Preliminary Planning
and
Integrated Data Collection Handbook

Division of Policy and Directives Management

Handbook Overview

The revised Office of Management and Budget (OMB) Circular No. A-76, dated
May 29, 2003, includes two closely related requirements:

- Conducting Preliminary Planning prior to public announcement.
- Publicly announcing the study on www.Fedbizopps.gov.

Because the Circular requires strict timeframes, you must complete preliminary
planning before making the public announcement. Preliminary planning takes
too long to perform all the tasks adequately after the public announcement.
There is no time limit for conducting preliminary planning, so you can focus on
the true requirements of the activity and not the supporting data required for the
competition.

This handbook presents the process in two phases:

Phase 1:   Perform Preliminary Planning (including integrated data
            collection)
Phase 2   Develop the Continuing Government Organization (CGO)

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PHASE 1: PRELIMINARY PLANNING

Overview

Once the Service identifies the function(s) to study, the competitive sourcing staff works with affected management to convene a group of Subject Matter Experts (SMEs). SMEs provide the required expertise for preliminary planning. We consider the preliminary planning team to be a data gathering and recommendation team. In most cases, the participants become members, if not leaders, of the Performance Work Statement (PWS) and Most Efficient Organization (MEO) teams.

Once we establish the preliminary planning team, the competitive sourcing staff will train the SMEs on the basic concepts of competitive sourcing and the objectives of a competition.

The following nine steps (Tasks 1 through 9) are required for preliminary planning.

Task 1.	Determine scope

"Determine the activities and full time equivalent (FTE) positions to be competed." – OMB Circular No. A-76

This task requires the highest level of management assistance and support. The Service's Directorate, working with the Division of Policy and Directives Management (PDM) competitive sourcing staff, identifies the functions to include. Experience has shown that the most successful A-76 competitions are those that study a business unit (e.g., an IT infrastructure organization, a Regional human resources office, a grounds maintenance organization, etc.).

Some of the questions management and the competitive sourcing staff must consider are:

- Will this competition be Servicewide?
- Will it be by functional area?
- Will it be a mix of related functions?
- Will we use the OMB function codes, as reported in the Federal Activities Inventory Reform (FAIR) Act Inventory, to identify the positions to study?
- Will it be a mix of OMB function codes that are somehow related?
- Will it be a single or multifunction study?

The preliminary planning team identifies, as closely as possible, the functions included in the scope of study and creates a spreadsheet to identify the requirements performed in each functional area. Below is a sample spreadsheet:

Location XYZ

FTE	In Scope	Out of Scope	Reason	Workload Indicator

This spreadsheet becomes the baseline for your PWS outline, and the outline for recommending what work is out of scope. List everything that the organization under study does, including functions that you may want to modify or exclude later. Remember, this is the first cut. The functions you identify as "in scope" will become those we announce for competition in www.Fedbizopps.gov.

To complete the analysis for this spreadsheet, you may need to collect some generic information. See Appendix 1 for our integrated approach to data collection—an approach that begins with preliminary planning and continues through evaluation of performance.

OMB considers a Federal Full-Time Equivalent (FTE) to be 1,776 productive hours per year. You should identify and report all positions supporting the functions in the scope of study. You should reconcile the OMB FAIR Act inventory numbers for the areas or functions under study with the ones you plan to study. The Service's Competition Sourcing Official (CSO) must explain any variance to OMB. The accumulated total FTE support is what you announce as FTE under study in www.Fedbizopps.gov.

Task 2.   Determine grouping

"Conduct preliminary research to determine the appropriate grouping of activities as business units (e.g., consistent with market and industry structures)." – OMB Circular No. A-76

Your team, when considering the scope, must determine if the functional areas represent a logical business group. They must be sure that groupings will not discourage outside bidders from submitting an offer. For example, functions such as food services and IT services or automobile maintenance and audiovisual production should not be grouped together.

At the same time, it is also important that the team look for potential efficiencies. For example, grouping several like functions within a geographical area may make sense for all bidders and could save taxpayer dollars.

Task 3.	Assess availability of workload data and systems

"Assess the availability of workload data, work units, quantifiable outputs of activities or processes, agency or industry performance standards, and other similar data. Establish data collection systems as necessary." – OMB Circular No. A-76

Using the scope spreadsheet, the team reviews the functions and sub-functions listed. They need to identify:

- If there is an output from each function and sub-function,
- What that output is,
- Where the output is maintained (stored),
- A good point of contact (POC) from whom to gather the output data, and
- A phone number for the POC.

