

Department of Energy

Visual Information Services Most Efficient Organization Post-Award Validation and Verification Review



DECEMBER 2004

Office of Security and Safety Performance Assurance

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1.0 INTRODUCTION

The Office of Security and Safety Performance and Assurance conducted a post-award validation and verification review of the Department of Energy (DOE) Visual Information Services - Most Efficient Organization (MEO service provider), from November – December 2004. The review was performed by the Office of Resource Management, SP-1.2.

The MEO service provider manages visual information services for DOE Headquarters Program Offices in the National Capital Area and is comprised of six personnel working out of office space in the Forrestal and Germantown facilities. Some of the visual information work is performed in-house while jobs estimated at \$200 or more are to be contracted out to local businesses. The MEO service provider won the competition on July 11, 2003.

Overseeing the operations of the MEO service provider is the continuing government activity (CGA) which is comprised of Federal employees from the original visual information services organization prior to the awarding of the activity to the MEO service provider.

The purpose of this review was to determine if the MEO service provider and CGA were performing the required activities as prescribed in the A-76 Competitive Sourcing (A-76) process, i.e. the documents generated regarding solicitation, transition, performance, and quality assurance.

Overall results indicate a lack of records management and document control by both the MEO service provider and CGA. Many of the records and documents were either not provided, did not exist, or were incomplete. As a result of the lack of documentation, no definitive qualitative determination can be made regarding the overall performance of the MEO service provider to conduct work within specified performance parameters or of the CGA to provide oversight of the MEO service provider.

Background

The President has tasked all government operations with creating the most efficient and effective organizations possible. The A-76 Competitive Sourcing (A-76) process is one of the tools DOE is using to achieve economy, improve quality and productivity, and deliver better products and

services for lower cost. The A-76 process provides a fair, standardized system of competition between existing government operations and commercially available private entities to ensure the government is using the most efficient organization for all tasks that are not inherently governmental. The A-76 circular requires post-competition reviews to verify that the winning organization is implementing and performing in accordance with the winning bid package and validate cost estimates and projected savings stated in the original proposal.

In June 2004, the Deputy Director of the Office of Management and Budget established a requirement that DOE conduct an independent verification and validation review of at least one completed standard competition. The purpose of the review would be to ensure the savings projected by the competitive sourcing study team were based on accurate methodologies and to verify the extent to which identified savings materialize after implementation of the award. On June 10, 2004, the DOE A-76 Competitive Sourcing Official designated the Director, Security and Safety Performance Assurance, as the Department's A-76 Independent Verification and Validation Official, due in part to the independent nature of Office of Security and Safety Performance Assurance.

Objectives

The primary objectives of this review were to determine:

1. MEO service provider implementation of the transition plan and technical performance plan, measured in terms of achieving the full-time equivalents, grade structure, and the contract support.
2. Performance of work by the MEO service provider in accordance with the performance work statement, measured in terms of workload, responsiveness, and quality of work.
3. Implementation of the quality assurance surveillance plan by the CGA.
4. Maintenance of solicitation documentation by the CGA.
5. Conformance of costs by the MEO service provider to the in-house cost estimate, adjusting for mission and/or scope of work changes, inflation, and wage rate adjustments, and excluding actual costs of government furnished services or costs of the inherently governmental activities.
6. Management of performance information by the CGA and Office of Competitive Sourcing regarding the monitoring, collection, and reporting of performance data in preparation for a follow-on competition.

Focus and Scope

The general scope of the review included a detailed review of MEO service provider and CGA documentation (see Appendix C) and interviews with key MEO service provider, CGA, and Office of Competitive Sourcing personnel.

Report Layout

Section 2 of this report provides an overall discussion of the results of the review based on the stated objectives. Section 3 provides overall conclusions and recommendations. Appendix A provides supplemental information, including review team make-up. Appendix B provides definitions and explanations of the various terms used throughout this report. Appendix C provides a review of the documentation requested / reviewed. Attachment 1. contains an A-76 Cost Comparison: In-House vs. Contract or ISSA Performance worksheet derived from the COMPARE database.

2.0 RESULTS

2.1 MEO service provider implementation of the transition plan and technical performance plan.

As part of the bid submission in response to the request for quotation, the MEO service provider was required to develop a management plan and a technical performance plan. The management plan contains a transition plan that identifies a transition timeline and actions to be implemented to transition from current governmental performance to the successful operation under the performance work statement. The technical performance plan represents the approach of the MEO service provider to perform the workload prescribed in the performance work statement after transition has been completed.

