

Agency Tender Handbook

Division of Policy and Directives Management



Handbook Overview

The Agency Tender is the Government's bid and proposal for a competition. The Most Efficient Organization (MEO) is the organization, or management structure, for achieving that bid and proposal.

The Agency Tender is the guarantee that the Government will achieve efficiency and effectiveness regardless of the outcome of the competition. You must ensure that all data is current, complete, and accurate. The Government can only compare proposals in a fair and equitable way when:

- The data is completely responsive to the Performance Work Statement (PWS) and Request for Proposal (RFP), and
- The decisions reflect a reasonable approach.

The Agency Tender is a biased document. Just like your competitors, you are trying to win a competition. You must put the Service's best interest first and be willing to accept risk in an attempt to win the competition. The desire to "win" is then balanced by the need to perform. A "good Agency Tender" is:

- Accurate,
- Complete,
- Reasonable,
- Takes risk, but does not risk operational failure, and
- Written to communicate to all parties, specifically the Source Selection Evaluation Board

The Agency Tender Official (ATO) works with the MEO team to develop an Agency Tender that includes the following:

- An MEO,
- A certified agency cost estimate,
- The MEO's quality control plan,
- The MEO's phase-in plan, and
- Copies of any existing awarded MEO subcontracts (with the private sector providers' proprietary information redacted).

We present a method in this handbook for identifying and stating a technical and cost approach for the Agency Tender, which includes the development of the MEO. The handbook incorporates best practices we learned from across the Government, from previous Service competitions, from consultants assisting the Government to implement competitions, and Government contractors who bid on RFPs.

This handbook presents the process in five phases:

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- Phase 1: Developing the Agency Tender Team
- Phase 2: Data Collection and Analysis
- Phase 3: Agency Tender Development
- Phase 4: Cost Estimate Development
- Phase 5: Agency Tender Submission

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PHASE 1: DEVELOPING THE AGENCY TENDER TEAM

Overview

The Agency Tender Official (ATO), Human Resource Advisor (HRA), and Most Efficient Organization (MEO) team members work together to develop the Agency Tender. (OMB Circular A-76: Attachment B, Section A describes each of the roles in detail.) Ideally, the team should be in place and trained shortly after the Performance Work Statement (PWS) team begins to work, but it is essential that the team be in place before the first PWS draft is posted in FedBizOpps.

Task 1. Appoint the Agency Tender Official (ATO)

The Service Deputy Director or the Competitive Sourcing Official (CSO) will appoint a member of the management team to serve as the ATO, and will empower that individual to make management decisions for the agency tender.

The ATO:

- Is an inherently governmental employee.
- Makes the decisions about the MEO based on input from the MEO team.
- Ensures the MEO team responds to the RFP, as written, using all resources available to restructure an organization poised for the future.
- Is responsible for determining the make-up of the MEO team.
- With input from the Division of Policy and Directives Management (PDM) and the Service CSO, determines the skills necessary for completing the Agency Tender. (The CSO is the Assistant Director – Budget, Planning and Human Resources.)
- Decides the mix of Federal and contract support personnel.
- Keeps necessary team resources committed until the RFP closes.

Task 2. Appoint the Human Resource Advisor (HRA)

The Service Deputy Director or the CSO will appoint a member of the management team to serve as the HRA, and will empower that individual to make human resource decisions for the agency tender. The Human Resource Advisor (HRA):

- Is an inherently governmental employee.
- Is a human resources expert responsible for performing resource-related actions to assist the ATO in developing the Agency Tender.
- Provides the link between the Service's development of the MEO and Office of Personnel Management (OPM)-mandated personnel policy.
- Helps with all personnel decisions when developing the Agency Tender.

The HRA is responsible for the following major tasks:

Employee and Labor Relations

- Interface with directly affected employees (and their representatives) from the date of public announcement until full implementation of the performance decision.
- Identify adversely affected employees.
- Accomplish employee placement entitlements in accordance with 5 CFR Part 351 (reduction-in-force procedures).
- Provide post-employment restrictions to employees.
- Determine Service priority considerations for vacant positions and establish a reemployment priority list(s) in accordance with 5 CFR Part 330.
- Provide the Contracting Officer (CO) with a list of the adversely affected employees for the right of first refusal as soon as possible after the Service makes a performance decision. (See subsection below for more information about the right of first refusal.)

