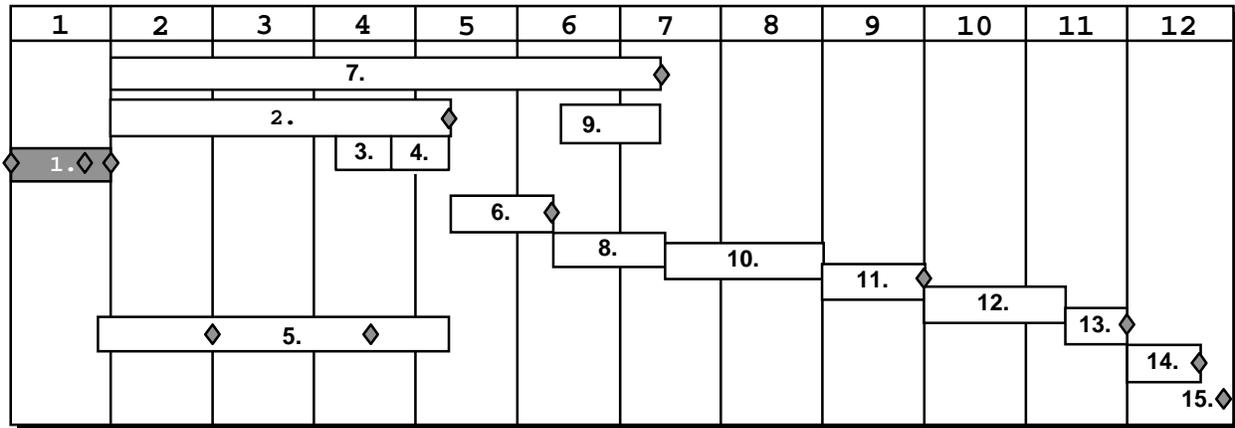


STEP 1: PLAN FOR COMMERCIAL ACTIVITIES (CA) STUDY

1.1 OVERVIEW



◇ Major Milestone Event

The purpose of Step 1 is to develop an action plan for conducting an A-76 commercial activities study. The A-76 study is not designed to “contract out” government functions, but to ensure that the government functions are operated in a businesslike manner. The action plan defines the scope of the A-76 study, maps out a plan for developing the Performance Work Statement (PWS), Quality Assurance Surveillance Plan (QASP), and Management Plan, and outlines the data collection and analysis methodology. The action plan also includes a schedule that identifies the milestones and involvement of key players throughout the process.

CO Tip: Contracting office personnel can provide valuable input during Step 1 in developing an acquisition strategy by providing advice and assistance in structuring the PWS and selecting an appropriate contract type to be used for the solicitation issued in step 6.

Step 1 commences with the formal announcement of the study. The level of effort required in this step is determined as much by the knowledge and preparation of the key players as by the size of the

commercial activity being considered. Step 1 concludes with the Commanding Officer’s approval of the action plan, although it may be revised as the study progresses.

CO Tip: The announcement of the commercial activities study is the milestone that initiates the 15-step, A-76 process described in this guide.

Certain actions can be performed in Step 1 to facilitate the planning for and timely completion of the study. In keeping with statutory requirements (e.g., 10 USC 2467), communicating, educating, and sharing knowledge with affected employees and their representatives regarding the study process and potential outcomes will help ease their concerns. In particular, these actions may include the direct involvement of the Commanding Officer, classroom training, claimant support, public affairs involvement, and communication with employees, their representatives and the community.

This guide is not intended, by itself, to provide the level of detail required by commercial activities study teams (CA

team) to handle all the requirements of performing an A-76 study. In conducting an A-76 study, some employees may be tasked to perform activities which are new to them. Careful consideration of training requirements tailored to the needs of the particular commercial activity under study and the personnel involved will greatly facilitate the quality of the A-76 study results. Joint employee-management training on the study process can help raise the understanding of the process and reduce conflicts before they arise.

1.2 DESCRIPTION OF KEY TASKS

A well-reasoned and practical action plan is key to the success of the process. Choosing the right individuals for the CA team, tailoring a methodology for collecting and analyzing data, and identifying specific milestones are integral parts of the action plan. The following paragraphs describe some of the key tasks that should be addressed in Step 1.

1.2.1 Communication With Functional Activity Under Study

During the planning stage, the Commanding Officer should plan to conduct a series of meetings. The first is a senior level management meeting, where the Commanding Officer announces to the senior staff that the activity will conduct an A-76 study. (See Templates 1.5.1–1.5.3.) The Commanding Officer may solicit input from senior management for selecting CA team members. The Commanding Officer should then meet with the CA team to discuss the approach for developing the action plan and for identifying inherently governmental functions which may not be subject to review by the study.

The CA team leader should then prepare a briefing on the action plan for the Commanding Officer, senior management, and other key individuals. The purpose of this briefing is to ensure that all levels in the command have been apprised of the goals, objectives, strategy, and methodology for conducting the A-76 study. This briefing should impart the “who, what, how, and when” elements of the study. Issues should have been resolved before the briefing and decisions reached and incorporated into the action plan. Suggested information to be presented at this meeting is provided in Template 1.5.4. Templates 1.5.5–1.5.7 support the information to be briefed at the senior management meeting.

When the Commanding Officer and senior management have approved the CA team’s approach, the Commanding Officer should convene an all hands meeting, supported by the CA team. Template 1.5.8 provides a sample agenda for this meeting.

