July 7, 2003

Defense Infrastructure

Summary of Office of Management and Budget Circular No. A-76 Related Report Coverage From FY 1997 Through FY 2002

(D-2003-116)

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Acronyms

AAA	Army Audit Agency
AFAA	Air Force Audit Agency
DeCA	Defense Commissary Agency
DFAS	Defense Finance and Accounting Service
DLA	Defense Logistics Agency
FAIR	Federal Activities Inventory Reform
GAO	General Accounting Office
IHCE	In-House Cost Estimate
IRO	Independent Review Officer
MEO	Most Efficient Organization
OMB	Office of Management and Budget
PWS	Performance Work Statement

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July 7, 2003

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF DEFENSE
(INSTALLATIONS AND ENVIRONMENT)

SUBJECT: Summary of Office of Management and Budget Circular No. A-76 Related Report Coverage from FY 1997 through FY 2002 (Report No. D-2003-116)

We are providing this report for your information and use.

We appreciate the courtesies extended to the staff. Questions should be directed to Mr. Henry F. Kleinknecht at (703) 604-9324 (DSN 664-9324) or Mr. Kent E. Shaw at (703) 604-9228 (DSN 664-9228). The project team members are listed inside the back cover of the report. See Appendix E for the report distribution.

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Report No. D-2003-116 **July 7, 2003**
(Project No. D2002CG-0096.000)

Summary of Office of Management and Budget Circular No. A-76 Related Report Coverage From FY 1997 Through FY 2002

Executive Summary

Who Should Read This Report and Why? Anyone concerned with competitive sourcing issues associated with the Office of Management and Budget Circular No. A-76 process should read this report. In addition, managers responsible for implementing the President's Management Agenda initiative on competitive sourcing can use this information to improve public-private competitions.

Background. The Office of Management and Budget Circular No. A-76 process is a formal way of comparing the Government and the private sector costs for performing a particular function. The process saves money for the Government and minimizes staffing requirements while maintaining a satisfactory level of performance. This report summarizes audit and evaluation work that supports the Office of Management and Budget Circular No. A-76 program.

Results. From FY 1997 through FY 2002, the General Accounting Office and DoD audit organizations issued 299 reports on Office of Management and Budget Circular No. A-76 competitions. The General Accounting Office issued 33 reports, the Office of the Inspector General of the Department of Defense issued 12 reports, the Army Audit Agency issued 221 reports (75 of the 221 reports were not available and excluded from this summary because the final decision for those competitions had not been made), the Naval Audit Service issued 7 reports, the Air Force Audit Agency issued 3 reports, the Defense Commissary Agency Internal Review issued 13 reports, and the Defense Logistics Agency Internal Review issued 10 reports. The 224 reports (299 reports less 75 reports not available) address the following issues:

- independent review of in-house cost estimates (172 reports),
- source selection process (18 reports),
- cost savings from Office of Management and Budget Circular No. A-76 studies (12 reports),
- program oversight and implementation (10 reports),
- reporting commercial activities under the Federal Activities Inventory Reform Act (6 reports),
- post-most efficient organization reviews (4 reports), and
- impact assessments (2 reports).

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Background

Beginning in 1955, Federal agencies were encouraged to obtain commercially available goods and services from the private sector when such actions were determined cost effective. The Office of Management and Budget (OMB) formalized the policy on March 3, 1966, with issuance of OMB Circular No. A-76, "Performance of Commercial Activities." In 1979, OMB Circular No. A-76 was supplemented with a Supplemental Handbook,[1] which included procedures for competitively determining whether commercial activities should be performed in-house, by another Federal agency through an interservice support agreement, or by the private sector.

Reporting Under the Federal Activities Inventory Reform Act. The Federal Activities Inventory Reform (FAIR) Act (Public Law 105-270), October 19, 1998, directs that agencies develop annual inventories of positions not inherently governmental. During FY 2002, the DoD FAIR Act submission identified 410,699 civilian full-time equivalent positions. Of those 410,699 positions, 239,001 were identified as potential candidates for either competition or direct conversion under OMB Circular No. A-76. As stated in testimony before Congress in March 2003 by the Principle Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics, during FY 2000 through FY 2002, DoD completed approximately 570 OMB Circular No. A-76 competitions with about 56,000 positions and is scheduled to complete competitions on an additional 15,000 positions by the end of FY 2003. The 570 completed OMB Circular No. A-76 competitions have resulted in either a contract or in-house decision that will generate over the life of the contracts more than $5 billion in savings or cost avoidance.

The Secretary of Defense establishes the criteria for determining when Government performance of a commercial activity is required for reasons of national defense. Only the Secretary of Defense or designee can exempt commercial activities from OMB Circular No. A-76 competition.

OMB Circular No. A-76 Study Process. The OMB Circular No. A-76 process, as shown in the following figure, consists of several phases. During the first phase, a performance work statement (PWS) and quality assurance plan are developed. After a PWS is prepared, the agency issues the requests for proposal or invitations for bid. The second phase consists of performing a management study that determines the Government's most efficient organization (MEO). Once the Government's MEO is determined, an in-house cost estimate (IHCE) is prepared. After private sector offers are evaluated and a single private sector offer is determined, the private sector cost proposal is compared to the IHCE and the lowest cost provider is selected. To preclude the Government from converting to a new provider for marginal estimated savings, total estimated savings must

[1] OMB Circular No. A-76, Supplemental Handbook, "Performance of Commercial Activities," March 1979. The handbook was further revised on August 1983, March 1996, and June 1999 and published as the Revised Supplemental Handbook.

exceed a conversion cost differential. The conversion cost differential is equal to the lesser of 10 percent of the IHCE direct personnel costs or $10 million over the performance period. The OMB Circular No. A-76 administrative appeal process includes any appeal that was filed as a result of the study. Federal employees (or their representatives) and contractors who submitted offers affected by the decision may appeal. An appeal should be submitted within 20 days of supporting documentation being made public. The Administrative Appeal Authority should make a final decision within 30 days of receiving the appeal. A private-sector offeror may then file a protest in accordance with the Federal Acquisition Regulation part 33, "Protests, Disputes, and Appeals," if the offeror feels that the agency conducting the cost comparison did not comply with the applicable procedures.

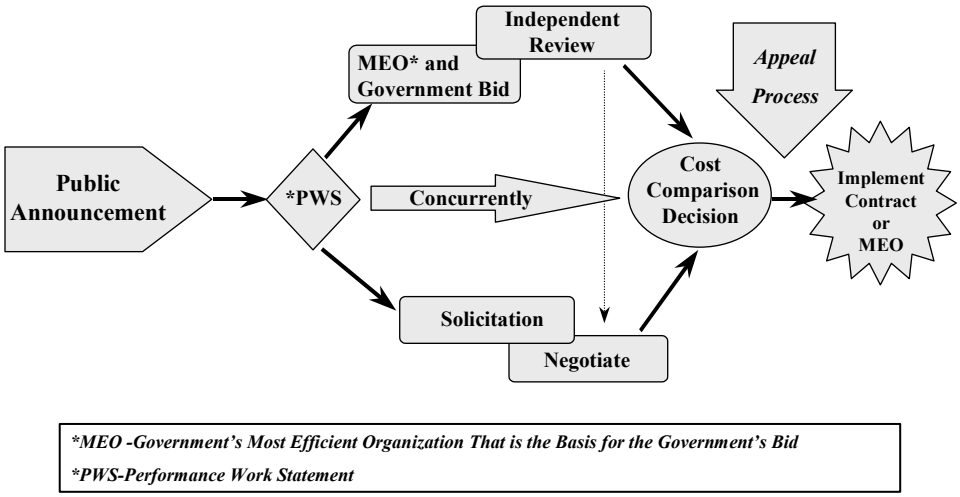

Figure 1. OMB Circular No. A-76 Process

Oversight of the OMB Circular No. A-76 Program. The Director, Competitive Sourcing and Privatization, which is part of the Deputy Under Secretary of Defense (Installations and Environment), is responsible for developing DoD policies, procedures, and resource guidance that direct the DoD implementation of OMB Circular No. A-76. That office issued the DoD A-76 Costing Manual. The Manual is issued under the authority of DoD Directive 4100.15, "Commercial Activities Program," March 10, 1989, and DoD Instruction 4100.33, "Commercial Activities Program Procedures," September 9, 1985. The Manual provides policy and procedures for developing the IHCE for the Competitive Sourcing Program. To develop IHCEs, the Deputy Under Secretary of Defense (Installations and Environment) implemented standardized costing software called Win.COMPARE[2]. The actual comparison of the IHCE to the private sector offer is accomplished through the electronic Cost Comparison Form produced by

Win.COMPARE[2]. In addition, DoD maintains a Web site called "SHARE A-76!" to assist DoD Components undergoing OMB Circular No. A-76 studies.

Audit Role in OMB Circular No. A-76 Process. The OMB Circular No. A-76 Revised Supplemental Handbook, "Performance of Commercial Activities," requires an independent review of the PWS, the management plan, the quality assurance surveillance plan, and the cost estimates before the Cost Comparison Form is submitted to the contracting officer. The Office of the Inspector General of the Department of Defense (IG DoD), the Service audit agencies, and internal review offices of the Defense Commissary Agency (DeCA), and the Defense Logistics Agency (DLA) have served as independent review officials. To ensure that the MEO was implemented and that costs and performance levels met the requirements of the PWS, the OMB Circular No. A-76 Revised Supplemental Handbook requires post-implementation reviews by an independent party. The IG DoD and the Service audit agencies have reviewed items such as projected cost savings, source selection, and impact assessments. See Appendix B for a matrix of the issues OMB Circular No. A-76 reports cover. See Appendix C for a list of OMB Circular No. A-76 audits and evaluations and Appendix D for Comptroller General decisions.

Recent Developments Affecting the OMB Circular No. A-76. Both the President's Management Agenda and the Commercial Activities Panel Report to Congress on the OMB Circular No. A-76 are expected to have a significant impact on the future of the OMB Circular No. A-76 program.

President's Management Agenda Initiative on Competitive Sourcing. During August 2001, OMB issued the President's Management Agenda for FY 2002, which includes an initiative on competitive sourcing. In that report, the President announced an objective of opening the Federal Government to competition, citing cost savings for past competitions under OMB Circular No. A-76 of between 20 to 50 percent. Other benefits cited in the agenda report include innovation, efficiency, and greater effectiveness. The agenda report discusses that the Administration intends to adopt procedures that would improve and expand competition, seeks to implement findings of the Commercial Activities Panel, and will pursue administrative and legislative actions for incorporating the full costs of agency work into the daily budget and acquisition process.

Commercial Activities Panel Review of the OMB Circular No. A-76 Program. Section 832 of the Floyd D. Spence National Defense Authorization Act for FY 2001 (Public Law 106-398) required that the Comptroller General convene a panel of experts who would study the policies and procedures governing transfer of commercial activities for the Federal Government from Government personnel to Federal contractors. The panel, subsequently designated as the Commercial Activities Panel, included a review of:

- procedures for determining whether functions should continue to be performed by Government personnel,

- procedures for comparing the costs of performing functions by Government personnel with the costs of performing those functions by Federal contractors,
- implementation by DoD of the FAIR Act of 1998, and
- DoD procedures for public-private competitions under OMB Circular No. A-76.

The Commercial Activities Panel consisted of representatives from OMB and DoD, labor unions, private industry, academia, and other individuals with expertise in the area. On April 30, 2002, the panel issued its report, "Improving the Sourcing Decisions of the Government." The panel concluded that some advantages to the current system existed.

- OMB Circular No. A-76 cost comparisons are conducted under an established set of rules so that sourcing decisions are based on uniform, transparent, and consistently applied criteria.
- The OMB Circular No. A-76 process has enabled cost comparisons between sectors that have vastly different approaches to cost accounting.
- The current OMB Circular No. A-76 process has been used to achieve significant savings and efficiencies for the Government, regardless of whether the public or the private sector wins.

The panel also heard criticism of the OMB Circular No. A-76 process as being slow, too complicated, unfair to either or both sectors, and causing needless distress to Federal workers. The panel recommended that all parties would be better served conducting public-private competitions under the framework of the Federal Acquisition Regulation, while using appropriate elements of the current OMB Circular No. A-76 process. The panel recommended limited changes to OMB Circular No. A-76 that would strengthen conflict of interest rules, improve auditing and cost accounting, and provide for binding performance agreements. Finally, the panel recommended that the Government take steps to encourage high-performing organizations and continuous improvement throughout the Federal Government, independent of the use of public-private competitions.

Revision of OMB Circular No. A-76. OMB revised OMB Circular No. A-76, on May 29, 2003. OMBs new Circular No. A-76 guidance changed the following for the process:

- Emphasized sector neutral competition
- Established competition time frames
- Eliminated direct conversions and created a new, streamlined competition process
- Established greater flexibility for creating the MEO

- Required categorizing activities as either commercial or inherently governmental, thereby creating a more accurate picture of an agency's activities
- Revised process identification for inherently governmental activities

Objective

The objective of the report was to summarize audit and evaluation coverage of the OMB Circular No. A-76 program. See Appendix A for scope and methodology.