Notifications

- If a competition or a solicitation is cancelled, the HRA must directly notify affected employees and their representatives.

HR-Specific Tasks for the MEO

- Schedule sufficient time in competition milestones to accomplish potential human resource actions.
- Advise the ATO and MEO team on position classification restrictions.
- Classify position descriptions, including exemptions based on the Fair Labor Standards Act (FLSA).
- Perform labor market analysis to determine the availability of sufficient labor to staff the MEO and implement the phase-in plan.
- Assist in the development of the cost estimate by providing annual salaries, wages, night differentials, and premium pay.
- Assist in the development of the timing for the phase-in plan based on MEO requirements.
- Develop an employee transition plan for the incumbent organization early in the standard competition process.

Right of First Refusal

In the Federal Acquisition Regulation (FAR), civilian Federal employees have the right of first refusal of employment. The FAR requires offerors to give adversely affected Government employees the right of first refusal for employment openings under the contract. The FAR also says that to get right of first refusal, the employees must be qualified for the positions.

In the event that an A-76 competition results in the award of a contract to a private sector company, the company must give the Government employees an opportunity to apply for open positions as long as they are qualified.

Task 3. Appoint Agency Tender Team Members

The ATO will request nominations for team members. Ideal team members should be subject matter experts, but should not be affected employees. Because the Agency Tender is extremely time-sensitive, they must be freed of their regular responsibilities so they can fully devote their time and energies to the development of the agency tender.

Team members should be innovative and creative. They should have a good understanding of the current structure and should embrace the opportunity for change. Team members should be good communicators, since they will be interacting with affected employees, management, and other interested parties. They should also have a firm grasp of the Service’s strategic plan and mission.

Task 4. Train the Agency Tender Team

Once all the team members have been identified, they should receive general A-76 overview training and intensive agency tender development training. This training can generally be done in one week, and is best accomplished in a workshop setting.

Checklist of Key Tasks

PHASE 1: KEY TASKS	RESPONSIBILITY	√
1. Appoint the ATO	Deputy Director or CSO	
2. Appoint the HRO	Deputy Director or CSO	
3. Appoint Team Members		
4. Train the Agency Tender Team		

PHASE 2: DATA COLLECTION AND ANALYSIS

Overview

You develop the MEO through data collection and data analysis. You must base the MEO on the PWS/RFP. As important as the MEO is, the PWS is still the key document. If the PWS is bad, the MEO must still respond to it as it is. The MEO is simply the Government's technical approach to performing the PWS.

An initial duty of the MEO team is to review and comment on the draft PWS when the CO posts it on www.FedBizOpps.gov. The MEO team represents the Government's "incumbent contractor" and is well-served when the PWS is accurate.

The MEO is on a tight schedule and budget. If the team does data collection and analysis correctly, the MEO process becomes a documentation drill.

Task 1. Review the draft PWS

You should review the draft PWS as soon as it is posted on FedBizOpps. Team members should carefully review the requirements to ensure that they are clearly stated and that they make sense. You should list all questions and give them to the ATO. The ATO submits them to the CO. Questions and responses may be posted on FedBizOpps, or the PWS team may choose to simply incorporate the recommendations into the final PWS.

If more than one draft is posted, you should follow the same process for each draft.

Task 2. Review the PWS/RFP

To be responsive, you must base the MEO on the requirements stated in the PWS/RFP. **Do not base the MEO on current operations instead of the PWS/RFP.**

Step 1: The first step is for everyone on the MEO team to review the PWS/RFP and identify all requirements. The MEO team should meet and develop an overall strategy for meeting the RFP requirements. An example of an overall strategy is the decision to determine the permanent Federal employees necessary during the final period of the award, and then use intermittent or temporary employees during the preceding periods to both reduce costs and subject employees to only one Reduction-in-Force (RIF).

The MEO team leader determines which team members will know all of the specifics of the Agency Tender. You limit how many team members know everything because the information is extremely sensitive. Team members should share strategies only within the framework of the team.

Step 2: The next step in PWS/RFP review is to identify requirements and develop a table that lists all places where you see “Service Provider (SP) must” to add to the Performance Requirements Summary (PRS). The PRS states all of the requirements that have a measurable standard. Adding a column for the number of employees (by series and grade) required to perform each requirement is essential.

