UNITED STATES DEPARTMENT OF STATE

OVERSEAS RIGHTSIZING

A QUARTERLY REPORT
BY THE OFFICE OF RIGHTSIZING
THE U.S. GOVERNMENT OVERSEAS
PRESENCE

2006/1

About the Office of Rightsizing the USG Overseas Presence

The Under Secretary for Management's Office of Rightsizing the USG Overseas Presence (M/R) is a Congressionally mandated office responsible for managing the rightsizing of the US Government abroad. This Department of State office is responsible for reviewing and approving the staffing projections for all capital construction projects abroad. M/R oversees the process by which Chiefs of Mission conduct 5-year reviews on the staffing of their missions. M/R schedules the annual 20% of all U.S. Missions abroad, and reviews and approves the staffing in these missions. M/R also coordinates NSDD 38 requests, all policy issues concerning Chief of Mission authority, inter-agency correspondence regarding Executive Branch agencies overseas presence, and related issues.

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Letter from the Director of the Office of Rightsizing, J. Patrick Truhn

In 2004, the report accompanying Public Law 108-401 established the Office of Rightsizing the U.S. Government Overseas Presence at the Department of State, with responsibility for: the enterprise architecture for the United States' overseas presence; developing internal and interagency mechanisms to better coordinate, rationalize, and manage the overall deployment of U.S. Government overseas staff; enforcing a uniform rightsizing framework, as defined by the GAO; linking overseas staffing levels to firmly established foreign policy priorities; moving forward on regionalization initiatives; and ensuring that rightsizing standards are applied systematically to final planning estimates for the staffing and design of all new mission facilities. This office (M/R) reports directly to the Under Secretary for Management. M/R is also the Office of Management and Budget's principal implementer for the President's Management Agenda initiative A **"Right-Sized" Overseas Presence**. The PMA initiative, which reached Green for Progress and Status in Q4 2005, has maintained its Green standing, as a result of the following completed actions:

- co-hosting, with OMB, an Interagency Rightsizing Summit;
- working with overseas missions, bureaus and agency headquarters to review and approve 22 Post Rightsizing Reports for New Embassy Compounds, which were referred to the Bureau of Overseas Building Operations (OBO);
- revising the list of 80 priority posts for capital construction projects submitted to OMB;
- working with the Bureau of Human Resources (HR) to abolish over 2300 overseas positions from the to be Gold-standard staffing database;
- hosting a programmatic rightsizing conference for the Foreign Affairs Agencies;
- having the U/S for Management approve four regionalization pilots for human resources, financial management, remote servicing of information management, and mandating corproate administrative applications; and
- beta-testing a report documenting positions established or abolished overseas for all agencies during the previous month.

Deliverables for the current quarter include:

- completing rightsizing studies with 19 missions, most of which will not receive new embassy compounds; for the first time, competitive sourcing analysis will be included in the reviews.
- working with posts which have completed rightsizing studies in Spring and Fall 2005 to develop formal follow-up action plans.
- validating changes to the Post Personnel ("gold standard") database with OMB and OBO; testing web-based access to agency staffing numbers; comparing Post Personnel data to Capital Security Cost Sharing data.
- submitting additional monthly overseas position changes reports.
- reporting on implementation of regionalization pilots, including performance and validation criteria with milestones.
- developing implementation plans to support planned consolidation of USAID and State support functions under a shared services model at co-located new embassy compounds.

This past quarter M/R completed analysis of the second full cycle (Fall 2005) of rightsizing studies. The format for the studies was modified for this cycle, to use the Mission Performance Plan (MPP) as the basis for the analysis and to organize the analysis by cross-cutting MPP goal rather than by individual agency. This format allows missions and M/R to identify areas where individual sections or agencies are duplicating one another's functions, as well as foreign policy priorities where additional resources are required to achieve the required results.

Several missions which completed rightsizing reviews in the past quarter – above all, Mission Russia – are to be commended for their particularly objective analysis and their courageous steps in reducing overseas staffing accordingly. These missions have demonstrated exactly the sort of flexibility that is required for us to be able to respond to the challenges of transformational diplomacy.

During the current quarter, we are focusing on two additional rightsizing initiatives: competitive sourcing and conversion of U.S. direct-hire positions to locally employed staff.

Competitive Sourcing

Competitive sourcing is a tool which enables organizations to determine whether it is more cost-effective for them to provide a function in-house or to outsource to a commercial contractor. All posts undergoing rightsizing studies in Spring 2006 will be including a new, mandatory competitive sourcing module in their reports. M/R has also tasked those posts which conducted rightsizing studies in Spring 2005 with the competitive sourcing module. Posts which conducted rightsizing studies in Fall 2005 will be tasked in Fall 2006. Under PART (the Performance Assessment Rating Tool), State has agreed to have all posts worldwide conduct competitive sourcing analyses within four years.

Representatives of the State Department's Office of the Procurement Executive and M/R Director Patrick Truhn completed competitive sourcing reviews at Embassy Seoul, Embassy Berlin, and Consulate General Frankfurt in February 2006. Both posts already outsource a number of services, but the team recommended that formal assessments be conducted for maintenance, property manangement and warehousing, the print shop, and motor pool. Based on the discussions in both Korea and Germany, it seems probable that at least large embassies are likely to adopt a "hybrid" approach to services such as maintenance: retaining a small in-house capacity while outsourcing all of the non-emergency and surge requirements.

Conversion of U.S. Direct-Hire to Locally-Employed Staff

One of the centerpieces of our government-wide rightsizing effort is empowering locally-employed staff to perform functions currently performed by U.S. direct-hire staff. This process will reduce costs, provide greater continuity, and facilitate the consolidation of our management platforms with USAID, which already uses locally-employed staff to perform many of the same functions State assigns to its American personnel.

Although M/R's rightsizing instructions have uniformly asked posts to identify positions they could convert from U.S. direct-hire to LE Staff, few have actually done so. The concept has already been successfully piloted by the Bureau of East Asian and Pacific Affairs, which converted the Management Officer position in Melbourne to LES in 1998, an unqualified success which has already saved the U.S. Government millions of dollars. The Melbourne experiment, despite a very positive outcome, does not seem to have generated much emulation. As a result, Under Secretary Fore has taken steps to reenergize the process and create a cadre of top-level LE Staff managers who can take on such responsibilities.

She has charged M/R with coordinating an effort to increase the number of U.S. direct-hire positions converted to LE Staff, beginning with the September 2007 assignments cycle, as well as ensuring that necessary regulatory changes required to empower LE Staff to perform

their new responsibilities effectively are in place. Bureaus were requested to identify no later than June 1 the positions to be converted to LES from 2007 through 2009. Incumbents will complete their tours, but posts will need to recruit LE Staff replacements and ensure they receive the same training as U.S. direct-hires before entering on duty.

Greater LES empowerment is critical for the Department to achieve its Performance Assessment Rating Tool (PART) measures negotiated with OMB – namely 1:18 ratio of U.S. direct-hire service providers to U.S. direct-hire customers. Meeting this PART target will also result in achieving the long-anticipated but rarely-achieved goal of reducing ICASS charges.

The cost savings to both the Department and our ICASS customers will be substantial. We spend on average $400,000 a year to keep a U.S. direct-hire employee overseas, while even our most expensive locally-employed staff, including salaries and benefits, cost less than half this amount. One of the disincentives traditionally cited by posts and bureaus not to convert U.S. direct-hire positions to locally-employed staff is that, while the total cost to the U.S. Government is sharply reduced, the actual cost to post can increase, because most American costs are centrally funded. As a result, the Under Secretary has requested that the Bureau of Resource Management provide all posts performing such conversions with the additional resources necessary, offset by the significant reduction in costs to the central system.

In addition to management officer positions, such as the one in Melbourne, at small consulates and small embassies, administrative subfunction positions, particularly General Services Officers at small or medium-sized consulates and Assistant General Services Officers at embassies, are transferable from USDH to LES. Additionally, many of the posts which currently have U.S. direct-hire Office Management Specialists in the Management Section can easily convert these positions to locally-employed staff with no loss in productivity. In most cases, the amount of classified work involved with these positions is minimal, and can easily be absorbed by another American OMS on the staff.

Cooperation with USAID

One of the most important developments in overseas rightsizing during the past quarter has been the exceptional momentum in cooperation between State and USAID in developing consolidated overseas administrative platforms. The joint ALDAC State 54462, reprinted in this report, lays out a new framework for joint services. As a result of discussions at the April Joint Management Council (JMC) meeting at the Department of State, the Rightsizing and Regionalization Working Group, chaired by M/R's Patrick Truhn and USAID's Carla Royalty, was charged with preparing a new strategic vision for the Joint Management Council. When it has been cleared by both agencies it will be disseminated to the field and included in our next quarterly report.

Performance Summary and Highlights

Rightsizing Results

In the last quarter, M/R rightsized twenty-one U.S. missions[1] in connection with space planning for new facilities. While the general trend of an increasing US presence overseas continues, posts, agencies, and M/R's rightsizing efforts resulted in total projected staffing reductions of 1,218 positions, of which

- 170 were desk positions in controlled access areas,
- 513 were desk positions in non-controlled office space, and
- 535 were non-desk positions.

While posts continue to moderate their staffing projections when using rightsizing techniques, the demands of the Global War on Terror, HIV/AIDs programs, expanded law enforcement presence abroad, and the expansion of the Department of Homeland Security abroad largely drive the expansion.

"Totaled projected annual avoided/saved costs as a result of rightsizing: **$115,558,164**"

Avoided or saved costs from rightsizing

Savings in office space that is not required[2]
$8,196,000
These savings available to OBO for additional construction projects.

Approximate savings in not building four* annexes[3]
$80,000,000
These savings available to OBO for additional construction projects.

Ten year savings in ICASS non-Residential Building Operating Expenses[4]
$13,660,000
These expenses available to hold down costs in ICASS.

Avoided CSCS charges[5]
$21,040,164 per annum
These charges avoidable by agencies.

Saved approximately 170 USDH positions avoided costs[6]
$68,000,000 per annum
These savings available to agencies.

Eliminated LES remuneration costs.[7]
$25,152,000 per annum
These savings available to agencies.

Totaled projected *one-time only* avoided/saved costs as a result of rightsizing
$86,830,000

Totaled projected *annual* avoided/saved costs as a result of rightsizing
$115,558,164

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[1] Azerbaijan, Burundi, Dominican Republic, Iceland, Indonesia*, Italy, Liberia*, Macedonia, Morocco, Pakistan, Paraguay, Poland, Romania, Saudi Arabia, Sri Lanka, Sudan*, Taipei, Tunisia, Turkey, Ukraine*, Zimbabwe; comprising 34 posts in all.

[2] Based upon an average working figure of $1,000 per square meter new construction cost for an office size of 10 square meters plus a 20% increase for the common spaces required for offices (lobbies, storage rooms, copier rooms, bathrooms, conference rooms, etc.) Naturally, different kinds of spaces have different costs, and construction costs in some environments vary considerably. This figure does not include the space savings from the reduction in non-desk positions. 683 desks x 12 square meters per office x $1,000. One-time only cost savings.

[3] OBO estimates that to provide the same amount of office space in an annex instead of incorporating that space into one office building the additional cost is approximately $20 million (and rising) per annex. One-time only cost savings.

[4] The ICASS Global DataBase (GDB) indicates that the average global cost for maintaining office space in a short-term lease (STL) facility is approximately $300 per square meter per year. The GDB indicates that global cost for maintaining government-owned or

"The elimination of LES positions is mostly attributable to an aggressive projection of single, unified administrative platforms overseas for all agencies at posts."

long-term lease office space is approximately $100 per square meter per year. This conservative estimate uses only the facility space that would be required for the desks identified above, and does not include the avoided costs for non-desk areas that have been eliminated. 683 desks x 10 square meter for office x $200 reduced maintenance cost = $1,366,000. Annual cost savings.

[5] The Capital Security Cost Sharing charges are (per capita per annum)
$50,724 for CAA space
$20,488 for non-CAA space
$ 3,546 for non-desk space

The program is designed to raise a specific sum each year for the capital security construction program. So, while there is no saving to the U.S. Government when positions are eliminated overseas, agencies that keep CSCS charges in mind, can substantially reduce and control the overall cost of their overseas presence. After remuneration, CSCS is the most significant component of overseas staffing costs to agencies. It has been very helpful in assisting agencies to think about rightsizing their overseas presence. (170 x $50,724) + (513 x $20,488) + (535 x $3,546) = $21,040,164. Annual cost avoidance to individual agencies.

[6] While there is great variation between agencies in the total cost of maintaining a U.S. direct hire (USDH) employee overseas (from just under $300,000 per annum to over $700,000), we use here a working average of $400,000 per employee in total costs. 170 USDHs x $400,000 = $68,000,000 in USDH overseas costs. Some portion of this estimate represents outright avoided costs when a position is simply not created at all. This has been an effect of consolidating administrative platforms when one or two fewer USDHs are required to supervise the administrative work at a post. In some cases it might be possible and necessary to substitute LE staff for a USDH resulting in substantially reduced costs. In some cases the employee not stationed overseas may nevertheless be employed in the United States. It is very difficult to make a judgment about the eventual disposition of an eliminated projected position. However, using a working estimate of $100,000 annual average cost for a USDH employee domestically or $20,000 annual average cost for LES, it is easy to see that substantial savings quite close to the gross savings figure is a reasonable estimate of savings, since there are at the very least $300,000 in avoided costs annually in the case of every USDH position not established overseas. Annual cost savings.

