



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

August 5, 2004

MEMORANDUM FOR DEPUTY ASSISTANT CHIEF OF STAFF FOR INSTALLATION
MANAGEMENT, UNITED STATES ARMY
DIRECTOR, MANPOWER AND ORGANIZATION, UNITED STATES
AIR FORCE
DIRECTOR, STRATEGIC SOURCING, OFFICE OF THE
ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS
AND ENVIRONMENT)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Oversight of DoD Public-Private Competitions

The Department is committed to measured approach for performing public-private competitions under the revised OMB Circular A-76. A fresh start to our competitive sourcing program is essential to gain the confidence and trust of all affected by public-private competitions (e.g., components, managers, employees, industry). OMB's major revision to the public-private competition process calls for a phased-in approach that is measured with an appropriate level of oversight.

Increased OSD oversight of the initial public-private competitions is necessary to standardize the new approaches to the revised procedures within DoD and to ensure successes are achieved in the first set of competitions. We are obtaining the services of a public relations firm in order to publicize our successes and better educate the public on the value of public-private competition.

Until further notice, DoD Components shall not make public announcement or congressional notification of a public-private competition (standard or streamlined competition) without the concurrence of my office. A table of approved announcements is maintained by my office. The oversight of my office includes, but is not limited to the following public-private competition procedures as required by the revised circular:

- **Pre-competition Requirements for All Public-Private Competitions**
 - The nine Preliminary Planning steps required by the circular
 - Public announcements, congressional notifications, & FedBizOpps notices
- **Streamlined Competitions**
 - Market research used to determine a contract price
 - Agency cost estimate preparation (e.g., MEO/no MEO)
 - Implementation of and accountability for performance decision
 - Annual recalculation of streamlined competition form



- **Standard Competitions**
 - Appointment of Competition Officials
 - Appointment of PWS, MEO, and SSEB Team Members
 - Resources (manpower and dollars) allocated for the competition
 - Initial performance decision
 - Assess performance decisions when no commercial offers received/acceptable
 - Implementation of performance decision
 - Contract awards – Right of first refusal
 - MEO implementation and letter of obligation
 - Post MEO reviews
 - Competition file reviews
 - Reporting requirements (e.g., CAMIS, Best Practices)
 - Maintenance of PWS for all performance periods
 - Recompetition requirements

Other aspects of OSD-level oversight include site visits for a hands-on review of the initial public-private competitions as well as a continuation of our A-76 Transition Team meetings with the appropriate representation from component competitive sourcing, acquisition, and human resource offices. When statutes and regulations impact the circular's public-private competition procedures, it is essential that the DoD Components coordinate any legal interpretations with DoD OGC (A&L), and our office, so that we may promote a consistent approach across the Department.

Our transition phase includes the completion of cost comparisons that continue under the previous circular. Components are reminded that it is essential to comply with the conditions stated in OMB's approval of our deviation request in order to complete any in-progress cost comparisons under the previous circular. If compliance is not possible, a Component Competitive Sourcing Official (CCSO) is required to submit a cancellation request to the DoD CSO.

We believe this deliberate approach provides for a smooth and efficient transition to the public-private competition procedures in the revised circular and anticipate a relatively quick learning curve. We anticipate allowing Components to execute their programs without this additional oversight by the end of December 2004 and expect compliance with the Department's Competitive Sourcing Plan that was approved by the Business Initiatives Council and contained in our budget submission for Fiscal Year 2005.



Joseph K. Sikes
Director, Housing and Competitive
Sourcing