

ARC A-76 News

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What is A-76?

Understanding the process

A-76 refers to OMB Circular A-76, "Performance of Commercial Activities", which establishes Federal policy for the performance of recurring commercial activities. The Circular defines a commercial activity as a recurring service that could be performed by the private sector. The Circular provides guidance and procedures for determining whether recurring commercial activities should be performed by commercial sources, in-house using government facilities and personnel, or through fee-for-service agreements.

Competitive Sourcing is high on the President's Management Agenda of government-wide initiatives. A quote from the President included in the Management Agenda states "Government should be market-based—we should not be afraid of competition, innovation, and choice. I will open government to the discipline of competition." The focus of A-76 is to produce quality service at reasonable cost through competition.

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ARC A-76 Timeline

Major Milestones

The competitive sourcing (or A-76) process is driven by a timeline. The ARC A-76 competition is expected to be concluded in 14 months. The ARC competition was announced on September 30, 2005 and is expected to be completed on November 30, 2006.

The request for proposal (RFP) that the MEO team will respond to will be released on July 1, 2006; a draft RFP is due June 1, 2006. Before the RFP is released, the MEO team will be working to develop as much of the Agency Tender as possible. The major part of the Agency Tender is the MEO, which will be the incumbent workforce's new organization to perform the work at ARC.

The majority of the ARC A-76 team's work will be completed by September 15, 2006 when all bids are submitted to contracting for review and evaluation. A public decision is expected on November 30, 2006. After the decision announcement, the VISP/VERA window will be open for 4 weeks – November 30, 2006 – December 31, 2006.

In moving to the new organization whether it is in house or a contractor, there will be six month phase-in period. The new organization is expected to begin operating at full performance approximately June 1, 2007.

Note that while the competition must be completed within the 14 month timeline, internal dates could be subject to change. ❖

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The A-76 competition will examine and improve current operations of the ARC organization and make it cost-competitive in the marketplace. Savings realized from the process will be used for modernization or other strategic objectives.

The first step in the competition process is the preparation of the Performance Work Statement (PWS). This will be done by the Performance Work Statement team. The PWS is the heart of the contract solicitation and will outline the work tasks that must be accomplished. All offerors will base their bid on the requirements identified in the PWS. A draft solicitation is expected June 10, 2006. An MEO Team will conduct a management study to determine the Most Efficient Organization (MEO) to do the work in the PWS, and prepare the government bid, also known as the Agency Tender. An Evaluation Board will evaluate all proposals, including the Agency tender. The performance decision will be based on the lowest cost of all offers and tenders determined to be technically acceptable. If the contractor's bid does not beat the Government's bid by at least 10% of the total costs or \$10M (whichever is less), the functions will remain in-house.

Following announcement of the performance decision, conversion to either contract or in-house MEO is expected to take about six months. This brings the total process to 20 months after initial announcement. If the MEO is the selected service provider, actions will be taken to implement the MEO as it was described in the Agency Tender. If the MEO is less than the current number of positions performing the function, management will review their options to meet the MEO—i.e., attrition, Voluntary Early Retirement Authority/Voluntary Separation Incentive Pay (VERA/VSIP), or Reduction In Force (RIF). ❖

ALBANY RESEARCH CENTER A-76 COMPETITIVE SOURCING STUDY MEMBERSHIP LIST

Ed Kilroy	Functional Team Lead
Sheila Howell Lead	Support to Functional Team
Joe Alexander	GT Advisor

PWS TEAM MEMBERSHIP

Paul Turner	ARC Team Lead
Dave Maurice	ARC Team Member
Tom Ochs	ARC Team Member
Cathy Summers	ARC Team Member
Robert Reuther	NETL Team Member
Laurie Morman	HQ Team Member
Kathy Fear	NETL Team Member (HR)
Ray Johnson	NETL Team Member (CO)
Natalie Appetta	NETL General Counsel

Grant Thornton (GT) Support Staff to the PWS Team

Dennis Brown	Support to PWS Team
Darrell Kent	Support to PWS Team
Kimberly Berka	Support to PWS Team

MEO TEAM MEMBERSHIP

Rich Walters	ARC Team Lead
Cynthia Powell	ARC Team Member
Paul King	ARC Team Member
Nancy Comstock	ARC Team Member
Lisa McCartney	NETL Team Member (HR)

NOTE: Additional MEO team members will be added from NETL and/or HQ at a later date. General Counsel member will be from HQ or from an outside DOE source.

OTHER OVERALL SUPPORT TO A-76 STUDY

Mike DeStefano	NETL Contracting Officer
Tom Russial	NETL General Counsel

A-76 Definitions

Definitions of common A-76 terms

Commercial Activity (CA): A recurring service that could be performed by the private sector. This recurring service is an agency requirement that is funded and controlled through a contract, fee-for-service agreement, or performance by government personnel. Commercial activities may be found within, or throughout, organizations that perform inherently governmental activities or classified work.

Full Time Equivalent (FTE): The staffing of Federal civilian employee positions, expressed in terms of annual productive work hours (1,776) rather than annual available hours that includes non-productive hours (2,080 hours). FTEs may reflect civilian positions that are not necessarily staffed at the time of public announcement and staffing of FTE positions may fluctuate during a streamlined or standard competition. The staffing and threshold FTE requirements stated in this circular reflect the workload performed by these FTE positions, not the workload performed by actual government personnel. FTEs do not include military personnel, uniformed services, or contract support.

Public Announcement: A formal declaration that DLA has made (1) a decision to perform a standard or streamlined competition or (2) a performance decision in a standard or streamlined competition. The CO makes these announcements via FedBizOpps.gov.

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

PWS Team: A group of individuals, composed of technical and functional experts, formed to develop the PWS and quality assurance surveillance plan, and to assist the CO in developing the solicitation.

Most Efficient Organization (MEO): The staffing plan of the Agency Tender, developed to represent ARC'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.

MEO Team: A group of individuals, comprising technical and functional experts, formed to assist the ATO in developing the Agency Tender.

Agency Tender: The agency management plan submitted in response to a solicitation for a standard competition. The Agency Tender includes 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 providers' proprietary information redacted).

Agency Tender Official (ATO): An inherently governmental agency official with decision-making authority who is responsible for the Agency Tender and represents the Agency Tender during source selection.

Contracting Officer (CO): An inherently governmental ARC's official who participates on the PWS team and is responsible for the issuance of the solicitation and the source selection evaluation methodology. The CO awards the contract and issues the letter of obligation or fee-for-service agreement resulting from a standard or streamlined competition.

Fee-for-Service Agreement: A formal agreement between agencies, in which one agency provides a service (a commercial activity) for a fee paid by another agency. The agency providing the service is referred to in this circular as a public reimbursable source.

For General Questions

• *Please submit any questions you may have to:*
ARCA76STUDY@HQ.DOE.GOV
