

UNITED STATES DEPARTMENT OF ENERGY



**Competitive Sourcing (A-76)
Action Plan**

for

Logistics Services Positions

Revised: December 2003

ABOUT THIS REVISION: This revision to the Logistics Services Competitive Sourcing Study Plan of Action and Milestones (POAM) is being made to update the POAM as a result of several important decisions related to the Study. The initial POAM was developed in May 2002 after the first announcement of competitive sourcing for the Department of Energy. Since the announcement of this study under the new Office of Management and Budget Circular A-76 dated May 29, 2003, some strategies and assumptions have changed. This revision will describe those changes and informs all interested parties about the changes.

The study began in 2002 with the initial decision to conduct an assessment based on four groups by position type. With the support of the Office of Competitive Sourcing/A-76, and stakeholders, the plan was amended to distinguish between the organizational areas of the Department of Energy (DOE) and the National Nuclear Security Administration (NNSA). Validation of the full-time equivalents (FTE) numbers was included in the initial plan. Based on the implementation of the revised OMB Circular A-76, and revised announcement date of June 30, 2003, the draft Performance Work Statement (PWS) for the NNSA was issued on July 24, 2003 and for the DOE on October 27, 2003. The newly revised Circular provides a time limit for standard competitions of 12 months from public announcement. Due to the ongoing consolidation and reorganization of the NNSA, the Study tentative decision date was accelerated by three months. This decision was made to minimize any adverse impact on employees for relocation to the NNSA Albuquerque Service Center.

The study encompassed 220 positions. During the PWS development phase, a variety of functions were determined to be inherently governmental. For your reference, Attachment A has been modified to reflect the remaining positions which have functions included in the PWS.

Some key milestone dates have changed as shown in Attachment C. Minor updates to the Study Team designations with roles and responsibilities were made to reflect the revised Circular language. Action status language was updated to reflect current condition. We also revised the number of locations performing logistical services to the actual number of locations that were validated by the PWS Team as performing logistical services.

Please direct any comments or questions concerning this revision to Laurie Morman, Deputy Functional Team Official, at laurie.morman@hq.doe.gov.

Competitive Sourcing (A-76) Plan of Action and Milestones for Logistics Services

Introduction

The foundation for the President's Competitive Sourcing Initiative is the public-private competition of the government's commercial activities. On March 22, 2002, the Secretary of Energy announced that approximately 1,000 Department of Energy (DOE) Federal employee positions would be evaluated through a competitive sourcing initiative. The policy and procedures for executing public-private competitions are contained in the Office of Management and Budget (OMB) Circular No. A-76 (Revised) dated May 29, 2003. The Secretary announced the Logistics services as one of the functional areas for study. This Plan of Action and Milestones (POAM) describes the framework of the Logistics Study Team and the major milestones for conducting the study.

Concept/Vision

The Logistics functional area under Department of Energy Competitive Sourcing Studies, 2002-2003, is being conducted with a core team of representatives from various offices within the Department. The vision for this activity is to provide a fair and equal review of government functions that values the interests of the taxpayers, meets the needs of the agency, maintains the rights of employees and addresses contractor concerns. Through fair, effective and efficient competition, all citizens of the United States will receive high quality, reliable and sustainable performance and cost savings in Government commercial activities.

Number of Studies – 2

1. Logistics Services for the Department of Energy (DOE)
2. Logistics Services for the National Nuclear Security Administration (NNSA)

Type of competition – standard competition of multiple functions for each study

Geographical locations (divided by studies as listed above)

