

COMPETITIVE SOURCING MANAGEMENT ASSESSMENT GUIDE

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ASSESSMENT CATEGORIES AND ITEMS

Categories/Items	Point Values
1 Program Management.....	440
1.1 Stakeholders	30
1.2 Pre-Planning/Planning	85
1.3 Resource Management.....	50
1.4 Team Composition.....	55
1.5 Team Support.....	55
1.6 Orientation/Training	45
1.7 Knowledge Transfer.....	35
1.8 Security and Ethics	30
1.9 Personnel Impacts	55
2 Source Solicitation	200
2.1 Market Research	15
2.2 Acquisition Strategy.....	40
2.3 PWS Requirements	35
2.4 PWS Development.....	35
2.5 Offers and Tenders.....	40
2.6 Proposal Evaluation	10
2.7 Source Selection.....	25
3 MEO Development.....	265
3.1 Consultant Support.....	40
3.2 Team Startup.....	40
3.3 Benchmarking Research	25
3.4 Analysis and Documentation	40
3.5 Costing	40
3.6 Transition Plan.....	20
3.7 Management Plan.....	60
4 Decision Implementation.....	95
4.1 Contract Development	15
4.2 Phase-in.....	55
4.3 Oversight/Accountability	25
Total Points	1,000

PURPOSES AND USES OF THE ASSESSMENT

This Guide provides instructions for conducting a team-based assessment of an agency's competitive sourcing efforts using a best-practices instrument.¹ It is designed to help agencies evaluate their competitive sourcing management practices and measure progress in improving and institutionalizing them.

The Assessment Guide is appropriate for use by agency officials who are well into the competitive sourcing process, who have only been working with competitive sourcing efforts for a relatively short period of time, and who are planning to embark on a competitive sourcing effort for the very first time.

The Guide can help an agency evaluate its past or current competitive sourcing management practices, or formulate plans for managing future public-private competitions. More specifically, the Guide can help an agency do four things:

1. **Compare the agency's past or current or planned competitive sourcing management practices with best-in-class practices**, as defined by the instrument in this Guide.
2. **Highlight the agency's specific competitive sourcing management strengths and areas for improvement**, through analysis of the team-based assessment results.
3. **Establish a baseline measure against which the agency can assess its progress in successfully applying best-in-class competitive sourcing management practices.** Re-administering the Assessment Guide after a period of six to twelve months can show the impact of changes in the agency's competitive sourcing management approach.
4. Build value, fairness and trust in its competitive sourcing program by proactively embracing a self-directed assessment and improvement activity that will ultimately **certify the agency's excellence in managing public-private competitions.**

The Guide discusses issues related to the team-based assessment of an agency's competitive sourcing management practices, describes the team-based assessment instrument, includes the instrument itself and instructions for its use, summarizes the revised May 29, 2003 A-76 requirements associated with each assessment item, and presents a methodology for scoring and interpreting the assessment results.

¹ **The best practices in the instrument were compiled from interviews with Sterling & Selesnick's federal agency clients and a review of published information about competitive sourcing efforts. Wherever the term "competition" is used in this Guide, it refers to an A-76 standard competition.**

CONDUCTING A TEAM-BASED ASSESSMENT

Top management of the agency must assume ownership of the assessment process and drive it. If top management is not committed to improving the agency's competitive sourcing management practices, a team-based assessment of them can easily become little more than a paperwork exercise.

The agency should carefully plan its assessment process beforehand. This will include:

- Some communication with appropriate agency personnel regarding the purposes of the assessment.
- A process for setting goals and implementing improvements in the agency's competitive sourcing management practices based on the assessment results.
- A way to provide feedback about the assessment results to agency managers and employees.
- A system for monitoring changes and tracking progress toward the management improvement goals.

To initiate the competitive sourcing management assessment process, top management of the agency should do three things:

1. **Decide what competitive sourcing efforts will be assessed.** This is a critical issue and must be resolved before the assessment begins. All of those who are involved must assess the management of the same competition(s) for the results to be valid. The team-based assessment instrument in this Guide is appropriate for use in assessing the management of one public-private competition, as well as for assessing two or more competitive sourcing efforts in the aggregate. The instrument may also be used to assess the management of one part of a competitive sourcing effort, such as source solicitation, MEO development, decision implementation or general program oversight, or to assess the management of an entire public-private competition process—from pre-planning to completion of the final performance period. No matter what public-private competitions or parts of the competition process are assessed, the participants in the team-based assessment must be individuals who clearly know how those competitions were or are being managed, or how the agency *plans* to manage them.
2. **Charter a team to complete the assessment instrument.** An assessment team could be the agency's Competitive Sourcing Management Steering Group, some or all of the members of a PWS, MEO or performance decision implementation team, or

specifically selected individuals knowledgeable about the agency's competitive sourcing management practices who are broadly representative of the agency. The latter team might include managers and employees from various levels of the agency and from various operating units, including union representative(s). Each assessment team ideally should have at least four members and not more than eight members. An assessment meeting may be limited to one team (for example, the Competitive Sourcing Management Steering Group) or may include two or more teams (for example, the MEO team, the PWS team, and the decision implementation team).

Each assessment team should use consensus decision-making during the assessment process. This means ensuring that all team members' opinions are heard and understood, and that members are willing to accept a decision other than their first choice in order to allow the team to move to the next phase of the assessment. Consensus is more time consuming than majority voting, but it promotes greater participation by all of the team members and better decisions. *It is important to solicit all team members' opinions because they represent what may be varied experiences with the competitive sourcing process throughout the agency.*

3. **Allocation sufficient and appropriate resources.** It is essential that adequate resources be allocated for the team-based assessment process—including time, materials, meeting space and an independent and experienced facilitator to work with the team. The facilitator should not contribute to the content of the assessment, but should help the team manage its decision-making process. *The facilitator should not be an employee of the agency or of one of its A-76 support contractors, to ensure as objective an assessment as possible.* A typical assessment requires between one and one-half and two days of face-to-face meeting time. It can be completed in two consecutive or separate days, or in three or four half-day sessions.

CONSTRUCTION OF THE ASSESSMENT INSTRUMENT

The assessment instrument in this Guide is designed for retrospective, mid-course or prospective use by one or more team(s) that have been chartered by an agency's top management to evaluate or plan the agency's competitive sourcing management practices. The team-based assessment process produces a composite baseline score for the agency's actual or planned management approach to competitive sourcing when compared to best-in-class management practices.

The assessment instrument is built around four broad categories, each composed of several items. The point values associated with each category and item are derived by assigning 5 points to each of the best practices for that category or item. This best-practices approach to competitive sourcing management has a potential overall score of 1,000 points associated with it, as follows:

Program Management	440 points
Source Solicitation	200 points
MEO Development	265 points
Decision Implementation	95 points

Each of the items making up an assessment category has been converted into a set of statements that describe best-in-class management practices on the assessment item, as shown on pp. 12 through 29. The A-76 circular describes **what** agencies are required to do when running a public-private competition. The best practices in this Assessment Guide describe **how** agencies with the most effective management practices have actually run these competitions. Scoring guidelines for the assessment items represent the relative effectiveness of the agency's actual or planned management practices on the item, ranging from "just beginning" to "best in class".

