

Department of Energy

Post Competition Accountability (PCA) Training

Module 2: PCA Practitioner Training

Training Presentation
January 24, 2007



Opening Remarks



Available Post Competition Accountability (PCA) Training

➤ Module 1: Executive PCA Training

➤ Module 2: PCA Practitioner Training

✓ Functional Managers

✓ RO/MEO Monitors

✓ MEO Personnel

✓ Contract Specialists

➤ Module 3: Quality Assurance Surveillance Training

➤ Module 4: Quality Control Training

➤ Module 5: MEO PCA Toolkit

Training Objectives

- Understand OMB PCA Requirements
- Understand the PCA Process
- Understand PCA Roles and Responsibilities
- Understand Practitioner Responsibilities

Module 2: PCA Practitioner's Training Agenda

- PCA Overview
- Roles and Responsibilities
- Requirements for Measuring Cost & Performance
- How Do We Measure Cost and Performance?
- Independent Validation and Verification (IV&V)
Review of Most Efficient Organization (MEO)
- PCA Reporting

PCA Overview

- What is Post Competition Accountability?
- A-76 Timeline
- Policy and Guidance
- OMB Circular A-76 PCA Requirements

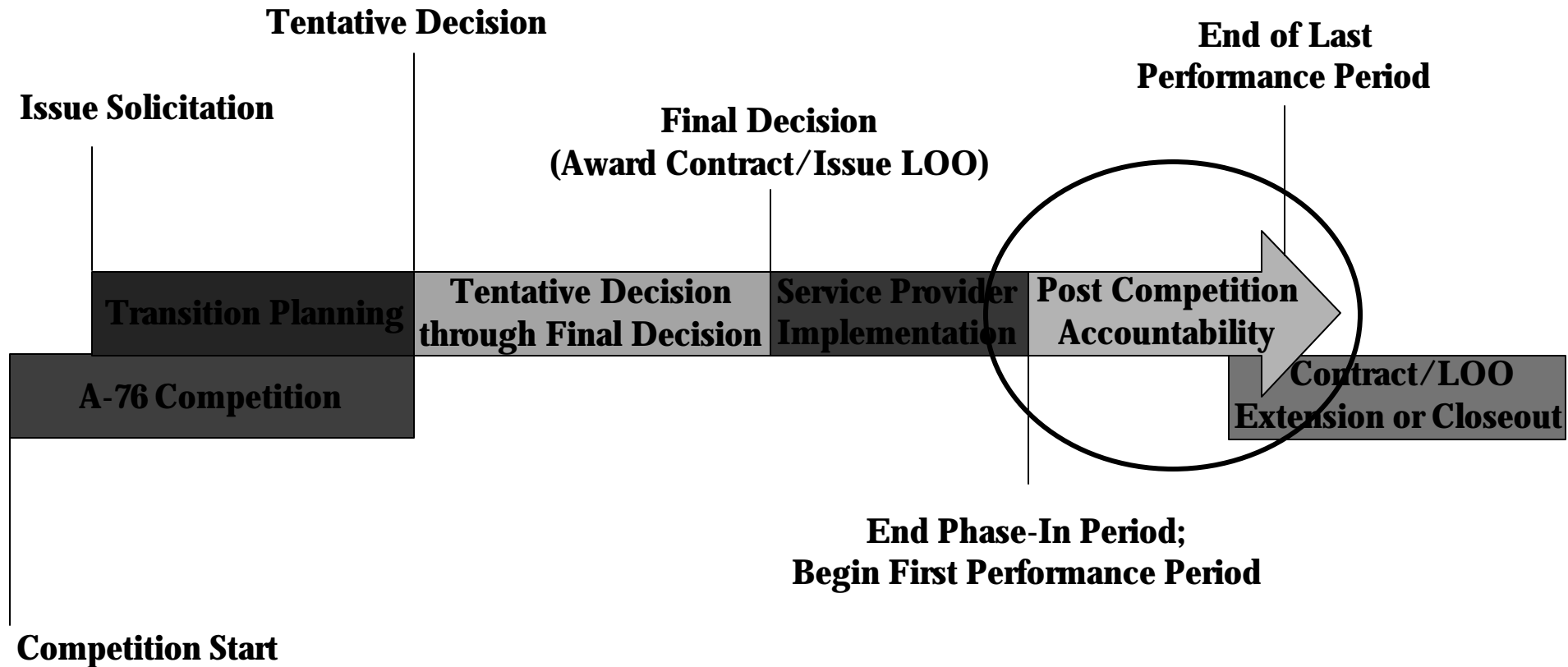


What is Post Competition Accountability?