1. Germantown, MD
Washington, DC
Albany, OR
2. Albuquerque, NM
Las Vegas, NV
Livermore, CA

How studies divided – by function – see Number of Studies

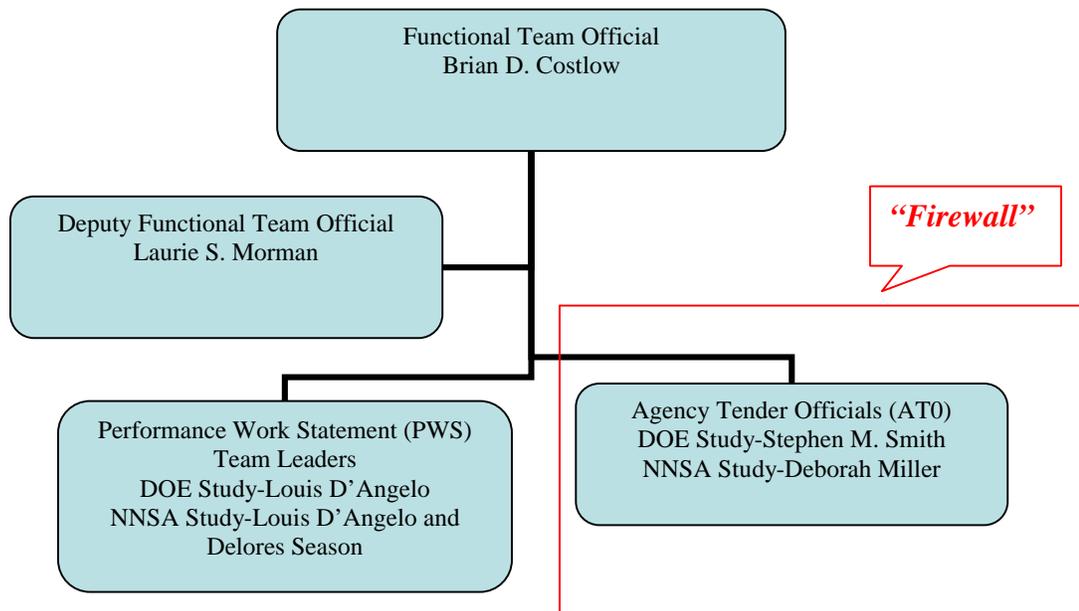
Additional FTE's

Announced 142 for DOE Logistics Services Study
Announced 78 for NNSA Logistics Services Study

Roles and Responsibilities

The following high-level organizational chart shows the Logistics Services Study Management Team structure.

Logistics Services Study Team



“Firewall” describes the provisions that will be taken into consideration in developing team structures and the assignment of employees to work on various aspects of the competitive sourcing process. In summary, these guidelines ensure that DOE employees and contractor personnel who participate substantially in one aspect of the process do not inadvertently participate in or have access to information pertaining to other parts of the process that would otherwise violate Organization Conflict of Interest restrictions. These guidelines are found in the DOE Competitive Sourcing Program Operating Guidelines (Draft) September 15, 2003, and available on the Office of Competitive Sourcing/A-76 web site.

In order to manage any possible conflicts of interest, all participants will be required to sign non-disclosure agreements and a firewall will be maintained between the PWS and ATO Teams. A contractor consultant will support the separate teams and will mirror any federal firewall requirements.

Logistics Services Study Management Team structure

A. Functional Team Official

- ✓ Responsible for executing the competition in accordance with the OMB Circular A-76.
- ✓ Provides the necessary resources to the PWS Team Lead, ATO, and Contracting Officer to conduct the competition.
- ✓ Once a competition is initiated by the announcement, notifies the Competitive Sourcing Executive Steering Group (CSESG), through the Office of Competitive Sourcing/A-76 (OCS), of any proposed Full-Time Equivalent (FTE) expansions or decreases in the announced competition.
- ✓ May petition the CSESG to review any commercial and/or inherently governmental positions to ensure that they were properly coded and to determine if such positions should be included or excluded from a particular competition.
- ✓ Develops an Action Plan for the approval of the CSESG.
- ✓ Provides periodic updates to the DOE OCS on the status of phase-in actions and the assessment of support through the first year on the contract regardless of whether the selected provider is a commercial offeror or the government's MEO.
- ✓ Selects the individual to sign the Letter of Obligation if the competition is awarded to the Department.
- ✓ Implements or directs the Phase-in Plan developed by the winning Agency Tender, private sector offer, or public reimbursable tender. Periodically provides phase-in status information to the CSO.
- ✓ Develops a Contingency Plan that will provide instructions on implementing immediate action in the event the performing activity is terminated (regardless of cause), if the need should arise during phase-in or at any other time.
- ✓ When required, submits a formal extension request through the CSO to the CSESG to extend competition timeframe.
- ✓ Provide lessons learned to the OCS throughout the competition.

B. Deputy Functional Team Official

- ✓ Work with Functional Team Official to keep him informed of relevant issues associated with the Study.
- ✓ Serve as Technical Monitor for Contractors.
- ✓ Provide strategic guidance to PWS and Agency Tender, and project coordinators.
- ✓ Ensure overall project milestones are met.

