

**Briefing Paper**  
**Executive Leadership Team**  
**14 February 2005**

**ISSUE: “Method of Supply” Analysis of Procurement Activities**

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**Background:** In the Dept. of Interior and Related Agencies Appropriation Act, 2005; P.L. 108-447, the Forest Service is expected to apply “Method of Supply” analysis to its wildfire suppression procurement activities. To support this effort, the Agency is directed to increase its procurement capacity by staffing no less than five additional and dedicated procurement officials with the goal of reducing wildfire preparedness and suppression procurement by at least ten percent over the next two years.

**Executive Team Objective:** The objective of this presentation is to identify alternate approaches to the procurement staffing requirement specified in P.L. 108-447, and to secure approval for its implementation.

**Key Points:**

- \* The basis for this requirement was a September, 2003 report from the National Academy of Public Administration entitled: “Containing Wildland Fire Costs: Improving Equipment and Services Acquisition”. The Report specified that the Forest Service and Dept. of Interior could substantially reduce wildfire suppression by employing “method of supply” analysis processes to their procurement activities.
- \* The Report defined “Method of Supply” analysis as: “A method of supply model consists of an analysis of options for supplying goods and services, with the costs and benefits included in each option”. IE: a cost/benefit analysis applied to multiple, alternative acquisition approaches or methodologies for a given acquisition requirement of a supply or service.
- \* The existing Forest Service acquisition workforce is almost completely engaged in the operational function of developing, awarding, and administering contracts in support of Forest Service mission activities, including wildfire suppression. There is virtually no available staffing to undertake a detailed analysis of procurement activities as prescribed.
- \* As a result of their operational orientation and focus, it is unlikely that more than a very small number of personnel in the present Forest Service acquisition workforce possess the requisite experience and skill sets to plan and conduct the required analysis. It is equally unlikely, given their similar operational orientation, that significant numbers of acquisition personnel in other government agencies possess this type of specific experience and skill sets.
- \* By contrast, such experience and skill sets are very likely to be found in a significant number of private sector organizations, where the continuous economic pressure of a

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competitive marketplace demands greater focus on cost containment in their normal operations.

\* Given the task of conducting a method of supply analysis of Forest Service wildfire suppression procurement activities, it seems that requisite qualifications of such a Team would include detailed knowledge and understanding of federal acquisition laws and regulations, the Forest Service Acquisition and Fire & Aviation organizations, the Agency's wildfire suppression structure (IC organization) and procedures; as well as experience and skill in acquisition, supply chain, and cost/benefit analysis techniques.

\* In the establishment of the Team to perform this required analysis, it is proposed that it be initially composed of 2-3 permanent staff (contracting officer, procurement analyst, and/or management analyst), supplemented and supported by contractor personnel from one or more private sector entities which can provide the requisite expertise in general or specialized supply chain analysis and evaluation.

**Summary:** The Forest Service can best be responsive to the requirement to increase its procurement capacity to conduct a method of supply analysis of its wildfire suppression procurement activities by employing a combination of limited permanent staff supplemented by private sector contractors.