When assessing workload data and outputs, the team should seek answers for the following questions:

- Has the Service established standards for performance of these functions?
- Are there industry-wide quality and timeliness standards that you use when performing these functions?
- Are there required certifications or special training for the people performing these functions?
- Must these functions comply with outside governing directives or laws such as health, environmental, legal, safety, or security?

Many of these questions are answered as you begin collecting and analyzing data. See Appendix 1 for information on our integrated approach to data collection.

The PWS team will develop a performance-based document to identify the functions under study. In order to document functions using performance-based criteria, each function must have a quantifiable output. As you identify the functions the employees perform to support the functions under study, you also need to identify the quantifiable output and the source of the historical data to support the workload associated with that function.

You may discover that we maintain no record for a particular process. Now is the time to start collecting that information. Establish a log sheet or a database to capture the action. Talk with the SMEs to identify the "who, what, when, where,

and why" of the processes. Also, see Appendix 1: Integrated Approach to Data Collection.

Task 4.   Develop baseline costs

"Determine the activity's baseline costs as performed by the incumbent service provider." –OMB Circular No. A-76

You should be able to find the costs of performing the functions from current and prior year budget information and other sources.

Following is an example of a baseline costs worksheet:

Employee Costing Info (fill in your Location)									
Last Name	First Name	Position Title	% FTE	Pay Plan, Series	Base Salary	Awards	Materials/ Supplies Cost	Annual Training Cost	Annual Travel Cost

Note: Please remember that information gathered for your baseline cost data is subject to the Privacy Act and must be protected.

There are several areas that you will combine to represent the baseline costs to operate the functions under study. These costs include personnel costs (including contract management), contracts, and other related costs.

1. Personnel Costs. There are several areas involved in total personnel costs. It may take a while to assemble this information. Personnel costs include, at a minimum:

- Base salary,
- Monetary awards,
- Training costs, and
- Travel cost.

2. Contracts. Identify all contract support and the Contractor Full Time Equivalent (CFE) that support the scope of functions under study. The PWS and MEO teams must include contractor support for the functions under study in their documents. The MEO team may decide to retain the services a contractor provides and move them out of scope. The MEO may also decide to return the work to the Government. You should include the costs of contracts in the baseline cost, as they are part of the cost of performing these functions.

You may take the costs from the budget, estimated by identifying the cost per position under study. If the study is of a functional area that is spread out across several departments or divisions, you may choose not to address these costs and consider them to be Government-furnished property. The preliminary planning team should make this decision based on the experience and expertise of the team and on the preferences of Service management.

3. Other Costs. Research and identify any additional costs associated with the functions under study. You may find a common cost (i.e., utilities, rent, certain insurance requirements, travel, or maintenance and repair costs) treated as a separate charge. These related costs are part of the baseline costs to support the functions under study.

Task 5.	Decide type of competition

"The Preliminary Planning team will make recommendations on what type of competition (Streamlined or Standard) it feels is the most appropriate for the function to be competed." –OMB Circular No. A-76

1. Standard. We must perform a standard competition if the function under study has more than 65 FTE. We may choose to conduct a standard competition if the number of FTE is less than 65, but we do not have to. You should not break an activity from a logical business group into smaller units just to become eligible for a streamlined competition.

Once announced, we have 12 months to complete a standard study. The team may request a 6-month extension prior to announcement if the functions under study are difficult to capture or multi-functioned.

2. Streamlined. You typically perform a streamlined study if the function under study has fewer than 65 FTE. The team should consider several things before deciding to conduct a streamlined study, including:

- The timeframe (135 days) to complete the study is short. Because we always develop an MEO for streamlined studies, we have received a blanket extension. If we did not have that extension, we would only have 90 days to complete a streamlined study.

- The Government may no longer perform the function if the comparisons show that a less expensive source is available.
- No one can contest the decision. This is good from the affected employees' point of view if there is an in-house win. However, it is a negative thing from their point of view if you find an outside source is cheaper.