INTERPRETING THE ASSESSMENT RESULTS

Conducting a team-based assessment of an agency's competitive sourcing process without an interpretive framework would be of little value to an agency. Interpretation of the results facilitates the kind of in-depth understanding that can guide an agency's efforts to improve its management of public-private competitions.

The scoring guidelines are built around three important concepts: **extent, approach and results**.

Extent refers to the degree to which the practices were/are/will be applied to the item.

Approach refers to the degree to which application of the practices was/is/will be appropriately tailored to the agency's culture and operating environment.

Results refers to the degree to which the outcomes of applying the practices contributed, are contributing, or will contribute to meeting the item requirements (see pp. 8-10).

These three concepts together provide a logical framework for evaluating and scoring an agency's actual or planned competitive sourcing management practices, as shown in the rating levels on page 7.

The upper end of the scoring guidelines represents best-in-class competitive sourcing management, and the lower end represents beginner's-level competitive sourcing management. Moving from the lower levels to the upper levels is not a straightforward linear progression—for several reasons: complex practices are required in the upper

scoring levels; the scope of practice application is broader and deeper; multiple-competition sourcing issues and processes are increasingly the focus of improvement; and more significant organizational and individual changes are usually involved.

ASSESSMENT INSTRUCTIONS AND SCORING PROCEDURES

Using the rating levels on page 7, decide on the percentage in whole numbers (10, 20, 30, etc.) that **best describes** how the agency managed, is managing, or plans to manage its competitive sourcing effort(s) on the item being assessed. Select only one percentage score for each assessment item. Each rating level uses three statements to provide a composite or overall description of best-in-class competitive sourcing management practices on that level. **All three rating-level statements must apply to the agency's actual or planned competitive sourcing management practices on an item for the item to earn a score within that level's percentage interval, or to move to the next higher level's percentage-scoring interval.**

Use the scoring summary sheet on page 11 to record the team's consensus percentage rating of each assessment item and compute the agency's composite baseline score, as follows:

1. Decide on the appropriate rating-level percentage (use whole numbers such as 10, 20, 30, etc.) for the item and record the outcome in Column A.
2. Multiply the percentage in Column A by the weight in Column B and record the outcome in Column C. This product is the item score.
3. Total the item scores to compute the category scores and record the outcomes in Column C.
4. Total the category scores to compute the agency's composite or overall score for managing the recent, current, or planned competitive sourcing effort(s) being assessed, and record the outcome on the bottom line of Column C.

ASSESSMENT INSTRUMENT RATING LEVELS

- (100%) All of the practices are fully applied to the item. Their application is fully tailored to the agency's culture and operating environment. The outcomes of applying the practices contribute decisively to achieving all of the item requirements.
- (70-90%) Almost all of the practices are applied to the item. Their application is effectively tailored to most elements of the agency's culture and operating environment. The outcomes of applying the practices contribute to achieving an appreciable number of the item requirements.
- (40-60%) Many practices are applied to the item. Their application is tailored to many elements of the agency's culture and operating environment. The outcomes of applying the practices contribute to achieving several of the item requirements.
- (10-30%) A few practices are applied to the item. Their application is partially tailored to some elements of the agency's culture and operating environment. Some outcomes of applying the practices contribute to achieving a few of the item requirements.
- (0%) Rate at 0% if less than the next higher level.

ASSESSMENT ITEM REQUIREMENTS

1.0 PROGRAM MANAGEMENT
1.1 Stakeholders. Provide all interested parties with appropriate opportunities for input and involvement in the agency's competitive sourcing process.
1.2 Pre-Planning/Planning. Before the public announcement, determine the activities and FTE positions to be competed, the roles and responsibilities of the participants in the process and their availability for the duration of the competition, the appropriate grouping of business activities as business units, and the activity's baseline costs as performed by the incumbent service provider; assess the availability of workload data, work units, quantifiable outputs of activities or processes, agency or industry performance standards, and other similar data; establish data collection systems as necessary; develop preliminary competition and completion schedules; and appoint all competition officials.
1.3 Resource Management. Allocate resources to effectively apply a clear, transparent and consistent competition process based on lessons learned and best practices; develop government cost estimates for competitions using the COMPARE software; and track the execution of competitions.
1.4 Team Composition. After public announcement, the PWS team leaders shall appoint a PWS team comprised of technical and functional experts; the ATO shall appoint an MEO team comprised of technical and functional experts, and (if a negotiated procurement) the SSA shall appoint an evaluation team. The HRA shall participate on the MEO team. Directly affected government personnel (and their representatives) may participate on the PWS team and on the MEO team. Members of the PWS team shall not be members of the MEO team, and <i>vice versa</i> . PWS team members who are not directly affected government personnel may participate on the SSEB. Directly affected personnel (and their representatives) and any individual or consultant with knowledge of the agency tender shall not participate in any manner on the SSEB.
1.5 Team Support. The PWS team leader shall make all final management decisions regarding the PWS, GFP and QASP. Other individuals with expertise in management analysis, position classification, work measurement, value engineering, industrial engineering, cost analysis, procurement and the technical aspects of the activity may also assist the PWS/MEO teams.
1.6 Orientation/Training. The ATO shall provide the necessary resources and training to prepare a competitive agency tender.
1.7 Knowledge Transfer. Agencies shall post lessons learned and best practices resulting from a competition process on DOD's SHARE-A76! knowledge management website, maintain the accuracy and currency of their agency's information, and maintain a database that retains historical records of competitions after the last performance period has been completed.
1.8 Security and Ethics. Agencies shall comply with procurement integrity, ethics and standards of conduct rules when performing competitions.
1.9 Personnel Impacts. During development of the agency tender, the HRA shall be responsible for developing an employee transition plan for the incumbent agency organization early in the competition process—to identify projected employee impacts and the time needed to accommodate such impacts, depending on the potential outcomes of the competition.
2.0 SOURCE SOLICITATION
2.1 Market Research. An agency shall determine an estimated contract price for performing the activity with a private sector source, using documented market research or soliciting cost proposals in accordance with the FAR.
2.2 Acquisition Strategy. The CO, in consultation with the PWS team, shall determine the acquisition strategy, and shall identify in the solicitation whether the acquisition procedures will be sealed bid or negotiated procedures.