Office of Management and Budget Circular No. A-76 Program Audit and Evaluation Coverage

From FY 1997 through FY 2002, the GAO and DoD audit organizations issued 299 reports on DoD implementation of the OMB Circular No. A-76 program. GAO issued 33 reports, the IG DoD issued 12 reports, the Army Audit Agency (AAA) issued 221 reports,[2] the Naval Audit Service issued 7 reports, the Air Force Audit Agency (AFAA) issued 3 reports, DeCA issued 13 reports, and the DLA issued 10 reports. The 224 reports reviewed (299 reports less 75 unavailable reports) cover the following 7 issue areas:

- independent review of the IHCE (172 reports),
- source selection process (18 reports),
- cost savings from OMB Circular No. A-76 studies (12 reports),
- program oversight and implementation (10 reports),
- reporting commercial activities under the FAIR Act (6 reports),
- post-MEO performance reviews (4 reports), and
- impact assessments (2 reports).

In addition, GAO made seven Comptroller General decisions that related to the OMB Circular No. A-76 program. Appendix B shows the issue area where each report was classified, and Appendix C lists all of the reports reviewed.

Independent Review of the In-House Cost Estimates

Criteria. The OMB Circular No. A-76 Revised Supplemental Handbook requires that the agency OMB Circular No. A-76 Independent Review Officer (IRO) certify the Government's cost estimates as compliant with the procedures and requirements described in the supplement. Generally, the Service auditors have been responsible for performing independent reviews of the respective Services. The Internal Review offices of DeCA and DLA serve as IROs for those two agencies. The IG DoD has performed independent reviews for Defense agencies but no longer performs the function as the result of independence issues.

The independent reviews normally cover the PWS, management plan, quality assurance surveillance plan, and any Government-developed cost estimates. The general objectives of the independent review ensure that:

[2] Of the 221 AAA reports, 75 were not available and were excluded from this summary because the final decision for those OMB Circular No. A-76 solicitations had not been made.

- data contained in the management plan reasonably establish the Government's ability to perform work requirements of the PWS within resources of the MEO, and

- all the costs entered on the Cost Comparison Form are fully justified and calculated in accordance with procedures described in part II of the OMB Circular No. A-76 Revised Supplemental Handbook.

The Government's IHCE requires the signature of the IRO before the form can be submitted for consideration to the contracting officer. The IRO may certify the IHCE several times. For example, the IRO certifies the IHCE for the Government's initial submission to the contracting officer and after any required changes are subsequently made before bid opening. IRO reports document the changes made to the Government IHCE as a result of the independent review.

Summary of Causes for Adjustments to the In-House Cost Estimates. In the 172 reports reviewed, the IHCEs required adjustments for many reasons. Individual reports identified multiple deficiencies so the number of adjustments does not equal the number of reports. We developed an inventory of common causes for adjustments and determined the frequency of changes by problem. About half (88) of the 172 independent review reports were excluded from the inventory because they were follow-on reviews of the initial IHCE review or reviewed other documents rather than the IHCE. In those instances, results from the reports were excluded.

Table 1 summarizes IHCE adjustments the independent review identified. Table 2 through Table 9 provide further descriptions of the causes for adjustments for each of the issues identified in Table 1.

Table 1. Summary of Cost Estimate Adjustments Identified by the Independent Review	
Causes for Adjustments	Number of Reports
Adjustments to one-time conversion costs	53
Adjustments to salaries, wages, and other entitlements	45
Adjustment to cost estimates	39
Cost inclusions and exclusions	37
Inflation factors and economic price adjustment	36
Adjustments to staffing requirements calculations	27
Data entry adjustments	20
Other causes for adjustment	54

Adjustments to One-Time Conversion Costs. One-time conversion costs were misstated in 53 reports in our review. Table 2 summarizes the causes for adjustment to the one-time conversion cost.

Table 2. Summary of Adjustments to One-Time Conversion Costs	
Causes for Adjustments	Number of Reports
Excluded or inaccurate estimate of relocation costs	25
Excluded or inaccurate estimate of costs for homeowner assistance	22
Included costs not allowed as part of the one-time conversion costs	16
Excluded or inaccurate estimate of retraining costs	14
Excluded or inaccurate estimate for conducting a joint inventory	6
Excluded or inaccurate estimate of severance pay	5
Excluded or inaccurate estimate for temporary contentious coverage of health benefits	4
Other causes for adjustment	18

When the Government converts to or from in-house, contract, or interservice support agreement performance, one-time costs are incurred. One-time conversion costs include costs for relocation, retraining, conducting a joint inventory, severance pay, and temporary continuous coverage of health benefits. On March 14, 2001, the Deputy Under Secretary of Defense (Installations and Environment) issued the DoD A-76 Costing Manual, which eliminates the need for separately calculated one-time conversion costs for labor-related costs. DoD now uses 4 percent of the annual basic pay for each Government civilian position included in the MEO. The approach simplifies the costing process, provides a level of standardization for DoD Components, and is projected to reduce the amount of adjustments required to labor-related one-time conversion costs.

Adjustments to Salaries, Wages, and Other Entitlements and Pay. Salaries, wages, and other entitlements were misstated in 45 reports. Table 3 summarizes the causes for adjustment to the calculation of salaries, wages, and other entitlements and pay.

Table 3. Summary of Adjustments to Salaries, Wages, and Other Entitlements and Pay

Causes for Adjustments	Number of Reports
Did not use current salary tables for MEO or contract administration positions	24
Excluded or incorrectly estimated premium pay costs	20
Excluded or incorrectly estimated night shift differential	13
Incorrectly estimated Sunday premium pay	7
Excluded or incorrectly estimated other entitlements pay for qualified employees	5
Other causes for adjustment	14

The Office of Personnel Management annually publishes salary and hourly rates for positions in an MEO. Obtaining the most recent wage and salary tables for cost comparisons is critical. In addition to the regular pay, Government employees may receive other entitlements and pay such as night differential pay for Federal Wage System employees, environmental differential pay, premium pay for law enforcement officers and Federal civilian firefighters, night differential pay for General Schedule positions, hazardous pay, overtime, holiday, and uniform allowances.

Adjustments to Cost Estimates (Cost Calculated Outside of win.COMPARE^2 or COMPARE). Cost estimates calculated outside of win.COMPARE^2 or COMPARE were misstated in 39 reports. Table 4 summarizes the causes for adjustments to the cost estimates.

Table 4. Summary of Adjustments to Cost Calculated Outside of win.COMPARE^2

Causes for Adjustments	Number of Reports
Made analytical, mathematical, overstatement, and understatement errors	27
Failed to inflate or incorrectly inflated costs	6
Did not use the most up-to-date estimates for costs	5
Other causes for adjustment	3

The requirements of the solicitation are evaluated before entering costs in the IHCE. The interim guidance allows calculation of material and supply costs by either using adjusted estimates of historical costs or by estimating costs using prevailing market prices for the material quantities. Cost data must be as current as possible and conform to solicitation requirements. The collected data and costs should then be analyzed and calculated before inclusion in the IHCE.

Cost Inclusions and Exclusions. Costs were inappropriately included or excluded in 37 reports. Table 5 summarizes the causes for adjustment for the cost inclusions or exclusions.

Table 5. Summary of Inclusions and Exclusions

Causes for Adjustments	Number of Reports
Excluded costs required by the PWS	24
Included costs not required by the PWS	19
Included costs not allowed by the OMB Circular No. A-76	4
Other causes for adjustment	2

Guidance requires that costs not directly attributable to the work specified in the PWS the MEO will perform must be omitted from the IHCE.

Inflation Factors and Economic Price Adjustment. Inflation factors and economic price adjustments were misstated in 36 reports. Table 6 summarizes the causes for adjustment to inflation factors and the economic price adjustment.

Table 6. Summary of Inflation Factors and Economic Price Adjustment

Causes for Adjustments	Number of Reports
Did not use the current year inflation factors	23
Incorrectly determined economic price adjustment	20

The Office of Management and Budget annually determines and issues inflation factors. IHCEs are required to use current inflation factors for the period under review. In the IHCE, some of the costs are subject to economic price adjustment. Positions subject to an economic price adjustment are inflated using inflation factors applicable to (and through) the first performance period only. The Government reimburses labor cost escalations, and those costs are not included in a contractor's offer because the positions possess skills the Department of Labor has determined are covered by the Service Contract Act or Davis-Bacon Act. The objective is to ensure that the Government does not inflate the costs for skills that a contractor has been told not to escalate beyond the first performance period. Costs for materials and supplies may also be subject to economic price adjustment. The contracting officer should provide verification that economic price adjustment is applicable for materials and supplies.

Adjustments to Staffing Requirements Calculations. Staffing requirements were misstated in 27 reports. Table 7 summarizes the causes for adjustment to the staffing requirements.

Table 7. Summary of Adjustments to Staffing Requirements Calculations	
Causes for Adjustments	Number of Reports
Failed to correctly calculate the number of full-time equivalents for performing functions	18
Failed to calculate the correct number of contract administration personnel	6
Failed to determine the correct grade for MEO personnel positions	6
Failed to determine the correct grade for contract administration personnel	5
Other causes for adjustment	2

Both personnel costs and contract administration costs are determined in the IHCE. Personnel costs include the cost of all the direct in-house labor and supervision necessary for accomplishing the requirements specified in the PWS. Labor and supervision costs are based on the in-house staffing estimate and proper wage or grade classifications described in the MEO. Contract administration costs are the costs the Government incurs in the event the work being cost compared is converted to contract. The MEO staffing level is used to estimate the size of the contract or interservice support agreement organization for determining the cost of contract administration that will be added to the contractor or interservice support agreement price.

Data Entry Adjustments. Data entry errors were made in 20 reports. Table 8 summarizes errors dealing with the data entry process.

Table 8. Summary of Data Entry Adjustments	
Causes for Adjustments	Number of Reports
Entered information in IHCE incorrectly, although correct in supporting documentation	11
Entered data on the wrong line	10
Entered information in the IHCE incorrectly; unknown if correct in supporting documentation	4

The in-house costs entered into the win.COMPARE^2 program are developed before being entered into the cost comparison form in win.COMPARE^2.

Other Causes for Adjustment to the IHCE. Other cost adjustments were made in 54 reports. Table 9 summarizes the other causes for adjustments to the IHCE.

Table 9. Summary of Other Causes for Adjustment to the IHCE

Causes for Adjustments	Number of Reports
Incomplete, inadequate, or no supporting documentation for cost, functions, or other parts of the MEO or IHCE	18
Incorrect performance periods used for the IHCE	18
Incorrect effective date used for tables in the IHCE	14
Other causes for adjustment	4

Other OMB requirements for developing the IHCE were not observed and resulted in further causes for adjustments. Data used for costs entered into the IHCE must be documented. The interim guidance of the DoD A-76 Costing Manual requires that cost comparisons are conducted using not less than 5 years of performance, excluding the phase-in period, for both Government and contract or interservice support agreement offerors.

Source Selection Process

Criteria. OMB Circular No. A-76 requires for the IHCE an accurate determination of the costs of performing the commercial activity. To ensure equitable comparison of contractor costs to the Government costs, both figures must be based on the same PWS and include any significant identifiable costs the Government would incur under either alternative. When an appearance or perception exists that the source selection process was unfairly performed or that the rules for OMB Circular No. A-76 solicitations were not followed, audit organizations are sometimes requested to independently examine the procedures and determine if the source selection was performed fairly.

Source Selection Process Issues. Of the reports reviewed, 18 examine the source selection process. The following summarizes issues dealing with the source selection process.

- Officials used the wrong guidance for economic analysis and costs, and did not follow the requirements of DoD Instruction 4100.33 and the OMB Circular No. A-76 Handbook.

- The decision to outsource did not comply with guidance because officials were not familiar with legal and policy requirements for outsourcing commercial functions.

- A function of 12 employees was inappropriately converted under direct conversion to contract without a simplified cost comparison. The function qualified for an OMB Circular No. A-76 cost comparison study because OMB Circular No. A-76 guidelines do not allow a commercial activity that exceeds 10 employees to be modified, reorganized, divided, or in any way changed for the sole purpose of circumventing the requirements of a cost comparison.

- The Command emphasized completion of an arbitrary and exceedingly optimistic milestone schedule.

- Inexperienced and untrained personnel were appointed as IROs, and those officers were not independent from management officials responsible for the competition.

Source Selection Process Recommendations and Lessons Learned. The following list summarizes the review of the source selection process recommendations and lessons learned.

- Studies took longer than initially projected. According to a 2002 GAO report, the most recent available data indicate that studies take an average of 22 months for single-function studies and 31 months for multifunction studies. Agencies need to keep those time frames in mind when projecting resources required to support those studies and time frames for when savings are expected to be realized.

