STRATEGY RESEARCH PROJECT

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AN A-76 SURVIVAL GUIDE

BY

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USAWC STRATEGY RESEARCH PROJECT

An A-76 Survival Guide

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ABSTRACT

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Under A-76 Department of Defense (DOD) has outsourced functions to achieve cost-savings while providing a negotiated level of service. There have been many opinions over the years concerning whether the cost savings occur and if the government is given a level playing field to compete with the private sector. Whether those recriminations are true or not, the fact of the matter is outsourcing is here to stay. The bottom line is that when a commercial activity undergoes a study unless the study is canceled a less costly solution will be the result. This is not to say there are not growing pains with A-76 or that the competition and cost comparisons are a smooth journey. My intent is to provide information that might prove beneficial to organizations or installations undergoing A-76. The information containing lessons learned and good ideas should help organizations manage the process more effectively and help the government end up with a better product and competition. The issues that have already been worked and the solutions that organizations have been developed to deal with the issues need not be repeated. Hopefully, this document can provide some assistance to that end.

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PREFACE

I would like to acknowledge first and foremost, the support provided by my wife Patti, who acted as my proofreader, editor and sanity check as I worked through my research paper. I would also like to acknowledge the advice and ideas that came from my faculty advisor, Dr. Greg Baxter, which provided wonderful direction as I worked through my project.

AN A-76 SURVIVAL GUIDE

INTRODUCTION

This document is intended to provide information on experiences that agencies have undergone while dealing with outsourcing or privatization of commercial activities (CA). The document will provide background as to what competitive outsourcing is, what the General Accounting Office (GAO) has found in its review of commercial activities, numerous lessons learned, contracting considerations, and implications for the workforce involved. The paper provides strategies and ideas that organizations developed while undergoing their own cost comparison studies which may be useful to others. The paper will not discuss whether competitive outsourcing is the cost saver it is projected to be or whether the process for competition between government agencies and private vendors is fair. The document's focus is on providing information on how agencies have managed the competitive process and the issues they have dealt with in implementing A-76 type studies. The intent is also to provide some food for thought on what organizations and leaders might do to transition through any cost comparison towards the final solution--whether the agency or the private vendor wins the competition. It will provide some insights on personnel issues inherent in a process of this nature and how agencies have dealt with them. In conclusion, it will provide some thoughts on how organizations might prepare for competitions in the future as outsourcing and privatization become more and more a part of how commercial activities are provided to government agencies, and more specifically Department of Defense (DOD).

A-76 BACKGROUND

Since 1955, the Executive Branch has encouraged federal agencies to obtain commercially available goods and services from the private sector when the agencies determined that such action was cost-effective. Recent federal laws, rules, and initiatives—especially the Government Performance and Results Act of 1993 (GPRA), the Clinger-Cohen Act of 1996, the revised handbook to Office of Management and Budget (OMB) Circular A-76[1], and the Clinton Administration's major management reform initiative--the National Performance Review (NPR)--have given new impetus to federal agencies to operate more effectively and efficiently[2].

Inherently governmental activities, activities that are so intimately related to the exercise of the public interests as to mandate performance by Federal employees, are not subject to commercial activities or A-76[3]. Conversely, when a function is not inherently governmental, it is defined as a commercial activity and may be identified for review and competition. Generally, commercial functions or activities are to be converted to or from contractor performance after cost comparison[4]. A cost comparison is the process whereby the estimated cost of government performance of a commercial activity is formally compared to the cost of contractor performance in accordance with the principles and procedures set forth in Circular A-76 and the Supplemental Handbook[5]. As part of that process, the government identifies the work to be performed—in the Performance Work Statement (PWS)—and prepares an in-house cost estimate, based on its most efficient organization (MEO), and compares it with the proposals from the private sector.

Competitive sourcing and privatization are often used interchangeably with reference to obtaining commercial activities from the private sector. Competitive sourcing is a general term for the process of considering internal and external service providers to determine who can provide a given level of service at the lowest cost[6]. Privatization is commonly defined as any process aimed at shifting functions and responsibilities, in whole or in part, from the government to the private sector[7]. Potential providers for CA include government employees within the organization (in-house providers), government employees in another organization (inter-service support agency (ISSA) providers), and private contractors.[8]

From 1995 through 1999, DOD completed studies on approximately 10,660 positions. In the President's budget for 2001, DOD outlined a plan that would review over 203,000 positions between FY 1997 and FY 2005. The number of positions scheduled for competition between FY 1997 and FY 2003 is more than twice the number competed by DOD between FY 1978 and FY 1996. GAO raised serious questions as to whether the DOD components can in fact identify the expected number of positions for competition in the first place, and whether the competitions can be completed in the anticipated time frame.[9] GAO also had concerns that the savings estimates for completed competitions fail to capture some important costs, particularly initial investment costs to conduct the competition and implement the contract or MEO (e.g., separation costs, hiring costs).[10]

GAO REVIEW ON CURRENT A-76 RESULTS

GENERAL

Section 8109 of the DOD Appropriations Act, 2000 required DOD to report on A-76 studies it had competed since 1995[11]. The required information was concerned with whether the government or private sector was selected and the resulting cost of the operation once the selection was made. It also required information on work that was transferred from the private sector to in-house labor. Finally, it required that DOD provide recommendations for maximizing the possibility of effective competition for work that has been contracted out[12].

GAO conducted a study of the information provided by DOD and pointed out that it could not "be sure of the total accuracy of the data because of historical weaknesses in the services' and Defense agencies' databases used to record information on completed A-76 studies."[13] The recommendations from DOD were based on data that was still subject to uncertainties.

The Commercial Activities Management Information System (CAMIS) is the database that the services use to document the results of their A-76 competitions. Each service and Defense agency maintains its own version of the database including the DOD required minimum set of data elements. Each service must also enter into CAMIS the original manpower baseline and the estimated dollar savings from each of the competitions. Services must also track the actual operating costs from the completed competitions over the past 5 years[14]. Tracking the savings can be difficult however. Workload requirements are subject to change during the life of the contract. The savings calculated from the baseline are no longer valid as the requirements and the costs have been modified[15]. As recently as August 2000, GAO reported CAMIS did not always have recorded information on finished competitions and in some cases had incomplete or incorrect information[16]. GAO noted that limitations in the baseline cost data make it difficult to estimate savings as precisely as suggested by DOD's report.