<p>2.3 PWS Requirements. A compliance matrix should clearly cross-reference proposal information as it relates to the PWS contract line item numbers, solicitation sections L and M, proposal volume and section, and, if appropriate, CDRL references . The solicitation shall require that offers and tenders include a compliance matrix specifying any differences between the alternate standards and the solicitation standards. The PWS team shall be responsible for determining whether the agency will make government property available to all prospective providers, and shall develop a QASP that identifies the methods the government will use to measure the performance of the service provider against the PWS requirements. The technical, functional and performance characteristics of the requiring activity's acceptable levels of service are normally specified in the PWS in terms of the quantity, quality, timeliness and location of the work. The PWS identifies the essential outcomes to be achieved.</p>
<p>2.4 PWS Development. An agency is encouraged to post a draft of the PWS or solicitation for public review and comment, including review and comment by directly affected employees and their representatives. All releases of the PWS and solicitation shall be by the CO.</p>
<p>2.5 Offers and Tenders. An agency may include a not-to-exceed cost clause in the solicitation to encourage prospective bidders to submit offers and tenders that fall within budgetary constraints. The date for delivery of offers and tenders shall be the same. The CO shall include in the solicitation a requirement for prospective providers to include a quality control plan in offers and tenders. The quality control plan that is in all offers and tenders describes the internal staffing and procedures that the prospective provider will use to meet the service delivery requirements in the PWS. Only the ATO may make changes to the agency tender after the solicitation closing date. The CO shall retain documentation regarding any changes to the agency tender as part of the competition file and in a form suitable for audit. The solicitation shall require the submission of complete offers and tenders, including separate technical proposals and cost proposals/estimates, by the solicitation closing date. If the SSA accepts an alternative performance standard, the CO shall issue an amendment to the solicitation to request resubmission of offers and tenders in response to the amended solicitation. An agency may select an offer or tender that is not the lowest priced offer or tender under a tradeoff source selection process only if the decision is within the agency's budgetary limitation.</p>
<p>2.6 Proposal Evaluation. The CO shall open and evaluate all offers and tenders during the source selection process to determine their technical acceptability. The performance decision shall be based on the lowest cost of all offers and tenders determined to be technically acceptable. The CO may conduct exchanges to determine the technical acceptability of each offer and tender. The CO shall perform price and cost realism analysis on all offers and tenders determined to be technically acceptable.</p>
<p>2.7 Source Selection. The SSA and CO may be the same individual. After public announcement of a competition that will be a negotiated procurement, the SSA shall appoint an evaluation team (referred to as the SSEB). PWS team members who are not directly affected personnel may participate on the SSEB. If negotiated procedures will be used, the CO shall identify the type of solicitation process in the solicitation. An agency shall use either a sealed bid or a negotiated acquisition source selection process to conduct a competition. Past performance may be used in the source selection process to evaluate a prospective provider's previous performance on work comparable to that being competed, for the purpose of predicting the quality of future performance relative to other offerors or public reimbursable tenders.</p>
<p>3.0 MEO DEVELOPMENT</p>
<p>3.1 Consultant Support. Consultants who are members of the PWS team may not be members of the MEO team. Consultants who are members of the MEO team may not be members of the PWS team.</p>

<p>3.2 Team Startup. The PWS team leader shall designate a team of technical and functional experts to develop the PWS and QASP, and to assist the CO in developing the solicitation. The ATO shall appoint an MEO team comprised of technical and functional experts to assist the ATO in developing the agency tender. The SSA shall appoint a team or board to assist in a negotiated acquisition.</p>
<p>3.3 Benchmarking Research. The MEO is usually the product of management analyses that include, but are not limited to, market research.</p>
<p>3.4 Analysis and Documentation. The MEO is usually the product of management analyses that include, but are not limited to, activity based costing, business case analysis, consolidation, functionality assessment, industrial engineering, productivity assessment, reengineering, reinvention, utilization studies, and value engineering.</p>
<p>3.5 Costing. The ATO shall develop and certify government cost estimates for competitions using the COMPARE costing software. The MEO is the product of management analyses that include activity based costing. The CO shall ensure that the agency and public reimbursable cost estimates use the version of the COMPARE costing software that is in effect on the performance decision date. Agencies and public reimbursable sources shall use the standard A-76 costing factors to calculate cost estimates.</p>
<p>3.6 Transition Plan. The HRA shall be responsible for developing an employee transition plan for the incumbent agency organization early in the competition process. The purpose of the employee transition plan is to identify projected employee impacts and the time needed to accommodate such impacts, depending on the potential outcomes of the competition.</p>
<p>3.7 Management Plan. The agency management plan submitted in response to a solicitation for a competition shall include an MEO, agency cost estimate, MEO quality control plan, MEO phase-in plan and copies of any MEO subcontracts.</p>
<p>4.0 DECISION IMPLEMENTATION</p>
<p>4.1 Contract Development. For a performance decision favoring a private sector source, the CO shall award a contract in accordance with the FAR and comply with FAR 7.305(c) regarding the right of first refusal when the agency is the incumbent service provider. For a performance decision favoring a public reimbursable source, the CO shall develop a fee-for-service agreement with the public reimbursable source, incorporate appropriate portions of the solicitation and public reimbursable tender into the fee-for-service agreement, and distribute the agreement to the appropriate individuals. For a performance decision favoring the agency, the CO shall establish an MEO letter of obligation with an official responsible for performance of the MEO, incorporate appropriate portions of the solicitation and the agency tender into the MEO letter of obligation, and distribute the letter to appropriate individuals including the ATO.</p>
<p>4.2 Phase-in. A provider's phase-in plan is implemented in the first performance period and includes details on minimizing disruption, adverse impacts, and start-up requirements.</p>
<p>4.3 Oversight/Accountability. Agencies shall: centralize oversight responsibility to facilitate fairness in competitions and promote trust in the process; post best practices and lessons learned from a competition process on SHARE-A76!; maintain a database to track the execution of agency competitions; submit a Competitive Sourcing Quarterly Report to OMB by the end of each fiscal quarter; monitor performance for all performance periods stated in the solicitation; implement the QASP; retain the solicitation and any other documentation from the competition as part of the competition file; maintain the currency of the contract file; record the currency of the contract file; record the actual cost of performance by performance period; monitor, collect and report performance information for purposes of past performance evaluation in a follow-on competition; adjust actual costs for scope, inflation and wage rate adjustments made during a specific performance period; and compare the actual costs to the costs recorded on the SCF when the performance decision was made.</p>

ASSESSMENT SCORING SUMMARY SHEET

Categories/Items	Column A Percentages	Column B Point Values	Column C Scores (AxB)
1 Program Management		440	
1.1 Stakeholders		30	
1.2 Pre-Planning/Planning		85	
1.3 Resource Management		50	
1.4 Team Composition		55	
1.5 Team Support		55	
1.6 Orientation/Training		45	
1.7 Knowledge Transfer		35	
1.8 Security and Ethics		30	
1.9 Personnel Impacts		55	
2 Source Solicitation		200	
2.1 Market Research		15	
2.2 Acquisition Strategy		40	
2.3 PWS Requirements		35	
2.4 PWS Development		35	
2.5 Offers and Tenders		40	
2.6 Proposal Evaluation		10	
2.7 Source Selection		25	
3 MEO Development		265	
3.1 Consultant Support		40	
3.2 Team Startup		40	
3.3 Benchmarking Research		25	
3.4 Analysis and Documentation		40	
3.5 Costing		40	
3.6 Transition Plan		20	
3.7 Management Plan		60	
4 Decision Implementation		95	
4.1 Contract Development		15	
4.2 Phase-in		55	
4.3 Oversight/Accountability		25	
Composite Score		1,000	

