



**UNITED STATES MARINE CORPS**  
MARINE CORPS AIR STATION  
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ASO 4860.2B

CAR

1 Feb 10

AIR STATION ORDER 4860.2B

From: Commanding Officer, Marine Corps Air Station, Cherry Point  
To: Distribution List

Subj: COMPETITIVE SOURCING PROGRAM

Ref: (a) OMB Circular A-76 (NOTAL)  
(b) DoD 4100.15 (NOTAL)  
(c) DoD 5500.7  
(d) SECNAV 4860.44F  
(e) OPNAV 4860.7D  
(f) NAVMCDIR 4860A (draft) (NOTAL)  
(g) Federal Acquisition Regulation (FAR)  
(h) Defense Federal Acquisition Regulation (DFAR)  
(i) Executive Order 12731 Principles of Ethical Conduct  
for Government Officers and Employees

Encl: (1) Glossary

1. Situation. To disseminate the most current policy, procedures and regulations governing the Competitive Sourcing (CS) Program aboard MCAS Cherry Point. This Order has been revised in accordance with the draft NAVMCDIR 4860A and the Office of Management and Budget (OMB) Circular A-76.

2. Cancellation. AirStaO 4860.2A.

3. Summary of Revision. This Order has been completely revised and should be reviewed in its entirety.

4. Mission. To establish guidance, policies and procedures for the administration and conduct of the Competitive Sourcing (CS) Program as directed by references (a) through (i).

5. Execution

a. Commander's Intent. To provide a quality CS Program that ensure Command compliance with all DoD and Marine Corps regulations.

DISTRIBUTION STATEMENT A: Approved for public release;  
distribution is unlimited

b. Definitions. See enclosure (1).

c. Background

(1) Since 1955, it has been the general policy of the federal government to encourage agencies in procuring commercial goods and services from the private sector, when this avenue is proven to be the most cost effective. Dependent upon funding through the annual National Defense Appropriations Act (NDAA) and/or the Omnibus Appropriations Act, the Marine Corps will continue to utilize competitions via OMB Circular A-76. Competitions are designed to optimize resources in support of the warfighter, enhance the quality, economy and performance of processes and obtain the "best value" for work performed. In accordance with reference (a), the Marine Corps will continue to utilize government personnel to operate core functions and inherently governmental activities while minimizing the use of military personnel in non-core positions when possible.

(2) In 1976, the Office of Management and Budget (OMB) published Circular A-76, reference (a), in order to formalize the CS process and publish guidance. OMB continues to publish supplements to the Circular with updated information as required. Further, this Circular requires the development of an Agency Cost Estimate (ACE) based on a "most efficient organization" (MEO) to ensure competition equality between the in-house activity and the private sector. Private sector bids/proposals are compared to the in-house activity cost, and the best value approach shall be selected.

d. Confidentiality. In accordance with references (a), (d), and (e) and as outlined in Part 7 Subpart 7.3 and Part 15 Subpart 15.3 of reference (g), all individuals involved in the CS process shall ensure strict confidentiality of all data during and after the completion of the public-private competition; therefore, access to the data shall be limited. The Agency Tender is the basis for the government's cost estimate and is highly sensitive and should only be reviewed by a minimum number of government management officials. Other employees, unions, contractors, the general public, etc. shall not be given access to the Agency Tender and pertinent background information prior to the bid opening. Under no circumstances shall any government or contract employee discuss any aspect of the competition with any prospective bidder or any other party that does not have an official requirement for the information. All requests for bidding information shall be referred to the Administrative Contracting Officer (ACO). Pre-Bid visits by prospective bidders

shall be coordinated with the ACO to prevent indiscriminate or uncontrolled contact between prospective bidders and government employees. During public-private competitions, it is imperative that all government personnel maintain the utmost integrity and objectivity and to avoid even the appearance of a conflict of interest. Appropriate firewalls are to be established at the start of the CS process and shall remain in effect until completion of the public-private competition. Personnel participating in the CS process shall respect all firewalls, sign a non-disclosure statement and comply with all stated requirements.

e. Principles of Ethical Conduct. The principles of ethical conduct were established to ensure complete confidence in the integrity of the Federal Government for every citizen. Each Federal employee shall respect and adhere to the fundamental principles of ethical service as implemented in the regulations promulgated in reference (i).

f. Program Authority. Per references (b) and (c), the Installation Commanding Officer maintains approval authority and shall announce tentative award decisions resulting from public-private competitions. The Installation Commanding Officer shall also ensure the availability of appropriate staffing, personnel, and financial resources to meet the requirements established in this Order.

g. Program Responsibilities

(1) Compressed time frames directed by higher authority make it essential that all organizations utilize a proactive team approach to meet established milestones. All organizational team members are strictly accountable for providing the CS Program Manager with accurate and verifiable data that will pass the scrutiny of an audit, in accordance with time frames as delineated in the milestones.

