

Department of Energy



DOE A-76 Status, Lessons Learned & What's Next?

GSA EXPO

Office of Competitive Sourcing/A-76 (MA-20)

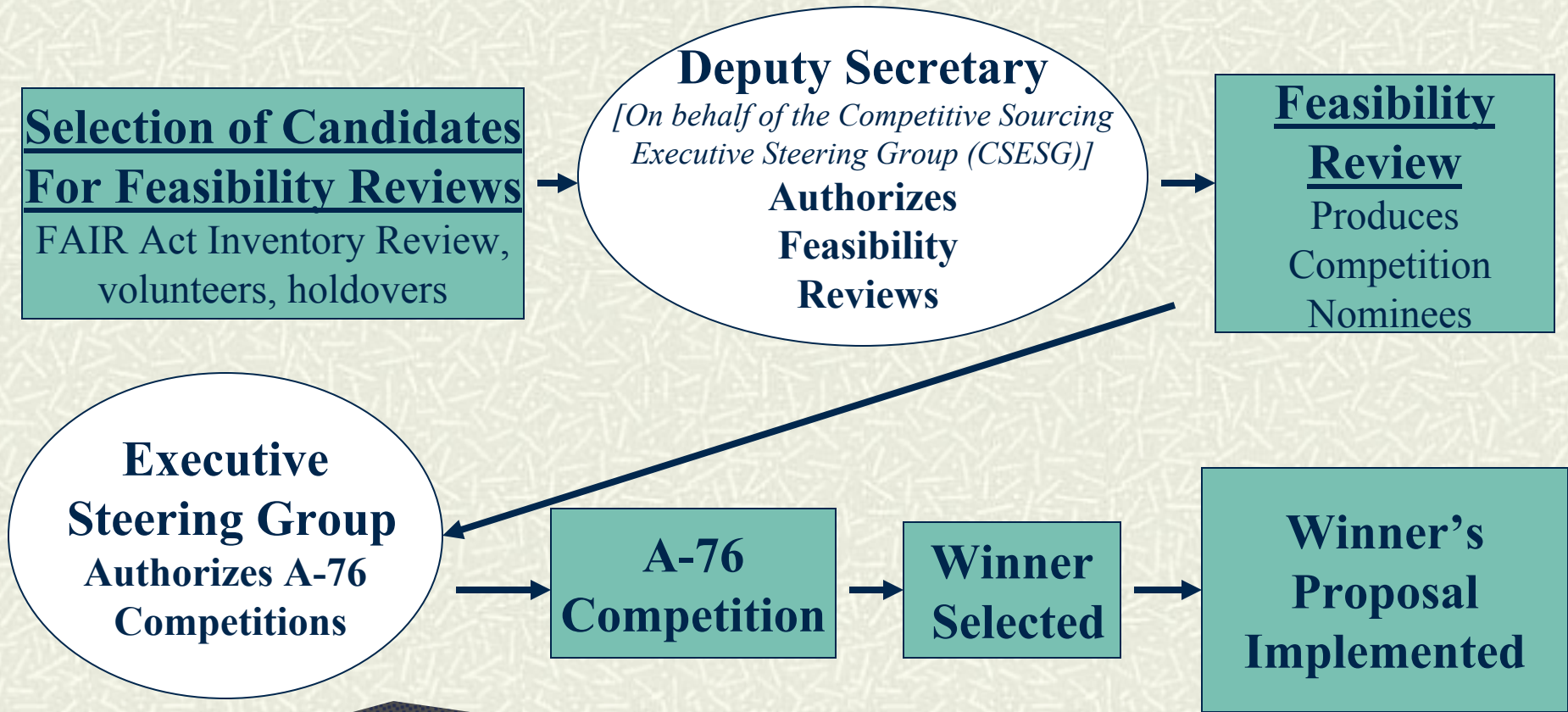
Denny O'Brien (202-586-1690)

May 16, 2006

Keys for a Successful A-76 Study

- Start with a well organized approach
- Effective communications strategy and planning is critical
- Top-down commitment is essential to set the tone and stay the course
- Studies are resource intensive
- Set realistic timelines with achievable milestones
- Focus on customer requirements

A-76 Competition Process



Feasibility Review - Presents a full set of recommendations on the scope of the study, mission impacts and risks, the estimated savings, study type and proposed timeline.