ASSESSMENT ITEM BEST-IN-CLASS PRACTICES

1 Program Management

1.1 Stakeholders

- a. Ensure that the CO has a representative at every Steering Group meeting, explains the acquisition process and timelines to the Steering Group, and assists the Steering Group in reviewing the acquisition process timelines to determine if there are any possible conflicts with the A-76 timelines.
- b. Establish and maintain a positive relationship with the union representing directly affected employees. Keep the union involved and gain the support of both formal and informal leaders by ensuring they understand the process and the importance of their contributions. Include a union representative on the PWS team. Strongly encourage union participation in MEO development in accordance with the agency's policy, and in sufficient numbers to allow both labor and management to feel comfortable with, and support, the process and the results. Work with the union to secure waivers to past practices that are inefficient.
- c. Expose all directly affected employees to an overview of the A-76 process to help control rumors, keep attitudes positive, and garner support for the PWS and MEO teams. Ensure that regular communications with affected employees address emotional as well as procedural concerns. Dispel any misinformation about competitive sourcing and provide employees with an accurate understanding of what it is and how it works.
- d. Ensure that every individual whose work is included in the scope of the cost study has multiple opportunities throughout the process to submit ideas directly to the MEO team or through their union representatives.
- e. Use a variety of media and vehicles to keep the workforce, the union, functional specialists, directly affected employees, the local Congressional office and Congressional members on Capitol Hill informed and to get their input and feedback throughout the A-76 process.²
- f. Involve external units in the process that are not part of the cost comparison but that will be affected by the transition, in order to identify potential transition problems.

² Examples include all-employee memos, information pamphlets, pre-interview questionnaires, focus group interviews, suggestion forms in work centers, work breakdown structures taped to walls in work centers for employee review and comment, monthly meetings/briefings with each work center in the study, training on how to use and apply various analytical techniques, agency and local television, radio and newspapers, internet websites with links to transition assistance resources, e-mail surveys and electronic bulletin boards, drop boxes, A-76 telephone and email hot-lines, town meetings for information and dialogue, agency televideo conferences and counseling sessions.

1.2 Pre-Planning/Planning

- a. Organize a Competitive Sourcing Management Steering Group, composed of the agency's most senior executives whose first task is to oversee preliminary feasibility studies and formulate an overall competitive sourcing plan based on their results.
- b. Ensure that the overall competitive sourcing plan: (1) identifies where public-private competitions will be most beneficial to the agency's unique mission and workforce mix; and (2) specifies which of the agency's functions will be competed, which competitions will be streamlined, and which competitions will be standardized.
- c. Ensure that the overall competitive sourcing plan and timelines are tailored to support the agency's mission and workforce, and are responsive to such factors as: planned business reengineering, reorganizations and realignments; the relative budgetary impacts of the agency's various organizations, functions and activities; potential for cost savings and performance improvement; operational risk; the likely availability of qualified private-sector competitors and labor pools; the need to preserve certain mission-critical core competencies in-house; the agency's desired work-force mix in relation to the mix of white-collar and blue-collar occupations in the work selected to face competition; anticipated attrition rates in different functions, activities, grade levels and job series; ease of employee recruitment and retention; the agency's contract management capacity and capabilities; and the anticipated net savings after subtracting transition and support-contractor costs.
- d. Completely reassess the agency's organizations, functions and activities; develop process maps; and restructure or reengineer organizations or activities that are commercial in nature *before* subjecting them to competition with private companies, if at all possible.
- e. Determine with as much specificity as possible the scope and cost of each A-76 study and the methodology for conducting it.
- f. Develop standardized timelines for all concurrent and overlapping A-76 studies and other workforce "reshapings," and plan their execution so that the transition actions of the agency's various competitions, reorganizations, restructurings, privatizations, divestitures, etc. are coordinated and do not conflict with each other.
- g. Standardize a procedure for estimating the out-year costs of A-76 competitions (contractor support, transition expenses, etc.) and build the A-76 out-year costs into the agency's annual budget cycle.
- h. Develop a plan of action and schedule for both PWS and MEO development (on each A-76 study), with realistic but challenging milestones that allow for some unavoidable slippage while conveying an appropriate sense of urgency. Ensure that sufficient time is allotted for completion of all regulatory and legal requirements.

- i. Conduct regular frequent Steering Group meetings to ensure progress is being made towards study milestones (on each A-76 study), to maintain agency top management involvement in removing obstacles and offering advice, and to keep agency top management informed of schedule changes and the reasons for them.
- j. Ensure wherever possible that whole functions are being competed to guarantee that each A-76 study arrives at an overall MEO.
- k. Use a single capable support contractor if possible to facilitate integration of the various pieces of the effort, and encourage the contractor to seek outside functional expertise when necessary to supplement its efforts.
- l. Plan the timing of support contractor award(s) to ensure that any needed contractor support is available as soon as possible after study approval.
- m. Formulate a mutual understanding as to exactly what the contractor will provide and, in some cases, how the product/service will be provided. Establish a forum for discussing and refining in-house and contractor roles, responsibilities and expectations, and for identifying and resolving in-house/contractor issues.
- n. Prioritize work efforts so that significant actions required early in the process, such as preparation of the PWS and the MEO study, take precedence over actions or documents required later in the process.
- o. Encourage functions to begin data collection efforts early for upcoming studies. Ensure that future information and documentation requirements are known well in advance of when they will be needed, and plan accordingly to avoid surprises down the road.
- p. Examine workload data availability and collection systems as soon as competitive sourcing studies are announced, or beforehand if the agency plans to study the function in the future, to avoid delays in preparing and finalizing PWSs.
- q. Establish a common format for workload or other data that will be collected by individual functional elements, to ensure the resulting products will be compatible and will capture an accurate picture of the entire workload.

1.3 Resource Management

- a. Dedicate sufficient staff resources to the PWS and MEO teams.
- b. Budget funds to pay for the out-of-pocket cash costs associated with hiring consultants and paying for a reasonable amount of staff overtime costs to cover unanticipated workload peaks in the process.
- c. Ensure that every primary team member has an alternate so the process can continue smoothly if a primary team member is unable to serve unexpectedly.
- d. Identify at least one point of contact from each functional area in the study, and hold each of these individuals accountable for completing specific actions from day one.

