

Questions and Final/Official Answers
IM/IT Industry Forum
08 December 2004

We encourage you to review these questions and answers as they may have been supplemented since the Industry Forum.

1. Question: Please explain the 10% or \$10 million mentioned in the A76 circular regarding the MEO?

Answer: Paragraph D.5.c(4)(c) of A-76 Circular Attachment B states that all standard competitions shall include the "conversion differential," which is the lesser of 10% of the MEO's personnel-related costs or \$10 million over all the performance periods stated in the solicitation. The conversion differential is added on to the non-incumbent's performance cost for purposes of cost comparison to "preclude conversions based on marginal estimated savings." In addition, the FY05 Department of Defense Appropriations Act (108 PL 287) provides, in part, that a function of the Department of Defense performed by more than 10 DoD civilian employees cannot be converted to contractor performance unless the cost of performance of the activity "by a contractor would be less costly to the Department of Defense by an amount that equals or exceeds the lesser of -- (A) 10 percent of the most efficient organization's personnel-related costs for performance of that activity or function by Federal employees; or (B) \$10,000,000."

2. Question: Will USACE provide "actual" spend data for IT spent over the last 3 years?

Answer: No. Baseline cost data for FY03 was provided in the preliminary planning report, which is posted on the Baltimore District website.

3. Question: Will USACE also provide the current "projected" budgets that exist for IT at the Corps?

Answer: No

4. Question: Will USACE provide "current" actual service levels that the Corp's IT is able to deliver (this would be in addition to the "desired" service levels)?

Answer: No

5. Question: Will USACE provide a breakdown of projected/current staffing levels from each IT area (by skill set)?

Answer: FY03 staffing levels are in the preliminary planning report, which is posted on the Baltimore District website as well as the HQ USACE website. This data will not be supplemented.

6. Question: What part of the \$118 million public reimbursable workload, if any, will be included in the PWS?

Answer: The majority of the workload will be included. The solicitation will identify all currently public reimbursable workload that is subject to the competition.

7. Question: You have in the Corps of Engineers plan, that was put out on the web, three categories. You said 1500 FTE's, now it appears to be 1300 FTE's. There's the contracted out work and there's the reimbursable, which is public reimbursable. That's contracts that go through various agencies – some that showed up on the slide show. The largest part is through GSA. A lot of those go to major IT contractors and that's just GSA. So it's using a GSA MOBIS or IT vehicle. Is that going to be part of the PWS or will that be managed by the MEO?

Answer: Yes, with the exception of the current JWOD contractors that are on the procurement list. Those contracts and those services that are provided by JWOD contractors and some Enterprise-wide AIS contracts are not included in the competition.

8. Question: Will the RFP identify pertinent external/internal audits of USACE IT operations? Further clarification: There have been some significant audits by GAO and DoD/IG plus internal audits that address the IT operations. Are those going to be listed or synopsised in the RFP? These audit reports are public information and releasable.

Answer: No

9. Question: Have you determined a database? Further clarification: Has a standard database that everyone will use been addressed?

Answer: No

10. Question: Why were the applications maintenance excluded from the opportunity?

Answer: The maintenance for the applications will not be excluded. There are some AIS' (software) that are excluded but systems administrators will be required to support these applications.

11. Question: Are members of the PWS Team all IT staff or do they also come from the "customer side – e.g., Admin & Engineers?

Answer: All the PWS Team members are IT specialists from the affected area. Subject matter experts, who are not IT specialists have assisted the PWS Team. Additionally, a Customer Review Team comprised of the end users of the IT services and products assisted in the review process.

12. Question: Will Phase-In Plan cost be included in the Industry Price Evaluation?

Answer: Yes

13. Question: Why is there a 2 to 3-month gap between performance decision and CA and/or Award Announcement? Is this to allow for potential protests?

Answer: There are a number of steps required before award announcement, such as Congressional notification, economic effects analysis and reporting, and Union negotiations.

14. Question: How does “one award based on lowest price..” reconcile with “completeness, reasonableness, and realism”?

Answer: Proposals will be evaluate not only for cost but also for cost realism to ensure an offer has a reasonable proposal. Once that analysis is complete and it passes the reasonable/realism test, that cost is fed into COMPARE. The proposal will go through the formula and then the final cost that comes out is the one that is written on-line. Where are the different lines if you are an MEO or contractor? The reconciliation is we are not going to accept merely at face value a cost proposal. We are going to look at the proposal. We are going to have a team of individual cost analyst decompose that and look at that for realism, reasonableness, and completeness.

15. Question: In Dr. Rich’s presentation, slide 6 refers to transition plan. Slide 12 refers to phase-in plan. Are these the same or different? What are they? What timeframes do they address?