(2) All costs associated with public-private competitions; to include MEO support and post-competition accountability shall be accurately tracked and incorporated into the MEO cost analysis and the Agency Tender (AT) as required.

(3) The Command Analysis and Review (CAR) Office, Comptroller, Manpower, Civilian Human Resource Office East (CHRO-E), Contracting and the functional area(s) participating in a public-private competition shall:

(a) Provide adequate personnel resources to participate as team members/advisors in the Preliminary Planning Process as directed by the Preliminary Planning Team Leader and the Performance Work Statement Board of Directors (PWS-BOD). The Preliminary Planning Team Leader shall assign tasks to team members in all phases of the process to include project plan, scoping and grouping, preliminary market and labor market research, as-is requirements identification, workload collection systems, cost data collection systems, baseline costs, competition schedule, acquisition strategy and reports. Preliminary planning team members may also serve on the PWS team; however, to avoid a conflict of interest, it is recommended that they not serve as ATO/MEO team members.

(b) Provide personnel resources to participate as team members/advisors for the Performance Work Statement (PWS) team as required. Under the direction of the PWS Team Leader, the team will develop the PWS in accordance with the Federal Acquisition Regulations (FAR) and OMB Circular A-76. In addition to the PWS, the team will also develop the Quality Assurance Surveillance Plan (QASP) necessary for the government to evaluate the service provider's performance against the PWS requirements. All personnel serving on the PWS team are strictly prohibited from participating at any level in the development of the Agency Tender.

(c) Provide personnel resources to participate as team members/advisors for the Agency Tender/MEO team as required. This team will require technical and management experts capable of conducting organizational, workload and productivity analysis to develop an Agency Tender that is responsive to all requirements of the solicitation. Under the direction of the Agency Tender Official (ATO), team members shall be assigned tasks in the development of the MEO, Quality Control Plan (QCP), ACE and the Phase-In Plan. The ATO shall make all final decisions concerning the Agency Tender. All members, advisors and consultants of the Agency Tender team shall not be affiliated with the PWS team or participate on the Source Selection Evaluation Board (SSEB).

(d) Interact with the local CS Program Manager while fulfilling requirements from both internal and external reviewing agencies. Open communications shall be maintained with the CAR Office during all phases of the CS process.

(e) Assist in implementing the transition to the awarded service provider (MEO or contract) as required.

(f) Provide all essential documentation to the CS Program Manager for MEO/contract post-competition accountability as required.

(g) Ensure conformance with the policies and provisions stated in references (a), (b) and (c).

h. Action

(1) CS Program Manager. The Director of the CAR Office is designated as the CS Program Manager and administers the program for MCAS Cherry Point. In administering this program, the Director of CAR shall:

(a) Formulate, advise and assist in the development, administration, implementation and operation of the CS Program per the provisions of references (a) through (i). Interpret and inform all personnel associated with the public-private competition of applicable statutory and regulatory requirements and restrictions, as well as; (a) the requirements of the OMB Circular A-76, and (b) the ethics and standards of conduct rules as stated in Executive Order 12731 so as to avoid even the appearance of an improper business practice or a conflict of interest.

(b) Provide technical and analytical support to activity managers and functional areas to accomplish CS Program objectives.

(c) Ensure implementation and compliance of all procedures outlined in references (a) through (i).

(d) Identify all training requirements for MCAS Cherry Point activities affected by the CS Program.

(e) Identify all funding/budgetary requirements for the CS Program. Review requirements and determine impact of public-private competition results on the Operations and Maintenance, Marine Corps (O&MMC) budget for authorized civilian ceilings and identify the need for additional O&MMC funds as required.

(f) Develop and interpret policy and procedures and recommend changes as required.

(g) Provide personnel to serve as a local coordinator during the Preliminary Planning process and PWS development. The

coordinator shall work under the direction of the Preliminary Planning Team Leader.

(h) Provide periodic briefings to the command and other agency personnel on the progress of individual public-private competitions and the overall status of the CS Program as required.