- e. Designate “emergency back-up” points of contact to help keep efforts on track.
- f. Encourage the scheduling of leave during times when the pace of study activity is low rather than during critical milestone periods.
- g. Maintain a central significant-actions log and set up a detailed milestone schedule for each competitive sourcing study.
- h. Use PERT charts, tracking systems and/or similar tools to actively manage action plans and milestones. Update milestones promptly and review them to gauge progress.
- i. Develop a graphic representation of the PWS and MEO teams’ milestone schedules that allows all team members to observe and assess visually where each task is at any point in time and its relationship to other ongoing tasks. Post milestone schedules in locations where they can be constantly seen and can form a basis for discussion at all team meetings.
- j. Chart the sequence of events in the PWS and MEO teams’ work processes, identify the critical events whose slippage will cause delay in the study’s final completion date, and focus the teams’ efforts on those critical events to ensure they are completed on time or to determine what events following them can be shortened to compensate for any slippage in the critical events.

1.4 Team Composition

- a. Ensure that the PWS and MEO teams’ charters address their organization, responsibilities, authority, facilities, materials, equipment, supplies, administrative support, training, funding, study methodology and schedule.
- b. Appoint individuals to PWS and MEO teams based on their capabilities or potential, their commitment to stay engaged and their positive outlook, and not because of their title or position.
- c. Assign to the Competitive Sourcing Management Steering Group an individual with analytical skills to assist the Steering Group members in understanding, articulating and supporting the analyses performed by the PWS and MEO support contractors.
- d. Identify the key players very early in the process. Assign the best and brightest people available to the PWS and MEO teams, including top quality administrative support persons.
- e. Assign to each PWS team an administrative specialist to make life easier at appeal/protest time.
- f. Assign to each MEO team full time functional experts, including frontline employees, from the function being studied by the team.
- g. Assign to each MEO team a separate CO and legal advisor to ensure they have continuing access to this guidance throughout the acquisition process.
- h. Assign to each MEO team a professional automation expert to serve as the team’s information manager.

- i. Assign to each MEO team a full time budget person with knowledge of tracking and accounting as well as business accounting methods and the PWS audit requirements.
- j. Assign to each MEO team a personnel specialist to address classification and staffing issues.
- k. Assign to each MEO team a cost/price analyst for support in developing the cost estimate and to help the team understand the elements needed to develop cost of performance.

1.5 Team Support

- a. Use an experienced consultant-practitioner as outside contractor support to augment the PWS and MEO teams capacities and capabilities as needed, if the agency's available staffing numbers or skill sets are insufficient.
- b. Ensure that each assigned PWS and MEO team member has a computer with the necessary memory, programs, etc. Ensure that all computers being used in the study have the same version of essential software, and that several copies of the same version of a drawing program are available to the PWS and MEO teams. Establish an internal server to store data and retain the internal confidentiality of MEO products.
- c. Remove PWS and MEO team members from day-to-day responsibilities when necessary so they can fully support the effort.
- d. Keep all PWS and MEO team members and SSEB members in place for the duration of the effort to ensure continuity.
- e. When feasible, co-locate teams of full-time members in a dedicated work space away from normal activities to improve effectiveness.
- f. Ensure that team leaders are each delegated the authority needed to make decisions.
- g. Ensure that Contracting and Human Resources take an active role in leading the PWS and MEO teams respectively.
- h. Use team building and role clarification exercises to ensure quality and timely execution by the complex cross-functional PWS and MEO teams in large multi-functional studies.
- i. Work to ensure open and honest communication throughout the PWS and MEO teams. For example, conduct weekly meetings with each intact team to update the process and review milestones.
- j. Make everyone on the PWS and MEO teams aware of potential problem areas and invite their input and assistance before a potential problem becomes critical.
- k. Manage PWS and MEO teams' stress levels by scheduling regular time for collective relaxation and ventilation of frustrations.

1.6 Orientation/Training

- a. Attend available competitive sourcing management training, read related material on various websites, and consult with other agencies about their lessons learned.
- b. Schedule formal training or conduct in-house training to fill skills gaps on the PWS and MEO teams so that their members can “hit the ground running” when study approval is granted.
- c. Make reasonable efforts to provide “just-in-time” training so that whatever is learned can be applied most effectively.
- d. Provide technical and functional experts with training in process and activity analyses prior to PWS development.
- e. Tailor training in information collection techniques, process reengineering and overall MEO development to fit individual needs.
- f. Provide directly affected employees with a basic understanding of the competitive sourcing process and the procedures to be followed, inform them of their rights, and answer their questions.
- g. Inform the entire workforce that their input, particularly regarding potential process improvements, will play a major part in determining the competitiveness of the government’s proposal, and that their active participation will enable them to influence the process and outcome rather than simply falling victim to it.
- h. Provide potential offerors with an informational briefing on the competitive sourcing process, as part of a pre-proposal conference, to help reduce the number of procedural questions and protests based on a simple lack of understanding.
- i. Ensure that PWS and MEO team members, proposal evaluators, appeals board members, and others as necessary consult with ethics counselors as early as possible in the process to identify any potential conflicts of interest, restrictions on seeking employment, post-employment restrictions, and their right-of-first-refusal eligibility.

1.7 Knowledge Transfer

- a. Identify and maintain a list of business process reengineering and improvement issues for the residual agency organization.
- b. Link the market research team with the acquisition strategy and PWS teams.
- c. Make available to the PWS team sample PWSs and lessons learned from other similar studies that will help them determine what workload data to collect, how to collect it, and for what period of time.
- d. Make technical proposals from other similar studies available to the MEO team.
- e. Make MEO innovations accessible for adaptation by other functions outside the MEO.
- f. Track the time and cost of doing the competitive sourcing study by establishing special job order numbers and a separate funding number.

- g. Encourage functions to share information and knowledge gained from current competitive sourcing studies in order to facilitate the conduct of future studies. Establish a repository for collecting and storing this information.

1.8 Security and Ethics

- a. Evaluate and guard against potential conflicts of interest resulting from employee participation on PWS or MEO teams.
- b. Take whatever actions are necessary to help preclude the unauthorized release or disclosure of procurement sensitive information.
- c. Ensure that the entire workforce is aware of the sensitivity of certain types of information and their responsibilities to protect it from unauthorized disclosure and to report questionable activities to their ethics counselor.
- d. Keep on a need-to-know basis and strictly control access to source-selection sensitive information, as well as to any information pertaining to either the government or private sector proposals.
- e. Take extra care to avoid inadvertent disclosures of non-public information through workplace conversations or through FOIA requests during a competitive sourcing study.
- f. Ensure that all personnel involved in the study display badges at all times, properly mark and protect documents, and are advised of the need for increased security awareness.