Answer: A phase-in plan is the prospective provider’s plan to initiate performance during the first performance period. Circular Definition: A phase-in plan is the prospective provider’s plan to replace the incumbent provider(s) that is submitted in response to the solicitation. The phase-in plan is implemented in the first performance period and includes details on minimizing disruption, adverse personnel impacts, and start-up requirements. The phase-in plan is different from the employee transition plan developed by the Human Resource Advisor (HRA). The employee transition plan is the agency’s plan to transition the agency’s civilian employees to an MEO, or to the private sector or to public reimbursable performance. Circular Definition: An employee transition-plan is a written plan developed by the HRA for the potential transition of the agency’s civilian employees to an MEO, or to private sector or public reimbursable performance. This plan is developed early in the standard competition process, based on the incumbent government organization, to identify projected employee impacts and the time needed to accommodate such impacts, depending on the potential outcomes of the competition. The employee-transition plan differs from a phase-in plan, which is developed by prospective providers responding to the solicitation.

16. Question: Will contractors be given access to the various plans in the PWS electronically or hard copy?

Answer: The PWS and the exhibits will be issued in a .pdf format.

17. Question: Will site visits for data call purposes be scheduled? Please expand on process?

Answer: Yes. It is anticipated that a number of site visits will be schedule.

18. Question: Would you consider a 2-year base period considering the transition period time frame may encompass a good portion of the base year?

Answer: No. The transition period is separate from the first full period of performance. If the transition phase is planned for a six-month period, then the performance period will be six months plus the base year, plus the four option years. The transition period does not impinge on the full performance period of the contract.

19. Question: Will there be a proposal page limitations?

Answer: Yes. However, industry is requested to provide input on what you think the page limitation should be.

20. Question: What contract vehicle is planned?

Answer: A hybrid of cost-reimbursable/fixed price is planned. It will not be an Indefinite Delivery/Quantity type delivery order contract.

21. Question: Will this effort supplant the 500+ contractors currently supporting USACE (per slide 3 of PWS Team Brief)?

Answer: Contractors will be affected as existing contracts expire and are reviewed for renewal.

22. Question: Will interim clearances be accepted while the security assurance background investigations are in process?

Answer: Yes, the answer is listed in the appropriate Army Regulations (AR 380-67). In Section IV, Security Clearance, 3-400. General: b. Military, DOD civilian, and contractor personnel who are employed by or serving in a consultant capacity to the DOD, may be considered for access to classified information only when such access is required in connection with official duties. Such individuals may be granted either a final or interim personnel security clearance provided the investigative requirements set forth below are complied with, and provided further that all available information has been adjudicated and a finding made that such clearance would be clearly consistent with the interests of national security.

23. Question: What is the highest security clearance that will be required?

Answer: A top secret.

24. Question: Will the Gov't provide a Bill of Materials (BoM) of the existing architecture?

Answer: A technical exhibit will list all of the government furnished equipment and hardware and software. There will also be an exhibit that describes the USACE Architecture.

25. Question: Why is the MEO excluded from meeting certain requirements? Not a level playing field, is it?

Answer: The requirements of what the MEO is excluded from is stated in the OMB A-76 circular. These exclusions can be found on page B-8 of the circular

26. Question: Will offers manage small business directly, including establishment of subcontracts, and oversight, or will Corps directly award to smalls?

Answer: A large prime or any prime contractor will assemble his team, whether it's a small or a large business. The government is not going to dictate what types of work must be performed by small business. The contracts that are awarded to the smalls, will be from the prime contractor. The government does not have privity of contract with the subcontractors. The prime is responsible for their subcontractors and for the adequacy of their performance. USACE will monitor the utilization of small business.

27. Question: Will there be award fee incentives for meeting small business subcontracting goals AFTER award.

Answer: Yes, the incentives will be part of the award fee board. The award fee plan will be published as an attachment to the RFP when it is issued in May, 2005.

28. Question: Can a small business serve on multiple teams? For example: both the government team and the prime team?

Answer: Yes. There is nothing to prohibit a small business from marketing themselves/submitting proposals to both the MEO and other prime contractors.

29. Question: There was not a small business percentage allocated specifically for 8(a) companies as part of the utilization of small businesses. It appears that every other socio-economic class of small business was represented. Is this an intentional decision or an oversight? (Reference chart #8 in Jim Rich's briefing).

Answer: 8(a) firms are Small Disadvantaged Business firms. There is a goal for Small Disadvantaged Business subcontracting which is 20%, that is a subset of the 60% small business goal.

30. Question: Is the whole contract suppose to be offered to "1" company? If "1" company is awarded, how will they regulate small business/subcontracting?