The transition plan provided by the MEO service provider reads as if it was written by DOE as it contains a discussion of DOE responsibilities regarding notification to the National Treasury Employees Union, reduction-in-force of current Federal employees, and use of voluntary early retirement authority / voluntary separation incentive pay programs. In addition, there are sections titled "Government Wins" and "Contractor Wins." For the purposes of this review, the requirements identified in the later section were used to gauge implementation of the transition plan by the MEO service provider.

In accordance with the transition plan, the MEO service provider was to begin full performance of all requirements identified in the performance work statement within 60 calendar days of the contract award. This transition period consisted of two 30-day phases. In the first phase (30 days after award date), the MEO service provider was to ensure a qualified workforce was in place; assign staff to designated positions; provide training regarding performance requirements and standards, use of equipment, and software (i.e., Job Estimate Tracking System and DOE/C-Web); and obtain pager and mobile telephone services to fully perform the requirements contained in the performance work statement. Within the first 10-calendar day period after award, the MEO service provider Program Manager and designated key MEO service provider personnel were to attend a kick-off meeting. An initial progress meeting was to be held within this phase. During the second phase (second 30 days after award date), the MEO service provider was to test the operation of Job Estimate Tracking System, updating and archiving records in accordance with DOE Guide 1324.5B, *Implementation Guide for use with 36 Code of Federal Regulations Chapter XII – Subchapter B Records Management*. A new module for tracking a customer satisfaction survey was to be developed and tested for tracking improvements. The Job Estimate Tracking System was to be tested for operation and data

accuracy of the required report, "Visual Information Job Status Report," as provided in the solicitation; and a coordinated testing of the DOE/C-Web with MEO service provider staff to reinforce training and operation was to be performed. The MEO service provider Program Manager and other designated key MEO service provider personnel were to attend progress meetings every 15 calendar days during this phase.

The award was issued to the MEO service provider on July 11, 2003; however, actual initiation of the transition plan did not occur until March 8, 2004. The CGA issued two extensions due to an appeal by an MEO service provider employee and delays associated with National Treasury Employees Union concerns. The first status report issued by the CGA indicated the MEO service provider went into full force on May 8, 2004.

A review of MEO service provider personnel records indicated that all but one position was filled within the transition plan timeline (a Visual Information Specialist was not filled until May 17, 2004). Information provided in interviews with MEO service provider and CGA personnel indicates training was provided. However, no documentation was provided indicating when the training was given, duration of training, or subject matter covered. Evidence indicates mobile telephone service was obtained within the first phase of transition but documentation was not provided by the MEO service provider indicating when the pager was obtained and activated. Evidence indicates the customer survey form was not developed during the transition period. In addition, no information was provided by the MEO or the CGA regarding kick-off or progress meetings; testing of JETS or DOE/C-Web; archiving records; or testing of status reports within the electronic databases.

Although CGA documentation, identified above, indicates adherence to the transition plan schedule, once initiated, the lack of information and documented evidence prevented a determination of whether individual transition actions were completed or to what degree they were completed.

The technical performance plan provides the basis of management operations regarding organizational and staffing, and administrative activities of the MEO service provider as well as technical requirements regarding consultation, acquisition, and visual services, and records maintenance. Performance (hours of operation) and general requirements, i.e., quality control and use of government furnished equipment, material, services, are included in the technical performance plan. The technical performance plan is designed for normal, average levels of effort; peak workload demands are anticipated to be accomplished via overtime.

The MEO service provider was staffed in accordance with the technical performance plan with one visual information specialist in the Germantown location, and one program manager / team lead, one office administrative assistant, and three visual information specialists located in the Forrestal location. The MEO service provider hours of operation conformed to the technical performance plan with a CGA approved modification to the Germantown operations from 8:00 am - 12:00 pm to 8:00 am - 5:00 pm. No documented evidence was provided by the MEO service provider indicating the implementation of the quality control plan. Implementation of consultation, acquisition, and visual services provided by the MEO service provider was observed via the existence of job folders for each job performed. Records maintenance

requirements were also implemented as evidenced by the existence of job folders and Job Estimate Tracking System data.

The majority of the requirements identified in the technical performance plan appear to have been implemented; however implementation of the quality control plan could not be determined due to the lack of documented evidence.

2.2 Performance of work by the MEO service provider in accordance with the performance work statement.

The performance work statement defines both the work to be performed and the relationship between the DOE and the MEO service provider. Requirements are identified regarding scope of work; performance, personnel, and general requirements; use of government furnished equipment, material, services and MEO service provider furnished equipment, material, services; and transition.