1.9 Personnel Impacts

- a. Hire contractors to fill new and vacant jobs that are commercial in nature where possible in order to meet the agency's competitive sourcing targets without creating adverse impacts on current employees' jobs.
- b. Communicate personally at the outset of a competitive sourcing process with each employee whose job is slated for competition. Inform all employees who could be affected that the agency is committed to ensuring and upholding their rights under any of the possible outcomes of the competitive sourcing process. Keep them well informed and meaningfully involved at each step of the competition.
- c. If practicable, establish and disseminate an agency-wide policy guaranteeing that no employee will be involuntarily separated or demoted to a lower pay grade in the event that the employee's current job is eliminated as a result of competitive sourcing.
- d. As soon as possible after a final performance decision is made that converts agency performed work to contractor performance, provide the selected contractor with a list of adversely affected employees and require that the selected source contractor offer employment to the employees on this list who are deemed qualified for any non management job openings created by the conversion.

- e. Fulfill all of the agency's collective bargaining obligations and provide the union(s) representing affected employees with appropriate opportunities for input on how the agency's competitive sourcing process will work.
- f. Notify the affected employees' union(s) as far in advance as possible of any RIF, identify the employees who will be adversely affected, provide them with briefings on RIF procedures and their rights, and give the union(s) an opportunity to represent affected bargaining unit employees and to propose methods for alleviating adverse impacts.
- g. Encourage and use voluntary actions such as lateral moves and attrition to the extent possible to reduce the need for involuntary actions. For example, encourage employees who could be displaced to find other jobs within the agency before a public-private competition is completed, and stop filling certain vacancies in order to open slots for employees displaced by competition.
- h. Use attrition, targeted buyouts, VERA, VSIP, reassignments (e.g., into open positions created by retirements), relocations and other available "soft landing" strategies to identify or create openings for adversely affected employees, and to reduce or eliminate involuntary separations if a private contractor wins the competition or if the winning MEO is less than the current number of FTEs performing the function.
- i. Provide training and retraining opportunities during regular work hours for adversely affected employees, within budgetary constraints, to give them additional skills that are transferable and applicable in other governmental and non governmental work environments.
- j. Provide adversely affected employees with career transition assistance during regular work hours (by referral or purchase)—such as federal job information, one-on-one career counseling and guidance services, diagnostic testing, resume writing and interview skills training, state labor and economic development department retraining and job search/referral assistance and, on an as-needed basis, referrals to on-site employee assistance program counseling services.
- k. If practicable, open/maintain a career center where employees displaced by competitive sourcing can get stress management and career counseling or train for a new career at the agency or its parent department.

2 Source Solicitation

2.1 Market Research

- a. Conduct thorough market research before developing the requirements document to determine how industry actually performs the same task, how a PWS is written, how quality assurance inspections are conducted and how industry contracts for the same or similar work.

- b. Maintain a centralized database of companies providing the same services and visit similar commercial organizations to determine efficient operational approaches.
- c. Make every effort to establish the existence of two or more technically qualified and seriously interested sources in the case of small business set-asides.

2.2 Acquisition Strategy

- a. Perform a thorough labor market analysis to ensure accurate information as to whether sufficient personnel are available in the local job market.
- b. Solicit industry feedback and consider industry responses in developing the acquisition strategy.
- c. Establish acquisition strategy panels and task them to consider all available acquisition methods and determine/select an appropriate acquisition approach that is expected to provide the best value for the government for each specific competitive sourcing study.
- d. Determine the contract type based on an analysis of the risks to successful performance.
- e. Clarify how bids will be evaluated—by lowest cost or a “best-value” standard—as part of the public announcement of plans to accept bids for a specific function or activity.
- f. Use multiple solicitations for a single study effort when segregating the work into two or more discrete units to enhance competition or encourage small business participation.
- g. When the acquisition strategy includes multiple solicitations, schedule them to run in parallel so that, in the absence of delays in the solicitations, any RIF implementation plans can be executed immediately after approval of the final performance decisions.
- h. Use commercial acquisition methods, standards and practices in lieu of government ones whenever market research indicates their use is preferable and practicable. Impose additional government-specific terms and conditions only when market research provides a rationale for them.

2.3 PWS Requirements

- a. Define, specify and convey all work requirements in measurable, mission-related tasks, end results, essential outcomes or performance terms—rather than in person-hours or in terms of *how* the work is to be accomplished—in order to allow for differences in approach, efficiencies and innovation.
- b. Develop common standards and objectives for any activity that is performed in multiple agency locations, functions or facilities.

- c. Be proactive about securing and processing waivers to otherwise mandatory guidance. Minimize the number of required regulations and instructions.
- d. Develop an accurate and detailed workload data table that identifies all workload data, surges, shift work, weather related emergencies and special functions.
- e. Establish a minimum employee benefits package for the private sector to use in their proposals.
- f. Develop evaluation criteria that are consistent with the performance requirements in the work statement and that address identified areas of risk to successful performance.
- g. Develop challenging but realistic indicators that can track performance in relation to the PWS.

2.4 PWS Development

- a. Use as a starting point PWSs previously developed for similar functions under study, if available, and tailor them to speed the identification and itemization of specific work the in-house workforce or contractor must perform.
- b. Use previously developed PWSs as a guide to drafting the PWS text only after completing the work breakdown structure, activity analysis and process analysis phases to identify the tasks performed locally.
- c. Involve as many directly affected employees as possible during the development and review of the PWS.
- d. If the MEO team discovers errors or omissions in the PWS, make corrections to the PWS throughout the process to ensure that the agency procures the services it needs to execute its mission.
- e. Upon completion of the draft PWS on agency-wide multi-function studies, hold separate work sessions for representatives of each function as well as cross-functional sessions to review the draft requirements line by line for errors or omissions.
- f. Ensure that government personnel complete a comprehensive review of the PWS for accuracy and completeness prior to the solicitation being listed.
- g. Have at least one contract consultant review the PWS before final review and approval to bring a fresh set of eyes and a contractor's perspective to the PWS.

2.5 Offers and Tenders

- a. Encourage minority-owned businesses to bid on competitively sourced work when a significant percentage of the directly affected employees are minorities.
- b. Clearly transmit the government's requirements to industry and encourage input from potential offerors during the solicitation phase.

- c. Ensure the due diligence process is thorough and the current condition of the operation being competitively sourced is equally clear to all parties.
- d. Use draft requests for proposals for gaining additional market research information to confirm initial decisions or make revisions, and to obtain industry comments and suggestions prior to a final solicitation and pre-proposal conference.
- e. Use industry seminars, pre-proposal conferences, site visits, discussions and debriefings to clarify requirements and answer prospective offerors' questions. Hold site visits in the middle of pre-proposal conferences so that any questions raised by potential bidders can be addressed in a group setting.
- f. Create a videotape of the site visit and pre-proposal conference for use in answering future questions and/or resolving future disputes.
- g. Format the solicitation document to accommodate changes easily, and use the internet to simplify the posting and distribution of changes.
- h. Establish a website that private bidders and the in-house MEO team can use to keep up to date with changes in the solicitation/PWS requirements.