[7] The elimination of LES positions is mostly attributable to an aggressive projection of single, unified administrative platforms overseas for all agencies at posts (discussed in our previous rightsizing quarterly report.) Eliminating duplicative positions (e.g., several dispatchers working for different agencies, eliminating multiple cashiers and excess positions after the consolidation of administrative platforms) has been a very fruitful rightsizing endeavor. Using a working average cost for an LES of $24,000 x 1048 LES positions eliminated = $25,152,000. Annual cost savings.

Interagency Rightsizing Summit

M/R and the Office of Management and Budget hosted the first Interagency Rightsizing Summit on March 7 at the White House Conference Center, with participation from approximately 70 attendees representing nearly every agency with a presence overseas under Chief of Mission authority. Issues covered included: eliminating duplicative services, both programmatic and administrative; empowering FSNs to do work currently performed by U.S. direct-hire employees; streamlining interagency access to both classified and unclassified information, including databases; utilizing common regional platforms, sharing common systems; and – perhaps the greatest challenge – looking hard at ways for one agency to act as a multiplier for several others, to minimize the required footprint and at the same time advance foreign policy goals and share information.

M/R stressed the need for inter-agency long-range planning, both in the MPP process and rightsizing studies, and urged agency headquarters to brief Chiefs of Mission on the formulation of their transformation strategies early, not after the process is completed, pointing out that only 16% of NSDD-38 requests received in calendar year 2005 were actually reflected in the corresponding MPPs.

The law enforcement agencies, which see continued overseas growth in response to external mandates, from Congress and elsewhere, expressed the need for greater coordination between the DNI's national implementation plan for counterterrorism and post- and regional-level planning for transformational diplomacy and rightsizing led by State. M/R will follow up with greater outreach to and coordination with the intelligence and law enforcement community in this regard.

Agencies made a number of excellent suggestions for ways to enhance collaboration and cooperation at the Washington level. M/R has already passed a number of questions and suggestions to other M family bureaus and offices.

For additional information see message to the field and Washington agencies in the annex to this report

Programmatic Rightsizing Conference for Foreign Affairs Agencies

The Office of Rightsizing hosted an interagency conference for USAID, Treasury, Agriculture, and Commerce (DIA did not attend) on March 1, to foster dialogue among the foreign affairs agencies on better integration of programmatic functions (as opposed to administrative support functions.) State was represented by senior officers from the regional bureaus, P, and EB, in ad-

dition to M/R and A/GSSI. Agencies compared notes on their responses to transformational diplomacy (State's global repositioning initiative and equivalent strategies at other agencies); explored ways to integrate more fully the agencies' long-range planning process (a "Washington country team" approach); and discussed the need to identify low-priority functions that could be eliminated as priorities shift and budgets fall. As a next step, Regional Bureaus will engage their counterparts from the other foreign affairs agencies more frequently, especially at the desk level, to ensure greater policy/resource coordination.

Competitive Sourcing Overseas

Representatives of the State Department's Office of the Procurement Executive and M/R's Patrick Truhn visited Embassy Seoul, Embassy Berlin and Consulate General Frankfurt in February to refine competitive sourcing procedures for overseas posts. Both missions already outsource a number of services, but the team recommended that formal assessments be conducted for maintenance, property management and warehousing, print shop, and motor pool. Based on our discussions in both Korea and Germany it seems probable that at least large embassies are likely to adopt a "hybrid" approach to services such as maintenance: retaining a small in-house capacity while outsourcing all of the non-emergency and surge requirements. Posts which conducted rightsizing studies in spring 2005 have been tasked with the competitive sourcing module in the current cycle. Posts which conducted rightsizing studies in Fall 2005 will be tasked in Fall 2006. Under PART, State has agreed to have all posts worldwide conduct competitive sourcing analyses within four years. The due date for all spring cycle studies is June 1.

See appendix for Competitive Sourcing Module to Rightsizing Reports

The Spring Cycle

(Countries, Emphasis on Competitive Sourcing)

M/R's mandate from Congress requires that every Chief of Mission world-wide conduct a rightsizing exercise at least every five years. M/R has divided all missions into 5 year bands of approximately 20% (see appendix for schedule). Each of these bands is divided into a Fall and Spring Cycle. The Fall Cycle is devoted primarily to conducting rightsizing exercises in conjunction with the Office of Buildings Overseas security construction program – rightsizing staffing for proposed projects. The Spring Cycle is comprised of other posts to meet the 20% requirement.

The Department has adopted five performance targets in ICASS (the International Cooperative Administrative Shared Services) in conjunction with the Office of Management and Budget's Performance Assessment Rating Tool (PART). One of these five targets was for all posts to conduct competitive sourcing reviews of ICASS cost centers and activities within four years. Competitive sourcing is a methodical way of evaluating whether services deemed not inherently governmental should be performed using government employees or contractors.

Effective with the Spring 2006 cycle, all posts preparing rightsizing studies will conduct competitive sourcing analyses as part of their normal rightsizing submissions. Posts which completed rightsizing studies in Spring 2005 are being asked to complete the competitive sourcing analysis now; posts which completed rightsizing studies in Fall 2005 will be tasked in Fall 2006. Those missions doing only a competitive sourcing exercise in the Spring 2006 timeframe are: Sarajevo, Ouagadougou, Kinshasa, Djibouti, Addis Ababa, Suva, Libreville, Tbilisi, Riga, Beirut, Skopje, Antananarivo, Valletta, Mexico, Kolonia, Koror, Abuja, Oslo, Manila, Khartoum, Belgrade, Lusaka.

The first step in the competitive sourcing process is categorizing existing functions: Functions performed by Government FTE, whether Locally-Employed (LE) Staff or Foreign Service personnel, may be classified as either "inherently governmental" or "potentially commercial." An inherently governmental function is one that must be performed by a government employee because the function requires significant discretion in decision-making that would bind the Government to take a course of action. Examples would include a Consular Officer who decides whether a visa should be issued, a Financial Specialist with certifying authority, Human Resources Officer who determines who will be hired and at what salary, and a Contracting or Grants Officer who decides who will receive a contract or grant and at what value. Commercial services, by contrast, are services that are routinely provided by the marketplace through private contractors. These would include gardeners, maintenance workers, drivers, and other functions that do not involve significant discretion in decision-making. Using the competitive sourcing template on the M/R website to assess all ICASS cost centers, as well as other poten-

tially commercial functions (e.g., translators, language teachers), posts identify these functions as either "inherently governmental" or "potentially commercial."

The next step is to determine whether the potentially commercial function should be subject to market analysis or not: This determination is based on any issues affecting performance of a function by a contractor. For example, at some posts, it may not be possible, because of local security threat conditions, to use commercial providers for motor pool services, even if they are readily available and cost less than government employees. Posts should consult with their RSO for post-specific information at this stage; should security reasons preclude permitting a contractor to perform a commercial function, the RSO should provide the rationale. During step 2, posts will identify any concerns that might influence a decision not to review a commercial function for performance by contractor personnel. In some cases, although a function is potentially commercial, it would not actually be subject to market analysis because the scale of activity is so small (e.g., one FTE or less).

The Survey: Posts will determine whether the required services are readily available on the local economy. This is the "yellow pages" exercise; if the sources are not available, the competitive sourcing process stops here. If they are available, the manager of the function drafts a short statement of work describing the required work, including information on historical or anticipated workload. Market research is performed by post's Procurement Office, with assistance and input, as appropriate, from the Foreign Commercial Service office or any other source familiar with local market conditions. Internet research or other announcements may also be utilized.

Developing the business case: Posts will then compare in-house versus contractor performance costs. The cost of contractor performance may be obtained through soliciting quotations or comparing existing pricing information such as advertising, price lists, or comparable contracts. In comparing prices, if the anticipated savings is less than 10%, in general the service will be retained in-house unless there are other advantages (e.g., quality) to be gained by outsourcing. If contractor costs appear to be advantageous to the government (i.e., cheaper than in-house performance of the function), posts verify that the proposed performance standards by the contractor are acceptable, and, if they are, award a contract to the most advantageous contractor.

Craft a "soft landing strategy": Competitive sourcing may involve displacing current staff if a decision is made to replace a function currently performed by LE Staff (FSN direct-hire or PSA) with a commercial contract. Successful outsourcing of commercial functions depends on having a well-thought-out "soft landing strategy" to assist displaced staff. Entitlements payable to personnel involuntarily separated vary by country. All posts should have a current mission-wide reduction-in-force plan in their LE Staff handbook. Posts whose RIF plans are not current should contact HR/OE/HRM for guidance. Posts may need to consult a local labor law attorney at some point during the competitive sourcing evaluation. Posts that do not have local labor counsel retained should contact L/EMP for guidance on how to do so.

The President's Management Agenda Rightsizing Balanced Scorecard

About the Stop-Light: The Department has made substantial progress on all five of President's Management Agenda (PMA) initiatives as well as the Overseas Rightsizing initiative. Each quarter, the Office of Management and Budget (OMB) releases an executive scorecard that rates progress and overall status in each of the President's Management Agenda initiatives. The progress and status ratings use a color-coded "stop-light" system that is based on OMB standard criteria used to assess all agencies.

Green CURRENT STATUS

Maintaining/Moving Beyond Green

1. U.S. overseas staffing is at right level with skills to achieve policy goals. *(specific criteria achieved previously for Green not listed in updated scorecard)*
2. New embassy construction linked to rightsized staffing.
   __ FY 2008 proposed embassy construction project cost directly linked to Rightsizing Review results. Q4 FY 2006
3. Transparent accounting of USG overseas staffing and costs in place.
   __ Gold Standard staffing data base for overseas staffing under COM authority implemented, staffing validated by the interagency. Q4 FY 2006
4. Regionalization, Centralization, and Shared Services used as rightsizing tool overseas.
   __ Systematic Regionalization / Centralization of support functions at all Danger Posts underway, costs and positions quantified. Q4 FY 2006
   __ Systematic Consolidation of support functions under a shared-services model underway at co-located New Embassy Compounds, costs and positions quantified. Q4 2006
5. Review mechanisms to validate ongoing and new embassy staffing and size.
   __ Rightsizing Reviews finalized for scheduled non New Embassy Construction (NEC

Green ◀
Yellow
Red

Green PROGRESS (First Quarter FY 2006)

Actions taken this quarter:

- ✓ OMB/State co-hosted an Interagency Rightsizing Summit, kicked off by the DDM and State U/S for Management.
- ✓ State's Office of Rightsizing (M/R) worked with overseas missions, bureaus, and the interagency to review and approve 18 Post Rightsizing Reports for New Embassy Compounds, which were referred to the Bureau of Overseas Building Operations (OBO).
- ✓ M/R chaired interagency session for foreign affairs agencies on programmatic rightsizing.
- ✓ Revised list of 80 priority posts for capital construction projects submitted to OMB.
- ✓ Information on USG Overseas Staffing and Costs included in the President's FY 2007 Budget, Analytical Perspectives Volume.
- ✓ State M/R and HR abolished 2,312 vacant overseas positions from the to-be Gold-standard staffing database.
- ✓ U/S for Management approved four regionalization pilots for HR, Financial Management, remote servicing of IT, and mandating corporate administrative applications.

Planned Actions for next quarter:

- Submit new monthly overseas position changes report (State)

Green ◀
Yellow
Red

Message on Rightsizing Summit

State 50520 of March 30, 2006

1. The Office of Rightsizing the United States Government Overseas Presence (M/R) and the Office of Management and Budget (OMB) co-hosted an Interagency Rightsizing Summit on March 7 at the White House Conference Center. Over 70 attendees, representing virtually every U.S. Government agency present overseas, participated.

2. Clay Johnson, Deputy Director for Management at OMB, opened the session by congratulating the agencies on their level of interest and engagement in rightsizing their overseas presence. He pointed out that rightsizing, an integral part of the President's Management Agenda for the past five years, is the responsibility of all agencies present overseas, not just OMB and the Department of State's Office of Rightsizing. He also emphasized the importance of overcoming stovepipes to define and produce results.

3. Under Secretary for Management Henrietta Fore stated that an era of shrinking budgets no longer allows us to "do our own thing." Duplicative activities need to be consolidated, allowing agencies to focus their efforts on the core functions in which they excel, rather than replicating services already provided by others. The era of multiple motor pools and competing housing pools, of stovepiped operations responding to independent mandates, and of isolated information technology platforms incapable of talking to one another, must end. Overseas we truly need to represent one mission to be effective.

4. The Under Secretary articulated the following five challenges, to improve the results of our rightsizing initiatives:
   - let one agency, whichever does it best, provide administrative services to all;
   - let one agency represent multiple agencies' portfolios, to minimize the duplication in our programmatic presence;
   - empower FSNs to do work that does not need to be conducted by direct-hire Americans, reducing both our overseas footprint and the resultant cost;
   - streamline our access to information management platforms;
   - and ensure that we use common regional platforms, and that they share common systems.

5. Patrick Truhn, Director of the Office of Rightsizing, addressed key current initiatives in overseas rightsizing. He outlined the formal rightsizing review process, through which all missions worldwide conduct a rightsizing analysis every five years or in conjunction with new capital construction projects. Agency headquarters receive a list of missions scheduled

for rightsizing reviews at the beginning of each cycle (January and July), and are asked to provide their representatives in the field with guidance regarding the agency's mid- and long-term plans, so that this information may be used in formulating the mission's rightsizing analysis; M/R circulates the mission's submission to agency headquarters at the end of the cycle.

