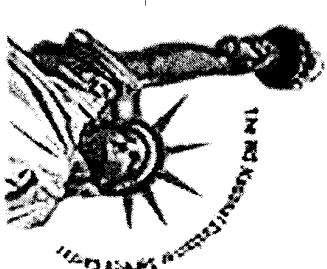
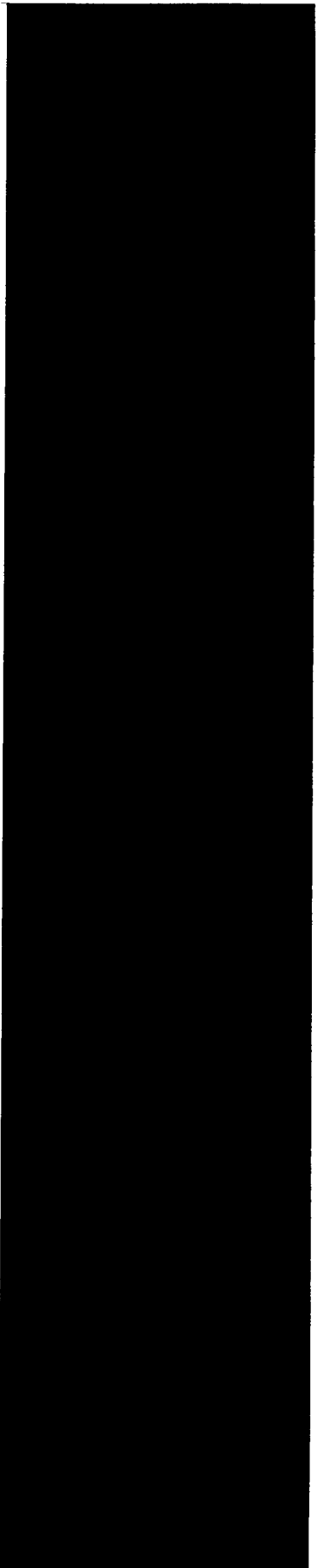


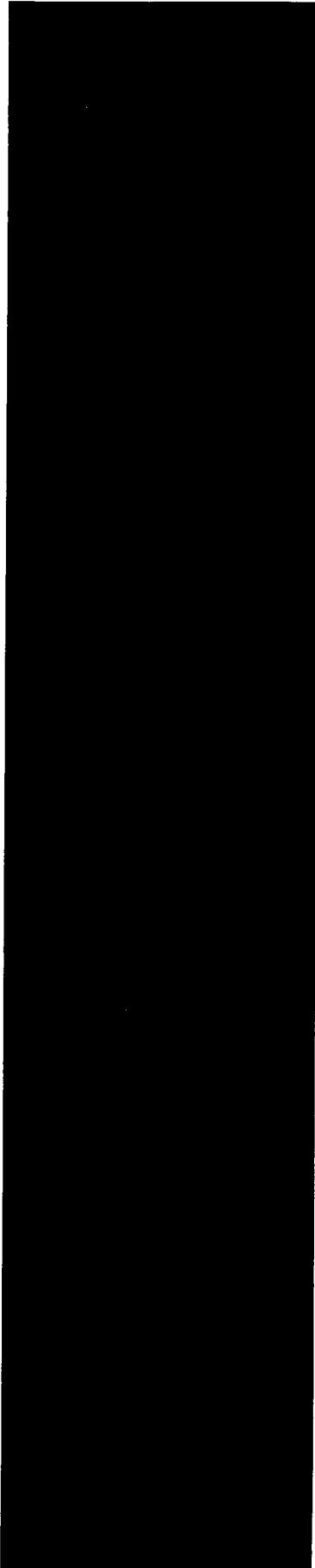
**Bureau of Citizenship and Immigration Services  
OMB Circular A-76, IIO Functions**

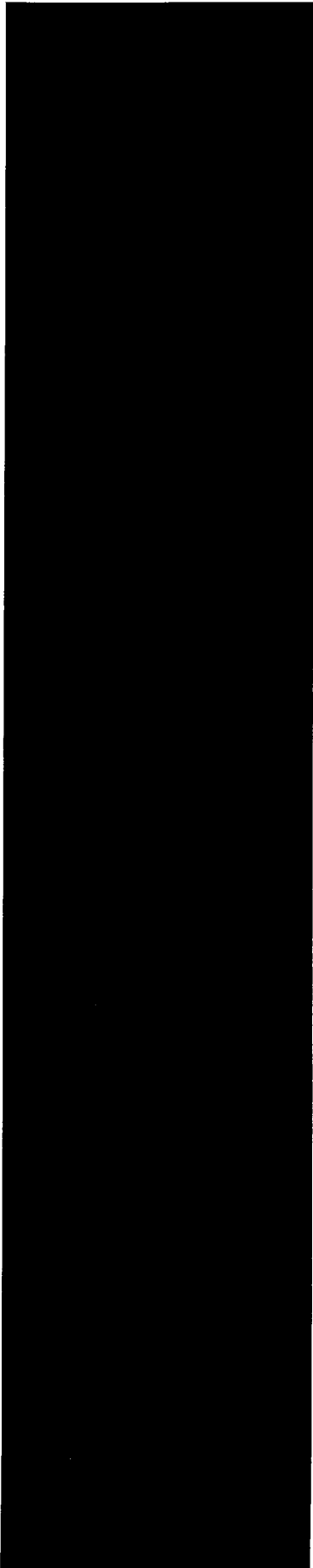
**Department of Homeland Security**






- A-76 Background
- A-76 Process
- Issues
- Situation Summary
- Opportunity
- Recommendation

- 
- OMB Circular A-76 Establishes Federal policy regarding the performance of a commercial activity cost comparison and provides a means for a level playing field.
  - Implements statutory requirements of the FAIR Act.
  - Supplemental Handbook establishes procedures to be followed in conducting a commercial activity cost comparison.