FAIR Act – Federal Activities Inventory Reform Act of 1998 required inventory of agency commercial activities.

Department of Energy

Competitive Sourcing Executive Steering Group (CSESG)

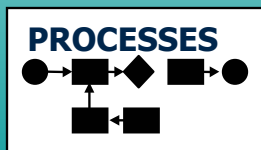
- **Advises the Secretary on accomplishing DOE's and President's Competitive Sourcing Goals, including oversight, review and approval of Competitive Sourcing actions**
- **Members**
 - **Deputy Secretary, Chair**
 - **Under Secretary for Nuclear Security**
 - **Under Secretary for Energy, Science and Environment**
 - **Director, Office of Management**
 - **The CFO**
- **Advisors**
 - **General Counsel**
 - **Director, Office of Human Capital Management**
 - **Director, Public Affairs**
 - **Assistant Secretary for Congressional and Intergovernmental Affairs**
 - **National Representatives of Federal Employee Unions**
 - **American Federation of Government Employees**
 - **National Treasury Employees Union**

Feasibility Reviews (FR)

- Requirement of OMB Circular
- Feasibility reviews are used to determine which commercial functions are best suited for an A-76 study
- Provides information on the scope of a potential study, mission impact and risk, estimated savings, and proposed timeline
- The Feasibility Review creates a “blueprint” for the proposed A-76 study

PHASE I

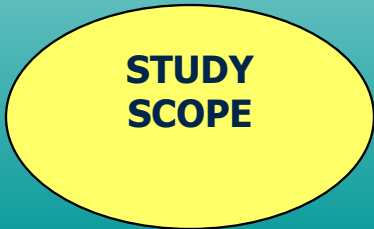
Feasibility Process



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**DETERMINE
COST BASED
UPON
SCOPING
REPORT**

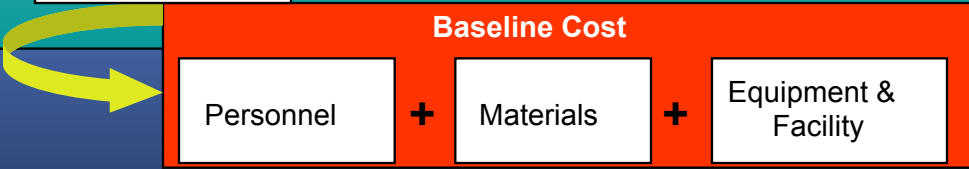
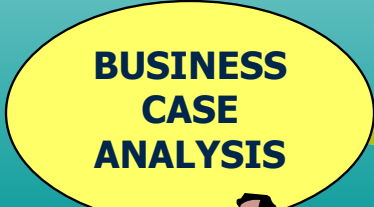
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**IDENTIFY
POTENTIAL
SAVINGS**

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**EVALUATE
ALTERNATIVES
FOR
C. S.**

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PHASE II

**Roles &
Responsibilities**



**Data Collection
Plan**

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**Communications
Plan**

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**POA&M &
Training Plan**



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**STUDY
PLANNING**



**DOE PUBLIC
ANNOUNCEMENT**

Status of DOE A-76 Studies

Function	Affected FTE	Status
Albany Research Center FY 06	74	Decision March 07
DOE Logistics FY 02/03	144	Completed-Decision April 06 (Contractor win)
New Brunswick Lab FY 04/05	40	Completed-Decision March 06 (MEO win)
Environmental Engineering Services FY 04/05	684	CANCELLED Sep 05
Information Technology FY 02/03	642 1000+ Contractors	Completed-Decision July 05 (Most efficient Organization, MEO win)
Human Resources FY 02/03	146	Completed-Decision September 04 (MEO win)
Financial Services FY 02/03	156 22 Contractors	Completed-Decision December 03 (MEO win)
NNSA Logistics FY 02/03	76	Completed-Decision May 04 (MEO Win)
Civil Rights Review FY 02/03	8	Completed-Decision August 03 (Contractor win)
Graphics FY 02/03	13	Completed-Decision September 03 (MEO win)

The estimated savings for the competitions completed to date is \$538.3M

Why Post Competition Accountability?