6. In preparing rightsizing studies, missions take the Mission Performance Plan as a point of departure, analyzing the extent to which the resources currently applied to individual goals are duplicative, adequate, or insufficient in meeting the mission's objectives. Missions are encouraged to examine their business processes to determine whether there are more efficient means of accomplishing their goals and providing services, and to eliminate duplication of functions among agencies. Beginning with the Spring 2006 cycle, they are also required to perform a competitive sourcing analysis, to determine whether commercial-type services are most effectively provided in-house or by commercial vendors. Missions are also asked to assess whether functions currently performed by U.S. direct-hire employees could more effectively be performed by locally-employed staff, and whether functions could more efficiently be performed by regional service centers.

7. M/R also presented other key initiatives, including: ensuring an accurate accounting of all staffing under Chief of Mission authority, by using the Post Personnel database as the "gold standard" which, beginning in FY-07, will populate other databases currently maintained by overseas posts to capture the same information; improving the NSDD-38 process through automation and quicker turnaround times; encouraging interagency input into the Mission Performance Planning process; and development of an electronic country clearance application. Agencies were very receptive to these initiatives and suggested that M/R conduct periodic inter-agency focus groups to identify additional initiatives to standardize and streamline other operating and staffing procedures overseas.

8. Will Moser, Director of the Office of Global Support Services and Innovation, described his office's efforts to identify administrative functions which are not location-specific, and can be relocated to regional and central platforms to minimize the overseas footprint and provide enhanced reliability at reduced cost. A number of pilots are underway or planned in the areas of human resources, financial management, information management, training, and logistics management. Ultimately these initiatives are intended to decrease both security vulnerabilities and ICASS charges. Agencies expressed concern about the cost of ICASS services being a disincentive to greater consolidation of support services.

9. Nearly all agencies are conducting extensive headquarters-level reviews of their overseas operations, responding to the needs of transformational diplomacy. Like State, a number of other agencies are moving resources from Western Europe and Washington to geographic areas in which they are currently under-represented, such as China and India. Several

representatives at the summit expressed the need for greater coordination of planning for increased mandates (and corresponding resources) of the law enforcement and intelligence communities with overall foreign policy strategy and government-wide rightsizing imperatives. M/R will follow up with appropriate Washington headquarters.

10. A week earlier, on March 1, M/R hosted a much smaller gathering of senior officials from the Foreign Affairs Agencies (Agriculture, Commerce, Treasury, USAID) and State Department regional bureaus, represented at the Deputy Assistant Secretary level, to assess how to enhance rightsizing of the program functions. One recommendation was that, while the "country team" concept functions well overseas, the Washington environment would benefit from a "Washington country team," where country officers of various agencies met regularly to compare notes on programs and ensure greater consistency in taskings from Washington headquarters. M/R regularly hears from the field about multiple taskings received on the same topics from a multitude of agencies. To implement the idea of a "Washington country team" concept, M/R will work with a variety of country desks and other agency headquarters in the coming weeks to facilitate discussions.

11. These interagency rightsizing summits were only the first in what we plan to be an ongoing series. For further information, or to make suggestions, please contact M/R Director Patrick Truhn at truhnjp@state.gov or visit the M/R websites on both the State Intranet and the Internet.

Message on Consolidating Shared Administrative Support Services

State 54462 of April 5, 2006

1. **SUMMARY:** Current budgetary pressures combined with the continued challenges of the overseas security environment underscore the need to provide the most efficient support services in the safest possible locations. We, as good stewards of the American public's resources, are committed to meeting this need. Rightsizing agency presence in New Embassy Compounds, centralizing and regionalizing business lines, empowering locally-employed staff, outsourcing and eliminating duplication in services are all part of this effort. Elimination of duplicative structures for support services delivery has been and remains a core objective in this effort. Lessons learned from both last year's shared services pilots are outlined in paragraph 5.

   In addition, the shared services team that visited Embassy Nairobi has developed a strategy for consolidation that merges State and USAID General Services into a streamlined, unified operation with one ICASS invoice and jointly managed by State and AID. In principle, we recommend this general concept as a new model for all agencies overseas with duplicative service models, not just ICASS and USAID, particularly at posts where service providers are already co-located. This process is outlined in paragraph 7. The formal rightsizing process underway for new embassy construction offers even greater opportunities for co-location and consolidation, however, and should result in more closely integrated operations.This issue is addressed in paragraph 9

   Chiefs of Mission and USAID Mission Directors should lead the effort at their posts to identify and fully support efforts to eliminate duplicative services, consolidate and re-engineer support services, while ensuring full programmatic support for all serviced customers. Paragraph 7 contains an action request for all posts.

2. **OBJECTIVES**: Congress and OMB have made it clear that we must seek more efficient, lower-cost ways of doing business. The Secure Embassy and Counterterrorism Act of 1999 requires the co-location of all USG staff overseas in all new embassy compounds (NECs). The Office of Rightsizing the United States Government Overseas Presence (M/R) has a clear mandate from Congress to ensure that staff numbers and locations are aligned to meet our foreign policy priorities overseas. The ICASS Executive Board (IEB) has made cost containment of support services a priority, which we support. There are many reasons for budgetary growth in ICASS, but the overall goal should be a reduction in ICASS

unit costs. Achieving this objective will involve numerous changes to how we do business: eliminating duplicative services and redundant staff, outsourcing functions that are not inherently governmental when more cost-effective to do so, and centralizing/regionalizing functions that do not need to be performed at post. We must do so with a sense of urgency, but also with full transparency, and strategic purpose. Post management should make themselves aware of the requirements of these efforts by reviewing information found on the State M/R and USAID EXO Tool Box web sites. Appropriate work objectives to achieve successful and sustained results in these areas should also be considered for the upcoming evaluation cycle.

3. **PILOT PROGRAMS LESSONS LEARNED:** The recent shared services pilots sponsored by the State/AID Joint Management Council, in Cairo, Dar es Salaam, Jakarta, and Phnom Penh, have established that significant operational efficiencies and some cost savings can be realized through the consolidation of duplicative services. Although regulatory and technical obstacles at the agency levels limited the impact of operational efficiencies achieved, JMC working groups have made real progress in addressing many of these obstacles. For example, a lease waiver form and standard lease document are ready for implementation, USAID will begin to utilize WEB PASS Post Personnel module in the near future, a joint USAID/State unified real property Asset Management Plan has been developed, and policy guidance has been prepared for the transfer of property under ICASS. As part of the consolidation, pilot posts re-engineered business processes and updated standard operating procedures, improved communications with customers, improved equity in service levels, identified and expanded best practices, and optimized or reduced workspace requirements. Careful workforce planning enabled posts to identify the best employees from both service providers to create a stronger and leaner combined organization. Elimination of positions through attrition and abolition of vacant positions minimized the negative impact on local staff. Posts contemplating future consolidation, particularly those moving into NECs within the next two years, are cautioned not to create new positions or to fill vacancies until a decision has been taken on the staffing requirements of a combined operation. A full report of the evaluation of the pilots is available on the A/GSSI website at a.gssi.state.gov.

4. **NEW MODEL:** A study sponsored by the ICASS Council at Embassy Nairobi, in anticipation of the co-location of USAID on the Embassy compound, recently concluded that the creation of a combined or single mission administration unit would achieve the best results in delivering quality services at the lowest cost. This new model makes use of the Alternative Service Provider module in the ICASS software and new costing templates which for the first time provides us with an accurate comparison of costs between services provided by USAID and ICASS. A combined organization will build on the best practices and talents of post's well-performing service providers.

5. **SINGLE SERVICE PROVIDER/ACTION REQUESTED:** There are many organizational issues that need to be resolved in Washington to implement this single administrative structure referred to in para. 8. Before actualconsolidation can occur, additional analyses should be undertaken to determine the overall cost impact to the USG and all customer agencies to implement this single service provider. This analysis needs to show that the formation of the single provider will over time be more cost effective for the USG. We assume for this to occur that business practices will have to change, including greater use of local staff, outsourcing, and regionalizing certain services. Posts should identify the most effective options for reducing support costs and improving service. Once the analysis has been completed, and if practicable, missions should proceed to consolidate services under a single service provider for each service, assigning some services to ICASS as the sole provider (USAID to buy in) and some services to USAID as the single service provider.

6. **INFORMATION MANAGEMENT:** The JMC Information Management Working Group has been charged with achieving consolidation of the overseas information management infrastructure. Further guidance will be sent to the field as this process is refined.

7. **NEW EMBASSY COMPOUNDS AND RIGHTSIZING:** For over a year now, all embassies receiving a New Embassy Compound (NEC), as well as all other missions on a five-year cycle, have been required to complete a rightsizing study, approved by the Office of Rightsizing the United States Government Overseas Presence (M/R). One of the premises of this study is that duplicative functions will be eliminated. Since the rightsizing study has an approximately five-year lead time before a new facility is occupied, this process allows posts to adopt a much more developed strategy to consolidate services than is possible under the short-term approaches described above. At a minimum, M/R assumes that in new construction all administrative functions will be co-located, and all functions currently provided by ICASS will be consolidated, although M/R leaves to post discretion all decisions on which agency/agencies will provide what services. Posts need to ensure that their decisions on which positions are eventually abolished as part of this consolidation are taken interagency and in a completely fair and transparent manner. Competitive sourcing has also been introduced as part of the rightsizing exercise; in some cases it will result in the outsourcing of functions currently performed by both ICASS and USAID staff. As part of the rightsizing process, posts are also asked to identify functions currently performed by U.S. direct-hire employees which can be performed by locally-employed staff.

8. **FUNCTIONS THAT SHOULD BE REVIEWED AS POTENTIAL FOR CONSOLIDATION:** Functions that should be reviewed as potential for consolidation include: (1) Administrative Support Functions: warehouse management, expendable supplies, functional and residential property leasing, motor pool, residential and non-residential maintenance, customs and shipping, custodial services, reproduction services, mail and pouch services. With both agencies' severely limited funding, cost should be a primary consideration for

all service recipients, including privatization alternatives. (2) Financial management functions: cashiering and FSN payroll processing. (3) Procurement functions: non-programmatic simplified acquisition procurement, e.g., administrative procurement of goods and services (not to include personal services contracting); does not include contracting, grant-making, and related contract management functions that implement USAID strategic programs. (4) Human Resources Functions: recruitment, "at post" language training for Americans, expanded Eligible Family Member program, FSN initiatives, and joint IT systems - specifically Human Resources Information Systems (HRIS), under eGov's HR Line of Business, and Learning Management System (LMS). USAID will retain hiring and classification authority for all staff acquisitions, and will continue to perform its non-ICASS-equivalent HR functions. (5) Technology: Maintenance and service for all local networks, desktop hardware, printers, fax machines, video conferencing, telephone services, office automation servers, electronic mail systems and administrative software, servicing of all hardware and non-propriety software. For those functions that are unique to supporting USAID operations and are not mentioned in this paragraph as subject to consolidation will not be co-located for NEC planning purposes.

9. **FUNCTIONS NOT SUBJECT TO CONSOLIDATION:** USAID technical and program management, and legal advisory USAID functions and non-administrative staff associated with these functions are not subject to consolidation. This would include all USAID technical areas such as democracy, education, health, disaster and humanitarian assistance and crisis mitigation, economic growth and trade, environment, agriculture, food for peace, general development programs, financial management activities that support programmatic functions, and program management functions.

10. **MANAGEMENT PRINCIPLES:** We appreciate that what we are asking you to do is difficult, sensitive, and involves profound change for American and locally-engaged staff. Here in Washington we are strongly committed to a dialogue and decision making process that is transparent and participatory. Consolidation decisions under any scenario, including rightsizing, should be based on the best way of providing services at the lowest possible cost, with fairness to all agencies' staff, both American and local, in terms of employment opportunities and services provided. We ask for the same spirit of openness, fairness, and participation in the field. Posts should develop plans for evaluating the staff in the consolidated organization that utilize these principles.

11. **ASSISTANCE AVAILABLE:** State's Office of Global Support Services and Innovation (A/GSSI) has worked with its USAID counterparts through the JMC Shared Services Working Group to develop step-by-step templates for costing analysis and consolidation planning and shared services team that can visit post and assist with the analysis. These will be reported septel. These templates, along with evaluation reports from the pilot posts, are posted on their website at a.gssi.state.gov and the USAID EXO Toolbox. The working

group will also provide guidance, regulations, and standard procedures for property management, work orders, property transfers, and leasing as they become available. In addition, the JMC at its latest meeting created a Rightsizing and Regionalization Working Group led by Patrick Truhn, State, and Carla Royalty, USAID, which will be exploring these issues in greater detail. Offices available to help posts in this process, all of which should be slugged for action on telegrams from the field, are: A/GSSI - contact Crissy Somma; USAID's Office of Overseas Management Support (M/OMS) - contact Steve Callahan; Office of Rightsizing the United States Government Overseas Presence (M/R) - contact Patrick Truhn.

Introduction to the Rightsizing Guide

In FY 2005, the Department managed to implement rightsizing procedures, techniques and methods which realized the mandate from Congress and the President to conduct rightsizing analyses of the U.S. Government's Overseas Presence. The processes have been gathered together in the following Rightsizing Guide. The instructions in the Guide have been approvingly reviewed by the Office of Management and Budget (OMB).

There are four basic documents in the Rightsizing package that we provide to posts to conduct rightsizing exercises:

Rightsizing Procedures

Abstract: The booklet is a general summary of general rightsizing principles and the considerations that post's should make in conducting rightsizing analyses. It also includes formatting instructions for the completed report. Because these reports go to OMB and Congress, and the Department must often provide summary statistical analyses of our overseas presence, it is important that these reports, text and data, be easily comparable post to post as well as easily aggregated.

Matrix

Abstract: The Services Matrix allows for a simple graphic exploration of ICASS-like services at post and possible areas of duplicative or non-essential activities.

