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12/04/2002 07:49:29 AM

Record Type: Record

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cc:

Subject: comments on the proposed revision to OMB circular A-76

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The A-76 circular paragraph number and my comments follow:

Attachment B, paragraph B3b, MEO Team Requirement.
Comments: Reword this paragraph. The HRA should not have the final word on classifying positions. The MEO team must have this authority, but of course the classification should be done in accordance with law. Past MEO teams have commonly reclassified positions as part of the MEO, the HRA should have undue influence in this area.

Attachment B, paragraph C3a(1), Procurement Sensitivity.
Comments: The in-house bid or proposal must be better protected. Contractors do not commonly submit such detailed information (detailed cost data) when responding to a solicitation, and if they do, it is commonly procurement sensitive. If contractors are able to obtain this in-house information, they will surely win any subsequent re-competition. The staffing and organization structure of the in-house organization must be protected both before and after the performance decision.

Attachment B, paragraph C3a(4), Most Efficient Organization.
Comments: New contracts must be allowed as part of the MEO. A total ban is too limiting. For example, what about small purchases? What if the MEO shows that in house employees along with a subcontract can do the job cheaper than the current practice of using a Gov't Purchase Card (GPC) to obtain certain types of supplies or services. Another example: what if the current in-house practice of collecting information from the public does not include the utilization of electronically readable forms. The MEO should be allowed to include a subcontract for creating such forms so that the in-house employees can utilize them to achieve appropriate gains in economy and efficiency. An all-or-none approach to contracting out an in-house function will only serve to ultimately increase the government's costs. It will also severely limit the economy and efficiency gains of the in-house MEO. Establish a limit or approval authority for new contracts, but do not ban them completely.

Comments not directed to any individual paragraphs.
Comments: Non-appropriated fund activities and functions should be subject to A-76 studies. I strongly agree that ISSAs should be subject to these studies. The MEO and PWS teams should be appropriately and centrally funded and/or staffed.