

The Honorable J. Dennis Hastert  
Speaker of the House  
U.S House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

In accordance with Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004, P.L. 108-199, the U.S. Small Business Administration (SBA) hereby provides its report on competitive sourcing efforts through September 30, 2003. Responses for items (1) through (7) of Section 647 (b) are provided on the attachments in accordance with the guidance provided by the Office of Management and Budget.

In response to item (8), the SBA estimates that 330 Full-Time Equivalent (FTE) positions will be studied in competitions SBA plans to announce in FY 2004. In response to item (9), SBA has aligned its competitive sourcing activities with our transformation efforts and the human capital strategies being executed under the President's Management Agenda. Activities identified for transformation are not included in current competitions. In addition, to the extent feasible, high priority program and operational staffing needs and longer-term succession plans will be addressed through competition outcomes. All commercial activities selected for competitive study are expected to benefit from restructuring and improvement resulting in increased customer service levels, improved productivity and performance, and lower annual operating costs.

Should you have any questions or require additional information, please contact Lewis D. Andrews, Jr., Associate Deputy Administrator for Management and Administration and SBA's Acting Competitive Sourcing Official, at (202) 205-6610.

Sincerely,

Hector V. Barreto  
Administrator

Enclosures

ATTACHMENT 1  
**U.S. SMALL BUSINESS ADMINISTRATION**  
**FY 2003 COMPETITIVE SOURCING ACTIVITIES SUMMARY**

**COMPLETED COMPETITIONS**  
(Dollars in Millions)

Competition Description							Incremental Costs of Conducting Studies		Savings and/or Performance Improvements				
Function Competed/Description	Type of Competition	Location (State)	# of FTE in study	Start Date (Mo/Yr)	End Date (Mo/Yr)	Winning Provider	FY 2003 Costs	Total Cost -- All Years	Estimated Savings	Period of Est. Savings	Annualized Savings	Actual Savings (if available)	Quantifiable Description of Improvements in Service or Performance (if appropriate)
1. Disaster-Cust.Svc.Rep. (C999)	Streamlined	Nationwide	102	06/2003	09/2003	I/H	\$0.004	\$0.004	\$0.000	FY04-08	\$0.000	N/A	N/A
2. Disaster-Clerical (Y000, B000)	Streamlined	Nationwide	80	06/2003	09/2003	CTR	\$0.004	\$0.004	\$1.200*	FY04-08	\$0.244 *	N/A	Increased access to required workforce
3. Disaster-Mail Center (Y000)	Streamlined	Texas	8	06/2003	09/2003	I/H	\$0.004	\$0.004	\$0.000	FY04-08	\$0.000	N/A	N/A

\* As calculated using COMPARE software

**SUMMARY**

Total number competitions: 3

Total number of FTEs studied: 190

Total FY 2003 costs to conduct studies: \$13,428

Total anticipated savings associated with 2003 studies: \$1,200,000

**ATTACHMENT 2**  
**U.S. SMALL BUSINESS ADMINISTRATION**  
**FY 2003 COMPETITIVE SOURCING ACTIVITIES SUMMARY**

**Announced Competitions**  
(Dollars in Millions)

Competition Description					Incremental Costs of Conducting Studies	Anticipated Savings or Quantifiable Description of Improvements in Service or Performance (if available)
Function Competed/Description	Type of Competition	Location (State)	# of FTE in study	Start Date (Mo/Yr)		
1. General Counsel-Paralegals (Y403)	Streamlined	Nationwide	38	09/2003	N/A	N/A
2. SBIC-Examinations (C403)	Streamlined	Nationwide	23	09/2003	N/A	\$0.9M savings from CTR win *

\* As calculated using COMPARE software

**SUMMARY:**

Total number competitions: 2

Total number of FTEs being studied: 61

Total FY 2003 costs to conduct studies: \$0