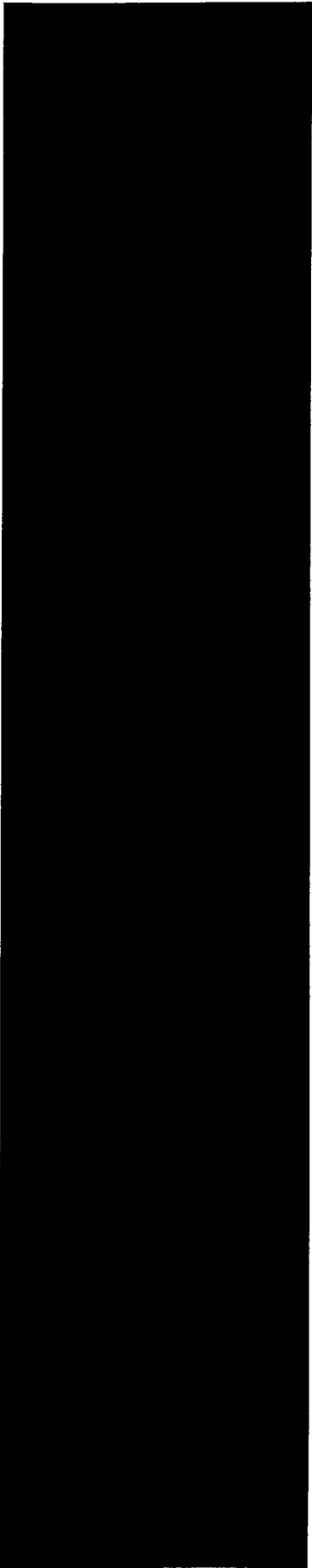
➤ **Federal Activities Inventory Reform (FAIR) Act of 1998**

- Requires annual listing of all commercial activity positions to be published.
- Requires review of annual list and justification using a "competitive process" to ensure identified workload cannot be accomplished more cost effectively by the private sector.

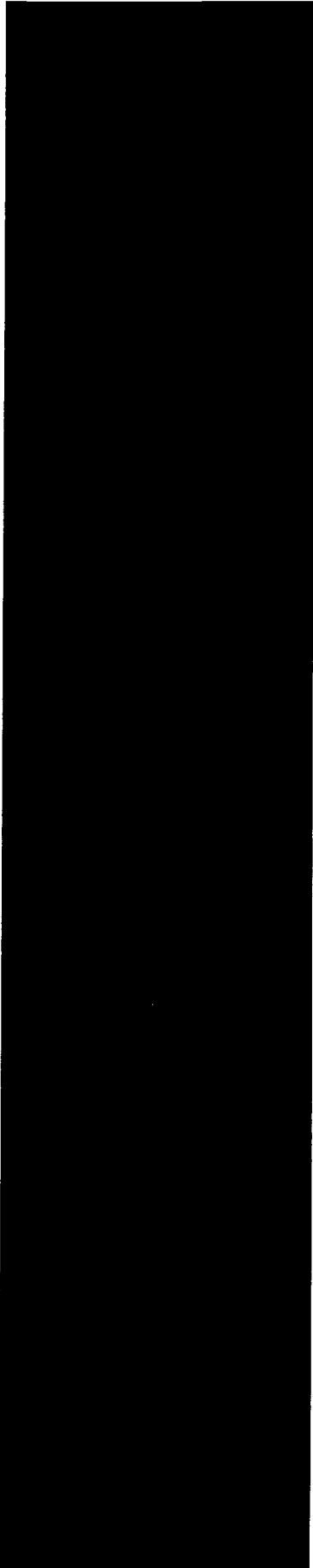


➤ The President's Management Agenda has goals for using the A-76 process to compete work that government employees are performing that is not inherently governmental.

➤ The Administration's goals are to compete 5% of the jobs on the commercial activities inventory in FY 2002, 10% more in FY 2003, and to compete half the inventory by the end of FY 2005.



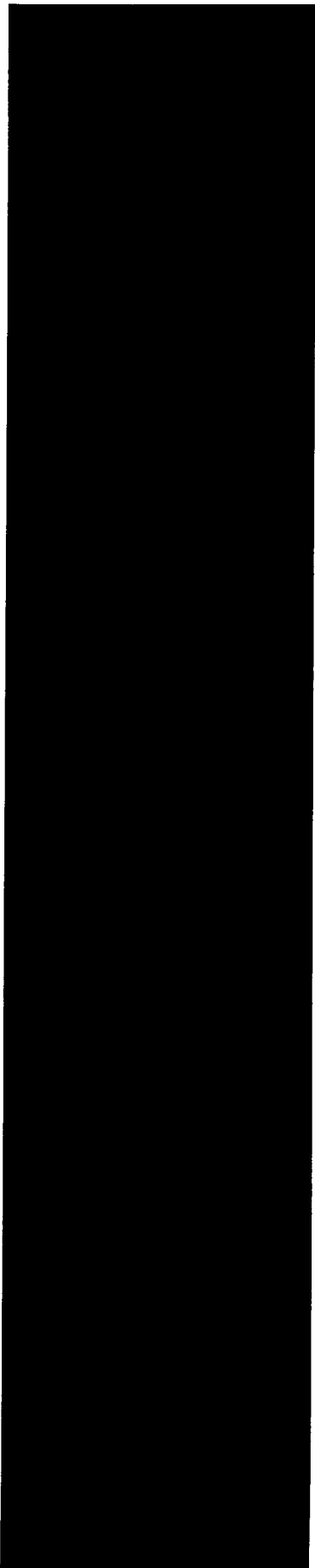
- These same goals and percentages were assigned to DOJ.
- In 2002, DOJ, with INS concurrence, determined, without the benefit of an A-76 study, that work done by INS IIOs was not inherently governmental, and added the occupation to the FAIR Act commercial activities inventory.
  - INS has 1,088 commercial inventory positions:
    - 547 in local INS Offices
    - 6 at Ports of Entry
    - 385 in Service Centers
    - 44 in Asylum Offices
    - 100 in the NCSC cal centers
    - 6 in ISD HQs

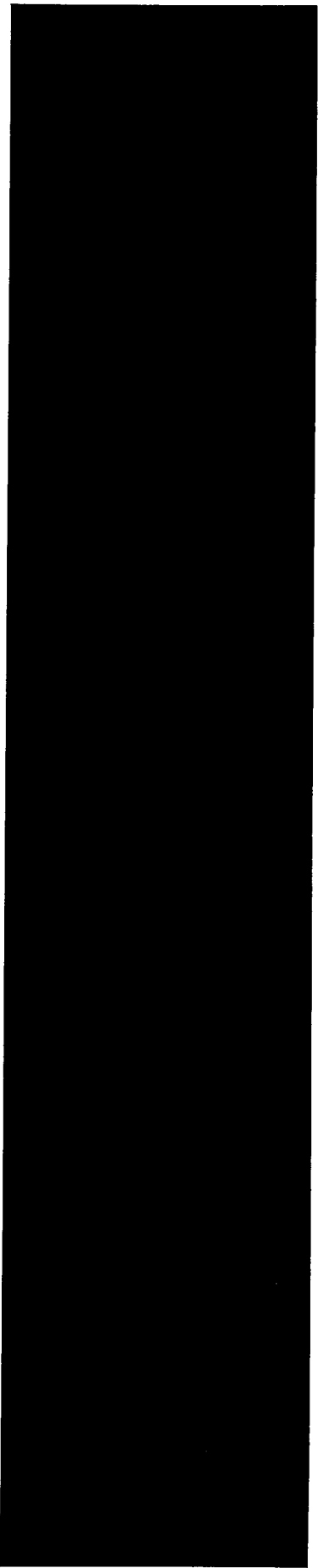
- 
- DOJ also scheduled the IIO competition for FY 2003, as part of meeting DOJ's 10% position study goal.
  - To meet DOJ's commitment, INS is required to complete the study, and make an award, by September 30, 2003.