Information gathered during interviews and visits to the Germantown and Forrestal locations and data reviewed from Job Estimate Tracking System indicates the MEO service provider was meeting the scope of work general requirements, i.e., serving as technical liaison for visual information services with DOE Headquarters program offices, providing procurement services to assist DOE Headquarters program offices in purchasing visual information services; providing basic visual information/graphic design services for short turn-around jobs, providing onsite consultation services at the Forrestal and Germantown locations, and providing all personnel, facilities, materials, supplies, equipment, and services, not provided by the Government required for the performance of the work; and workload requirements regarding the number of jobs to be performed and procured at each of the two locations as well as number of jobs with 2-day or less turn around. The completion of quarterly status reports by the MEO service provider could not be determined as the requested reports were not provided.

Section 3.0 of the performance work statement defines the performance requirements and objectives for the work to be accomplished by the MEO service provider. Requirements regarding consultation, acquisition, and visual services to be provided by the MEO service provider in terms of product type (e.g., banners, books, certificates, etc), quantity, and level of complexity as well as location and hours of operation; and records maintenance are identified. Requirements identified as most critical to contract performance are set forth in the performance requirements summary which contains the intended quality assurance standards (objectives), procedures for monitoring compliance with the standards (measures), and defines satisfactory performance ratings (expectations) for these critical requirements.

The MEO service provider appeared to be meeting the performance requirements regarding consultation services as evidenced by maintaining the hours of operations at the Germantown and Forrestal locations (changes to the Germantown hours of operations were approved by the CGA); developing specifications and solutions for visual information work, providing technical advice and assistance to DOE Headquarters Program Offices, and developing and administering a customer satisfaction survey for each job request.

Although the MEO service provider appeared to be meeting the majority of performance requirements regarding acquisition and onsite visual information services, several issues were identified. The performance work statement requires all jobs estimated to cost \$200 or more be subjected to the competitive bid process involving at least three vendors utilizing DOE/C-Web. All other work may be performed in-house. Interviews indicate that the MEO service provider was performing jobs in-house, at the request of the CGA, which exceeded the \$200 limit. This appears to be the result of a misunderstanding by the DOE Headquarters Program Offices of the change in scope of the visual information services to be provided in-house. Although these occurrences of out-of-scope jobs are approved by the CGA, no information was provided to account for the change in costs incurred by the MEO service provider as a result of the performance of this work.

The MEO service provider was utilizing Government credit cards to obligate funds for procurement services, which is prohibited by the performance work statement. The performance work statement requires a contracting officer representative (COR) to approve all purchases. However, the MEO service provider is comprised of Federal employees and there is no contracting officer (CO) or COR associated with this activity. The performance work statement is not clear as to how this requirement is to be administered in the event of an MEO service provider. Although the use of Government credit cards by the MEO service provider results in a more efficient process, evidence of approval of this modification to the performance work statement requirement was not provided.

A draft consolidated MEO service provider status report for the period May 8, 2004, to August 30, 2004, obtained from the CGA indicated that not all performance work statement standards for quality and timeliness were being met by the MEO service provider as prescribed in the performance requirements summary. Several examples of incomplete documentation of customer job specifications, completion of job folder jackets, and timeliness (24 jobs were noted as 5 to 14 days late) were cited. Although interviews with the CGA appeared to confirm these deviations no evidence of corrective actions being requested, initiated, or completed was provided by the CGA or MEO service provider.

The MEO service provider did not appear to be meeting the performance work statement record keeping requirements. The performance work statement requires the MEO service provider to maintain records and logs of work documenting time spent, materials used, etc. were requested but not provided and therefore are presumed not to exist. Because of the lack of these records, a determination of whether all jobs were assigned job folders, all job information was entered into Job Estimate Tracking System, or all procured job folders contained the information required by the performance work statement could not be performed. A review of data contained in Job Estimate Tracking System indicated that the MEO service provider was not providing all required information in a consistent manner. Notably, the level of difficulty assigned to each job was not indicated utilizing the rating system prescribed in the performance work statement. Information gathered in interviews indicates a lack of training on the use of Job Estimate Tracking System. It should be noted that it was also observed that Job Estimate Tracking System does not contain all the data fields necessary to meet the performance work statement requirements, e.g., there is no field to indicate when a job was completed. Also, the MEO service provider was not maintaining records (job folders) in accordance with DOE Guide

1324.5B, *Implementation Guide for use with 36 Code of Federal Regulations Chapter XII – Subchapter B Records Management*. No formal document control system was observed and the MEO service provider was unable to retrieve several job folders when requested. Finally, the MEO service provider was not able to provide an up-to-date inventory of all equipment, materials, and supplies as required in the performance work statement.