CO Tip: The Commanding Officer’s continuing communication with various levels of the organization will greatly facilitate the A-76 study. These communications should include information on the A-76 study process, the commercial activity under study, employee rights, union involvement and periodic updates on the status of the study.

As early in the process as possible the Commanding Officer should meet with appropriate union representatives to discuss the potential effects of the A-76 study on employees. This meeting should occur after the activities related to business unit definition (described in Section 1.2.3) take place but before the all hands meeting.

Finally, the Commanding Officer announces the A-76 study to the public. This action should be coordinated with the Public Affairs Officer (PAO). At a minimum, the

Commanding Officer's announcement should address the need for the study, the function under review, the potential effect of the action on the workforce and the rights of the employees, and the fact that the government has a fair and equitable chance of winning the competition. A checklist for the public announcement is provided in Template 1.5.9.

1.2.2 Creating the CA Team

In creating the CA team, the Commanding Officer should consider the skills required to conduct the study and identify the staff with these skills. A sample position description for the CA team leader is provided in Template 1.5.1, Position Description.

CO Tip: The skills required of the CA team leader—in addition to leadership skills—include the ability to plan, organize and manage the CA study process to meet established deadlines.

The Commanding Officer and the CA team leader should meet to discuss candidates for the CA team and their availability for the effort, as shown in Template 1.5.2. The study will require individuals with expertise in management analysis and the functional area under study, as well as skills in organizational analysis, industrial engineering, work measurement, position classification, contract administration, and cost analysis. Good writing skills are essential in developing A-76 study documents. Study team members should also have experience in productivity improvement. Although experience in A-76 studies is not mandatory, an understanding of the A-76 requirements is helpful. Template 1.5.3 provides a sample matrix for staffing the CA team.

Due to the parallel efforts performed in developing the Performance Work

Statement and Quality Assurance Surveillance Plan (Step 2) and developing the Management Plan (Step 7), the CA team may be structured so that after the data gathering in Step 2 is complete, the team can be split. One group can then develop the Performance Work Statement while the other group develops the Management Plan. However, depending upon the size of the function being reviewed and the time constraints, the CA team may remain as one group to work on both the Performance Work Statement and the Management Plan.

CO Tip: It is important for the Commanding Officer to be aware of and sensitive to ethical considerations related to the A-76 and procurement processes. Participation by an employee on the CA team could trigger the application of statutory and regulatory requirements governing conflict of interest, "revolving door" restrictions on employment, and bars to post-government service employment, among other ethical considerations. For example, an employee of the activity under study who seeks employment with a company that is an offeror for the solicitation issued in Step 6 may create a conflict of interest. It is also important for the Commanding Officer to be aware that participation on the CA team could adversely affect an employee's Right-of-First-Refusal for employment with a contractor if the cost comparison results in a contract award, the employee should be given the opportunity to decline participation on the CA team. This is a limited but important provision of the A-76 process.

The Commanding Officer should also consider establishing a semipermanent resource pool of individuals whose skills are needed for only some portions of the study, or who may be needed as advisors. This group might include staff from the personnel office, budget office, legal counsel, equal employment opportunity office, and public affairs office. The CA team should be able to rely on support from this resource pool as required.

1.2.3 Business Unit Definition

Following the CNO's announcement that a particular function will be studied under the CA process, the Commanding Officer, CA team leader and the organization's senior management should discuss all issues surrounding the function to be studied. This will include identifying the elements of the organization under study and those associated groups that interact and support the core function. It is important that the Commanding Officer and the CA team immediately establish the boundaries for—or “package”—the function or business unit under study. Where these boundaries are set will be crucial to the shore establishment's ability to perform the required work regardless of who wins the competition. In creating the business unit, boundaries should be established in such a way that the product or service produced by the activity is adequately maintained.

Once the boundaries are defined, consideration must be given to those positions within the business unit that are inherently governmental. If any of these unique positions exist, they must be identified up front and subsequently excluded from study consideration. Additionally, the Commanding Officer should factor into the overall analysis the potential effect this study will have on the support groups both internal and external to the command. The Commanding Officer should communicate the potential impact of the CA study to these organizations, but keep in mind that these groups are outside of the scope of the study.

If the Commanding Officer and senior management believe that the function announced by the CNO could be better defined in terms of how they operate, the

issue should be addressed immediately. It may be possible to modify the announcement to include or exclude specific positions or functions so that the business unit can operate more efficiently and effectively.

Some examples may help illustrate what is meant by business unit definition. The CNO may announce that the transportation maintenance and repair function will be studied at the shore establishment. The announcement will affect only one command. Support functions such as Naval Supply Department, accounting, HRO, and medical and dental are all under the purview of other commands. However, there is a great deal of interaction between the transportation maintenance and repair function and these support organizations. In defining the business unit, the Commanding Officer should consider those full-time equivalent (FTE) positions associated with transportation maintenance and repair, and the FTE's in the support commands. However, these should be considered outside of the scope of the current study since they are associated with other commands. It is incumbent upon the Commanding Officer to notify the leadership of the support organizations of the potential ramifications this study will have on their organizations. If these functions reside in the same command, the Commanding Officer may consider including them in the scope of the CA study.

1.2.4 Inherently Governmental Positions

The *A-76 Supplemental Handbook* defines inherently governmental activity as one that is so intimately related to the exercise of the public interest as to mandate performance by federal employees. Determining whether particular positions within an activity are inherently governmental is an issue that

should be addressed by the Commanding Officer early in the planning process. The supplement contains Appendix 5, Office of Federal Procurement Policy (OFPP) Policy Letter 92-1, Inherently Governmental Functions.

