

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2824 SCOMM 122: COMMISSION ON PRIVATIZATION... , 1999

1 (4) there may be functions that state government should not continue to
2 perform, but should leave to the federal government;

3 (5) there may be state government functions that should be consolidated or
4 otherwise performed more efficiently;

5 (6) there exist state government functions that would be inappropriate to
6 contract out to nongovernmental agencies.

7 (b) The legislature finds it is in the best interest of the state to make a formal
8 determination of which state government functions can and should be transferred entirely to
9 private entities or to local government agencies and whether the state should stop performing
10 some functions for the federal government. The legislature also finds that it is in the best
11 interest of the state to determine which state government functions can be consolidated or
12 otherwise made more efficient.

13 (c) The legislature intends to make the determination set out in (b) of this section in
14 order to reduce dependency on state governmental revenues for the delivery of government
15 services.

16 * **Sec. 2. COMMISSION ON PRIVATIZATION AND DELIVERY OF GOVERNMENT**
17 **SERVICES.** (a) There is created in the legislative branch of the state government the
18 Commission on Privatization and Delivery of Government Services. The commission shall
19 consist of 11 members, as follows:

20 (1) one member of the senate appointed by the president of the senate who
21 shall serve as co-chair;

22 (2) one member of the house appointed by the speaker of the house who shall
23 serve as co-chair;

24 (3) one member appointed by the Alaska Municipal League;

25 (4) two public members appointed by the president of the senate, one of whom
26 shall be a representative of a Native corporation established under 43 U.S.C. 1601-1628
27 (Alaska Native Claims Settlement Act);

28 (5) two public members appointed by the speaker of the house, one of whom
29 shall be a representative of a Native corporation established under 43 U.S.C. 1601-1628
30 (Alaska Native Claims Settlement Act);

31 (6) one member appointed by the Alaska State Chamber of Commerce;

1 (7) one member appointed by the American Federation of Labor-Congress of
2 Industrial Organizations;

3 (8) one member from the minority caucus of the house appointed by the
4 speaker of the house;

5 (9) one member from the minority caucus of the senate appointed by the
6 president of the senate.

7 (b) The commission may appoint an advisory council to assist it in carrying out its
8 duties.

9 * **Sec. 3. COMPENSATION.** (a) The public members of the Commission on Privatization
10 and Delivery of Government Services appointed under sec. 2(a) of this Act are not eligible
11 for compensation but are entitled to per diem and travel expenses authorized for boards and
12 commissions under AS 39.20.180.

13 (b) Members of the advisory council appointed under sec. 2(b) of this Act are not
14 eligible for compensation, per diem, or payment of travel or other expenses by the state.

15 * **Sec. 4. MEETINGS.** The Commission on Privatization and Delivery of Government
16 Services shall meet as frequently as the commission determines necessary to perform its work.
17 The commission may meet and vote by teleconference.

18 * **Sec. 5. DUTIES.** (a) The Commission on Privatization and Delivery of Government
19 Services shall

20 (1) review and evaluate the policies and recommendations of other states that
21 are studying or have implemented recommendations to transfer the provision of government
22 services to other entities;

23 (2) review state contracting policy and procedures, including competitive
24 bidding procedures;

25 (3) identify state government functions capable of more efficient performance
26 in the delivery of government services, and determine whether those identified functions could
27 most effectively be provided by

28 (A) transferring to the private sector or contracting out;

29 (B) transferring to local governments or regional service organizations;

30 (C) the federal government;

31 (D) consolidation or other efficiency changes; or

1 (E) a combination of the approaches under (A) - (D) of this paragraph;

2 (4) identify state government functions that should be eliminated;

3 (5) identify present state government services that are most effectively and
4 efficiently delivered by the state and that should remain a responsibility of the state;

5 (6) solicit public comment about the delivery of state government services.

6 (b) By January 1, 2000, the Commission on Privatization and Delivery of Government
7 Services shall submit a written report of its findings and recommendations to the governor and
8 the legislature. The report must include suggested legislation that may be needed to
9 accomplish the recommendations. The report must specify which state

10 (1) functions should be transferred to the private sector or contracted out;

11 (2) functions should be transferred to local governments or regional service
12 organizations;

13 (3) agencies or functions should be consolidated or otherwise made more
14 efficient;

15 (4) functions should be performed by the federal government;

16 (5) functions should be eliminated as functions of state government.

17 * Sec. 6. This Act is repealed on January 1, 2000.