The MEO service provider did appear to be meeting the performance work statement requirements pertaining to personnel management as evidenced by the existence of qualified personnel (as defined in the performance work statement) at the prescribed numbers and levels.

The MEO service provider appeared to be meeting the performance work statement general requirements pertaining to conflict of interest and personnel and information security. However, the lack of documentation provided by the MEO service provider prevented a determination of compliance with quality control and meetings requirements.

The performance work statement requires the MEO service provider to maintain a quality control plan that identifies the procedures the MEO service provider will use to ensure performance is at least as good as the standards identified in the performance work statement. In addition, the MEO service provider's quality control program is required to contain a plan for corrective actions when deficiencies or insufficient performance is identified. A review of the MEO service provider quality control plan was performed and appears to be complete, however, no documented evidence that the quality control plan provisions are being performed by the MEO service provider was provided. In addition, the quality control plan does not contain provisions for corrective actions and no other documentation was provided to demonstrate corrective actions are implemented, as required.

The performance work statement requires the MEO service provider program manager and other key personnel, as identified by the MEO service provider, attend kick-off, progress, routine operations, and performance meetings during the course of transition and throughout the period of performance. No information was provided to suggest when or if the meetings were conducted, who attended, and what was discussed.

2.3 Implementation of the quality assurance surveillance plan by the CGA.

The quality assurance surveillance plan is designed to assist the CGA to monitor the performance of service provided by either the Government MEO or commercial contracted service provider. It contains a general overview of quality assurance methodology, Government responsibilities, a definition of non-conformance with quality requirements, and remedies available to the Government; quality assurance requirements; quality assurance methods; and quality assurance surveillance schedules. The quality assurance surveillance plan provides the quality assurance evaluator an effective and systematic method for surveying selected functions described in the performance work statement as well as helping the quality assurance evaluator understand the significance of each requirement and its associated assurance procedure.

No final quality assurance surveillance plan was provided by the CGA for review. In addition, the quality assurance evaluator had never been provided a quality assurance surveillance plan

and was utilizing the performance requirements summary from the performance work statement to perform quality assurance of MEO service provider performance. The quality assurance evaluator generated performance reports derived from the performance requirements summary for the period May 8, 2004 to August 30, 2004. No quality assurance reports generated after that time were provided.

2.4 Maintenance of solicitation documentation by the CGA.

Solicitation documentation relevant to the A-76 competition is required to be maintained by the CGA in the event of appeals or post-award reviews. The documentation to be maintained includes the request for quotation, performance work statement and cost comparison form.

Documentation was provided from various CGA sources and appeared to be complete. The Office of Competitive Sourcing was in the process of developing a centralized location for competition records to include a formal system for managing the documents.

2.5 Conformance of costs by the MEO service provider.

As part of the bid submission in response to the request for quotation, the MEO service provider was required to develop an estimated cost of government performance in accordance with A-76 guidelines. This estimate, the in-house cost estimate, is prepared by the MEO service provider using the Office of Management and Budget approved COMPARE software system. The in-house cost estimate contains the estimated costs for MEO service provider personnel, materials and supplies, other specifically attributable costs, as well as any assumptions made by the MEO service provider.

Virtually all (99%) the cost associated with the Visual Information Services MEO service provider activity is attributable to personnel costs, i.e. salary, overtime, awards, and overhead as the government provided all equipment, supplies, and services. As previously stated in Section 2.2, the MEO service provider is maintaining employee numbers and grade-levels as prescribed in the performance work statement and approved work statement modifications (one position was re-graded from a GS-7 to a GS-9). Therefore, the only way MEO service provider costs would not conform to the in-house cost estimate would be if overtime and monetary awards exceeded actual work load. Actual overtime data indicated 31 hours of overtime were billed for two MEO service provider individuals. However, because actual work load could not be determined (see Section 2.3 of this report), it could not be determined if the amount of overtime was justified.

No actual cost data was provided for either the material and supply or other specifically attributable cost categories.