Competitive Sourcing Template

Abstract: This template responds to the Department's requirement from the Office of Management and Budget's (OMB) to conduct a Performance and Rating Tool (PART) on Competitive Sourcing at every post world-wide over the next four years.

Report Template

Abstract: A common format is important when dozens of reports a year, over five years some 170 reports will be forwarded to OMB and Congress. The ability to easily extract information on a post or combine the information on several posts is an important requirement of the format. Following the instructions for the format ensures that all the information required is included.

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The Rightsizing Mandate

The Under Secretary for Management's Office of Rightsizing the USG Overseas Presence (M/R) is the Congressionally-mandated office responsible for managing the rightsizing of the US Government abroad. Congress requires that a Rightsizing Review be conducted by M/R: (1) on every capital construction project the Department wishes to propose to Congress, and (2) on 20% of all missions annually (identified as Five-Year Study posts – see separate instructions on page 18). Rightsizing the USG Overseas Presence is also a key initiative of the President's Management Agenda. The Lead Agency for Rightsizing is OMB, which has in turn designated the Department (M/R) as the lead agency for implementation. Rightsizing Reports approved by M/R are submitted to OMB and appropriators. Without an approved rightsizing report, OMB will not forward projects to Congress, and Congress will not budget or fund a capital construction project.

A rightsizing review eliminates or justifies any duplicative or parallel functions currently at post, considers the possibilities for reducing U.S. Government employees at post by taking advantage of regionalized or globalized service organizations, determines whether some jobs can be performed effectively by locally-engaged staff (LES) rather than US direct-hire employees, and outsources as feasible non-core and non-governmental functions.

The President's letter to the Chief of Mission charges the COM with reviewing functions and staff and with ensuring that excess staff is adjusted. The Secretary emphasized this requirement in a cable to the field in 2003; the ICASS Executive Board also advises posts to eliminate duplicative services at post. The Government Accountability Office has noted that ICASS's failure to live up to its promise of cost containment has been in part because of wasteful duplication of administrative services at missions overseas. Department policy now requires that rightsizing considerations be incorporated into posts' Mission Performance Plan submissions and rightsizing is also a mandatory element in Bureau Performance Plans. This responsibility of Chiefs of Mission to ensure that the size and composition of the mission under their authority is appropriate to carry out its mission has been oft repeated and is not new, but the emphasis is now greater than ever. In particular, COMs are expected to ensure the consolidation of as many activities as possible to minimize staff, thereby containing costs and exposing fewer employees (Americans and Locally-Engaged Staff) to security risks, while meeting programmatic requirements and maintaining administrative support service quality.

Chief of Mission's Certification

When the Mission completes the Rightsizing Study and Staffing Projections, the Mission must forward these documents to the Regional Bureau Executive Director under cover of a memorandum from the Chief of Mission certifying that the Chief of Mission has reviewed every staff element and agency under Chief of Mission authority and approves projected levels. A sample is included as Appendix A.

What is Rightsizing?

Rightsizing does not necessarily mean downsizing. It may, in some cases, particularly as we seek to enhance security and respond to increasing budget pressures, but a thorough analysis of USG overseas operations may also justify staffing increases. It is clear, for example, that factors such as emerging Homeland Security requirements, changes in the visa processes, the Global War on Terror, and the President's Emergency Plan for AIDS Relief, will result in staffing changes at a mission. A rightsizing analysis will lead to transfers of resources from one mission goal to another even as we seek to enhance security and operational efficiency through regionalization and centralization. Rightsizing is emphatically not solely a Department of State issue: it applies to all USG agencies operating under COM authority overseas.

We use the General Accountability Office's (GAO) definition of rightsizing as our optic: "Rightsizing [is] aligning the number and location of staff assigned overseas with foreign policy priorities and security and other constraints. Rightsizing may result in the addition or reduction of staff, or a change in the mix of staff at a given embassy or consulate." (GAO-02-780 Overseas Presence: Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiatives, p. 1, July 2002)

Getting Started

Be sure to include all agencies, constituent posts, embassy offices, etc. in your analysis. You may use the ICASS Council, Working Group, or any ad hoc arrangement as a vehicle for discussion and formulation of the report and corresponding data. For large posts we recommend using the same discussion groups which prepared the MPP goal papers, since the rightsizing review uses those goal papers as a starting point and asks posts to analyze how well the resources devoted to them are realizing the desired results. Be sure to be as inclusive as possible, reaching out to all sections and agencies of the Mission. Insist that agency representatives seek guidance from their headquarters on long-range planning involving their agency. M/R will ultimately forward your submission to other agencies' Washington headquarters for comment, but inviting input from the beginning will facilitate communication.

Remember that your goal is five years out. For those posts getting New Embassy Compounds, there is roughly a five-year period from the date you start your rightsizing study to the time you cut the ribbon on your new building. The rightsizing study you develop is the end-state that OBO will build to. For posts not receiving a new building, your rightsizing study is good for five years, so you should cover your vision for your post in that timeframe.

The Office of Rightsizing (M/R) will conduct digital video conferences (DVCs) with all posts conducting rightsizing studies which have DVC capability, with participation from the regional bureau executive office and other interested partners in Washington. For those posts without DVC connectivity we will organize a conference call. We have found such vehicles invaluable in improving posts' understanding of what we are looking for, as well as the quality of the finished product.

M/R is also prepared to visit posts that request such assistance and which would benefit from on-the-ground consultations. If you would like a visit, please let your M/R analyst know early on, so that travel may be budgeted and scheduled.

Although the post's report is to be submitted to the regional bureau executive office, we strongly recommend that individual goal segments be submitted during the drafting stage to M/R for review so that we may provide guidance along the way. This will lead to more expeditious approval of rightsizing reviews.

Format and Procedure for the Rightsizing Review

Section I: Mission Goals and Objectives, Analysis of Duplicative Activity

1. **Narrative:** For each performance goal, identify the mission elements currently supporting that goal, and analyze their specific value added in meeting the objectives.

2. **Assessment:** Assess areas of duplication, activities which are no longer required or may require adjustment of resource levels, and identify activities which require increased resources to achieve their objectives (unmet needs). All proposed increases or decreases in staffing must be accompanied by full justifications. Use metrics wherever possible (e.g., NIV applications have risen by 65% over the past two years, resulting in the need for two additional consular officers).

3. Based on this assessment, determine whether that goal is rightsized, or needs increased or decreased staffing. At the end of the assessment please indicate, in parentheses, any proposed changes (e.g., DAO -1 USDH desk, POL +1 LES desk).

Unlike the Mission Performance Plan, your rightsizing report may include as many goals as you like, but it is essential that your analysis and assessment in this section cover every mission element: all State sections and all non-State agencies. If a mission element does not play any role in the mission's goals and objectives, the need for its continued presence should be questioned, and a plan for its relocation developed, as appropriate.

II. Competitive Sourcing, Regionalization, and Substitution of LES for USDH

Competitive Sourcing

Competitive Sourcing is a methodical way of evaluating whether commercial services should be performed using government employees or contractors. As part of the Program Assessment Reporting Tool (PART), a methodology utilized by OMB to gauge the success of a program, the Department is required to conduct and report on competitive sourcing analyses of its overseas functions. This is performed in conjunction with the periodic rightsizing exercises.

Post should document its assessment of all services, including but not limited to those performed under ICASS, for potential contractor performance to demonstrate Department efforts to control service costs and improve quality.

1. **Categorize existing functions:** Functions performed by Government FTE, whether locally-engaged staff (LES) or Foreign Service personnel, may be classified as either "inherently governmental" or "potentially commercial." An inherently governmental function is one that must be performed by a government employee because the function requires significant discretion in decision-making that would bind the Government to take a course of action. An example would be a Consular Officer who decides whether a visa should be issued, a Human Resources Officer who determines who will be hired and at what salary, and a Contracting or Grants Officer who decides who will receive a contract or grant and at what value. Commercial services, by contrast, are services that are routinely provided by the marketplace through private contractors. These would include gardeners, maintenance workers, drivers, data input personnel, and other functions that do not involve significant discretion in decision-making. Use the attached template to assess all ICASS cost centers, as well as potentially commercial functions in other sections (e.g., translators in Public Affairs, appointment schedulers in Consular), and identify them as either "inherently governmental" or "potentially commercial."

2. **Determine whether the potentially commercial function should be subject to market analysis or not:** This determination is based on any issues affecting performance of a function by a contractor. For example, at some posts, it may not be possible, because of local security threat conditions, to use commercial providers for motor pool services, even if they are readily available and cost less than government employees. Posts should consult with their RSO for post-specific information at this stage; should security reasons preclude permitting a contractor to perform a commercial function, the RSO should provide the rationale. During step 2, identify any concerns that might influence a decision not to review a commercial function for performance by contractor personnel. Document a decision not to evaluate a commercial provider with a brief rationale. In some cases, although a function is potentially commercial, it would not actually be subject to market analysis because the scale of activity is so small (e.g., one FTE or less).

3. **Survey the marketplace:** Post should determine whether the required services are readily available on the local economy. The manager of the function should draft a short statement of work describing the required work, including information on historical or anticipated workload. Market research should be performed by the General Services Procurement Office, with assistance and input, as appropriate, from the Foreign Commercial Service office or any other source familiar with local market conditions. Internet research or other announcements may also be utilized. This is the so-called "yellow pages" test; if the service(s) is(are) not readily available in the country, the competitive sourcing process stops here. If not, go on to step 4.

4. **Developing the business case:** Compare in-house versus contractor performance costs: Use the template provided by M/R for this purpose. The cost of contractor performance may be obtained through soliciting quotations or compring existing pricing information such as advertising, price lists, or comparable contracts. In comparing prices, if the anticipated savings

is less than 10%, in general the service will be retained in-house unless there are other advantages (e.g., quality) to be gained by outsourcing. If contractor costs appear to be advantageous to the government (i.e., cheaper than in-house performance of the function), verify that the proposed performance standards by the contractor are acceptable, and if they are, award a contract to the most advantageous contractor.

5. **Craft a "soft landing strategy":** Competitive sourcing may involve displacing current staff if a decision is made to replace a function currently performed by locally-engaged staff (DH or PSA) with a commercial contract. Successful outsourcing of commercial functions depends on having a well-thought-out "soft landing strategy" to assist displaced staff. Entitlements payable to personnel involuntarily separated vary by country. All posts should have a current mission-wide reduction-in-force plan in their FSN handbook. Posts whose RIF plans are not current should contact HR/OE for guidance. Posts may need to consult a local labor law attorney at some point during the competitive sourcing evaluation. Posts that do not have local labor counsel retained should contact L/EMP for guidance on how to do so.

Regionalization

Identify all activities (of all agencies) not performed at your post, because they are performed on your behalf by regional or U.S.-based Government personnel. These may be programmatic (e.g., Customs, Commerce) or administrative (e.g., position classification, voucher examining). The President's Letter of Instruction to Chiefs of Mission states:

> "I ask that you review programs, personnel, and funding levels regularly, and ensure that all agencies attached to your Mission do likewise. Functions that can be performed by personnel based in the United States or at regional offices overseas should not be performed at post."

Identify any activities presently performed at your post which may be outsourced to a regional center.

Substitution of LES for USDH Positions

Identify USDH positions for which LES may be substituted. If you are unable to make any substitutions at this time, explain why and what steps you will take to get to this point.

III. Mission Staffing Levels

Complete the Summary Staffing Table, including all sections/agencies, showing current staffing levels, projected staffing levels, and the net change (+ or -).

IV. ICASS Service Matrix

One crucial element of the rightsizing review will be a matrix inventory of ICASS services and the ICASS subscribers at post. A standard format is attached. Lite posts should also use the standard matrix to identify those sub-services where customer agencies do not participate. This will allow post to identify those specific services where agencies non-participate in a service by way of a modification, and may be engaged in duplicative activities.

The Service Matrix will clearly show which services are provided to which agencies, and which not. In every instance where an agency or budget element does not subscribe to an ICASS service, an explanation and/or analysis of why they do not subscribe should be included, even if only a sentence or two; e.g., a service is provided to the agency from the United States or the agency simply doesn't need such a service and doesn't provide it to itself or its employees. If there are special reasons for an apparent duplication (geographic location or a specialized program component of service), that should be explained as well.

V. Long-Range Overseas Building Plan

For posts receiving an NEC, complete the LROBP spreadsheet (database) provided by OBO. It should include a count of all projected staff, American and FSN, desk and non-desk, CAA and non-CAA, appropriately grouped by all components of all agencies, with descriptive job titles, employment status and grade. For posts not receiving an NEC, and completing a rightsizing review as part of the five-year process, use the CSCS (Construction Security Cost Sharing) spreadsheet, and add or reduce positions accordingly.

The LROBP Staffing Projection will need to be completed by adding all agencies and staff of the mission who will not be resident in the NEC. The CSCS Staffing Pattern will need to be completed by adding all projected positions (established and abolished positions) that will be in the NEC and in the mission. Please be sure to identify those positions which will occupy space in the NEC and those which will not.

It is essential that the personnel data in the OBO database and the summary staffing table match. Please take extra time to verify that there are no discrepancies.

Additional Instructions on Administrative Services

While all rightsizing efforts and suggestions are welcome, one of the most easily identifiable areas of duplication at many posts is administrative support services. Posts should pay careful attention to:

- ✓ The elimination of any services that are duplicative or similar to ICASS services at post;
- ✓ The elimination of separate housing pools;
- ✓ The creation of property pools, especially residential furniture, furnishings, appliances and equipment (FFA&E) pools.

