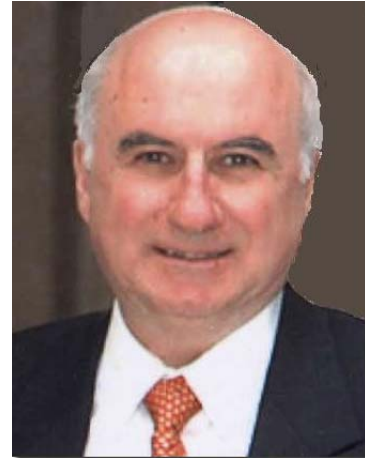


Competitive Sourcing

The Department of Energy's (DOE) Competitive Sourcing program is a management initiative aimed at improving DOE's performance and reducing the Department's operational costs. The program is governed by Office of Management and Budget (OMB) Circular A-76, *Performance of Commercial Activities*, dated May 29, 2003. The commercial activities selected for review and competition include functions performed by government employees that are readily available in the private sector, and where the potential for efficiencies, regardless of the winning provider, are highly likely. The candidate functions are chosen from the Department's annual Federal Activities Inventory Reform (FAIR) Act Inventory and subjected to a feasibility review to determine if a prudent business case can be made to enter the activity into a public-private sector competition. A Competitive Sourcing Executive Steering Group of senior agency officials and advisors, chaired by the Deputy Secretary, oversees the initiative and meets periodically to gauge program status and provide direction to the study teams.



Dennis O'Brien

The Department's overall goal identified in our original Getting to Green Plan provided to OMB is for studying 2,346 Full-Time Equivalent (FTEs) positions. As of February 2008, DOE has completed ten competitions involving 1242 FTEs performing administrative activities (Graphics, Civil Rights, Financial Services, Logistics, Human Resources/Training and Information Technology Services) and laboratory operations, more closely associated with DOE's mission work, (New Brunswick Laboratory, and the Radiological and Environmental Services Laboratory), with expected savings of \$542M over the period of performance. The Department has committed to identify potential candidates for feasibility reviews as potential studies for competition in FY 2008.

Highlights of What We've Accomplished

- *Achieved \$542 Million in Expected Savings.* Since 2002, DOE has completed ten competitive sourcing studies that are expected to achieve \$542 million in savings over the period of performance.
- Completed a successful study to establish a *High Performing Organization* (HPO) on 58 FTEs with an estimated savings of \$15 million over five years.
- *Integrated Competitive Sourcing into Human Capital Plans.* The Department has created a competitive sourcing infrastructure to ensure that competitive sourcing is a management option for enhancing performance and reducing costs.

FY 2008 Goal

Request candidates for an A-76 competition, a High Performing Organization or a business process reengineering.