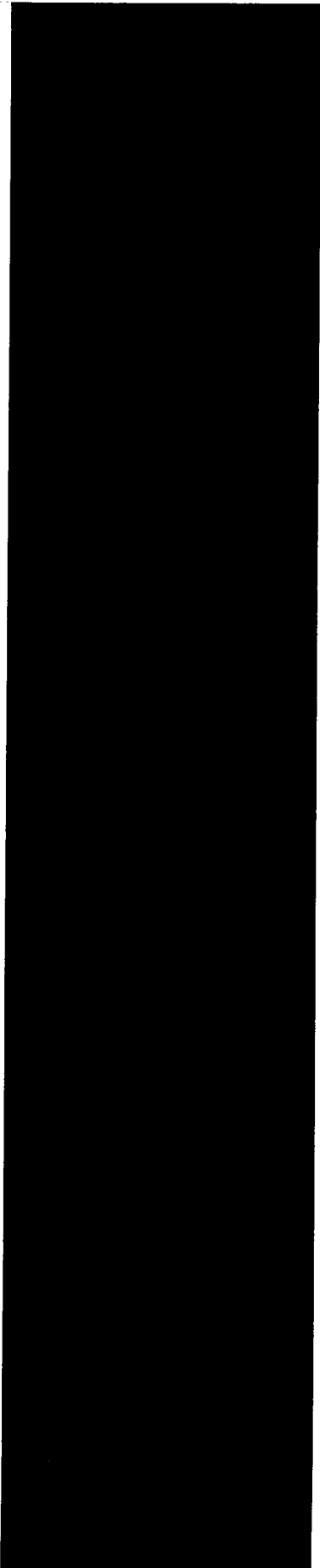
- Competing any contract of this magnitude is a major project. But since this is an A-76 procurement process, it becomes the equivalent of three major procurements wrapped into one.
  - There is the normal procurement process and structure, developing a performance work statement and evaluating bids.
  - The government has to set up its own bidding team.
  - A parallel and separate evaluation process must be set up to evaluate and certify the government's own bid.

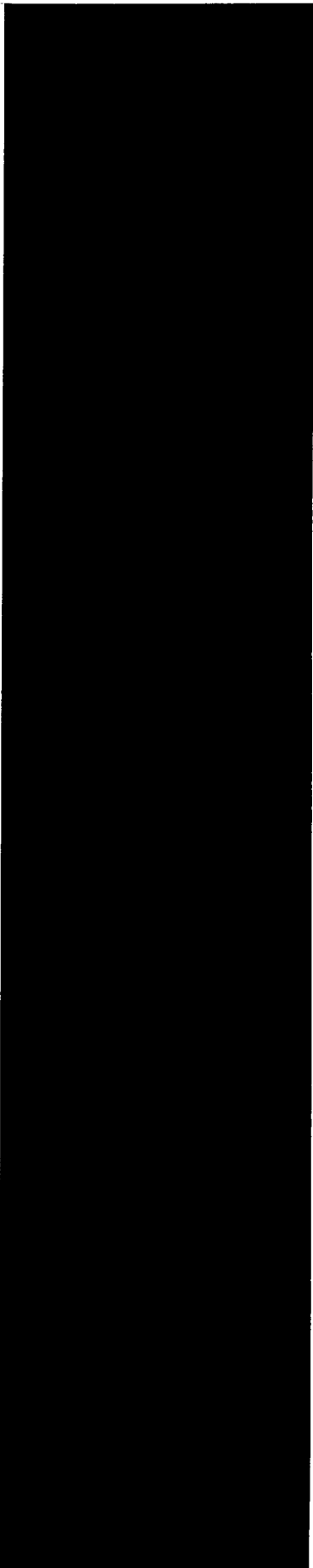


- Thus, issues of potential RIF's and other personnel impacts aside, this procurement will involve 3 times the level of effort of a normal large-scale procurement.
- The sensitivity of an A-76 procurement, particularly in the current context, will mean greater involvement by INS Executive staff.
- In addition, as we go through this process, any residual inherently governmental (GIN) work must be identified, and we must restructure operations so these GIN functions are no longer performed by IIOs.
- Identification of GIN functions has not been accomplished through a formal A-76 process.

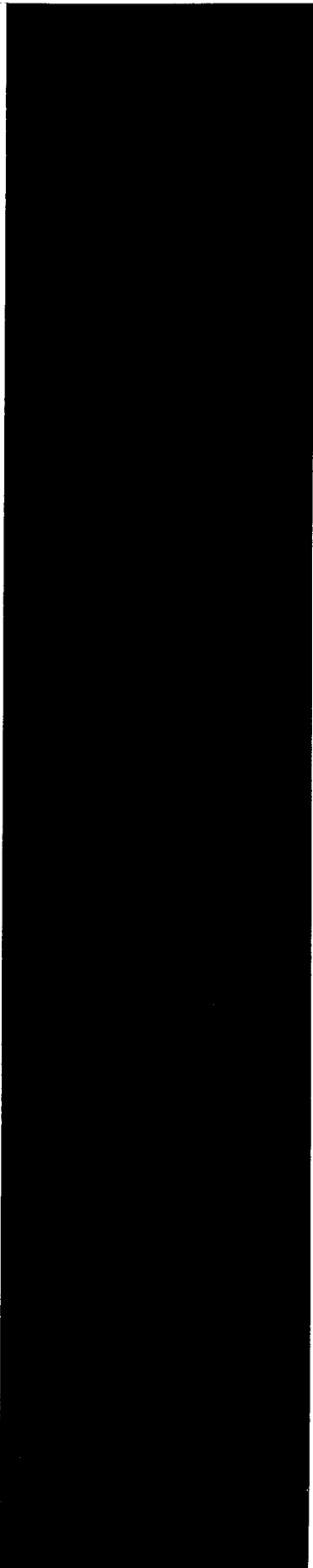
- 
- Completing an A-76 study has historically been very time intensive (2-3 yrs. to complete).
  - OMB's revised guidance due out in May, promises to reduce the timeline by over 50%.
  - The pending A-76 is the first for BCIS or the former INS, therefore several internal processes need to be established.
    - Before public announcement of the study, several key positions need to be appointed in writing.
      - Agency Tender Official (ATO), Contracting Officer (CO), Human Resource Advisor (HRA), Source Selection Authority (SSA), and Administrative Appeal Authority (AAA).

