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To: David C. Childs A-76comments/OMB/EOP@EOP  
cc:  
Subject: OMB A-76 Comments

Please find comments to the Nov 14 revision to OMBC A-76 listed below.

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1. Observation: The present outline system used in the circular is worse than reading a knitting pattern out loud.

1.1. Recommendation: Use the same convention as in DoD costing manual e.g. alpha attachment designator (A for attachment A) numeric references for paragraphs and subparagraphs separated by periods. Example the Attachment A E.1.a. reference on page A-3 becomes A5.1.1

1.2. Rationale: A simple system enabling easy reference is essential to users in discussion and training.

2. Observation: Several references are incorrect:

Page B-6, para. C.2.a.(4) cites B.4.a.(2),, B.4.b.(a) and others

2.1 Recommendation: see 1 above

2.2 Rationale: An incorrect knitting pattern read out produces homicidal tendencies among users.

3. Observation: The MEO team are blind mice running toward a lawnmower without help from a contracting officer. On page B-3, B.1. ATO and B.2. Contracting Officer, no mention is made of the responsibility of assisting the MEO team in interpreting and responding to the solicitation.

3.1. Recommendation: Add to B.1. line 5: When Standard Competitions are announced, the ATO shall designate the MEO team *and provide necessary assistance to prepare the response to the solicitation.*

3.2. Rationale: For the same reason a contracting officer will assist the PWS team the MEO team will need similar assistance. The technical skills necessary in understanding the intricacies of a solicitation (particularly with a CTTO contract) and developing a proposal are resident in the 1102 GS series. This addition will enable the MEO team to have access to either agency or consultants with the necessary experience. Otherwise the MEO team will be pulverized in competition every time.

4. Observation: In Appendix B, Section C.1. Preliminary planning for Public Announcement; consistent with the report of the Commercial Activities Panel, section V, A. 1. the agency should link the competition to achieving a

strategic goal. This should be a goal the agency measures and reports as part of the Government Performance and Results Act (GPRA).

4.1. Recommendation: In Appendix B, Section C.1.a. add as (1) link the competition to achieving agency mission goals and objectives as reported in the GPRA.

4.2 Rationale: In my experience participating in 4 competitions, and teaching over a dozen A-76 related courses, I always ask “Why are we doing A-76 competitions?” The overwhelming answer is to meet OMB’s 15 percent goal. Additionally, the “Peanut Butter spread” effect is evident in the competition strategies of many agencies where directors were told to come up with their 5%, resulting in a patchwork of unrelated competitions doing more damage to the agency than arbitrary RIFs ever did. Requiring agencies to make a link might lead to some strategic competitions.

5. Observation: In Appendix B. paragraph C 2.(3.) FAR Provisions, the reference to FAR part 7, selection of source selection method could be interpreted as the only part of FAR Part 7 the CO must consider as part of a standard competition.

5.1 Recommendation: Change Line 1 of cited paragraph to add at the beginning “*In complying with policies in FAR part 7, the agency shall determine whether a Sealed bid or Negotiated Acquisition will be used for the Standard Competition process.*”

5.2 Rationale: Similar to item 4 above, agencies do a poor job of acquisition strategy planning associated with A-76 competitions. Moreover FAR part 7 references FAR part 10, Market Research, which is done badly if at all. The overall emphasis must be for the CO to ensure an acquisition strategy plan, and market research are accomplished.

6. Observation: In Appendix B. paragraph C.2.(6.) Phase-in and Phase-out plans, no distinction is made for the agency offer to develop two plans: one for a win by the MEO team, another for a win by the private sector offeror.

6.1 Recommendation: Add a line in this paragraph requiring the PWS writing team to develop a phase-in/out plan should a private sector offeror win.

6.2 Rationale: As currently written no plan will be written outlining the steps to transition from in-house performance to contract performance. Only the government can conduct a RIFof all directly affected employees. Moreover the MEO team should not have to develop a phase out plan should the MEO lose since the knowledge of service provider requirements are resident with the PWS team.

7. Observation: The revised criteria does not create incentives and processes to foster high-performing, efficient and effective organizations, per section V, item 4 of the CAP report, other than by a standard competition.

7.1. Recommendation: Include in the circular a provision empowering an agency 4.e. official to waive from study for 5 years a commercial activity who wins either the President’s Quality Award, or the Malcolm Baldrige National Quality award.

7.2. Rationale: Currently this circular gives no concession to a high performing function in an agency. This provision would serve to promote and reward high performing functions within an agency. Both awards are rigorous and independent in their selection processes precluding abuse. The MBNQA competition will be open to government agencies with the release of non-profit criteria in 2004.