QUALITY OF THE INFORMATION

There were three main areas of concern in the GAO report involving the exactness of the information used in competitions[17]. First, there was no official policy or guidance for calculating the cost of current operations. This allowed some baseline costs to be calculated using an average of personnel salary and benefits or by using the number of authorizations rather than the number of incumbents. The lack of policy also allowed baseline costs to be developed that were almost exclusively based on personnel costs. Normally 15 per cent of the government's MEO or the contractor's costs are other than personnel costs[18]. Secondly, the cost of doing studies was not taken into account before projecting the savings to be realized. Finally, the situation with the accuracy of the CAMIS data was a concern. Any estimated savings were based on information from a system that contained unreliable data and certainly affected any savings calculations from DOD.

The last two items are critical for organizations that are undergoing A-76 or have completed an A-76 study. Projected savings may not accrue to the extent estimated or in the timeframe suggested. Savings should be realized simply due to personnel reductions, but to what extent personnel savings accrue could be critical to the overall savings. Further, there are up front costs that must be covered that may not have been recognized but are necessary in completing and implementing the results of studies[19].

A-76 LESSONS LEARNED

LEADERSHIP

Privatization can best be introduced and sustained when there is a committed political leader to champion it[20]. GAO conducted a study to update privatization data reported in a 1993 Council of State Government report. GAO found a key lesson learned was that, as an agency or organization goes under the scrutiny of a commercial activities study, it is necessary for the leader of the agency to be the champion of the effort[21]. The leadership must manifest itself and it may be in several ways. For any cost comparison to be effective the leader and leadership must find ways to involve the workforce early in the process.[22] Employees who feel the die is cast may not provide qualitative input to the organization as it builds the MEO. The result would be an MEO that is not truly useful, denying the best possible comparison for the competition. The leader can ensure employees and constituents understand that the organization will be

reduced. The leader can also ensure the employees understand that does not preclude them from being a competitive participant in the A-76 process.

Additionally, in the case of DOD, funding is reduced up-front based on projected savings, generally 20 percent across the board[23]. Knowing that funding will be reduced will, in all likelihood, cause changes that will not allow continuation of the current organization. The leader should strive to gain the support of the employees in order to reduce any initial opposition and get the best possible outcome from the competition. The government will have a less competitive cost comparison if it does not use its knowledge of the business to come to the table prepared.

IMPLEMENTATION IDEAS

EMPLOYEE INVOLVEMENT

The city of Indianapolis is a good example of how to get the workforce engaged and involved in a positive fashion while looking at privatization. City officials empowered the frontline workers to act on their own initiative, provided training and pay incentives for performance, fostered a partnership with the unions and established a safety net for displaced workers[24]. This all came about after the city's management met with the workers and addressed their concerns and got them formally involved[25].

TRAINING FOR COMPETITION

Top city officials concluded that having qualified employees with specific skills related to privatization was critical to successfully implementing privatization[26]. The skills that the officials considered critical for the employees were numerous. Employees needed knowledge of existing government programs, the ability to analyze workflow and processes, the ability to develop methods to eliminate inefficiencies, and knowledge of cost-estimation techniques. Employees also needed the ability to apply methods of financial analysis, the ability to write concise and specific contract requirements to delineate exactly what the contractor would be responsible for, and knowledge of methods for monitoring the performance of contractors[27].

Officials further concluded that privatization skills of its employees had to be improved for the agency to move into a more competitive cost comparison posture.

The workers also needed to prepare for the eventuality of monitoring contractor efforts if the contractor was awarded to the competition. The agency began looking into training for individuals who met its criteria as follow-on if the private sector won the A-76. Employees were being actively engaged in the process and being prepared to perform different roles in the future if required.

SAFETY NET

Programs include offering workers early retirement, severance pay, or buyouts. Other programs include placing workers in other government units if their jobs were eliminated and offering job transition assistance, such as career planning and training, to workers moving to the private sector. GAO reported that employee's concerns were one of the biggest barriers to Virginia's privatization efforts[28]. Virginia passed the Workforce Transition Act, which was intended to mitigate some of the employees concerns with outsourcing by providing transition training and benefits[29].

COMMERCIAL ACTIVITIES TEAM

Army Audit Agency (AAA) reported in its "lessons learned' report that agencies should form a team or group to develop and manage the privatization or outsourcing efforts in support of the political leader's efforts[30]. The concept was mentioned in multiple studies and suggested the agency form a CA team that can develop the PWS and also manage the CA study. The agency should utilize full-time personnel rather than part time personnel. The group must be in-house, knowledgeable about the entire study and the products prepared by any contractors[31]. Additionally, retired civil service employees can be brought in to provide support and expertise to the CA team[32]. GAO and AAA both recommended that a CA team be established and begin its work as soon as it is known that a process or function will undergo CA review[33].

Another suggestion was to form a Commercial Activities Executive Committee[34]. The team members would include the Installation Commander, the Director of the function being studied, contracting officers, civilian personnel, and any major command or activities on the installation to provide executive leadership to the study. Further, an Acquisition Panel should be formed to develop an acquisition strategy to address the issues of a commercial activity business strategy. The panel should look at issues such as: contract type, contract incentives, use and disposition of government property, performance factors, maintenance and/or

replacement of property by the government or contractor, and required interfaces with Management Information Systems[35].

QUALITY ASSURANCE SURVEILLANCE PLAN (QASP)

After the competition the QASP ensures that the contractor or MEO performs in accordance with the PWS and meets the specified performance levels and also identifies discrepancies in the PWS that could raise the price of the contract[36]. The QASP is a management document that describes the inspection methods used, the reports required, and the resources to be employed[37]. The QASP should be supported by a full time Quality Assurance Evaluator (QAE) whose purpose is to survey the contractor's or MEO's performance and ensure the PWS remains valid[38]. The use of the PWS and the QASP leads to more cost-effective contracts. If the contractor wins, proper management of the PWS and QASP can shift some of the manageable performance risk from the government to the contractor[39].

Experience from organizations having undergone competitive sourcing has shown that a CA team using the PWS and QASP effectively can have a positive effect on the contract award and the subsequent performance of the MEO or contractor. The CA teams come at a cost to the agencies involved, however, as they are comprised of personnel normally assigned to other jobs or tasks.

RELIABLE AND COMPLETE COST DATA

As suggested earlier, there are difficulties with the accuracy of the information used to provide the baseline cost data for CA studies. GAO/GGD-97-48 found that several state government's "best estimates" of services were based on cost and performance data that was gleaned from accounting systems that were difficult to work with[40]. Here are some ideas that were generated on how to provide the best possible data for the competition.