Task 6. Develop the schedule

"Develop preliminary competition and completion schedules." –OMB Circular No. A-76

The preliminary planning team develops the schedule for each study as they make decisions about start dates and the need for extensions. A generic timeframe for a standard competition is available in our *Performance Work Statement Handbook*

Task 7. Assign roles and responsibilities of participants

"Determine the roles and responsibilities of participants in the process and their availability for the duration of the streamlined or standard competition." –OMB Circular No. A-76

The roles and responsibilities of participants and the competition officials are inseparable. If you have a limited number of SMEs for the function, you need to consider all the positions on teams you need to fill.

You also must consider the firewall issue. Members of the PWS team may not talk with members of the MEO team about issues related to the competition. We must avoid real or even the appearance of a conflict of interest. The Circular establishes criteria and restrictions for members of competition teams. For example, a member of the PWS team cannot be on the MEO team, but can be on the Source Selection Evaluation Board (SSEB). A member of the MEO team cannot be on the SSEB.

Task 8. Appoint competition officials

"Appoint competition officials." –OMB Circular No. A-76

The Competitive Sourcing Official (CSO) for the Service is the Assistant Director – Budget, Planning and Human Resources. During the preliminary planning phase, the CSO appoints competition officials for each standard competition, and, as appropriate, may appoint competition officials for streamlined competitions.

There are five positions the Circular requires us to designate:

- Agency Tender Official (ATO) – Is responsible for developing, certifying, and representing the agency bid to do the work.
- Contracting Officer (CO) - Is part of the PWS team and develops the solicitation in accordance with the Federal Acquisition Regulation (FAR).
- Performance Work Statement (PWS) Team Leader. – Leads development of the PWS and the Quality Assurance Surveillance Plan. Also determines Government-furnished equipment, assists the CO in developing the solicitation, and assists in implementing the performance decision.
- Human Resource Advisor (HRA) – Supports the employee and labor-relations requirements, including the development of the employee transition plan. Also assists the ATO and MEO team in developing the agency tender.
- Source Selection Authority (SSA) – Is responsible for the evaluation for source selection. The SSA may also be the CO.

Task 9.   Notify incumbent service providers

"Inform any incumbent service providers of the date that the public announcement will be made." – OMB Circular No. A-76

We must notify all service providers, Government or private, that their functions or jobs are being studied for possible competition. This is one of the reasons that it is so important to identify the FTE in scope. Below is an example of an Incumbent Service Provider spreadsheet used to identify all contractor support for functions performed in scope.

Incumbent Service Provider							
Company	**Term**	**Contract $ Value**	**Type of Contract**	**Program that Manages Contract**	**Project Officer**	**Contractor Positions**	**Support Provided**

PHASE 1: PRELIMINARY PLANNING KEY TASKS	RESPONSIBILITY	√
1. Determine the scope		
2. Determine grouping		
3. Assess availability of workload		
4. Develop baseline cost		
5. Decide type of competition		
6. Develop the schedule		
7. Assign roles and responsibilities of participants		
8. Appoint competition officials		
9. Notify incumbent service providers		

PHASE 2: DEVELOP THE CONTINUING GOVERNMENT ORGANIZATION

Overview

You will discover during the data gathering process that you should not include some of the work the organization is doing in a competition. Some employees may perform work that is inherently governmental (e.g., contracting officers, senior management, purchase card holders) and some may perform tasks that should remain in-house (e.g., contracting officer representatives, biologists responsible for biological decisions).

When you identify these tasks during data analysis, you must track them. This work and overseeing the winning SP becomes the Continuing Government Organization (CGO).

You start to develop the CGO during preliminary planning, but will not complete it until the PWS is final. During PWS development, the PWS team also may identify tasks that must remain in-house and be part of the CGO.

Task 1.   Determine what work will not be competed

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Review all of the data you collected during preliminary planning. Identify the tasks that must remain in-house. List each of those tasks and the employees who currently perform them. Also identify any employees whose entire workload should stay in-house.

Task 2.   Collect Workload Counts and Time-per-Task Data

If workload counts and time-per-task data have been collected during the preliminary planning process, you should prepare a spreadsheet listing the counts and times for each task that is part of the CGO. If the information has not been collected, prepare a data call.

Task 3.   Consolidate Task Data for Classification and Inform Management

You should determine how much time is spent for each task by multiplying the validated time per task by the workload count. Make sure your servicing human resources office is aware of the need to classify the work for the CGO. In most cases, we need to develop new position descriptions for the employees in the CGO.

You should also be sure to inform management about what tasks are part of the CGO and how many positions it will likely become.