- 
- Establishing those internal processes will take time in addition to the extra time it will take to learn the procedures, etc.
  - In a best case scenario it will take approximately 18 months to complete the full A-76 using the revised procedures. Establishing the internal process and making them work could add another 6-9 months onto the total.
  - Additionally, with the realignment to DHS and resulting organizational and restructuring changes, BCIS activities need to be re-evaluated for the proper designation of either inherently governmental (GIN) or commercial.

- 
- Effect of Homeland Security Act of 2002 and resultant INS and ISD re-alignment.
  - Scope of initiative.
  - Schedule.
  - Cost.
  - A-76 Process Timeline
  - FAIR Act Inventory Process
  - DHS FAIR Act Inventory Goals

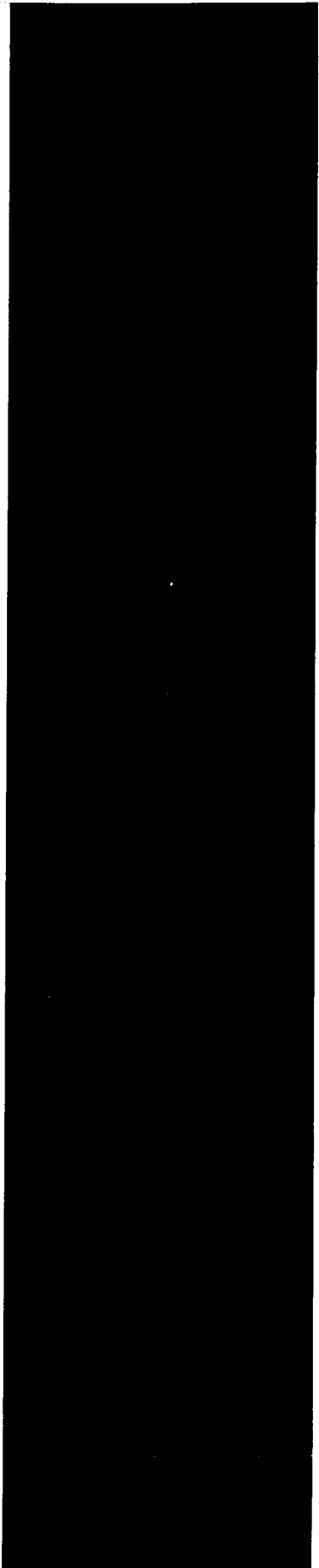
- 
- The Homeland Security Act of 2002 precludes adverse personnel actions for one year.
    - While the Act only restricts actions taken as a result of the restructuring, not as a result of ongoing efforts and studies, this is a fine line, and the project and decision will be considered DHS products.
    - What began as a DOJ decision and project will, as of March 1, transition over to and impact the DHS workforce, without benefit of review by DHS management.
    - Further, since we will be part of DHS when the final decision is made, this moratorium would mean that if the government doesn't win the bid, we might have to defer implementation and the resulting RIF until March 2004.

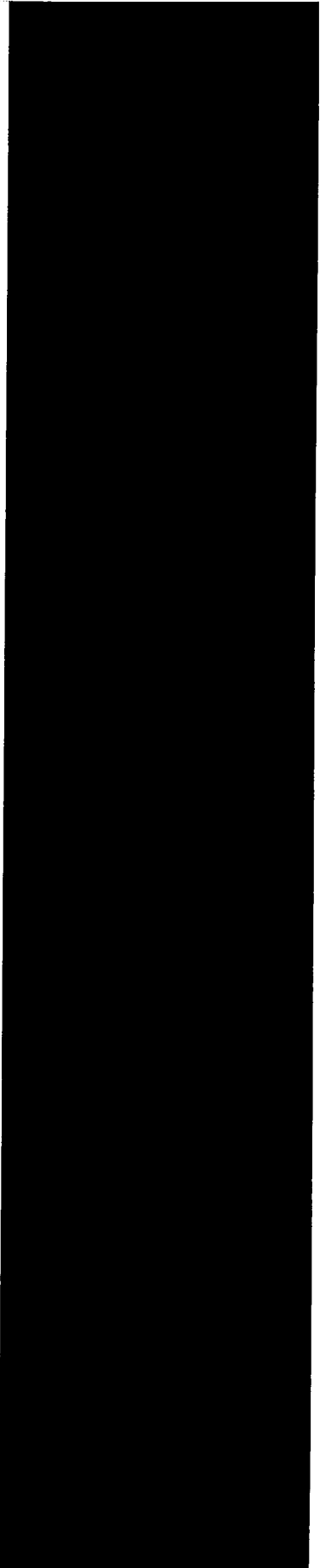
- While going through this DOJ directed study, INS was abolished on March 1, re-designated BCIS, and realigned under DHS. Resources were reorganized into 2 separate bureaus with a 'shared services' support structure, with separate chains of command and reporting channels
  - There are 6 IIOs at ports of entry, and they may end up part of BBS, not BCIS, which could mean a parallel A-76 effort.
  - Since the A-76 process involves a bid by the Government. There are special requirements to separate the staff involved in the procurement, bidding and evaluation processes from each other and from the affected chain of command. As a result, the March 1 restructuring will have a significant impact on the necessary structure, staff availability, and the schedule for this project.