➤ Private sector concerns

- Most Efficient Organizations (MEOs) were operating “business as usual”
- MEO bids were “low-balled”
- 91% of competitions won by the MEO

➤ Federal employee concerns

- Contract bids were “low-balled”
- Contractors “buy in” and then contract costs increase
- Contract operations won’t perform as well as in-house operations

Requirements in OMB Circular

- **Best Practices and Lessons Learned**
- **Execution Tracking**
- **Competitive Sourcing Quarterly Report**
- **Monitor Performance**

The Four Phases of DOE Transition and Post Competition Accountability Activities

- 1. Transition to Winning Provider Planning**
- 2. Tentative Decision through Final Decision**
- 3. Service Provider (SP) Implementation**
- 4. Post-Competition Accountability**

Acquisition Lessons Learned

- **Acquisition Workload - Major Impact**
 - **Bidder/Offeror/Tender evaluations, cost analysis, Contests**
 - FAR Subpart 33.1

- **Cost Technical Tradeoff (CTTO) acquisitions**
 - **Best for higher tech functions**
 - Fairness issues and limited competition
 - **Evaluation criteria**
 - Past performance
 - Section L and M of RFP
 - How to score the MEO?
 - Resumes and key personnel
 - **Section 842 (a) of PL 109-115**

PWS Lessons Learned

- Adequate resources including time and personnel must be dedicated to write PWS
- Active procurement involvement required from inception
- Scope of work and any underlying assumptions must be clearly defined and understood before beginning to draft PWS
- PWS role on GFP
- The Circular should be modified to require inclusion of procurement and legal representatives during the development and submission of the Agency proposal.

ATO/MEO

➤ Issues/Lessons learned

■ ATO Requirements

- Support contractor
- Ability/assets to compete with private companies
- RFP provisions - OPM rules, costing
- Independent role
 - Sufficient support
 - Contest rules
 - Negotiate with CO

■ “Buy-in”

- Independent Review, SSEB

Contests Lesson Learned

- **A directly interested party may now contest the RFP, exclusion, cancellation and the performance decision, to include appeal to GAO**
 - **The ATO, a single individual appointed by a majority of directly impacted employees, other bidders**
 - **Appeal to the CO - FAR Subpart 33.1**
 - **Can ATO appeal - lack of support/funding?**
 - **Who IS the single individual?**
 - **Role of unions-work place negotiations**
 - **GAO Process-only ATO and Contractors**

Termination Lessons Learned

➤ Agency Terminations

- **The Circular requires the MEO or other public service provider be treated, for termination purposes, as any commercial provider in accordance with FAR Part 49.**
 - **CO determines performance, issues cure notice and terminates Federal employees?**
- **Will the MEO or other public service providers be given the same access to an Agency's Board of Contract Appeals and/or the Federal court for resolution of disputes or terminations under the Contract Disputes Act?**

What's Next?

- **Cannot use CTTO, only low cost-Technical Acceptable**
- **Recompetes**
- **More technically complex Functions**
- **Use of FSS**

For Further Information

- **Website:** www.mbe.doe.gov/a-76
- **DOE A-76 Hot Line: 202-586-1761**
- **Email: a76@hq.doe.gov**
- **DOE Office of Competitive Sourcing/A-76**
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 - ✓ **Mark Hively: 202-586-5655**
 - ✓ **Steven Apicella: 202-586-4071**