(i) Develop and implement a CS Communications Plan. The CS program manager, in coordination with the Installation Commanding Officer, Manpower, Joint Public Affairs Officer (JPAO), and functional managers shall keep directly affected employees, employee organizations and the local community apprised of a public-private competition's progress thorough the CS Communications Plan.

(j) Provide the repository for all CS Program documentation, and furnish copies of public-private competition documentation as appropriate and releasable.

(k) Ensure that the Continuing Government Activity (CGA) is staffed with qualified Contracting Officer's Representatives (COR), Quality Assurance Evaluators (QAE) and administrative staff to effectively monitor daily performance of the service provider.

(l) Ensure implementation and oversight of the MEO or contract award in accordance with the provisions established in references (a) through (h).

(m) Coordinate with the Administrative Contracting Officer (ACO) and the CGA to monitor administration, implementation and overall effectiveness of the Quality Control (QC) and Quality Assurance (QA) programs.

(n) Coordinate with the Comptroller, ACO and COR to monitor that actual costs are being sufficiently tracked and reflect all PWS/MEO changes, changes in MEO sub-contract and Indefinite Quantity Work contracts, inflation factors and wage rate increases. Report the comparison of actual costs and the adjusted ACE and make recommendations for corrective action as required.

(o) Identify, validate and recommend high performing MEOs for a 3-year contract extension under the DoD High Performing Organization (HPO) guidance. Prepare and submit HPO nomination packages through the chain of command, ensuring all requirements are met. If HPO status is granted, verify that the status and new

performance periods are documented in the MEO Letter of Obligation (LOO), the ACE, and DCAMIS.

(p) Ensure that appropriate firewalls are established at the start of the A-76 competition and remain in place until the completion of the competition. Monitor firewalls to ensure that integrity is not compromised.

(q) Establish a formal CS Advisory Board to monitor MEO costs and compliance with all regulatory and solicitation requirements and provide assistance as required. Board membership shall be comprised of personnel from the CAR, Comptroller, CHRO-E, Manpower and Contracting office with the CS Program Manager presiding as chairperson.

(r) Verify that all required employees have signed non-disclosure forms and maintain all forms in the CS Program office throughout the public-private competition.

(s) Conduct MEO performance assessments as required. Upon completion of each assessment, prepare an MEO Assessment Report summarizing all findings and recommendations and submit through the chain of command. Updated data shall also be submitted through the chain of command for input into DCAMIS.

(t) DoD Commercial Activities Management Information Systems (DCAMIS) is required to be accurate and current during the entire CS process. All data will be forwarded through the chain of command to the DCAMIS manager/administrator for updates to the system as soon as it becomes available.

(2) Manpower. The Manpower office shall work in coordination with the CHRO-E to resolve staffing, personnel and employee development issues that may result from public/private competition by accomplishing the following:

(a) Provide resource allocation, technical advice and assistance to the Preliminary Planning, PWS and AT/MEO teams and the activities in public-private competition. Maintain accurate Tables of Organization (T/O) and resolve manpower issues as required.

(b) Implement and maintain a proactive Position Management (PM) Program designed to avoid or minimize the impact of implementing either an MEO or contract award. The Position Management Board (PMB) shall monitor all MEO recruitment requests

for new hires, upgrades, etc. to ensure costs do not exceed the ACE. Resolve manpower issues associated with the execution of the MEO or contract award.

(c) Assist the ATO by providing technical guidance in developing staffing strategies and creating the MEO organization. Review and evaluate the proposed MEO staffing structure as required.

(d) Coordinate with the CAR office in performing and maintaining the annual IG/CA inventory in accordance with Office of the Secretary of Defense (OSD) and USMC published guidance.

(3) Civilian Human Resources Office East (CHRO-E). CHRO-E shall be proactive in anticipating and resolving personnel, labor relations, equal employment opportunity (EEO) and employee development issues resulting from public-private competitions by accomplishing the following:

(a) Assist the CAR Office, Preliminary Planning and AT/MEO teams in personnel/staffing issues as required.

(b) Execute required personnel actions in a timely manner to avoid or minimize the impact of implementing either the MEO or contract award.

(c) Verify that retention registers and official personnel folders (OPF's) are current.

(d) Review and evaluate the proposed MEO organization as required. Assist in the development of staffing strategies and position descriptions (PDs). Provide accurate classification/grade services prior to final approval of the MEO.