- Costs and resources required for the studies were underestimated. Once DoD Components determined that the studies were taking longer than initially projected, they realized that a greater investment of resources than originally planned would be needed to conduct the studies.

- Selection and grouping of functions to compete can be difficult. Guidelines implementing the FAIR Act permit agencies to exclude certain commercial activities from being deemed eligible for competition. Factors such as geographic dispersion of positions and inability to separate commercial activities from inherently governmental activities could limit the number of inventory positions studied.

- Development and maintenance of reliable estimates of savings were difficult. While the DoD A-76 program was achieving savings, determining precisely the magnitude of those savings was difficult. Savings may be limited in the short term because up-front investment

costs associated with conducting and implementing studies must be absorbed before long-term savings accrue.

- Complete supporting documentation should be provided. Documents such as the management study, PWS, and the crosswalk should be stand-alone documents that are complete and self-explanatory.

- Crosswalks should be completed before the Independent Review Team begins review of the management study. The management study should link the proposed Government staffing to the workload in the PWS. The crosswalk matches the hours of staffing by position in the MEO to the specific tasks in the PWS. The linkage is evidence that the proposed staffing is adequate to accomplish the workload described in the PWS and related solicitation.

- Explain any staffing reductions and efficiencies in the management study so that a third party can see how the organization moves from where it started to where it is going to end up. The study should start with a baseline table of distribution and allowances organization for the function under study and fully explain any reductions or additions made to arrive at the proposed MEO.

- Review in detail the solicitation document, particularly the amendments, to ensure that the proposed organization meets any additional requirements not found in the PWS. The effort should be a joint effort by the independent review team, installation personnel, and the contracting officer.

- Complete and review the job descriptions, including those that are Government in nature. Without a full review of each description, the command may not include in its MEO all the positions required to perform or supervise the work in the PWS.

- Keep abreast of recent GAO decisions. The rulings generally set the trend for future studies. If GAO ruled on a point of debate, an assumption exists that bidders are aware of the ruling and will protest on such a basis.

Cost Savings From OMB Circular No. A-76 Studies

Criteria. Section 2461a, title 10, United States Code, "Development of System for Monitoring Cost Savings Resulting From Workforce Reductions," requires that the Secretary of Defense establish a system for monitoring the performance, including cost of performance, of each function of the DoD that is the subject of a workforce review.

DoD Instruction 4100.33 requires the Commercial Activities Management Information System database be used to track commercial activities that undergo an OMB Circular No. A-76 cost comparison and activities that are directly

converted to contract without a cost comparison. The Commercial Activities Management Information System was used to provide cost comparison information to Congress, OMB, GAO, and the Office of the Secretary of Defense. Using the Commercial Activities Management Information System, the Deputy Under Secretary of Defense (Installations and Environment) estimated savings, as a result of OMB Circular No. A-76 competitions, was $5.5 billion from FY 1997 through FY 2001 for DoD. The Deputy Under Secretary of Defense (Installations and Environment) estimated savings would be comparable for both FY 2002 and FY 2003.

Expected Savings. Of the reports reviewed, 12 address cost savings from OMB Circular No. A-76 competitions: GAO issued 9 reports, and the AAA, the Naval Audit Service, and the AFAA each issued 1 report. The reports show that competition between the public sector and the private sector, regardless of which one wins, could result in savings. Further, DoD expects to achieve about $9.2 billion in savings during FY 1997 through FY 2005 and $2.8 billion in annual recurring savings after FY 2005. DoD achieved savings through the OMB Circular No. A-76 process primarily by reducing the number of in-house positions.

Imprecision of Expected Savings. Efforts to outsource activities under the OMB Circular No. A-76 yielded some savings, but the savings were often less than anticipated. The reports show that savings estimates were imprecise for a number of reasons.

- Baseline cost estimates from which savings were estimated were usually calculated using an average cost of salary and benefits for the number of authorized positions rather than using actual costs for the positions actually filled, which would have been more precise. Because those types of costs were not included in the baseline, a comparison of costs may have resulted in overstating or understating the cost savings.

- Savings estimates did not reflect the study and implementation costs, which offset savings for the short term.

- Workload requirements change, affecting program costs and the baseline from which savings were calculated.

- Savings were not linked to specific functions under study or targeted for future studies.

- DoD does not yet have the systems in place that can provide reliable cost information needed to precisely identify savings.

- DoD has not fully calculated either the investment costs associated with undertaking the competitions or the personnel separation costs likely to be associated with implementing them.

- Savings were based on studies of public-private competitions in highly competitive private sector markets; however, competitive markets may not currently exist in some areas.

- Estimates were heavily premised on initial savings estimates from previous outsourcing efforts, and such estimates change as the scope of the work and wages change.

- Continuing budget and personnel reductions could make it difficult to sustain the levels of previously projected savings.

Barriers to Achieving Costs Savings. The reports show that several barriers to achieving savings exist.

- Difficulty in overcoming institutional resistance to change exists in an organization as large and complex as the DoD.

- Employees are concerned about the potential loss of jobs.

- Procurement and commercial activity data systems do not identify the extent to which Defense Components may be outsourcing functions without complying with OMB Circular No. A-76 procedures or section 2461, title 10, United States Code, "Commercial or Industrial Type Functions," January 2, 2001, congressional reporting requirements.

- Comprehensive planning to identify specific functions and locations for competition among the Services has been limited. Identifying and prioritizing specific activities and functions for study as well as conducting competitions have primarily been up to the individual installation or major commands.

- Highly competitive markets do not exist in some areas proposed for competition.

- Legislation prohibits the outsourcing of certain functions, and other provisions affect the extent to which outsourcing can be accomplished.

- The potential could exist for a lack of resources to perform outsourcing studies and funding to pay for outsourced activities.

Program Oversight and Implementation

Of the reports reviewed, 10 reports examined the oversight and implementation of various aspects of the OMB Circular No. A-76 process, as shown in the following examples.

Program Oversight and Implementation Issues. The following summarizes the program oversight and implementation issues.

- Contracting with the private sector involves uncertainties. The uncertainties include funding and the number of employees who are willing to accept employment with the private sector to maintain the existing system while a new system is being developed.

- The Air Force plan to deactivate the 38th Engineering Installation Wing and transfer its wartime mission to the Air National Guard without increasing the Guard's authorized end-strength was not associated with OMB Circular No. A-76.

- The Navy designated some positions normally open to OMB Circular No. A-76 competition as essential for maintaining rotational assignments for personnel returning from sea duty.

- Federal agencies need to develop overhead rates applicable to OMB Circular No. A-76 competitions.

- The use of best value procurement is an important development in outsourcing competition.

Program Oversight and Implementation Recommendations and Lessons Learned. The following list summarizes from review of the program oversight and implementation process recommendations and lessons learned.

- The Army needs to establish a mechanism for reporting and evaluating the costs and the effects of competitive sourcing studies.

- The knowledge and information gained from the commercial activity studies and other Army initiatives, such as Activity Based Costing, needs to be shared between installations and contractors.

The AAA suggested the following methods for speeding the completion of studies:

- Use a PWS already developed for similar functions under study.

- Look at workload collection systems as soon as commercial activity studies are announced, or beforehand if the command plans to study the function in the future.

- Make sure installations establish detailed milestones for each commercial activity study and enter those dates in the tracking system set up by the Assistant Chief of Staff for Installation Management uses.

- Study the entire function.

- Decide on the handling of unique labor sources, such as prisoners, volunteers, and borrowed military personnel, to avoid delays.

- Make sure activities understand as well as can explain and defend products such as the MEO/management study, accepted from contractors.

Reporting Commercial Activities Under the FAIR Act

Criteria. Public Law 105-270, the FAIR Act, requires that Executive agencies provide Congress with an annual inventory of activities not inherently governmental. OMB Circular No. A-76 Revised Supplemental Handbook, implements FAIR Act requirement for annual reporting. The FAIR Act defines inherently governmental positions as those positions that are so intimately related to the public interest as to require performance by Federal Government employees. Interested parties, as defined by the act, may challenge agency inventories based on omission of a particular activity from, or inclusion of, a particular activity on an inventory and appeal adverse agency decisions.

The Deputy Under Secretary of Defense (Installations and Environment) maintains an inventory of functions in a public online database called FAIRNET. The DoD FAIR Act submission for FY 2002 identified 410,699 civilian full-time equivalent positions engaged in commercial activities. Of those 410,699 full-time equivalent positions, 239,001 positions were identified as potential candidates for competition under OMB Circular No. A-76.

Use for Inventories. Of the reports reviewed, six reports addressed implementation of the FAIR Act: GAO issued four reports, and IG DoD issued two reports. The following list summarizes the uses of the FAIR Act inventories noted in the reports.

- The civilian agencies have begun a review of their inventories to identify ways that would improve their inventories or use the information gained to make more informed management decisions.

- DoD is identifying commercial activities that could be subject to competition that will determine whether it would be more cost efficient to maintain the activities in-house or contract performance with the private sector.

- Possible consideration of contracting for some of the activities makes it important that interested parties are able to look across agency inventories for identifying differences in whether agencies consider an activity inherently governmental, commercial and subject to competition, or exempt form competition.

Issues With Inventories. The following list summarizes the issues that the GAO and the IG DoD noted in their reports.

- The Military Services and Defense agency did not always consistently categorize similar activities because of the lack of clear guidance on how to identify which activities are inherently governmental, commercial and exempt from competition, and commercial and eligible for competition.

- The June 1999 OMB list of agency function codes used to characterize the types of commercial activities they perform was incomplete.

- OMB allowed agencies to use an expanded list of function codes for their FAIR Act inventories not contained in the June 1999 OMB guidance. The interested parties that did not have the expanded list may have had difficulty identifying the activities agencies perform.

- Function codes on both the official and expanded lists are vague, and OMB has not defined the codes. GAO stated that agency officials said the OMB function codes were not adequate to clearly categorize the commercial activities their employees perform.

Post-MEO Performance Reviews

Criteria. The Revised Supplemental Handbook, Part I, Chapter 3, L, "Post-MEO Performance Review," requires a formal review and inspection of the MEO when services are performed in-house as a result of a cost comparison**.** Typically, the review should be conducted at the end of the first full year of performance on not less than 20 percent of the functions the Government performs. The post-MEO performance review will confirm that the MEO was implemented in accordance with the transition plan, establish the MEO ability to perform the services of the PWS, and will confirm that the actual costs are within the estimates contained in the in-house estimate.

Results of Post-MEO Performance Reviews. Of the reports reviewed**,** 4 were classified as post-MEO performance reviews. The 4 reports summarize 17 post-MEO performance reviews (1 for IG DoD, 1 for AAA, and 15 for AFAA). The post-MEO reviews evaluated MEO implementation, performance, and costs and showed overall that the MEOs were effectively implemented. Figure 2 shows the results of the 17 reviews in each of the 3 areas evaluated by the reviewers—implementation, performance, and costs.

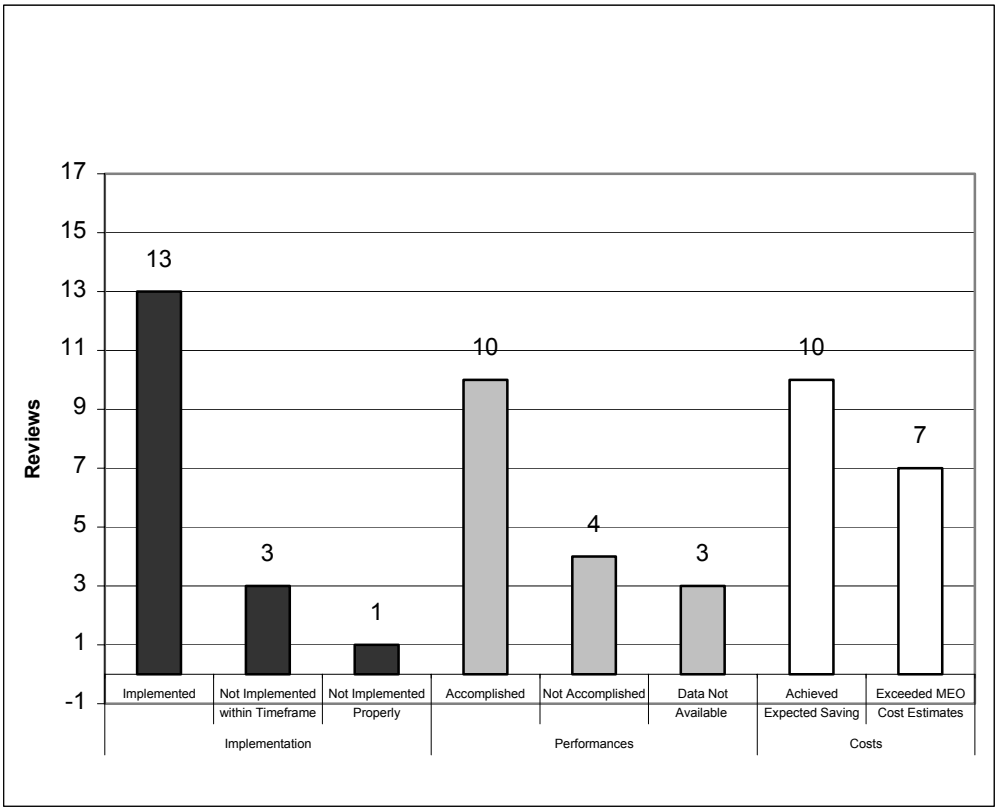

Figure 2. Results of Review

Implementation. The 4 reports show that 13 MEOs were implemented in accordance with the MEO transition plan, 3 MEOs did not implement the MEO within expected time frames, and 1 MEO was implemented improperly. Three post-MEOs the AFAA reviewed revealed problems with implementation of the MEO transition plan within the expected time frame. Implementation problems occurred because installation manpower personnel did not monitor MEO implementation. Also, installation commanders were not required to provide oversight for timely implementation. The IG DoD noted that the Defense Finance and Accounting Service (DFAS) did not document or track implementation and transition milestones outlined in the management plan, the transition plan, and the quality assurance surveillance plan, which caused the MEO to be implemented improperly.