Task 4.   Write the CGO Draft Document

The CGO document must include a description of all the work in the CGO, including the workload counts. When the draft is complete, ask the appropriate managers and human resources staff to review and comment on it. Remember, the CGO document is not final until the PWS is final because the PWS team may discover additional CGO work.

You must remind those officials reviewing the document that most of the work will require new position descriptions, and those PDs must be classified. Human resources will staff the CGO according to normal rules.

It is also important that you remind management that the CGO requires funding.

Checklist of Key Tasks

PHASE 2: KEY TASKS	RESPONSIBILITY	√
1. Determine what work will not be competed		

PHASE 2: KEY TASKS	RESPONSIBILITY	√
2. Collect workload and time-per-task		
3. Consolidate task data for classification and inform management		
4. Write the CGO draft document		

APPENDIX 1:

DATA COLLECTION AND ANALYSIS

Data collection is part of preliminary planning and continues throughout the competitive sourcing process—from planning to making a performance decision to evaluating performance.

You will gather together information, and from it, the Service's competitive sourcing teams will draw conclusions and make decisions.

Before anyone can make decisions, you must make the data you collect usable. Throughout your study, you will be asked to analyze information. For you, this means answering a simple question: "What does the data we collected mean?" Your overall responsibilities are to:

- Find and collect required data.
- Determine what the data is telling you.
- Develop quality documents required for a cost comparison.

From experience gained in previous competitions, your team leader, consultants, and other supporting personnel have developed best practices for data collection. These are valuable lessons learned as you plan and execute data collection for your study:

- Good data is the foundation for producing good documents. Inaccurate data leads to poor decisions in a management study.
- Bad data is useless, even if it's in a great format.
- Data should be accurate, complete, and current, especially workload.
- Know your "go to" sources. During the cost comparison, you will identify those who are truly the Subject Matter Experts (SMEs). Use their expertise.
- Truth and honesty are essential. Encourage everyone who provides data during the cost comparison not to hide or exaggerate information. Ask questions that have never been asked. Go beyond "We have always done it that way." Don't be afraid to ask "Why?"
- Identify data requirements—then plan and collect only what is necessary.
- When a management study is announced, sometimes there is a rush to start collecting data. This is a mistake. In the rush to collect data, a great deal of information is collected and never used, and required data is not collected. When required data is needed but not available, you have to collect data more than once.
- The best practice is to plan for the data collection by:
  - Carefully identifying the data that is required.

- o Knowing how the Service will use the data.
  - o Identifying where you may find the data and who to contact.
  - o Determining the most efficient way to collect the data.
- After planning, collect as much data as soon as you possibly can. Many management decisions affecting the PWS are made as a result of information you will discover during data collection. The earlier decisions are made, the better the PWS will be.
- Integrate data collection for all documents prepared in the study effort (Performance Work Statement, Quality Assurance Surveillance Plan, and the Agency Tender). That is, make a concerted effort to collect as much data as possible with your initial effort. It saves time and creates less disruption in the workforce.
- Everything is important; more is better than less. Do not overlook anything. Do not worry about collecting too much information; you can separate the wheat from the chaff.
- Data collection continues throughout most of the study. When the final solicitation is disseminated and the Agency Tender documents are completed, all information should be current. This may require amendments to earlier versions of the solicitation.
- Data should be verifiable and documented. Under the revised circular, the Agency Tender Official must verify the Agency Tender before giving it to the Contracting Officer.
- Use issue papers to identify and document issues as they become apparent.
- Don't forget customers and other affected parties. You must determine how their expectations will affect the cost comparison. Specifically, look for changes in out-year workloads or requirements. The changes may make it necessary to revise standards for future requirements and workload.

DATA ANALYSIS

Following are some tips for analyzing data:

- Analysis actually begins with data collection. As you read, listen, or observe, you will naturally begin to question the accuracy and completeness of the data you are collecting or have collected. Record your questions and ideas to remember for future reference.
- Identify issues as they become apparent. Document issues that will require formal resolutions.
- Keep an open mind. Let the data tell you what it really means, not what you want it to say.
- There are several ways of looking at the world. During analysis, ask for other people's opinions. Look at data from different perspectives.

METHODS AND TOOLS FOR DATA COLLECTION

To collect generic data, you may:

- Review documents from previous competitions of similar type activities.
- Review existing files and databases. Local and centralized Management Information Systems hold a large volume of valuable data, as do your center's document files.
- Search documents in technical libraries.
- Send requests to source offices, agencies, etc. Once you have identified a source, create a formal request for data so you have a record of the request.