(e) Execute mock reduction-in-force (RIF) to identify affected employees, associated impacts and personnel actions to be initiated. If required, commence RIF process, notify CS Program Office of RIF notice period requirements, and issue RIF notices after completion of any contests. Assist RIF committees in the review of qualifications of displaced employees as required.

(f) Provide placement assistance to affected employees by registering employees for priority placement programs, initiating approval requests for Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP).

(g) Provide projections on impact to employees, to include changes to salary and benefits, resulting from conversion to MEO, or rights to various benefits if separated or adversely affected.

(h) Inform designated procurement and union officials of the right-of-first-refusal clause procedures and possible impacts. If contract is awarded to a commercial source, establish a Memorandum of Understanding (MOU) with contractor to facilitate placement of employees and monitoring of implementation of the right-of-first-refusal.

(i) Ensure EEO Program requirements are met throughout the CS process. Maintain an affirmative program of equal employment opportunity for all employees and ensure all personnel actions are free from discrimination. Provide recommendations and information to management as required.

(j) Ensure all employees receive equal and adequate notification, guidance, and assistance, as required. Ensure all union contract requirements are understood and adhered to throughout the CS process. Interpret applicable regulations, and consult with employee representatives in accordance with any pertinent union contract clauses.

(4) Contracting Officer. The local Contracting Officer shall be responsible for the monitoring and administration of the contract or Letter of Obligation (LOO) and ensure all contract related actions are conducted in accordance with the FAR and the Defense Federal Acquisition Regulations (DFAR). To accomplish these goals the Contracting Officer shall:

(a) Provide copies of the Procurement Integrity Certification for Procurement Officials signed by all designated procurement officials to the CS Program Manager.

(b) Designate, in writing, the Contracting Officer Representatives (COR) in accordance with DFAR subsection 201.602-2 at least 90 days prior to contract or LOO start date. Written designation shall include all responsibilities and the extent of the COR's authority to act on behalf of the Contracting Officer. A copy of the written designation shall be furnished to the CAR Office and the contractor or MEO. The Contract Administrative Office shall maintain a current copy of all COR designations.

(c) Monitor the implementation and progression of the service provider's QASP.

(d) Ensure implementation and monitor daily execution of the QASP and the performance of the Service Provider.

(e) Develop, implement, and utilize a process to execute Requests for Changes (RFC) to include obtaining required installation approval. Ensure all changes to the PWS and Management/Staffing Plan are incorporated through formal modifications and are executed in a timely manner.

(f) Execute option year determinations in accordance with FAR Part 17.2.

(g) Notify the service provider of unsatisfactory performance through cure and show cause notices as required by FAR Part 49.

(h) Provide monthly and annual assessments of the service provider's performance to the service provider and the CAR office.

(5) Comptroller. The Comptroller shall provide recommendations and assistance in the management and execution of all financial affairs associated with public-private competitions. MEO costs and savings resulting from public-private competitions shall be tracked and documented. To achieve these requirements the Comptroller shall:

(a) Establish Financial Information Pointers (FIPs) to capture and monitor all costs associated with the performance of public-private competitions, support to the MEO and post-competition accountability. Review requirements and determine impact of public-private competition results on the Operations and Maintenance, Marine Corps (O&MMC) budget for additional authorized civilian ceilings and identify the need for additional O&MMC funds as appropriate.

(b) Collect and provide actual cost data (civilian and military fringe benefits, severance pay, federal income tax rates, FICA Medicare rates, average pay step for NSPS, GS and WG pay grades, etc.) to the ATO for the development of the Agency Tender and to the CS Program manager for post-competition accountability.

(c) If the decision is to award to the MEO, the Comptroller, in coordination with MEO management, shall establish a viable cost tracking system. This tracking system shall be capable of accurately monitoring and reporting MEO actual cost in accordance with the ACE. The Comptroller shall be responsible for tracking, documenting and reporting actual costs for the MEO.

(6) Staff Judge Advocate (SJA). The SJA is responsible for providing legal assistance to the Installation Commanding Officer and the Public-Private Competition Team to ensure that all public-private competitions are performed in accordance with the requirements of reference (a) and all other applicable statutes, regulations, and instructions. Therefore, the SJA shall:

(a) Provide advice on legal issues involved in the CS and procurement processes and ensure compliance with all FAR and DFAR requirements. Review all source selection documentation for compliance with acquisition statutes and regulations.