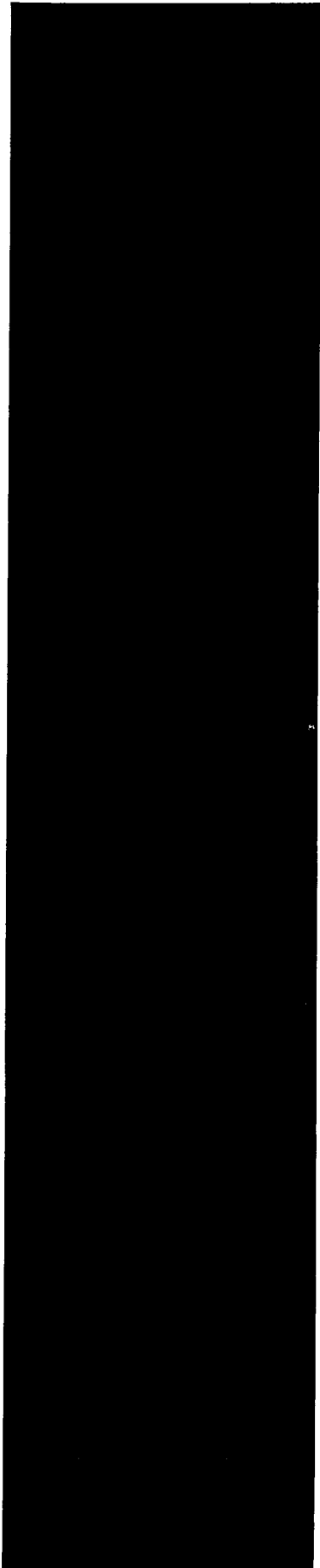
- 
- Restructuring under the A-76 process could significantly interfere with further restructuring into DHS and with the new processes of mission implementation and execution.
  - Moving forward with an A-76 competition based on present business processes limits the agency's ability to implement substantial organizational and operational improvements expected through restructuring and realignment under DHS.

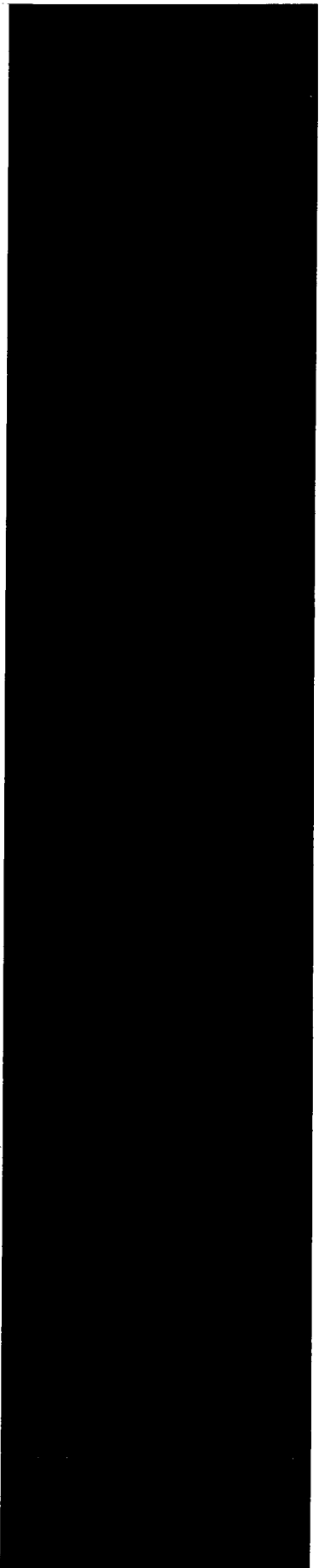
- When DOJ placed the IIO occupation on the commercial inventory, it acknowledged that there is still work to be done on the issue of whether some of the work is inherently governmental in nature (GIN).
  - To a degree this is a natural part of doing the deeper analysis to develop the statement of work.
  - But it's somewhat complicated here because DOJ was unaware that their designation included workers at INS call centers, where there had already been extensive work done to identify and open to competition all but inherently government work.
  - Many of the distinctions found in that previous analysis also exist with respect to IIO's in other INS operational elements.

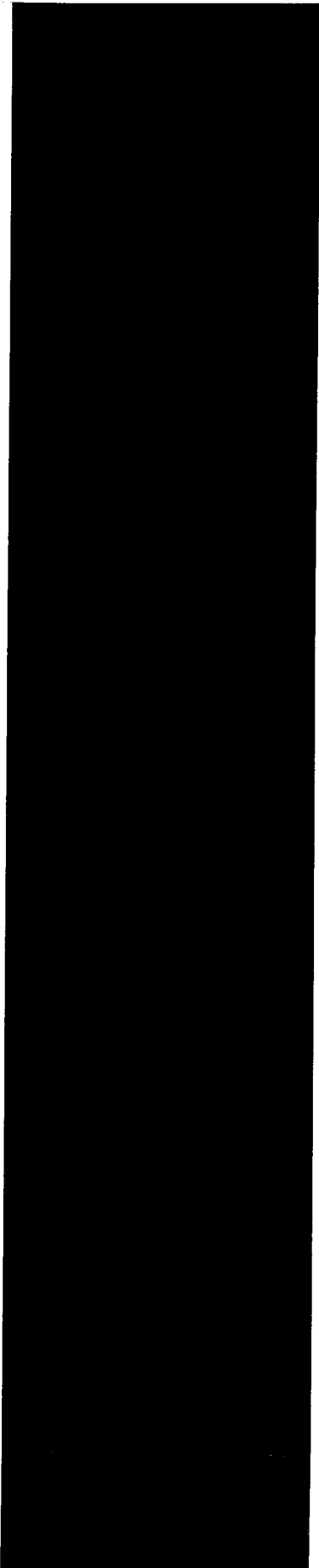


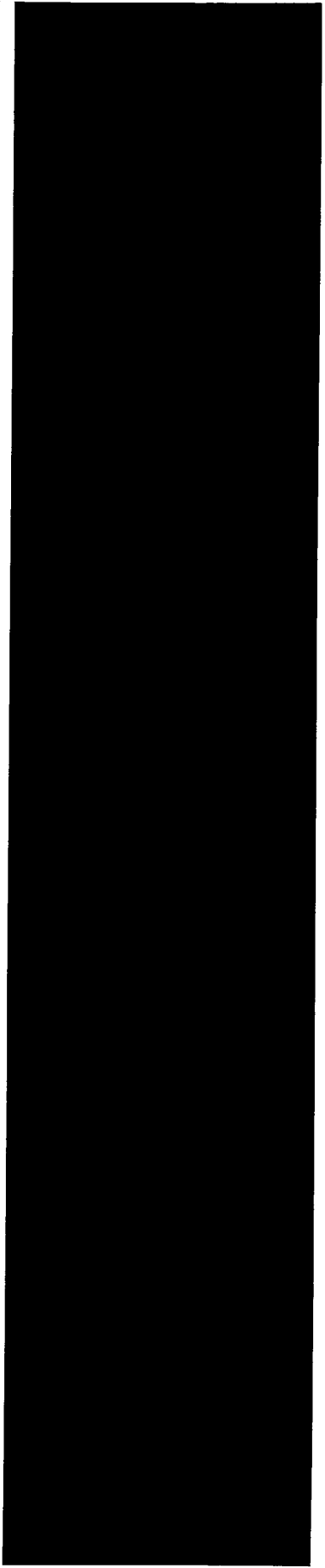
- 
- In addition, in a broader sense, INS IIO's are a version of contact representative, which is one of the largest occupations in the federal workforce.
    - The decision that IIO work was not inherently governmental was not made for the government-wide contact representative occupation, just for INS personnel, and did not consider the broader context, other agency determinations on this subject, and applicability to the entire occupation.
    - Thus the independent decision by DOJ to consider all IIO functions to be commercial activity will potentially be disconnected from interpretations other agencies make in terms of what functions are inherently governmental.