ACITIVITY BASED COSTING (ABC) METHODOLOGY

Activity Based Costing (ABC) is an accounting technique that allows an organization to determine the actual cost associated with each product and service produced by the organization without regard to the organizational structure. Resources are assigned to activities. The performance of the activity results in a cost that can be priced, which can be

assigned to the primary output. It is through ABC that an organization can begin to see actual dollar costs against individual activities, and find opportunities to streamline or reduce those costs, or to eliminate the entire activity, especially if there is no, or little, value added[41].

Indianapolis used ABC and was able to identify all activities associated with producing a service or function and to evaluate the resources these activities consumed to achieve various levels of performance[42]. The city trained the workforce in the use of ABC, generated a worker-management team effort and allowed the workforce to compete against private vendors for the services they provided. Indianapolis implemented ABC from its current accounting system (assisted by a private sector ABC expert) greatly enhancing its ability to effectively compete for services. In many cases, an agency can gain "momentum", beginning work on its workload data as soon as a study is announced[43] but the accuracy of the workload data is critical.

CHECK WITH PRIVATE FIRMS

The Virginia Department of Corrections publicly discussed with private firms its plans to privatize its prisons. The Department was better able to comprehend the requirements to be addressed and initial issues that might need to be resolved[44]. Consulting with private firms allowed the Virginia Competition Council to better understand what the PWS needed to contain in order to achieve a viable competitive award that would achieve potential cost-benefits[45]. For any DOD agencies undergoing a CA study, talking with private firms with expertise in that commercial activity would be beneficial. It is another method that allows the government to ensure the requirements in the PWS are completely covered and identified.

BUSINESS PROCESS REENGINEERING (BPR)

BPR is a management approach to improving customer service[46]. It is a fundamental rethinking and redesign of business processes to achieve dramatic improvements in cost, quality, timeliness, and service. BPR's entail reengineering and restructuring activities that make an organization more efficient and/or effective. BPR can include tossing aside old processes and systems, as well as "starting over" to invent a better process for completing work. It focuses on "outcomes" – ultimate, long-term bottom-line results – rather than bureaucratic red tape. It means cutting out any process steps that aren't needed and reducing paperwork to the absolute minimum – or even none at all.

DA issued guidance that MACOMS had the option of establishing command Strategic Sourcing Programs that include both A-76 studies and BPRs[47]. BPR's do not necessarily achieve or generate savings, although that is the intended outcome. The Army sought relief from A-76 studies in April 2000 through the DOD Strategic Sourcing Program asking to use BPRs to supplement A-76 studies. DA ultimately provided guidance that announced A-76 studies would not be cancelled but each BPR conducted would include a plan to identify a future A-76 study[48]. BPR's would be used to find more activities for review and cost comparison under A-76. The Army Outsourcing Plan was revised to include an additional 18,000 positions that will be studied under BPRs, in addition to the 61,000 scheduled for review from FY97-07 under A-76. If an organization does not have BPR expertise in-house, then it must train some of its own employees or contract out to an agency with that expertise. In either case BPR comes at a cost to the organization, either for training in-house employees at the expense of their current jobs, or to pay a contractor. BPR may or may not generate savings although it may provide more effective ways of doing business.

PERFORMANCE WORK STATEMENT (PWS) ISSUES

There are lessons to be aware of when developing the PWS. "Work hiding" is work that is not specified in the PWS. As the gaps are uncovered the PWS must be modified and the costs adjusted upwards. "Work exaggeration" is work that is identified in a PWS yet does not truly require one person 100 per cent of the time to perform it. The bid estimates a workforce larger than actually required to perform at a given level of service, creating an invalid comparison. Either of these flaws compromises the accuracy of the PWS and the subsequent competition or award of the contract[49].

Further, the contract will not be adequate if the duties performed by the military or other borrowed labor are not accounted for in the PWS. Special labor such as prisoners, volunteers and borrowed military personnel must be accounted for, but can be overlooked in terms of supporting the PWS requirement. Failure to account for free labor presents a problem since the A-76 baseline is predicated on the organization's authorizations. One organization reported that up to 20 per cent of its workload performed was through "additional duties"[50]. This situation allows the contractor to appear to be more efficient or cost effective than the government MEO. The contractor, as would be expected, does not bid upon tasks that are not identified in the PWS. Eventually the government agency recognizes the tasks must be done even though they

were not "covered' by the previous manpower authorizing document[51], subsequently increasing the contract cost of the service.

REINVENTING THE PWS WHEEL

The use of a previous PWS as the baseline for establishing what services are currently being performed can be beneficial...or not. An organization should avoid simply using another organization's PWS to meet its needs. This is a poor solution to developing a PWS unless organizations are identical in practically every way imaginable. Still, using an existing PWS can be beneficial as a jumping off point and can save an agency a considerable amount of time--the main ingredient is the uniqueness from the agency's point of view[52]. Army Audit Agency (AAA) in its 1998 report to Assistant Chief of Staff for Installation Management (ACSIM) pointed out that "although...no two installations are identical, certain commercial activity functions involve work and tasks that are the same from one installation to the next...." and suggested that existing PWSs developed at multiple Army installations should have similar associated tasks[53]. The existing statements can help the installation determine what workload data they need to collect. AAA also recommended an agency look at its systems for collecting workload data early on[54] just as the lessons learned from the GAO report on local and state governments found. In fact, having the PWS requirements validated by an outside agency can be beneficial to organizations[55].

Ensure the PWS does not include work requirements that are not also included in the agency's MEO. The MEO will generate lower costs and keep the work in-house if the PWS requirements are not in the MEO, but, if appealed, the contract award might be rescinded and a new competition held, pushing contract award further into the future. If funding has already been reduced predicated on the initial contract award date, any delay in contract award will put the agency in the position of having to resource its current organization with funding based on the projected savings.

Another key consideration for developing the PWS is ensuring there is a strong correlation between the requirements and expected levels of performance in the PWS and QASP[56]. The synergy between the PWS and QASP ensures the contractor performs in accordance with the requirements specified in the PWS and at the recognized performance levels. The PWS is key once again; if the PWS is weak, the ability to conduct QA against it will be poor at best.