2.6 Management of performance information by the CGA and Office of Competitive Sourcing.

The version of the A-76 Office of Management and Budget circular that was used for the visual information study did not require the CGA to maintain service provider performance information. However, the current version of the A-76 Office of Management and Budget

circular does require this information to be maintained for use in subsequent bids for the work. The purpose of this objective was to determine what, if any, performance information was being maintained by the CGA in anticipation of the new requirements which will be in effect during the next round of bidding on the visual information work.

The CGA quality assurance surveillance plan would have been the source of MEO service provider performance data, however, as previously discussed, no evidence of a quality assurance surveillance plan existed. In addition, performance data collection activities by the CGA appear to have ceased in August of 2004.

3.0 CONCLUSIONS

Positive Program Attributes

The Office of Competitive Sourcing was in the process of developing a centralized location for competition records.

The A-76 Office of Management and Budget circular, dated May 29, 2003, requires agencies to retain the documents created for standard competitions in a competition file. The Office of Competitive Sourcing was in the process of developing a centralized location for competition records to include a formal system for managing the documents to aid in the management of competitions, appeals, and reviews.

Program Weaknesses

Documentation required to be maintained by the MEO service provider and CGA was either not available or incomplete.

Five of six of the objectives of this review could not be definitively completed due to the lack of documented evidence. Many of the documents are specifically required to be maintained in accordance with the A-76 process or as identified in the various plans and work statements. Appendix C identifies the documents requested, provided, and the state of completeness as well as a description of what was missing. Further detail is provided in the previous section.

It is recommended that both the CGA and MEO service provider maintain required documentation and documented evidence of performance in accordance with DOE and Office of Management and Budget requirements.

The performance work statement incorrectly utilizes the terms contracting officer (CO) and contracting officer representative (COR) when the service provider is the government-led MEO, as opposed to a commercial service provider.

The performance work statement utilizes the terms CO and COR throughout. However, if the winning service provider is the government led MEO service provider, as opposed to a commercial contractor service provider, no contract is let and the procurement organizations are not involved, therefore, no CO or COR is assigned to the activity.

It is recommended that an addendum to the existing performance work statement be developed and communicated to the CGA and MEO service provider clearly and correctly defining the terminologies to be used in place of CO and COR.

The MEO service provider is performing work outside the scope of the performance work statement due to a misunderstanding by the DOE Headquarters Program Offices.

Prior to the A-76 study of the visual information services activity, all graphics work was performed in-house by Federal employees. After the A-76 study the scope of the visual information services activity changed. The new scope of work requires visual information services costing more than \$200 to be competitively bid to commercial vendors. This change was never communicated to the DOE Headquarters Program Offices. Consequently, the MEO service provider, at the request and approval of the CGA, performed some graphics work in-house that exceeded the \$200 limit.

It is recommended that either the performance work statement be amended to account for the out-of-scope work, or the change in scope be communicated to DOE Headquarters Program Offices.

Inadequate training of MEO service provider personnel.

MEO service provider employees inputting data into the Job Estimate Tracking System database are not consistently entering data into the required fields for level (of complexity) and description (product type). As a result, workload data reports could not be provided in the format required by the performance work statement. In addition, practices by the MEO service provider indicate a lack of awareness of DOE and Office of Management and Budget record keeping requirements.

It is recommended that the MEO service provider provide additional training to its employees regarding the use of DOE database systems and record keeping requirements.

Inadequacy of Job Estimate Tracking System to receive performance data required in the performance work statement.

It was observed that Job Estimate Tracking System does not contain all the data fields necessary to meet the performance work statement requirements, e.g., there is no field to indicate when a job was completed. This condition results in incomplete information required to perform quality assurance reviews of the MEO service provider.

It is suggested that either: 1) Job Estimate Tracking System be modified to accommodate the required information, 2) a method for inputting the required information into Job Estimate Tracking System be implemented without modifying the software, or 3) the required data be collected in a different system able to meet the requirements of the performance work statement.

The MEO service provider did not demonstrate provisions for corrective actions within their quality control program.

The performance work statement requires the MEO service provider to maintain provisions for corrective actions when deficiencies or insufficient performance is identified. The quality control plan provided by the MEO service provider does not contain provisions for corrective actions and no other documentation was provided to demonstrate corrective action provisions, as required.

It is recommended that either the MEO service provider quality control plan be amended or a separate system be developed to provide for corrective actions when deficiencies or insufficient performance is identified.

The CGA has not developed or implemented a quality assurance surveillance program.

