



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC BRINGS CONTRACT WORK IN-HOUSE, SAVES \$2.3 MILLION OVER THREE YEARS

The Federal Deposit Insurance Corporation (FDIC) is terminating 11 contracts for outside services and bringing the work in-house. The move will save an estimated \$2.3 million over the next three years and preserve about 50 jobs while the FDIC is the midst of a downsizing effort.

This action results from a joint seven-month review of 169 contracts by the FDIC and the National Treasury Employees Union (NTEU). The review's purpose was to determine whether it was more cost-effective to continue contracting for certain services or to have FDIC staff perform the same work. The study was completed in April 1996.

Joint FDIC and NTEU contract review teams used a standard cost-comparison methodology. The study included an assessment of the FDIC's capability of performing the contracted services in-house and a comparative "in-house vs. contractor" cost analysis.

The 11 contracts being terminated provide accounting and information systems support to the FDIC.

In light of the joint review's success, the FDIC and the NTEU have agreed to conduct joint studies of selected future contracting efforts as an ongoing part of the FDIC's contracting process. Both organizations expect their collaborative efforts will result in continued savings for the Corporation.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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