CHANGES IN COST VS MISSION

Cost comparison competitions are conducted using a baseline at a specific point in time. Even though they attempt to account for possible or even anticipated changes in the scope of work, projecting all possible contingencies in a contract or MEO is impossible. Regardless, substantial changes in mission will generate modifications in the cost of providing a service[57]. A primary question remains as to whether a cost increase or decrease follows from a change in mission[58]. If some type of costing technique has not been used to price activities, any changes in mission will be difficult to estimate for resultant cost increases or decreases. The problem is how to account for the time and personnel assigned to activities in order to adjust to either an increase or decrease in workload. This accounting might be more readily accomplished if ABC or some other models had been used or were in place through the life of the contract, whether the service is MEO or vendor provided.

Another possibility to be aware of is the "Ripple Effect"[59]. Base functions do not operate individually or in a vacuum. Consequently, any outsourcing initiative or study should be looked at in terms of 2nd and 3rd order effects. For example, as an organization loses military personnel to an outsourcing initiative, there may be a lessened demand for post housing, officer/enlisted facilities, base theaters, bowling alleys, or even military educational programs.

TIMING OF CA STUDIES

Studies result in savings whether the result of the competition is awarded in-house or outsourced to a private vendor[60]. AAA found that the Army studies almost always took more time than the goals set by the army agency responsible for base operations, the ACSIM. The installations and MACOMS anticipated the Army studies would take approximately 50% longer to complete than the goals identified. However, DA removes 20 % in projected savings from the agencies budget, timed on the projected study completion date. If the study takes longer to complete, the agency will be operating at the reduced level of funding yet organized and tasked at its pre-study level of service. For example, the FY99-03 Program Objective Memorandum guidance withdrew more than $1.2 billion from DA CONUS/Installations beginning in FY99[61]. The reduction was based on a projected savings factor of 20 percent of the civilian pay for positions to be studied. The timing was based on the assumption that the savings would occur in two years subsequent to the announcement date of the studies. Due to the delays in completing the studies, agencies were forced to operate at the reduced funding level but were still staffed and organized at the pre-study level[62].

MILITARY TO CIVILIAN CONVERSION

LOSS OF MANPOWER TO THE ORGANIZATION

Historical data suggests a great potential for significant savings by converting military positions to government civilian or contracting positions[63]. An April 1996 GAO report determined that by converting military positions to civilian, whether government or contracted, the government could average 50 percent savings[64]. Even with the estimated savings--an apparently lucrative area--converting the positions could be a time-consuming and difficult process within DOD, since it would involve changing how funding is allocated between two different appropriation accounts—a centralized military personnel account and an installation O&M account. GAO noted that Office of the Secretary of Defense (OSD) pointed out that converting military to civilian was not easily achieved, due to lack of consistent funding for the hiring of civilian replacements, the ongoing civilian personnel draw-downs, and the established congressional minimums for military end strength[65]. Consequently, "without reductions to military end strength authorizations, the conversion of military functions will not produce the expected personnel savings"[66]. The Army now has a commitment to fill TOE units at 100%, but is doing so at the institutional Army's expense[67]. In fact, the first priority in the Army's Transformation effort was to staff the Army's fighting units to 100 per cent by the end of fiscal 2000[68]. Once the manpower is completely consumed from the institutional Army to fill the TOE units, a question arises as to how the institutional Army intends to backfill those vacant positions? Outsourcing or A-76 is a solution, except there are no additional funds provided to either contract out or support with the in-house workforce[69].

RE-GREENING THE SERVICE

As pointed out earlier, the first priority in Army Transformation was to staff the Army's TOE units to 100 percent by the end of fiscal 2000[70]. For the most part, the soldiers moving from TDA positions have not been replaced, generating a need at the affected installations to reengineer their administrative and support operations so that essential services are continued without interruption[71]. This has come at a cost to the installations. However, if the outsourcing process proves unsuccessful or to be a poor idea, the military cannot instantly grow the expertise or experience necessary to perform the function at the termination of the contract. It

could take almost an entire generation to regenerate the expertise in the military before the capability adequately rests within the military workforce[72].

CONTRACT MONITORING AND OVERSIGHT

CONTRACTING ISSUES

GAO/GGD-97-48 states that all six state and local governments interviewed pointed out that monitoring privatized activities is critical[73]. Officials for the reviewed state governments found that contract performance monitoring was the weakest link in the outsourcing process[74]. In many cases the monitoring of contractor performance required more than just a checklist and required a sophisticated level of monitoring. The monitoring may even require analytical skills and possible training to enhance the government worker's skills[75]. Auditing serves as an independent check on the contractor's and on the government's contract managers; and performance monitoring ensures contractor-provided services are meeting contract specifications for time, quantity and quality[76].

Another key to contract monitoring is the PWS. GAO's "lessons learned" noted that if the contract requirements are vague in the PWS, contractor performance is not easily evaluated even by the best monitoring and evaluation techniques[77]. The PWS is a critical document to the effectiveness of the QASP. The QASP then can be a tool used to monitor execution of the contract as applied against the PWS.

CONTRACTING OPTIONS

If an agency outsources, there are several options available for contracting the service. One option is to award a contract; a second is to find an existing contract[78] working with the agencies contract office. Awarding contracts can range from quick and easy to time consuming and difficult to award. There are sole source procurements, which are hard to justify and labor intensive, and open competitions that are more easily processed but must contain inherently comprehensive requirements[79]. Sole sourcing a contract to provide the commercial activities under the A-76 program is very difficult to justify. Consequently, full and open competition is generally the way to go, but if there is a need for a substantial level of commercial activities services the process can be time consuming[80]. If organizations are undergoing A-76, then the PWS will be the document used for full and open competition. As mentioned before, it is critical

to ensure the PWS contains all the information necessary to provide the service or commercial activity bid upon; otherwise, the organization will end up increasing the cost of the contract later or be dissatisfied with the level of service provided.

OMNIBUS CONTRACTING

Omnibus contracts are contracts that have already been awarded and therefore an organization can simply go to the contract, find the services they require and buy them from the existing contract. The office of the Army Assistant Secretary for Manpower and Resource Affairs has a contract, HRXXI, which offers a quick and easy way to outsource work.[81]. The HRXXI Statement of Work covers the entire range of personnel and administrative related functions and is designed to support military services at installation and headquarters level. A benefit of omnibus contracts is they do not require the agency to do the work required to initiate a new competitive contract, saving managers time.