- PCA is an important phase of the A-76 Process to measure and monitor the cost and performance of the Service Provider (SP) throughout all performance periods in accordance with the competition documents
- PCA is required regardless of whether the SP is a contractor or the MEO
- PCA is required for both streamlined and standard competitions
- Document changes in scope and required resources for a contract or Letter of Obligation (LOO)
- PCA documentation can be used in re-competitions for past performance history
- PCA if implemented properly, can establish standards for the MEO designation as a High Performing Organization (HPO)

SP =
Contractor
or MEO

A-76 Timeline



PCA Policy and Guidance

- President's Management Agenda (PMA)
- Office of Management and Budget (OMB) Circular A-76 (May 29, 2003)
- DOE Competitive Sourcing Program Operating Guidelines (June 1, 2004)
- DOE Post Competition Accountability Handbook

OMB Circular A-76 PCA Requirements

Office of Competitive Sourcing /A-76 (OCS) Responsibilities

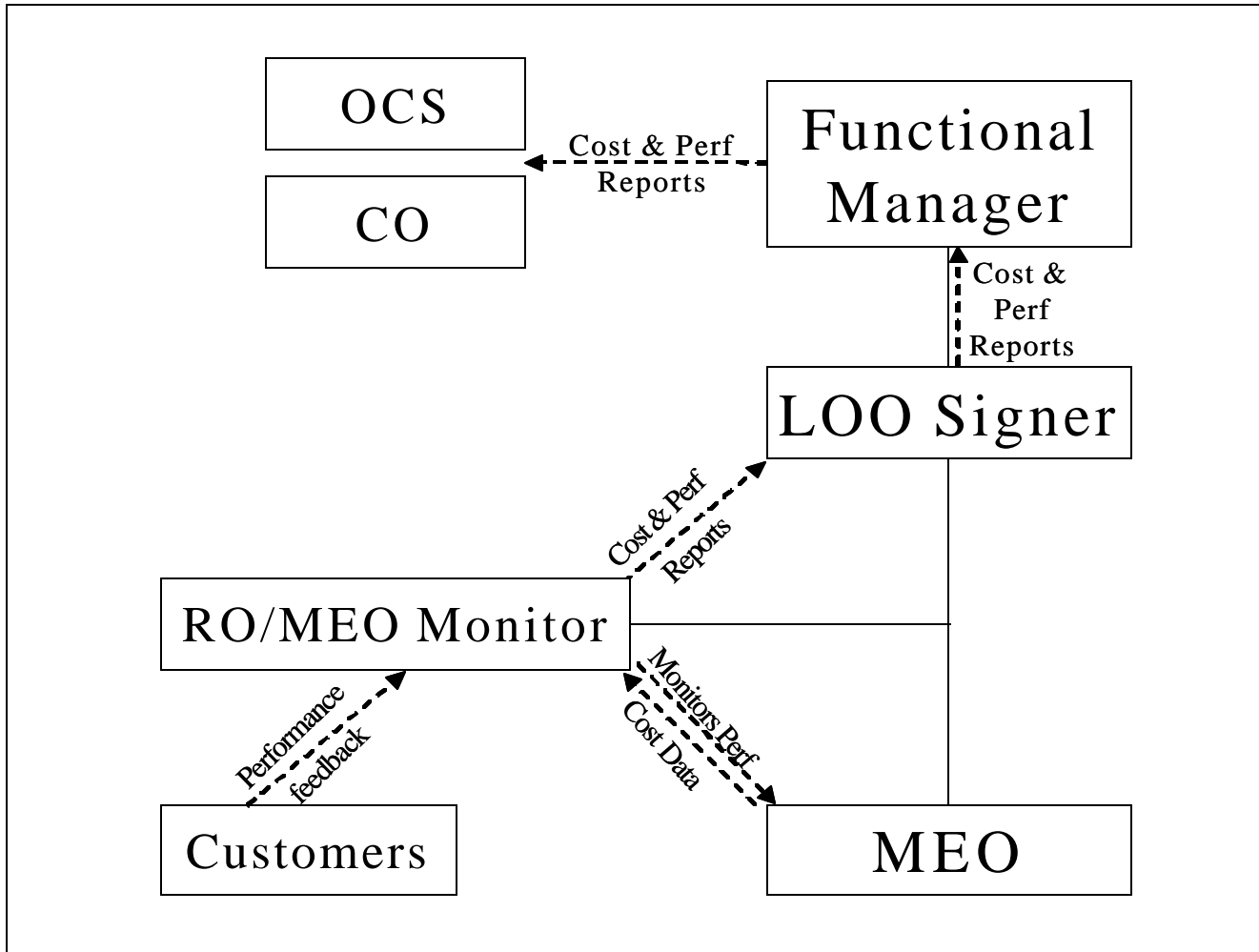
- Agencies shall post best practices and lessons learned resulting from an A-76 competitions on SHARE A-76!
- Agencies shall maintain a database to track the execution of their A-76 competitions
- Agencies shall submit a Competitive Sourcing Report to OMB
- Agencies shall complete another streamlined or standard competition by the end of the last period of performance unless a specific exemption is granted by the Competitive Sourcing Official

RO/MEO Monitor and MEO Responsibilities

- Agencies shall measure and monitor cost and performance for all performance periods

Roles and Responsibilities

Roles and Responsibilities – Process Flow



Roles and Responsibilities

- OCS
 - ✓ Provides policy guidance and assistance with issues related to competition execution, transition and PCA
 - ✓ Competitive sourcing reporting outside of DOE
 - ✓ Day-to-day operation of the program
- The Contracting Officer (CO) is the individual assigned from the Office of Procurement to support the Federal Acquisition Regulation (FAR) activities related to the execution of the competition and PCA activities