18 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

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UNIVERSITY OF ALASKA Subcommittee
Contact Information Sheet

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SUGGESTED OUTLINE FOR SUBCOMMITTEE REPORTS

I. Agency & Department Name

II. BRU and Component Names as listed in state budget

III Total Budget, all funds

- identify fund sources

IV. Total Revenue derived

- net cost/income to state

V. Identify Constitutional and Statutory Provisions Governing Agency Operation.

VI. Agency Mission, Goals and Objectives

- do reality check

VII. Number of Employees

- Identify Specialized Expertise Needed for Mission

VIII. Describe Technology Used to Perform Mission

- Identify Specialized Equipment Needed for Mission

IX. List Existing Agency Contracts including amount, contractor, purpose, term, and procurement method.

X. Identify Existing Privatization Practices, if any. Evaluate them for effectiveness and public accountability.

XI. Make Recommendations per Section 5 in SB 33, including suggestions for new legislation.

XII. Explain rationale for each recommendation, the number of votes for and against it.

XIII. List problems or barriers to implementing proposed privatization.



UNIVERSITY OF ALASKA STATEWIDE SYSTEM

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TO: Marco Pignalberi, Legislative Aide
Representative John Cowdery

FROM: Wendy Redman

DATE: September 17, 1999

RE: University Privatization Review

Attached are reports from UAF, UAA and UAS regarding the privatization/outourcing activities and reviews that have occurred, or are in place, at the major UA campuses. As you will see, the University has put in a good deal of effort over the last five years to evaluate and implement the use of private contractors in those areas where cost savings or improved services could be achieved.

The Board of Regents and the executive administration of the UA system continue to seek every possible opportunity to achieve greater efficiency with available resources. Without going into a high whine, I will remind you that the general fund appropriation to the University is the same this year as it was over a decade ago; state general fund represents about 40% of our total budget today compared to nearly 70% a decade ago. While a shift in the proportion of state funding was certainly appropriate, the failure to maintain modest growth in state funding during the past decade is now seriously impeding our ability to secure non-general funds, and even more alarmingly, it is impacting our ability to offer the programs necessary to maintain enrollment. Even a cursory look at our funding history will show that we are dangerously close to a downward spiral that will be very difficult to correct. Though we have more than doubled tuition and increased other non-general funds available to support the operation of the University, these measures have fallen far short of keeping pace with annual inflation, and have allowed virtually no growth in response to changing state needs.

The University undertook a major organizational restructuring beginning in 1987 that merged the state's community colleges and university centers for an annual savings of \$6 million in administrative costs. A major program assessment completed in the mid-90's resulted in another round of program eliminations, consolidations, and reorganizations. A significant part of the last program review focused on opportunities for full or partial privatization and/or out-sourcing of a full array of services. This review resulted in the shift of many functions to contracted services, including the outsourcing of most of the facility maintenance and a significant portion of the building repair and maintenance at campuses in Fairbanks and Anchorage.

With an 11-person Board of Regents appointed from the private sector, we have the advantage of input and interest in alternative delivery methods at the highest levels of University governance and management, as well as a great deal of experience. In fact, I doubt there is another entity of state government that has demonstrated as much initiative or willingness to reorganize and rethink how it conducts its

business. We have many years of experience with privatizing, and continue to be open to new ventures all the time. As new technologies are developed, opportunities for more efficient delivery of education as well as academic support services will certainly emerge. At the same time, we are continuing to pursue opportunities for joint programming with schools, private industry, and other non-profit groups that will allow the most efficient use of limited resources to meet the academic, research, and public service needs of all Alaskans. Although the legislation that formed the privatization task force did not include the University as an agency for review, I know there has been interest expressed in including us. I want you to know that we welcome the opportunity to discuss our experiences with your committee, or with a subcommittee established specifically to review the University's experience with privatization. We have a great deal of experience that may prove helpful to others, and as I indicated above, we are always interested in new and innovative ideas that will allow us to maximize resources and retain the quality of our services.

cc: President Mark Hamilton
 Vice President Jim Lynch
 BOR President Mike Burns
 Chancellors Lind, Pugh, Gorsuch
 Vice Chancellors Griffin, Vaughn, Williams

PRIVATIZATION AT UAF

Prepared by: Terry Kelly, Director of Procurement

When investigating privatization it is important to differentiate between the forms it takes. Privatization can be considered out-sourcing of: (1) non-personal services, (e.g., custodial, food service, maintenance, etc) and professional services (e.g. architectural, financial, legal, computing services and other specialized consulting for specific needs); and (2) hiring management companies to manage and administer University functions, (e.g. facilities management, accounts payable, purchasing, personnel, information technology, etc.). Privatization in either form has potential advantages, and inherent disadvantages. It is not a panacea for operational deficiencies, nor a guarantee of improved performance. The variables in privatization are the quality of potential providers, the disconnect that occurs when our customers are one iteration removed, the added burden of contract administration and the reoccurring disruption with each change of contractor.