1.2.5 Developing the Action Plan

The CA team leader will be responsible for developing an action plan. The action plan should define the information to be gathered, the methodologies for collecting and analyzing the data, the documentation to be produced, and the manner in which required reports will be generated. The plan should be organized as specific tasks, and each task should be assigned to appropriate CA team members. Expected completion dates should be established and a milestone schedule created. A sample format for the action plan is provided in Template 1.5.6. After the CA team has reviewed the action plan, the resource requirements should be defined and briefed to the Commanding Officer. The CA team leader should obtain the Commanding Officer's commitment to support the resource requirements defined. Template 1.5.7 lists the key resource requirements. Finally, an all hands meeting should be held to inform members of the command about the plans for conducting the A-76 study. Template 1.5.8 provides a suggested agenda for the all hands meeting. In developing the action plan careful consideration must be given to the possible acquisition strategies which may be utilized. Contracting office personnel may provide expertise in these decisions which may effect the timing of all subsequent steps.

1.3 ROLES AND RESPONSIBILITIES

Key Players

- **Commanding Officer.**

The Commanding Officer maintains communication with all involved personnel and higher authority to ensure prompt approval of final products. The Commanding Officer must give final approval before any information on the A-76 study is released within the organization or to the public. The Commanding Officer should draw on (or make available) all resources, including the Outsourcing Support Office (OSO) as appropriate to support the A-76 study. The OSO is available to provide subject matter expertise. The Commanding Officer will review progress regularly and approve the final action plan.

CO Tip: An active command presence throughout the study planning and development stage is important.

- **Senior Management**

Senior managers are responsible for providing information for inclusion in the action plan. They must keep apprised of the study progress and be prepared to support the CA team. This may include providing information about activities and providing people to support the CA effort. The manager responsible for the function under study is a key player among the senior managers.

- **Contracting Officer**

The contracting officer or representative provides the Commanding Officer with advice on the contracting process. He or she identifies any pitfalls and impediments to contracting and assists the staff in addressing procurement planning issues in the action plan.

- **CA Team Leader**

The CA team leader is responsible for completing the action plan. As directed by the Commanding Officer, the CA team leader will select, organize, and train individual members of the CA team.

- **Public Affairs Officer**

Communication with affected employees and the public is a significant factor in the success of the Commercial Activities Study process. The PAO performs the critical function of assisting the Commanding Officer in formulating and executing a communications strategy. This strategy must convey that the study process is being conducted in an open, honest, and ethical manner

- **Human Resources Officer**

The Human Resources Officer (HRO) performs two critical functions. The first is to serve as a credible source of information on personnel issues for affected employees. The second is to clarify the impact of personnel regulations and issues on the A-76 study.

Advisory Players

- **Comptroller**

The comptroller supports the Commanding Officer and the command by collecting required cost data and making this data available to the CA team in a timely manner.

- **Union Representative(s)**

The union representative provides essential input to the Commanding Officer on sensitive workforce issues and keeps the workforce informed on the progress of the study.

CO Tip: The union representative can motivate the workforce to cooperate with the CA team in developing a government proposal that will be competitive with those from the private sector.

- **Legal Counsel**

The legal counsel provides advice on the many legal issues involved in the A-76 and procurement processes and may perform certain activities. For example, upon issuance of the CA study announcement, the legal counsel will issue a notice to all affected employees regarding restrictions on the release of information that may be advantageous to contractors submitting offers in response to the solicitation.

1.4 CHECKLISTS FOR KEY PLAYERS

The two key players in Step 1 are the Commanding Officer and the CA team leader. The following checklist illustrates their major responsibilities during Step 1.

- **Commanding Officer**

1. Lead senior-level management meeting.
2. Appoint CA team leader (refer to Template 1.5.1).
3. Review/comment on draft CA team staffing plan (members and percentage of time).
4. Approve CA team membership.
5. Convene/meet with CA team to convey mission direction/charter.
6. Convene senior management meeting.
7. Define the Business Unit.
8. Review draft action plan.
9. Provide comments/additions to action plan.
10. Approve action plan and CA team charter.
11. Discussion with union president(s).
12. Conduct the all hands meeting.
13. Obtaining Training.

- CA Team Leader
- 1. Develop and revise draft CA team staffing plan:
 - Identify team members,
 - Forecast percentage of personnel time required (for each step and total for year).
- 2. Prepare briefing for Commanding Officer/senior management on staffing plan (Templates 1.5.2, 1.5.3).
- 3. Convene CA team to develop action plan and team charter (Template 1.5.6):
 - Schedule
 - Milestones
 - Budgets
 - Training Plan
 - Communication Plan
 - Risk Assessment/Constraints
 - Scope of Study
 - Contract Strategy
 - Assumptions For A-76 Study
 - Data Collection And Methodology
 - Staff Assignment
 - OSO Support (Optional).
- 4. Prepare briefing for Commanding Officer/senior management on the action plan and team charter (Template 1.5.4).
- 5. Prepare Commanding Officer for the all hands meeting (Template 1.5.8).

1.5 TASK TEMPLATES

The purpose of the templates is to provide the Commanding Officer and the CA team with tools to aid in completing the planning step as effectively as possible. These templates are intended as a guide for the CA team; they should be revised as needed to meet specific user requirements.