Performance. The reports show that 10 MEOs were performing the work that the PWS required, 4 MEOs were not accomplishing the work required, and 3 MEOs did not retain the data necessary to determine if the work was being performed.

The AFAA noted four MEOs did not accomplish the work required in the MEO PWS because Air Force guidance did not require that MEO officials monitor performance against work statement requirements and use the quality assurance surveillance plan to monitor performance.

The AFAA reported that the MEO did not retain the data that could enable a work assessment to be performed. The IG DoD also reported that documentation of quality assurance performance evaluations of the MEO was not available because a quality assurance monitor had not been assigned to oversee the MEO performance. The quality assurance specialist is responsible for monitoring, assessing, recording, and reporting on the technical performance of the MEO on a day-to-day basis. The AFAA also noted that Air Force guidance does not require that MEO officials develop and maintain workload data collection systems.

Cost. The reports show that 10 MEO activities operated within estimated operating cost and 7 MEO activities exceeded MEO cost estimates.

The IG DoD and AFAA issued reports detailing the seven MEO activities that exceeded cost estimates. The IG DoD concluded that budget figures did not correspond to either the original or the revised MEO cost estimates. The responsible activity could not present documentation explaining the differences. The activity also did not have reliable operating information that could confirm implementation of the MEO and that MEO deviation would achieve projected cost savings. The AFAA identified that seven MEOs exceeded the in-house cost estimates primarily as a result of understatements in estimated personnel, material, and supply costs.

Impact Assessments

GAO issued two reports dealing with the impact of OMB Circular No. A-76 competitions and management decisions. GAO Report No. 01-388, "DoD Competitive Sourcing: Effects of A-76 Studies on Federal Employees' Employment, Pay, and Benefits Vary," March 16, 2001, states that OMB Circular No. A-76 competitions have reduced estimated costs of Defense activities by reducing the number of positions needed to perform activities. GAO determined that cost savings were true whether the Government's in-house organization or the private sector won the competition. The GAO review indicated that half of the civilian employees affected by OMB Circular No. A-76 competitions remained in Federal service following the studies.

GAO Report No. GAO/NSIAD-00-72, "Defense Management: Actions Needed to Sustain Reform Initiatives and Achieve Greater Results," July 25, 2000, discusses the effectiveness of the Defense Reform Initiative. Competitive sourcing that uses the OMB Circular No. A-76 process is one of only two components of the Defense Reform Initiative program identified as having formal savings by DoD. GAO suggests in the report that the Defense Management Council work more closely to foster a DoD-wide solution to problems. Additionally, the report suggests establishment of reform priorities that ensure the

most serious problems of DoD get priority. DoD has had problems initiating reforms for a variety of reasons. The most notable reason GAO found was resistance to change. Other problems identified were the use of outdated computer systems and employee concerns over loss of jobs.

Comptroller General Decisions on OMB Circular No. A-76 Protests

As shown in Appendix D, the GAO has sustained bid protests critical of the adequacy of the Government's proposal and IRO process. The decisions have proved effective as lessons learned, as shown in the following examples.

- Four protest decisions (Del-Jen, Incorporated, BAE Systems, Aberdeen Technical Services, and Trajen, Incorporated) pointed out the necessity of fully staffing the MEO that address the work requirements in the PWS.

- The Jones/Hill Joint Venture decision heightens the need for separating personnel working on the PWS from those preparing the MEO to avoid an organizational conflict of interest. In the Jones/Hill Joint Venture decision, the Comptroller General specified that a "Circular A-76 cost comparison, should be documented in sufficient detail to allow for the meaningful review of the merits of a protest, as is dictated by the fundamental principle of Government accountability . . . ."

- The DynCorp decision points out the need for avoiding situations that result in unfair competition.

Appendix A. Scope and Methodology

This report summarizes OMB Circular No. A-76 related audit and evaluation coverage from October 1, 1997, through May 30, 2002. We identified 299 reports and published testimony the GAO, IG DoD, the AAA, the Naval Audit Service, the AFAA, the DeCA Internal Review Office, and the DLA Internal Review Office issued. The reports were analyzed to determine issue areas. We also identified and summarized relevant Comptroller General decisions where contractors have protested the results of specific OMB Circular No. A-76 solicitations.

Use of Computer-Processed Data. We did not use computer-processed data in our review.

GAO High-Risk Area. The GAO has identified several high-risk areas in the DoD. This report provides coverage of the DoD high-risk area identified as "Overcome support infrastructure inefficiencies."

Appendix B. Report Issues Areas

Report Number	Report Date	Independent Review of MEO and Cost Estimates	Costs Savings From A-76 Studies	Post-MEO Reviews	Source Selection Process	Reporting Commercial Activities Under the FAIR Act	Program Oversight and Implementation	Impact Assessments
GAO								
GAO-02-498T	3/6/02				✓			
GAO 01-907T	6/28/01		✓					
GAO-01-388	3/16/01							✓
GAO-01-20	12/7/00				✓			
GAO/GGD/NSIAD 00-244	9/29/00					✓		
GAO/NSIAD-00-198	8/11/00					✓		
GAO/NSIAD-00-107	8/8/00		✓					
GAO/NSIAD-00-106	8/8/00							✓
GAO/NSIAD 00-72	7/25/00		✓					
GAO/GGD-00-68	4/14/00					✓		
GAO/NSIAD-00-88	3/28/00					✓		
GAO/NSIAD-00-19	10/4/99						✓	
GAO/NSIAD-99-235R	9/13/99				✓			
GAO/NSIAD-99-152	7/21/99				✓			
GAO/NSIAD-99-87	4/21/99						✓	
GAO/NSIAD-99-123	3/31/99				✓			
GAO/T-NSIAD-99-95	3/2/99						✓	
GAO/NSIAD-99-73	2/26/99						✓	
GAO/NSIAD-99-66	2/25/99		✓					
GAO/NSIAD-99-44	2/23/99				✓			
GAO/NSIAD-99-46	2/22/99		✓					
GAO/T-GGD-98-146	6/4/98						✓	
GAO/NSIAD-98-100	4/30/98				✓			
GAO/NSIAD-98-107	4/27/98						✓	
GAO/GGD/NSIAD-98-167R	4/27/98		✓					
GAO/NSIAD 98-62	2/27/98						✓	
GAO/NSIAD-98-82	2/27/98				✓			

Report Number	Report Date	Independent Review of MEO and Cost Estimates	Costs Savings From A-76 Studies	Post-MEO Reviews	Source Selection Process	Reporting Commercial Activities Under the FAIR Act	Program Oversight and Implementation	Impact Assessments
GAO/NSIAD-98-48	12/8/97		✓					
GAO/AIMD/NSIAD-98-43	10/17/97				✓			
GAO/NSIAD-97-200BR	9/12/97				✓			
GAO/GGD-97-121	7/1/97						✓	
GAO/T-NSIAD-97-110	3/12/97		✓					
GAO/NSIAD-97-86	3/11/97		✓					
GAO Subtotals		**0**	**9**	**0**	**10**	**4**	**8**	**2**
IG DoD								
D-2002-043	1/25/02				✓			
D-2001-173	8/14/01	✓						
D-2001-127	5/23/01				✓			
D-2001-118	5/14/01				✓			
D-2001-023	12/20/00			✓				
D-2000-117	4/28/00	✓						
99-244	9/1/99	✓						
99-236	8/19/99	✓						
99-208	7/8/99					✓		
99-132	4/13/99				✓			
99-078	2/5/99					✓		
97-128	4/15/97				✓			
IG DoD Subtotals		**4**	**0**	**1**	**5**	**2**	**0**	**0**
AAA								
AA02-141	1/30/02	✓						
AA02-136	1/28/02	✓						
AA02-024	10/10/01	✓						
AA01-494	9/24/01	✓						
AA01-493	9/24/01	✓						
AA01-489	9/20/01	✓						

Report Number	Report Date	Independent Review of MEO and Cost Estimates	Costs Savings From A-76 Studies	Post-MEO Reviews	Source Selection Process	Reporting Commercial Activities Under the FAIR Act	Program Oversight and Implementation	Impact Assessments
AA01-444	8/27/01	✓						
AA01-428	8/14/01	✓						
AA01-408	8/1/01	✓						
AA01-407	8/1/01	✓						
AA01-392	7/20/01	✓						
AA01-391	7/19/01	✓						
AA01-390	7/18/01	✓						
AA01-381	7/16/01	✓						
AA01-354	6/15/01	✓						
AA01-353	6/15/01	✓						
AA01-342	6/8/01	✓						
AA01-340	6/8/01	✓						
AA01-336	6/6/01	✓						
AA01-331	6/4/01	✓						
AA01-308	5/16/01	✓						
AA01-307	5/16/01	✓						
AA01-264	4/18/01	✓						
AA01-248	4/6/01	✓						
AA01-247	4/6/01	✓						
AA01-246	4/6/01	✓						
AA01-233	3/28/01	✓						
AA01-223	3/19/01				✓			
AA01-198	3/16/01	✓						
AA01-209	3/1/01	✓						
AA01-205	3/1/01	✓						
AA01-192	2/20/01	✓						
AA01-191	2/20/01	✓						
AA01-190	2/20/01	✓						
AA01-162	2/16/01	✓						
AA01-158	2/16/01	✓						

Report Number	Report Date	Independent Review of MEO and Cost Estimates	Costs Savings From A-76 Studies	Post-MEO Reviews	Source Selection Process	Reporting Commercial Activities Under the FAIR Act	Program Oversight and Implementation	Impact Assessments
AA01-182	2/14/01	✓						
AA01-160	1/18/01	✓						
AA01-161	1/18/01	✓						
AA01-145	1/11/01	✓						
AA01-071	11/21/00	✓						
AA01-070	11/21/00	✓						
AA01-069	11/21/00				✓			
AA01-081	11/16/00	✓						
AA01-084	11/15/00	✓						
AA01-079	11/15/00	✓						
AA01-075	11/9/00	✓						
AA01-057	10/31/00			✓				
AA01-058	10/30/00	✓						
AA01-024	10/20/00	✓						
AA01-027	10/00	✓						
AA01-034	10/16/00	✓						
AA01-018	10/5/00	✓						
AA01-017	10/5/00	✓						
AA01-016	10/2/00	✓						
AA00-400	9/21/00	✓						
AA00-406	9/18/00	✓						
AA00-405	9/7/00	✓						
AA00-369	8/25/00	✓						
AA00-365	8/18/00	✓						
AA00-364	8/18/00	✓						
AA00-353	8/10/00	✓						
AA00-352	8/10/00	✓						
AA00-357	8/9/00	✓						
AA00-347	8/2/00	✓						
AA00-337	7/20/00	✓						

Report Number	Report Date	Independent Review of MEO and Cost Estimates	Costs Savings From A-76 Studies	Post-MEO Reviews	Source Selection Process	Reporting Commercial Activities Under the FAIR Act	Program Oversight and Implementation	Impact Assessments
AA00-308	6/15/00	✓						
AA00-289	6/5/00	✓						
AA00-284	5/25/00						✓	
AA00-283	5/25/00	✓						
AA00-282	5/25/00	✓						
AA00-258	5/1/00	✓						
AA00-237	4/28/00	✓						
AA00-240	4/28/00	✓						
AA00-238	4/28/00	✓						
AA00-239	4/26/00	✓						
AA00-231	4/14/00	✓						
AA00-229	4/13/00	✓						
AA00-227	4/13/00	✓						
AA00-230	4/13/00	✓						
AA00-216	3/30/00	✓						
AA00-215	3/30/00	✓						
AA00-207	3/28/00	✓						
AA00-212	3/22/00	✓						
AA00-209	3/16/00	✓						
AA00-173	2/24/00	✓						
AA00-189	2/23/00	✓						
AA00-187	2/18/00	✓						
AA00-176	2/15/00	✓						
AA00-172	2/10/00	✓						
AA00-171	2/8/00	✓						
AA00-170	2/8/00	✓						
AA00-169	2/8/00	✓						
AA00-155	1/31/00	✓						
AA00-145	1/21/00	✓						
AA00-144	1/21/00	✓						

