

SCOMM

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(LIST)

Subject: A-76 (Commercial Activities) Reference Materials

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> Subject: A-76 (Commercial Activities) Reference Materials

>

> Marco, as promised, I'm forwarding you my library of Guides, Regulations,
> and other information pertaining to the A-76 Competitive Sourcing Studies
> (Commercial Activities). I hope this information will help keep you from
> "reinventing the wheel" with respect the CS & P.

>

> It was a privilege to meet you and the Commission Members, and to provide
> an overview of A-76 CS & P activities in the Federal Government.

>

> Take care.

>

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> COMPETITIVE SOURCING (COMMERCIAL ACTIVITIES)

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> References

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> Office of Management & Budget (OMB)

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> OMB Circular No. A-76 (Revised), Performance of Commercial Activities, 4
> Aug 83

> This Circular establishes Federal policy regarding the performance of
> commercial activities.

> <<OMB Circular A-76 (Revised).doc>>

>

> OMB Circular No. A-76, Revised Supplemental Handbook, Performance of
> Commercial Activities, Mar 96

> The Supplement to the Circular sets forth procedures for determining
> whether commercial activities should be performed under contract with
> commercial sources or in-house using Government facilities and personnel.

> <<OMB Circular A-76 Revised Supplemental Handook.doc>>

>

> OMB Circular No. A-76, Updates I - XIII

> These are periodic updates and refinements provided by the author of the
> revised OMB Circular A-76, Mr. Dave Childs.

A-76 (Commercial Activities) Reference Materials

> <<OMB Circular A-76 Update I - XIII.doc>>
>
> Title 10 United States Code (10 USC) Sections relating or applying to A-76
> studies
> § 2461, § 2462, § 2464, § 2465, § 2466, § 2467, § 2468, § 4532
> <<USC Codes.doc>>
> =====
> ----
> Department of Defense (DoD)
>
> Department of Defense Directive 4100.15, Commercial Activities Program, 10
> Mar 89
> Issues DoD policies and assigns responsibilities for commercial activities
> (CAs)
> <<DoD Directive 4100.15.doc>>
>
> Department of Defense Instruction 4100.33, Commercial Activities Program
> Procedures, Jul 97
> This instruction implements the requirements of OMB Circular A-76 Revised
> Supplemental Handbook, "Performance of Commercial Activities."
> <<DoD Instruction 4100.33 (97).doc>>
>
> Department of Defense Instruction XXXX.X, Determining and Accounting for
> the Department's Manpower Mix, 1 Oct 97 This draft instruction
> establishes standardized force mix criteria that to be used to determine
> and designate which DoD military and civilian manpower requirements are
> not subject to private sector cost comparison; restricted from cost
> comparison based on law or Executive Order or an internal management
> determination; and subject to cost comparison and may be converted to
> private sector performance based upon financial advantage to the U.S.
> government and availability of a satisfactory commercial source.
> <<DoD Instruction XXXX.doc>>
>
> =====
> ----
> Army
>
> Army Regulation (AR) 5-20, Management, Commercial Activities Program, 1
> Oct 97
> This regulation implements Office of Management and Budget Circular A-76,
> DOD Directive 4100.15, and DOD Instruction 4100.33. It provides guidance
> for managing and carrying out the Commercial Activities (CA) program.
> <<AR 5-20.doc>>
> Department of the Army (DA) Pamphlet 5-20, Commercial Activities Study
> Guide (Draft), 31 Jul 98
> This pamphlet describes the procedures for conducting a CA study (cost
> competition) in accordance with AR 5-20, Commercial Activities Program,
> and the OMB Circular A-76 Revised Supplemental Handbook, Performance of
> Commercial Activities.
> <<pam5-20.rtf>>
>
> =====
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> Navy
>
> Department of the Navy - Succeeding at Competition, Guide to Conducting
> Commercial Activities Studies
> Intended to provide additional guidance to enable A-76 studies to be
> completed within a 12-month time frame. This guide is intended to be used
> by both the Commanding Officer and the team conducting the A-76 study.
> Available at the following Internet address:
> [<http://www.fac131.navfac.navy.mil/csso/dfr.htm>]