Also, a distinction of interest may be that, unlike some State agencies, the University has a middle option to establish self-supporting auxiliaries. Auxiliaries are an economic hybrid subject to the dynamics of competition but operating within the University framework. This brings the benefits of private enterprise while retaining control, flexibility and continuity. The functions below marked "Contract" are privatized. Those marked "Auxiliary" are in-house, self-supporting. Functions that are underlined are provided internally for the reasons given.

In broad terms, UAF contracts for a wide variety of non-personal, professional, and scientific services totaling more than \$49m annually. These range from custodial services to scientific data analysis and are too numerous to list. I have tried to list those functions that are most commonly perceived as privatization opportunities.

FACILITIES SERVICES

Design, Architectural & Engineering Contracts: Approximately \$1m to \$5m annually

New Construction Contracts: Approximately \$15m to \$30m annually.

Maintenance & Operations Contracts: Approximately \$600k annually is out-sourced for numerous small to mid-range contracts with local businesses for such things as equipment rental, pest control, overhead door maintenance, heavy equipment safety inspections, major vehicle repairs, boiler/furnace maintenance, window cleaning, road repairs, and many others.

Telecommunications Contracts: Approximately \$625k annually for local & long distance service. PTI performed a preliminary evaluation of privatization in 1997, but did not pursue it further.

Electrical Power Contracts: (off campus & backup as needed): Approximately \$250k annually.

Sewer Treatment Contract: Approximately \$360k annually.

Custodial Services Contract: Approximately \$1.5m annually. Previously done in-house. Includes all custodial services throughout the campus, including student dormitories. This contract resulted from a cost/benefit review conducted in the early 1990's.

Coal Transportation Contract: Approximately \$500k annually. Previously a sole source to the Alaska Railroad, competition was introduced into this service via the trucking industry resulting in total savings to UAF of \$60k to \$100k annually.

Elevator Maintenance Contract: Approximately \$95k annually to provide maintenance, repair, and safety assurance for all elevators on campus.

Ash Hauling: Approximately \$72k annually. Previously done in-house, this service removes the ash and transfers all ownership, disposal and hazardous materials requirements to the contractor.

Hazardous Materials Waste Management Contract: Approximately \$150k in hazardous materials disposal, abatement programs and haz mat information.

Direct Digital Controls Contract: Approximately \$150k in maintenance and monitoring of facilities environmental digital control systems. This is tied directly to UAF's energy conservation program.

Hess Village Housing Auxilliary: Approximately \$500k in annual revenues. This pilot program has been successful in completely refurbishing and renovating these married student-housing units from rental income resulting from high occupancy. This program has proven the effectiveness of bringing sound business practices to the housing issue.

Electric & Heating Utilities: UAF is self-sufficient. The Utilities Plant which produces both power, heat and water for the campus pre-dates availability of large-scale power and water production accessible by UAF. The cost of electric production is roughly equivalent to local utility rates. The local utility has no need for UAF's generating capacity. Moreover, the power plant produces steam heat for the campus as a by-product of the power production.

Water: UAF produces its own water. That water is also used to cool the power plant. The local utility has been investigating the economies of privatization. Current comparisons show UAF water produced at approximately \$1.53/kgallons while the private sector rate is approximately \$3 to \$3.50/kgallons. No proposals have yet been presented to UAF.

Refuse Hauling: A preliminary investigation of basic refuse collection privatization conducted in 1998 indicated a cost difference of approximately \$4,600. This cost difference is based on basic refuse collection only and does not include vital services that UAF currently supplies and would be required to continue to provide if outsourced. Some of these vital services include; small garbage can collection, special events refuse collection, grounds policing, walk-up collections at private residences, collection at the Downtown Center, and handling of hazardous materials. During our investigation, both local contractors indicated that the price for refuse collection would increase over time and that their garbage trucks would be amortized over a five year period. Therefore, under contract, UAF would be required to pay for a contractor's new truck at a rate that would far exceed any costs associated with replacing it's own truck. If UAF were required to pay for these items in addition to the basic refuse collection services, the costs would greatly exceed the estimated cost difference of \$4,600 for contracting the basic service.

Snow Removal: UAF own its snow removal equipment (graders, dump trucks, loaders). It is used year round for landscaping, and other projects. The majority of the labor in snow removal is provided inexpensively by students. Any potential savings by out-sourcing are not expected to offset the need for this equipment for other uses, nor the flexibility that in-house service provides.

Parking Management: Privatization of parking management, including building a parking facility, was investigated in 1995. The private sector determined that it was not economically viable.