Report Number	Report Date	Independent Review of MEO and Cost Estimates	Costs Savings From A-76 Studies	Post-MEO Reviews	Source Selection Process	Reporting Commercial Activities Under the FAIR Act	Program Oversight and Implementation	Impact Assessments
AA00-143	1/21/00	✓						
AA00-142	1/21/00	✓						
AA00-115	1/21/00	✓						
AA00-114	1/13/00	✓						
AA00-138	1/10/00	✓						
AA00-137	1/7/00	✓						
AA00-103	12/16/99	✓						
AA00-102	12/16/99	✓						
	12/16/99	✓						
AA00-098	12/6/99	✓						
AA00-092	12/3/99	✓						
AA00-091	12/1/99	✓						
AA00-088	11/30/99	✓						
AA00-080	11/23/99	✓						
AA00-078	11/22/99	✓						
AA00-079	11/19/99	✓						
AA00-070	11/17/99	✓						
AA00-057	11/16/99	✓						
AA00-061	11/9/99	✓						
AA00-060	11/9/99	✓						
AA00-011	10/7/99	✓						
AA00-014	10/7/99	✓						
AA99-443	9/24/99	✓						
AA99-391	8/18/99	✓						
AA99-371	8/2/99	✓						
AA99-350	7/14/99	✓						
AA99-760	6/30/99		✓					
AA99-334	6/28/99	✓						
AA99-251	4/26/99	✓						
AA99-249	4/22/99	✓						

Report Number	Report Date	Independent Review of MEO and Cost Estimates	Costs Savings From A-76 Studies	Post-MEO Reviews	Source Selection Process	Reporting Commercial Activities Under the FAIR Act	Program Oversight and Implementation	Impact Assessments
AA99-248	4/22/99	✓						
AA99-199	3/19/99	✓						
AA99-141	1/27/99	✓						
AA99-142	1/27/99	✓						
AA99-133	1/22/99	✓						
AA99-124	1/15/99	✓						
AA99-123	1/15/99	✓						
AA99-106	12/18/98	✓						
AA99-103	12/18/98	✓						
AA99-095	12/17/98	✓						
AA99-096	12/16/99	✓						
AA99-094	12/15/98	✓						
AA99-093	12/15/98	✓						
AA98-340	9/22/98						✓	
AA98-764	8/13/98	✓						
AA98-304	8/12/98	✓						
AA98-303	8/7/98	✓						
AA98-301	8/7/98	✓						
AA98-286	7/24/98	✓						
AA97-092	1/6/97				✓			
AAA Subtotals		**139**	**1**	**1**	**3**	**0**	**2**	**0**

Report Number	Report Date	Independent Review of MEO and Cost Estimates	Costs Savings From A-76 Studies	Post-MEO Reviews	Source Selection Process	Reporting Commercial Activities Under the FAIR Act	Program Oversight and Implementation	Impact Assessments
Naval Audit Service								
N2002-0046	5/6/02	✓						
N2002-0044	4/26/02	✓						
N2002-0017	12/18/01	✓						
N2002-0007	11/2/01	✓						
N2002-0006	11/2/01	✓						
N2001-0046	8/31/01	✓						
061-99	9/16/99		✓					
Navy Subtotals		**6**	**1**	**0**	**0**	**0**	**0**	**0**
AFAA								
F2002-004-B05100	12/27/01			✓				
01064018	9/21/00		✓					
99051008	6/21/00			✓				
Air Force Subtotals		**0**	**1**	**2**	**0**	**0**	**0**	**0**
DeCA								
01-22	9/14/01	✓						
01-17	8/22/01	✓						
00-24	9/12/00	✓						
99-08	4/1/99	✓						
99-02	1/22/99	✓						
98-19	12/1/98	✓						
98-14	7/1/98	✓						
98-2	1/16/98	✓						
97-27	12/4/97	✓						
97-13	11/7/97	✓						
97-19	8/15/97	✓						
97-17	6/13/97	✓						
97-11	3/3/97	✓						
DeCA Subtotals		**13**	0	0	0	0	0	**0**

Report Number	Report Date	Independent Review of MEO and Cost Estimates	Costs Savings From A-76 Studies	Post-MEO Reviews	Source Selection Process	Reporting Commercial Activities Under the FAIR Act	Program Oversight and Implementation	Impact Assessments
DLA								
None	5/30/02	✓						
None	2/1/02	✓						
None	12/19/01	✓						
None	9/4/01	✓						
None	6/29/01	✓						
None	4/20/01	✓						
None	3/23/01	✓						
None	2/23/01	✓						
None	7/27/00	✓						
None	7/12/00	✓						
DLA Subtotals		**10**	0	0	0	0	0	0
Grand Totals		**172**	**12**	**4**	**18**	**6**	**10**	**2**

Appendix C. Reports Related to the Office of Management and Budget Circular No. A-76 Program

Users of the electronic version of this report may use the Internet hyperlinks to retrieve many of the reports identified in Appendix C. Those reports without hyperlinks must be requested from the respective agency.

GAO

GAO issued 33 reports pertaining to OMB Circular No. A-76 competitions. Many of the reports are available on the GAO Web site at http://www.gao.gov.

GAO Report No. GAO-02-498T, "Competitive Sourcing: Challenges in Expanding A-76 Governmentwide," March 6, 2002

GAO Report No. GAO-01-907T, "DoD Competitive Sourcing: A-76 Program Has Been Augmented by Broader Reinvention Options," June 28, 2001

GAO Report No. GAO-01-388, "DoD Competitive Sourcing: Effects of A-76 Studies on Federal Employees' Employment, Pay, and Benefits Vary," March 16, 2001

GAO Report No. GAO-01-20, "DoD Competitive Sourcing: Results of A-76 Studies Over the Past 5 Years," December 7, 2000

GAO Report No. GAO/GGD/NSIAD 00-244, "Competitive Contracting: Agencies Upheld Few Challenges and Appeals Under the FAIR Act," September 29, 2000

GAO Report No. GAO/NSIAD-00-198, "DoD Competitive Sourcing: More Consistency Needed in Identifying Commercial Activities," August 11, 2000

GAO Report No. GAO/NSIAD-00-107, "DoD Competitive Sourcing: Savings Are Occurring, but Actions Are Needed to Improve Accuracy of Savings Estimates," August 8, 2000

GAO Report No. GAO/NSIAD-00-106, "DoD Competitive Sourcing: Some Progress, but Continuing Challenges Remain in Meeting Program Goals," August 8, 2000

GAO Report No. GAO/NSIAD 00-72, "Defense Management: Actions Needed to Sustain Reform Initiatives and Achieve Greater Results," July 25, 2000

GAO Report No. GAO/GGD-00-68, "Competitive Contracting: The Understandability of FAIR Act Inventories Was Limited," April 14, 2000

GAO Report No. GAO/NSIAD-00-88, "DoD Competitive Sourcing: Potential Impact on Emergency Response Operations at Chemical Storage Facilities Is Minimal," March 28, 2000

GAO Report No. GAO/NSIAD-00-19, "DoD Competitive Sourcing: Plan Needed to Mitigate Risk in Army Logistics Modernization Program," October 4, 1999

GAO Report No. GAO/NSIAD-99-235R, "DoD Competitive Sourcing: Air Force Reserve Command A-76 Competitions," September 13, 1999

GAO Report No. GAO/NSIAD-99-152, "DoD Competitive Sourcing: Lessons Learned System Could Enhance A-76 Study Process," July 21, 1999

GAO Report No. GAO/NSIAD-99-87, "Defense Reform Initiative: Organization, Status, and Challenges," April 21, 1999

GAO Report No. GAO/NSIAD-99-123, "Quadrennial Defense Review: Status of Efforts to Implement Personnel Reductions in the Army Materiel Command," March 31, 1999

GAO Report No. GAOT/NSIAD-99-95, "Defense Reform Initiative: Progress, Opportunities, and Challenges," March 2, 1999

GAO Report No. GAO/NSIAD-99-73, "Force Structure: A-76 Not Applicable to Air Force 38th Engineering Installation Wing Plan," February 26, 1999

GAO Report No. GAO/NSIAD-99-66, "Future Years Defense Program: How Savings From Reform Initiatives Affect DoD's 1999-2003 Program," February 25, 1999

GAO Report No. GAO/NSIAD-99-44, "DoD Competitive Sourcing: Results of Recent Competitions," February 23, 1999

GAO Report No. GAO/NSIAD-99-46, "DoD Competitive Sourcing: Questions About Goals, Pace, and Risks of Key Reform Initiative," February 22, 1999

GAO Report No. GAO/T-GGD-98-146, "OMB Circular No. A-76: Oversight and Implementation Issues," June 4, 1998

GAO Report No. GAO/NSIAD-98-100, "Quadrennial Defense Review: Some Personnel Cuts and Associated Savings May Not Be Achieved," April 30, 1998

GAO Report No. GAO/NSIAD-98-107, "Defense Outsourcing: Impact on Navy Sea-Shore Rotations," April 27, 1998

GAO Report No. GAO/GGD/NSIAD-98-167R, "Competitive Contracting: Information Related to the Redrafts of the Freedom From Government Competition Act," April 27, 1998

GAO Report No. GAO/NSIAD-98-62, "Defense Outsourcing: Better Data Needed to Support Overhead Rates for A-76 Studies," February 27, 1998

GAO Report No. GAO/NSIAD-98-82, "Base Operations: DoD's Use of Single Contracts for Multiple Support Services," February 27, 1998

GAO Report No. GAO/NSIAD-98-48, "Outsourcing DoD Logistics: Savings Achievable But Defense Science Board's Projections Are Overstated," December 8, 1997

GAO Report No. GAO/AIMD/NSIAD-98-43, "Financial Management: Outsourcing of Finance and Accounting Functions," October 17, 1997

GAO Report No. GAO/NSIAD-97-200BR, "Base Operations: Contracting for Firefighters and Security Guards," September 12, 1997

GAO Report No. GAO/GGD-97-121, "Terms Related to Privatization Activities and Processes," July 1997

GAO Report No. GAO/T-NSIAD-97-110, " Defense Outsourcing: Challenges Facing DoD as It Attempts to Save Billions in Infrastructure Costs," March 12, 1997

GAO Report No. GAO/NSIAD-97-86, "Base Operations: Challenges Confronting DoD as It Renews Emphasis on Outsourcing," March 11, 1997

IG DoD

The IG DoD issued 12 reports pertaining to OMB Circular No. A-76 competitions. Visit the IG DoD Web site at http://www.dodig.osd.mil/audit/reports/.

IG DoD Report No. D-2002-043, "Defense Reutilization and Marketing Service Public/Private Competition," January 25, 2002

IG DoD Report No. D-2001-173, "Independent Review of the Defense Finance and Accounting Service Cost Comparison Study of Civilian Pay Function," August 14, 2001

IG DoD Report No. D-2001-127, "Data Reliability Assessment Review of win.COMPARE^2 Software," May 23, 2001

IG DoD Report NoD-2001-118, "Public/Private Competition at Lackland Air Force Base," May 14, 2001

IG DoD Report No. D-2001-023, "Implementation of Most Efficient Organization for the Defense Finance and Accounting Service Commissary Vendor Payment Function," December 20, 2000

IG DoD Report No. D-2000-117, "Independent Review of the Defense Finance and Accounting Service Competitive Sourcing Study of the Depot Maintenance Accounting Function," April 28, 2000

IG DoD Report No. 99-244, "Independent Review of the Defense Finance and Accounting Service Competitive Sourcing Study of the Transportation Accounting Function," September 1, 1999

IG DoD Report No. 99-236, "Independent Review of Defense Finance and Accounting Service Competitive Sourcing Study of the Defense Commissary Agency Accounting Function," August 19, 1999

IG DoD Report No. 99-208, "Defense Finance and Accounting Service Commercial Activities Program," July 8, 1999

IG DoD Report No. 99-132, "Outsourcing of Defense Supply Center, Columbus, Bus and Taxi Service Operations," April 13, 1999

IG DoD Report No. 99-078, "Outsourcing of Defense Commissary Agency Operations," February 5, 1999

IG DoD Report No. 97-128, "Evaluation of DoD Civilian Pay Outsourcing Study," April 15, 1997

AAA

AAA issued 221 reports pertaining to OMB Circular No. A-76 issues and 146 of those reports are listed below. The remaining 75 reports were independent reviews that were not made public because the final decision for those reports had not been made. Visit the AAA Web site at http://www.hqda.army.mil/AAAWEB/.