(b) Interpret CS information and coordinate with the CS Program Manager, the activity manager(s), and the Contracting Officer on the release of subject information. Provide legal advice to the Contracting Officer regarding FAR restrictions on the disclosure of information contained in contractor proposals. Issue notification to all regarding restrictions on the release of information that may be advantageous to contractors submitting offers in response to the solicitation.

(c) Review pre-negotiation and final clearance approval memorandums for compliance with statutory and regulatory requirements.

(d) Review and forward all Freedom of Information Act (FOIA) requests to the Eastern Area Council Office (EACO) for final approval/denial. EACO has Denial Authority for non-releasable information. The premature disclosure of government-generated advance procurement information could significantly harm the government's competitive position. To preclude inadvertent disclosure, the FOIA Coordinator shall:

1. Work in conjunction with the SJA to identify all non-releasable information and its sources to prevent the accidental release of sensitive information.

**01 Feb 2000**

2. Review all Freedom of Information Act (FOIA) requests and sources related to public-private competitions for procurement sensitive information. Provide final approval/denial for all requests.

(7) Joint Public Affairs Officer (JPAO). Communication with affected employees and the local community is a significant factor in the success of the public-private competition process. JPAO shall contribute to this success by participating as an active team member in developing and implementing the Communication Plan in coordination with the CS Program Manager. The JPAO shall:

(a) Coordinate with the Installation Commanding Officer, the CS Program Manager, and the Labor Relations Officer regarding the CS Program's potential effect upon the command's workforce and the local community.

(b) Respond to inquiries and prepare announcements of public-private competitions and issues to the local community.

(c) Ensure that all affected employees and offerors are notified prior to issuance of a press release.

6. Command and Signal

a. Command. This Order is applicable to Marine Corps Air Station Cherry Point.

b. Signal. This Order is effective on the date signed.



ROBERT D. CLINTON  
Executive Officer

DISTRIBUTION: A

## GLOSSARY

Activity. A specific task or grouping of tasks that provides a specialized capability, service or product based on a recurring government requirement. Depending on the grouping of tasks, an activity may be an entire function or may be a part of a function. An activity may be inherently governmental or commercial in nature.

Adversely Affected Employees. Federal civilian employees serving competitive or excepted service appointments in Tenure Groups I, II, or III, who are identified for release from their competitive level by an agency, in accordance with 5 C.F.R. Part 351 and 5 U.S.C. Chapter 35, as a direct result of a performance decision resulting from a streamlined or standard competition.

Agency Cost Estimate (ACE). The part of the agency tender in a standard competition that includes the agency's cost proposal and represents the full cost of agency performance of the commercial activity, based on the requirements in the solicitation and the costing policy in Attachment C. The agency cost estimate for a streamlined competition is developed in accordance with Attachments B and C.

Agency Performance. Performance of a commercial or inherently governmental activity with government personnel. Often referred to as "in-house performance."

Agency Tender. The agency management plan submitted in response to a solicitation for a standard competition. The agency tender includes a most efficient organization (MEO), agency cost estimate, quality control plan, phase-in plan, and copies of any MEO subcontracts (with the private sector providers' proprietary information redacted). The agency tender is prepared in accordance with Attachment B and the solicitation requirements.

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

Commercial Activity (CA). A recurring service that could be performed by the private sector. This recurring service is an

agency requirement that is funded and controlled through a contract, fee-for-service agreement, or performance by government personnel. Commercial activities may be found within, or throughout, organizations that perform inherently governmental activities or classified work.

Common Costs. Specific costs identified in the solicitation that will be incurred by the government regardless of the provider (private sector, public reimbursable, or agency). Common costs are sometimes referred to as wash costs. Examples of common costs include government-furnished property, security clearances, and joint inventories.

Compare. The windows-based A-76 costing software that incorporates the costing procedures of Office of Management and Budget (OMB) Circular A-76. Agencies must use COMPARE to calculate and document the costs on the streamlined competition form (SLCF) for a streamlined competition or the standard competition form (SCF) for a standard competition. The software is available through the SHARE A-76! website at <http://sharea76.fedworx.org/sharea76/Home.aspx>.

Competition. A formal evaluation of sources to provide a commercial activity that uses pre-established rules (e.g., the Federal Acquisition Regulation (FAR), OMB Circular A-76). Competitions between private sector sources are performed in accordance with the FAR. Competitions between agency, private sector, and public reimbursable sources are performed in accordance with the FAR and OMB Circular A-76. The term "competition," as used in OMB Circular A-76 includes streamlined and standard competitions performed in accordance with OMB Circular A-76, and FAR-based competitions for agency-performed activities, contracted services, new requirements, expansions of existing work, and activities performed under fee-for-service agreement. The term also includes cost comparisons, streamlined cost comparisons, and direct conversions performed under previous versions of OMB Circular A-76.