The following sections address specific data collection methods.

Interviews
You can use interviews to:

- Collect data that is unavailable in files, databases, etc.,
- Verify data you collected, and
- Seek input when making decisions during the cost comparison process.

The key to a successful interview is to establish goals for the interview and to direct the interview to achieve those goals.

Interviews may disrupt the workforce, but they also may help to reassure affected employees and supervisors that they are important and involved. You should also interview personnel outside the activity under study (e.g., customers, industry counterparts, and employees performing similar activities).

Interviewing people is a good method to identify tasks not captured elsewhere, especially non-routine tasks. It is also a good method to identify processes, as well as problems with processes, and ideas for process improvements. You may even uncover functions not previously identified.

Interviewing groups is a good method to verify data, compare processes, identify and discuss process interactions, and to brainstorm process improvements.

Interview Tips. Following are some tips for interviews:

- Carefully plan interviews.

    o First, determine the data that is available without interviewing.

- Then, determine the data that you will need to verify/collect using interviews.
- Next, decide whom to interview, and whether you should use individual or group interviews. Interviewing 100% of the affected workforce may not be necessary. As a general guideline, you should conduct a minimum of two interviews in every functional area. Some areas will require more if the employees are doing different segments of the process.
- Identify employees who do unique tasks and be sure to interview them.
- Last, decide which interview team is the most appropriate for a given interview.

- Only ask for information that you need. Interviews are unsettling.
  - Know what you need before beginning an interview.
  - Capture as much data as possible the first time. This means integrating the data collection efforts for the Performance Work Statement and Quality Assurance Surveillance Plan team and for the Agency Tender team.
  - Limit subsequent interviews to the clarification of details.

- Consider interviewing all functional support employees; most perform at least one unique task.

- Employees tend to overstate the time spent on a task. In normal circumstances, they pay more attention to completing the task than to how much time it takes. When asked how long it takes to perform a specific task, average workers tend to unintentionally overstate the time.

- One of the most difficult things to do is describe what you do for a living. Try it. Then remember how difficult it might be for others—a little empathy goes a long way.

- Find a suitable location for the interview. The interview area should be private and quiet with adequate lighting and comfortable furnishings.

- Use two interviewers. One should conduct the interview, while the other takes notes.

- Create an open atmosphere. Encourage interviewees to be open with you and ensure they know you are interested in what they have to say.

- Provide interviewees with a comprehensive introduction before you begin to ask questions. Your introduction should include:
  - Who you are,
  - What you intend to accomplish,
  - Why you are conducting the interview,
  - Approximately how long you expect the interview to last, and

  - o The confidentiality associated with the interview.

The simplest way to get what you need is to use a generic guide tailored for each interview. Your team should develop a standard interview guide for your interviews.

Observations

Work observation means "getting into the workplace" and learning what employees produce. Observations are a good way to:

- Measure work (level of effort).
- Identify or confirm processes.
- See what works well.
- Identify bottlenecks and disconnects.
- Discuss processes and standards.
- Appreciate the ebb and flow of the workload.

Following is an observation checklist:

- Have forms and templates ready to take notes.
- Dress the part—do not over or under dress, fit in.
- You are also being observed, so be professional.
- Interact with the workers to the extent that you do not interfere.
- Observe and then go make notes. It can be awkward to take notes in front of workers because they watch you write instead of focusing on the work.
- Identify:
    - o Input actions that initiate work.
    - o Processes and interim outputs.
    - o Outputs.
    - o Who uses the outputs.
    - o Methodology for workload counts by output.
    - o Work schedules.
    - o Manuals, directives, etc. that employees use.
    - o Materials used.
    - o Equipment used.
    - o Facilities used.
    - o Systems used.
    - o Management controls.

Document Review for Specific Data

You can review both hard copies and electronic documentation to extract specific data. Electronic data is easier to manipulate, especially if you can access the original data. Some documents that you should review include:

- Organizational charts
- Staffing tables
- Mission statement
- Customer lists
- Directives
- Instructions
- Operating procedures
- Accounting records
- Budgeting records
- Current contracts
- Current performance agreements
- Equipment lists
- Facility lists
- Systems descriptions
- Prior management reports
- Workload reports
- Quality control reports