Template 1.5.1: Position Description

The Commanding Officer may solicit input from senior management in identifying the

CA team leader. This position description provides criteria for selecting a suitable candidate.

POSITION: Commercial Activities (CA) Team Leader

Job Description: This individual is responsible for planning all activities and functions necessary for the command to conduct a Commercial Activities Study, more commonly called an A-76 study. The CA team leader is the command's team leader and reports directly to the Commanding Officer. The CA team leader is responsible for ensuring that all elements of the A-76 study are developed in accordance with existing directives, that the process is conducted in a fair and equitable manner, and that both the Navy's and Command's interests are represented at each step. The CA team leader is responsible for interfacing with the various functional and staff organizations involved in the study effort. This involves achieving timely results from CA team efforts and receiving guidance as necessary from the Commanding Officer.

Criteria for Selection: The most important criterion for the CA team leader is proven leadership ability. Furthermore, the CA team leader should possess strong project management skills and be knowledgeable of the command and the function under study. Knowledge of the command should include familiarity with the financial system, workload measurement and reporting system, personnel system, management structure, support structure, and chain of command. The CA team leader should be a forward-thinking individual with the capability to schedule work, meet deadlines, and lead people in diverse and demanding situations. The CA team leader should be

capable of developing a plan, collecting information, developing a rational analytical framework, and drawing sound conclusions from the available information.

Desired Experience: Should be an established leader and an experienced manager who has had prior experience with the function under review.

Template 1.5.2: Discussions Between Commanding Officer And The CA Team Leader

After receiving notification that an A-76 study is to be conducted, and that he or she has been chosen as the CA team leader, the CA team leader should provide a high-level briefing to the Commanding Officer covering the following topics:

- Function covered, including a preliminary review of vital information related to the function,
- Overview of the A-76 study process,
- Timing of the A-76 study process,
- Proposed team size and composition (see Template 1.5.3),
- Draft agenda for the all hands meeting,
- Likely problem areas/issues and recommended solutions.

This meeting should provide the Commanding Officer with the necessary information to approve the CA team members.

Template 1.5.3: CA Team Staffing Matrix

The CA team composition will vary greatly with the complexity of the function being studied, the organic resources available to the Commanding Officer, and the capability

of the individual team members. There is no standard defining how large or small a CA team should be. The following matrix shows a nominal CA team. The CA team leader's participation will be required throughout the process. During contracting phases of the process, however, the CA team leader may not be required full time but should be available for consultation throughout the process. The CA team will be required on a full-time basis until the government Management Plan has been developed, reviewed, audited, and sealed for the Contracting Officer. After the government offer is given to the contracting officer, the majority of the CA team members can return to their primary duties subject to recall.

CA Team Staffing Matrix

CA TEAM	PART TIME/ FULL TIME	COMMENTS
Team Leader	Full Time	May become part time after Management

		Plan is submitted to the Commanding Officer
Functional Manager	Part Time	
Functional Experts	Full Time	May become part time after Management Plan is submitted to the Commanding Officer
Mgmt. Analyst	Full Time/ Part Time	
Financial Analyst	Full Time/ Part Time	
Industrial Engineers	Full Time/ Part Time	
Public Affairs Office	Part Time	
Personnel Office	Part Time	
Contracting Office Rep.	Part Time	
Clerical Support	Part Time	

ADVISORY PERSONNEL	FULL TIME/PART TIME
Union Representative	Part Time
Comptroller	Part Time
Legal Counsel	Part Time
Safety	Part Time
Security	Part Time
Customers	As Appropriate

Template 1.5.4 Senior Management Brief

The CA team leader with the support of the CA team and senior management, should prepare a briefing for senior management personnel. The objective of this briefing is to resolve key issues within the command, including the definition of the business unit to be studied, and to obtain consensus on the

overall approach, key issues, and CA team assignments. The Commanding Officer should lead the briefing.

The briefing should include the following:

- Objective of the entire effort to complete the 15-Step A-76 process in 12 months and ensure that no matter who wins the competition, costs are reduced and the work is performed at the levels specified in the PWS.
- Scope of the effort—a description of the function to be studied (see Template 1.5.5). If necessary, include a flow diagram of the process that will clearly show the start and stop points:
 - Staff size of the function,
 - Operating budget,
 - Organizations involved in the process.
- Assessment of command’s needs for training in the A-76 study.
- Assessment of the need for outside assistance, e.g., OSO.
- CA Action Plan (see Template 1.5.6).
- Milestone schedule of events: major milestones and dates—a tailored version of the A-76 with each of the steps and approximate dates.
- CA team members’ assignments and commitments.
- Discussion of the resource requirements required to conduct the A-76 study (refer to Template 1.5.7).
- Overall contract strategy.

Template 1.5.5: Definition of the Business Unit

The CA team leader should gather vital information concerning the function under review. This information should focus on clearly defining the functional boundaries and enabling the Commanding Officer to grasp the level of activity involved and potential impact on the command and other organizations. At this stage the Commanding Officer should focus on identifying any support organizations, tenants, or customers that currently interact with and support the function being studied. If the support organization is going to be impacted by the results of the A-76 study this fact should be raised early in the process and the definition of the function under study may need to be revised to include these support functions. Key information should be gathered at this point to define the business unit to include the following:

- A brief description of the function to be studied. If it is apparent that the boundaries of the study should be expanded, the Commanding Officer should discuss modifying the scope of the study with higher authority.
- Identification of other organizations' activities which support the function being studied.
- If the function under study crosses organizational lines within the command, each of the affected organizations should be identified.
- The total number of FTE's included in the function. (including support functions)
- The budget data associated with the function.
- Looking at the functions identified for study in the future, evaluate how the future organization might look. For example, if some public works functions

are identified in each of the next several years, it may be better to package all of public works together and study it at once.