For posts receiving new embassy compounds, all administrative positions of all agencies including ICASS should be removed from their owning agency on the staffing projection and placed in one location in the staffing projection called Joint Management Service Section. The NEC will be constructed with spaces for the administrative staff of the Mission only as co-located or consolidated staff. The staffing projection should have no administrative personnel identified elsewhere in the mission (drivers, janitors, procurement, administrative assistants, etc.), except in one part called Joint Management Services. A driver is a driver, an HR Specialist is an HR Specialist, warehouse staff is warehouse staff, regardless of agency. We must overcome creating physical impediments to consolidation of services and cooperation between functions. Such an arrangement will improve the working cooperation of the personnel and is a clear statement of the intention of the COM to deal with consolidation. In general, merging and consolidation lead to efficiencies, economies of scale and standardization, which, when properly managed, translate into reduced cost with equivalent or superior service. As such, this effort directly responds to the ICASS Executive Board's call for reducing the cost of support services.

OMB has specifically tasked the Department to identify and eliminate unnecessary duplicative or parallel functions concurrent with moves to an NEC; for those duplicated services which will not be eliminated, the embassy must provide a justification which will withstand the scrutiny of OMB and Congress.

Specialized Programmatic Functions

When considering whether duplication exists, agency-specific functional requirements should be considered; similar title of the job or function is not, by itself, determinative. If an agency has specialized program managers, as, for instance, USAID and DCMA may have in contracting, ICASS may or may not be able to provide such services. However, procurement management which provides contracting solely to meet administrative requirements would be duplicative since that is a service ICASS offers. Other functions which may be designated specialized programmatic functions should be similarly scrutinized.

Non-ICASS Services

While support services are primarily encompassed within ICASS, it may be that certain support services (e.g. some security or communications services) might fall outside of ICASS. Posts are encouraged to identify and explore options for eliminating duplication, competitive sourcing, or regionalizing those support service areas also.

Ratio Analysis

The optimum PART ratio of administrative support staff to customers has been determined to be 1:18. (This assumes that each administrative service will be provided by one service provider, either State/ICASS or an alternative service provider.) To determine the current or projected ratio at your post, add all of the non-ICASS American staff reported through Basic Package and divide by the corresponding number of American ICASS staff reported for Basic Package. This ratio involves American employees only. In certain circumstances, posts may not be able to reach the target ratio because of specific local conditions, and in any case this figure should not be held as an absolute number, but rather as a guideline, particularly for posts in developed countries.

A Word About Particular Situations

Consulates

Not all of the instructions above can be made to apply to Consulates. Generally, there is no duplication of services at a consulate in terms of agencies competing with one another. However, it is often the case that Consulates have been provided additional staff to perform services that could just as easily, and more efficiently, be provided by the Embassy; e.g., a voucher examiner or commercial work, or from a regional center. Embassies, certainly with the Consulates' participation, must do the rightsizing study of consulate staffing and determine whether the consulate is appropriately staffed.

All posts, including constituent posts, require their own LROBP spreadsheets. Small consulates may be included as a separate line item on the Summary Staffing Table; however, if constituent posts have multiple units and agencies, it will be simpler for posts and M/R to prepare a separate Summary Staffing Table for each post.

Five-Year Studies

Posts involved in Five Year Studies do not have some of the advantages of adapting a new building to the present staffing requirements. Nevertheless, posts must take the steps of determining existing staffing and projected staffing, and then conducting a rightsizing study of that staffing. With an NEC project, the building will be the product of that study. For existing facilities, the post must take a radical look at how agencies/sections are placed in current facilities with an eye to maximizing operations through appropriate placement of personnel and sections. The co-location of all administrative functions mentioned above will sometimes create a great deal of displacement of staff within existing facilities, but may still be feasible. Outsourcing and replacement of U.S. direct-hire staff with locally-engaged staff are further options to reduce the overall footprint and improve efficiency.

Available Guidance

During the entire phase of preparing the rightsizing report, the post is encouraged to maintain an active dialogue with the Office of Rightsizing (M/R) as well as the Regional Bureau (Executive Office, Desk, and PD Desk). As indicated above, the Office of Rightsizing will conduct DVCs with posts after they have had initial meetings to discuss their approach to rightsizing; this will give everyone an opportunity to participate in a group discussion to ensure that the post is on the right track. If necessary, the M/R analyst may also travel to post to meet with agency officials and assist the post in realizing its rightsizing objectives or in achieving inter-agency consensus.

Post's rightsizing analyst from M/R will send the post, along with these instructions, a sample rightsizing report. This should serve as a model for the post's submission, though individual cases will obviously differ.

What Happens Next?

Post will provide its rightsizing package to its Regional Bureau Executive Director. The package will include at a minimum:

- The Chief of Mission's Certification;
- The Rightsizing Report with Summary Staffing Table, as described above and outlined in the sample report sent to post;
- The ICASS Services Matrix;
- The Full Staffing Spreadsheet

The regional executive office will then forward the Bureau-approved post staffing projection and Bureau-approved rightsizing package to M/R. M/R will review and approve Rightsizing Reports, or provide comments back to the Bureau on areas in which M/R has questions or concerns about post's rightsizing plan. M/R will notify OBO when the staffing projections and Rightsizing Reports have been approved.

Chief of Mission's Certification

In accordance with the instructions of the President and Congressional requirements, I certify that my Country Team and I have carefully considered all the components of U.S. Mission in (country). The staffing reflected in the enclosed Staffing Pattern/Projection is correct. The Rightsizing Report comprehensively discusses the essential purpose of each agency and position. The goals of this mission are reflected in the Goal Paper and the Mission Performance Plan.

New positions and agencies projected in out-years have been confirmed with each agency. I consider all such agencies and positions essential to the future requirements of this mission.

I have directed the elimination of all duplicative functions among agencies of the Mission. My Country Team and I have considered the available options for regionalizing and competitively sourcing both program and program support requirements. Functions that can be performed by personnel based in the United States or at regional offices overseas are not be performed at post. All Mission elements, current and projected, in (country) are essential and are the minimum necessary for the proper performance of the Mission's responsibilities.

Sincerely,

(name)

Rightsizing Checklist

Each post should begin with the following basic set of questions about the goals and functions of the Mission.

MISSION PRIORITIES AND REQUIREMENTS

1. What are the post's priorities (i.e., USG priorities)?
2. Does each agency's mission reinforce post priorities?
3. What are the staffing levels and mission of each agency?
4. How do agencies determine their post staffing levels?
5. Is there an adequate justification for the number of employees at each agency compared with the agency's mission?
6. Is there adequate justification for the number of direct hire personnel devoted to support and administrative operations?
7. Is the mix between US and LES employees optimal?
8. To what extent are mission priorities not being sufficiently addressed due to staffing limitations or other impediments?
9. To what extent are workload requirements validated and prioritized and is the post able to balance them with core functions?
10. Do the activities of any agencies overlap?
11. Given post priorities and the staffing profile, are increases in the number of existing staff or additional agency representation (I.e., agencies not currently represented at post) needed?
12. To what extent is it necessary for each agency to maintain its current presence in country, given the scope of its responsibilities and its mission?
13. Could an agency's mission be pursued in other ways?
14. Does an agency have regional responsibilities or is its mission entirely focused on the host country?

PHYSICAL/TECHNICAL SECURITY OF FACILITIES AND EMPLOYEES

1. What is the threat and security profile of the post?
2. Has the ability to protect personnel been a factor in determining post staffing levels?
3. To what extent are existing office buildings secure?
4. Is existing space being optimally used?
5. Have all practical options for improving the security of facilities been considered?
6. Do issues involving facility security put the staff at an unacceptable level of risk or limit mission accomplishment?
7. What is the capacity level of the host country police, military, and intelligence services?
8. Do security vulnerabilities suggest the need to reduce or relocate staff?
9. Do health conditions in the host country pose personal security concerns that limit the number of employees that should be assigned to the post?

COST OF OPERATIONS

1. What is the post's total annual operating cost?
2. What are the operating costs for each agency at post?
3. To what extent are agencies considering the full cost of operations in making staffing decisions?
4. To what extent are costs commensurate with the post's overall strategic importance, with agency programs, and with specific products and services?

CONSIDERATION OF RIGHTSIZING OPTIONS

1. What are the mission, security, and cost implications of relocating certain functions to the United States, regional centers, or to other locations, such as commercial space or host country counterpart agencies?
2. To what extent could agency program and/or routine administrative functions (e.g., procurement, logistics, and financial management functions) be handled from a regional center or other locations?
3. Do new technologies and transportation links offer greater opportunities for operational support from other locations?

4. Do the host country and regional environments suggest there are options for doing business differently, that is, are there adequate transportation and communications links and a vibrant private sector?

5. To what extent is it practical to purchase post services from the private sector?

6. Does the ratio of support staff to program staff at the embassy suggest opportunities for streamlining?

7. Can functions be reengineered to provide greater efficiencies and reduce requirements for personnel?

8. Are there best practices of other posts or private corporations that could be adapted by the post?

9. To what extent are there US or host country legal, policy, or procedural obstacles that may impact the feasibility of rightsizing options?

Rightsizing Service Matrix: ICASS Services Subscription

ICASS SERVICES: FY 2006

POST NAME:

DATE PREPARED:

Code	Cost Center	Agency and Agency Code	1150.0 DEFENSE SECURITY COOPERATION AGENCY	1515.0 DOJ - CRIMINAL DIVISION	1525.0 JUSTICE-FEDERAL BUREAU OF INVESTI- LEG	1900.0 STATE	1901.0 ICASS	1920.0 OVERSEAS BUILDINGS OPERATIONS	1930.0 STATE - NARCOTICS	1931.0 STATE-MSG SUPPORT	1940.0 STATE-BUREAU FOR REFUGEE PROGRAMS	1942.0 STATE - DS	1967.0 PUBLIC DIPLOMACY (FORMER USIA)	2065.0 TREAS-INT'L AFFAIRS-OFFICE OF TECHNICAL	2121.1 ARMY-US EUROPEAN COMMAND (EUCOM)	2142.1 ARMY-CORPS OF ENGINEERS	2144.3 ARMY-AVIATION & MISSILE COMMAND (AMCOM	4400.0 PEACE CORPS	7023.0 DHS - CUSTOMS, INTERNATIONAL AFFAIRS	7203.1 AID-OPERATING EXPENSES, MISSIONS	7227.0 AID-FREEDOM SUPPORT ACT	9705.0 DEFENSE INTELLIGENCE AGENCY	9714.0 SOCEUR J-35	9733.0 DEFENSE THREAT REDUCTION AGENCY
5449	DTSPO IVG Lines	No. of Instruments Serviced																						
5458	Information Management Technical Support	No. Of Peripherals																						
5624	Health Services	No. Authorized Users																						
5826	Non-Residential Local Guard Program	Net Sq. m. Occupied Non-Res																						
5827	Security Supplemental	Net Sq. m. Occ. by Agencies																						
5880	Security Services	No. of Americans and LES																						
6150	Basic Package	No. DH Americans																						
6443	Community Liaison Office	No. Svced Amer,TCNS, Contrctrs																						
	General Services																							
6132	Vehicle Maintenance	No. Vehicles Maintained																						
6133	Administrative Supply Services	Dollar Value of Supplies Issue																						
6134	Procurement Services	No. of Executed Proc. Docm`nts																						
6135	Reproduction Services	No. Copies Printed / Reprod.																						
6136	Shipment and Customs Services	No. Shipments Sent / Recvd																						
6139	Direct Vehicle Operations	No. Miles Driven																						
6143	Non-Expendable Property Mang	No. of Item Inventoried																						
6148	Leasing Services	No. Leases Maintained																						
6462	Travel Services	No. Travelers Serviced																						
	Information Management																							
6192	Pouching Services	Wt. Pouches Sent																						
6194	Mail & Messenger Services	No. DH Amer (& LES if no DH)																						
6195	Reception and Switchboard Services	No. Instr Srvcd Switch/Direct																						
	Financial Management Services																							
6211	Budgeting & Financial Plans	% of Time Spent Budgeting																						
6221	Accounts and Records	No. of Obligations																						
6222	Payrolling	No. Americans & LES Payrolled																						
6223	Vouchering	No. Vouchers Processed																						
6224	Cashiering	No. VchrsPaid,AccomExch,Cltns																						
	Personnel Services																							
6441	American Personnel Services	No. DH Americans																						
6451	Locally Engaged Staff Services	No. LES Serviced																						
	BOE Expenses																							
7810	GO_LTL Residential Bldg Ops	Net Sq. m Occupied																						
7820	GO_LTL Non Residential Bldg Ops	Net Sq. m Occupied																						
7850	STL Residential Bldg Operations	Net Sq. m Occupied																						
7860	STL Non Residential Bldg Operations	Net Sq. m Occupied																						
	Miscellaneous Services																							
	Furniture, furnishings, appliances & equipment pool																							
	Other																							

Instructions:

Enter X for fully subscribed, .6 and 3. as appropriate for modifications, and blank for not subscribed. For those services at a Lite post that are aggregated (GSO, FMO, IM, etc.), if the agency is fully subscribed or not subscribed at all to a cluster, then you don't need to make any further notations in the sub-services. If they are modified in that cluster, please make a notation as to which sub-services the agency receives and which not based on the modification.

