

Highlights of [GAO-04-679](#), a report to congressional requesters

HUMAN CAPITAL

Selected Agencies' Use of Alternative Service Delivery Options for Human Capital Activities

Why GAO Did This Study

Human capital offices have traditionally used alternative service delivery (ASD)—the use of other than internal staff to provide a service or to deliver a product—as a way to reduce costs for transaction-based services.

GAO was asked to identify which human capital activities agencies were selecting for ASD, the reasons why, how they were managing the process, and some of the lessons they had learned. Eight agencies were selected to provide illustrative examples of ASD use.

What GAO Recommends

GAO is making a recommendation to the Director of the Office of Personnel Management (OPM) to work with the Chief Human Capital Officers Council to share and distribute information about ASD. OPM stated that the recommendation is consistent with their concern for overseeing human capital contracting, for which OPM has the lead. OPM expressed concern about two issues it believes were not sufficiently covered in the report—OPM's support for agencies' ASD efforts and agency accountability issues when using ASD providers. GAO believes that both issues are covered by this recommendation.

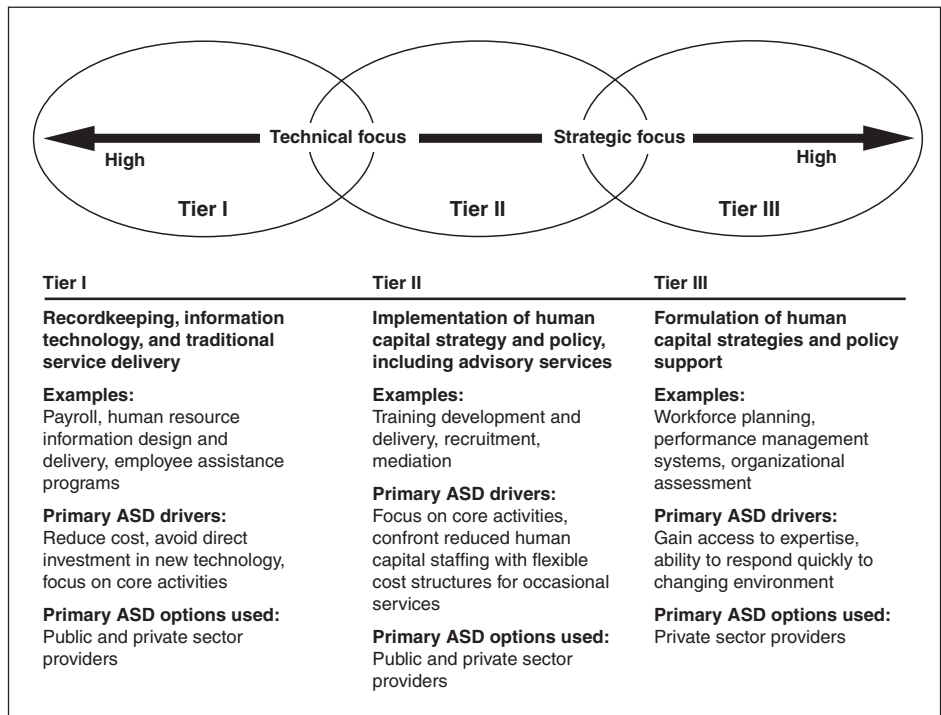
www.gao.gov/cgi-bin/getrpt?GAO-04-679.

To view the full product, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

What GAO Found

The selected agencies were using ASD for the full range of their human capital activities. The figure below groups like human capital activities that the agencies provided through ASD into three overlapping tiers and identifies their associated drivers and the options used.

Summary of Selected Agencies' ASD Characteristics for Three Tiers of Human Capital Activities



Source: GAO.

Agencies generally approached their management of ASD in similar ways. They conceptually agreed that human capital activities that did not require an intimate knowledge of the agency, oversight, or decision-making authority could be considered for ASD, although in practice they showed differences in their choices of ASD activities. GAO identified several lessons the agencies had learned about ASD management, such as the importance of understanding the complexity and requirements of an activity before making an ASD decision. As the President's agent and adviser for human capital activities, OPM also has a central role in assisting agencies' management of ASD. Several agencies noted that they used OPM's Training and Management Assistance program, which provides human capital contract assistance. However, the officials also cited the need for sharing information about specific ASD efforts, useful metrics, and lessons learned.