A 1996 internal assessment by Army Forces Command identified several benefits of omnibus contracting. Examples were: a single manager is accountable for performance--efficiencies, such as reduced overhead, are more likely achievable under an omnibus contract than under separate contracts--the flexibility to change the PWS is increased[82]. There can be problems with omnibus contracts as a contracting vehicle. In 1996, the Army awarded five separate contracts to replace an existing omnibus contract for base support services at Fort Irwin, CA. The reason stated was the omnibus contract was too large and unmanageable and the quality of service provided was not maintained for portions of the contract[83].

An agency must look at an omnibus contract in terms of what effect it may have on small businesses. An organization cannot preclude small businesses from competing as prime contractors unless a market research analysis demonstrates significant benefits in terms of reduced costs and adequate services[84]. The contract must not restrict competition due to consolidating multiple requirements under one effort. Therefore, an organization must ensure that the omnibus contract truly represents DOD's legitimate requirements rather than administrative or management expediency or unsubstantiated economy[85].

TYPES OF CONTRACTS

All competitive methods of Federal procurement provided by the FAR are appropriate for cost comparison under the A-76 Circular and the Revised Supplemental Handbook[86].

There are fixed price contracts, cost plus fixed price contracts, and time and material contracts. Fixed prices are generally the best solution for a government agency, since the contractor assumes the risk of performance, meaning the contractor must perform the job within the time and cost that were originally estimated[87]. The difficulty is in ensuring the product and service are well defined at contract award time. A cost plus fixed fee contract places most of the risk on the government, as services that were not initially identified or recognized are added to the fee of the contract as they are defined[88]. In this case, if an organization cannot clearly define its requirements this contract may be useful but it can be costly. In a time and material contract, the government buys contractor time at hourly rates and/or pays for material necessary to execute the contract requirements[89]. In this situation, the agency may have a pretty good definition of the skills required to do the work, but the work itself is not clearly defined nor the amount of time necessary to accomplish it. Just as with the cost plus fixed fee contract, the time and materials contract puts the risk on the government agency rather than the contractor. The agency also places more weight on the qualifications to do the job rather than the product that is produced[90]. All of these types of contracts can be used, but the organization should weigh the pluses and minuses of each to determine which to choose.

CONTRACT TRAINING AND EXPERTISE

In the government there is a general lack of the training and expertise necessary to build a PWS. The PWS may not adequately identify the services required nor provide a good base from which to compete the bid[91]. In most cases, contractors bid on the PWS with a team of experts that have looked at similar PWS descriptions seven or eight times according to Col William Stockman, a leading Air Force outsourcing expert[92]. The contractor often brings experience to the table that the government does not[93]. Personnel assembled by the government will generally prepare the PWS for the first time[94]. This situation can be a critical factor in achieving a valid cost comparison. The contractor's bid will be well prepared and complete with a great degree of accuracy, while the proposal put together by the government may very well be something less. Unfortunately, this situation does not provide a truly competitive contest for the government to win the best service at the lowest possible cost.

CONTRACT SELECTION

Three other contracting issues need to be considered when dealing with a vendor and ensuring the type of contract is adequate for the work to be performed.[95]. Contractors are not going to accept additional work without contract or wage adjustments. The contractor is profit driven. Secondly, the contractor will attempt to maximize profits by offering the lowest level of service that the contract specifies while accepting the price specified in the contract. Lastly, the contractor is going to bid based upon skills, demand, risk and level of competition present in the marketplace. The agency may feel a loss of flexibility, depending on the type of contract awarded.

CONTRACTING MONITOR COSTS

Once a contract is awarded, an agency will incur contract administration costs[96]. A-76 provisions place an upper limit on those contract administration costs that can be included in the cost comparison study, linking them to the number of work years in the MEO bid. For example if the MEO staffing was 100, a maximum of four full-time equivalents (FTEs) can be included in the cost of the government's contract administration[97]. If an agency builds an inadequate PWS, selects the wrong contract type (fixed price, cost plus, or time and material), or has an adversarial relationship with the contractor, the number of personnel to monitor the contract may increase[98]. The number of contract monitors would not agree with the projection under the A-76 provisions.

Another key is to ensure that what an agency evaluates in quality assurance for contract performance is in fact what the agency is supposed to receive. It may be a good idea to contract for the services of an outside agency, government or private firm, to ensure that contract performance standard is adequate and meets the level of service required in the PWS[99]. The outside agency would ensure costs do not escalate and that the government program manager attempts to maximize competition in the future and award of any further contracts. Unfortunately, any sort of outside agency performing this function would probably have to be resourced out of existing funds.

Another important concept to look at is outsourcing as a strategic issue rather than a tactical one. In a short-term relationship, the focus of the government and contractor typically operated in a less than cooperative nature, believing the only way to exist was at the other's

expense[100]. With the contractor performing long-term functions and the government more dependent on contractors for mission accomplishment both parties should be more motivated to work in a collaborative mode.

There are some lessons to be aware of. A firm fixed price contract does not provide a carrot or stick to motivate the contractor. There is no incentive to perform the current level of service better, whether that level of service is adequate or not. On the other hand, the contractor may be living up to the contract admirably but the contract is based on an inadequate PWS basically tying the hands of the contracting officer and the contractor even though they know the mission is not being met.

TRANSITION FROM GOVERNMENT TO CONTRACTOR

Changeover to the contract if won by a private vendor is an area that merits discussion. The government and the contractor should phase the changeover process over several months. A final date should be set for the contractor to assume full responsibility for the activity and any government-furnished property required for performance[101]. However, since the dollars have already been removed from the operating agency's budget, the agency may not have any funding to pay the contractor to come on board any sooner. At the same time, government workers may be looking for jobs in other organizations and leaving the government agency with fewer and fewer personnel to perform its mission[102] prior to changeover.

OWNERSHIP OF THE PRODUCTS

Installations have contracted for technical help to develop products such as the PWS, collect workload and task data, perform the management study, and prepare cost reports[103]. In such cases, installations must understand their roles and responsibilities. There must be a realistic understanding of expectations concerning the contractual support and what the government's role is once the task is complete. AAA notes that when an agency does not manage its contract, the agency may receive products that are not good quality or in the timeframe they envisioned[104]. This is very important as these products are critical to the government's PWS and the development of its' MEO for the cost comparison.

AAA reported, "Some installations didn't understand or couldn't explain the contents of products received from contractors"[105]. That might be the PWS or the MEO but the installation must take ownership and be the responsible agency. If the agency cannot articulate the PWS

designed by outside constituents there is little opportunity for it to win any sort of competition, much less any sort of appeals process that might occur[106].