Roles and Responsibilities

- The Functional Manager is the individual that is appointed by the Competitive Sourcing Executive Steering Group (CSESG) to be responsible for PCA
- The LOO Signer is the individual assigned by the DOE Functional Official (typically an Assistant Secretary or Office Director) to sign the MEO LOO
- The RO/MEO Monitor is assigned by the Functional Official and is responsible for ensuring that the MEO is performing the requirements as defined in the PWS
- The MEO is responsible for performing the requirements and meeting the performance standards as stated in the PWS
- Customers are individuals or organizations that receive services performed/provided by the MEO

Requirements for Measuring and Monitoring Cost and Performance

Office of Competitive Sourcing /A-76 (OCS) Responsibilities

- Agencies shall post best practices and lessons learned resulting from an A-76 competitions on SHARE A-76!
- Agencies shall maintain a database to track the execution of their A-76 competitions
- Agencies shall submit a Competitive Sourcing Report to OMB
- Agencies shall complete another streamlined or standard competition by the end of the last period of performance unless a specific exemption is granted by the Competitive Sourcing Official

RO/MEO Monitor and MEO Responsibilities

- Agencies shall measure and monitor cost and performance for all performance periods



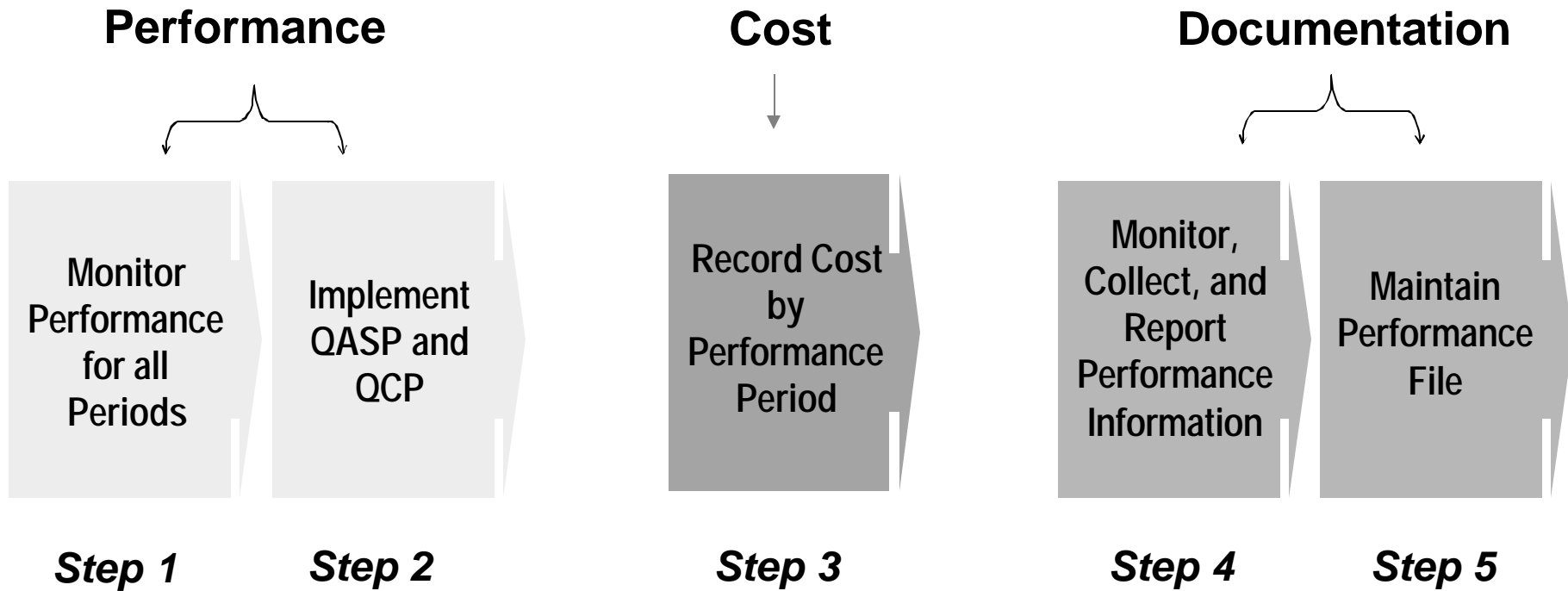
Requirements for Measuring and Monitoring Cost and Performance

- After implementing a performance decision, regardless of the selected SP, **OMB A-76 Circular** requires the agency to:
 - ✓ Monitor performance for all periods stated in the solicitation
 - ✓ Implement the Quality Assurance Surveillance Plan (QASP)
 - ✓ Retain the Solicitation and any other documentation from the Streamlined or Standard competition
 - ✓ Maintain the currency of the contract file, consistent with Federal Acquisition Regulation (FAR) Subpart 4.8 for contracts, MEO letters of obligation, and fee-for-service agreements
 - ✓ Record the actual cost of performance by performance period
 - ✓ Monitor, collect, and report performance information consistent with FAR Subpart 42.15 for purposes of past performance evaluation in a follow-on competition