Step 3: Once the requirements are identified and placed in the 'SP must' table, the MEO team leader should assign each requirement to an MEO team member. The MEO team member meets with Subject Matter Experts (SME) to determine technical approaches to meet the requirement(s). Team members are responsible for consolidating the source data the requirements generate (i.e., workload reports, staffing charts, consumables, future plans, flowcharts, etc.). Team members also coordinate with other team members, SME(s), and consultants to analyze data on the requirements.

The source data serves as the basis for responding to questions raised during Administrative Appeal or Government Accountability Office (GAO) protests. MEO team members should track and document all assumptions, calculations, decisions, etc. to the source data. This documentation becomes part of the Letter of Obligation file after MEO award. By archiving this information, future teams have better information to develop subsequent Agency Tenders.

Step 4: After determining the RFP requirements, establish a document control process for Agency Tender development. Start a Master Document that contains subdocuments for each RFP requirement.

Task 3: Analyze the work requirements

After you determine the technical approach, you analyze the labor required. You perform qualitative analysis to identify the skills, knowledge, and abilities and quantitative analysis to identify the number of hours required. At the end of the analysis, you must think like a contractor and bid a mix of labor that can effectively accomplish the requirements in the most efficient manner.

Qualitative Analysis

Use the following list to perform the qualitative analysis:

- Review the technical approach.
- Review position description formats to identify how to document data.

- Identify required skills and abilities to implement the technical approach at the level required for position descriptions.
- Identify required knowledge to implement the technical approach at the level required for position descriptions.
- Identify any specific licenses, certifications, training, etc. that are truly required to perform the technical approach (eliminate those that are “nice-to-have” or represent current practices).
- Develop a draft position description.
- Submit the draft position description to a classifier for review.
- The classifier ignores current practices.
- The classifier applies the rules to match the skills, knowledge, and abilities to the most applicable classification series and grades.
- The MEO team reviews the classifications for reasonableness and competitiveness.
- The team develops position descriptions to document the quality of labor required.

Quantitative Analysis

Then you determine the quantity of labor. This exercise matches hours of each labor category and grade to the workload. You may use formal time and motion studies tied to formulas to determine productivity and workload. The formulas may be weighted by SME analysis for process improvements. The quantity calculations may result in a number of “partial bodies” necessary for workload peaks and valleys. You do not have to use full-time positions to fulfill the workload. Variations include:

- Part-time permanent
- Intermittent
- Temporary
- Seasonal
- School programs
- Overtime
- Contractors

The last two alternatives deserve additional comment:

Overtime: Overtime is a very effective and required use of labor. A rule of thumb in the private sector is, “the absence of overtime is proof of overstaffing.” If there is never an overtime requirement, you have to staff for peak workload at all times. You may apply the following formula to determine what the overtime break-even point is so you know when to establish another position:

$$(\$ \text{ per hour} \times 1.3285 \times 2080) / (\text{overtime rate per hour}) = \text{break-even point in hours}$$

This does not mean that each position should work this many overtime hours. However, spreading the overtime hours over multiple positions is cost effective up to the break-even point.

Contractors: The MEO may not directly convert current in-house positions to contract positions. However, the MEO may use contracts in the following situations:

- A contractor is currently performing work within the PWS/RFP requirements. The contract:
 - Can be bid as-is
 - Could be renegotiated within the existing scope to accommodate process changes or produce a more competitive price.
- Reengineering produces a new approach or process that is fundamentally different from the current positions. The MEO team may consider contracts for a new start/significant expansion part of the technical approach.

In addition, the team may want to convert current contracts to in-house performance. The analysis considers the technical effectiveness and cost efficiency of the contract.

You also identify the following through your quantitative analysis:

- Weekends
- Holidays
- Different shifts
- Emergencies
- Remote locations
- Travel

Non-Labor Resources

As you develop the technical approach and labor estimates, you also must consider and plan for the other non-labor resources: facilities, equipment, materials and supplies, IT systems and other services. You will review the Government furnished property and services in the PWS and identify any other non-labor resources needed to perform the technical approach. The analysis may lead to additional process improvements or additional effort to accommodate the required resources.