A-76 (Commercial Activities) Reference Materials

- >
- > Department of the Navy Guide To Preparing The Technical Performance Plan
- > (TPP), 1 Aug 97
- > Guide identifies significant steps and the associated documentation
- > required for planning, writing, and producing the TPP.
- > <<Technical Performance Plan Guide.doc>>
- >
- > Department of the Navy Guide for Reviewing Cost Estimates Prepared Under
- > the Commercial Activity Program, 28 Feb 97
- > The purpose of this guide is to provide uniform procedures and guidance to
- > Department of the Navy or contractor personnel performing independent
- > reviews of cost estimates prepared under the Commercial Activity (CA)
- > Program, as implemented in Office of Management and Budget (OMB) Circular
- > A-76, its Supplemental Handbook of March 1996, and related guidance.
- > <<Cost Estimate Guide.doc>>
- >
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- > Air Force
- >
- > Outsourcing Guide for Contracting, Jun 96
- > An excellent guide to A-76 policy and procedures promulgated within the
- > Air Force.
- > <<OUTSOURC.DOC>>
- > =====
- > ----
- > Other
- >
- > American Federation of Government Employees (AFGE) Activists Personal
- > Consultant to A-76 Policy Implementation
- > An excellent self-paced guide to A-76 policy and procedures.
- > Available at the following Internet address:
- > [<http://www.afge.org/members/private/guide.htm>]
- >
- > Office of Federal Procurement Policy (OFPP) Guide to Best Practices for
- > Performance Based Service Contracting (PBSC), Oct 98
- > PBSC emphasizes objective, measurable performance requirements and quality
- > standards in developing statements of work, selecting contractors,
- > determining contract type and incentives, and performing contract
- > administration.
- > <<OFPP Guide to Best Practices.doc>>
- >
- >
- > Report of the Quadrennial Defense Review, 19 May 97
- > <<Quadrenial Defense Review (QDR).doc>>
- >
- >
- > Creating a Government that Works Better & Costs Less, National Performance
- > Review Report, 7 Sep 99
- > <<National Performance Review.doc>>
- >
- > =====
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- > General Accounting Office (GAO) Reports
- >
- > DoD Competitive Sourcing: Questions About Goals, Pace, and Risks of Key
- > Reform Initiative (GAO/NSIAD-99-46, Feb 99), available at the GAO
- > website: <http://www.gao.gov/new.items/ns99046.pdf>
- >
- > * DoD expecting \$6 billion savings in support costs between FY 1997
- > and 2003, \$2 billion savings expected annually thereafter.
- > * DoD will open 229,000 positions to competition in next several years

- > * Initial savings are likely to be less than estimated
- > * Invest costs appear understated
- > * Investment costs appear much greater than initially projected and are not fully identified
- > * Employee separation costs were not fully identified
- > * Replacing Army military personnel will increase support costs
- > * Studies may take longer than planned and will likely delay savings
- > * DoD components have concerns about effects of failing to meet study and savings goals
- > * TRADOC estimated 24 months to complete studies on 4000 positions. Command now expects to complete studies in 39 months.
- >
- > DOD Competitive Sourcing: Results of Recent Competitions (GAO/NSIAD-99-44, February 23, 1999), available at the GAO Website: <http://www.gao.gov/new.items/ns99044.pdf>
- >
- > * DoD completed 53 competitions between 1995 and 1998 involving 5,757 positions (3,226 military and 2,531 civilian) (85% positions in Air Force)
- > * Ten of the studies involved multiple functions
- > * Ten administrative appeals filed - half by Govt, half by contractor (one upheld)
- > * Private sector won 60% of competitions
- > * Of 39 competitions using 12% overhead rate, 54% were won by private sector
- > * Average time to complete studies: 18 mos single function/30 mos multi-function
- > * Navy goal is to complete studies within 12-36 mos, Air Force within 24-48 mos
- > * Initial savings estimates from recent competitions is substantial - averaging 42%
- > * Two contracts had to be recompeted because of inadequate PWS
- > * Changes in PWS occurred after contract in 18 out of 53 competitions
- > * DoD cost competitions produced savings - usually through reduction of personnel - regardless of whether private sector or government won the contract.
- > * Extent to which work can be done with fewer personnel is most clearly shown when in-house organizations win
- > * Of 32 competitions won by the private sector, four were terminated within 14-26 months due to unsatisfactory performance
- >
- > * Military Housing: Privatization Off to a Slow Start and Continued Management Attention Needed (GAO/NSIAD-98-178, 17 July 98) <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns98178.tx> t.pdf
- >
- > * OMB Circular A-76: Oversight and Implementation Issues (GAO/T-GGD-98-146, June 4, 1998) <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns98146.tx> t.pdf
- >
- > * Quadrennial Defense Review: Some Personnel Cuts and Associated Savings May Not Be Achieved (GAO/NSLAD-98-100, Apr. 30, 1998) <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns98100.tx> t.pdf
- >
- > * Defense Outsourcing: Impact on Navy Sea-Shore Rotation (GAO/NSIAD-98-107, Apr. 21, 1998) <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns98107.tx> t.pdf
- >
- > * Defense Infrastructure. Challenges Facing DOD in Implementing Defense Reform Initiatives (GAO/T-NSIAD-98-115, Mar. 18, 1998)