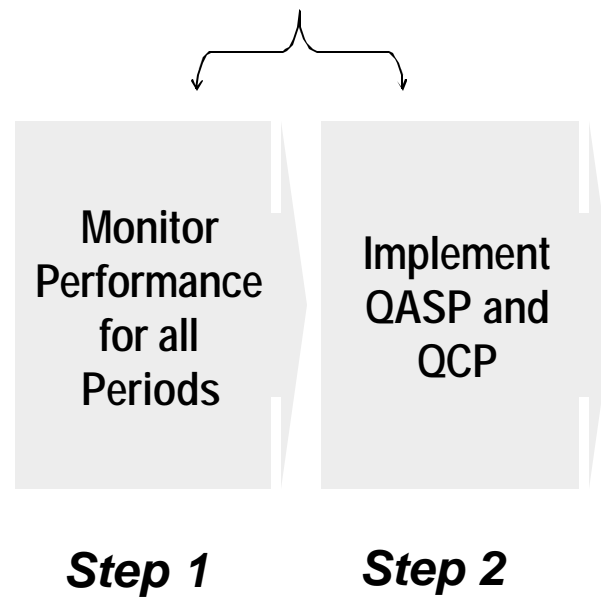
PCA Requirements Come Down To:

- Performance
- Cost
- Documentation

How Do We Measure and Monitor Cost and Performance?



How Do We Measure and Monitor Performance?





Step 1: Monitor Performance for all Periods

- Monitor MEO Performance beginning on the first day of the first performance period
- Monitor MEO Performance primarily using the QASP
- Review Solicitation and Other Competition Documents
- Collect, Submit, and Report Performance Information
- Complete MEO Performance Worksheets
 - ✓ **MEO Workload** – actual workload for the period
 - ✓ **MEO Quarterly Performance Assessment** – MEO’s assessment of their performance for the period



Step 1: Monitor Performance for all Periods

- Review Solicitation and Other Competition Documents
 - ✓ The RO/MEO Monitor, Functional Manager, and CO should review competition documents upon final decision to:
 - Identify MEO performance reporting requirements
 - Identify missing MEO performance reporting requirements
 - Modify the LOO to include MEO performance reporting requirements (if required)
 - ✓ The RO/MEO Monitor, Functional Manager, and CO should meet with the MEO prior to phase-in to discuss MEO performance requirements
 - Performance Reports formats
 - Timelines
 - Communication Process

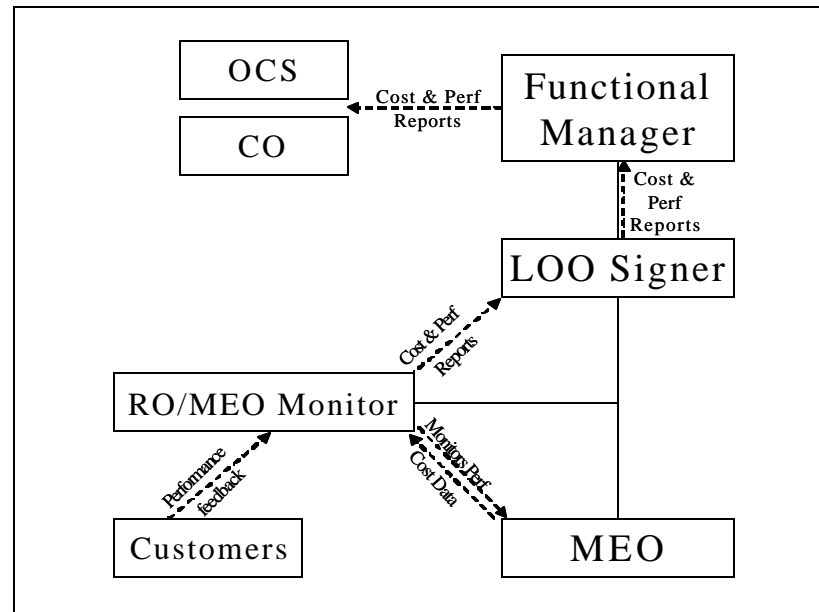


Step 1: Monitor Performance for all Periods

- Collect, Submit, and Report Performance Information
 - ✓ The MEO will submit performance information quarterly to the RO/MEO Monitor
 - MEO Workload – actual workload for the period
 - MEO Quarterly Performance Assessment – MEO’s assessment of their performance for the period
 - ✓ The RO/MEO Monitor will assess MEO performance based on:
 - Performance Information submitted by the MEO
 - QA Surveillance information performed by the QAEs

Step 1: Monitor Performance for all Periods

- Collect, Submit, and Report Performance Information
 - ✓ The RO/MEO Monitor will complete and finalize the MEO Workload and Performance Assessment and submit through the RO/MEO Monitor to the OCS and the CO
 - ✓ OCS will analyze the MEO Worksheets and use the data to submit in the Quarterly OMB Competitive Sourcing Report





Step 1: Monitor Performance for all Periods

- MEO Workload Worksheet and MEO Quarterly Performance Assessment
 - ✓ MEO Workload Worksheet
 - Capture actual workload (units) by PWS Task and corresponding PWS Task Ref No. for each quarter
 - Review and validate actual workload
 - Implement an automated tool or spreadsheet to capture workload (units)
 - ✓ MEO Quarterly Performance Assessment
 - Evaluate MEO Performance in terms of quality and timeliness of work, customer feedback, workload requirements, etc.