Rightsizing Service Matrix: ICASS Services Actual Workload Account

ICASS SERVICES: FY 2006

POST NAME:

DATE PREPARED:

Code	Cost Center	Agency and Agency Code	1150.0 DEFENSE SECURITY COOPERATION AGENCY	1515.0 DOJ - CRIMINAL DIVISION	1525.0 JUSTICE-FEDERAL BUREAU OF INVESTI- LEG	1900.0 STATE	1901.0 ICASS	1920.0 OVERSEAS BUILDINGS OPERATIONS	1930.0 STATE - NARCOTICS	1931.0 STATE-MSG SUPPORT	1940.0 STATE-BUREAU FOR REFUGEE PROGRAMS	1942.0 STATE - DS	1967.0 PUBLIC DIPLOMACY (FORMER USIA)	2065.0 TREAS-INT'L AFFAIRS-OFFICE OF TECHNICAL	2121.1 ARMY-US EUROPEAN COMMAND (EUCOM)	2142.1 ARMY-CORPS OF ENGINEERS	2144.3 ARMY-AVIATION & MISSILE COMMAND (AMCOM	4400.0 PEACE CORPS	7023.0 DHS - CUSTOMS, INTERNATIONAL AFFAIRS	7203.1 AID-OPERATING EXPENSES, MISSIONS	7227.0 AID-FREEDOM SUPPORT ACT	9705.0 DEFENSE INTELLIGENCE AGENCY	9714.0 SOCEUR J-35	9733.0 DEFENSE THREAT REDUCTION AGENCY
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7860	STL Non Residential Bldg Operations	Net Sq. m Occupied																						
	Miscellaneous Services																							
	Furniture, furnishings, appliances & equipment pool																							
	Other																							

Instructions:

Enter the number of your workload counts, the ones you have. If you are a Lite post, you won't have all the workload counts for all the services, but you will have some. While GSO is per capita, most embassies still track miles driven per agency, number of customs/shipping actions per agency, etc.

Competitive Sourcing Template

For more informaton about using the template, see Rightsizing Procedures, Section II, Item 4, "Developing a business case" (p. 29.)

Only worksheets for services that post has identified are NOT inherently governmental AND where there is potential on the local market to outsource need to be filled out.

In comparing prices, if the anticipated savings is less than 10%, in general the service will be retained in-house unless there are other advantages (e.g., quality) to be gained by outsourcing.

CAPITAL SECURITY COST SHARING PER CAPITA COSTS:

	FY2006	FY2007	FY2008	FY2009-10
Non-CAA Office	$11,258	$16,886	$16,391	$20,488
Non-Office	$1,976	$2,964	$2,837	$3,546

All cells highlighted in YELLOW are data required to cost out the business case to determine whether post should either commercially outsource or keep the service in-house.

Worksheets - Quick Finder:

In Excel, click on the hyperlinks below to take you directly to each of the individual costing worksheets. There are also hyperlinks in the upper left hand corner of each worksheet that will take you directly back to this main page as well.

- Basic Package
- Community Liaison Services
- Computer Services (Information Management Technical Support)
- Health Services
- Non-Residential Local Guard Program
- Security
- Motorpool
- Vehicle Maintenance
- Procurement (Inherently Governmental)
- Reproduction
- Shipping & Customs
- Non-Expendable Property Management (Warehousing)
- Administrative Supply
- Leasing
- Travel
- Pouching
- Mail and Messenger
- Reception & Switchboard
- Budget & Financial Plans
- Accounts & Records
- Payrolling
- Vouchering
- Cashiering
- US Citizen Personnel Services
- LES Personnel Services
- GO/LTL and STL Building & Operating Expenses (Office)
- GO/LTL and STL Building & Operating Expenses (Residential)
- Language Instruction
- Translating
- Interpreting

Competitive Sourcing Template

Sample Worksheet

Cost Factors	Description	In-House	Commercial Provider	Comments
Annual Wages	(1776 hours = 1 staff year). Post should use the mid-step level annual salary rate for each position providing services in this service area.			
Fringe Benefits	**Include All Employee Benefits:** Retirement, Insurance & Health, Medicare, Worker's Compensation, Unemployment, Cash Awards, Quality Step Increases, Bonuses, Housing & Transportation Allowance, or Other Miscellaneous Allowances			
Other Entitlements	**Include All Other Entitlements:** Differential Pay, Night Shift Pay, Sunday Pay, Hazardous Duty (Danger) Pay, Overtime, Holiday Pay, Premium Pay, COLA's or Other Miscellaneous Entitlements			
Capital Security Cost Sharing Per Capita Charge **(NON-CAA OFFICE)**	These are typically USDH and/or LES staff positions that occupy a "standard" office space. These positions will typically be considered your professional staff. The per capita cost will be different depending on the fiscal year you are analyzying. See the chart in the INSTRUCTIONS-MENU worksheet.			
Capital Security Cost Sharing Per Capita Charge **(NON-OFFICE)**	These are typically USDH and/or LES staff positions that occupy a "standard" office space. These positions will typically be considered your professional staff. The per capita cost will be different depending on the fiscal year you are analyzying. See the chart in the INSTRUCTIONS-MENU worksheet.			
Materials & Supplies	Typically these will be your 2600 sub-object code budget line items.			
Depreciation	**CURRENT DEPRECIATION VALUE** = Original Cost/Useful Life IF Years Used is less than or equal to Useful Life. If greater than Useful life Current Depreciation Value = Zero.			
Cost of Capital Assets	Include the cost of all 3100 sub-object budget line items.			
Rent	Include the rent of both office and residential space associated with this service area.			
Facilities	Include the cost of all facility contracts and costs associated with running the building(s) where the service is housed. These can be both 2500 & 2600 sub-object line items. **Do not include Utilities here.**			
Utilities	Include the cost of utilities - - 2300 sub-object budget line items.			
Insurance	Include the cost of all insurance: Liability & Casualty			
Travel	Include all 2100 sub-object budget line item costs associated with this service area.			
Training	Include all training costs associated with this service area.			
Sub-Contractor Costs	Include all partial service costs of outsourced or sub-contractor labor & materials.			
Severance	Include the one-time severence costs with eliminating existing in-house positions. Get HR at post to identify these costs for the LES personnel assigned to this service area.			
Other One-Time Costs	Include all other one-time conversion costs, office moves, employee recruitment associated with transitioning this service to a different service provider.			
Overhead	Use the rate of 5% of total service costs above (excluding one-time costs) to calculate this overhead amount.			
	TOTALS	**$0.00**	**$0.00**	

Rightsizing Report Template

2005 Rightsizing Report
Mission X
August 19, 2005

I. Mission Goals and Objectives, Analysis of Duplicative Activity

Since the end of the conflict here in 199x, the United States has taken a lead role in the reconstruction of X. Today, this is still a work in progress, although much further advanced than some would have imagined ten years ago. As a result of the normalization process achieved within the country, we envision being able to reduce our staffing in X to reflect a reduced workload. A detailed breakdown of mission objectives, and the staffing required to meet those objectives, follows below.

Our principal mission objective is to develop a coherent, stable X on its way to membership in regional security and economic organizations. To achieve this objective, our chief priorities, in conjunction with international institutions, are:

COUNTERTERRORISM (CT)

Executive Office
Regional Security Office
Global Affairs Office
DOJ/ICITAP
FBI
DOJ/OPDAT
POL/ECON
Consulate A

The Regional Security Office runs an Anti-Terrorist Assistance program, training elite host country police counterterrorism units.

The Global Affairs Office works with host country counterterrorism officials to assist them in developing strategy and expertise in identifying, monitoring, and apprehending terrorist operatives. It has provided assistance to the host government in preparing the Intelligence Reform Law, providing a legal framework to denaturalize terrorists who gained Xian citizenship during the war.

The ICITAP program trains the local police force. Part of that training involves rule of law and civil society issues (in particular, policing in a multi-ethnic society), but a major focus is also on counterterrorism measures.

The Legal Attaché Office (FBI) investigates criminal activities, and provides logistical expertise to host country law enforcement in the investigation of counterterrorist and other acts.

The DOJ OPDAT office provides guidance to train prosecutors and judges in successfully prosecuting counterterrorism and related cases.

The POL/ECON section works with host government officials at all levels, with Parliament, with G8 and other embassies, and with NGOs and international organizations to enhance the host government's understanding of, preparedness for, and response to counterterrorism issues. It works with Parliament to ensure that effective counter-terrorism legislation is enacted. It also reports to an avid Washington readership on the success of the host government's counterterrorism readiness and action plans. The POL/ECON section also works with host government financial and law enforcement institutions to combat terrorist finance.

The Consular Section supports counterterrorism goals through adjudicating applications for non-immigrant and immigrant visas, conducting fraud investigations, and protecting the welfare of American citizens. Consular staffing needs to increase from three officers to four and FSN staffing from 5 to 6, as Xians, freed from concerns about ethnic violence and with higher disposable incomes as the economy improves, contemplate travel to the United States, and as Homeland Security regulations dictate that more work is done by American officers rather than FSNs. Over the next five years we anticipate a slight drop in the number of American citizens present in the country, as NGOs scale back their activities. X is not (yet) a tourist destination for Americans.

Our constituent post supports counterterrorism efforts by ensuring that the coöperative programs we have organized at the national level filter down to the regional and local level. Constituent post personnel engage with both provincial and local government officials and police to identify suitable candidates for the mission's training programs.

Assessment: An aggressive, broad-based inter-agency approach to this highest priority, utilizing a great variety of perspectives and skill sets, ensures that we achieve the widest possible cooperation from the GOX, particularly given the continued presence of mujaheddin fighters who remained after the war and "charitable" non-governmental organizations funded by the Saudis and others that continue to operate in X, providing a channel for the flow of money to extremists and terrorists. The mission's Counterterrorism Committee, which meets weekly, ensures that any duplication of effort is kept to a strict minimum and that information is regularly shared interagency, with the Political/Economic section taking the lead in reporting on both USG and GOX activities, and the Executive Office playing a strong central coordination role. (Increase 1 USDH – 1 FSN)

REGIONAL STABILITY (RS)

Executive Office
POL/ECON Defense Attaché Office
Office of Defense Cooperation
Consulate A

The Political/Economic Section engages with host government institutions to seek official cooperation with war crimes tribunals and effective civilian control of the military by Parliament and the new, unified Ministry of Defense. The section also reports extensively on peace-building efforts, such as destruction (with U.S. help) of a massive stock of over 6,000 shoulder-fired anti-aircraft missiles.

The Defense Attaché Office works actively with its counterparts in the nascent Ministry of Defense to establish an appropriate institutional framework. It also assists that Ministry in the establishment of a state-level integrated peace-supporting capability, and coordinates demining efforts with the host government.

The Office of Defense Cooperation supports the capability of the GOX military by offering IMET and other training programs to host country services.

Our constituent post, located in a minority ethnic area, is intensively involved with NGOs and government institutions to support peace-building efforts in that geographic region. An activist public diplomacy program complements these efforts, including extensive public speaking on multi-cultural societies.

Assessment: There is some duplication of reporting between POL/ECON and DAO, and a diminished interest overall by Washington readership now that X is no longer the world's principal trouble spot. Current POL/ECON staffing devoted to this area is no longer appropriate, given the normalization of the internal and external political situation since the end of the war, and the GOX success in building appropriate institutions to support the peace. POL/ECON is reducing its staff by two Political Officers due to decreased workload. (Downsize: 2 USDH)

INTERNATIONAL CRIME (IC)

Executive Office
Regional Security Office
FBI
DOJ/ICITAP
DOJ/OPDAT
POL/ECON

The Regional Security Office works with local law enforcement officials and deploys Marine Security Guards and a local guard force to secure the Embassy's premises, people, and information. Due to the post's critical threat status, a sizable regional security force is required to protect Embassy personnel and property.

The FBI works with host country law enforcement counterparts to investigate and solve a wide variety of criminal activities, including organized crime.

The ICITAP program provides training by police experts to train police forces to effectively investigate crimes and apprehend criminals, while respecting human rights and reducing ethnic tensions.

The OPDAT program provides training by Resident Legal Advisers to train prosecutors and judges in successfully prosecuting criminals and justifying appropriate sentences.

The POL/ECON section works with the Parliament and host government to ensure enactment and enforcement of appropriate legislation, with a key emphasis on anti-trafficking measures, which will hopefully ensure that X is moved from Tier III to Tier II.

Assessment: The need for large numbers of host country law enforcement and judicial personnel to be trained as soon as possible presents a significant challenge to the USG. A single OPDAT advisor has

been insufficient to accomplish the extensive training requirements of the host country judiciary, and DOJ will need to staff a second position to accelerate the effectiveness of this program. Two ICITAP personnel are also insufficient to meet the police training mandate, and will need to be augmented by a third. As noted in CT above, the Counterterrorism Committee, which brings all of the law enforcement entities in the mission together on a weekly basis, with strong Executive Office coordination, prevents duplicative activities and ensures frequent communication. (Increase: 1 USDH desk, 1 USDH non-desk)

ECONOMIC PROSPERITY (EP)

Executive Office
POL/ECON
FAS
FCS
Treasury
USAID
Consulate A

The POL/ECON section is actively working with host country ministries and international financial institutions to restructure X's substantial internal debt, and to assist the GOX in battling rampant corruption, which adversely affects foreign (including U.S.) investment in the country.

The Foreign Agricultural Service and Foreign Commercial Service have minimal presences advocating U.S. agricultural and commercial exports. Primary responsibility for these functions rests with personnel at regional platforms.

The Treasury advisors assist the GOX in formulation and implementation of tax reform, in particular a value-added tax.

USAID has focused its Economic Growth Program on removing barriers to the development of small and medium-sized enterprises.

Our constituent post in A, a major commercial center, has been very effective in slicing through bureaucratic red tape impeding American investment in X. The consulate has been particularly helpful in achieving greater transparency in public tenders for infrastructure projects, in which American companies are now actively involved.