AAA Report No. AA 02-141, "U.S. Army Audit Agency's Review of the Updated Cost Comparison Form for the Directorate of Information Management Commercial Activities Study, U.S. Army War College," January 30, 2002

AAA Report No. AA 02-136, "U.S. Army Audit Agency's Review of the Updated Cost Comparison Form for the Directorate of Information Management Commercial Activities Study, U.S. Army Materiel Command, Alexandria, Virginia," January 28, 2002

AAA Report No. AA 02-024, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for the Directorate of Information Management Commercial Activities Study, Carlisle Barracks, Pennsylvania," October 10, 2001

AAA Report No. AA 01-494, "U.S. Army Audit Agency Review of the Revised Cost Comparison Form for the Directorate of Logistics, U.S. Army Garrison, Hawaii," September 24, 2001

AAA Report No. AA 01-493, "U.S. Army Audit Agency Review of the Revised Management Study and Technical Performance Plan for the Directorate of Logistics, U.S. Army Garrison, Hawaii," September 24, 2001

AAA Report No. AA 01-489, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for the Adjutant General Commercial Activities Study, Fort Lee, Virginia," September 20, 2001

AAA Report No. AA 01-444, "U.S. Army Audit Agency Review of the Revised Technical Performance Plan and Management Study, Public Works Business Center," August 27, 2001

AAA Report No. AA 01-428, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for the Adjutant General Commercial Activities Study, Fort Eustis, Virginia," August 14, 2001

AAA Report No. AA 01-408, "Lessons Learned in the Review of the Management Study and In-House Cost Estimate, Fort Polk Whole Base Commercial Activities Study, Fort Polk Louisiana," August 1, 2001

AAA Report No. AA 01-407, "U.S. Army Audit Agency's Review of the Government Technical Performance Plan for the Fort Polk Whole Base Commercial Activities Study," August 1, 2001

AAA Report No. AA 01-392, "Schedule of Adjustments From the Review of the Cost Comparison Form, Directorate of Logistics and Engineering, U.S. Army Training Center and Fort Jackson, Fort Jackson, South Carolina," July 20, 2001

AAA Report No. AA 01-391, "U.S. Army Audit Agency Review of the Management Study, Dated November 30, 2000, for the Adjutant General Division Commercial Activities Study," July 19, 2001

AAA Report No. AA 01-390, "Schedule of Adjustments From the Review of the Cost Comparison Form Dated 23 April 2001 for the Adjutant General Division Commercial Activities Study, U.S. Army Garrison, U.S. Army Training Center and Fort Jackson, South Carolina," July 18, 2001

AAA Report No. AA 01-381, "U.S. Army Audit Agency Review of the Cost Comparison Form Dated 23 April 2001 for the Adjutant General Division Commercial Activities Study," July 16, 2001

AAA Report No. AA 01-354, "Schedule of Adjustments From the Review of the Management Study and Cost Comparison Form for the Fort Huachuca Adjutant General Commercial Activities Study," June 15, 2001

AAA Report No. AA 01-353, "U.S. Army Audit Agency's Review of the Management Study and Cost Comparison Form for the Fort Huachuca Adjutant General Commercial Activities Study, Fort Huachuca, Arizona," June 15, 2001

AAA Report No. AA 01-342, "Schedule of Adjustments From the Review of the Cost Comparison Form Dated May 15, 2001 for the Directorate of Logistics Commercial Activities Study, U.S. Army Garrison, Fort Leonard Wood, Missouri," June 8, 2001

AAA Report No. AA 01-340, "U.S. Army Audit Agency Review of the Cost Comparison Form Dated 15 May 2001 for the Directorate of Logistics Commercial Activities Study," June 8, 2001

AAA Report No. AA 01-336, "U.S. Army Audit Agency Review of the Management Study Dated 11 May 2001 for the Directorate of Logistics Commercial Activities Study," June 6, 2001

AAA Report No. AA 01-331, "U.S. Army Audit Agency's Review of the Government Technical Performance Plan for the Directorate of Logistics Cataloging Commercial Activities Study," June 4, 2001

AAA Report No. AA 01-308, "Schedule of Adjustments From the Review of the Cost Comparison Form for the Directorate of Information Management Commercial Activities Study, U.S. Army Materiel Command, Alexandria, Virginia," May 16, 2001

AAA Report No. AA 01-307, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for the Directorate of Information Management Commercial Activities Study," May 16, 2001

AAA Report No. AA 01-264, "U.S. Army Audit Agency's Review of the Directorate of Information Technology Commercial Activities Study—Schedule of Adjustments, Fort Drum, New York," April 18, 2001

AAA Report No. AA 01-248, "U.S. Army Audit Agency's Review of the Government Technical Performance Plan for the Directorate of Information Technology Commercial Activities Study, Fort Drum, New York," April 6, 2001

AAA Report No. AA 01-247, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for the Directorate of Information Technology Commercial Activities Study, Fort Drum, New York," April 6, 2001

AAA Report No. AA 01-246, "U.S. Army Audit Agency's Review of the Government Technical Performance Plan for the Tobyhanna Public Works and Information Technology Commercial Activities Study," April 6, 2001

AAA Report No. AA 01-233, "U.S. Army Audit Agency's Review of the Updated Government Cost Comparison Form for the Watervliet Arsenal Base Operations Support Services Commercial Activities Study, Watervliet, New York," March 28, 2001

AAA Report No. AA 01-223, "Congressional Request—Review of the Fort Leonard Wood Directorate of Logistics Commercial Activities Study," March 19, 2001

AAA Report No. AA 01-198, "U.S. Army Audit Agency's Review of the Management Study and Cost Comparison Form for the Base Support (Logistics) Commercial Activities Study, U.S. Army Operations Support Command and Rock Island Arsenal," March 16, 2001

AAA Report No. AA 01-209, "U.S. Army Audit Agency's Review of the Government Technical Performance Plan for the Directorate of Corporate Information Commercial Activities Study," March 1, 2001

AAA Report No. AA 01-205, "Review of the Management Study and Cost Comparison Form for the Fort Riley Directorate of Information Management Commercial Activities Study," March 1, 2001

AAA Report No. AA 01-192, "U.S. Army Audit Agency's Review of the Government Technical Performance Plan for the Watervliet Arsenal Base Operations Commercial Activities Study," February 20, 2001

AAA Report No. AA 01-191, "U.S. Army Audit Agency's Review of the Watervliet Arsenal Base Operations Support Services Commercial Activities Study—Schedule of Adjustments, Watervliet, New York," February 20, 2001

AAA Report No. AA 01-190, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for the Watervliet Arsenal Base Operations Support Services Commercial Activities Study, Watervliet, New York," February 20, 2001

AAA Report No. AA 01-162, "Review of Commercial Activities, Adjustments to Cost Comparison Form, Directorate of Public Works," February 16, 2001

AAA Report No. AA 01-158, "U.S. Army Audit Agency Review of the Management Study for the Directorate of Public Works," February 16, 2001

AAA Report No. AA 01-182, "U.S. Army Audit Agency's Review of the Government Technical Performance Plan for the Fort Campbell Public Works Business Center Commercial Activities Study," February 14, 2001

AAA Report No. AA 01-160, "Review of the Cost Comparison Form for the Directorate of Logistics Commercial Activities Study, U.S. Army Garrison, Alaska," January 18, 2001

AAA Report No. AA 01-161, "Review of the Directorate of Logistics Commercial Activities Study, U.S. Army Garrison, Alaska," January 18, 2001

AAA Report No. AA 01-145, "Review of the Management Study for the Directorate of Logistics Commercial Activities Study, U.S. Army Garrison, Alaska," January 11, 2001

AAA Report No. AA 01-71, "U.S. Army Audit Agency's Review of the Management Study and Cost Comparison Form for Base Support (Logistics) U.S. Army Operations Support Command and Rock Island Arsenal," November 21, 2000

AAA Report No. AA 01-70, "U.S. Army Audit Agency's Review of the Management Study and Cost Comparison Form for Base Support (Logistics) U.S. Army Operations Support Command and Rock Island Arsenal," November 21, 2000

AAA Report No. AA 01-69, "Lessons Learned From the Fort Lee Directorate of Public Works and Directorate of Logistics Commercial Activities Study Administrative Appeals Process," November 21, 2000

AAA Report No. AA 01-81, "U.S. Army Audit Agency Review of the Draft Performance Work Statement for the Fort Eustis Adjutant General Commercial Activities Study," November 16, 2000

AAA Report No. AA 01-84, "Recertification of the Cost Comparison Form for Tooele Army Depot Base Operations Commercial Activities Study," November 15, 2000

AAA Report No. AA 01-79, "U.S. Army Audit Agency Review and Recertification of the In-House Cost Estimate, Dated November 7, 2000, for the Directorate of Public Works at Charles E. Kelly Support Facility," November 15, 2000

AAA Report No. AA 01-75, "U.S. Army Audit Agency Review of the Updated Government Costs for the Directorate of Logistics and Engineering Commercial Activities Study," November 9, 2000

AAA Report No. AA 01-57, "U.S. Army Audit Agency Post-Most Efficient Organization Review of the Missile Maintenance A-76 Study, U.S. Army Aviation and Missile Command, Redstone Arsenal, Huntsville, Alabama," October 31, 2000

AAA Report No. AA 01-58, "Review of Updated Government Costs for the Fort Drum Public Works Support Services Commercial Activities Study, Fort Drum, New York," October 30, 2000

AAA Report No. AA 01-24, "U.S. Army Audit Agency Review of the Revised Most Efficient Organization and In-House Cost Estimate for the Directorate of Logistics Commercial Activities Study," October 20, 2000

AAA Report No. AA 01-27, "Review of Updated Government Costs for the Fort Drum Public Works Support Services Commercial Activities Study, Fort Drum, New York," October 2000

AAA Report No. AA 01-34, "U.S. Army Audit Agency Review and Recertification of the In-House Cost Estimate for the Directorate of Installation Public Works, Dated October 16, 2000, U.S. Army War College and Carlisle Barracks," October 16, 2000

AAA Report No. AA 01-18, "Review of Commercial Activities Base Operations Study, Sierra Army Depot, Herlong, California," October 5, 2000

AAA Report No. AA 01-17, "Review of the Government Management Study and Cost Comparison Form for Base Operations Commercial Activities Study, Sierra Army Depot," October 5, 2000

AAA Report No. AA 01-16, "Review of Updated Government Costs for the Fort Drum Logistics Support Services Commercial Activities Study, Fort Drum, New York," October 2, 2000

AAA Report No. AA 00-400, "U.S. Army Audit Agency Review of the Management Study of the Public Works Business Center, Fort Campbell," September 21, 2000

AAA Report No. AA 00-406, "Review of Updated Government Costs for the Commercial Activities Study of the Fort Stewart Directorate of Public Works," September 18, 2000

AAA Report No. AA 00-405, "U.S. Army Audit Agency Review of the Revised Cost Comparison Form for the Logistics Division Commercial Activity Study, Readiness Business Center," September 7, 2000

AAA Report No. AA 00-369, "U.S. Army Audit Agency's Review of the Government Technical Performance Plan for the Fort Drum Public Works Support Services Commercial Activities Study," August 25, 2000

AAA Report No. AA 00-365, "Review of Commercial Activities, Central Issue Facility, Fort Lewis, Washington," August 18, 2000

AAA Report No. AA 00-364, "Review of the Government Management Study and Cost Comparison Form for the Central Issue Facility Commercial Activities Study, Fort Lewis, Washington," August 18, 2000

AAA Report No. AA 00-353, "U.S. Army Audit Agency's Review of the Government Costs and Most Efficient Organization for the U.S. Army Air Defense Artillery Center and Fort Bliss Directorate of Public Works and Logistics, Fort Bliss, Texas," August 10, 2000

AAA Report No. 00-352, "U.S. Army Audit Agency's Review of the Government Management Study and Costs Comparison Form for the Fort Bliss Directorate of Public Works and Logistics, U.S. Army Air Defense Artillery Center and Fort Bliss, Texas," August 10, 2000

AAA Report No. AA 00-357, "U.S. Army Audit Agency's Review of the Government Technical Performance Plan for the Fort Drum Directorate of Logistics Commercial Activity Study," August 9, 2000

AAA Report No. AA 00-347, "U.S. Army Audit Agency's Review of the U.S. Military Academy Custodial Services Commercial Activities Study Schedule of Adjustments, West Point, New York," August 2, 2000

AAA Report No. AA 00-337, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for the U.S. Military Academy Custodial Services Commercial Activities Study, West Point, New York," July 20, 2000

AAA Report No. AA 00-308, "U.S. Army Audit Agency's Review of the Government Technical Performance Plan for the Logistics Division Commercial Activity Study," June 15, 2000

AAA Report No. AA 00-289, "U.S. Army Audit Agency Review of the Government Management Study and Cost Comparison Form for the Directorate of Logistics and Engineering Commercial Activity Study," June 5, 2000

AAA Report No. AA 00-284, "Revisions to the In-House Cost Estimate After the Initial Estimate Has Been Sealed," May 25, 2000

AAA Report No. AA 00-283, "Review of Commercial Activities, Directorate of Public Works, Fort Sill, Oklahoma," May 25, 2000

AAA Report No. AA 00-282, "U.S. Army Audit Agency Review of the Cost Comparison Form for the Directorate of Public Works, dated May 24, 2000," May 25, 2000