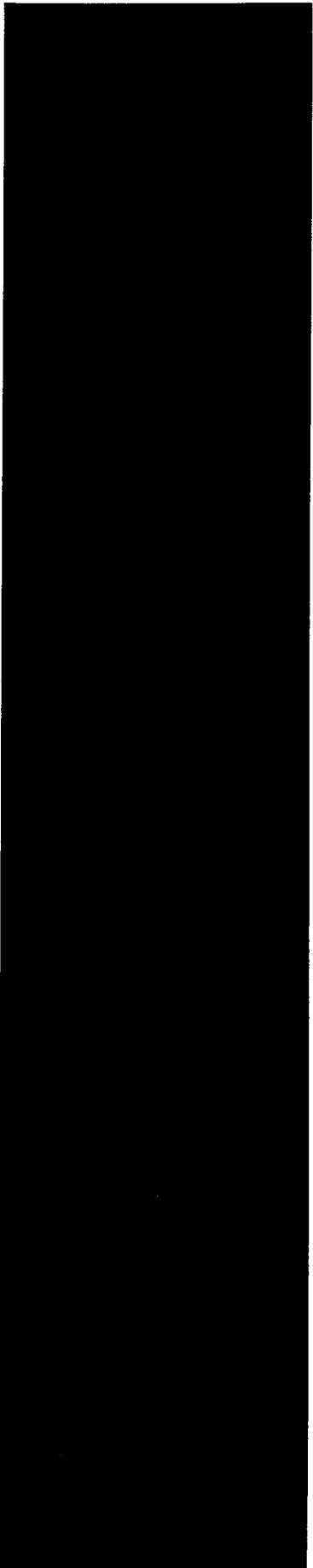
- 
- Even without the impact of DHS restructuring, the schedule set to finish this by the end of FY 2003 in order to fulfill the DOJ's 10% FAIR Act inventory goal is very aggressive in its own right in terms of A-76 initiatives.
    - The outstanding issue regarding inherently governmental work significantly complicates the effort, making the schedule and project even more aggressive.
  - Add in the fact this initiative will now overlap and compete with restructuring as we move to DHS, and the schedule becomes very challenging.

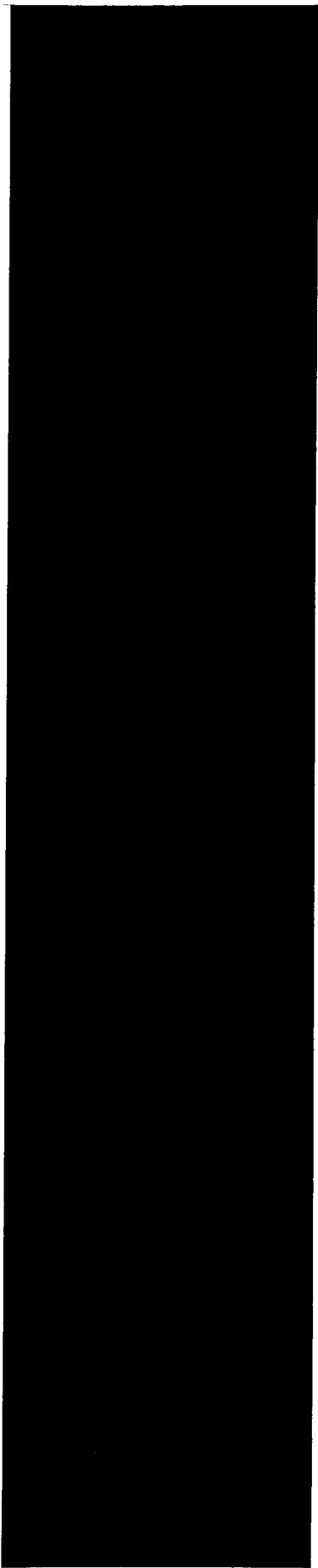
- 
- Long term, an A-76 process should result in cost savings. However, in the short term there could be substantial implementation costs.
  - PS&B for the affected IIO's for FY 2003 will run over \$47 million dollars.
  - If a commercial vendor wins the bid, the resultant duplication of costs while INS conducts a RIF creates a financial liability risk of about \$24 million dollars in FY 2004, which is neither funded nor budgeted at the present time.
  - Any performance requirements to improve service could result in some ongoing cost increases that could offset any savings, and possibly could have long term funding ramifications.

- 
- The INS A-76 study schedule of the IIO functions was submitted to OMB by DOJ and promised to be completed by Sept. 30, 2003.
  - Using the revamped OMB A-76 procedures, if they are available in May, and starting immediately thereafter, the most ambitious schedule would still not produce a final product until November 04.
  - Considering it will be the first BCIS experience with A-76, establishing and perfecting the necessary internal processes could add several months to the process.