You should know the following about non-labor resources:

- The team must update position descriptions to reflect the specific equipment and systems used that affect the skills, knowledge, and abilities required.
- Additional labor is required:
 - For equipment maintenance, and

- Due to system downtime increasing time per tasks.
- You can reduce associated labor by:
 - Reconfiguring space, and
 - Investing in new equipment and technology

Task 4. Develop the technical approach

By developing the technical approach straight from the requirement tables, you are taking an approach directly in response to the PWS/RFP, and not writing about the way things have always been done. Your development is independent from current organizational or staffing charts.

You also need to flowchart the current operation. As you do this, process improvements will come to light from both the MEO team members and the employees under review. These improvements can lead to substantial savings during the award period. Documentation of the improvements can be in the form of applying engineered standards, performing time studies, and technical estimates by SMEs.

At the same time you find improvements, you also will identify the processes that are redundant, out of scope, or unnecessary. Be sure you document these processes and the corresponding staffing and trace them back to any source data. This helps ensure that the MEO team is only bidding productive hours required to perform the RFP requirements. You must remember that the only thing that your competitors are bidding is what is in the PWS—not what they know needs to be done based on past experience.

Because there is limited time to complete an Agency Tender, it is necessary to rank the savings into major and minor savings. The savings should then be stratified by determining the resources necessary to document them from a time standpoint, so you do not put too much effort into something that will provide minimal savings.

Identify the 20% of items that will give you 80% of your savings, and then dedicate more resources to those items. Think of it as an exercise in accuracy vs. precision. In getting the bid accurate, you may only account for 90% of the savings you could garner, but you do so within the timeframe specified without an additional level of effort. In getting the bid precise, you may account for 98% of the savings you can garner, but have to devote 1000% more effort to get there. You must work as a team to decide which items fall into the “accurate” category and which items fall into the “precise” category.

Following is the list of tasks to develop the technical approach:

- Identify the exact requirement to be performed.

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- Identify all past, current, and projected workload to help you understand the requirement.
- Identify the exact quality and timeliness standards, with deviations and maximums.
- Identify current processes.
- Conduct research on organizations outside of the Service to identify other technical processes in the Government and industry.
- Identify all practical processes, functions, and tasks that could be used.
- Begin to map the process by identifying the output required, the final task of the final function.
- Begin developing the technical approach by identifying the input that initiates the process.
- Then fill in the process by trying to take the most direct path between the input received and the required output.
- Challenge every function and subtask to see what is the value added.
- Ignore organizational boundaries.
- Ignore current staffing boundaries.
- Ignore current labor classification boundaries.
- Develop the most efficient approach that is effective and realistic for the workload quantity.
- Add required quality control tasks.
- Document the technical approach.
- Review the technical approach.
- Submit the technical approach for team review.
- The team comments on the technical approach singularly and in search of integration with other approaches that may achieve economies of scale.
- The technical approach is completed and resubmitted for reviews, integration, and final documentation.

Checklist of Key Tasks

PHASE 2: KEY TASKS	RESPONSIBILITY	√
1. Review the draft PWS		
2. Review the PWS/RFP		
3. Analyze the work requirements		
4. Develop the technical approach		

PHASE 3: AGENCY TENDER DEVELOPMENT

Overview

Until now, we have only discussed Section C (the Statement of Work, or PWS) of the RFP. There are two other critical sections of the RFP for the team to analyze and understand while developing the Agency Tender.

- Section L of the solicitation includes explicit instructions on the format of the documents required for source selection evaluation.
- Section M of the solicitation includes explicit instructions on the evaluation criteria and grading.

All documents must conform to these sections in order for the CO to consider the MEO technically responsive to the solicitation.

While Section L gives instructions on the formatting, it may also indicate discussion topics when determining the organizational structure of the MEO. Most proposals prepared in response to a service contract RFP have similar elements:

- Executive Summary - a summary of the proposal
- Project Management - how the team will oversee the organization and how it meets the solicitation requirements, including Letter of Obligation requirements
- Technical Capability/Performance - how the organization itself will meet the solicitation requirements
- Past Performance - how well the organization has performed on similar size and scope projects in the past

Task 1. Develop the new organization

Your organizational analysis will likely result in forming a series of labor pools designed to perform the work in the PWS/RFP. You may even perform an additional review to group the labor pools to try to add process improvements and economies of scale.

The goal is to form an organizational structure and identify the necessary management and supervision. The result is typically a streamlined and flat organization that differentiates between technical and administrative supervisory needs.

The key to this approach is ignoring the old organizational structure.