PEOPLE IMPLICATIONS

IMPACT ON THE WORKFORCE

The impact on employment, pay, and benefits of individual employees affected by A-76 studies varies depending on factors such as the results of the competitions, the availability of other government jobs, and other individual factors, such as retirement eligibility. Pay may also be affected by agencies' locations and the technical nature of the CA tasks that were competed[107].

Employees' concern for loss of their jobs is always a critical factor in any A-76 study. GAO analysis of three completed A-76 studies showed that few employees actually ended up involuntarily out of work. About half of the civilian government employees remained in federal service following the studies, either in the new or another government organization with similar pay and benefits[108]. Most of the remaining employees received cash incentives of up to $25,000 to retire or separate. There were relatively small numbers of involuntary separations[109]. Further, employees who left government service and applied for positions with the contractors who won the competitions were normally hired[110].

Wages and benefits for employees working for private contractors are often governed by the Service Contract Act (SCA) for services or the Davis Bacon Act for construction, which prescribe the minimum pay and benefits for contractor employees under government contracts. The Department of Labor (DOL) administers the provisions of these acts. The DOL also establishes flat hourly rates for skill classification in different geographical areas based on the median level of pay for those job classifications in those areas. This results in some employees making less than they did previously as government employees and others making more. In many instances, former government employees who accept employment with contractors received a cash incentive to leave government service with federal retirement benefits.[111]

MEO WORKFORCE

The Most Efficient Organization (MEO) typically restructures the government unit to perform the work specified in the PWS and the number of employees is reduced to perform the work. Federal employees employment, pay, and benefits may be adversely affected even when the MEO wins an A-76.[112] The ultimate impact on pay and benefits of the affected employees varies, depending on such factors as availability of other federal positions, retirement eligibility, or use of "save pay" that allows federal employees to retain their current pay rate even if they are moved to a lower graded position. All of these provisions are associated with exercising employment rights under federal personnel Reduction-in-Force (RIF) rules[113]. When an MEO wins the competition, a RIF can occur as the organization will be smaller. The RIF might not be as large as employees might think. For example, at Wright Patterson Air Force Base the MEO won and the organization was reduced from 623 positions, both military and civilian, to 345 positions all civilian[114]. The military personnel were reassigned to other duties while 83 full-time permanent civilian positions were eliminated. Only two people were involuntarily separated as 28 employees gained employment in other government positions and the other 53 chose voluntary retirement. GAO also reported that in two studies it conducted less than 10 % of the workforce was involuntarily separated[115].

CONTRACT WORKFORCE

When a contractor wins a competition, the government unit will usually have a RIF and its employees must evaluate their options. In general, this entails obtaining other government employment, retirement, or separation.[116] Separated employees have right-of-first refusal for employment with winning contractors for positions for which they are qualified.[117] The good news for government employees is that the contractors will actively recruit the best of those employees who were either displaced or retired, as they do not usually have a readily available workforce to staff the new organization[118]. Also, by hiring former government employees the contractor receives an experienced workforce and reduces the contractors hiring, recruiting, and training costs.[119]

MEO SPECIFIC ISSUES

The MEO is possibly the most misunderstood part of the A-76 process. It is composed entirely of DOD civilians and placed under the same command structure as the prior

organization[120]. However, the organization has been downsized and structured to perform only those tasks that were specified in the PWS. Commanders may fail to recognize that the MEO is the government equivalent of a contractor and not simply a downsized version of the previous organization[121]. The MEO should be evaluated against the services specified in the PWS, just as a contractor would be, but the MEO is still managed as a government agency. With that in mind, the following paragraphs are issues that the government agency should be aware of if the MEO wins the competition.

RIF ACTIONS

When an agency downsizes to its MEO it is governed by RIF rules. Yet, part of a Civilian Personnel Office's (CPO) effort is to place adversely affected employees in vacant positions. The effort to place employees by the CPO may preempt a manager's discretion to select the best workers, reducing the productivity of the workforce[122]. Since the MEO is resourced at expected performance levels established in the PWS, any reduction in personnel performance caused by RIF placements is critical. Wright-Patterson AFB had this situation occur. Due to a reduction generated by A-76, an organization ran a RIF and was required to retain mainframe personnel but in personal computer positions[123]. The situation occurred because mainframe and personal computer personnel were classified together under the same job description with no differentiation between the disparate skills required. The mainframe personnel had almost no training or expertise on personal computers. The RIF created a frustrating situation both for the employees and management, as personnel were not able to perform adequately in their newly assigned positions. A situation such as this could prove frustrating to those who are expecting a certain level of service. An MEO is no different from a normal government agency or organization as far as RIF actions are concerned.

MEO ENFORCEMENT

A Post-MEO Performance Review is conducted when services are performed in-house as a result of a cost comparison[124]. Typically the formal review and inspection of the MEO should be conducted following the first full year of performance. If the MEO is awarded the competition, only the individual specified in Para 9.a of the A-76 circular or his designee is allowed to conduct the review[125]. There is no Contracting Officers Representative (COR) equivalent to enforce the PWS during the year.

If the MEO works for the same commander who was in charge of the organization prior to its reorganization, the MEO may see itself being tasked to perform work that was not included in the PWS but was required of the previous organization[126]. Instead of the commander viewing the MEO as a contractor, bound within the constraints of the contract, the MEO will continue to be managed as a normal government agency possibly leading to other "duties as assigned". The contractor, on the other hand, would perform no work outside the PWS, and if pressured to do so will simply go to the COR to rectify the matter.

MEO MORALE

Morale is a critical factor for almost any organization. In the government, employees of organizations that are undergoing A-76 studies may worry for their jobs, feel that the work they have done has been unappreciated or not recognized, and just have generally low morale. If the MEO wins, morale could actually dip lower if during the course of the contract if the scope of work is increased but the manpower and budget are not.

Another morale issue is the difficulty for an agency to get experienced civil service workers to agree to help develop the PWS[127]. The employees may not want to provide information that might result in their jobs being outsourced. A valid PWS is necessary for a true cost comparison, but experienced employees are a necessary part of the team required to build an adequate PWS.

Morale can deteriorate in the MEO due to misunderstanding of the MEO's work, additional work not in the PWS but still demanded of the MEO, and the possibility of job loss on subsequent bids. There is also the issue of a "can do attitude". As a government agency, the MEO can be pressured to perform beyond the requirements in the PWS simply due to a military culture that negatively views organizations or personnel that turn down additional duties or assignments[128]. There is no policy in Circular No. A-76 that assigns responsibility for enforcing the PWS and ensuring the MEO is being tasked to perform only those services contracted for. Morale can even be affected in other agencies, as their employees decline promotions and transfers to the MEO due to these issues[129].

