

APR 6 2006



Homeland Security

Vice President Richard B. Cheney
President of the Senate
276 Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Washington, DC 20502

Dear Senate President Cheney:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.


In FY 05, DHS completed five public-private competitions, conducted in accordance with the OMB Circular A-76 and involving 137 FTE at the United States Coast Guard (USCG) and the Federal Law Enforcement Training Center (FLETC). Two additional USCG studies were completed in October of 2005. These two additional competitions, which were completed within the 12 month completion guideline, involved an additional 74 FTE, and will be reported in more detail in the Department's FY 06 Section 647(b) report. DHS announced and cancelled two Immigration & Custom Enforcement (ICE) competitions in FY 05.

Recurring savings generated by the five completed FY 05 DHS competitions are estimated at \$2.871 million per year or approximately \$14.4 million over the 5-year periods of performance. All five competitions were retained in-house. The incremental one-time cost of conducting these competitions in FY 05 is estimated at \$787,000. In addition, DHS has supported the Competitive Sourcing program at a fixed cost of approximately \$1 million in FY 05. This estimate includes fully dedicated resources to provide central policy, planning and implementation oversight, yet excludes annual FAIR Act inventory support costs. Additional competitions involving approximately 4,449 FTE are expected to be announced in FY 06 for competition in FY 06 and FY 07.

A DHS task force has been created to ensure that its workforce planning, skills gap analysis and hiring requirements are coordinated with the Federal Activities Inventory Reform (FAIR) Act inventory of commercial and inherently governmental functions. Joint training of human capital resource officials and competitive sourcing officials has been provided. Skills gap weaknesses and their projected dates of impact on mission capabilities are being developed. This information is being coordinated with our hiring strategies, training requirements, costs and out-year competitive sourcing competition schedules.

I appreciate your continued interest in the Department of Homeland Security.

Sincerely,



Janet Hale
Under Secretary for Management

Enclosures

- S.1 - DHS Completed Competitions
- S.2 – DHS Announced Competitions
- S.3 – DHS Savings and Performance Update

cc:

President of the Senate Richard B. Cheney
The Honorable Robert C. Byrd
The Honorable Thad Cochran
The Honorable Susan M. Collins
The Honorable Bill Frist
The Honorable Judd Gregg
The Honorable Joseph I. Lieberman
The Honorable Barbara A. Mikulski

The Honorable Tom Davis
The Honorable J. Dennis Hastert
The Honorable Peter King
The Honorable Jerry Lewis
The Honorable David Obey
The Honorable Nancy Pelosi
The Honorable Harold Rogers
The Honorable Martin Olav Sabo
The Honorable Bennie G. Thompson
The Honorable Henry A. Waxman

**DEPARTMENT OF HOMELAND SECURITY
FY 2005 COMPETITIVE SOURCING ACTIVITIES SUMMARY SHEET**

COMPLETED COMPETITIONS
(Dollars in Millions)

Agency	Bureau	Primary Activity Code	Secondary Activity Code	Additional Activity Code	Competition Description										FY 2005 Costs	Total Cost - All Years	Savings and/or Performance Improvements							
					Description of Activity Competed	Type of Competition	Location (State)	# of FTE in study	# of Bids Received	Start Date (MM/DD/YYYY)	End Date (MM/DD/YYYY)	Expected Phase-In Completion Date (MM/DD/YYYY)	Actual Phase-In Completion Date (MM/DD/YYYY)	Source Selection Strategy Used			Winning Provider	Estimated Savings	Period of Est. Savings (Performance Period—in years)	Annualized Savings	Actual Savings (if available)	Saving Methodology: Calculation/Proxy	Quantifiable Description of Improvements in Service or Performance (if appropriate)	
STREAMLINED COMPETITIONS																								
FLETC		S217 Motor Vehicle Maintenance			Vehicle Maintenance competition with and Repair	Streamlined	GA	14	N/A	3/7/2005	6/13/2005	10/1/2005			in-house government personnel (I/H)	0.084	0.084	1.326	5.000	0.265				
SUBTOTAL, STREAMLINED COMPETITIONS								14	0							0.084	0.084	1.326		0.265				
STANDARD COMPETITIONS																								
USCG	ISC Boston	S200 Installation, Base, or Facility Management			Public Works	Standard competition	MA	39	3	10/15/2004	8/24/2005	5/30/2006			lowest price technically acceptable evaluation	in-house government personnel (I/H)	0.215	0.215	3.401	5.0	0.680			
USCG	ISC Biny	S200 Installation, Base, or Facility Management			Public Works	Standard competition	CA	12	2	10/21/2004	9/30/2005	9/30/2006			lowest price technically acceptable evaluation	in-house government personnel (I/H)	0.128	0.128	0.146	5.0	0.029			
USCG	TRACEN Cape May	S200 Installation, Base, or Facility Management			Public Works	Standard competition	ND	42	3	10/13/2004	8/24/2005	5/30/2006			lowest price technically acceptable evaluation	in-house government personnel (I/H)	0.211	0.211	7.564	5.0	1.513			
USCG	ISO Portsmouth	S200 Installation, Base, or Facility Management			Public Works	Standard competition	VA	30	3	10/15/2004	8/24/2005	5/30/2006			lowest price technically acceptable evaluation	in-house government personnel (I/H)	0.150	0.150	1.920	5.0	0.384			
SUBTOTAL, STANDARD COMPETITIONS								123	9								0.703	0.703	13.031		2.606			
TOTAL, ALL COMPETITIONS								137	9									0.787	0.787	14.357		2.871		