Answer: Yes. There will be evaluation criteria for Utilization of Small Business, which will be part of the pre-award. There will also be a subcontracting plan that is required prior to award of the contract. There is an award fee that will be included in this contract and part of the determination of the award fee will be small business utilization. Subcontract reports are required for all awards over \$500,000 for services. Compliance reviews will be conducted to ensure that small businesses are being used as the contractor proposed. This review will be part of the award fee analysis.

31. Question: Your 60% small business goal. Is that 60% of all work to be performed or 60% of the subcontracting plan?

Answer: The small business goals that we set forth in the solicitation are subcontracting goals.

NOTE: The small business goal has been changed, effective March 2005, from 60% of the subcontracting dollars to 25% of the total contract amount.

32. Question: If the MEO is successful, will the requirement be recomputed in 5 years?

Answer: The Competitive Sourcing Official has the discretion to extend the performance of a high-performing organization, the MEO. If the MEO is a high-performing organization, the official can extend it up to three years if he determines that the continued cost savings justifies the extension. Paragraph E.5.b. of A-76 Circular Attachment B (page B-19), states that the Competitive Sourcing Official may extend the performance period of the MEO if it is a high performance organization and he determines that "(1) continued cost savings justifies the extension; (2) documents these savings through the use of COMPARE generated SCF or SLCF; (3) limits the extension to no more than 3 years after the last performance period; and (d) makes a formal announcement of the extension via FedBizOpps.gov."

33. Question: Will contractors currently supporting USACE in engineering contracts be subjected to limitations based on conflicts of interest? Example: HTRW ID/IQ contractors are evaluated using ACASS/CCASS that will be merged with this contract.

FOLLOW-UP/CLARIFICATION OF QUESTION: The SP under this contract will manage systems that have a significant amount of sensitive data including program values, competitor performance data (ACCASS/CCASS), etc. Our company currently does a significant amount of engineering business with the Corps of Engineers. I am concerned that a perception of conflict of interest may arise if another of our subsidiaries is selected as part of the Service Provider team. What, if any, limitations will be placed on engineering contractors who may be perceived to have access to the sensitive data management systems under this contract? As a minimum, each contractor should be required to expose any such conflicts and present a conflict of interest management plan as part of the proposal. Better yet, the Corps should stipulate minimum acceptable measures for addressing potential conflicts of interest as we will be asking our management to make a significant investment in proposal development that they may be reluctant to make if the conflict of interest issue will be part of the proposal evaluation. I have attached some Air Force language that was included in a previous A76 solicitation for Environmental Management Services where I held an existing remediation services contract.

H – 900 REMEDIAL DESIGN DEVELOPMENT/REMEDIAL ACTION PROJECTS
FEB 2000

Notice to all potential offerors, in the event this solicitation is awarded to an Offeror currently performing Environmental Support Program (Remediation) services at Tinker AFB the following provision applies:

a) Definitions:

(1) For the purpose of this clause, remedial design development means the preparation of plans, specifications/drawings, statements of work, and funding/budget documents dealing with remedial action.

(2) For the purpose of this clause, remedial action means the construction of cleanup technologies and treatments that remediate the contaminated environment.

b) As a result of the present A-76 Cost Study, work currently performed by OC-ALC/EM employees generating Remedial Design Development/ Remedial Action Projects that result in Task Orders for the above mentioned program could shift to performance by the Environmental Management contractor's personnel. Performance of such duties by contractor personnel creates a potential Organizational Conflict of Interest (IAW FAR 9.505, 9.507, and AFMC FAR 5309.507-90(a) and 5315.209-90(l)). To alleviate such a conflict, the following measures shall apply.

c) The contractor performing the Environmental Management Function, OC-ALC/EM (including subsidiaries and affiliates) shall not be allowed to receive award of Task Orders for the Environmental Support Program (Remediation) (IAW FAR 36.209 and FAR 36.606(c)). This restriction is not subject to negotiation and is effective for the life of this contract.

d) However, if the Government deems it essential, the Environmental Management contractor could be allowed to receive award of a follow-on/specialized Task Order to an Environmental Support Program (Remediation) Task Order previously awarded to that contractor.

e) Further, the restriction set forth in paragraph c., above, does not apply to Environmental Support Program (Remediation) Task Order requirements that are generated by the current Architect & Engineering Environmental Services Program contractors (excluding the awardee of this requirement if they hold an A&E contract), where those contractors are responsible for developing the Design, Specifications/Drawings, Statements of Work, Remedial Action, and funding/budget documents.

Answer: Issue resolution is still being investigated and the decision will be addressed in the Performance Work Statement.

34. Question: Will internal firewalls be acceptable management practices?

Answer: Firewalls have been established between the MEO team and PWS team, and their respective advisors and consultants to ensure the integrity of the competition. However, the firewalls that are currently in place will no longer exist once the performance decision has been made and implemented.