C. Performance Work Statement (PWS) Team Leader(s)

- ✓ Comply with both the FAR and the OMB Circular A-76.
- ✓ Develop the PWS and quality assurance surveillance plan (QASP).
- ✓ Determine government-furnished property (GFP).
- ✓ Assist the Contracting Officer (CO) in developing the solicitation.
- ✓ Assist in implementing the performance decision.

- ✓ Appoint a PWS team comprised of technical and functional experts.
- ✓ Make all final management decisions regarding the PWS, GFP, and the QASP.

D. Performance Work Statement (PWS) Team

- ✓ Comply with the FAR and the OMB Circular A-76.
- ✓ Develop the PWS including supporting workload data, performance standards, and any information relating to the activity being competed.
- ✓ Determine GFP
- ✓ Assist in the CO's development of the solicitation.
- ✓ Develop a QASP plan and, as required, updating this plan based on the performance decision.
- ✓ Implement the performance decision.

E. Contracting Officer (CO)

- ✓ Comply with both the FAR and the OMB Circular A-76.
- ✓ Serve as a member of the PWS Team.
- ✓ Publish a cancellation notice that includes rationale for the cancellation at FedBizOpps.gov for any cancelled competition or solicitation, and perform solicitation cancellations in accordance with the FAR.
- ✓ Issue solicitations to determine a private sector or public reimbursable service providers.
- ✓ Award private sector performance decision contracts in accordance with the FAR and implement FAR 7.305(c), the right of first refusal.
- ✓ Execute public reimbursable performance decision fee-for-service agreements.
- ✓ Execute a letter of obligation with the Functional Team Official responsible for performing the commercial activity in agency performance decisions.
- ✓ Perform all releases of PWS documents and solicitations, including drafts.
- ✓ Determine the acquisition strategy in accordance with FAR part 7.
- ✓ Comply with FAR Subpart 22.10 to obtain the applicable wage determinations from the Department of Labor.
- ✓ Identify in the solicitation whether acquisition procedures will be sealed bid or negotiated procedures, including the type of source selection process for negotiated procedures.
- ✓ Include, if desired, a cross-reference compliance matrix in section L of the solicitation to decrease the complexity of performing source selections.
- ✓ Identify common costs in the solicitation.
- ✓ Obtain written approval from the CSO if the agency requires a private sector source to include a performance bond, and include a separate CLIN for this cost.
- ✓ Require the private sector offeror to propose a target cost and target profit or fee for a solicitation for an incentive fee contract.
- ✓ Designate a phase-in period as the first performance period, and include a separate CLIN in the solicitation for this purpose.

- ✓ Include in the solicitation a requirement for prospective providers to include a quality control plan in offers and tenders.
- ✓ Determine if amending the solicitation close date is in the best interest of the government.
- ✓ Document changes to the Agency Tender occurring after the solicitation close date.
- ✓ Consult, in the event of no satisfactory private sector or public reimbursable source, with private sector sources to identify: restrictive, vague, confusing, or misleading portions of the solicitation; the reasons provided by sources for not submitting responses; and possible revisions to the solicitation to enhance competition. Submit the results of these consultations and a course of action to the Competitive Sourcing Official (CSO).
- ✓ Return the Agency Tender to the ATO before revising the solicitation, and revise the solicitation, if necessary.
- ✓ Evaluate, in the case of no satisfactory private sector or public reimbursable source, the Agency Tender; sign the standard competition form, (SCF), make the SCF available to the public, and notify the ATO of the decision.
- ✓ Perform sealed bid acquisitions by opening all public and private submissions, entering the lowest priced bid or tender on the SCF, and certifying the form.
- ✓ Perform lowest price technically acceptable source selections by opening and evaluating all offers and tenders to determine technical acceptability, conduct price analysis and cost realism, enter the lowest contract price or public reimbursable cost in the SCF, and certify the SCF.
- ✓ Perform the phased evaluation source selection process by opening and evaluating all public and private technical proposals for technical acceptability, perform price analysis and cost realism on all cost proposals determined to be technically acceptable, enter the lowest cost provider on the SCF, and sign the form.
- ✓ Perform the tradeoff source selection process by conducting price analysis and cost realism, conducting exchanges and tradeoffs, documenting tradeoffs, and entering the price for each technically acceptable offer and tender on the SCF.
- ✓ Evaluate all offers together, not excepting the Agency Tender.
- ✓ Conduct exchanges in accordance with FAR 15.306.
- ✓ Ensure that an offer or tender receives a deficiency notice in the event of a deficiency which specifies the time limit to address the deficiency.
- ✓ Perform price analysis and cost realism on all proposals and cost estimates.
- ✓ Ensure the agency and public reimbursable cost estimates are calculated in accordance with Attachment C of the OMB Circular A-76, are based on the standard cost factors in effect on the performance decision date, and use the version of COMPARE costing software that is in effect on the performance decision date.
- ✓ Include the conversion differential in all standard competitions.
- ✓ Ensure that the standard competition form has been prepared in accordance with Attachment C of the OMB Circular A-76 and that the required signatures and certifications are on the SCF.
- ✓ Sign the SCF to certify the decision in a standard competition.