FY 2005 FIXED COSTS* 1.000

*Note: These costs are not competition-specific

**DEPARTMENT OF HOMELAND SECURITY
FY 2005 COMPETITIVE SOURCING ACTIVITIES SUMMARY SHEET**

Announced Competitions*
(Dollars in Millions)

Competition Description											
Agency	Bureau	Primary Activity Code	Secondary Activity Code	Additional Activity Code	Description of Activity Competed	Type of Competition	Location (State)	# of FTE in study	Source Selection Strategy Used (If Known)	Incremental Costs of Conducting Studies	Anticipated Savings or Quantifiable Description of Improvements in Service or Performance (if available)
STREAMLINED COMPETITIONS											
										0.000	
SUBTOTAL, STREAMLINED COMPETITIONS										0	0.000
STANDARD COMPETITIONS											
USCG	ISC Ketchikan	S200 Installation, Base, or Facility Management	1504 Vessels		Public Works & Industrial	Standard competition	AK	52	lowest price technically acceptable evaluation	0.586	
USCG	TRACEN Petaluma	S200 Installation, Base, or Facility Management			Public Works	Standard competition	CA	22	lowest price technically acceptable evaluation	0.292	
SUBTOTAL, STANDARD COMPETITIONS										74	0.878
TOTAL, ALL COMPETITIONS								74		0.878	
CANCELLED COMPETITIONS (pre-performance decision)											
ICE	DC	B000 Personnel Administrative Support	B700 Personnel Management Specialist	B500 Labor Relations and Support	Labor Mgmt	Competition was cancelled (N/A-C)	DC	13		0.000	
ICE	DC	M301 Management			Headquarters - Intelligence	Competition was cancelled (N/A-C)	DC	84		0.000	

Department of Homeland Security
FY 2003 and FY 2004 COMPETITIVE SOURCING ACTIVITIES

SAVINGS & PERFORMANCE UPDATE
(Dollars in Millions)

Agency	Bureau	Function Competed	Type of Competition	Total Estimated Savings (As reported to Congress in past 647 reports)	Total Performance Period (in years)	Actual Phase In Completion Date (MM/DD/YY)	Actual Savings FY 2002	Actual Savings FY 2003	Actual Savings FY 2004	Actual Savings FY 2005	Total Actual Savings	Pd Over Which Actual Savings Accrued (In Years)	Savings Methodology: Calculation/Proxy	Quantifiable Description of Improvements in Service or Performance (if appropriate)
STREAMLINED COMPETITIONS														
											0.000			
SUBTOTAL, STREAMLINED COMPETITIONS				0.000							0.000			
STANDARD COMPETITIONS														
USCG	Academy	Public Works	Standard competition	6.298	5.0	4/30/2005					0.000		Proxy	
USCG	SPRTCN E. City	Public Works	Standard competition	2.702	5.0	12/15/2005					0.000		Proxy	
USCG	PSC Topeka	Retiree & Annuitant Services	Standard competition	3.319	5.0	1/31/2005					0.000		Proxy	
SUBTOTAL, STANDARD COMPETITIONS				12.319							0.000			
TOTAL, ALL COMPETITIONS				12.319							0.000			