STUDENT SUPPORT SERVICES

Food Service Contract: Approximately \$1.5 to \$2m annually. Includes all board program meals, and on-campus catering with exceptions made only for the Culinary Arts Program presentations. An intense review by the previous administration, student committees, and a respected consultant are nearing completion. A stronger partnership is emerging with the contractor, and a new RFP for an expanded program will be issued this fall.

UAF Bookstore Auxiliary: Approximately \$3m in annual sales to students, faculty, staff and the public (primarily tourists). The most recent trend in University bookstores is not out-sourcing, but rather partnering with the private sector. This business configuration is emerging through web-based access to major book sellers; direct marketing of computer hardware/software from the manufacturer through a campus outlet (not available to the private sector); and the marketing of logo items through local retail outlets. Technology is changing the nature of bookstores. It holds the promise of leaner operations, continued favorable pricing and increased revenues. The UAF Bookstore has established a web presence, and is pursuing the efficiencies of web ordering, and publishing company partnerships. UAF will be in a better position 2-3 years from now to assess whether sufficient additional benefits are attainable through outright privatization.

University Technology Center Auxiliary: Approximately \$2m in annual sales. The UTC, in partnership with major manufacturers, is a computer store with a presence on the three MAU's providing hardware/software to students, faculty, staff, and departments. This "direct only" sales approach, not available through private sector dealers, is initiated by major manufacturers and provides unprecedented discounts.

Residence Life Auxiliary: Approximately \$3.7m annually. UAF is in the closing stages of a renovation and review of housing operations. The administration is developing alternative operating configurations and strengthening partnerships with the Food Service program. In the spring of 1999, a consulting firm was hired to review housing services and make recommendations for enhancing quality, and economic viability.

CAMPUS SUPPORT SERVICES

Printing Services Auxiliary: Approximately \$1.3m annually. Printing Services is not simply a "copy center" as defined by most agencies. It directly supports nine instructional programs in journalism, broadcasting, and graphic arts through the campus Ethernet backbone with a high technology. The issue of privatization has been addressed by legislation that requires that UAF offer the private sector the opportunity to bid on printing jobs above the competitive threshold. This insures that the Printing Services Auxiliary is at least as cost effective as privatization. In addition to printing, UAF Printing Services provides and maintains copy machines throughout the campus. A private sector print management firm recently reviewed the technology and pricing structure of UAF Printing Services and did not pursue it further.

Conferences & Special Events Auxiliary: Approximately \$426k annually, but \$37,423 is University related. Technically, this is recharge, a variation on the auxiliary model. About 90% of the department's activities is coordinating events for external customers unrelated to the University at non-University venues. It is under review by the administration. Consideration should be given to redefining its mission to promoting UAF and developing opportunities for the campus to host a variety of organizations to showcase the University.

MANAGEMENT SERVICES

Facilities Management: Private sector management of university facilities is available, but not commonplace. UAF Facilities Management has recently undergone a major reorganization merging Physical Plant, Utilities and Design & Construction. The efficiencies and effectiveness of this new organization should be assessed before consideration is given to privatization.

Accounts Payable: The accounts payable function is undergoing a transition to a new level of electronic processing. Introduction of a procurement card (Pro-Card) for purchases provides a single monthly MasterCard billing for hundreds of vendors. MasterCard pays the vendor almost immediately after the transaction. It is expected to produce significant savings in labor and administrative cost in the coming years. These efficiencies should be assessed before we consider out-sourcing the function entirely. Consideration perhaps should be given to increased consolidation of payable functions.

Procurement & Contract Services: Purchasing is gaining from some of the same changes affecting Accounts Payable. Three to five positions have been eliminated in Procurement in recent years due to advances in technology, increased staff expertise, and increases in bid limits. This is shifting the focus of the department from order processing to contract administration. As privatization increases, the need for more and better contract management increases proportionately. Consideration perhaps should be given to increased consolidation of purchasing functions.

Human Resources/Payroll: The very term, "human resources" rather than the traditional "personnel" implies a wider spectrum of service to current and potential employees. UAF Human Resources does not fit the hiring hall function most closely identified with out-sourcing personnel or payroll functions. Much consolidation of employee relations and payroll has already taken place with key functions being provided at the Statewide Administration level.

SUMMARY

The best opportunity for privatization to produce dramatic improvements is when the agency is bloated with staff and wasteful budgeting. One of the bright spots of the several years of decrement spending is that, at every level UAF, indeed all UA, has been forced to find management and service innovations to meet the need in spite of declining resources. That by definition produces a heightened level of productivity. Meeting this challenge year after year has resulted in downsizing staff, upgrading technology, and demanding better management. The number of auxiliaries is increasing. Further review is needed to insure sound business practices and the economies of scale are attained.