Competition Officials. The agency officials appointed before a standard competition is announced. These individuals perform key roles and have essential responsibilities for the successful completion of the standard competition. Competition officials are the agency tender official (ATO), contracting officer (CO), source

selection authority (SSA), human resource advisor (HRA), and performance work statement (PWS) team leader.

Competitive Sourcing Official (CSO). An inherently governmental agency official responsible for the implementation of OMB Circular A-76 within the agency.

Continuing Government Activity (CGA). Part of an activity(s) that continues regardless of the outcome of the A-76 competition. A government activity tasked to perform oversight of the commercial activities included in the competition regardless of the selected service provider. A CGA may be a team of individuals from multiple organizations or a single established organization.

Contracting Officer (CO). An inherently governmental agency official who participates on the PWS team, and is responsible for the issuance of the solicitation and the source selection evaluation methodology. The CO awards the contract and issues the MEO letter of obligation or fee-for-service agreement resulting from a streamlined or standard competition. The CO and the SSA may be the same individual.

Conversion From Contract. A change in the performance of a commercial activity from a private sector provider to agency performance.

Conversion To Contract. A change in the performance of a commercial activity from agency performance to a private sector provider.

Direct Labor. Manpower resources dedicated to performing the requirements of the solicitation and labor for supervision and management related support to the agency tender (e.g., MEO) such as labor for quality control.

Directly Affected Employees. Civilian employees whose work is being competed in a streamlined or standard competition.

Directly Affected Government Personnel. Government personnel whose work is being competed in a streamlined or standard competition.

Directly Interested Party. The agency tender official who submitted the agency tender; a single individual appointed by a

1 Feb 10

majority of directly affected employees as their agent; a private sector offeror; or the official who certifies the public reimbursable tender.

Employee Transition Plan. A written plan developed by the HRA for the potential transition of the agency's civilian employees to an MEO, or to private sector or public reimbursable performance. This plan is developed early in the streamlined or standard competition process, based on the incumbent government organization, to identify projected employee impacts and the time needed to accommodate such impacts, depending on the potential outcomes of the competition. The employee transition plan differs from a phase-in plan, which is developed by prospective providers responding to a solicitation.

End date. The end date for a streamlined or standard competition is the date that all SCF certifications are completed, signifying an agency's performance decision.

Federal Acquisition Regulation (FAR). The FAR provides contracting policy for the federal government. The FAR is the primary regulation for use by all executive agencies in their acquisition of supplies and services.

FedBizOpps.gov. The website utilized by the government to electronically advertise solicitations or requirements.

First Period of Full Performance. The performance period following the phase-in period when the service provider becomes fully responsible for performing the activity. The first performance period is used to implement the new service provider's phase-in plan; therefore, full performance of the service provider does not occur until the second performance period, which may be referred to as the base period, full performance, or the first period of full performance. This first period of full performance may be less than or more than 12 months. The first period of full performance is the second performance period (the performance period immediately following phase-in period) regardless of the second performance period's length.

Full-Time Equivalent (FTE). The staffing of federal civilian employee positions, expressed in terms of annual productive work hours (1,776) rather than annual available hours that includes non-productive hours (2,080 hours). FTEs may reflect civilian

positions that are not necessarily staffed at the time of public announcement and staffing of FTE positions may fluctuate during a streamlined or standard competition. The staffing and threshold FTE requirements stated in OMB Circular A-76 reflect the workload performed by these FTE positions, not the workload performed by actual government personnel. FTEs do not include military personnel, uniformed services, or contract support.

Function Code. The numerical code used to categorize an agency's commercial and inherently governmental activities for inventory reporting purposes.

Government Furnished Property (GFP). Facilities, equipment, material, supplies, or other services provided by the government for use by all prospective providers in the solicitation. Costs for GFP included in a solicitation are considered common costs. Replacement costs, insurance, maintenance and repair costs for GFP may or may not be government-furnished, depending on the provisions in the solicitation.

Human Resource Advisor (HRA). An inherently governmental agency official who is a human resource expert and is responsible for performing human resource-related actions to assist the ATO in developing the agency tender.

