

National Aeronautics and
Space Administration
Headquarters
Washington, DC 20546-0001



MAY 24 2004

Reply to Attn of: L:HS:amb

The Honorable C. W. Bill Young
Chairman
Committee on Appropriations
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

We are pleased to provide NASA's FY 2003 Competitive Sourcing Activities Summary of Completed Competitions and the FY 2003 Competitive Sourcing Activities Summary of Announced Competitions. These reports respond to the direction in Section 647 (b) of Division F of the Consolidated Appropriations Act for FY 2004 (P.L. 108-199) and Office of Management and Budget Memorandum 04-07, dated February 26, 2004.

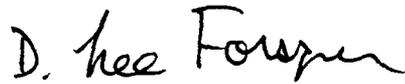
Prior to the May 29, 2003 change to OMB Circular A-76, a recognized means of meeting competitive sourcing objectives was through the direct conversion of civil service jobs to contractor jobs. NASA used that technique in FY 2003, up to the effective date on the new circular. As a result, the FY 2003 reports reflect certain operational efficiencies and performance improvements achieved through direct conversions and the strategic contracting out of selected activities. Consistent with the agency's long-standing policy, the direct conversions did not result in any adverse actions to NASA's civil service workforce. The changes were not done as a cost saving measure, and therefore, information on any cost savings was not collected.

NASA announced two competitive sourcing studies in December 2003 (FY 2004). The first study is for the NASA Langley Research Center, Metallic Test Article Development and General Precision Machining Services activity. The second is the NASA Shared Services Center (NSSC). The NSSC is an agency-wide consolidation of multiple business activities at a single location that will allow the agency to redeploy staff and budget to core mission activities. The current functional staffing for all competitive sourcing activities in FY 2004 is approximately 237 full-time equivalents (FTE). As these competitions progress, we will continue to monitor and assess the results to ensure accountability and improvement.

Through competitive sourcing activities and our Human Capital strategies our goal is to ensure the Agency is well structured organizationally and matches workforce to workload to support the Nation's Vision for Space Exploration and other NASA missions in a safe, effective and efficient way.

Please direct any questions regarding this report to Debbie Hollebeke at (202) 358-1924.

Cordially,

A handwritten signature in cursive script that reads "D. Lee Forsgren".

D. Lee Forsgren
Assistant Administrator
for Legislative Affairs

Enclosures (2)