APR 16 2006



Homeland Security

The Honorable J. Dennis Hastert
Speaker of the House
H-232 Capitol Building
Washington, DC 20515-6501

Dear Honorable and Speaker of the House Hastert:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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APR 16 2006



Homeland Security

The Honorable David Obey
Ranking Member, House Appropriations Committee
2314 Rayburn House Office Bldg.
Washington, D.C. 20515-4907

Dear Honorable Obey:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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APR 16 2006



Homeland Security

The Honorable Nancy Pelosi
Ex Officio, Permanent Select Intelligence Committee
2371 Rayburn House Office Bldg.
Washington, D.C. 20515-0508

Dear Honorable Pelosi:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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APR 26 2006



Homeland Security

The Honorable Harold Rogers
Chairman, House Homeland Security Subcommittee
B-307 Rayburn House Office Building
Washington, DC 20515-6028

Dear Honorable Rogers:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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APR 6 2006



Homeland Security

The Honorable Martin Olav Sabo
Ranking Member, House Homeland Security Subcommittee
B-307 Rayburn House Office Building
Washington, DC 20515-6028

Dear Honorable Sabo:

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APR 26 2006



Homeland Security

The Honorable Bennie G. Thompson
Ranking Member, House Homeland Security Committee
2432 Rayburn House Office Bldg.
Washington, D.C. 20515-2402

Dear Honorable Thompson:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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APR 26 2006



Homeland Security

The Honorable Henry A. Waxman
Ranking Member, House Government Reform Committee
B-350A Rayburn House Office Building
Washington, DC 20515

Dear Honorable Waxman:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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APR 6 2006



Homeland Security

The Honorable Joseph I. Lieberman
Ranking Member, Senate Governmental Affairs Committee
SH-604 Capital Building
Washington, DC 20510

Dear Honorable Lieberman:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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APR 6 2006



Homeland Security

The Honorable Tom Davis
Chairman, House Government Reform Committee
2157 Rayburn House Office Building
Washington, DC 20515-6143

Dear Honorable Davis:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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APR 6 2006



Homeland Security

The Honorable Peter King
Chairman, House Homeland Security Committee
436 Cannon House Office Building
Washington, DC 20515-3203

Dear Honorable King:

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APR 26 2006



Homeland Security

The Honorable Jerry Lewis
Chairman, House Appropriations Committee
2112 Rayburn House Office Building
Washington, D.C. 20515-0541

Dear Honorable Lewis:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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APR 26 2006



Homeland Security

The Honorable Susan M. Collins
Chairman, Senate Homeland Security
and Governmental Affairs Committee
SD-340 Dirksen Senate Office Building
Washington, DC 20510-6250

Dear Honorable Collins:

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Homeland Security

The Honorable Bill Frist
Senate Majority Leader
S-230 Capitol Building
Washington, DC 20510-7010

Dear Honorable and Senate Majority Leader Frist:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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Recurring savings generated by the five completed FY 05 DHS competitions are estimated at \$2.871 million per year or approximately \$14.4 million over the 5-year periods of performance. All five competitions were retained in-house. The incremental one-time cost of conducting these competitions in FY 05 is estimated at \$787,000. In addition, DHS has supported the Competitive Sourcing program at a fixed cost of approximately \$1 million in FY 05. This estimate includes fully dedicated resources to provide central policy, planning and implementation oversight, yet excludes annual FAIR Act inventory support costs. Additional competitions involving approximately 4,449 FTE are expected to be announced in FY 06 for competition in FY 06 and FY 07.

APR 6 2006



Homeland Security

The Honorable Barbara A. Mikulski
Member, Senate Appropriations Committee
and Homeland Security Subcommittee
S-112 Capital Building
Washington, DC 20510

Dear Honorable Mikulski:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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Recurring savings generated by the five completed FY 05 DHS competitions are estimated at \$2.871 million per year or approximately \$14.4 million over the 5-year periods of performance. All five competitions were retained in-house. The incremental one-time cost of conducting these competitions in FY 05 is estimated at \$787,000. In addition, DHS has supported the Competitive Sourcing program at a fixed cost of approximately \$1 million in FY 05. This estimate includes fully dedicated resources to provide central policy, planning and implementation oversight, yet excludes annual FAIR Act inventory support costs. Additional competitions involving approximately 4,449 FTE are expected to be announced in FY 06 for competition in FY 06 and FY 07.