35. Question: Please explain MEO a little more – Where in organization? Who? Structure? Team Members? Etc.

Answer: The Most Efficient Organization (MEO) is defined in paragraph D.4.a.(1)(a) of A-76 Circular Attachment B (page B-10), as “an agency’s staffing plan as identified in the agency tender.” It further states that the MEO is a “product of management analyses that include, but are not limited to, activity based costing, business case analysis, consolidation, functionality assessment, industrial engineering, market research, productivity assessment, reengineering, reinvention, utilization studies, and value engineering...”The MEO may be comprised of either government personnel or government personnel and MEO subcontracts. With respect to the members of the MEO team, paragraph D.2.b., Attachment B (page b-7) states, in part, that after the public announcement of a standard competition, the Agency Tender Official (ATO), appoints an MEO team to assist him in developing the agency tender. The MEO team is comprised of government employees who are technical and functional experts in the activity being competed, and in other areas such as management analysis, position classification, work measurement, etc.

36. Question: Technical factor description does not drill into “technical”. It drills more into organization and management. Need to look into if related core competencies (e.g., outsourcing, ITIL, system management, consolidated, etc.). Look at the items currently listed in Management Factor.

Answer: The evaluation factors are not final. The final evaluation factors will be issued in the RFP. If you have questions after the final RFP is issued and feel that the technical factor is still asking management type information, then you need to advise us.

37. Question: Who decided on what company will assist the MEO?

Answer: The ATO determines whether the MEO will comprise of either government personnel or a combination of government personnel and MEO subcontracts. If the MEO consists of a mix of government personnel and MEO subcontracts, the ATO will select the subcontractors in accordance with the A-76 Circular and Federal Acquisition Regulation (FAR).

38. Question: Based on current performance, is the MEO already determined to be technically acceptable?

Answer: No. Under the previous circular, the proposals were evaluated against each other and then the best proposal was evaluated against the MEO proposal. Under the current circular, the MEO is treated just like the public/private organizations. Mr. Coakley, as the ATO, is considered the “CEO” of the government organization.

39. Question: The PWS is very generic and covers what you do today. Requirements for a future architecture (to be) are not included. Do you expect to modify the PWS to reflect future requirements?

Answer: Yes. Industry is expected to provide innovative ideas when the proposals are submitted.

40. Question: Is the Government interested in alternative contracting methods such as leasing equipment, leasing service, (mostly fee for service), etc.

Answer: Yes, we are interested in all creative solutions.

41. Question: Will a list of attendees at today's conference be published?

Answer: Yes, a list of all attendees, the slides, and a transcript of the forum will be posted on the website.

42. Question: Is the Government interested in more cost effective technical solutions? If so, will the Government accept recommendations for changes to the PWS reflecting new technical capabilities?

Answer: The Government is most interested in more cost effective solutions. The Government will review any and all recommendations for changes to the PWS for new technology.

43. Question: Inconsistency – Other documents site 500+ contracts. Today's presentation says 500+ contractors are affected. Which is correct?

Answer: The bundling analysis identified approximately 1200 contracts that were awarded for these services under the competition. Of those 1200 contracts, there are approximately 500+ contractors. Some contractors have more than one contract with USACE. Please note that some of the contracts are for supplies and not just all services.

44. Question: What is the current % of small business contracts that USACE has included in the A76%?

Answer: This is stated in the Bundling Analysis, which will be included as a Technical Exhibit.

45. Question: Will the RFP identify those USACE entities currently using or planning to use records management software?

Answer: Yes, all software currently being utilized by USACE will be included in a technical exhibit.

46. Question: When will the Government provide information on performance measures, etc.?

Answer: The Performance Measures will be a technical exhibits, which will be issued in the 2nd draft PWS.

47. Question: Will some contracts be allowed to go beyond the transition period or just to a certain point through the transition period or could you kind of clarify how it will be determined when existing contracts are over?

Answer: My current understanding is that we are not going to terminate contracts but we will allow contracts to expire in the natural order of options not

being extended and so forth. It is conceivable, depending upon the period of performance of the phase in plan, that some contracts may actually extend beyond that. What we have asked the Acquisition Community and the IM Community to do is to look at the contracts that they have and manage them. Start six months ago, start to manage those knowing that there's a mark on the wall for a service provider to take over. We don't want to get into the business of terminating contracts and going through all of that. So I think what we are going to try to do is successfully manage the operations that are out there understanding that there will be here and there some people that they may move over into – and that's going to have to be worked out between the contractor and the service provider. There may be a separate arrangement there but we're not going to do wholesale T for C's.