Comments?

For additional information

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