2.6 Proposal Evaluation

- a. Review the contractor's technical and cost proposals as an integrated product at some point to ensure the costs/prices are realistic given the proposed performance approach.
- b. Ensure that the CO adjusts offerors' proposed costs and fees only after performing cost realism analyses and conducting discussions with the offerors.

2.7 Source Selection

- a. To prevent the appearance of bias and preserve the integrity of the A-76 study, avoid involving employees who are part of the activity under study in any decision-making capacity in the source selection.
- b. To prevent the appearance of bias and preserve the integrity of the competitive sourcing process, avoid involving the same employees in both the management study and the source selection portions of the process.
- c. To prevent the appearance of bias and the performance of inherently governmental functions by non-governmental personnel, avoid using contractors in the source selection portion of an A-76 study except when no qualified government employees are available.
- d. To prevent potential conflicts of interest, avoid using the same support contractor in both the source selection and the management/MEO study part of the process.
- e. To prevent the appearance of bias and preserve the integrity of the A-76 study, obtain individuals from outside the agency if possible for appointments to the SSA and the SSEB.

3 MEO Development

3.1 Consultant Support

- a. Contract with an experienced and skilled support contractor/consulting firm to assist with the study and facilitate the development of a government in-house proposal that is as competitive as possible.
- b. Ensure that the consultant/support contractor has training, knowledge, understanding and experience in the following methodologies, tools and disciplines: costing and pricing; organizational development, human behavior and change management; workplace and employee transition planning; development and implementation of performance and cost metrics; economics; contracting; and business process reengineering analytical techniques (workflow, layout, distribution and run/control charting; linear regression analysis; queuing theory; and the like.)
- c. Embrace the consultant(s) as an integral member of the MEO team and integrate office space for the consultant(s) with that of the MEO team.
- d. Partner with the consultant(s) by maintaining open communications and using the consultant(s) as a sounding board.
- e. Have the consultant(s) facilitate a session to determine the MEO team's strengths and weaknesses.
- f. Obtain from the consultant(s) a mock proposal with an industry perspective.
- g. Enlist consultant facilitation assistance with the development of the MEO's initial business plan, mission, vision and strategy.
- h. Enlist the consultant's assistance in creating manageable boundaries for the A-76 study by focusing on the most expensive processes or activities currently used to provide the products and services required in the PWS—i.e., the processes or activities that are driving resource consumption and are therefore likely to produce the greatest savings if reengineered.

3.2 Team Startup

- a. Use the time between announcement of the competition and the PWS team's issuance of the workload process maps and flowcharts to identify and assign the MEO team, and to give the team members time to build working relationships and become familiar with all facets of the organization or function under study.
- b. Form a "core team" within the full MEO team composed of the best and brightest team members available—i.e., well-rounded functional experts who are stand-alone leaders. Set them up in the same office space/room as the full team to generate positive group dynamics.
- c. Staff the MEO team based on the new MEO organization structure, and allocate office space based on the proposed structure.

- d. Ensure that every MEO team member attends all of the training prior to beginning work and acquires a basic understanding of the goals, rules and processes that govern operation of A-76 competitive sourcing generally and MEO/management plan development in particular.
- e. Give every MEO team member time to become equally familiar with every activity, unit and process under study *before* they begin recommending ways of reorganizing for greater efficiency and effectiveness.
- f. Assign MEO team members based on experience, skills and personalities. Match team members' skills to deliverables, and adjust their assignments when necessary as more knowledge of the requirement is learned.
- g. Secure an overview and guidance at the outset from a CO representative to ensure that the MEO team starts out with an accurate understanding of the full solicitation package and the proposal evaluation process.
- h. Ensure the HRA is invited to attend all MEO team meetings where MEO jobs and PDs are discussed and developed, and serves as a source of advice and guidance on personnel issues and PD classification throughout the MEO development process, in order to shorten the time for classification of the MEO PDs. Have the HRA brief the MEO team on PD classification rules and procedures before the team starts MEO job development.

3.3 Benchmarking Research

- a. Maintain a centralized database of agencies and companies providing the same or similar services.
- b. As early as possible during PWS development, and before preparing the MEO document, conduct thorough research to determine how similar private and public sector organizations perform the same work, what the generally accepted performance standards are, how industry contracts for the work, and how commercial best practices are built into private sector bids for the work.
- c. Identify similar public and private sector organizations that appear to have more innovative, efficient or effective operational approaches for performing the same work and schedule visits to observe or verify the details of their operations and identify better ways of delivering the products and services under study.
- d. Build commercial best practices into the government organization, function or activity whenever possible.
- e. Compare the consultant's mock industry-perspective proposal with the draft MEO to ensure that the MEO emulates a commercial sector bid in all important respects.

3.4 Analysis and Documentation

- a. Ensure there is thorough documentation for everything in the study, and be able to show linkages between all documents and background data. Use compliance matrices to link all PWS requirements to the MEO proposal.
- b. Have HR specialists complete a job analysis and assign skill levels to each position as the core documents are finalized, to facilitate resume comparison and hiring of the most qualified individuals. Write core documents for a position rather than for a person or a grade.
- c. Use generally accepted manpower calculation methods for determining the bid, and know what flexibility the MEO has in the bid structure.
- d. Dispatch individual sub teams to a variety of in-house work locations to study in detail how employees perform the work in order to develop ideas for streamlining operations and improving workflow as much as possible.
- e. Be conscientious in gathering accurate and reliable process data. When describing processes and procedures in the current operations and the MEO proposed operation, describe how the work is received and distributed to the performing function.
- f. Look at the organization from a fresh perspective, and think “outside the box” in order to develop innovative, efficient and effective processes, staffing and organizational structures. Look for ways to simplify work processes, reduce overhead and trim costs—e.g., by cutting travel time between work locations, eliminating idle time between jobs, and cutting back on requirements for multiple approvals of routine decisions. Eliminate any unnecessary tasks, processes and operations from the MEO-proposed operation.
- g. If the entire function is not being studied, take the opportunity to reengineer the rest of the function—eliminating any unnecessary tasks, processes and operations from the residual function.
- h. Brief senior management on the MEO team’s work product: (1) when options have been identified for serious consideration; (2) when one option has been selected and refined with business processes and estimated staffing requirements; and (3) when the team has finalized its most-effective-organization recommendation.

3.5 Costing

- a. Secure assistance from the agency’s financial management function in preparing the in-house cost estimate—e.g., on how cost should be treated and on the use of format, approach and explanatory comments so that the content is in a form familiar to those who will review the in-house cost proposal.
- b. Document and maintain detailed justifications and a complete audit trail for all costing decisions and for any legitimate modifications

made to the government's cost proposal after submitting it to the CO (original cost estimate, numbers and areas revised with an explanation, ATO certification).