- ✓ Offer a debriefing to all private sector offerors, public reimbursable sources, the ATO, and directly affected government personnel (and their representatives), in accordance with FAR 15.503.
- ✓ Award a private section source contract in accordance with the FAR.
- ✓ Develop a fee-for-service agreement with the public reimbursable source.
- ✓ Make option year exercise determinations in accordance with FAR 17.207.
- ✓ Notify a service provider of poor performance.
- ✓ Issue notices of termination, when necessary, in accordance with FAR part 49.
- ✓ Determine cost adjustments to be included on the SCF, line 8 and line 12, and ensure no information is entered on lines 9, 10, 11, and 14.
- ✓ Include instructions for the material and supply costs in the solicitation.
- ✓ Perform various costing entries and decisions as indicated throughout Attachment C of the OMB Circular A-76.

F. Agency Tender Official (ATO)

- ✓ Comply with the OMB Circular A-76.
- ✓ Develop, certify, and represent the Agency Tender.
- ✓ Designate the most efficient organization (MEO) team after public announcement of the standard competition.
- ✓ Identify the necessary resources and training to prepare a competitive Agency Tender.
- ✓ Appoint an MEO team comprised of technical and functional experts.
- ✓ Make all final management decisions regarding the Agency Tender.
- ✓ Develop an Agency Tender that includes: an MEO, an agency cost estimate developed in accordance with Attachment C of the OMB Circular A-76 and approved by the ATO, the MEO's quality control plan, the MEO's phase-in plan, and copies of any existing awarded MEO subcontracts.
- ✓ Submit the Agency Tender in a sealed package to the CO by the solicitation closing date, or notify the CO as early as possible if the Agency Tender is not expected to be delivered by that date.
- ✓ Propose alternate performance standards, if allowed in the solicitation.
- ✓ Make changes, when allowed, to the Agency Tender following the solicitation closing date.
- ✓ Develop and certify the agency cost estimate (the agency's cost proposal) in accordance with Attachment C of the OMB Circular A-76, using the COMPARE costing software.
- ✓ The ATO shall not make changes to the agency cost estimate except as provided in OMB Circular A-76.
- ✓ Include a quality control plan in the Agency Tender, as required by solicitation.
- ✓ Include a phase-in plan in the Agency Tender, as required by the solicitation, to replace the incumbent service provider with the MEO, even if the agency is the incumbent service provider.
- ✓ Include phase-in costs for the Agency Tender on SCF Lines 1-6.
- ✓ Deliver the Agency Tender to the CO in a sealed package by the solicitation closing date.

- ✓ If the ATO does not anticipate submitting the Agency Tender to the CO by the solicitation closing date, the ATO shall notify the CO as soon as possible before the solicitation closing date.

G. Most Efficient Organization (MEO) Team

- ✓ Comply with the OMB Circular A-76 and assist the ATO in developing the Agency Tender.
- ✓ Develop the Agency Tender.

H. Contracting Officer Representative

- ✓ Coordinates with prime and subcontractors for task assignments and completion
- ✓ Ensures compliance with all technical requirements of the statement of work
- ✓ Ensure adequate funding available to manage the funding of the project

I. Human Resource Representative

- ✓ Assist in continuing performance during the review
- ✓ Create a list of vacancies and other opportunities for potential placement during the transition period
- ✓ Eliminate grade creep
- ✓ Provide flexibility in classification to allow multi-skilled positions
- ✓ Provide flexibility in compensation to allowed improved incentives
- ✓ Resolve conflicts between Reduction in Force (RIF) schedules, procurement schedules, and the need for quick and smooth transitions
- ✓ Assist in eliminating one-time related personnel costs without using mock RIF's