Step 1: Monitor Performance for all Periods

➤ MEO Quarterly Performance Assessment

MEO Quarterly Performance Assessment	
	Quarter Ending Date:
Evaluation of quality of work produced compared to PRS and QASP quality standards:	
Evaluation of timeliness of work produced compared to PRS and QASP timeliness standards:	
Evaluation of actual costs for performance period against estimated costs in the ACE and Budget costs:	
Evaluation of Service Provider compliance with Quality Control Plan:	
Evaluation of <enter specific workload> workload produced vs. PWS workload:	
Evaluation of other workload produced compared to PWS workload:	
Has the contract/LOO been modified or should it be modified based on workload changes or for other reasons?	
Other comments:	
Summary of performance:	



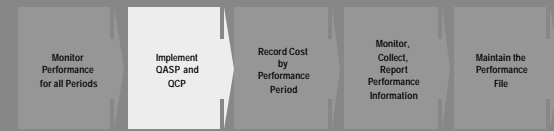
Step 2: Implement QASP and QCP

- Step 2a: Implement QASP
 - ✓ Purpose of QA Surveillance and QASP
 - ✓ Review the QASP
 - ✓ Implement QA procedures
 - ✓ Roles and Responsibilities
 - ✓ Obtain QA Surveillance Training
- Step 2b: Implement QCP
 - ✓ Purpose of the QCP
 - ✓ Review QCP
 - ✓ Implement QC Procedures
 - ✓ Roles and Responsibilities



Step 2a: Implement QASP

- Purpose of QA Surveillance and QASP
 - ✓ Hold the MEO accountable in meeting all performance standards
 - ✓ Conform to “Inspection of Services” clause, FAR 52.246-4
 - ✓ RO evaluation of the MEO's performance (will become part of the audit trail for the IV&V Reviews and past performance history for source selection evaluation)
 - ✓ The QASP has been developed to provide the QAEs with a surveillance method for each requirement listed in the Performance Requirements Summary (PRS) (PWS Technical Exhibit)
 - ✓ The QAE’s work is based on the premise that the Government desires to maintain a consistent and acceptable level of performance in all functional areas, as defined by the PWS



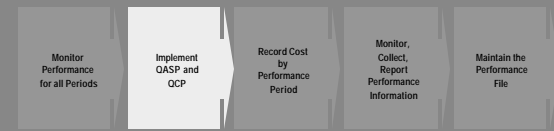
Step 2a: Implement QASP

- Review the QASP
 - ✓ Organization of the QASP
 - ✓ Review Performance Standards
 - Requirement and Performance Standard
 - Acceptable Quality Level (AQL)
 - Surveillance Methods
 - ✓ Review and/or Develop Sampling Guides
 - ✓ Review QA Forms



Step 2a: Implement QASP

- Review the QASP
 - ✓ Organization of the QASP
 - Provides a systematic method to evaluate the requirements the MEO is required to meet
 - Provides instructions on how to use the QASP
 - Provides Sampling Guides
 - Provides QA forms needed to conduct QA Surveillance and maintain documentation



Step 2a: Implement QASP

TABLE OF CONTENTS

<u>REFERENCE:</u>	<u>PAGE:</u>
INTRODUCTION	3
1.1 PURPOSE	3
1.2 GOALS OF QUALITY ASSURANCE	3
1.3 QUALITY ASSURANCE EVALUATOR (QAE).....	4
1.4 COORDINATION BETWEEN SERVICE PROVIDER AND GOVERNMMENT	5
1.5 SERVICES TO BE EVALUATED	5
1.6 REVISIONS TO QASP	9
HOW TO USE THE SURVEILLANCE PLAN.....	10
2.1 DEFECTS AND DEFECTIVE SERVICES	10
2.2 SURVEILLANCE METHODS AND PROCEDURES	11
2.3 SUPPORTING DOCUMENTATION	20
SAMPLING AND INSPECTION GUIDE	26
3.1 Sampling Guide for PRD	26
CUSTOMER COMPLAINT GUIDE & SUPPORTING DOCUMENTATION ...	39



Step 2a: Implement QASP

- Review the QASP
 - ✓ Review the Performance Standards

Performance Standard

PWS Ref No.	SERVICE PERFORMED	PERFORMANCE STANDARD	ACCEPTABLE PERFORMANCE LEVEL
C-2.3.7.1.2	Perform remote and on-site technical troubleshooting, repair and upgrade of existing standalone and networked PCs, software, and peripheral equipment.	Bring equipment back to proper operational status within 8 work hours for remote support, or 3 workdays for on-site support, unless hardware repair/ replacement is required.	99% Lot = work orders/month



Step 2a: Implement QASP

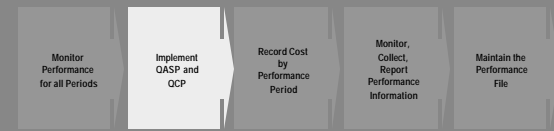
➤ Review the QASP

✓ Review and/or develop Sampling Guides

- Provide instructions on how to inspect the quality of work performed by the MEO
- The QASP should have a Sampling Guide for each performance standard
- Create Sampling Guides if not provided

