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## PREFACE

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Competitive sourcing is currently viewed by the Office of the Secretary of Defense (OSD) as a means to reduce DoD infrastructure costs significantly and free up funds for other needs. Since infrastructure costs derive predominantly from labor, much of the expected savings will be related to reductions in the cost of personnel. At the request of the Office of the Deputy Assistant Secretary of Defense for Civilian Personnel Policy, RAND undertook a study to examine how competitive sourcing affects labor and other costs. Understanding more precisely how competitive sourcing lowers costs could contribute to better selection of activities to competitively source or other improvements in the competitive-sourcing process. It might also suggest efficiencies that can be exported to activities not subject to competitive sourcing.

This study's findings should be of interest to OSD, service, and defense agency managers and policymakers responsible for civilian personnel, manpower/resource management, competitive sourcing, and other related processes.

This research was conducted for the Deputy Assistant Secretary of Defense for Civilian Personnel Policy within the Forces and Resources Policy Center of RAND's National Defense Research Institute, a federally funded research and development center sponsored by the Office of the Secretary of Defense, the Joint Staff, the Unified Commands, and the defense agencies.