Incumbent Service Provider. The source (i.e., agency, private sector, or public reimbursable source) providing the service when a public announcement is made of the streamlined or standard competition.

Inherently Governmental (IG) Activities. An activity that is so intimately related to the public interest as to mandate performance by government personnel as provided by Attachment A.

Interested Parties. For purposes of challenging the contents of an agency's commercial activities inventory pursuant to the Federal Activities Inventory Reform Act, an interested party is (1) a private sector source that is an actual or prospective offeror for a contract or other form of agreement to perform the activity and has a direct economic interest in performing the activity that would be adversely affected by a determination not to procure the performance of the activity from a private sector source; (2) a representative of any business or professional association that includes within its membership private sector

sources referred to in (1) above; (3) an officer or employee of an organization within an executive agency that is an actual or prospective offeror to perform the activity; (4) the head of any labor organization referred to in section 7103(a)(4) of title 5, United States Code, that includes within its membership officers or employees of an organization referred to in paragraph (3).

Inventory. A list of government personnel, by location, function, and position, performing either commercial activities or inherently governmental activities.

Labor Market Research. Assessment of the availability or capability to recruit (including recruiting costs) personnel in the local labor market to determine if there is an appropriate workforce pool.

Letter of Obligation (LOO). A formal agreement that an agency implements when a standard or streamlined competition results in agency performance, i.e., an MEO.

Local Command. The local command is the host command responsible for base operations.

MEO Subcontracts. Contracts between an agency and the private sector that are included in the agency tender or fee-for service agreements with a public reimbursable source that are included in the agency tender. In addition to the cost of MEO subcontracts, agency or public reimbursable cost estimates must include support costs associated with MEO subcontracts such as government-furnished property, and contract administration, inspection, and surveillance.

MEO Team. A group of individuals, comprised of technical and functional experts, formed to assist the ATO in developing the agency tender.

Most Efficient Organization (MEO). The staffing plan of the agency tender, developed to represent the agency's most efficient and cost-effective organization. An MEO is required for a standard competition and may include a mix of government personnel and MEO subcontracts.

New Requirement. An agency's newly established need for a commercial product or service that is not performed by (1) the

agency with government personnel; (2) a fee-for-service agreement with a public reimbursable source; or (3) a contract with the private sector. An activity that is performed by the agency and is reengineered, reorganized, modernized, upgraded, expanded, or changed to become more efficient, but still essentially provides the same service, is not considered a new requirement. New ways of performing existing work are not new requirements.

Offer. A private sector source's formal response to a request for proposals or invitation for bid. The term "offeror" refers to the specific source rather than the response.

Past Performance. An indicator that may be used in the source selection process to evaluate a prospective provider's previous performance on work comparable to that being competed, for the purpose of predicting the quality of future performance relative to other offers or public reimbursable tenders. FAR 42.1501 describes the information used to evaluate past performance, and FAR 15.305(a)(2) provides guidance for the consideration of past performance in the source selection process.

Performance Decision. The outcome of a streamlined or standard competition, based on SLCF or SCF certifications.

Performance Standards. Verifiable, measurable levels of service in terms of quantity, quality, timeliness, location, and work units. Performance standards are used in a performance-based PWS to (1) assess (i.e., inspect and accept) the work during a period of performance; (2) provide a common output related basis for preparing private sector offers and public tenders; and (3) compare the offers and tenders to the PWS. The requiring activity's acceptable levels of service are normally stated in the PWS. The solicitation includes performance standards.

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

Phase-in Plan (PIP). A prospective provider's plan to replace the incumbent provider(s) that is submitted in response to the solicitation. The phase-in plan is implemented in the first performance period and includes details on minimizing disruption, adverse personnel impacts, and start-up requirements. The phase-in plan is different from the employee transition plan developed by the HRA.

Preliminary Planning. The process of determining whether competitive sourcing (standard or streamlined competition) is the optimal methodology for sourcing an organization by ensuring factors that impact competitive sourcing (i.e., wartime requirements, workforce availability, commercial viability, career-field sustainability, workload documentations, etc.) are reviewed prior to initiating the competition.

Privatization. A federal agency decision to change a government-owned and government-operated commercial activity or enterprise to private sector control and ownership. When privatizing, the agency eliminates associated assets and resources (manpower for and funding of the requirement). Since there is no government ownership and control, no service contract or fee-for-service agreement exists between the agency and the private sector after an agency privatizes a commercial activity or enterprise. Moving work from agency performance with government personnel to private sector performance where the agency still funds the activity is not privatization.