Many opportunities for out-sourcing have been found. New opportunities are always under review. But the good news/bad news is that the budgetary rendering process of the last decade has greatly narrowed the gap between the efficiency we have already secured and the increment of efficiency that might be available from privatization.

PRIVATIZATION AT UAA

Prepared by: William Rose, Vice Chancellor for Administration

Over the last five years, the University of Alaska Anchorage (UAA) has evaluated and implement the use of private contracted services in cases where cost-savings and/or service improvements could be achieved. It is our goal to attain the highest level of service while utilizing the lowest cost alternative in the delivery of administrative and support services across the UAA campuses. UAA's track record relative to the use of outsourcing as a means to achieve cost-savings while maintaining quality, supports this goal. The **highlights** of these efforts have been the outsourcing of facilities design and engineering services, maintenance and repair, renovations, new construction, custodial services, utilities, food services, the copy-service arm of the printing department, tuition loan services, and athletic team travel services. In addition, the UAA Bookstore was recently studied to determine if privatization was a viable alternative to an in-house operation including the issuance of a Request For Information (RFI). The following are more detailed summaries of UAA's recent privatization efforts.

Facilities Design and Engineering Services, Maintenance & Repair, Renovations, New Construction, and Custodial Services

1. All UAA architecture, design, or engineering support is contracted out. Contracts are awarded by task or project. \$500,000 to \$3,000,000 is expended annually on design and engineering services depending on the available level of "local" maintenance dollars and state capital appropriations.
2. Maintenance and repair, renovation, and new construction projects are awarded by project. \$1.2 million is expended annually on maintenance and repair and renovations. A unit price contract is also utilized for routine maintenance and repair. New construction is dependent on available state or federal funds.
3. All custodial support (except the Housing complex) is outsourced. A new contract was awarded in July 1999 at an annual cost of approximately \$800,000.
4. All elevator maintenance is contracted out at an annual cost of \$45,000.
5. An energy conservation contract provides \$250,000 in energy conserving modifications to UAA facilities on an annual basis.
6. All utilities are provided by outside entities at an annual expenditure level of approximately \$3,000,000.

In addition, our extended sites at Kenai, Kodiak, Mat-Su, and Prince William Sound utilize contracted services for the majority of their facilities expenditures.

Food Services

In FY99, the new UAA housing complex was completed. To complement this new facility, the existing in-house dining services at UAA were consolidated and contracted out. The new contractor, Aramark, operates all cash dining venues, including the Daily Grind, Wolf Den, Counter Culture, Bear Necessities, and catering services. In addition, they also operate the student dining board program, including the Cuddy Cafeteria and Creekside Eatery. "Subway" independently operates a venue in the UAA Campus Center. The total value of these contracts is approximately \$2,467,932.

Printing Services

In 1996, the UAA printing department was analyzed to consider the use of contracted services. The study found the overall printing department to be a cost-effective asset to

UAA. The study did recommend that the copy services area within the printing department be further analyzed. Copy services was reviewed and recommended for outsourcing in order to increase service, to improve machine and copy quality, and to reduce overall copier costs. The Copier Management Program (Copy Center) was contracted out to Xerox (XBS) in 1996.

Miscellaneous Services

UAA has recently contracted out tuition loan services and travel services for athletic teams. In addition, UAA has contractors performing Facilitation and Mediation, Moving, Laundry, Forestry Consulting, Photography, Vending, Newspaper printing, Fire Extinguisher Inspection, Advertising, and Legal Services to name a few.

Bookstore

In Fiscal Year 1998, a study was conducted to determine if the UAA Bookstore should be privatized. This entity is a fully-costed, self-sustaining auxiliary operation that receives no general fund support. The study found no evidence that moving to an independent, corporate firm would improve services or reduce costs. A search of potential bookstore owners, through a Request For Information (RFI) process, found limited interest in this highly specialized entity. The study found that a for-profit operation would increase the price of books for the students by 5 - 20%. UAA decided to closely monitor the yearly performance of the Bookstore to ensure that an in-house operation was viable. In FY99, the Bookstore performed well with sales of \$4.7 million, and a positive year-end balance, while book prices remained nationally competitive with campus bookstores and entities such as Amazon.com. Currently, the Bookstore has developed an online presence and is in the final development stages of an online requisition and ordering system for faculty and students.

UAA has developed and implemented internal and external customer satisfaction surveys to ensure our in-house and outsourced activities are performing effectively. Overall, the current mix of UAA personnel and contractors is providing the University with excellent, cost-effective service. However, we are never satisfied with the status quo. Consequently, we are constantly reviewing current operations to determine if restructuring or contracting out would improve service and provide more efficient use of our limited resources.