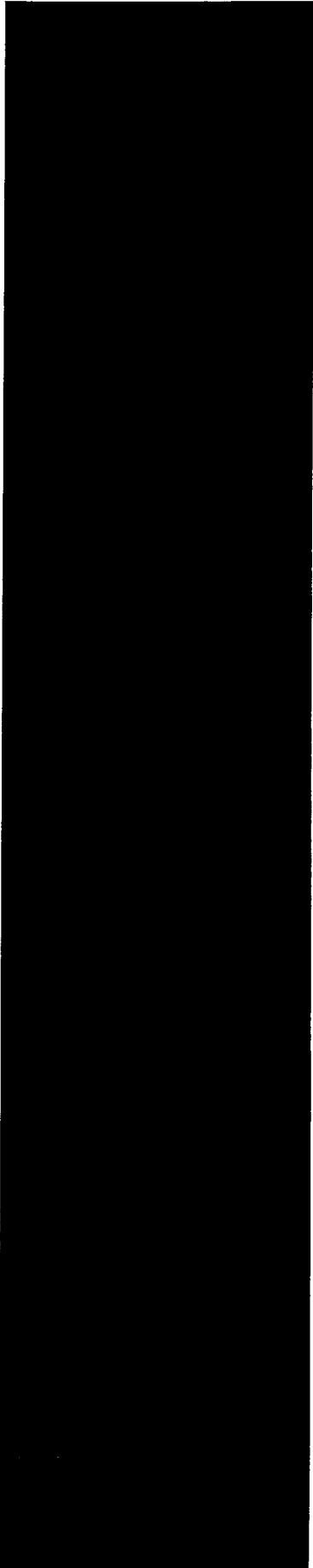
- 
- Annual inventories identify all agency performed activities and categorize these activities as either commercial or inherently governmental.
  - The INS IIO functions were categorized and submitted by DOJ with limited coordination and GIN analysis from INS.
  - Since joining DHS the BCIS activities have changed and may continue to change in the near future.
  - DHS needs to look at all their activities and categorize them using FAIR Act guidelines.

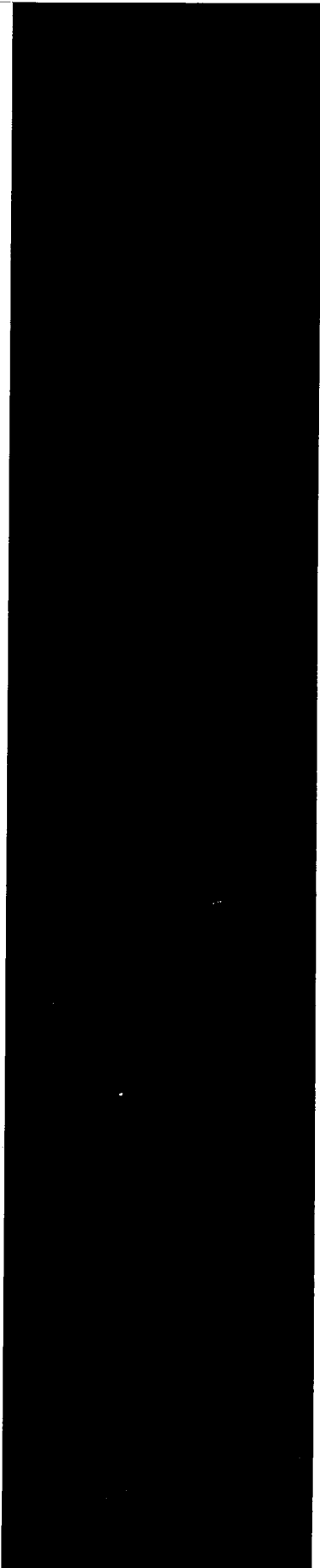
- 
- The IIO functions were submitted to satisfy the DOJ FAIR Act goals of 10% by 03.
  - As a current member of DHS, the BCIS functions and any study will count toward the DHS goals.
  - The BCIS commercial activities should be re-evaluated and submitted as part of the overall DHS inventory to satisfy their required 50% goal by 05.

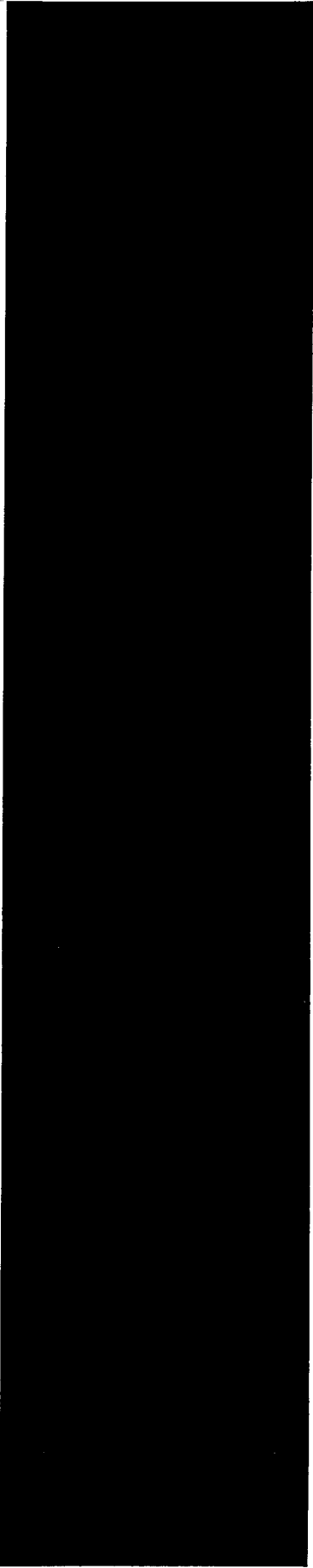
- 
- Taking all these factors into account means that in order to meet the current study schedule INS will have to take a very narrow approach, in essence competing just the cost of labor, rather than competing for broader solutions, and INS will not be able to introduce significant business process re-engineering and other productivity and service elements into the PWS and MEO.
  - Current facility and similar impediments to the scope of the study would, in today's environment and timeframes, prohibit a broader approach.

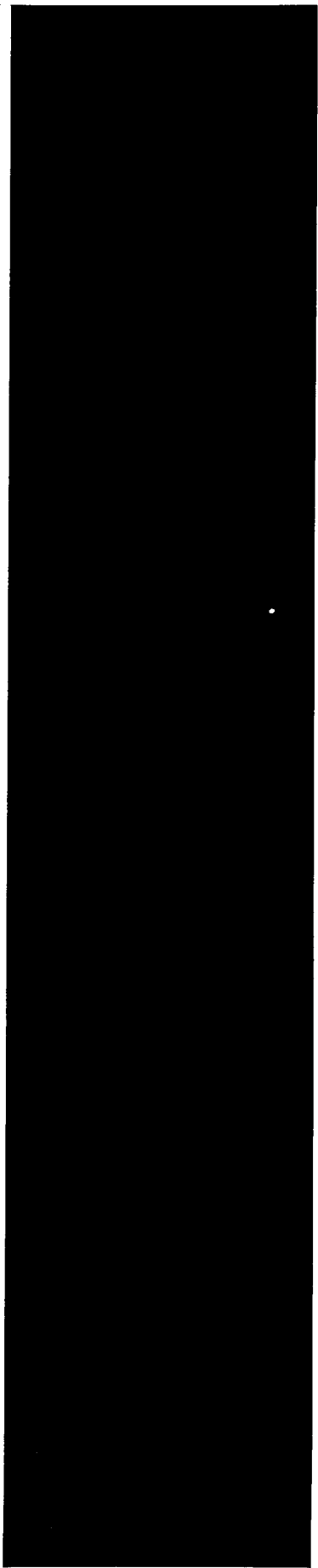
- 
- Accomplishing the A-76 study under present scope may achieve the DOJ numerical objectives, but will not achieve the A-76 program's overarching operational efficiency objectives, and also will not address the current extensive customer service problems.
  - While there will be certain latitude, done this way the project will basically determine whether the work, as done today, will be performed by civil servants or by contract personnel.
  - Due to the limitations, the study will not result in significant procedural changes, nor will it significantly affect the length of the lines at our local offices.