The morale of a studied agency cannot be overlooked during the A-76 cost comparison and should continue to be watched if the MEO is selected as the winning A-76 competitor.

TRACKING THE COST OF AN MEO

According to a Rand Corporation study, once a cost comparison is over, the government does not appear to treat an MEO any differently than any other unit; the government manpower office continues to monitor the number of authorizations but not the cost of filling those authorizations[130]. The same study pointed out that, although there was a general sense among functional managers and installation manpower officials that the costs of the MEO were being monitored, no one was able to identify who was doing the monitoring[131]. Yet as pointed out earlier, manpower costs are the primary area of resourcing for either the MEO or the vendor. Consequently, uncontrolled manpower costs can exceed the MEO's budget, eating into the savings that were projected to occur.

MEO STAFFING

With the downsizing of the DOD workforce major commands and installations have imposed hiring freezes and mandatory personnel cuts[132]. If the MEO is not protected from the freezes and reductions then any reduction to the MEO should generate a change to its PWS.

In addition, installations are obliged to fill vacant positions through the priority placement program (PPP) or "stopper list" before hiring outside their competitive area. Rand noted that many functional managers and local CPOs said that regionalization of civilian staffing functions had exacerbated delays in the staffing process[133]. The managers and civilian personnel officials stressed that such delays become extremely important when the winning MEO had been staffed with a substantial number of military personnel. New workers must be recruited to fill those positions[134] and staffing delays, whether from PPP or normal recruitment, affect the agencies' ability to accomplish its mission.

MEO TRANSITION COSTS

Transition costs include the separation costs for civilian employees whose positions are eliminated. Separation costs include Voluntary Early Retirement (VERA), Voluntary Separation Incentives (VSIP), and involuntary separations through RIF procedures. Estimates for each terminated position range from $21,000 in the Army to $33,000 for the Air Force[135]. The issue,

of course, is where the funding comes from to pay these costs, especially since anticipated savings have been removed from the agency's funding.

SHORT TERM COSTS

When the government converts to or from in-house, contract or ISSA performance, there are usually one-time costs incurred[136]. There may be material-related or labor-related costs including health benefits, severance pay, homeowner assistance, relocation and retraining expenses and initial contractor security clearance requirements[137]. In New York, if redeployment was not possible under their civil service law, employees had the option of receiving a financial stipend for an identified retraining or educational opportunity, severance pay or preferential consideration for employment with the contractor[138]. In the case of A-76 under DOD, employees receive severance pay if they are involuntarily separated from government service, but severance pay is not normally in agencies' budgets. As pointed out earlier, the savings expected from the cost comparison have already been removed. Savings larger than the projected amount could be used, if they occur, except that they would accrue in the future and do nothing for a short-term problem. All of these options add up to short-term costs against anticipated long-term savings.

Installation Commanders who are either considering outsourcing or are undergoing CA studies should be prepared for short-term costs even prior to award of the A-76 competition. The costs can be generated when employees depart an activity before the outsourcing actually takes place[139]. The agency may find itself in the position of having fewer personnel than necessary to accomplish its assigned mission and need to buy contractual support. A CA study conducted at a maintenance installation where an outsourcing cost study had merely been announced is an example[140]. Employees began leaving their jobs at the very outset of the study and finding other employment. While the study progressed, the permanent workforce continued to decrease in size. As the personnel left, the maintenance backlog increased. The government had to supplement the in-house workforce by hiring contractors on an interim basis prior to the contract start date. The government ended up paying an additional $550,000 on a $1 million contract to cover the backlogged work[141].

Government employees have a multitude of options for leaving positions that are either undergoing study for outsourcing or are eliminated. A great number of these options generate short-term net costs for the losing activity[142]. For example, under PPP, the losing activity is required to pay travel expenses, moving expenses, and pre-employment physical expenses of

RIF employees[143] but not those who quit. A studied activity that must place employees on a PPP list may also have to pay separation costs if the employee is involuntarily separated from the government. If an MEO fills vacant positions from the PPP list, whether that is due to the A-76 competition or government downsizing, a different sort of action may occur. The MEO may be forced to place employees from the PPP list into lower graded positions, but due to RIF rules must pay the employees at the same pay rate they had in their previous jobs.

Voluntary Separation Incentive Pay (VSIP) may arise during or at the conclusion of the A-76 process. An agency can offer VSIP to employees via resignation, early retirement, or regular retirement, which may reduce the agency's cost to separate employees. By reducing the number of employees on its rolls through VSIP, an agency can avoid or minimize the more expensive involuntary separations. The cost of the VSIP is either the severance pay calculation, $25,000, or an amount determined by the agency head[144]. VSIP or involuntary separation costs are not part of an agency's operating budget. These costs become unfunded requirements that the agency must find a way to resource.

An involuntary separation due to RIF is the most costly short-term cost option of all and the least desirable from a short-term perspective. RIF actions include such short term costs as severance pay, lump-sum leave payments, moving cost, and indirect-non budgetary costs associated with staff time to process and administer a RIF[145].

HUMAN RESOURCE RESPONSIBILITIES

Although outsourcing can increase efficiency and effectiveness, it can also be expected to displace or otherwise disrupt the civil service workforce. Accordingly, a human resource management plan that helps to minimize disruption is an important element in implementing outsourcing decisions[146].

An organization should develop programs that assist its employees' transition when outsourced. The programs might seek to involve the employees in monitoring the privatization effort, they might provide training to help prepare them for privatization, or create a safety net for displaced employees. In DOD, classes may be held on the government's responsibilities or the way the Reduction in Force (RIF) process will work. This is where a command or an organization can be of primary assistance to its employees. Knowledgeable people need to be available to assist outsourced employees and to transition them to either retirement or new jobs[147]. In the case of six local and state governments, all had developed workforce strategies

to complement their privatization efforts[148]. Importantly, most agencies felt these efforts were necessary to not only bolster support among the in-house workforce but also aid in the transition to a competitive environment.

Agencies not only need to build programs, but to encourage outsourced employees to be prepared to leave the agencies. Agencies must convince employees to deal with the reality that their jobs are going away. Employees can hurt themselves if they delay necessary decisions and do not confront their new status as soon as possible. Agencies should ensure affected employees come to the realization as early as possible that they will need to adjust to their new job status.