✓ Review QA Surveillance Forms

- QA Surveillance Schedule
- QA Surveillance Activity Checklist or Inspection Form
- Deficiency Report
- Customer Complaint Form and Record



Step 2a: Implement QASP

- Implement QA procedures
 - ✓ RO/MEO Monitor will assign Sampling Guides to each QAE
 - ✓ QAEs will establish and maintain a file for each Sampling Guide
 - ✓ QAEs will develop a Surveillance Schedule
 - ✓ RO/MEO Monitor and CO will meet with the MEO to:
 - Discuss QA inspection procedures
 - Discuss the deficiency/corrective action process to include deadlines
 - Establish a communication process to resolve deficiencies resulting from QA inspections



Step 2a: Implement QASP

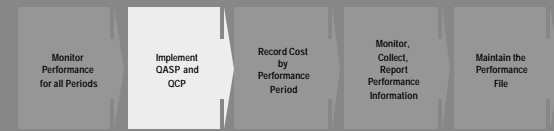
➤ Roles and Responsibilities

✓ RO (QAEs)

- Monitor MEO performance by conducting QA Surveillance and documenting deficiencies
- Notify the MEO of any deficiencies resulting from QA Surveillance Inspections and verify Corrective Action taken
- Maintain QA Surveillance files for all performance periods

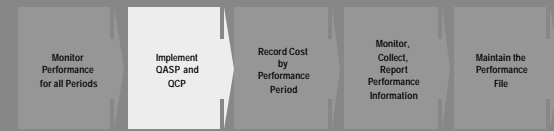
✓ MEO

- Understand all Performance Standards and QA Inspection Procedures
- Take corrective action on all deficiencies



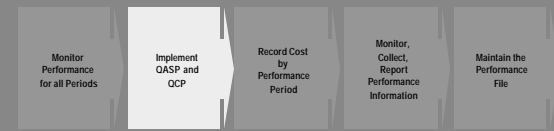
Step 2a: Implement QASP

- Obtain QA Surveillance Training
 - ✓ Ensure all QAEs have received QA Surveillance training
 - ✓ Train QAEs prior to MEO implementation
 - ✓ QAE Training should cover the tools and instruments required to implement the QASP, to include:
 - Inspection methods
 - Frequencies
 - The acceptable standards of performance



Step 2b: Implement QCP

- Purpose of the QCP
 - ✓ Ensure that MEO has a mechanism to meet the performance objectives stated in the PWS and PRS
 - ✓ The QCP was a part of the MEO's bid
 - ✓ The QCP is internal to the MEO for monitoring performance
 - ✓ The QCP is not the same as the QASP used by the RO to monitor compliance
 - ✓ The QCP and QASP may have elements of similarity, but support two separate and distinct programs



Step 2b: Implement QCP

- Review QCP
 - ✓ The QCP should include:
 - QC Process
 - QC Inspection Procedures
 - Description of the interface with the QASP
- Implement QC Procedures
 - ✓ Assign Performance Standards to each Quality Control Evaluator (QCE)
 - ✓ Develop a QC Schedule
 - ✓ Maintain QC Documentation
 - ✓ Ensure all deficiencies are corrected



Step 2b: Implement QCP

- Roles and Responsibilities
 - ✓ MEO is the owner of the QC Process and the QCP
 - ✓ MEO will implement the QCP through a QC Program
 - ✓ MEO will correct any deficiencies identified during any QC Inspection

How Do We Measure and Monitor Cost?



Record Cost
by
Performance
Period

Step 3



Step 3: Record Cost by Performance Period

- Review the Agency Cost Estimate (ACE)
- Develop “Adjusted Budget” for the MEO based on the ACE
 - ✓ Adjust ACE to make it comparable to the budget
 - ✓ This enables “apples to apples” comparison between “bid” costs in the ACE and actual costs
- Collect, Analyze, and Report MEO Actual Costs
 - ✓ MEO Cost Worksheets
 - MEO Personnel Report
 - MEO Cost Report (“Adjusted Budget” vs. Actual)
 - ✓ Conduct Analysis
 - ✓ OCS will use the data for the Quarterly Competitive Sourcing Report to OMB

Step 3: Record Cost by Performance Period

- Review the Agency Cost Estimate (ACE)
 - ✓ Upon final decision, the RO/MEO Monitor should begin to review the ACE to determine what costs were included in the cost comparison
 - Line 1: Personnel Costs
 - Line 2: Materials and Supplies Costs
 - Line 3: Other Specifically Attributable Costs
 - Line 4: Overhead
 - Line 5: Additional
 - ✓ The MEO should also review the ACE to identify those costs to collect and report

Step 3: Record Cost by Performance Period

- Review the Agency Cost Estimate (ACE)
 - ✓ Line 1: Personnel (Costs of all direct in-house labor and supervision, including):
 - Salaries / Wages
 - General Schedule (GS) – **Step 5**
 - Federal Wage Schedule (FWS) (WG/WL/WS) – **Step 4**
 - Fringe benefits (including present value of **retirement costs**)
 - Other pay
 - Other pay entitlements
 - Economic price adjustment