Following is a generic matrixed organization model common to MEO development:

- A dedicated project manager

- Several process groups.
 - Each group has supervisors and dedicated workers.
 - The dedicated workers are the people required for the lowest workload levels. These process groups have multi-skilled resources who can work in two of the three process groups. You staff the workload peaks from the process groups by moving workers to the workload.

The primary reason that MEOs struggle or fail is that they were not built to consider the essentials for change and their impact on the organizational culture. The “game” becomes winning, and the team does not pay enough attention to change implementation. A good MEO should:

- Link mission and products/services
- Provide efficient and effective procedures and methods
- Align responsibilities and positions
- Balance workload and staffing
- Better use technology and equipment
- Produce effective management reporting
- Provide a logical structure of work and work flows
- Establish efficient lines of authority and responsibility
- Produce accountability and management control
- Provide effective alignment of functions
- Allow adequate quality and management control
- Promote efficiency and effectiveness
- Result in a correlation of outputs and inputs
- Ensure appropriate levels and types of expertise
- Be competitive with the private sector on a technical and cost basis

Task 2. Classify the new positions and develop new position descriptions

Now that you have developed a new organization, the Human Resources Advisor (HRA) will begin to evaluate the work and will classify all new positions based on that work. It is common during this process to find that some of the positions in the new organization will be classified at lower grades than the incumbent employees' grades. You need to understand that the MEO team should not consider protecting the grades of incumbent employees as a part of their responsibility. There are numerous Federal personnel rules that will come into play.

Task 3. Write the MEO

The MEO is the staffing plan for performing the requirements of the solicitation. The MEO focuses on the resources (i.e., personnel, materials, supplies, equipment, facilities, training, travel, etc.) necessary to meet the requirements. It specifies the organizational structure, staffing charts, and hours required to perform all requirements as well as describing how the MEO will implement the Quality Control Plan (QCP).

The MEO is a detailed document that you share with management and employees after MEO award. The document lays out the organizational structure and processes for the next 5 years. While the MEO will have more 'how to' than the PWS, it should discuss the process and not the specific steps to meet each requirement. You should include the steps in the Standard Operating Procedures/Desk Guide/Procedure Manual that you develop for each position in the new organization.

You should only focus on what is captured in Section C of the solicitation. The PWS team developed the requirements and standards to show competitors exactly what the Government wants to purchase. You must only write and collect data to meet those requirements.

Task 4. Ensure that the Agency Tender complies with Section L

Following is an example of the types of instructions and requirements you will find in Section L (in *italics*). The Agency Tender must follow these instructions.

This section specifies the format that offerors must use in their proposal. The intent is not to restrict the offerors in the manner in which they will perform their work, but rather to ensure a certain degree of uniformity in the format.

<i>Element</i>	<i>Number of Copies</i>	<i>General Requirements</i>
<i>I - Past Performance</i>	<i>Original and 10 copies</i>	<i>Related past performance history and references.</i>
<i>II – Technical Approach</i>	<i>Original and 10 copies</i>	<i>Description of proposed approach to perform all requirements described in the RFP.</i>
<i>III – Personnel</i>	<i>Original and 10 copies</i>	<i>Description of proposed positions and additional information for evaluation.</i>
<i>IV – Management</i>	<i>Original and 10 copies</i>	<i>Include all required information for evaluation, excluding any references to pricing.</i>
<i>V – Business</i>	<i>Original and 10 copies</i>	<i>Complete Cost/Price breakdown with supporting information. Complete Section B.</i>
<i>VI - Representations and Certifications</i>	<i>Original and 3 copies</i>	<i>Completed Representations and Certifications from Section K of the solicitation.</i>

Following are the volumes or sections that the Agency Tender does **not** need to address:

- Past Performance volume, unless it is a recompetition. When an MEO wins a competition and performs the workload, the MEO must submit past performance information for subsequent competitions.
- The Small Business and Small Disadvantaged Business Subcontracting Plan (typically a requirement for the Management volume).
- Business volume. Although the Agency Tender does not have to submit a business proposal, they must include a cost comparison as required by OMB Circular A-76. The costs are documented on either a Standard or Streamlined Competition Form (SCF/SLCF).
- Representations and Certifications volume.

Task 5. Develop the Quality Control Plan

The Quality Control Plan (QCP) describes how the MEO will meet the quality and timeliness standards in the solicitation. The QCP includes the staffing requirements, review schedule, and procedures necessary to keep the MEO from falling below the minimum requirements.

