



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

April 7, 2003

The Honorable Lane Evans
Ranking Democratic Member
U. S. House of Representatives
Washington, DC 20515

Dear Representative Evans:

This responds to your letter of February 10, 2003, in which you raise concerns about the impact of the competitive sourcing initiative on federal positions currently held by veterans, including service-disabled veterans. Specifically, you have asked for information concerning the number, by agency and job title, of veterans and service-disabled veterans who are in positions that the Administration has identified as appropriate for competition with the private sector. In addition, you requested any analysis or reports estimating the impact that this initiative could have on the veterans preference within the federal workforce.

Our data is limited. There is no central data base that provides a cross reference between the positions that are currently encumbered by veterans and those positions that are performing commercial or inherently government work. The data you requested would need to be compiled individually by agencies and represents an extensive effort. Also, no studies have been conducted to assess the potential impact on veterans, although normal reduction-in-force rules that give preferences to veterans would apply if a competition resulted in staffing reductions. In addition, to the extent agencies compete positions, business opportunities for veterans in the private sector may increase.

I have obtained some data from the Department of Veterans Affairs (VA), where there are a significant number of federally employed veterans. VA has identified approximately 190,000 positions out of a total of 207,000 positions in their organization as commercial. Of the 190,000, 26 percent of the workforce at VA or 50,000 positions are encumbered by veterans. As an initial target for competition, VA has identified 56,010 positions, of which 10,470 are veterans, and of that number 4,747 are service-disabled veterans. Specific job titles are provided in the enclosed report from VA.

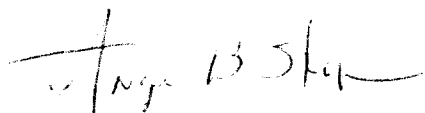
I am sympathetic to the anxiety of federal employees to this initiative. That is why I emphasize at every opportunity that competitive sourcing is not about outsourcing or downsizing the workforce. It is about bringing efficiency, innovation, and improved performance through the forces of competition. We are asking federal agencies to reconsider how they accomplish their missions and to test assumptions about the best provider through the competitive process. I believe that the competitive sourcing initiative is laying the groundwork for significantly improved mission performance and quality service at a lower cost.

We have made every attempt to individualize competitive sourcing plans taking into consideration the size of the agency's inventory of commercial positions, the total number of positions that are commercial in nature, and the current make-up of the agency's workforce, both contractor and full-time employees. We do not force agencies into a monolithic set of competitive sourcing goals. Also, we express strong preference for competitions rather than direct conversions using the pressures of competition to ensure the maximum level of efficiency and innovation.

In order to improve the public-private competition process and how it is implemented, we are conducting a complete rewrite of OMB Circular A-76. Our goal is to make it a better understood document that levels the playing field in order to improve government performance at lower cost. I expect that review to be finalized within the next couple of months.

I hope that this has been helpful to you. Please let me know if I can provide any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Angela B. Styles". The signature is written in a cursive, flowing style.

Angela B. Styles
Administrator

Enclosure