PRIVATIZATION AT UAS

Prepared by: Carol Griffen, Vice Chancellor for Administrative Services

Facilities Design and Engineering Services, Maintenance and Repair, Renovations, New Construction and Custodial Services

1. UAS contracts for all architecture, design, or engineering support. Contracts are awarded by project. The cost of such services vary from \$150.0-\$200.0 per year depending upon available level of maintenance dollars and state capital appropriations.
2. Maintenance and repair, renovation and new construction projects are awarded by project. Approximately \$700.0 is spent annually on maintenance, repair and renovation. New construction is not contained in the annual expenditures stated above. Those expenditures are strictly dependent upon state capital project appropriations.
3. Custodial support is outsourced on the Sitka campus. The annual contract is approximately \$62.0. Since there has been mixed success across the system where custodial services have been contracted, it is UAS's intention to use the Sitka contract as a pilot project prior to making any determinations about expanding contracted custodial services.
4. All elevator maintenance is contracted at an annual cost of \$34.0.
5. All utilities are provided by outside entities at an annual expenditure level of approximately \$730.0.

Bookstore

Since the mid eighties, UAS has developed an RFP on two occasions to contract with local vendors to provide bookstore services on the Juneau campus. We were not successful either time in finding a local vendor willing to provide book store services on site for the Juneau students. This fall UAS has identified 10 courses for a pilot project to determine the feasibility of purchasing texts on the internet. Most of the classes in the test project are offered distance delivery which previously required additional handling to deliver the books to the students across Alaska. Those students are now purchasing their texts from vendors across the WEB. The test is working very well and it is our intent to continue to expand this opportunity for students.

Security

UAS has never had a police force. It has been our practice for a number of years to contract for security services throughout the region at an annual cost of approximately \$76.0.

Day Care

In 1995 UAS, Juneau campus eliminated a campus run day care center which was for use by students who were enrolled at the Juneau campus. Due to the rising cost and the inadequacy of available facilities the service is no longer offered, however we do continue to assist students to find placements for their children in local private day care facilities.

Printing

In the mid eighties UAS closed its printing facility and has since that time contracted with private printing firms for all its publications, including course schedules, catalogues, printed course materials and program brochures. The annual cost of printing services is approximately \$133.0.

Food service

Over the course of the last decade the Juneau campus has made two attempts to find a private company to provide food service at the Juneau Campus for residential students. Both attempts, the most recently in 1997, failed to find a private vendor willing to provide those services with out substantial subsidy to the campus. We remain very interested in contracting with a private vendor for food service.

Since the mid eighties UAS has discontinued providing services in-house where it made sense to contract them to private businesses. We have a long history of attempting to find private businesses to provide a student bookstore, food services, printing and childcare. UAS has been partially successful and remains interested in exploring opportunities to privatize services where we can obtain a high level of service and the lowest cost alternative for the delivery of administrative services.