The QCP becomes very important to the Continuing Government Organization's (CGO) oversight using the Quality Assurance Surveillance Plan (QASP). The MEO uses the QCP to evaluate whether or not it is providing the product/service to the customer.

The QCP is a proactive document. It describes how you will prevent quality or timeliness problems and how you will interact with your customers to ensure that you are meeting their expectations.

Task 6. Develop the Phase-In Plan

The Phase-In Plan (PIP) describes how:

- The MEO plans to meet the solicitation requirements within the prescribed timeline,
- The employees will segue from the incumbent workforce into the MEO,
- The MEO will bring performance levels to the AQL, and
- Any facility or equipment reorganization or movement will occur.

A timeline is essential to the PIP. We recommend that you use project management software to develop the timeline because most such software has a feature that documents the effects of missing target dates. The software also allows you to make adjustments by simply changing a date in one place.

You need to review the actions in the timeline to ensure that they adequately include all costs on the Standard or Streamlined Competition Form (SCF/SLCF). You will need source data to assess the need to include costs in the cost estimate.

Because the MEO is a unique offeror, you must include some steps that are beyond the scope of the solicitation. For example, a private sector offeror will not need to take some of the Human Resources actions that a Government offeror must take.

Checklist of Key Tasks

PHASE 3: KEY TASKS	RESPONSIBILITY	√
1. Develop the new organization		
2. Classify the new positions and develop new position descriptions		
3. Write the MEO		
4. Ensure that the Agency Tender complies with Section L		
5. Develop the Quality Control Plan		
6. Develop the Phase-In Plan		

PHASE 4: COST ESTIMATE DEVELOPMENT

Overview

After the MEO team completes the first draft of all the Agency Tender documents, PDM's MEO team representative is responsible for entering all costs associated with the MEO into the COMPARE© software mandated by OMB Circular No. A-76. This gives the team a baseline that they can use to compare costs for 'what-if' scenarios. Every time the Agency Tender is modified, the In-House Cost Estimate (IHCE) should also be updated to reflect changes. We discuss each cost element required in the IHCE below:

Task 1. Develop personnel costs

We estimate costs for positions (labor hours), not people. Personnel costs:

- Include salaries, wages, fringe benefits, and other entitlements.
- Do not include retained or saved pay.
- Represent the MEO structure for in-house performance of the functions described in the PWS.

COMPARE calculates the costs for each position's grade using Step 4 for Federal Wage System (WG) and Step 5 for General Schedule (GS) positions. OMB determined that these are appropriate average steps to use.

Task 2. Develop other entitlement costs

Federal Wage System Shift Differential Pay

The MEO structure may require that some positions work shifts other than normal daytime shifts. Shift Differential Pay applied to Federal Wage System employees is considered "additional entitlement" and is included in the computations for fringe benefits. Federal Wage System employees who work more than 5 hours of their shift during shift differential hours, including meal breaks, are entitled to the entire shift paid at the shift differential pay. For Federal Wage System employees, you may use the following percentages for shift differential pay:

- 7.5% for shifts during the period of 3:00 p.m. through 9:00 p.m. and
- 10% for shifts during the period of 12:00 a.m. through 6:00 a.m.

Include shift differential computations in the IHCE backup documentation under line 1, Personnel.

Environmental Differential Pay

Certain workload exposes employees to harsh or hazardous environments, and that workload is subject to Environmental Differential Pay (EDP). EDP is included as part of an Federal Wage System employee's basic rate of pay for computation of overtime, holiday pay, Sunday premium, and the amount of retirement and life insurance deductions. You may compute EDP for all hours in a pay status or for actual exposure hours.

Describe any positions entitled to EDP and include the computations in the IHCE backup documentation under Line 1, Personnel.

Task 3. Develop other added pay costs

Overtime

Overtime costs are "Other Added Pay" and include an assessment for Medicare. This is the same for both GS and Federal Wage System employees. COMPARE will escalate the base year personnel cost totals to the start of the first performance period using the inflation factors in Table 3-3 of the software.

Include overtime computations in the IHCE Backup documentation under line 1, Personnel.

Include documentation on any hours and calculations on the amounts that will be paid to GS employees for Night Differential, Holiday Pay, and Sunday Pay. This pay is "Other Added Pay."