Step 3: Record Cost by Performance Period

- Review the Agency Cost Estimate (ACE)
 - ✓ Line 2: Materials and Supplies - Includes costs incurred in each performance period for goods such as raw materials, parts, subassemblies, components and office supplies
 - All materials used by the MEO that are **not Government Furnished**
 - Cost includes actual material, transport, handling and availability/delay costs
 - ✓ Line 3: Other Specifically Attributable Costs - Costs not included on Line 1 or Line 2 but necessary to perform the function under review (e.g., depreciation, cost of capital, rental maintenance and repair, utilities, insurance, travel, MEO subcontracts)

Step 3: Record Cost by Performance Period

- Review the Agency Cost Estimate (ACE)
 - ✓ Line 4: Overhead
 - 12% of Line 1- Personnel Cost
 - Automatically calculated by COMPARE
 - ✓ Line 5: Additional Costs - Costs not found in Lines 1 – 4 resulting from unusual or special circumstances
 - Phase-In costs (unless Phase-In has been designated as 1st performance period)
 - Facility rearrangement or improvements
 - Medical/Physical exams

Step 3: Record Cost by Performance Period

- Collect, Submit and Report Costs Quarterly
 - ✓ The MEO will collect, populate, and submit the following MEO Worksheets quarterly to the RO/MEO Monitor
 - MEO Personnel Report
 - MEO Cost Report
 - ✓ The RO/MEO Monitor will complete and finalize the MEO Worksheets and submit through the LOO Signer and Functional Manager to the CO and the OCS
 - ✓ The OCS will analyze the MEO Worksheets and include the data in the Quarterly Competitive Sourcing Report to OMB

Step 3: Record Cost by Performance Period

➤ MEO Personnel Report

MEO Personnel Report								
Personnel as Bid in the Agency Tender				Actual MEO Personnel during the quarter				Quarter Ending Date: March 31, 2007
Position Title	Grade	Step	FTE	Position Title	Grade	Step	FTE	Explanation for Difference
Computer Specialist	12	5	1	Computer Specialist	12	10	1	Actual step is step 10. Step 5 was used in the ACE to follow OMB Circular A-76 rules.
Computer Specialist	9	5	1	Computer Specialist	9	9	1	Actual step is step 9. Step 5 was used in the ACE to follow OMB Circular A-76 rules.
				Computer Specialist	9	2	1	Additional Position added due to increase in workload requirements.
Computer Specialist	9	5	1	Computer Specialist	11	7	1	Position upgraded due to change in requirements.
Total FTEs:			3	Total FTEs:			4	Total FTEs increased due to change in workload requirements.

Step 3: Record Cost by Performance Period

➤ MEO Cost Report

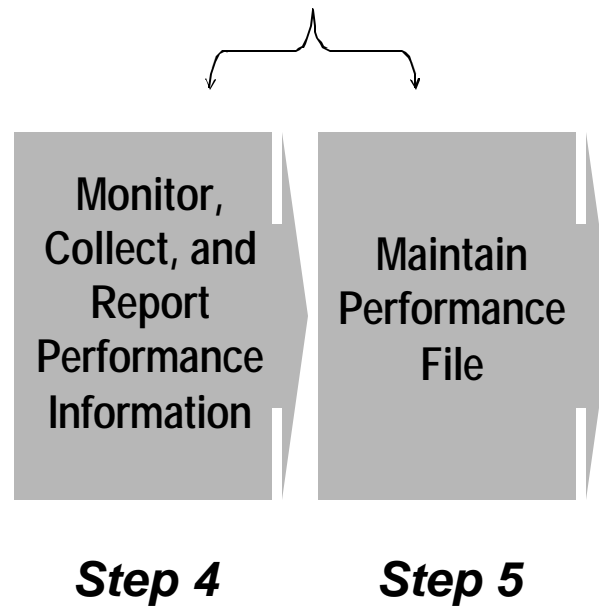
MEO Cost Report				
Competition Form Line	Agency Tender Cost	Adjusted Budget Cost	Estimated Actual Cost	Quarter Ending Date: March 31, 2007
				Explanation for Difference between Adjusted Budget Cost and Actual Cost
1: Personnel	500,000	600,000	490,000	Adjustments made for step differential and retained pay for a total of \$100,000. There were vacancies throughout the performance period and the organization experienced difficulties staffing.
2: Material & Supply	100,000	100,000	100,000	
3: Other	0.00	0.00	0.00	
4: Overhead	60,000			
5: Additional	0.00	0.00	0.00	
6: Total	660,000	600,000	590,000	There were adjustments made to the personnel costs for step differential and retained pay. There were vacancies throughout the performance period and the organization experienced difficulties staffing.



Step 3: Record Cost by Performance Period

- Examples of adjustments to the ACE to create the “Adjusted Budget”
 - ✓ Adjust personnel costs from GS step 5 or WG step 4 in the ACE to the step used in the budget
 - ✓ Decrease fringe benefit costs from 32.85% (36.45%) in the ACE to budgeted fringe benefits costs
 - ✓ Add material and supply costs that were Government Furnished in the A-76 solicitation and therefore not included in the ACE
 - ✓ Adjust for inflation
 - ✓ No entry for line 4 (overhead) in the MEO Cost Report

How Do We Document and Maintain Performance Information?