Agency Totals - FY00 Operating Budget

Agency: University of Alaska

	FY98 Act	FY99 CC	FY99Auth	Gov Amd	House	Senate	ConfComm	FY99Auth to ConfComm	
Totals for Agency	385,949.8	442,415.3	442,440.7	465,810.7	465,801.8	465,298.0	465,801.8	23,361.1	5.3%
Objects of Expenditure:									
Personal Services	216,489.2	234,757.9	232,794.6	249,021.6	243,401.6	242,082.0	243,401.6	10,607.0	4.6%
Travel	9,683.7	8,567.7	8,481.4	8,759.1	8,759.1	8,442.5	8,759.1	277.7	3.3%
Contractual	83,172.5	111,521.4	109,133.2	122,635.6	122,635.6	122,635.6	122,635.6	13,502.4	12.4%
Commodities	40,420.5	46,385.8	46,962.6	49,348.3	49,348.3	49,348.3	49,348.3	2,385.7	5.1%
Equipment	8,661.6	4,648.3	4,655.1	6,051.0	6,051.0	6,051.0	6,051.0	1,395.9	30.0%
Lands/Buildings	7,344.1	30.0	15.0	131.5	131.5	131.5	131.5	116.5	776.7%
Grants, Claims	13,164.3	11,047.8	11,304.8	11,512.8	11,512.8	11,512.8	11,512.8	208.0	1.8%
Miscellaneous	7,013.9	25,456.4	29,094.0	18,350.8	23,961.9	25,094.3	23,961.9	-5,132.1	-17.6%
Funding Sources:									
1002 Fed Rcpts	44,788.5	58,006.2	58,006.2	63,434.2	63,434.2	63,434.2	63,434.2	5,428.0	9.4%
1003 G/F Match	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	2,777.3	0.0	0.0%
1004 Gen Fund	161,766.5	163,329.5	163,354.9	168,974.9	168,966.0	165,062.2	168,966.0	5,611.1	3.4%
1006 GF/MHTIA	200.8							0.0	%
1007 I/A Rcpts	28,557.5	34,105.0	34,105.0	34,564.9	34,564.9	34,564.9	34,564.9	459.9	1.3%
1010 UA/INT INC	2,884.6	3,330.0	3,330.0	3,339.6	3,339.6	3,339.6	3,339.6	9.6	0.3%
1015 UA/DFA SVC	23,832.4	32,202.7	32,202.7	33,395.3	33,395.3	33,395.3	33,395.3	1,192.6	3.7%
1025 Sci/Tech	2,630.0	2,630.0	2,630.0	2,630.0	2,630.0	2,630.0	2,630.0	0.0	0.0%
1037 GF/MH		200.8	200.8	200.8	200.8	200.8	200.8	0.0	0.0%
1038 UA/STF SVC	49,419.2	57,499.6	57,499.6	59,043.9	59,043.9	59,043.9	59,043.9	1,544.3	2.7%
1039 UA/ICR	13,378.4	19,330.0	19,330.0	19,382.2	19,382.2	19,382.2	19,382.2	52.2	0.3%
1048 Univ Rcpt	52,886.5	65,438.1	65,438.1	74,491.3	74,491.3	74,491.3	74,491.3	9,053.2	13.8%
1053 Invt Loss	166.4							0.0	%
1054 Empl Trng						3,400.0		0.0	%
1061 CIP Rcpts	2,661.7	3,566.1	3,566.1	3,576.3	3,576.3	3,576.3	3,576.3	10.2	0.3%
Positions:									
Perm Full Time	3,471.0	3,387.0	3,387.0	3,444.0	3,387.0	3,387.0	3,387.0	0.0	0.0%
Perm Part Time	242.0	233.0	233.0	233.0	233.0	233.0	233.0	0.0	0.0%
Non-Perm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	%

Component Summary - FY00 Operating Budget

Agency: University of Alaska

Page	Budget Component	FY98 Act	FY99 CC	FY99Auth	Gov Amd	House	Senate	ConfComm	FY99Auth to ConfComm
University of Alaska									
1	Unaloc Reductions/Additions		-4,453.2	0.0	-10,643.2	-10,652.1	-11,155.9	-10,652.1	0.0%
2	Systemwide Reduction/Additions	606.5	2,889.5	57.1	13,050.3	13,050.3	13,050.3	13,050.3	22755.2%
	* BRU Total	606.5	-1,563.7	57.1	2,407.1	2,398.2	1,894.4	2,398.2	4100.0%
Statewide Programs and Services									
3	Statewide Services	17,023.9	20,375.3	20,888.4	20,788.4	20,788.4	20,788.4	20,788.4	-100.0
4	Statewide Networks	9,996.3	10,037.2	9,640.6	9,640.6	9,640.6	9,640.6	9,640.6	0.0
5	ACCFT Contract Provisions		421.7	0.0	476.0	476.0	476.0	476.0	476.0
6	United Academics Contract Prov		1,212.5	0.0	1,683.8	1,683.8	1,683.8	1,683.8	1,683.8
7	CEA Contract Provisions		426.0	0.0	393.8	393.8	393.8	393.8	393.8
8	Salary Adjust: Non-Covered		1,580.6	0.0	3,637.5	3,637.5	3,637.5	3,637.5	3,637.5
9	United Academics - Adjuncts				278.9	278.9	278.9	278.9	278.9
	* BRU Total	27,020.2	34,053.3	30,529.0	36,899.0	36,899.0	36,899.0	36,899.0	6,370.0
University of Alaska Anchorage									
10	Anchorage Campus	111,084.1	125,819.1	126,493.5	127,744.2	127,744.2	127,744.2	127,744.2	1,250.7
11	Kenai Peninsula College	5,510.4	6,248.6	6,286.2	6,286.2	6,286.2	6,286.2	6,286.2	0.0
12	Kodiak College	2,288.0	2,537.7	2,555.0	2,555.0	2,555.0	2,555.0	2,555.0	0.0
13	Matanuska-Susitna College	4,282.1	4,524.1	4,550.4	4,550.4	4,550.4	4,550.4	4,550.4	0.0
14	Prince Wm Sound Comm College	3,820.7	4,633.1	4,643.9	4,643.9	4,643.9	4,643.9	4,643.9	0.0
	* BRU Total	126,985.3	143,762.6	144,529.0	145,779.7	145,779.7	145,779.7	145,779.7	1,250.7
University of Alaska Fairbanks									
15	Alaska Cooperative Extension	5,912.4	6,018.9	6,064.4	6,064.4	6,064.4	6,064.4	6,064.4	0.0
16	Bristol Bay Campus	1,137.4	1,189.4	1,193.5	1,193.5	1,193.5	1,193.5	1,193.5	0.0
17	Chukchi Campus	783.5	920.2	925.1	925.1	925.1	925.1	925.1	0.0
18	Fairbanks Campus	123,537.0	145,419.9	146,212.2	146,261.5	146,261.5	146,261.5	146,261.5	49.3
19	Fairbanks Organized Research	63,120.4	69,995.7	70,087.3	83,287.3	83,287.3	83,287.3	83,287.3	13,200.0
20	Interior-Aleutians Campus	1,594.5	1,715.0	1,723.1	1,723.1	1,723.1	1,723.1	1,723.1	0.0
21	Kuskokwim Campus	3,040.1	3,371.9	3,383.7	3,383.7	3,383.7	3,383.7	3,383.7	0.0
22	Northwest Campus	1,349.0	1,531.1	1,540.0	1,540.0	1,540.0	1,540.0	1,540.0	0.0
23	Rural College	3,129.7	3,032.5	3,025.3	3,025.3	3,025.3	3,025.3	3,025.3	0.0
24	Tanana Valley Campus	4,425.9	5,021.8	5,044.5	5,044.5	5,044.5	5,044.5	5,044.5	0.0
	* BRU Total	208,029.9	238,216.4	239,199.1	252,448.4	252,448.4	252,448.4	252,448.4	13,249.3
University of Alaska Southeast									
25	Juneau Campus	16,900.8	20,465.2	20,622.3	20,622.3	20,622.3	20,622.3	20,622.3	0.0