- > <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns98115t.t>
- > xt.pdf
- >
- > * Defense Management: Challenges Facing DOD in Implementing Defense Reform Initiatives (GAO/T-NSIAD/AIMD-98-122, Mar. 13, 1998)
- > <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:n198122t.t>
- > xt.pdf
- >
- > * Base Operations: DOD's Use of Single Contracts for Multiple Support Services (GAO/NSIAD-98-82, Feb. 27, 1998)
- > <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns98082.tx>
- > t.pdf
- >
- > * Defense Outsourcing: Better Data Needed to Support Overhead Rates for A-76 Studies (GAO/NSIAD-98-62, Feb. 27, 1998)
- > <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns98062.tx>
- > t.pdf
- >
- > * Outsourcing DOD Logistics: Savings Achievable But Defense Science Board's Projections Are Overstated (GAO/NSIAD-98-48, Dec. 8, 1997)
- > <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns98048.tx>
- > t.pdf
- >
- > * Financial Management: Outsourcing of Finance and Accounting Functions (GAO/AIMD/NSIAD-98-43, Oct. 17, 1997)
- > <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:a498043.tx>
- > t.pdf
- >
- > * Base Operations: Contracting for Firefighters and Security Guards (GAO/NSIAD-97-200, Sept. 12, 1997)
- > <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns97200b.t>
- > xt.pdf
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- > * Defense Outsourcing: Challenges Facing DOD as It Attempts to Save Billions in Infrastructure Costs (GAO/T-NSLkD-97-110, Mar. 12, 1997)
- > <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns97110t.t>
- > xt.pdf
- >
- > * Base Operations: Challenges Confronting DOD as It Renews Emphasis on Outsourcing (GAO/NSIAD-97-86, Mar. 11, 1997)
- > <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns97086.tx>
- > t.pdf
- >
- > * Public-Private Mix: Effectiveness and Performance of GSA's In-House and Contracted Services (GAO/GGD-95-204, Sept. 29, 1995)
- > <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:gg95204.tx>
- > t.pdf
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- > Not Available on the Web
- >
- > * Privatization: Questions State and Local Decision Makers Used When Considering Privatization Options (GAO/GGD-98-87, April 1998)
- >
- > * Terms Related to Privatization Activities and Processes (GAO/GGD-97-121, July 1997)
- >
- > * Competitive Contracting: Information Related to the Redrafts of the Freedom From Government Competition Act (GAO/GGD/NSIAD-98-167R, Apr. 27, 1998).
- >
- > * Government Contractors: An Overview of the Federal Contracting-Out

> Program (GAO/T-GGD-95-131, Mar. 29, 1995).

>

> * Government Contractors: Are Service Contractors Performing
> Inherently Governmental Functions (GAO/GGD-92-11, Nov. 18, 1991).

>

> * OMB Circular A-76: Legislation Has Curbed Many Cost Studies in
> Military Services (GAO/GGD-91-100, July 30, 1991).

>

> * OMB Circular A-76: DOD's Reported Savings Figures Are Incomplete
> and Inaccurate (GAO/GGD-90-58, Mar. 15, 1990).

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> Secretary of Defense Cohen Discusses A-76, Base Closures

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> Looking to the future, Secretary of Defense William Cohen announced
> impending changes in the agency as part of a long-term defense reform
> initiative, changes that include the competition of nearly 230,000
> positions between now and 2005, but said Base Realignment Base Realignment
> was the most important reform initiative.

