



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-3000

OFFICE OF THE CHIEF FINANCIAL OFFICER

DEC 29 2005

The Honorable Richard B. Cheney
President of the Senate
Washington, DC 20510-0001

Dear Mr. President:

In accordance with section 647(b) of Division F of the Consolidated Appropriations Act, Fiscal Year (FY) 2004 (Public Law 108-199), please find enclosed the Department of Housing and Urban Development's report to Congress on its competitive sourcing efforts for FY 2005. HUD is pleased to report that four streamlined competitions were completed in FY 2005 with anticipated cost savings totaling \$4,129,780 over a period of five years. In addition, a standard competition affecting 256 full time equivalent (FTE) staff for the administration of the Office of Multifamily Housing's Non-Section 8 rental housing assistance contracts and assisted properties announced in FY 2004 will be completed in FY 2006 and included in that year's 647(b) report. The Government Accountability Office and HUD's Office of Inspector General have previously reported high risks and material weaknesses associated with HUD's rental assistance programs. It is anticipated that this competition will yield major gains in improving the performance of these rental housing assistance programs.

HUD's Competitive Sourcing Official and its Human Capital Executive Steering Committee continue to assess and identify functions for future competitions. This year, the Human Capital Executive Steering Committee is focusing on "Goal 2 - Workforce Quality" of its Strategic Human Capital Management Plan. Under this goal, HUD anticipates announcing competitions involving between 231 and 251 FTE in FY 2006.

As with past competitions, HUD will concentrate its efforts not only on achieving cost efficiency savings for the Department, but also on attaining improved program performance to meet the goals of the President's Management Agenda.

If your staff has questions or would like additional information on HUD's competitive sourcing efforts, please contact Jerome Vaiana, Deputy Assistant Chief Financial Officer for Financial Management at (202) 708-0614, extension 8106.

Sincerely,

A handwritten signature in cursive script that reads "James M. Martin".

James M. Martin
Acting Deputy Chief Financial Officer

Enclosure

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FY 2005 COMPETITIVE SOURCING ACTIVITIES SUMMARY SHEET**

COMPLETED COMPETITIONS
(Dollars in Millions)

Competition Description																Savings and/or Performance Improvements									
Agency	Bureau	Primary Activity Code	Secondary Activity Code	Additional Activity Code	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	FY 2005 Costs	Total Cost - All Years	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																									
HUD		C308 Financial Report Generation	C000 Administrative Support		Financial Reporting	Streamlined Competition without MEO	DC	11	N/A	2/16/2005	6/10/2005	6/10/2005	6/10/2005		in-house government personnel (LH)	0.033	0.033	0.000	5.500	0.000					
HUD		W499 Other Information Operations Services			Spanish Language Translation	Streamlined competition with MEO	DC	0**	N/A	3/31/2005	6/23/2005	8/1/2005			in-house government personnel (LH)	0.033	0.033	2.216	5.083	0.436					
HUD		C316 Financial Systems Development and Planning			Financial Management Systems Review	Streamlined competition with MEO	DC	0**	N/A	12/30/2004	3/30/2005	10/1/2005			in-house government personnel (LH)	0.033	0.033	0.925	5.000	0.185					
HUD		S716 Motor Vehicle Operation			Motor Pool Services	Streamlined Competition without MEO	DC	3	N/A	6/30/2005	9/28/2005	3/31/2007			private sector source (CTR)	0.033	0.033	0.988	5.000	0.198					
SUBTOTAL, STREAMLINED COMPETITIONS								14	0							0.132	0.132	4.129		0.819					
STANDARD COMPETITIONS																									
																0.000						N.D.			
																0.000							N.D.		
																0.000							N.D.		
																0.000							N.D.		
																0.000							N.D.		
SUBTOTAL, STANDARD COMPETITIONS								0	0							0.000	0.000	0.000		0.000					
TOTAL, ALL COMPETITIONS								14	0									0.132	0.132	4.129		0.819			

FY 2005 FIXED COSTS* 0.348

*Note: These costs are not competition-specific
** "Number of FTE in study" is zero because the incumbent service provider was a contractor.