Civilian personnel offices may not be staffed or resourced to handle the amount of human resource work that could occur due to RIF actions from an A-76 cost comparison. The CPO might have to place some of its day-to-day operations lower on its work priority lists to adequately support the agency's RIF employees. The effort to support those employees affected by the A-76 would be well spent as current employees are aware that the government continues to look at outsourcing more functions.

CONCLUSION

THE SAVINGS BUGABOO

Projected savings for future competitions are based on calculations using historical data from the CAMIS database and applying the savings rate to future competitions[149]. The cost estimates include personnel costs (both direct and indirect). The projections assume that current opportunities for cost savings are consistent to previous savings.

However, per GAO, the projected savings often fail to account for the costs of retained grade and pay, future wage increases mandated by Office of Personnel Management (OPM) or the Service Contract Act (SCA), or the expected value of contractor bonus payments or award fees[150]. Other costs common to MEO and contractor operations, such as utilities, facilities, and maintenance, are normally excluded from the cost comparison[151]. Such costs can endure for several years. GAO expressed concern with the quality of the savings estimates. Even though the projected savings may not account for all the costs, the agency that underwent the A-76 cost comparison will be expected to operate within the budget guidelines based on those projected savings.

Contract costs can escalate over the life of the contract, paying for additional work that was not stipulated in the original contract. While the cause might be that a contractor underbid the work or the government provided an inadequate PWS, the impact is on the projected savings that were calculated from baseline data. Such escalation is recorded in the contract file, but it would not be reflected in the CAMIS records upon which the projected savings of other A-76's are calculated[152]. The eventual effect would be erroneous savings projections that would reduce funding in other agencies' budgets undergoing a similar A-76 study.

When the PWS reduces the scope of work relative to the baseline organization there is a particular concern that the estimated cost savings will not be achieved or sustained[153]. The scope could be enlarged again, leading to an increase in the costs of either the MEO or the contract. Alternatively, rather than increasing the cost of the contract or MEO, the work might be reassigned to other agencies, who then assume the costs of the work. In this situation, the cost of the increased scope of work would be masked in the budgets of the agencies that inherited the work and the projected savings would be overstated[154].

When agencies undergo A-76 they may or may not achieve the projected savings immediately. Commanders or agency leaders need to be aware of that possibility. Organizations must be able to account for short-term costs and any miscalculations in projected savings. The organization can then determine how long they may have to operate "in the red" before they truly see the savings that either an MEO or a contractor should provide. Since the savings have already been taken from the appropriate accounts, organizations may be left in the position of having to absorb shortfalls for the first several years of the contract.

LESSONS LEARNED FROM PREVIOUS A-76 STUDIES

Outsourcing can best be introduced and maintained where there is a committed leader and leadership to champion it. There are organizational steps to be taken to execute the outsourcing effort and can come from many different angles. Organizations need to find ways to ensure their cost data is the best and most accurate information possible. Without it the competition can devolve into the classic case of "garbage in, garbage out". The workforce needs to be considered in all of this and strategies developed for its transition or even its help in the competition. If the private vendor wins, then the government's role switches from being the service provider to ensuring the service provided is of the quality contacted for.

CONTRACTS

Over the past 10 years, the Army has amassed vast experience in outsourcing support functions to the private sector[155]. Yet, an agency's lack of knowledge concerning the contracting environment can cause difficulties during the contracting process. The agency should know the advantages and disadvantages of the contract types available and utilize them to its advantage. The agency should understand how the contract competition works in the market place and ensure the government gets a fair price through a good cost comparison evaluation.

Once a contractor is onboard, the agency must ensure that the contractor continues to meet the performance levels specified in the contract and provides the level of service necessary to meet the mission. Constant vigilance should be maintained to continue to meet the cost reductions that were the driver to begin with.

LOYALTY

Loyalty can be an issue not only from a civilian perspective, but from a military one as well. Officers and enlisted service members wonder if their positions will be outsourced in the future and there will no longer be a need for their skills in the military[156]. Service members are concerned that the function will be contracted out entirely in the future leaving the service member with no career or opportunity for career progression[157]. Also, although the positions that were formerly filled by military are not lost, the incumbents are transferred to another other units which may come under A-76, leaving the service member in the position of being outsourced once again[158].

Results of downsizing have shown a reduction in civilian loyalty to the agency undergoing the A-76[159]. Since the employees feel that the agency demonstrated no loyalty to them, they show no loyalty in return. In fact, employees may start leaving an organization as soon as a study is announced[160] which is an indication that loyalty may become an issue. Agency leaders must be prepared to deal with the eventuality.

Word count is 11,234.

ENDNOTES

[1]In March 1996 OMB revised the A-76 supplemental handbook to improve the government's ability to use commercial services or retain the services in-house but at a more cost-effective means.

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[84]Ibid.

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[116]Ibid.

[117]Office of Management and Budget, 5.

[118]General Accounting Office, DOD COMPETITIVE SOURCING, 7.

[119]Ibid.

[120]Lavadour, 66.

[121]Ibid.

[122]Albert A. Robbert, Susan M. Gates, and Marc N. Ullam, Outsourcing of DOD Commercial Activities, Impacts on Civil Service Employees, (Washington, D.C.: Rand Corporation, 1997), 46.

[123]Lavadour, 35.

[124]Office of Management and Budget, 14.

[125]Ibid.

[126]Lavadour, 37

[127]Albert A. Robbert, Susan M. Gates, and Marc N. Ullam, 49.

[128]Lavadour, 68.

[129]Lavadour, 67.

[130]Susan M. Gates and Albert A. Robbert, 52.

[131]Ibid.

[132]Ibid., 53.

[133]Ibid.

[134]Ibid.

[135]Allen, 15.

[136]Office of Management and Budget, 26.

[137]Ibid.

[138]General Accounting Office, Privatization Lessons Learned, 16.

[139]Loan, 21.

[140]Ibid., 30.

[141]Ibid.

[142]Ibid., 21.

[143]Ibid., 22.

[144]Ibid., 24.

[145]Ibid., 29.

[146]Albert A. Robbert, Susan M. Gates, and Marc N. Ullam, 36.

[147]Loan, 42.

[148] General Accounting Office, Privatization Lessons Learned, 14.

[149]Susan M. Gates and Albert A. Robbert, 22.

[150]Ibid.

[151]Ibid. 22.

[152]Ibid., 23.

[153]Ibid.

[154]Ibid.

[155]Harvey, 39.

[156]Lavadour, 50.

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