



Competitive Sourcing

Overview for Human Capital Conference

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Three Parts For Today's Discussion

- **Process**
 - What is the general process?
 - How does competitive sourcing work at USDA?
- **Program**
 - What have we done so far?
 - What is our status?
- **Next Steps**
 - What's required for the future?

Competitive Sourcing Alternatives



| A-76 Cost Comparison | Outsourcing | Public/Private Partnership | Employee Stock Ownership Plan | Innovative Solutions | Privatization |
|--|---|--|---|---|--|
| Controlled and performed by government workforce | Controlled by government – performance by private sector workforce or other government organization | Controlled jointly by government and private sector – performance of work varies | Controlled and performed by private sector, government purchases services and can influence through contracts | Can be controlled and performed by private sector, government or non-profit | Controlled and performed by private sector, government purchases commodity |

“How Do I Get Started?”

- **Obtain vision / goals / support from senior leadership**
 - Scope studies from Inventory
 - Select a study method
- **Communicate**
 - Write a plan
 - Issue letter formally notifying study start
- **Organize**
 - Assign a competitive sourcing study leader
 - Form teams (depends on the type of study)
 - Performance Work Statement Team
 - Most Efficient Organization Team
- **Establish a schedule—and stick to it**
- **Use an Executive Steering Group**
- **Partner with others (HR, OGC, contracting) to resolve issues and keep the process moving / deal with study outcomes**

Agency Requirements

- **Consider the Planning Factors**
 - **Human Capital / Civil Rights aspects**
 - **Inherently Governmental activities**
 - **Existing contracts**
 - **Inter Service Support Agreements**
 - **Closely related activities**
- **Form Teams To Perform the Work**
 - **Single POC with...**
 - **Functional Experts to Lead the PWS / MEO / Other Teams**
 - **Matrix Organizational Support (HR, contracting, labor relations, etc)**

How to Avoid “Conflicts of Interest”

| Position | Tasks | | | | | |
|--|--------------|------------------|------------|----------------------------|---------------------------------|--------------------|
| | Manage and P | Prepare PWS/QASP | Develop ME | Conduct Independent Review | Participate in Source Selection | Respond to Appeals |
| A-76 Program Manager | G | Y | Y | R | Y | G |
| Waiver Authority | G | R | R | R | R | G |
| PWS Team | G | G | R | R | Y | G |
| PWS Approving Official | G | G | R | R | Y | G |
| MEO Team | G | R | G | R | R | G |
| MEO Certifying Official | G | R | G | R | R | G |
| Contracting Officer | G | G | R | R | G | G |
| Source Selection Participants | G | G | R | R | G | Y |
| Administrative Appeals Authority/Board | R | R | R | R | R | G |
| Independent Review Officer | R | R | R | G | R | G |

Green- no conflict of interest exists

Red – conflict of interest exists

Yellow – a conflict of interest could exist in certain situations

Proposed Circular

- **Reimbursable Agreements**
 - OMB views this as “uncompeted work”
 - Proposed circular requires *customers* to seek competition for all agreements within 5 years
 - OMB will track via vendors codes in the budget process
- **Work Purchased From States**
 - Exempt if specifically required by statute
 - All others must compete or make certifications
- **Inventory Requirements**
 - “Government is commercial” assumption
 - Justification required for inherently governmental

Selected Corporate Actions

- **Established:**
 - **Working group (meets monthly)**
 - **Program office; hired an A-76 practitioner**
 - **Continuum of training**
 - **Minimum of 20-24 hours/year**
 - **So far, provided books and 48 hours of training on A-76 process**
 - **Web page with sample PWSs**
 - **BPA contract for A-76 support services**
 - **Internal USDA scorecard**
 - **Communication with OMB**
 - **“Express review” process in cooperation with OMB**
 - **Linkages to eGov, OCIO, OGC, contracting, HR, OC**
- **Wrote USDA Competitive Sourcing Guidebook**
- **Resolved appeals from 2001 inventory; worked with agencies and OMB to get 2002 inventory approved**
- **Outlined areas for cross-agency competitions**

Mission Area / Agency Actions To Date

- **A76 offices: FS, NRCS, FNS, OCFO, REE**
 - **PWSs nearing completion: FFAS(1), RD(3), FNCS(1), FS(1)**
- **The “Big 7” of our FY03 goal:**
 - **FS 3,035**
 - **REE 860**
 - **NRCS 733**
 - **MRP 257**
 - **OCFO 210**
 - **FSA 180**
 - **RD 151**
 - Total 5,426 or about 78% of our goal for FY03**

Future Plans

- **FY03 Plan**
 - 5,678 positions (15 percent goal: 6,992)
- **FY04 Goal**
 - 5,900 positions
- **FY05 Goal (possibly later)**
 - 11,631 positions
- **Total Requirement: 23,262 positions**

Next Steps

- **FY04 Plans**
 - **Heading Towards 25 Percent**
 - **Competitions for ISSAs Part of “The Answer”**
- **FY03 Inventory Training and Process**
 - **Due to OMB 30 June**
- **Continue to Increase Awareness and Involvement of HR**
- **Outsourcing for Farm Bill Requirements**