- c. Ensure that all components in the technical proposal have been captured and costed and that all costs are fully justified and reasonable, including the cost of conversion (e.g., retraining).
- d. Have a senior, experienced staffing specialist lead the costing efforts.
- e. Develop and use spreadsheet templates to standardize the costing efforts and make it easier to develop and review cost inputs.
- f. Manage all costing data so that it can be easily updated and accessed.
- g. Ensure that the MEO team has experience or formal training in COMPARE, spreadsheet preparation and advanced features of Microsoft Excel. Send the technical and functional experts to COMPARE class. Keep them aware of the items needed for the COMPARE costing.
- h. Perform a labor market analysis to inform the development of one-time conversion costs (recruitment, hiring and relocation), transition planning and decisions on bringing contracts in house.

3.6 Transition Plan

- a. Ensure that the transition plan addresses employee displacement, hiring, training, realignment of the organization, documentation of new processes and account transfers.
- b. With help from the HRA, build a timeline or schedule showing the actions necessary for displacing the existing employees and hiring new ones.
- c. In areas where jobs are being merged, ensure that employees will get the training they need.
- d. Document any new business processes developed as part of the MEO and include in the transition plan a strategy for disseminating this information throughout the organization and, in particular, to customers.

3.7 Management Plan

- a. Ensure that the management plan is clearly and concisely written and logically laid out. Use organizational charts, flowcharts and other self-explanatory graphics to tell the MEO story in as complete and concise a manner as possible.
- b. Thoroughly justify and document all methods, procedures, assumptions, conclusions and decisions in the government's in-house proposal so that the package can stand on its own when reviewed by others. Document all conclusions with facts and statistics.
- c. Tie any Management Plan spreadsheets to PWS high-level tasks.
- d. Document a well-developed business/organizational strategy from day one in the Management Plan.

- e. Seek waivers when necessary to deviate from standard organizational structures and position descriptions in order to structure and staff the MEO for efficient and cost effective operation
- f. Identify in the Management Plan the organizational structures, staffing and operating procedures, equipment, and transition and inspection plans necessary to ensure that the in-house activity is performed in an efficient and cost effective manner.
- g. Employ multi skilling and cross utilization strategies where possible to merge/reduce/eliminate positions, minimize grades and make the MEO as cost effective as possible.
- h. Use standardized wording for common areas (employment system, contingency operations, conflict resolution, transition plans, etc.).
- i. Ensure the PWS covers all of the solicitation requirements and evaluation criteria.
- j. Ensure the PWS, Management Plan and In-House Cost Estimate are consistent. Maintain a correlation between the PWS, the Management Plan, COMPARE and the position descriptions to show a logical progression from the PWS to the MEO final staffing and the MEO costing, both in the oral presentation and in the supporting documentation.
- k. Clearly define in the appropriate MEO position descriptions the workload for any quality control program required by the solicitation/PWS.
- l. Have agreements or contracts approved and awaiting signature at implementation when part of the business/organizational strategy is to use support contractors.

4 Decision Implementation

4.1 Contract Development

- a. Ensure that the contract or performance agreement defines the roles and responsibilities of each party, establishes clear lines of communication and schedules regular progress evaluation meetings.
- b. Select for program performance leadership roles people from both parties who exhibit good interpersonal problem-solving skills and a strong commitment to program outcomes, innovation and ethical integrity.
- c. Ensure that the contract or performance agreement contains specific mechanisms for resolving program-related disputes, including alternative dispute resolution mechanisms such as mediation, arbitration, ombudspersons and issue-elevation.

4.2 Phase-in

- a. While developing the acquisition strategy, and well before the award decision, create a detailed, time-phased action plan for every aspect of the post-award transition.

- b. Plan for multiple phase-in periods as needed to accommodate start-up items requiring varying completion times, such as short-term orientation and training versus longer-term infrastructure acquisition and deployment (e.g., IT solutions).
- c. Determine how the agency will reconfigure itself strategically to carry out its oversight role and responsibilities in supervising the new organization's program performance, and build these changes into the phase-in action plan.
- d. Prepare position descriptions and issue announcements for a contract administrator, quality assurance evaluator and other key oversight functions well in advance of the award decision.
- e. If a private sector contractor wins, team with the contractor and the incumbent service provider unit as early as possible on the planning of transitioning from a government operation to a private sector operation.
- f. If a private sector contractor wins and unit employees leave prior to the contract date, establish bridging contracts when necessary to keep the mission going.
- g. If a private sector contractor wins, ensure prior to implementation that all involved parties, including the contract administrator and officer, understand what the contracted function and the PWS tasks entail, and that specific, detailed plans and guidelines are in place for the running of the function and how it will work.
- h. If a private sector contractor wins, ensure that higher management is schooled in how a contract and contractors work, and how to help contractor personnel do the job they were hired for. Implement a chain of command to ensure there is communication and understanding between government and contractor personnel.
- i. If a private sector contractor wins, ensure prior to the start date that the contractor is aware of the workload, has knowledgeable technical and functional representatives on their staff, can handle the work with their employees, and the new workforce is trained and ready.
- j. Complete the organizational realignment with knowledgeable current employees and MEO team members before hiring individuals for new positions, if at all possible.
- k. Secure expert consulting help in planning for and assisting in executing the transition to a new government organization or private sector contractor in order to address the human dimension of change, build teamwork and avoid excessive turnover in the new organization.

4.3 Oversight/Accountability

- a. Ensure the solicitation objectives are framed carefully and agency oversight and service provider personnel share an accurate understanding of the performance agreement or contract objectives.
- b. When the in-house MEO team is the successful bidder, ensure the letter of obligation with an official responsible for performance of the

MEO is written in the form of a binding performance agreement to guarantee that the team fulfills the terms of their bid.

- c. Once a service provider is selected, establish quantitative metrics for both performance and costs. Ensure that performance measures are directly related to service goals and are monitored frequently throughout the agreement/contract life span.
- d. Once an agreement or contract is awarded, track costs to ensure projected savings actually materialize.
- e. Maintain a process for returning private contractor work to government employees if contractor costs escalate or contractor performance becomes unsatisfactory.

ACRONYMS

ATO	Agency Tender Official
CDRL	Contract Data Requirements List
CO	Contracting Officer
FTE	Full-time Equivalent
GFP	Government-Furnished Property
HRA	Human Resource Advisor
MEO	Most Efficient Organization
PD	Position Description
PWS	Performance Work Statement
QASP	Quality Assurance Surveillance Plan
SCF	Standard Competition Form
SSA	Source Selection Authority
SSEB	Source Selection Evaluation Board
VERA	Voluntary Early Retirement Authority
VSIP	Voluntary Separation Incentive Pay

For additional information concerning agency use of the self-assessment process linked to this Guide, contact: Hinda K. Sterling or Herbert L. Selesnick, Sterling & Selesnick, Inc., 97 Boston Street, Salem, MA 01970-1420, tel: 978-741-3939, fax: 978-741-4919, e-mail: hinda@sterlingselesnick.com or herb@sterlingselesnick.com, website: www.sterlingselesnick.com