



United States Department of the Interior  
NATIONAL PARK SERVICE  
Washington, DC 20240

IN REPLY REFER TO:

Memorandum

To: Assistant Secretary for Policy, Management and Budget  
Attention: Center for Competitive Sourcing Excellence

Through: Assistant Secretary for Fish and Wildlife and Parks

From: Director, National Park Service

Subject: Revised Draft Competitive Sourcing Plan

In accordance with your memorandums dated 12/12/02 and 1/13/03, attached please find an electronic version of the NPS FY02, '03 and '04 Revised Draft Competitive Sourcing Plan. The National Park Service has undertaken a complete analysis and revision of our previous plan in order to meet both the goals and the spirit of the competitive sourcing initiative.

Your memo randum of 12/12 directed the NPS to study a cumulative number of 1708 FTE by the end of FY2004. Our plan will meet that goal through a combination of direct conversions and full cost comparison studies. We project approximately 900 FTE will be achieved through direct conversions. These represent a wide range of occupations and locations, including areas such as the Wildland Fire Program. The balance of our target, approximately 808 FTE, will be met by studies selected from the enclosed list. The remaining FTE on the list, some, 515 FTE, would not be studied by the end of FY04 within the scope of this Revised Plan. With this Plan, we have looked much closer at the cost effectiveness of studying larger numbers closer to major metropolitan areas. This had to be balanced with concerns for impacting the diversity of our workforce and spreading the studies throughout our different occupational areas.

While we feel we have applied the lessons learned over the past two years and have developed a more viable plan, there are several major issues that must be addressed in order to move ahead.

First is the diversity issue. In recent years we have sought to increase the diversity of the agency workforce. These studies have the potential to impact this effort, for example, 89% of the FTE proposed for study in the Washington, D.C., area may affect the diversity of our workforce. Studies in San Francisco and Santa Fe show large concentrations of diverse FTE as well. This potential impact upon this workforce concerns us.

Another major area of concern is the cost of the studies. Our negotiations and information on consultant costs to date reflect the cost of approximately \$3,000 per FTE in a full cost comparison study. Approximately 900 FTE on our plan are direct conversions and do not represent large consultant costs for completion. The 808 remaining FTE are almost all part of full cost comparison studies. Consultant costs could be as high as \$2.5 - \$3.0 million. The source of these funds has not yet been identified.

In addition to contract costs agency staff must be taken off other priority projects to accomplish the competitive sourcing studies. In order to keep consultant costs down, the negotiation with our consultant included the participation of five (5) full-time NPS staff – one on each of the five pilot studies and five (5) part-time NPS staff (1/2-time) – one on each of the five pilot studies. Halfway through the first studies at the performance work statement stage, we have expended approximately one FTE on the larger studies and expect to expend much more during the preparation of the management plan. For example, a review at one of the larger study locations reveals

that 40 different employees participated to varying degrees during the performance work statement phase of the study. We estimate that each our larger studies will take approximately 3 FTE of staff support through the award decision. A review of the hours spent on smaller studies reveal that one and one-half FTE have been spent on training and the preparation of the performance work statement – approximately halfway through the study process. We have no way to estimate the appeals and transition time that follows the award. Further, the cost of monitoring work that is ultimately contracted out is an unknown to us. The NPS plan contemplates up to 20 full studies and at least one streamlined study. We expect that these costs will exist for all full and streamlined studies in proportion to their size and complexity. Should the government Most Efficient Organization (MEO) not succeed, and even in some circumstances where it does, there will be substantial additional human resources costs, including Reduction-In-Force (RIF) actions, as well. We are aggressively working to develop estimates, identify potential funding recommendations, and prepare timelines and work plans to address these needs. We stand ready to fulfill the National Park Service portion of the competitive sourcing initiative and appreciate the opportunity to provide you with additional information.

Finally, as we have discussed on numerous occasions, we do not have a fund source to cover the cost of completing these studies. The costs are too significant to be covered by the affected parks as some in the Department have suggested. With the absorption of over 60% of the pay cost increase in FY2003 and another 50% planned for FY2004, covering these costs would have serious consequences for visitor services and seasonal operations. Moreover, in my recent testimony before the House appropriations subcommittee (and in the course of informal discussions with the members of this committee), I was asked several questions on the cost and impact on the employees of the competitive sourcing program. I did not provide specific cost estimates, nor did I mention fund sources or reprogramming possibilities. I did, however, make it clear that I would keep the subcommittee informed on these matters. I believe they would have accepted nothing less. I also believe that informing them is in the best interest of DOI, NPS, and the continuation of the competitive sourcing effort. I will work with you in determining how to proceed.