Template 1.5.6: CA Action Plan

The objective of Step 1 is to develop a detailed plan for conducting a cost comparison between using in-house resources to perform the function and using commercially available resources. To conduct such a cost comparison, the command must develop a Performance Work Statement (PWS), Quality Assurance Surveillance Plan (QASP), Most Efficient Organization (MEO), an In-House Cost Estimate (IHCE) of the MEO based on the PWS, a Technical Performance Plan (TPP) describing how the government would accomplish the PWS and a Transition Plan (TP). The purpose of the action plan is to identify the requirements of each task to be conducted, a time estimate to complete each task, resource requirements, training, communications, and a risk assessment. The risk assessment identifies those risks related to achieving the goals of the study (as depicted in the Action Plan Simulation). The action plan will be the overarching document that defines the study elements and guides the CA team in conducting the study. The CA Action Plan, identifying the tasks to be performed by each team member, should be based on the draft action plan developed by the CA team leader and augmented by decisions made during the management meetings. The Action Plan should be developed as a group effort by the CA team and should include the following elements:

- Identify team members
 - Task assignments
 - Back up personnel

- Develop team charter
- Provide schedule of key events, including major milestones
- List key documents (PWS, QASP, MEO, IHCE, Technical Performance Plan, Transition Plan):
 - Description
 - Timeframe for initiation and completion
 - Data requirements
 - Data sources
 - Resources required
 - Team members assigned.
- Training requirements for the CA team and a training timeline
- Communications Plan
 - Announcement to all personnel
 - Press releases, conferences
 - Town hall meetings
 - Status reports to higher level authorities
- Risk Assessment
 - Overall risk related to achieving goal
 - Risk matrix
 - Risk mitigation strategy.

Template 1.5.7: Resource Requirements

A summary of resource requirements should be prepared by the CA team leader and approved by the Commanding Officer. The following factors should be considered in defining the resources required to conduct the A-76 study:

- Personnel requirements
 - Key players
 - Advisory players

- Time required for each participant; estimate whether full time or part time is required
- Material and equipment needed
- Administrative Cost
 - To perform the study
 - If required, to convert to contract.

Template 1.5.8: All Hands Meeting Agenda

The Commanding Officer conducts the all hands meeting with support from the CA team leader.

The suggested agenda for this meeting follows:

- Brief of the overall plan
- Define scope of the A-76 study
- Describe which activities are included in the scope of the function and which are not
- Discuss how the study will affect individual employees
- Describe the assignment of team members by name and percentage of time required
- Emphasize that personnel assigned to the study are committed to the effort
- Describe command training for the A-76 study
- Describe the need for outside assistance
- Describe the contract strategy to be employed.

Template 1.5.9: Checklist For Communications

Communication is the key to ensuring stability and the continued operation of the

functions involved and will reduce widespread rumors. Communication is accomplished both internally and externally. Internal communications are those methods of communicating within the command. External communications need to be carried out in accordance with relevant communication directives (e.g., OPNAVINST 4860.7B or successor instruction). Due to the sensitivity of the A-76 process, the Commanding Officer needs to be involved in any internal or public communications regarding the study.

The following internal communications factors also need to be considered:

- Initial notice in the Plan of the Day that a study will be conducted
- Public meeting with employees in the function under study
 - Discuss overall study

- Review government alternatives
- Discuss impacts
- Posting updates in prominent places in the workplace (utilize Plan of the Day)
 - Opportunities for employee participation
 - Schedule of future events

The basic external communication to local papers, any press conferences, and any follow up press releases that the Commanding Officer provides should consider the following:

- Need for the study
- Function under review
- Potential effect on the workforce
- Employee rights
- Fair and equitable competition

**-- SIMULATED ACTION PLAN --
For Illustration Purposes Only**

I. Background

This action plan sets forth the activities that must be accomplished to conduct an A-76 cost comparison study of the Transportation Maintenance and Repair function at NSA Cattle Crossing, Utah, as directed by the CNO. It specifies major milestones and documents, and estimates resources, time, and personnel necessary to conduct this study.

II. Discussion

The Transportation Department provides full-service automotive and light truck repair for 1,424 vehicles owned by Naval Support Activity, plus three bridge cranes installed in the industrial area. Also, NSA provides reimbursable repair services for several small commands and the Navy recruiters within a 125-mile radius. Services include routine maintenance, scheduled repairs, and breakdown maintenance on all assigned vehicles and bridge cranes and repair services for tenant commands and identified Navy recruiting offices. Road service is provided for all NSA-assigned vehicles when problems occur within a 100-mile radius. Services also include full service body repair and painting, primarily for accident repair, which is reimbursable by the using department. The Transportation Department also installs radios in all sedans and custom fits police vehicles with lights, sirens, radios and other special equipment.