The A-76 program requires the CGA to develop and implement a quality assurance plan to monitor the performance of service provided by either the Government MEO or commercial contracted service provider. No final quality assurance surveillance plan was provided by the CGA for review. In addition, the quality assurance evaluator had never been provided a quality assurance surveillance plan and was utilizing the performance requirements summary from the performance work statement to perform quality assurance of MEO service provider performance. The quality assurance evaluator generated performance reports derived from the performance requirements summary for the period May 8 to August 30, 2004. No quality assurance reports generated after that time were provided.

It is recommended that the CGA develop and implement a quality assurance surveillance program, to include a written plan, as required by the A-76 process.

Appendix A: Supplemental Information

A.1 Review Team Management

Glenn S. Podonsky, Director, Office of Security and Safety Performance Assurance (Office of Security and Safety Performance Assurance)

A.2 Review Team

A.2.1 Federal Team Members

Lesley Gasperow
Richard Updegrave
Cecellia Rogers
Sherri Bishop
Sharon Weaver
David Herman

A.2.2 Contract Support (Abacus Technology Corp.)

Duane Curry
Lambert McGaughy
John McKivigan

Appendix B: Lexicon

Continuing Government Activity (CGA): The residual organization that is composed of inherently governmental functions or core activities outside the scope of the cost comparison. This organization exists regardless of the outcome of the cost comparison decision and may include functions such as Quality Assurance, contract administration, and command and control.

In-house Cost Estimate: The in-house cost estimate is the government's bid. It is based on the MEO service provider, which is developed during the Management Study. The staffing required to do the workload specified in the performance work statement is the basis for the in-house cost proposal (estimate).

Job Estimate Tracking System: The DOE developed database system for tracking visual information job actions.

Management Plan: The Management Plan is the document that outlines the changes that will result in the Government's Most Efficient Organization (MEO) to perform a commercial activity in-house. It provides the staffing patterns and operating procedures that serve as a baseline for in-house cost estimates.

Most Efficient Organization: The staffing plan of the agency bid, developed to represent the agency's most efficient and cost-effective organization. An MEO is required for a standard competition and may include a mix of government personnel and MEO subcontracts.

Office of Competitive Sourcing: An inherently governmental agency office responsible for the implementation of A-76 within the agency.

Performance Standard: Verifiable, measurable levels of service in terms of quantity, quality, timeliness, location, and work units. Performance standards are used in a performance-based performance work statement to (1) assess (i.e., inspect and accept) the work during a period of performance; (2) provide a common output-related basis for preparing private sector offers and public tenders; and (3) compare the offers and tenders to the performance work statement. The requiring activity's acceptable levels of service are normally stated in the performance work statement. The solicitation includes performance standards.

Performance Work Statement: A statement in the solicitation that identifies the technical, functional, and performance characteristics of the agency's requirements. The performance work statement is performance-based and describes the agency's needs (the "what"), not specific methods for meeting those needs (the "how"). The performance work statement identifies essential outcomes to be achieved, specifies the agency's required performance standards, and specifies the location, units, quality and timeliness of the work.

Post MEO Review: A Post-MEO review confirms that implementation of the MEO in accordance with the transition plan, establishes the MEO service provider's ability to perform the services of the performance work statement, and confirms the MEO service provider is operating within costs identified in the in-house cost estimate for resources including materials, supplies

and total labor categories by grade and hours. Adjustments may be made for formal mission or scope of work changes.

Quality Assurance Surveillance Plan: The quality assurance surveillance plan documents methods used to measure performance of the service provider against the requirements in the performance work statement. The agency relies on the service provider to monitor daily performance using their own quality control plan, but retains the right to inspect all services. When the agency makes a performance decision, the agency re-evaluates and modifies the existing quality assurance surveillance plan, based upon the selected provider and the selected provider's accepted quality control plan.

Quality Control Plan: The quality control plan describes the internal staffing and procedures that the service provider will use to meet the quality, quantity, timeliness, responsiveness, customer satisfaction, and other service delivery requirements in the performance work statement.

Request for Quotation: The document prepared by the Government to solicit bids on the work activities under A-76 review.

Service Provider: The organization selected to perform the work identified in the request for quotation. The service provider may be either a government-led MEO or a commercial contractor.

Technical Performance Plan: The technical performance plan identifies the approach of the MEO service provider to meet the requirements of the performance work statement. It is prepared in accordance with Section L of the solicitation and depicts the MEO service provider's management and technical approach.

Transition Plan: A written plan for the transition from the current organizational structure to MEO or commercial contractor service provider designed to minimize disruption, adverse impacts, capitalization, and startup requirements.