Assessment: As the Xian economy normalizes, the need for extensive U.S. involvement in the country's economic restructuring has diminished commensurately. The USG role will increasingly mirror that in other transitional economies of limited interest to U.S. markets. USAID is reducing its Economic Growth staff by 3 American and 3 FSN staff, and POL/ECON is reducing its staff by one Econ Officer. (Downsize: 2 USDH, 2 USPSC and 3 FSN)

DEMOCRACY (DE)

Executive Office
USAID
PAS
POL/ECON
Consulate A

USAID's democracy program focuses on providing guidance to host government ministries, NGOs, and political parties in establishing the structures governing the national, regional, and local political process and the administrative systems that will make it work. These activities are largely over. The remainder of USAID's democracy program is focused on facilitating the return of refugees.

The Public Affairs Office, through its exchange, speaker, and information programs, provides visible American support for X's ethnic diversity and in particular outreach to the majority Muslim community. Support for an active, free, and responsible press as a central vehicle in the democratic process is vital. Special funding for one USDH officer devoted exclusively to democracy programs is being withdrawn, and we will substitute a qualified FSN to continue much of the work at a fraction of the cost.

The POL/ECON section focuses its attention in the democracy area primarily on ensuring human rights – for all ethnic groups – during the drawdown of the international assistance community (including USAID), and on reporting on human rights issues to a Washington and regional readership.

Our consulate in A is heavily involved in grass-roots democracy-building, working in tandem with both NGOs and local and regional governments to ensure that the seeds of X's democracy continue to germinate and flourish. Consulate personnel support a range of civil society and good governance programs, and have begun holding American-style "town meetings" throughout their district to engage directly with local politicians and citizens.

Assessment: As indicated above, with the establishment (and testing, through elections) of democratic institutions and structures in X, USAID's democracy-building efforts in this area are largely completed. Residual USG interests in this area will be covered by PAS, POL/ECON, and Consulate A. USAID is reducing its Democracy staff by 3 American and 4 FSN staff, and PAS is replacing one USDH with one FSN. (Downsize: 1 USDH, 2 USPSC, and 4 FSN)

PUBLIC DIPLOMACY (PD)

PAS
Consulate A

The Public Affairs Section is responsible for advancing host country understanding of American policy and culture through a wide range of exchange, speaker, and information programs. Special emphasis has been placed on clarifying U.S. Middle East and counter-terrorism policy for X's Muslim-majority population.

Our Consulate in A, a majority-Christian area, also uses speaker programs, exchanges, and media outreach to promote American policy. Thanks to its contacts and insights in the Christian community, we can field very effective multi-ethnic exchange groups, which further foster mutual understanding and political stability.

Assessment: With the elimination of the special democracy-focused position discussed above, the Public Affairs staff will consist of a Public Affairs Officer, Information Officer, and Cultural Affairs Officer to handle the wide range of public affairs responsibilities, in particular Muslim outreach. (Rightsized)

MANAGEMENT (MG)

Management Office
ICASS Mgt Staff
USAID Mgt Staff

The USAID Executive Office is presently responsible for the proper execution of its development and reconstruction projects, in addition to providing general administrative support. The Deputy Executive Officer position will be abolished upon co-location in the NEC, an adjustment that reflects the reduced USAID presence at post. With co-location and consolidation of services, The AID Executive Officer will also take responsibility for overseeing the Human Resources Office, permitting the elimination of one USDH position there.

The DOS Management Officer is responsible for the administrative support of all agencies at post, as provided through ICASS. The USDH OMS may be effectively replaced by an LES OMS.

Assessment: USAID is reducing the Executive Office staff by one American position, reflecting the smaller USAID presence after FY-09. MGT is replacing one US desk with one LES desk (- 2 US desk, + 1 LES desk)

Financial Management
ICASS FMO Staff
USAID Controller's Office Staff

ICASS FMO office provides a variety of financial services to all agencies at post. All non-State budgeting is handled by the other agencies, either here, in regional centers, or domestically. Public Diplomacy does its own budgeting in-house, although with major assistance from ICASS FMO. With the exception of the Treasury USPSCs, ICASS handles vouchering for all agencies. USAID sends a minor number of its vouchers through FMO, the rest being processed by its own Finance staff; with the move to the NEC, these processes can be consolidated . All agencies use the ICASS cashier, with the exception of USAID, which has its own cashier. One cashier position (either AID or State) will be abolished when the NEC is occupied.

Assessment: The duplication of cashier and voucher services will cease upon the move to the NEC when one cashier position and 3 voucher clerks are abolished. USAID will also abolish one American position at that time. Decreased DOS staffing will necessitate the abolishment of one ICASS FSN position. (Downsize: 1 USDH – 5 FSN desks)

Human Resources
ICASS HR Staff
USAID HR Staff

The ICASS HR office provides FSN personnel services for State, ODC, FAS, FCS, DOJ, FBI, MSG, PD, and DIA, plus reduced services for USAID. They offer US personnel services for State, with reduced services for USAID. All other agencies are serviced through their regional or domestic offices. (See service matrix for details)

USAID HR presently supports the USAID USPSCs and USDHs, including contract negotiation, allowances, renewals, and medical clearances, as applicable. They also provide CAJE classification, person-

nel actions and records for USAID FSNs. They also review funding and personnel proposals for the program offices. They also run the USAID training program, including in-house and external training, in compliance with USAID directives.

Assessment: All HR functions are duplicative, and can be consolidated no later than the move to the NEC. At that point, USAID will sign up for full ICASS HR services, and the combined staff will be reduced by at least four FSN desk positions. The USDH HR position will also be abolished, at the AID Executive Officer will provide supervision of the HR function. At the same time, however, we want to take advantage of the Regional Services Center in Frankfurt by regionalizing a significant portion of our HR portfolio, to include: position classification (CAJE), maintenance of the staffing pattern, coördination of LES evaluations, and preparation of LES personnel actions. We will continue managing the American program, awards, recruitment, and training. (Downsize: 1 USDH, 4 FSN desks)

Computer Services
State and ICASS IRM
USAID Computer Management

USAID and State are working actively toward consolidation of their overseas systems platforms. Most of the software and all of the hardware in the AID and ICASS computer systems is off-the-shelf and can be maintained by ICASS. At least one FSN desk position can be eliminated as a result. (Note: The USDH personnel are responsible for additional services beyond computers, such as classified communications, pouch, mail, reception, cell phones, IVG, and information security).

Assessment: Co-locating all sections and agencies in the NEC will create a number of economies of scale in the Computer Services section. All DOS systems can be supported from a single unclassified server room. No more support will need to be given to remote offices. The new state-of-the-art IM infrastructure will require less repair and modification. (Downsize: 1 FSN desk)

Telephone/Reception
ICASS
USAID

Co-location in the NEC will preclude the need for two parallel telephone operator/receptionist teams. Three telephone operator positions and one receptionist position will be abolished upon co-location in the NEC. Co-location in the NEC will reduce the need for telephone technicians to support outlying offices. The telephone infrastructure in the NEC should need little maintenance and repair for some years.

Assessment: Duplication exists. (Downsize: 5 FSN desks)

Supply
ICASS
USAID

When all sections and agencies are co-located in the NEC, the need for a large supply staff will diminish. The on-compound location warehouse will minimize the lead time required to supply stock items. Within the next year, USAID and ICASS will complete a review of supply services to determine how to combine them under one service provider, either USAID or ICASS. At least two positions will be abolished upon conslidation/moving to the NEC.

Assessment: Duplication exists. By the end of the year, the post ICASS Council will decide between USAID- or ICASS-provided supply services. (Downsize: 2 FSN desks)

Housing
ICASS
USAID

Upon direction from Washington, AID and State have combined their housing pools. As a result all housing services are provided by ICASS, and one housing position will be eliminated.

Assessment: Duplication exists. One position will be eliminated. (Downsize: 1 FSN/EFM desk)

Procurement
ICASS
USAID

USAID does not subscribe to ICASS Procurement services. It has one FSN to procure supplies and services and a large, experienced contracting section, which performs far more complex procurement actions than its ICASS counterparts.

Assessment: There is duplication in the procurement section. AID will present a proposal to the ICASS Council to become an alternate service provider, resulting in consolidation of the two sections and a reduction of two FSNs and one ICASS General Services Officer. (Downsize: 1 USDH - 2 FSN desks)

Travel
ICASS
USAID

Until now no big-name travel agencies, such as American Express or Carlson Wagon-Lit, have had local representation. However, Wagon-Lit has just announced plans to open an office. By the time the NEC is completed, it will offer full travel services. ICASS will retain one travel FSN to monitor the contract and assist with US Government travel regulations. At the same time, the VIP Coordinator position has become less essential as X slides out of the spotlight of world interest and fewer high-level visitors fly in and out of post.

Assessment: Both duplication and an opportunity for outsourcing exist. After all agencies move into the NEC, American Express will be the principal travel service provider. (Downsize: 1 EFM and 3 FSN positions)

Motor Pool
ICASS
USAID
DOJ
DIA

Co-location will reduce the need for some of the in-town driving, and enable consolidation of multiple motor pools into ICASS. The on-compound location of the MSGQ will reduce the need for Marine duty drivers. With consolidation, there is no need for 5 supervisory/dispatch personnel. These positions can be reduced by 2. Driver positions will not be filled when they come open until the total has

been reduced by three. In addition, the USDH position will be abolished upon the departure of the incumbent, and the responsibilities assigned to the Customs and Shipping GSO.

Assessment: Duplication exists. (Downsize: 2 FSN desks – 3 drivers)

Shipping and Customs
ICASS
USAID

After completing a cost comparison, USAID decided that ICASS provided more cost-efficient services in Shipping and Customs. It is now receiving this service from ICASS.

Assessment: No duplication exists. (Rightsized)

Facilities Maintenance
OBO/ICASS
USAID

The move to the New Embassy Compound will have a profound effect on the Facilities Maintenance section. The state-of-the-art facility will require an education, computer-savvy staff of FSNs. The mechanics, electricians, and engineers will all be closely scrutinized to determine which have the needed talents. An initial study suggests that one technical position could be eliminated, plus an additional two non-skilled labor positions. Likewise, an additional HVAC technician may have to be added to the staff. USAID will reduce its facilities staff by 12 positions prior to the move to the NEC.

Outsourcing considerations: Gardeners, laborers, and char force are traditionally areas most appropriate for outsourcing. AID's Economic Growth Program has targeted the development of small and medium-sized enterprises, and two of these – in gardening and janitorial services – are being piloted.

Assessment: With USAID abolishing all but five of its maintenance positions, there is little duplication of functions. The one area of overlap is in residential maintenance. Now that the housing pool will be merged, a joint maintenance staff makes sense. (Downsize: 1 FSN desk – 14 FSN non-desk)

Warehouse
ICASS
USAID

USAID and ICASS will merge their operations in the NEC on-compound warehouse. This will lead to a further reduction in the number of FSN positions required.

Assessment: Duplication exists. After the move, there will be no need for two separate warehouses. When operations are combined in a single facility, with a single service-provider, three FSN positions will be eliminated. (Downsize: 3 FSN non-desk)

II. Competitive Sourcing, Regionalization, Substitution of LES for USDH Positions

Competitive Sourcing

Basic Package: Much of this cost center is inherently governmental, as it involves significant decision making. Some functions which are not inherently governmental, such as cost of living surveys, post already contracts.

Community Liaison Office: Potentially commercial, not subject to market analysis. Department has determined this function is reserved for eligible family members to provide spousal employment opportunities.

Computer Services: Potentially commercial, subject to market analysis. Post conducted a solicitation to determine the cost of providing this service commercially. The ICASS unit cost is $365. The commercial cost was $355, representing less than a 10% savings. Based on the minimal difference, post determined it was more advantageous not to oursource and avoid the disruption of transition.

Health Services: Potentially commercial, but not subject to market analysis. The Regional Medical Officer recommends against local clinics except in real emergencies, because of a lack of sterile conditions and poor nursing quality. As a result, the Department provides a Foreign Service Nurse Practitioner.

Non-Residential Local Guard Program: Potentially commercial, already outsourced.

LES Security Services: Potentially commercial, not subject to market analysis. The RSO has determined that local security conditions require an employee workforce to maximize safety.

Vehicle Maintenance: Potentially commercial, already outsourced.

Administrative Supply: Potentially commercial, subject to market analysis. However, since the property management function, which uses the same staff, will not be outsourced, neither will this.

Procurement: Inherently governmental.

Reproduction: Potentially commercial, already outsourced.

Shipping and Customs: The actual shipping part is potentially commercial, and already outsourced. Most of the remaining functions, because they involve significant decision making, are inherently governmental.

Direct Vehicle Operations: Potentially commercial, subject to market analysis. Post conducted a solicitation to determine the cost of providing this service commercially. The ICASS unit cost is 35 cents per kilometer. The cheapest bid received was 39 cents per kilometer.

Non-Expendable Property Management: Potentially commercial, subject to market analysis. Post conducted a solicitation to determine the cost of providing this service commercially. The ICASS unit cost is $2.65 per item inventoried. The lowest bid received was $2.61. Because of the marginal difference, the embassy opted not to outsource this function.

Leasing: Potentially commercial (except for lease signature), but not subject to market analysis. Despite the development of the local economy, there is widespread corruption in the real estate business (our FSN leasing assistant has been asked repeatedly to pay bribes to brokers).

Travel Services: Potentially commercial, to be analyzed by the time the NEC opens.

Pouching: Potentially commercial, not subject to market analysis. Pouching security is integrated into other security requirements making it impractical to separate..

Mail and Messenger: Potentially commercial, but such a small function that it is not practical to outsource.

Reception and Switchboard: Potentially commercial, subject to market analysis. However, we were unable to locate a suitable contractor from whom to solicit a bid.

Budgets and Financial Plans: Post receives much of this service from the Frankfurt Regional Center. The remaining portion of this cost center is either inherently governmental or so small that it is impractical to outsource.