III. Activities

- Identify CA team members

Commercial Activities (CA) Team Leader: Spence Roberts

CA Team Members:

Management Analyst: Susan Canada; Mike Howe

Industrial Engineer: Dick Greene; Chris Foster

Cost Analyst: Ed House; Mike Minsk

Functional Expert(s): Tom Hatch; Hank Charles

- Make step assignments (key players)

Step 1: Plan for Commercial Activities (CA) Study

Commanding Officer: (CAPT Waters)

Senior Management: (Harold Matheson; Susan Canada)

Director of Contracting: (Angie Ford)

CA Team Leader: (Spence Roberts)

Outsourcing Support Office (optional)

Step 2: Develop PWS and QASP

Commanding Officer: (CAPT Waters)
Senior Management: (Harold Matheson; Susan Canada)
Functional Manager(s): (Joe Goodwrench)
CA Team Leader: (Spence Roberts) / CA Team
Quality Assurance Evaluator: (Victor Rawlings)
Outsourcing Support Office (optional)

Step 3: Review and Revise PWS and QASP

Commanding Officer: (CAPT Waters)
Systems/Type Commander: (one-level up review)
Functional Manager(s): (Joe Goodwrench)
CA Team Leader: (Spence Roberts)/CA Team
Quality Assurance Evaluator: (Victor Rawlings)
Contracting Officer: (Angie Ford)

Step 4: Obtain Higher Level Approval of PWS and QASP

Commanding Officer: (CAPT Waters)
Systems/Type Commander: (one-level up review)

Step 5: Conduct Presolicitation Actions

Commanding Officer: (CAPT Waters)
CA Team Leader: (Spence Roberts) / CA Team
Contracting Officer: (Angie Ford)

Step 6: Prepare and Issue Solicitation

Contracting Officer: (Angie Ford)
CA Team Leader: (Spence Roberts) / CA Team

Step 7: Develop the Management Plan

Commanding Officer: (CAPT Waters)
Senior Management: (Harold Matheson; Susan Canada)
Functional Manager(s): (Joe Goodwrench)
CA team leader: (Spence Roberts) / CA Team
Comptroller : (Christa Starling)
Human Resources Officer: (Nancy Miner)
Union(s): (Joe O'Malley)

Step 8: Respond to Solicitation (Government / Contractor)

Commanding Officer: (CAPT Waters)
CA team leader: (Spence Roberts) / CA Team

Step 9: Perform Independent Review

Commanding Officer: (CAPT Waters)
CA team leader: (Spence Roberts) / CA Team
Independent Review Officer: (Bertha Rummel)

Step 10: Evaluate Proposals

Commanding Officer: (CAPT Waters)
Contracting Officer: (Angie Ford)
Technical Evaluation Board
Source Selection Board
Source Selection Authority : (CDR Marty Cosgrove)

Step 11: Obtain Initial Clearance Approval

Contracting Officer: (Angie Ford)
Higher level contracting authority approval: (ADM Corridor)

Step 12: Conduct Discussions with Offerors

Source Selection Authority: (CDR Marty Cosgrove)
Contracting Officer: (Angie Ford)

Step 13: Obtain Final Clearance Approval

Contracting Officer: (Angie Ford)
Higher level contracting authority approval: (ADM Corridor)

Step 14: Compare Government and Contractor Proposals

Contracting Officer: (Angie Ford)
CA team leader: (Spence Roberts)
Source Selection Board

Step 15: Announce Tentative Decision

Commanding Officer: (CAPT Waters)
Contracting Officer: (Angie Ford)

IV. Business Unit Definition

An example snapshot for an A-76 study of Transportation Maintenance and Repair (TMR) at Naval Support Activity (NSA), Cattle Crossing, Utah, follows.

- This work involves providing the managerial, administrative, supervisory, direct, and indirect (overhead) personnel to accomplish all the maintenance and repair functions. These services are provided for 1,424 vehicles assigned to the NSA Cattle Crossing, Utah, and transient equipment within a 125-mile radius of the facility. The TMR provides equipment, repair parts, materials, supplies, and tools to perform the full transportation maintenance and repair function.
- Primary indicators of performance are availability of vehicles (versus vehicle downtime) and customer satisfaction. The standard of performance for vehicle availability is 82.5 percent (17.5 percent vehicle downtime). Vehicle downtime means the time during which a vehicle is out of service because it is undergoing maintenance or repair, or awaiting parts. The standard of performance for customer satisfaction is measured against industry standards. Additionally, overall vehicle condition is the third criterion upon which performance is measured. Vehicle condition is maintained according to fair wear and tear standards used in private industry.
- In establishing the business unit definition to be utilized in this study, the team reviewed the interaction between the TMR branch and the following support functions: Supply, Administration, Accounting and Finance, and Payroll functions. While these organizations all support the TMR, the level of effort was determined initially to be minimal and these activities were not included in the boundaries established for the study.
- The team also evaluated the Operations Branch to see if including it the study was appropriate. The team determined, with the agreement of the Commanding Officer, not to include operations in the study.
- Thirty seven staff members are currently authorized for the TMR function at NSA, Cattle Crossing, Utah. There are 34 staff currently on board.
- This function involves the Maintenance Branch, Body and Paint Branch, and the Administration Branch.
- Budget for TMR is approximately \$1,500,000 in personnel costs. Equipment cost is unknown.