Component Summary - FY00 Operating Budget

Agency: University of Alaska

<u>Page</u>	<u>Budget Component</u>	<u>FY98 Act</u>	<u>FY99 CC</u>	<u>FY99Auth</u>	<u>Gov Amd</u>	<u>House</u>	<u>Senate</u>	<u>ConfComm</u>	<u>FY99Auth to ConfComm</u>	
	University of Alaska Southeast									
26	Ketchikan Campus	2,350.9	2,783.9	2,795.5	2,795.5	2,795.5	2,795.5	2,795.5	0.0	0.0%
27	Sitka Campus	4,056.2	4,697.6	4,708.7	4,858.7	4,858.7	4,858.7	4,858.7	150.0	3.2%
	* BRU Total	23,307.9	27,946.7	28,126.5	28,276.5	28,276.5	28,276.5	28,276.5	150.0	0.5%
	*** Total Agency Expenditure	385,949.8	442,415.3	442,440.7	465,810.7	465,801.8	465,298.0	465,801.8	23,361.1	5.3%
	Federal Funds	44,788.5	58,006.2	58,006.2	63,434.2	63,434.2	63,434.2	63,434.2	5,428.0	9.4%
	General Funds	164,744.6	166,307.6	166,333.0	171,953.0	171,944.1	168,040.3	171,944.1	5,611.1	3.4%
	Other Funds	176,416.7	218,101.5	218,101.5	230,423.5	230,423.5	233,823.5	230,423.5	12,322.0	5.6%

SCOMM

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(LIST)

Subject: A-76 (Commercial Activities) Reference Materials

Date: Tue, 21 Sep 1999 16:47:26 -0000

From: "DRM MSD (Bryant, Mark)" <mark.bryant@richardson.army.mil>

To: "Marco_Pignalberi@legis.state.ak.us" <Marco_Pignalberi@legis.state.ak.us>

CC: "Representative John Cowdery@legis.state.ak.us" <Representative John Cowdery@legis.s

"Senator Jerry Ward@legis.state.ak.us" <Senator_Jerry_Ward@legis.state.ak.us>,

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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.

>

> Mark S. Bryant

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> COMPETITIVE SOURCING (COMMERCIAL ACTIVITIES)

>

> References

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> Office of Management & Budget (OMB)

>

> 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 Handbook.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.

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> <<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>>
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> ----
> 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>>
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> 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>>
>
> =====
> ----
> 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]

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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>>
- >
- > =====
- > ----
- > 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>>
- >
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- > 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/NSIAD-98-100, Apr. 30, 1998)
- > <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns98100.tx>
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- > * 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>
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- > * 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>
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> * 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>
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>
> * 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>
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>
> * 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>
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> * 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>
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> * Defense Outsourcing: Challenges Facing DOD as It Attempts to Save
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> <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns97110t.t>
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> * 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>
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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).
>
> =====
> ----
> Secretary of Defense Cohen Discusses A-76, Base Closures
>
> 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.fppi.com.
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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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