AAA Report No. AA 00-258, "Review of Updated Government Costs for the Fort McPherson Directorate of Installation Support, Fort McPherson, Georgia," May 1, 2000

AAA Report No. AA 00-237, "U.S. Army Audit Agency Review of the Management Study of the Directorate of Public Works, Fort Eustis, Virginia," April 28, 2000

AAA Report No. AA 00-240, "Schedule of Adjustments From the Review of the Cost Comparison Form, Directorate of Installation Public Works, U.S. Army War College and Carlisle Barracks, Pennsylvania," April 28, 2000

AAA Report No. AA 00-238, "Review of the Fort Eustis Directorate of Public Works In-House Cost Estimate," April 28, 2000

AAA Report No. AA 00-239, "U.S. Army Audit Agency Review of the Cost Comparison Form for the Directorate of Installation Public Works, Dated April 25, 2000, U.S. Army War College and Carlisle Barracks," April 26, 2000

AAA Report No. AA 00-231, "Lessons Learned in the Review of the Management Study and In-House Cost Estimate, Directorates of Public Works and Logistics, Fort Benning Georgia," April 14, 2000

AAA Report No. AA 00-229, "U.S. Army Audit Agency's Review of the Management Study and Cost Comparison Form for the Directorate of Base Operations Support, U.S. Army Armor Center and Fort Knox Schedule of Adjustments," April 13, 2000

AAA Report No. AA 00-227, "U.S. Army Audit Agency's Review of the Management Study and Cost Comparison Form for the Directorate of Base Operations Support, U.S. Army Armor Center and Fort Knox, Schedule of Adjustments," April 13, 2000

AAA Report No. AA 00-230, "Review of Most Efficient Organization and Government Costs for the Commercial Activities Study of the Fort Benning Directorates of Public Works and Logistics," April 13, 2000

AAA Report No. AA 00-216, "Schedule of Adjustments From the Review of the Cost Comparison Form for the Red River Locks and Dams Commercial Activities Study," March 30, 2000

AAA Report No. AA 00-215, "Review of Most Efficient Organization and Government Costs for the Commercial Activities Study of the Operation and Maintenance of Five Government-Owned Locks and Dams Located on the Red River Waterway," March 30, 2000

AAA Report No. AA 00-207, "Review of the Fort Monroe Directorate of Public Works and Directorate of Logistics In-House Cost Estimate," March 28, 2000

AAA Report No. AA 00-212, "U.S. Army Audit Agency Review of the Update to the Fort Hood G-3, Range Division; Range Operations, Maintenance and Support Services Cost Comparison Form," March 22, 2000

AAA Report No. AA 00-209, "Review of Updated Government Costs for the Fort Drum Readiness Business Center Commercial Activities Study, Fort Drum, New York," March 16, 2000

AAA Report No. AA 00-173, "Lessons Learned in the Review of the Management Study and In-House Cost Estimate, Directorate of Engineering and Logistics, Fort Rucker, Alabama," February 24, 2000

AAA Report No. AA 00-189, "U.S. Army Audit Agency Review of the Cost Comparison Form for the Redstone Arsenal Support Activity, Redstone Arsenal, Alabama," February 23, 2000

AAA Report No. AA 00-187, "Review of the Management Study for the Directorate of Public Works Commercial Activities Study dated January 21, 2000," February 18, 2000

AAA Report No. AA 00-176, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for the Logistics Division Commercial Activity Study, Readiness Business Center, Fort Bragg, North Carolina," February 15, 2000

AAA Report No. AA 00-172, "Review of Government Costs for the Fort Rucker Directorate of Engineering and Logistics Commercial Activities Study," February 10, 2000

AAA Report No. AA 00-171, "Adjustments to Cost Comparison Form, Directorate of Logistics," February 8, 2000

AAA Report No. AA 00-170, "U.S. Army Audit Agency Review of the Cost Comparison Form for the Directorate of Logistics (4 February 2000)," February 8, 2000

AAA Report No. AA 00-169, "U.S. Army Audit Agency Review of the Management Study for the Directorate of Logistics," February 8, 2000

AAA Report No. AA 00-155, "Review of the Management Study, Redstone Arsenal Support Activity," January 31, 2000

AAA Report No. AA 00-145, "Review of Commercial Activities, Directorates of Logistics and Public Works, Fort Leavenworth, Kansas," January 21, 2000

AAA Report No. AA 00-144, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for Fort Leavenworth's Directorates of Logistics and Public Works," January 21, 2000

AAA Report No. AA 00-143, "Lessons Learned in the Review of the Management Study and In-House Cost Estimate for Installation Support Services, Anniston Army Depot," January 21, 2000

AAA Report No. AA 00-142, "Review of Government Costs for the Anniston Army Depot's Installation Support Services Commercial Activities Study," January 21, 2000

AAA Report No. AA 00-115, "Lessons Learned in the Review of the Management Study and In-House Cost Estimate for Information Management, Anniston Army Depot," January 21, 2000

AAA Report No. AA 00-114, "Review of Government Costs for the Anniston Army Depot's Information Management Commercial Activities Study," January 13, 2000

AAA Report No. AA 00-138, "U.S. Army Audit Agency Review of the Management Study of the Directorates of Engineering and Logistics, Carlisle Barracks," January 10, 2000

AAA Report No. AA 00-137, "Independent Review of the Revised Most Efficient Organization and In-House Cost Estimate for the Directorate of Logistics Commercial Activities Study," January 7, 2000

AAA Report No. AA 00-103, "U.S. Army Audit Agency's Review of the Government Cost Comparison Form for the Blue Grass Army Depot Base Operation Commercial Activities Study—Schedule of Adjustments, Richmond, Kentucky," December 16, 1999

AAA Report No. AA 00-102, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for Blue Grass Army Depot Base Operations Commercial Activities Study," December 16, 1999

AAA Report No. AA 00-87, "U.S. Army Audit Agency Review of the Management Study of the Directorates of Engineering and Logistics, Fort Monroe," December 16, 1999

AAA Report No. AA 00-98, "Lessons Learned in the Review of the In-House Cost Estimate, Charles E. Kelly Support Facility, Oakdale, Pennsylvania," December 6, 1999

AAA Report No. AA 00-92, "U.S. Army Audit Agency's Review of the Government Cost Comparison Form for the Fort Drum Public Works Support Services Commercial Activities Study – Schedule of Adjustments, Fort Drum, New York," December 3, 1999

AAA Report No. AA 00-91, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for the Fort Drum Public Works Support Services Commercial Activities Study, Fort Drum, New York," December 1, 1999

AAA Report No. AA 00-88, "Independent Review Services for the U.S. Army Test, Measurement, and Diagnostic Equipment Activity Commercial Activities Study," November 30, 1999

AAA Report No. AA 00-80, "U.S. Army Audit Agency Review of the Cost Comparison Form for the Charles E. Kelly Support Facility, dated November 18, 1999," November 23, 1999

AAA Report No. AA 00-78, "AAA Review of the Government Management Study and Cost Comparison Form for the Red River Army Depot Directorates of Public Works and Information Management Commercial Activity," November 22, 1999

AAA Report No. AA 00-79, "U.S. Army Audit Agency's Review of the Government Cost Comparison Form for the Tooele Army Depot Base Operations Commercial Activities Study Schedule of Adjustments, Tooele Army Depot," November 19, 1999

AAA Report No. AA 00-70, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for Tooele Army Depot Base Operations Commercial Activities Study," November 17, 1999

AAA Report No. AA 00-57, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for the Fort Riley Directorate of Public Works Commercial Activities Study, Fort Riley, Kansas," November 16, 1999

AAA Report No. AA 00-61, "Lessons Learned in the Review of the Management Study and In-House Cost Estimate, Directorate of Public Works, Fort Stewart, Georgia," November 9, 1999

AAA Report No. AA 00-60, "Review of Government Costs for the Fort Stewart Directorate of Public Works Commercial Activities Study," November 9, 1999

AAA Report No. AA 00-11, "U.S. Army Audit Agency's Review of the Government Management Study and Cost Comparison Form for the Fort Drum Readiness Business Center Commercial Activities Study, Fort Drum, New York," October 7, 1999

AAA Report No. AA 00-14, "U.S. Army Audit Agency's Review of the Government Cost Comparison Form for the Fort Drum Readiness Business Center Commercial Activities Study – Schedule of Adjustments, Fort Drum, New York," October 7, 1999

AAA Report No. AA 99-443, "U.S. Army Audit Agency Review of the Cost Comparison Form for the Fort Lee Directorate of Logistics and Directorate of Public Works Commercial Activities Study," September 24, 1999

AAA Report No. AA 99-391, "U.S. Army Audit Agency Review of the Cost Comparison Form for the Fort Lee Directorate of Logistics and Directorate of Public Works Commercial Activities Study," August 18, 1999

AAA Report No. AA 99-371, "Schedule of Adjustments From the Review of the Cost Comparison Form, Directorate of Installation Support, Fort McPherson, Georgia," August 2, 1999

AAA Report No. AA 99-350, "Review of the Management Study, Charles E. Kelly Support Facility," July 14, 1999

AAA Report No. AA 99-760, "Cost of the Directorate of Logistics Competitive Sourcing Study—Phase I, Fort Carson, Colorado," June 30, 1999

AAA Report No. AA 99-334, "Review of Government Cost for the Fort McPherson Directorate of Installation Support Commercial Activities Study," June 28, 1999

AAA Report No. AA 99-251, "U.S. Army Audit Agency Review of the Management Study for the Fort Lee Directorate of Logistics and Directorate of Public Works Commercial Activities Study," April 26, 1999

AAA Report No. AA 99-249, "U.S. Army Audit Agency's Review of Fort Drum's Directorate of Logistics Commercial Activities Study-Schedule of Adjustments, Fort Drum, New York," April 22, 1999

AAA Report No. AA 99-248, "Review of Government Costs for the Fort Drum Directorate of Logistics Commercial Activities Study, Fort Drum, New York," April 22, 1999

AAA Report No. AA 99-199, "U.S. Army Audit Agency Review of the Government Costs of Most Efficient Organization for the Fort Hood G-3, Range Division, Range Operations, Maintenance, and Support Services Commercial Activities Study," March 19, 1999

AAA Report No. AA 99-141, "Review of Government Costs for the U.S. Army Forces Command Administrative Services Division Commercial Activities Study," January 27, 1999

AAA Report No. AA 99-142, "Review of Commercial Activities Study, Administrative Services Division, U.S. Army Forces Command," January 27, 1999

AAA Report No. AA 99-133, "U.S. Army Audit's Review of Aberdeen Test Center's Administrative and Test Support Services Commercial Activities Study-Schedule of Adjustments, Aberdeen Proving Ground, Maryland," January 22, 1999

AAA Report No. AA 99-124, "U.S. Army Audit Agency Review of Commercial Activities, Information Management Schedule of Adjustments, U.S. Army Aberdeen Proving Ground," January 15, 1999

AAA Report No. AA 99-123, "U.S. Army Audit Agency Review of Commercial Activities, Installation Operations and Community and Family Activities Schedule of Adjustments, U.S. Army Aberdeen Proving Ground," January 15, 1999

AAA Report No. AA 99-106, "Review of Government Costs for the Aberdeen Test Center's Administrative and Test Support Services Commercial Activities Study, Aberdeen Proving Ground, Maryland," December 18, 1998

AAA Report No. AA 99-103, "U.S. Army Audit Agency Review of the Management Study for the Aberdeen Test Center's Administrative and Test Support Services Commercial Activities Study, Aberdeen Proving Ground, Maryland," December 18, 1998

AAA Report No. AA 99-95, "U.S. Army Audit Agency Review of the Government Costs for the Aberdeen Proving Ground Installation Operations and Community and Family Activities Commercial Activities Study," December 17, 1998

AAA Report No. AA 99-96, "U.S. Army Audit Agency Review of Government Costs for the Aberdeen Proving Ground Information Management Commercial Activities Study," December 16, 1998

AAA Report No. AA 99-94, "U.S. Army Audit Agency Review of the Management Study for the Aberdeen Proving Ground Information Management Commercial Activities Study," December 15, 1998

AAA Report No. AA 99-93, "U.S. Army Audit Agency Review of the Management Study for the Aberdeen Proving Ground Installation Operations and Community and Family Activities Commercial Activities Study," December 15, 1998

AAA Report No. AA 98-340, "Observations and Lessons Learned on A-76 Cost Competition Studies," September 22, 1998

AAA Report No. AA 98-764, "Cost Validation of A-76 Study—Forensic Toxicology Drug Testing Laboratory, Tripler Army Medical Center," August 13, 1998

AAA Report No. AA 98-304, "U.S. Army Audit Agency's Review of the Final Draft Management Study and the Draft Technical Performance Plan for the Fort Bragg Logistics Division Commercial Activity Study," August 12, 1998

AAA Report No. AA 98-303, "Schedule of Adjustments to the Cost Comparison Form, Directorate of Logistics, Fort Carson, Colorado," August 7, 1998

AAA Report No. AA 98-301, "Review of Government Costs for the Fort Carson Directorate of Logistics Commercial Activities Study, Fort Carson, Colorado," August 7, 1998

AAA Report No. AA 98-286, "U.S. Army Audit Agency's Review of the Most Efficient Organization, dated 17 April 1998, for the Fort Carson Directorate of Logistics Commercial Activity Study," July 24, 1998

AAA Report No. AA 97-92, "U.S. Air Force Commercial Activities Cost Comparison System," January 6, 1997

Naval Audit Service

The Naval Audit Service issued seven reports pertaining to OMB Circular No. A-76 competitions. Visit the Naval Audit Service's Web site at http://www.hq.navy.mil/NavalAudit. The Naval Audit Service did not start issuing reports on its Independent Reviews until FY 2001. Prior to FY 2001, the Naval Audit Service provided the IRO certification with a transmittal letter.