Workload Data: A section of the performance work statement that provides a projection of exactly what and how much work is to be performed. For example, the number of computers supported, the number of buildings in the organization, the number of personnel supported, the number of computer users on the network, the number of counties supported, and so on. The MEO service provider team can only use the workload data in the performance work statement. If not enough detail is provided, it is difficult to determine the minimum performance requirements.

Appendix C: Documentation Matrix

| Documents Requested | Provided | Complete | Objectives | Comments |
|--|-----------------|-----------------|-------------------|--|
| Solicitation documentation, including performance work statement and all modifications | Yes | Yes | 1, 2, 4 | |
| MEO service provider transition plan | Yes | Yes | 1, 2, 4 | |
| MEO service provider management plan | Yes | Yes | 1, 2, 4 | |
| MEO service provider technical performance plan | Yes | Yes | 1, 2, 4 | |
| MEO service provider quality control plan | Yes | Yes | 1, 2, 4 | |
| COMPARE costing documents, including cost comparison forms with all worksheets | Yes | Yes | 4, 5, 6 | |
| Position descriptions supporting the MEO service provider at the time the bid was submitted | Yes | Yes | 1, 2, 4 | |
| Post-MEO service provider award organizational staffing documents | Yes | Yes | 2 | |
| MEO service provider documentation of quantities of products and services produced during the performance period | Yes | No | 1, 2, 6 | Output from Job Estimate Tracking System did not identify product type and job complexity. |
| Actual MEO service provider materials cost data for pager and cell phone | No | | 1, 2, 5 | |
| CGA quality assurance surveillance plan | No | | 3, 6 | Incomplete draft provided, dated January 10, 2003. |
| Documentation of inspections performed by CGA quality assurance evaluator | Yes | No | 3, 6 | Inspection reports do not address the performance requirements summary requirements in performance work statement. |
| MEO service provider technical plan deliverables | Yes | Yes | 1, 2 | |
| Justification for extension of Germantown location hours of operation | Yes | No | 1, 2, 5 | A single memo requesting the change gave no details as to cause and/or effect |

| Documents Requested | Provided | Complete | Objectives | Comments |
|--|-----------------|-----------------|-------------------|--|
| Documentation regarding transition | Yes | No | 1, 4, 6 | Received two memos extending the date of implementation, but start date is unknown, and date of full performance is unknown. |
| Appeal documentation | Yes | No | 1, 4, 5 | No information regarding the appeal by the MEO service provider employee. The only documentation regarding the National Treasury Employees Union concerns included a memorandum of understanding between Office of Management, budget, and Evaluation and the National Treasury Employees Union. |
| MEO service provider periodic status reports | No | | 1, 2 | |
| MEO service provider work logs, including time spent and materials used. | No | | 1, 2 | |
| MEO quality control plan documentation | No | | 1, 2, 4 | |
| MEO records and logs documenting time spent and materials used | No | | 1, 2, 5 | |

Attachment 1. - A-76 Cost Comparison: In-House vs. Contract or ISSA Performance

A-76 COST COMPARISON: IN-HOUSE VS. CONTRACT OR ISSA PERFORMANCE

CAMIS Number: 123456789 - DOE GRAPHICS - VISUAL INFORMATION SERVICES: (All Locations and Functional Areas)

01/07/2005 1:11:15 PM (Version 2.0)

IN-HOUSE PERFORMANCE

NOTE: First Performance Period is designated as a Phase-In/Transition Period

| Performance Periods | | | Line 1. Personnel: | Line 2. Material and Supply: | Line 3. Other Specifically Attributable: | Line 4. Overhead: | Line 5. Additional: | Line 6. Total In-House: |
|---------------------|------------|---|-----------------------|------------------------------------|--|----------------------|------------------------|----------------------------|
| 10/01/2003 | 09/30/2004 | 1 | 355,937 | 694 | 2,848 | 42,712 | 0 | 402,191 |
| 10/01/2004 | 09/30/2005 | 2 | 365,794 | 622 | 2,922 | 43,895 | 0 | 413,233 |
| 10/01/2005 | 09/30/2006 | 3 | 378,231 | 632 | 3,015 | 45,388 | 0 | 427,266 |
| 10/01/2006 | 09/30/2007 | 4 | 391,091 | 643 | 3,111 | 46,931 | 0 | 441,776 |
| 10/01/2007 | 09/30/2008 | 5 | 405,505 | 654 | 3,219 | 48,661 | 0 | 458,039 |
| | | | 1,896,558 | 3,245 | 15,115 | 227,587 | 0 | 2,142,505 |