APR 6 2006



Homeland Security

The Honorable Harry Reid
Member, Senate Appropriations Committee
and Homeland Security Subcommittee
S-112 Capital Building
Washington, DC 20510

Dear Honorable Reid:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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Recurring savings generated by the five completed FY 05 DHS competitions are estimated at \$2.871 million per year or approximately \$14.4 million over the 5-year periods of performance. All five competitions were retained in-house. The incremental one-time cost of conducting these competitions in FY 05 is estimated at \$787,000. In addition, DHS has supported the Competitive Sourcing program at a fixed cost of approximately \$1 million in FY 05. This estimate includes fully dedicated resources to provide central policy, planning and implementation oversight, yet excludes annual FAIR Act inventory support costs. Additional competitions involving approximately 4,449 FTE are expected to be announced in FY 06 for competition in FY 06 and FY 07.

APR 6 2006



Homeland Security

The Honorable Thad Cochran
Chairman, Senate Appropriations Committee
and Homeland Security Subcommittee Member
S-128 Capital Building
Washington, DC 20510

Dear Honorable Cochran:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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Recurring savings generated by the five completed FY 05 DHS competitions are estimated at \$2.871 million per year or approximately \$14.4 million over the 5-year periods of performance. All five competitions were retained in-house. The incremental one-time cost of conducting these competitions in FY 05 is estimated at \$787,000. In addition, DHS has supported the Competitive Sourcing program at a fixed cost of approximately \$1 million in FY 05. This estimate includes fully dedicated resources to provide central policy, planning and implementation oversight, yet excludes annual FAIR Act inventory support costs. Additional competitions involving approximately 4,449 FTE are expected to be announced in FY 06 for competition in FY 06 and FY 07.

APR 26 2006



Homeland Security

The Honorable Robert C. Byrd
Ranking Member, Senate Appropriations Committee
and Homeland Security Subcommittee
S-112 Capital Building
Washington, DC 20510

Dear Honorable Byrd:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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Recurring savings generated by the five completed FY 05 DHS competitions are estimated at \$2.871 million per year or approximately \$14.4 million over the 5-year periods of performance. All five competitions were retained in-house. The incremental one-time cost of conducting these competitions in FY 05 is estimated at \$787,000. In addition, DHS has supported the Competitive Sourcing program at a fixed cost of approximately \$1 million in FY 05. This estimate includes fully dedicated resources to provide central policy, planning and implementation oversight, yet excludes annual FAIR Act inventory support costs. Additional competitions involving approximately 4,449 FTE are expected to be announced in FY 06 for competition in FY 06 and FY 07.

APR 16 2006



Homeland Security

The Honorable Judd Gregg
Chairman, Homeland Security Subcommittee
and Appropriations Committee Member
SD-135 Dirksen Senate Office Building
Washington, DC 20510

Dear Honorable Gregg:

The Department of Homeland Security (DHS) is pleased to submit its annual Report to Congress on Fiscal Year 2005 (FY 05) Competitive Sourcing efforts. This report is required by Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004 (P.L. 108-199). In accordance with OMB guidance M-06-01, dated October 7, 2005, enclosed is the DHS 2005 Summary of Completed Competitions, Summary of Announced Competitions and the Summary of Savings and Performance Improvements.

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Recurring savings generated by the five completed FY 05 DHS competitions are estimated at \$2.871 million per year or approximately \$14.4 million over the 5-year periods of performance. All five competitions were retained in-house. The incremental one-time cost of conducting these competitions in FY 05 is estimated at \$787,000. In addition, DHS has supported the Competitive Sourcing program at a fixed cost of approximately \$1 million in FY 05. This estimate includes fully dedicated resources to provide central policy, planning and implementation oversight, yet excludes annual FAIR Act inventory support costs. Additional competitions involving approximately 4,449 FTE are expected to be announced in FY 06 for competition in FY 06 and FY 07.