- 
- As part of the restructuring of immigration functions and redeployment to DHS there is an opportunity to take a broader look at solutions to improve the effectiveness of our operations.
  - A discrete restructuring initiated by DOJ before the transition to DHS that was approved should not be allowed to interfere with a more worthwhile restructuring effort as ISD moves to DHS.
  - Studying the BCIS organization strategically, on a broader scale, could achieve better results and create a firmer foundation for an A-76 study of all the information services and related support functions.

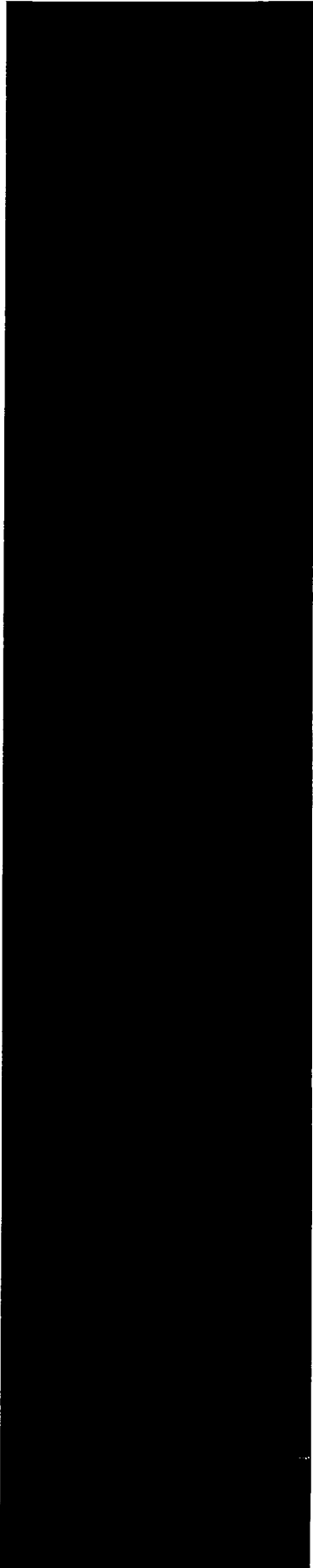
- 
- Request permission from OMB to defer the A-76 study for two years.
  - Change the "Reason Code" on the FAIR Act Inventory from "B" (The Commercial Activity is suitable for a Cost Comparison or a Direct Conversion) to "E" (The Commercial Activity is pending an agency approved restructuring decision (e.g., closure, realignment)).

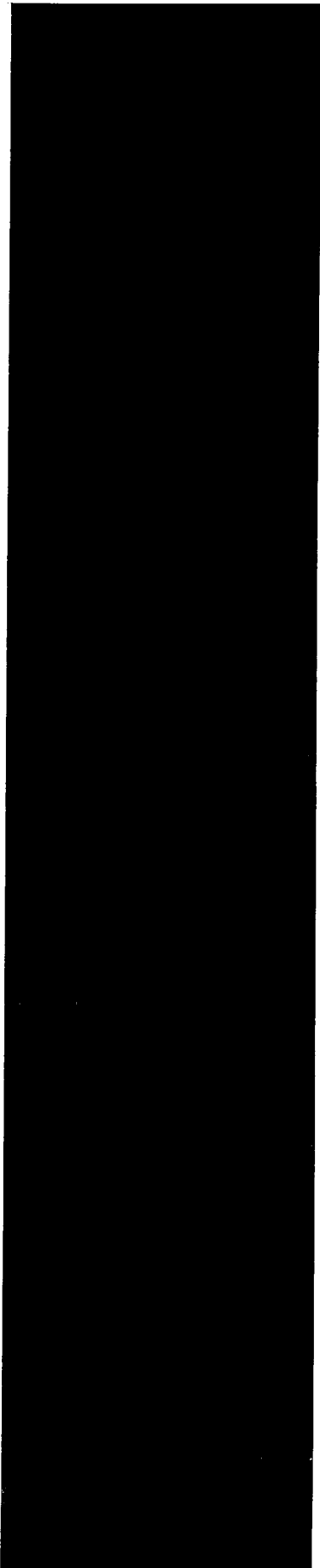
- 
- Defer this study for 2 years in order to:
    - Complete the initial restructuring necessary to create BCIS under DHS.
    - Restructure operations strategically under DHS and continue to implement the 'Local Office Initiative'.
    - Complete work defining what IIO functions are inherently governmental.
    - Gain better workload and performance data through the continued rollout of the 'Local Office Initiative' in order to have a better basis for a CA competition under A-76.



➤ Based on this analysis and data, approach the operational problem as we did successfully with the INS call centers, evaluating the entire operation strategically instead of just the single I/O functions, and using the inherently governmental standard to guide the development of leading edge solutions.

➤ If this conversion doesn't eliminate civil servants doing commercial work, then go through a discrete A-76 competition for this work in an environment where bidders have the opportunity to develop and implement innovative solutions.

- 
- **A broader approach:**
    - is more consistent with the objective of the A-76 program,
    - will have more impact in terms of improving our operations and customer service, and
    - should generate more competition.
  - **It will still ensure that when we resume the study that remaining civil servants doing commercial work have the protections of the A-76 process.**

- 
- Deferral for 2 years will still mean that this now DHS study would be completed by the end of FY 2005, and DHS would still assist in meeting the Administration's FAIR Act goal for studying 50% of the CA inventory.
  - Utilize the time between now and the start of the eventual A-76 to setup BCIS internal A-76 processes (ATO, CO, HRA, SSA, and AAA), and to perform the Preliminary Planning phase included as a vital step in both the old and new A-76 process.
    - Pre-Planning could include a combination of top-down organizational review, BPRs, employee training, and other productivity enhancing initiatives.