Accounts and Records: Potentially commercial, subject to market analysis. However, market analysis indicated that no Western accounting firms present in X were willing to consider such a small operation.

Payrolling: Payrolling is done by the Charleston Regional Center. The payroll liaison function occupies less than one FTE, and therefore is impractical to outsource.

Vouchering: Post's vouchering is being transferred to the Frankfurt Regional Center.

Cashiering: Potentially commercial, already outsourced.

U.S. Citizen Personnel Services: Part of this function is inherently governmental and part of it potentially commercial. However, the potentially commercial portion is too small to outsource in X.

LES Personnel Services: Part of this function is inherently governmental and part of it potentially commercial. A number of aspects of this function as also being regionalized to the Frankfurt Regional Center. As yet there are no "Manpower"-type recruitment companies offering services in X, but this will inevitably change as the economy develops.

Building Operating Expenses: Potentially commercial, subject to market analysis. Residential BOE expenses are generally performed by the landlord. Post conducted a solicitation to determine the cost of providing this service commercially. The ICASS unit cost is $5.62 per square foot. The low bidder was $4.08 per square foot. Post has begun outsourcing janitorial and gardening services, with the expectation of adding other maintenance functions as long as these pilots are successful. This will also give us time to reduce staff progressively.

Regionalization

A number of policy areas are already covered on a regional basis, and are no longer part of the mission's workload.

For State, the labor portfolio, as well as the environment, science and technology portfolio, are both provided region-wide from Embassy Y.

For Agriculture, American oversight of the single FSN in X is provided from the FAS office at Embassy Y.

For Commerce, all commercial services are provided from the FCS office at Embassy Y. One FSN transferred from FCS to Econ serves as a point of contact.

In the administrative area, we are actively shifting responsibility for selected human resources and financial management activities to the Regional Support Center in Frankfurt: position classification, maintenance of the staffing pattern, coördination of LES evaluations, and preparation of LES personnel actions, as well as some budgeting and all vouchering. This will permit the elimination of four FSN desk positions.

Substitution of LES for USDH Positions

As political and economic conditions stabilize and more well-trained Xians return here to live, we expect to be able to substitute LES employees for some jobs now filled by Americans. The Agriculture Section has already demonstrated successfully how a single, well-trained, professional-level FSN, receiving direction from American staff at a regional platform, can be very effective at promoting American agricultural exports. Special funding for one Public Affairs American position is being withdrawn, but we are continuing the function by replacing that American officer with a well-trained FSN. We will continue to explore other areas to replace USDH positions with qualified FSNs.

III. Mission Staffing Levels

	Current Staffing				Projected Staffing				Change			
AGENCY	US Desk	LES Desk	Non Desk	Tot.	US Desk	LES Desk	Non Desk	Tot.	US Desk	LES Desk	Non Desk	Total
STATE	**61**	**56**	**204**	**321**	**58**	**59**	**204**	**320**	**-3**	**+3**	**0**	**0**
Executive	5	4	0	9	5	4	0	9	0	0	0	0
Political/Economic	14	9	0	23	11	10	0	21	-3	+1	0	-2
Global Affairs	19	0	0	19	19	0	0	19	0	0	0	0
Consular	3	5	0	8	4	6	0	10	+1	+1	0	+2
Public Affairs Office	4	11	0	15	3	12	0	14	-1	+1	0	0
Regional Security	6	18	199	223	6	18	199	223	0	0	0	0
Marine Security Guard	1	0	5	6	1	0	5	6	0	0	0	0
IPC/ITC	7	0	0	7	7	0	0	7	0	0	0	0
Consulate A	2	9	0	9	2	9	0	9	0	0	0	0
JOINT MANAGEMENT SERVICES	**17**	**98**	**95**	**210**	**12**	**72**	**76**	**162**	**-5**	**-26**	**-19**	**-50**
Management/CLO/MED	6	6	0	12	4	7	0	11	-2	1	0	-1
General Services	5	39	47	91	3	29	40	72	-2	-10	-7	-19
Facilities	1	7	48	56	1	6	36	43	0	-1	-12	-13
Budget and Fiscal	2	15	0	17	1	10	0	11	-1	-5	0	-6
Human Resources	1	7	0	8	0	3	0	5	-1	-4	0	-5
Information Management	2	24	0	26	2	18	0	20	0	-6	0	-6
USAID	15	29	0	44	9	22	0	31	-6	-7	0	-13
AGRICULTURE	0	1	0	1	0	1	0	1	0	0	0	0
JUSTICE	4	2	2	8	5	2	3	10	+1	0	+1	+2
FBI	3	0	0	3	3	0	0	3	0	0	0	0
OPDAT	1	2	0	3	2	2	0	4	+1	0	0	+1
ICITAP	0	0	2	2	0	0	3	3	0	0	+1	+1
DEFENSE	5	7	0	12	5	7	0	12	0	0	0	0
DAO	5	1	0	6	5	1	0	6	0	0	0	0
ODC	0	6	0	6	0	6	0	6	0	0	0	0
TREASURY	0	0	2	2	0	0	2	2	0	0	0	0
COMMERCE	0	1	0	1	0	0	0	1	0	-1	0	-1
TOTAL	102	194	303	599	89	163	285	531	-14	-30	-18	-62

For the purposes of this rightsizing exercise, all administrative support positions have been combined on one chart. This is to facilitate the discussion of duplicated functions, most of which will be consolidated. Included in this chart are ICASS, USAID, and PAS positions.

Summary of Offices and Personnel Not Collocating into New Embassy Compound

Personnel at the constituent post, in addition to the following agencies and organizations, will not be co-locating: Treasury and ICITAP, both of which work out of host government ministries. In addition, the Foreign Commercial Service will be exiting from X and the sole FSN will be transferred into the ECON section.

Five-Year Projected Rightsizing Projects

Fiscal Year	Mission	Planned Capital Projects
FY05 Spring Cycle		
1.	Bosnia and Herzegovina	Sarajevo NEC FY06
2.	Burkina Faso	Ouagadougou NEC FY07
3.	Congo/D	Kinshasa NEC FY07
4.	Congo/R	Brazzaville NEC FY06
5.	Djibouti	Djibouti NEC FY06
6.	Ethiopia	Addis Ababa NEC FY07
7.	Fiji	Suva NEC FY05
8.	Gabon	Libreville NEC FY06
9.	Georgia	Tbilisi Annex FY06
10.	Indonesia	Surabaya NEC FY06
11.	Latvia	Riga NEC FY07
12.	Lebanon	Beirut NEC FY06
13.	Macedonia	Skopje Annex, Whse and MSGQ FY06
14.	Madegascar	Antanarivo NEC FY07
15.	Malta	Valletta NEC FY08
16.	Mexico	Mexico City NEC FY06
		Tijuana NEC FY10
17.	Micronesia	Interim Office Building FY05
18.	Nigeria	Abuja Anex FY06
19.	Norway	Oslo NEC FY07
20.	Palau	Interim Office Building FY05
21.	Philippines	Manila NEC FY07
22.	South Africa	Johannesburg NEC FY06
23.	Sudan	Khartoum Annex and MSGQ FY06
		Juba NEC FY??
24.	Yugoslavia	Belgrade NEC FY07
25.	Zambia	Lusaka NEC FY07
FY06 Fall Cycle		
1.	Azerbaijan	Baku NEC FY08
2.	Brunei	Bandar Seri Begawan NEC FY08
3.	Burundi	Bujumbura NEC FY09
4.	Chad	N'djamena NEC FY09
5.	Dominican Republic	Santo Domingo NEC and Annex FY09
6.	Eritrea	Asmara NEC FY09
7.	Iceland	
8.	Indonesia	Jakarta NEC FY09
9.	Italy	Milan NEC FY09
10.	Liberia	Monrovia NEC FY08
11.	Libya	Tripoli NEC FY08
12.	Morocco	
13.	Mozambique	Maputo NEC and Annex FY08
14.	Pakistan	Karachi NEC FY08
		Peshawar NEC FY08
15.	Paraguay	Asuncion NEC FY08
16.	Poland	Krakow NEC FY08
17.	Romania	Bucharest NEC FY09

Fiscal Year	Mission	Planned Capital Projects
FY06 Fall Cycle (cont'd)		
18.	Russia	St. Petersburg NEC FY09
19.	Saudi Arabia	Jeddah NEC FY-08
		Riyadh NEC FY-??
		Dhahran NEC FY-??
20.	South Africa	Pretoria Annex FY08
21.	Sri Lanka	Colombo NEC FY09
22.	Taiwan	Taipei NEC FY07
23.	Tunisia	Tunis Language School FY-09
24.	Turkey	Ankara NEC FY09
25.	Ukraine	Kiev NEC and Annex FY09
26.	Zimbabwe	Harare NEC and Annex FY08
FY06 Spring Cycle		
27.	Algeria	
28.	Bermuda	
29.	Brazil	
30.	Colombia	
31.	Costa Rica	
32.	Denmark	
33.	Finland	
34.	Germany	
35.	Guyana	
36.	Holy See	
37.	India	Calcutta NEC FY-11
		Chennai NEC FY-10
		Hyderabad
38.	Ireland	
39.	Korea	Seoul NEC FY09
40.	Luxembourg	
41.	Malaysia	
42.	New Zealand	
43.	Singapore	
44.	Switzerland	
45.	United Kingdom	
46.	U.S. Mission USFODAG, Rome	
47.	U.S. Perm Mission to the UN Office and Other Intl. Org in Geneva	
FY07 Fall Cycle		
1.	Bahamas	
2.	Benin	Cotonou NEC and Annex FY10
3.	Botswana	
4.	Burma	
5.	Canada	Toronto NEC FY10
6.	Cape Verde	
7.	China	Guangzhou NEC FY08
		Shanghai NEC FY??
8.	East Timor	Dili NEC FY10
9.	Equitorial Guinea	
10.	Hong Kong	
11.	Israel	Tel Aviv NEC and Annex FY10

Fiscal Year	Mission	Planned Capital Projects
FY07 Fall Cycle (cont'd)		
12.	Jerusalem	Jerusalem NEC FY10
13.	Kosovo	Pristina NEC FY10
14.	Mauritania	Nouakchott NEC FY10
15.	Sierra Leone	
16.	Slovak Republic	Bratislava NEC FY10
17.	Surinam	Paramaribo NEC FY10
18.	Syria	Damascus NEC FY10
19.	Tajikistan	
20.	Thailand	Chiang Mai NEC FY10
21.	U.S. Mission to ICAO, Montreal	
22.	United Arab Emirates	Dubai NEC FY10
FY07 Spring Cycle		
23.	Bahrain	
24.	Bangladesh	
25.	Barbados	
26.	Belarus	
27.	Belize	
28.	Chile	
29.	Estonia	
30.	Grenada	
31.	Guinea	
32.	Guinea Bissau	
33.	Kenya	
34.	U.S. Perm Mission to UNEP and UN Center for Human Settlements, Nairobi	
35.	Kyrgyzstan	
36.	Lithuania	
37.	Malawi	
38.	Mali	
39.	Mauritius	
40.	Mongolia	
41.	Nepal	
42.	Slovenia	
43.	Turkmenistan	
44.	Uruguay	
FY08 Fall Cycle		
1.	Angola	
2.	Argentina	Buenos Aires NEC FY11
3.	Central African Republic	Bangui NEC FY11
4.	Cote d'Ivoire	
5.	Ecuador	Guyaquil LFO FY11
6.	Greece	Thessaloniki NEC FY??
7.	Guatemala	
8.	Laos	Vientiane NEC FY11
9.	Lesotho	
10.	Moldova	Chisinau NEC FY11
11.	Namibia	Windhoek NEC FY11
12.	Netherlands	The Hague NEC FY11
	Netherlands Antilles	

Fiscal Year	Mission	Planned Capital Projects
FY08 Fall Cycle (cont'd)		
13.	Niger	
14.	Senegal	Dakar NEC & Annex FY11
15.	Seychelles	
16.	Spain	Madrid NEC FY11
17.	Swaziland	Mbabane NEC FY11
18.	Vietnam	Hanoi NEC FY12
FY08 Spring Cycle		
19.	Armenia	
20.	Australia	
21.	Belgium	
22.	Bolivia	
23.	Cambodia	
24.	Cameroon	
25.	Croatia	
26.	Cuba	
27.	Czech Republic	
28.	France	
29.	Gambia	
30.	Ghana	
31.	Jordan	
32.	Oman	
33.	Panama	
34.	Tanzania	
35.	Togo	
36.	Trinidad and Tobago	
37.	U.S. Mission to European Union	
38.	U.S. Mission to NATO	
39.	U.S. Mission to OECD, Paris	
40.	U.S. Mission to UNESCO, Paris	
FY09		
1.	Afghanistan	
2.	Albania	
3.	Austria	
4.	Bulgaria	
5.	Cyprus	
6.	Egypt	
7.	El Salvador	
8.	Haiti	
9.	Honduras	
10.	Hungary	
11.	Iraq	
12.	Jamaica	
13.	Japan	
14.	Kazakhstan	
15.	Kuwait	
16.	Marshall Islands	
17.	Micronesia	
18.	Nicaragua	

Fiscal Year	Mission	Planned Capital Projects
FY09 (cont'd)		
19.	Niger	
20.	Papua New Guinea	
21.	Peru	
22.	Portugal	
23.	Qatar	
24.	Rwanda	
25.	Samoa	
26.	Uganda	
27.	U.S. Mission to UNVIE	
28.	U.S. Mission to OSCE	
29.	U.S. Mission to IAEA	
30.	Uzbekistan	
31.	Venezuela	
32.	Yemen	