Step 4: Monitor, Collect, & Report Performance Information

- Reporting Requirements
 - ✓ Annual MEO IV&V
 - ✓ Quarterly OMB Competitive Sourcing Report
- Verify and validate the savings and performance improvements



Step 4: Monitor, Collect, & Report Performance Information

➤ Reporting Requirements

- ✓ RO/MEO Monitor and CO should meet with the MEO to discuss MEO performance, monitoring, and reporting and what is required by the MEO to provide for all performance periods in the Solicitation

- Annual MEO IV&V
- Quarterly OMB Competitive Sourcing Report

➤ RO/MEO Monitor will verify and validate the performance improvements and savings

- ✓ Verify and Validate Performance Improvements

- The RO/MEO Monitor will verify all Process Improvements have been implemented in accordance with the Agency Tender



Step 4: Monitor, Collect, & Report Performance Information

✓ Verify and Validate the Savings

- Step 1: Calculate *Projected* Annual Savings

<Annual Baseline Cost – Annual ACE Cost =
Projected Annual Savings>

- Step 2: Calculate *Additional* Actual Annual Savings and Compare to *Projected* Annual Savings

<Adjusted Budget Cost – Actual Annual Costs =
Additional Actual Annual Savings>

- If (+) then Actual Savings is in excess of Projected Annual Savings
- If (-) then the Agency did not achieve Projected Annual Savings
- If (0) then the Agency Achieved Projected Annual Savings



Step 5: Maintain Performance File

- RO/MEO Monitor should create the Performance File and maintained it throughout all performance periods stated in the Solicitation
- The Performance File should contain the Feasibility Review Report, PWS, Agency Tender, the original LOO, any LOO Modifications, and documents from Phase-In and PCA
- The Performance File will assist the OCS and CO in maintaining the Competition file
- The MEO should provide documentation to update and maintain the Performance File.

MEO Independent Validation and Verification (IV&V) Review

MEO IV&V Review Objectives

- Verify that the MEO was implemented in accordance with the Solicitation, Agency Tender, Phase-In Plan and other competition documents
- Verify that the MEO performed the services of the PWS and met the performance standards
- Confirm that the actual costs were within the cost estimates in the Agency Cost Estimate

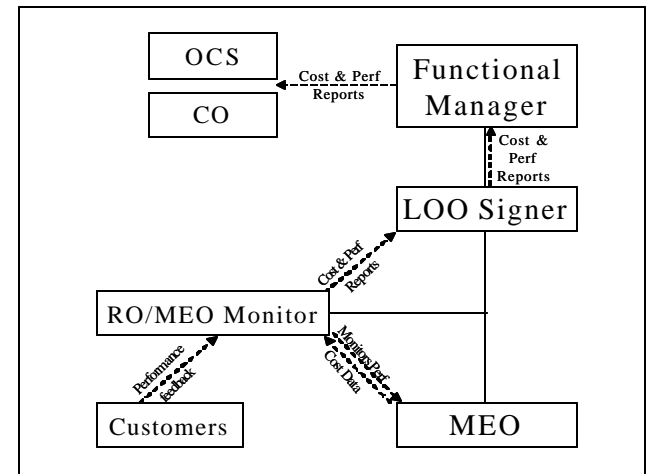
MEO IV&V Review – Timeline

ACTION TO BE COMPLETED	TIME
1. The MEO provides information requested by the OCS	2 weeks
2. Review information provided and prepare for the on-site Review	1 week
3. Perform on-site Review	1 week
4. Prepare draft report	1 week
5. MEO, RO, Functional Manager, and OCS review draft report and provide comments	2 weeks
6. Prepare and issue final report	2 weeks
TOTAL	9 weeks

PCA Reporting

PCA Reporting – MEO

- The MEO will gather and analyze cost and performance data on a monthly basis and submit reports to the RO/MEO Monitor in accordance with the Solicitation
- The MEO will submit cost and performance data on a quarterly basis through the RO/MEO Monitor to the OCS for the OMB Quarterly Competitive Sourcing Report
- The OCS in coordination with the RO/MEO Monitor will conduct an MEO IV&V Review



PCA Reporting – RO/MEO Monitor

- Ensure that record-keeping is properly performed
- Monitor compliance with fiscal requirements
- Ensure MEO accomplishment of the requirements and workload as defined in the PWS
- Review MEO's status reports
- Develop policies and procedures to address work requirements not in the current PWS that might be used in a modification or in a re-competition
- Ensure the MEO is providing the appropriate cost and performance information for PCA requirements
- Provide oversight of MEO performance to ensure that mission degradation due to unsatisfactory performance by the MEO does not occur or is minimized and report observations to the CO and Functional Manager for action
- Monitor MEO compliance with all quality and timeliness standards
- Maintain the competition file to include updated competition documents (PWS, QASP, modifications, etc.)

Available PCA Training

➤ Available PCA Training

- ✓ Module 1: Executive PCA Training

- ✓ Module 2: PCA Practitioner's Training

- ✓ Module 3: Quality Assurance Surveillance Training

- ✓ Module 4: Quality Control Training

- ✓ Module 5: MEO PCA Toolkit

QUESTIONS?