Training Requirements

- ✓ Several A-76 Core Team members have attended a 2-day workshop "OMB Circular A-76 Workshop", Washington, D.C. May 9-10, 2002.
- ✓ Additional A-76 Team members as recruited will attend workshops sponsored by the Office of Competitive Sourcing/A-76. As of the date of this revision, all study team members have received appropriate A-76 Competitive Sourcing Study training.
- ✓ Staff employees – web sites, DOECASTS, individual group meetings by Team Coordinators, Unions, scheduled All Hands meetings, Brown Bag lunches, video-conference meetings
- ✓ Executive Overview for leaders and managers: a short course to familiarize senior leadership with the A-76 program and processes, completed April 11, 2002
- ✓ Workforce Orientation for affected employees: a familiarization with the A-76 processes, why it is being conducted, the process, timelines, and potential outcomes, (Dates TBD, ongoing)

- ✓ Core Team - Performance work statement (PWS) and agency tender training for study participants: in-depth training in the A-76 process and how to successfully conduct an A-76 Study (Conducted just in time training after the team leaders and members were identified)
- ✓ Core Team - Human Resources (HR) Role in A-76 for HR support staff: familiarization for HR personnel to successfully support an A-76 Study and provide maximum support to the workforce throughout the process (Date TBD)

Budget and Resource Requirements

Travel

- ✓ Functional Team Official and Deputy Functional Team Official visited 6 regional field sites during FY02 (Approximate cost - \$12K) to brief site managers and others on Logistics Services Study Plan
- ✓ Functional Team Official and Deputy Functional Team Official visited regional field sites during FY03 (Approximate cost - \$8K) to meet with other team members and all-hands meetings
- ✓ Functional Team Official and Deputy Functional Team Official visited regional field sites during FY04 to meet with other team members and all-hands meetings.
- ✓ Other travel TBD as required in FY05.

Resources

- ✓ Contractor support on average will be one week per month on site (locations will be determined by each individual study), 3 weeks offsite (for duration of studies)
- ✓ Training --\$20K; additional TBD

Risk Assessment

The Logistics Services A-76 Study has several significant risks associated with conducting the study thoroughly and with the 12-month study period. These risks are addressed below along with a discussion of possible risk mitigation strategies.

1. Competing Staff Resource Requirements. The Logistics Services A-76 Study Team is committed to dedicating the most experienced and capable DOE professionals to the study. Most of the individuals identified to work on the PWS and ATO teams also have significant responsibilities in meeting the on-going mission requirements of their respective organizations. To mitigate the effects of staff resource conflicts, the Logistics Services Study will develop detailed action and milestone schedules, aggressively track progress, and assure that potential slippages are corrected forcefully and early.

2. Availability of Financial Resources. We have identified the need for funding support service contractors, Federal employee travel, and possibly commercially obtained training. Should these resources not materialize, the Logistics Services Study team's effectiveness, and the value of its related deliverables, would be adversely affected. To mitigate this risk, the Functional Team Official will aggressively champion the request for budgetary resources, and will, if need be, pursue identification of existing resources that could be diverted to this study.
3. Employee Morale Considerations. Persistent downsizing efforts, ever-increasing workloads, and proliferation of new initiatives have already created a strained workforce. The workforce restructuring probabilities inherently associated with commercial activities studies will further create the potential for employee morale erosion. Our communications plan and the proactive care giving of DOE's Logistics Services community will provide effective counter balances to these inherent risks.
4. National Nuclear Security Administration (NNSA) Organizational Restructuring Efforts. NNSA recently announced major organizational realignments that will be implemented during the Logistics Services A-76 Study period. For example, NNSA intends to consolidate administrative services into regional service centers. There are many other NNSA organizational initiatives underway as well. These initiatives could result in changes to existing Logistical services interfaces and practices that would have to be factored into the development of the PWS and Management Plan. Any significant changes could impact the schedule for the development of the PWS and/or Management Plan. The Logistics Services Study team includes a representative from NNSA to maintain a close liaison with NNSA organizational restructuring teams to assure that changes and requirements are known and considered in Logistics Services deliverables as early as possible. In the event other DOE Program Offices reorganize or consolidate operations, similar impacts upon the Logistics Services Study would be expected.

Attachments

- A. A-76 Logistics Services Study Positions in PWS
- B. A-76 Logistics Services Study Team Participants
- C. A-76 Proposed Logistics Services Study Milestones
- D. A-76 Initial Logistics Services Study Action Milestones
- E. A-76 Logistics Services Study Communications Plan