Naval Audit Service Report No. N2002-0046, "Independent Review: Facilities Support Services Function at Marine Corps Air Station, Beaufort, SC," May 6, 2002

Naval Audit Service Report No. N2002-0044, "Independent Review: Photographic Optics Branch Functions at the Naval Air Warfare Center, Weapons Division, Point Mugu and China Lake, CA," April 26, 2002

Naval Audit Service Report No. N2002-0017, "Independent Review: Tools and Parts Attendant Services Function at the Naval Aviation Depot, Cherry Point, NC," December 18, 2001

Naval Audit Service Report No. N2002-0007, "Independent Review: Administrative and Clerical Functions at Naval Sea Systems Command, Washington, DC," November 2, 2001

Naval Audit Service Report No. N2002-0006, "Independent Review: Naval Supply Systems Command Southeast Region Household Goods Function, Jacksonville, FL," November 2, 2001

Naval Audit Service Report No. N2001-0046, "Independent Review: Clerical and Administrative Functions at the Naval Aviation Depot, Cherry Point, NC," August 31, 2001

Naval Audit Service Report No. 061-99, "Department of the Navy Competitive Sourcing Program," September 16, 1999

AFAA

The AFAA issued three reports pertaining to OMB Circular No. A-76 competitions. Visit the AFAA Web site at http://www.afaa.hq.af.mil/. Before January 1, 2002, the Secretary of the Air Force, Financial Management and Comptroller and the Air Force command comptroller organizations had independent review responsibility. The comptrollers of the major commands conducted OMB Circular No. A-76 independent reviews. In January 2002 the AFAA became responsible for new independent review studies, and in June 2002 the AFAA became responsible for all independent review studies.

AFAA Report No. F2002-0004-B05100, "Most Efficient Organization Performance Reviews," December 27, 2001

AFAA Report No. 01064018, "Memorandum Report, Pacific Air Forces' Programming and Budgeting Actions Associated with Office of Management and Budget Circular A-76 Reviews," September 21, 2001

AFAA Report No. 99051008, "Most Efficient Organization Performance Reviews," June 21, 2000

DeCA, Internal Review

DeCA issued 13 reports pertaining to OMB Circular No. A-76 competitions.

DeCA Report No. 01-22, "Independent Review of the In-House Cost Estimate, Fort Sam Houston Commissary," September 14, 2001

DeCA Report No. 01-17, "Independent Review of Commercial Activities Study and Cost Comparisons for Receiving, Storage, and Holding, Residual Grocery, and Custodial Functions at Fort Carson Commissary," August 22, 2001 Report No. 00-24, "Independent Review of the In-House Cost Estimate, Quantico MCCDC [Marine Corps Combat Development Command] Commissary," September 12, 2000

DeCA Report No. 99-8, "Independent Review of the In-House Cost Estimate, Fort Bragg, Mallonee Village, and Pope Air Force Commissaries," April 1, 1999

DeCA Report No. 99-2, "Independent Review of the In-House Cost Estimate, Fort Drum Commissary," January 22, 1999

DeCA Report No. 98-19, "Independent Review of the In-House Cost Estimate, Fort Bragg, Mallonee Village, and Pope Air Force Commissaries," December 1, 1998

DeCA Report No. 98-14, "Review of the Revised Commercial Activities Study and Comparison for Custodial, Shelf Stocking, and Receiving, Storage and Holding Functions at Fort Drum Commissary," July 1, 1998

DeCA Report No. 98-2, "Independent Review of the In-House Cost Estimate, Fort Drum Commissary," January 16, 1998

DeCA Report No. 97-27, "Independent Review of the In-House Cost Estimate, Fort Leonard Wood," December 4, 1997

DeCA Report No. 97-13, "Revision to Cost Comparison Form for the Kaneohe Bay Commercial Activities Study Internal Review Report 97-13," November 7, 1997

DeCA Report No. 97-19, "Independent Review of the In-House Cost Estimate, Fort Bragg, Mallonee Village, and Pope Air Force Commissaries," August 15, 1997

DeCA Report No. 97-17, "Independent Review of the In-House Cost Estimate, Camp Pendleton, Internal Review Report 97-17" June 13, 1997

DeCA Report No. 97-11, "Review of Commercial Activities Study and Cost Comparisons for Shelf Stocking, Receiving, Storage, and Holding Functions at San Onofre Commissary Internal Review," April 3, 1997

DLA

The DLA Internal Review office issued 10 memorandums pertaining to independent reviews conducted under its direction as the IRO by Arthur Andersen.

Findings and Recommendations (Albany Depot A-76) Contract No: SP4700-98-D-0001, Delivery Order: 0005, May 30, 2002

Findings and Recommendations (Albany Depot A-76) Contract No: SP0700-00-R-7005, Delivery Order: 0002, February 1, 2002

Findings and Recommendations (Richmond Depot A-76) Contract No: SP0700-00-R-7005, Delivery Order: 0002, December 19, 2001

Findings and Recommendations (DAPS [Document Automation and Production Service] A-76) Contract No: SP4700-98-D-0001, Delivery Order: 0004, September 4, 2001

Findings and Recommendations (Albany Depot A-76) Contract No: SP4700-98-D-0001, Delivery Order: 0005, June 29, 2001

Findings and Recommendations (Cherry Point Depot A-76) Contract No: SP0700-00-R-7005, Delivery Order: 0002, April 20, 2001

Findings and Recommendations (Richmond Depot A-76) Contract No: SP4700-98-D-0001, Delivery Order: 0005, March 23, 2001

Findings and Recommendations (Jacksonville Depot A-76) Contract No: SP0700-00-R-7005, Delivery Order: 0002, February 23, 2001

Findings and Recommendations (Cherry Point Depot A-76) Contract No: SP4700-98-D-001, Delivery Order: 0002, July 27, 2000

Findings and Recommendations (Jacksonville Depot A-76) Contract No: SP4700-98-D-001, Delivery Order: 0002, July 12, 2000

Appendix D. Synopsis of Comptroller General Decisions Affecting Office of Management and Budget Circular No. A-76 Independent Reviews

Del-Jen, Incorporated File B-287273.2, January 23, 2002. Del-Jen, Incorporated protested the cost comparison decision of the Air Force, pursuant to OMB Circular No. A-76, to retain in-house performance of base operation services for Hanscom Air Force Base in Massachusetts, rather than contract for the services. Del-Jen, Incorporated argued that the agency did not properly account for, and thereby understated, the contract administration costs that should be included as costs of in-house performance. Del-Jen, Incorporated argued the agency failed to ensure that the MEO included sufficient staffing to satisfy the PWS requirements and that the in-house plan and private-sector offer were based on a comparable level and quality of performance. The Del-Jen, Incorporated protest was sustained; deficiencies in the cost comparison existed that could have materially affected the outcome of the comparison.

The Jones/Hill Joint Venture B-286194.4; B-286194.5; B-286194.6, December 5, 2001. Jones/Hill Joint Venture protested that a conflict of interest existed in certain aspects of the OMB Circular No. A-76 study where a private-sector consultant wrote and edited the PWS and then prepared the management plan for in-house performance. The Navy's IRO certified that the Government was able to perform the requirements of the PWS with the resources provided in the in-house management plan. However, the IRO certification could not be found reasonable where the IRO certification was unsupported by the existing documentation or the arguments, explanations, or testimony in the record. The agency's in-house management plan was misevaluated where the record failed to illustrate that the costs of personnel, not part of the MEO, were included in the IHCE. The Jones/Hill protest was sustained, where the agency's cost comparison decision was found to be unreasonable, insofar as it did not account for several strengths identified in the Jones/Hill proposal.

DynCorp Technical Services LLC B-284833.3; B-284833.4, July 17, 2001. DynCorp Technical Services LLC (DynCorp) protested the decision of the Air Force to retain in-house performance of base operation services for Maxwell Air Force Base and Gunter Annex in Alabama, rather than contract for these services. DynCorp contended that Government-furnished material, a common cost item, should have been deducted from DynCorp's estimated costs, as was done in the in-house estimate; thereby, DynCorp would have proposed a lower cost performance offer than the MEO. In addition, DynCorp challenged that the MEO did not offer the same scope of work and performance standards. DynCorp also argued that if the Air Force did not view DynCorp's accelerated performance schedule as being of value to the agency, Air Force should have reduced DynCorp's probable costs to reflect a nonaccelerated performance schedule, which DynCorp estimated would be more than a $2 million reduction in its proposal costs. The DynCorp protest of the agency decision to retain service operations in-house was sustained where the record showed that the agency did

not consider the cost of Government-furnished material as a common cost item, as it should have, but accepted the IHCE, which deducted the value of Government-furnished material to be supplied to the winner of the competition. The agency also did not adjust the protester's proposal for a cost-reimbursement contract, which did not deduct the value of the Government-furnished material.

BAE Systems File B-284189; B-287189.2, May 14, 2001. BAE Systems protested the decision of the Army to retain in-house performance of logistics support and services for the U.S. Army Garrison in Hawaii based on the cost comparison results pursuant to OMB Circular No. A-76. The protest challenging a cost comparison conducted pursuant to OMB Circular No. A-76 was sustained where the agency did not reasonably determine that the in-house plan satisfied the PWS requirements. In addition, the administrative appeals board decision, which reversed the original cost comparison determination in favor of the protester, was sustained, where the board's determination as to how much staffing was required to be added to the MEO to perform the PWS requirements lacked a reasonable basis. In a negotiated procurement, in which the private-sector offer was to be selected based on a cost-technical tradeoff, the agency improperly failed to consider the protester's offer to meet a performance standard that appeared to exceed the PWS.

The Jones/Hill Joint Venture-Costs File B-286194.3, March 27, 2001. The Jones/Hill Joint Venture protested the decision of the Navy to retain in-house performance of base operations and support services for the Naval Air Station in Lemoore, California, based on the cost comparison results pursuant to OMB Circular No. A-76. In that regard, the Jones/Hill proposal was clearly meritorious, where certain aspects identified during the evaluation of the best value private sector offer proposal were not considered by the agency in determining the adequacy of the agency's comparison of the performance reflected in the Naval Air Station MEO management study with the performance reflected in Jones/Hill's proposal, and the reasonableness of the agency's determination that the revised MEO and Jones/Hill's proposal offered the same level of performance and performance quality. GAO recommended that Jones/Hill be reimbursed for the reasonable costs of filing and pursuing its protest.

Trajen, Incorporated B-284310; B-284310.2, March 28, 2000. The Navy appealed the initial cost comparison decision, pursuant to OMB Circular No. A-76, that contractor performance with Trajen, Incorporated (Trajen) was more economical than in-house performance for Defense Fuel Support Point, Pearl Harbor, Hawaii. The decision resolved in Trajen's favor, for certain issues had a material effect on the outcome of the initial cost comparison. One issue related to the appeal authority's failure to recognize that the Government did not propose personnel to perform the spot painting requirement contained in the request for proposal's PWS. Also, the appeal authority had no reasonable basis to reject a 7.5-percent relocation figure developed in the initial cost comparison. Trajen's protest of the agency appeal authority's cost comparison decision was sustained where the appeal authority lacked a reasonable basis for reversing the initial cost comparison conclusion that contractor performance was more economical than in-house performance.

Aberdeen Technical Services File B-283727.2, February 22, 2000. Aberdeen Technical Services protested the decision of the Army to retain in-house performance of base industrial operations for the Aberdeen Proving Ground in Maryland rather than contract for these services. The Aberdeen Technical Services protest that the IHCE did not include the full cost of performance for the project manager and other key personnel positions as required by the solicitation was sustained. Aberdeen Technical Services' protest that the agency improperly disallowed a price reduction offered by the protester in its final proposal revision was sustained where the solicitation contemplated the award of a fixed-price contract, and any risks associated with performance thus would be borne by the contractor, and not the Government. In a subsequent protest, an allegation that the agency improperly failed to follow the requirements contained in OMB Circular No. A-76 and the Revised Supplemental Handbook for comparing its best value proposal with the MEO was sustained.

Appendix E. Report Distribution

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