Prospective Providers. Private sector, public reimbursable, and agency sources that may submit responses (offers or tenders) in response to an agency's solicitation.

Provider. An agency, private sector, or public reimbursable source that is performing, or will perform, a commercial activity; sometimes referred to as a service provider.

Public Announcement. An agency's formal declaration that the agency has made a (1) decision to perform a streamlined or standard competition, or (2) performance decision in a streamlined or standard competition. The CO makes these announcements via *FedBizOpps.gov*.

Public Reimbursable Source. A service provider from a federal agency that could perform a commercial activity for another

federal agency on a fee-for-service or reimbursable basis by using either civilian employees or federal contracts with the private sector.

Public Reimbursable Tender. A federal agency's formal response to another federal agency's solicitation for offers or tenders. The public reimbursable tender is developed in accordance with OMB Circular A-76 and includes a cost estimate, prepared in accordance with Attachment C.

Performance Work Statement (PWS) Team. A group of individuals, comprised of technical and functional experts, formed to develop the PWS and quality assurance surveillance plan, and to assist the CO in developing the solicitation.

Quality Assurance Surveillance. The government's monitoring of a service provider's performance in accordance with the quality assurance surveillance plan (QASP) and the performance requirements identified in the solicitation.

Quality Assurance Surveillance Plan (QASP). The government's inspection plan. The quality assurance surveillance plan documents methods used to measure performance of the service provider against the requirements in the PWS. The agency relies on the service provider to monitor daily performance using their own quality control plan, but retains the right to inspect all services. When the agency makes a performance decision, the agency re-evaluates and modifies the existing quality assurance surveillance plan, based upon the selected provider and the selected provider's accepted quality control plan.

Quality Control Plan (QCP). A self-inspection plan that is included in all offers and tenders. The quality control plan describes the internal staffing and procedures that the prospective provider will use to meet the quality, quantity, timeliness, responsiveness, customer satisfaction, and other service delivery requirements in the PWS.

Representatives of Directly Affected Employees. In the case of directly affected employees represented by a labor organization accorded exclusive recognition under 5 U.S.C. § 7111, a representative is an individual designated by that labor organization to represent its interests. In the case of directly affected employees not represented by a labor organization under 5

1 Feb 10

U.S.C. § 7111, a representative is an individual appointed by directly affected employees as their representative.

Segregable Expansion. An increase to an existing commercial activity that can be separately competed.

SHARE A-76!. The Department of Defense A-76 knowledge management system used to share knowledge, information, and experience about public-private competitions. This public site contains A-76-related guidance, sample documents, best practices, tools, and links to other A-76 websites and sources for A-76-related information. Users may post best practices used in public-private competitions, research A-76 through the use of search engines, and submit internet links to add to the available links in SHARE A-76! The web site address is <http://sharea76.fedworx.org/sharea76/Home.aspx>.

Solicitation Closing Date. The due date for delivery of private sector offers, public reimbursable tenders, and the agency tender, as stated in the solicitation.

Source. One of three specific categories of service providers (i.e., agency, private sector, or public reimbursable) that can perform a commercial activity for an agency.

Source Selection Authority (SSA). A competition official with decision-making authority who is responsible for source selection as required by the FAR and OMB Circular A-76. The SSA and CO may be the same individual.

Source Selection Evaluation Board (SSEB). The team or board appointed by the SSA to assist in a negotiated acquisition.

Standard Competition. The OMB Circular A-76 formalized process where the Marine Corps defines minimum requirements to compete a commercial activity. After a solicitation is issued, competition between the private sector, another component provider known as a public reimbursable, and the Marine Corps (public sector) takes place. The basis for the government bid is an AT. A standard competition may be performed on any size commercial activity.

Standard Competition Form (SCF). The agency form that documents and certifies all costs calculated in the standard competition.

Start Date. The start date for a streamlined or standard competition is the date that the agency makes a formal public announcement of the agency's decision to perform a streamlined or standard competition.

Streamlined Competition. The OMB Circular A-76 formalized process that may be conducted for commercial activities performed by an aggregate of 65 or fewer civilians and/or any number of military personnel. Recurring language in the DoD Appropriations Act effectively limits this threshold to 10 or fewer civilians and/or any number of military personnel.

Streamlined Competition Form (SLCF). The agency form that documents and certifies all costs calculated in the streamlined competition, in accordance with Attachment C.