>

> "Base Realignment and Closure, known as BRAC, is our single most important
> reform initiative, both because it is needed to shrink our infrastructure
> to match our 21st Century needs and because it promises the greatest
> savings. "As a result of the first four rounds of BRAC, the Department of
> Defense will save \$14.5 billion by 2001, with recurring savings of about
> \$5.7 billion each year thereafter. This money is critical to higher
> priority programs such as modernization and military readiness. "In the
> President's fiscal year 2000 budget request, two additional rounds of base
> closings are requested from Congress. "Because every community surrounding
> a military base is affected by its closing, DoD works to minimize the
> impact and turn the bases over to communities for use by dynamic,
> growth-oriented private enterprises that benefit the community," Cohen
> said.

>

> Cohen also said a recent GAO study revealed that incomes in 63 percent of
> the communities that experienced base closure have actually grown faster
> than the national average. "Our experience with BRAC confirms that defense
> reform is indeed helping to build a new Defense Department for a new
> century." Cohen said in the press briefing that competing with the private
> sector is necessary. "In an era of changing security interests, the
> benefits of competition are not a luxury but a necessity in order to
> reallocate funding to meet the needs of the warfighter. "The Office of
> Management and Budget's Circular A-76 and its supplemental handbook detail
> procedures for determining whether commercial activities should be
> performed within the Department of Defense by another federal agency or by
> the private sector. In November 1997 we announced a goal to compete
> 150,000 positions between fiscal year 1997 and fiscal year 2003 under the
> A-76 process. We are committed to exceeding our original objective. "The
> fiscal year 2000 budget provides for the competition of nearly 229,000
> positions between fiscal year 1997 and fiscal year 2005. The performance
> score card for competitive sourcing shows that in fiscal year 1997 the
> number of positions competed under the A-76 process was just over 26,000.
> In fiscal year 1998 over 32,000 positions were competed. From fiscal year
> 1997 through fiscal year 2005 nearly 170,000 positions will be competed
> resulting in a cumulative total of 229,000 positions competed. "The DoD
> expects this process will save approximately \$11.2 billion from fiscal
> year 1997 to fiscal year 2005. These savings will be reallocated to other
> defense priorities including force modernization," Cohen said.


>

> For the most detailed handbook on the A-76 process, order "Building the
> Optimum Organization for Federal Agencies: A handbook for developing the


A-76 (Commercial Activities) Reference Materials

- > A-76 MEO. Written by A-76 expert Dr. Rob Nelson, the 193-page book
- > provides a guide for agencies in developing the most efficient
- > organization. To order the book, or any from the FPPI Publication's
- > Library, call FPPI at 256-539-1850 or visit our website catalog at
- > www.fpmi.com.
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- > =====
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- > Internet Web Sites Related to A-76 Competitive Sourcing Studies
- >
- > Army Assistant Chief of Staff for Installation Management (ACSIM) Home
- > Page on Competitive Sourcing Studies
- > <http://www.hqda.army.mil/acsimweb/ca/cal.htm>
- >
- > Office of the Secretary of Defense for Acquisition Reform Home Page on
- > Competitive Sourcing and Privatization within the Department of the Army
- > <http://www.acq.osd.mil/ar/ar.htm>
- >
- > Federal Commercial Activities Initiatives, sponsored by ITG, a Private
- > Consultant specializing in A-76 studies, this web site is intended to
- > serve as a quick, convenient source of current information
- > <http://www.a76.com/>
- >
- > American Federation of Government Employees (AFGE) Home Page
- > <http://www.afge.org/splash/splash.htm>
- >
- > CALIBRE Systems, Inc Home Page (USARAK A-76 Study Contractor/Consultant)
- > <http://www.calibresys.com/frames.html>
- >
- > Commercial Activities Study Tracking System (CASTS); will allow limited
- > access to summary information on Department of the Army A-76 studies.
- > <http://www.sbcweb.calibresys.com/casts/default.asp>
- >
- > General A-76 information related to Morale, Welfare and Recreation
- > Programs
- > <http://trol.redstone.army.mil/mwr/a76/>
- >
- > Installations Corporate Information Management (CIM) citing general A-76
- > and Privatization information
- > <http://www.acq.osd.mil/inst/icim/icim.htm>
- >
- > Air Force Competitive Sourcing and Privatization information
- > <http://www.afmc-mil.wpafb.af.mil/organizations/HQ-AFMC/PK/pko/pkov-out.htm>
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