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 A-76 COST COMPARISON: IN-HOUSE VS. CONTRACT OR ISSA PERFORMANCE - 1

A-76 COST COMPARISON: IN-HOUSE VS. CONTRACT OR ISSA PERFORMANCE

CAMIS Number: 123456789 - DOE GRAPHICS - VISUAL INFORMATION SERVICES: (All Locations and Functional Areas)

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CONTRACT OR ISSA PERFORMANCE *NOTE: First Performance Period is designated as a Phase-In/Transition Period*

| Performance Periods | | | Line 7. Contract/ISSA Price: | Line 8. Contract Administration: | Line 9. Additional: | Line 10. One Time Conversion: | Line 11. Gain on Assets: | Line 12. Federal Income Tax: | Line 13. Total Contract or ISSA: |
|---------------------|------------|---|------------------------------------|--|------------------------|-------------------------------------|--------------------------------|------------------------------------|--|
| 10/01/2003 | 09/30/2004 | 1 | 420,756 | 44,773 | 0 | 0 | 0 | -2,104 | 463,425 |
| 10/01/2004 | 09/30/2005 | 2 | 458,605 | 46,013 | 0 | 10,527 | 0 | -2,293 | 512,852 |
| 10/01/2005 | 09/30/2006 | 3 | 476,850 | 47,578 | 0 | 0 | 0 | -2,384 | 522,044 |
| 10/01/2006 | 09/30/2007 | 4 | 495,823 | 49,195 | 0 | 0 | 0 | -2,479 | 542,539 |
| 10/01/2007 | 09/30/2008 | 5 | 515,588 | 51,008 | 0 | 0 | 0 | -2,578 | 564,018 |
| | | | 2,367,622 | 238,567 | 0 | 10,527 | 0 | -11,838 | 2,604,878 |

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 A-76 COST COMPARISON: IN-HOUSE VS. CONTRACT OR ISSA PERFORMANCE - 2

A-76 COST COMPARISON: IN-HOUSE VS. CONTRACT OR ISSA PERFORMANCE

CAMIS Number: 123456789 - DOE GRAPHICS - VISUAL INFORMATION SERVICES: (All Locations and Functional Areas)

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DECISION

| | | |
|---|-------------------------------------|------------------------|
| Line 14. Minimum Conversion Differential: | (Line 1 Total x .10) | 189,656 |
| Line 15. Adjusted Total Cost of In-House Performance: | (Line 6 Total) | 2,142,505 |
| Line 16. Adjusted Total Cost of Contract or ISSA Performance: | (Line 13 Total + Line 14 Total) | 2,794,534 |
| Line 17. Decision: | (Line 16 - Line 15) | 652,029 |
| Line 18. Cost Comparison Decision - Accomplish Work: | SELECTED>>>>> | <u>In-House</u> |

Line 19. In-House MEO Certified

Stephen M. Smith - Office of Management Communications

Date: _____

'I certify that, to the best of my knowledge and belief, the in-house organization reflected in this cost comparison is the most efficient and cost effective organization that is fully capable of performing the scope of work and tasks required by the Performance Work Statement. I further certify that I have obtained from the appropriate authority concurrence that the organizational structure, as proposed, can and will be fully implemented - subject to this cost comparison, and in

Line 20. In-House Cost Estimate Prepared

Alex Harman - Grant Thornton, LLP - Alexandria, VA

Date: _____

Line 21. Independent Reviewer: _____

Mr. Michael A. Kilpatrick - Independent Oversight and Performance Assurance

Line 21a. Independent Reviewer (At Tentative Decision Date): _____

Mr. Michael A. Kilpatrick - Independent Oversight and Performance Assurance

'I certify that I have reviewed the Performance Work Statement, Management Plan, In-house cost estimates and supporting documentation available prior to bid opening and, to the best of my knowledge and ability, have determined that: (1) the ability of the in-house MEO to perform the work contained in the Performance Work Statement at the estimated costs included in this cost comparison is reasonably established and, (2) that all costs entered on the cost comparison have been prepared in accordance with the requirements of Circular A-76 and its Supplement.'

Line 22. Cost Comparison Completed

Date: _____

Craig S. Frame - Headquarters Procurement Services

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A-76 COST COMPARISON: IN-HOUSE VS. CONTRACT OR ISSA PERFORMANCE - 3