

Long Term Competitive Sourcing Plan Decision Paper

The Competitive Sourcing Council (Council), under the chairmanship of the Assistant Administrator for Administration and Resources Management and comprised primarily of the Deputy Assistant Administrators and Deputy Regional Administrators, has worked for the past eight months to establish a long-term competitive sourcing plan for the Agency.

Early in the year, the Council decided to move away from the annual process of identifying functions to compete. That process has been unsuccessful in producing a sufficient number of Agency competitions. Instead, the Council chose to develop a multi-year approach for selecting and managing competitions. The benefits of a long-term plan are expected to include the following:

1. Competitions can be more strategically planned over a longer schedule, assuring greater opportunity to maximize efficiencies and savings.
2. Managers, employees, and unions will have the benefit of knowing in advance what areas will be potentially impacted and when, allowing for better planning while minimizing uncertainty and angst among employees.
3. Long-term planning provides the time to develop and implement strategies for addressing potentially affected employees.

The Agency set a goal of competing 850 FTE between 2005 and 2008, based on the Agency's own coding of functions in the FAIR Act Inventory. However, because of inconsistencies and other problems with coding, the Inventory did not point to large enough or even logical groupings of FTE suitable for competitive sourcing. Therefore, the Council charged the headquarters and regional offices to instead conduct a "top down" review of functional areas in their organizations that might be competitively sourced.

An extraordinary effort was put into this assignment. The Deputy Regional Administrators worked very closely to ensure good coordination and consistency among the regions. Their work was invaluable to the Council in that the regions were able to iron out differences of opinions among themselves and present a single set of proposals to the Council. The Deputy Assistant Administrators similarly coordinated the headquarters review of functions, focusing their attention on cross office functions where they felt change was needed and efficiencies could be gained. A series of meetings then began addressing the different perspectives of the regions and headquarters offices.

The Council was ultimately guided by the following principles: (1) The ability of the Agency to continue to perform its mission is paramount. Functions selected for competitive sourcing must be those deemed the most commercial in nature and those that present the greatest opportunity to achieve efficiencies and savings while balancing the human capital needs of the Agency, and (2) The selection of functions across the Agency and ensuing competitions must be equitable (i.e. all

offices and regions must participate).

The product of this effort was a list of functional areas that the Council agreed to consider as feasible for competitive sourcing. Following initial discussions of the list, some of the functional areas were discarded and the Council agreed to focus its serious attention on a “short list” of the functions. That list is attached.

At the Council’s last meeting on June 16, tentative agreement was reached, pending discussions with unions and the political leadership, on three functional areas from that short list to recommend for competition:

1. **1. Information Technology** (approx 325 FTE across EPA; competitions slated to begin in late FY05 and FY06). The Council easily reached consensus agreement that this should be a selected functional area.
2. **2. Finance Services** (approx 25 FTE in OCFO; competition to begin in FY07). This function was proposed by OCFO and met with no objections from the Council.
3. **3. Administrative Support** (approx 450 FTE across EPA; competition to begin in FY08). Considerable concern was expressed about competing this functional area because it will heavily impact minority employees and employees who might lack the skills to be mobile and be placed in other positions around the agency. The Council recommended that this be an out-year (FY08) competition in order to provide sufficient time to develop a strategy for protecting, to the extent possible, the interests of the potentially impacted employees. The competition will be initiated once the Agency is satisfied that these steps for looking after the well being of agency employees have been explored. The Council will deliver a draft paper to the AA for OARM by January 31, 2006 on ways to achieve this objective. This will include: identifying job series that are the most appropriate for reassignment of affected employees and taking strong measures to prepare those employees to qualify for reassignment into new positions (through training and other means); use of targeted early outs and buyouts; and other measures to be identified.

Following the June Council meeting, EPA’s unions were provided the opportunity to review and comment on the “short list” of functions. A considerable number of written comments were submitted. On July 6, the heads of EPA’s five unions, along with representatives from the national organizations of NTEU and AFGE, met with the Assistant Administrator for OARM. Union concerns fell into three general categories: (1) philosophical disagreement with the competitive sourcing initiative, (2) disagreement with the Agency’s interpretation of inherently governmental (there were many references to the criticism the Agency received in the late 1980s and early 1990s about being too dependent on contractors and having contracted out inherently governmental work), and (3) concerns about how the initiative would hurt the fabric of EPA’s workforce and adversely impact its ability to remain flexible and maintain public trust.

While the union discussions were healthy and served to emphasize the importance of managing the competitions carefully to protect the rights and well being of EPA

employees, they did not provide a reason for altering the recommendations of the Council.

Following discussions with the unions, the Council's recommendations were presented to the Assistant and Regional Administrators on July 13. Following robust discussion that covered many of the concerns that have been voiced earlier and reflected the sensitivities and difficulties of the issues, the Council's recommendations were endorsed.

Recommendation: Approval of the Competitive Sourcing Council's recommendation to conduct competitions in the functional areas of Information Technology (in FY06), Finance Service (in FY07), and Administrative Support (in FY08).

Recommended:

_____/s/_____
09/21/05 Luis A. Luna Date Competitive Sourcing
Official

Approved:

_____/s/_____
09/22/05 Stephen L. Johnson Date Administrator