



Homeland Security

JUN 7 2004

The Honorable Thad Cochran
Chairman
Subcommittee on Homeland Security
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The Department of Homeland Security herewith submits its report on the Department's competitive sourcing efforts for FY 2003. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004, P.L. 108-199.

Section 647 (b) requires that agencies report annually to Congress on their competitive sourcing accomplishments. This first report covers FY 2003. Enclosures 1 and 2 respond to the specific data elements requested by Section 647(b) and were prepared in accordance with the guidelines issued by the Office of Management and Budget (OMB) dated February 26, 2004. In addition to the information included in enclosures 1 and 2, Section 647(b) requests that each agency provide the following:

- o "The total projected number (expressed as a full-time employee equivalent number) of Federal employees that are to be covered by competitions scheduled to be announced in the fiscal year covered by the next report required under this section."

DHS expects to complete competitions involving 1,466 civilian FTE and 67 U.S. Coast Guard military positions in FY 2004, totaling 1,533 FTE in FY 2004.

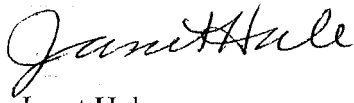
- o "A general description of how the competitive sourcing decision making process of the executive agency are aligned with the strategic workforce plan of that executive agency."

Responsibility for competitive sourcing and for workforce management falls to the DHS Under Secretary for Management. A task force has been created to ensure the full coordination of workforce planning, the development of the FAIR Act inventory of commercial and inherently governmental functions, and the identification and scheduling of potential competition

candidates. DHS has begun its workforce assessments by identifying (1) Occupational Gaps, (2) Competency Gaps, and (3) Resource Capability Gaps. Instead of simply assuming that more employees need to be hired or replaced, DHS is looking to the output requirement and the performance options available. Instead of focusing simply on what work can be competed with the private sector, DHS hopes to identify the work that is likely to be affected by attrition and then prioritize what needs to be competed and when.

I appreciate your interest in the Department of Homeland Security.

Sincerely,

A handwritten signature in cursive script that reads "Janet Hale".

Janet Hale
Under Secretary for Management

Enclosures



Homeland Security

JUN 7 2004

The Honorable Robert C. Byrd
Ranking Member
Subcommittee on Homeland Security
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Senator Byrd:

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Under Secretary for Management

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JUN 7 2004

The Honorable Harold Rogers
Chairman
Subcommittee on Homeland Security
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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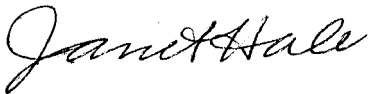
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Under Secretary for Management

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Homeland Security

JUN 7 2004

The Honorable Martin Olav Sabo
Ranking Member
Subcommittee on Homeland Security
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Representative Sabo:

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Department of Homeland Security
FY 2003 COMPETITIVE SOURCING ACTIVITIES SUMMARY

Announced Competitions*
(Dollars in Millions)

Competition Description					Incremental Costs of Conducting Studies	Anticipated Savings or Quantifiable Description of Improvement s in Service or Performance (if available)
Function Competed/Description	Type of Competition	Location (State)	# of FTE in study	Start Date (Mo/Yr)		
Public Works	Standard	New London, CT	70	Sep-03	0.5	Not Yet Avail.
Public Works	Standard	Elizabeth City, NJ	41	Sep-03	0.4	Not Yet Avail.
Retired Annuitant Services	Standard	Topeka, KS	36	Sep-03	0.4	Not Yet Avail.
Travel Vouchers	Standard	Topeka, KS	36	Sep-03	0.5	Not Yet Avail.
Immigration Information	Standard	Nationwide	1,350	Dec-03	0.5	Not Yet Avail.

SUMMARY:

Total number competitions	5
Total number of FTEs being studied	1,533
Total FY 2003 costs to conduct studies	3

Department of Homeland Security
FY 2003 COMPETITIVE SOURCING ACTIVITIES SUMMARY

COMPLETED COMPETITIONS
(Dollars in Millions)

Competition Description				Results			Incremental Costs of Conducting Studies		Savings and/or Performance Improvements				
Function Competed/Description	Type of Competition	Location (State)	# of FTE in study	Start Date (Mo/Yr)	End Date (Mo/Yr)	Winning Provider	FY 2003 Costs	Total Cost - All Years	Estimated Savings	Period of Est. Savings	Annualized Savings	Actual Savings (if avail)	Quantifiable Description of Improvements in Service or Performance (if appropriate)
custodial	Direct Conversion	New London, CT	3	Aug-02	Jan-03	Contract	0	0	Not Avail.	3	Not Avail.	Not Avail.	Not Avail.
Help Desk	Direct Conversion	Glenco, GA	4	Dec-02	May-03	Contract	0	0	Not Avail.	3	Not Avail.	Not Avail.	Prof. Help Desk resulting in reduced down time/backlog

SUMMARY:

Total number competitions	2
Total number of FTEs studied	7
Total FY 2003 costs to conduct studies	0
Total anticipated savings associated with 2003 studies	0