V. Key Tasks and Major Milestones

Step 1: Plan for Commercial Activities (CA) Study

TASKS	DUE DATE	TIMEFRAME
Develop Communication Plan	1/31/97	1/1/97-1/31/97
Create CA Team	1/4/97	1/1/97-1/4/97
Business Unit Definition	1/30/97	1/1/97-1/30/97
Identify Risk Assessments	1/30/97	1/1/97-1/30/97
Develop Action Plan	1/31/97	1/1/97-1/31/97

Step 2: Develop PWS and QASP

TASKS	DUE DATE	TIMEFRAME
Develop PWS	5/15/97	2/1/97-5/15/97
<ul style="list-style-type: none"> • Define Present Operation • Define Desired Outcomes • Develop Performance Measures • Project Workload 	3/15/97 3/22/97 4/8/97	2/4/97-3/15/97 2/15/97-3/22/97 3/1/97-4/8/97
Develop QASP	4/22/97	3/17/97-4/22/97
Provide Continuing Feedback to Command and Major Claimant		2/1/97-5/15/97

Step 3: Review and Revise PWS and QASP

TASKS	DUE DATE	TIMEFRAME
Conduct Command Level Review and Incorporation of Changes	4/27/97	4/12/97-4/27/97

Step 4: Obtain Higher Level Approval of PWS and QASP

TASKS	DUE DATE	TIMEFRAME
Approve PWS and QASP	5/15/97	5/1/97-5/15/97

Step 5: Conduct Presolicitation Actions

TASKS	DUE DATE	TIMEFRAME
CA team leader Coordinate with Contracting Officer, and Issue CBD	2/28/97	1/27/97-2/28/97
Market Research	2/28/97	1/26/97-2/28/97
Presolicitation Actions	5/12/97	3/1/97-5/12/97

Step 6: Prepare and Issue Solicitation

TASKS	DUE DATE	TIMEFRAME
Announce Solicitation in CBD	5/20/97	5/15/97-5/20/97
Prepare and Issue Solicitation	6/15/97	6/3/97-6/15/97
Develop IGE	6/10/97	6/1/97-6/10/97

Step 7: Develop the Management Plan

TASKS	DUE DATE	TIMEFRAME
Data Gathering and Analysis	6/15/97	2/3/97-6/15/97
Develop MEO	7/15/97	2/5/97-7/15/97
Develop IHCE	7/15/97	3/15/97-7/15/97
Technical Performance Plan	7/15/97	4/23/97-7/15/97
Transition Plan	7/15/97	5/15/97-7/15/97
Request and Schedule Independent Review	6/2/97	6/2/97-6/2/97

Step 8: Respond to Solicitation (Government/Contractor)

TASKS	DUE DATE	TIMEFRAME
Conduct Site Visits	TBD	TBD
Respond to Questions	TBD	TBD
Receive Solicitations	7/15/97	6/15/97-7/15/97

Step 9: Perform Independent Review

TASKS	DUE DATE	TIMEFRAME
Review PWS, QASP	7/15/97	6/16/97-7/15/97
Audit MEO, IHCE, Transition Plan	7/15/97	6/16/97-7/15/97

Step 10: Evaluate Proposals

TASKS	DUE DATE	TIMEFRAME
Convene Source Selection Board	TBD	TBD
Evaluate Proposals	9/1/97	7/16/97-9/1/97

Step 11: Obtain Initial Clearance Approval

TASKS	DUE DATE	TIMEFRAME
Obtain Initial Clearance Approval	10/1/97	9/1/97-10/1/97

Step 12: Conduct Discussions with Offerors

TASKS	DUE DATE	TIMEFRAME
Conduct Discussions	11/15/97	10/1/97-11/15/97

Step 13: Obtain Final Clearance Approval

TASKS	DUE DATE	TIMEFRAME
Obtain Final Clearance Approval	12/1/97	11/15/97-12/1/97

Step 14: Compare Government and Contractor Proposals

TASKS	DUE DATE	TIMEFRAME
Compare Proposals	12/23/97	12/1/97-12/23/97

Step 15: Announce Tentative Decision

TASKS	DUE DATE	TIMEFRAME
Select Best Value Offer	12/30/97	12/30/97

VI. Resource Requirements

For each key document (PWS, QASP, MEO, IHCE, Technical Performance Plan, and Transition Plan), the following estimates of calendar time and person days are estimated. For a study this size, approximately 1.5 person years of effort is estimated over a 12-month period:

KEY DOCUMENT	DESCRIPTION	TIMEFRAME	RESOURCES REQUIRED	TEAM MEMBERS ASSIGNED
PWS	Describes work to be performed, including results or outputs (becomes basis for solicitation and Govt's proposal for performing required work).	75 days	90 person days	Spence Roberts, Susan Canada, Dick Greene, Ed House, Tom Hatch
QASP	Describes procedures Govt will use to ensure performance meets PWS requirements.	30 days	30 person days	Spence Roberts, Susan Canada, Dick Greene, Ed House, Tom Hatch, Victor Rawlings
MEO	Govt organization proposed to perform PWS requirements.	160 days	110 person days	Spence Roberts, Mike Howe, Chris Foster, Mike Minsk, Hank Charles
IHCE	Govt's cost estimate for MEO performance of PWS requirements	120 days	72 person days	Spence Roberts, Mike Howe, Chris Foster, Mike Minsk, Hank Charles

KEY DOCUMENT	DESCRIPTION	TIMEFRAME	RESOURCES REQUIRED	TEAM MEMBERS ASSIGNED
Technical Performance Plan	Provides details of MEO performance of PWS requirements	82 days	33 person days	Spence Roberts, Mike Howe, Chris Foster, Mike Minsk, Hank Charles
Transition Plan	Details Govt's plan to implement the MEO	60 days	33 person days	Spence Roberts, Mike Howe, Chris Foster, Mike Minsk, Hank Charles

VII. Data Requirements and Sources

The following data requirements and data sources to support development of these six key documents were identified. These data are used in some or all of the development of these key documents:

DATA REQUIREMENTS	DATA SOURCES
<ul style="list-style-type: none"> Vehicle inventory (# of vehicles; ID #; age; date of acquisition) Frequency of vehicle repair rates On-base facility / equipment Downtime / available time Number of accidents/severity of damage 	Transportation Department
<ul style="list-style-type: none"> Industry standards Preventive Maintenance schedule 	Chilton's Flat Rate Standards; Bodywork Standards; other industry source data
<ul style="list-style-type: none"> Number of supply items issued / average cost 	Supply Department records
<ul style="list-style-type: none"> Complete organization chart Staffing plan Position descriptions 	HRO
<ul style="list-style-type: none"> Current cost for all listed elements Daily labor reports 	Supervisor / Comptroller
<ul style="list-style-type: none"> Environmental issues (e.g. Paint Boy) 	Environmental Office
<ul style="list-style-type: none"> Customer complaints (Number/Type) 	Survey and Complaint Records
<ul style="list-style-type: none"> Changes to customer demand Projected change to fleet / forecast workload 	Tenant organizations

VIII. Training Requirements

The training requirements for the CA team include:

- Assess current knowledge and skill level
- Conduct survey of CA team skill level
- Determine training requirements, e.g. (refresher in A-76 procedures (1 day))
- Determine individual availability for training (1-3 days)
- Assess time sufficiency in schedule to conduct training
- Complete within first 30 days

- Determine availability of training courses / facilities
- Obtain on-site training from OSO / other Navy / or commercial sources
- Materials Required:
 - Circular No. A-76
 - A-76 *Supplemental Handbook*
 - OPNAVINST 4860.7B
 - OSO Guide
 - Training Facilities

IX. Communication Plan

A communications plan for the simulation was developed as follows:

- Announce study to all personnel

ACTIVITY	DUE DATE	PURPOSE
All Hands Meeting	1/2/97	Announce study commencement, next steps
All Hands Meeting	3/15/97	Discuss PWS development, status update
All Hands Meeting	7/15/97	Discuss Management Plan development, status update
All Hands Meeting	7/15/97	Discuss solicitation activities, status update
All Hands Meeting	1/2/98	Announce tentative decision

- Conduct Town Hall Meetings

ACTIVITY	DUE DATE	PURPOSE
Town Hall Meeting	1/3/97	Similar to All Hands Meeting, but broader audience
Town Hall Meeting	4/3/97	
Town Hall Meeting	7/3/97	
Town Hall Meeting	10/3/97	
Town Hall Meeting	1/2/98	

- Conduct press conferences and hold press releases

ACTIVITY	DUE DATE	PURPOSE
Press Conferences / Releases	1/4/97	Similar to All Hands and Town Hall Meetings, but more formal with official press release provided
Press Conferences / Releases	4/4/97	
Press Conferences / Releases	7/4/97	
Press Conferences / Releases	10/4/97	
Press Conferences / Releases	1/3/98	

At the three types of meetings listed above, similar information may be addressed, for instance, at the first meeting:

- Discuss status of Transportation Maintenance and Repair Action Plan.

- Discuss scope/limitations of the Transportation Maintenance and Repair function (e.g., only those organizations within the Transportation Department will be directly affected by this study).

X. Assignment of CA Team Members

- Describe the assignment of team members by percentage of time required.
- CA Team Members:
 - Management Analyst: Susan Canada; Mike Howe
 - Industrial Engineer: Dick Greene; Chris Foster
 - Cost Analyst: Ed House; Mike Minsk
 - Functional Expert(s): Tom Hatch; Hank Charles
- All key CA team members initially will be dedicated full time, and as the A-76 study progresses, these percentages will be adjusted as needed
- No initial outside assistance is required. Coordinate with OSO as needed
- The people identified in this plan have been counseled by the HRO regarding their subsequent employment rights and have agreed to participate in this process.

XI. Risk Assessment

RISK	IMPACT	RISK MITIGATION
1. Completing A-76 study on time	<ul style="list-style-type: none"> • Cost overrun (for A-76 study budget) • Quality of A-76 study 	<ul style="list-style-type: none"> • Make it a command priority / commitment • Commit appropriate resources • Seek OSO / contractor support • Understand difficulty of Steps (e.g., Step 1, Step 2, Step 7, contracting, IRO) • Seek waivers from regulations
2. Loss of best employees	<ul style="list-style-type: none"> • Maintain performance levels 	<ul style="list-style-type: none"> • Communicate with employees • Consider potential business alternatives (use temporary employees, overtime)
3. Cost of performing study	<ul style="list-style-type: none"> • Overrun costs 	<ul style="list-style-type: none"> • Budget appropriately • Manage A-76 study process
4. MEO not viable (win competition but fail to perform adequately)	<ul style="list-style-type: none"> • MEO fails Post-MEO Performance Evaluation causing loss of function • IRO won't approve MEO causing delay of schedule 	<ul style="list-style-type: none"> • Plan deliberately • Conduct periodic reviews (e.g., Red Teaming)
5. Customer satisfaction	<ul style="list-style-type: none"> • Customers dissatisfied 	<ul style="list-style-type: none"> • Maintain vehicle maintenance performance levels • Communicate with employees • Resolve customer complaints
6. Lack of adequate information	<ul style="list-style-type: none"> • A-76 study quality reduced 	<ul style="list-style-type: none"> • Develop and document estimates • Consider innovative sources

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