- Night Differential is paid to GS employees only for those hours worked as part of the normal schedule between 6 p.m. and 6 a.m. Compute Night Differential at 10% of the basic hourly rate.
- For the holidays designated by Federal statute when the facility is open, you calculate holiday pay at two times the basic hourly rate.
- Calculate Sunday pay at 25% of the hourly basic rate

Task 4. Develop material and supply costs

Materials and supplies are consumable items used in direct performance of PWS requirements. Include the computations for Materials and Supplies in IHCE backup documentation under Line 2, Supply Costs.

Task 5. Develop specifically attributable costs

Capital Assets

Capital assets are items with a purchase price above \$25,000.

Minor Items

Minor Items are items with a purchase price less than \$25,000.

Rents (includes leases)

Include costs for rent for anything that the MEO will use in direct performance of PWS requirements that the solicitation does not provide to all Service Providers. Examples of rents you may need to include are copiers, facilities, heavy equipment, etc. Include the computations for Rent in IHCE backup documentation under Line 3, Rents.

Maintenance and Repair

Include costs for maintenance and repair if the PWS makes the Service Provider responsible for maintenance and repair of Government Furnished Property. Include the computations for Maintenance and Repair in IHCE backup documentation under Line 3, Maintenance and Repair.

Insurance – Personnel Liability Losses

Because private sector offerors must include costs for insurance coverage, the MEO must include calculations that are equivalent to those costs.

- Calculate the equivalent casualty insurance costs by multiplying the casualty insurance factor of .5% by the average monthly inventory. OMB determined that 3 months of materials and supplies is the average inventory on hand at any one time. Therefore, you calculate the value of the average monthly inventory by dividing the material and supply costs (line 2) by 12 months and multiplying that figure by 3 months.
- COMPARE calculates the liability insurance costs automatically

Include the computations for insurance costs in the IHCE Backup documentation under Line 3, Other Specifically Attributable Costs.

MEO Subcontracts

You should include the costs for MEO subcontracts if the MEO team decides to use them. In order to ensure COMPARE calculates the appropriate contract administration costs, determine the number of Contract Man-year Equivalents (CME) purchased under the contract.

Include the computations for MEO Subcontracts in IHCE backup documentation under Line 3, Subcontracts.

Task 6. Develop other costs

Include any costs not allocable to Lines 1 through 3 on Line 5, Other Costs. Examples may be transition costs, facility upgrades, equipment movement, etc. Include the computations in IHCE backup documentation under line 5, Other Costs.

Checklist of Key Tasks

PHASE 4: KEY TASKS	RESPONSIBILITY	√
1. Develop personnel costs		
2. Develop other entitlement costs		
3. Develop other added pay costs		
4. Develop material and supply costs		
5. Develop specifically attributable costs		
6. Develop other costs		

PHASE 5: AGENCY TENDER SUBMISSION

Overview

OMB Circular A-76 requires that the ATO deliver the Agency Tender to the CO in a sealed package by the solicitation closing date. If the ATO anticipates that the Agency Tender will be late, he/she must notify the CO as soon as possible before the solicitation closing date. The CO must consult with the Competitive Sourcing Official (the Assistant Director – Budget, Planning and Human Resources) to determine if amending the closing date is in the best interest of the Government.

Task 1. Prepare final documentation for submittal per solicitation

Review Sections L and M (under Uniform Contract Form) to determine the requirements for formatting and content of the Agency Tender. Since the same group of people will evaluate the Agency Tender as the offers from other Service Providers, it is important that you do not deviate from the solicitation requirements. If you do not follow instructions explicitly, the evaluators may find the Agency Tender to be technically unacceptable and remove it from the cost competition.

Task 2. Collect certification signatures

As the Agency decision maker, the ATO must sign the Streamlined Competition Form or Standard Competition Form to document that the Agency Tender has been completed in accordance with the Circular and that the funding has been approved for the competition to take place.

Task 3. Deliver Agency Tender to contracting officer

The ATO and MEO team leader should hand-deliver all Agency Tender documents to the CO at least by the morning the solicitation closes. This ensures that they meet the requirement that all bids be in before the closing date.

Checklist of Key Tasks

PHASE 5: KEY TASKS	RESPONSIBILITY	√
1. Prepare final documentation for submittal per solicitation		
2. Collect certification signatures		

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3. Deliver Agency Tender to CO		
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