



**STRATEGY
RESEARCH
PROJECT**

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**A-76 IMPLEMENTATION AND IMPLICATIONS
FOR THE U.S. ARMY**

BY

LIEUTENANT COLONEL CHARLES D. ALLEN
United States Army

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LIEUTENANT COLONEL CHARLES D. ALLEN
UNITED STATES ARMY

Colonel David Cripps
Project Advisor

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U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

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ABSTRACT

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Reduction of expenditures in base support coupled with effective business practices that attain quality facilities and services while supporting readiness are the goals of any installation commander, regardless of service. The A-76 process has been a strategy (**way**) directed by the Executive Branch and Congress to support these goals. Although there have been substantial cost savings attributed to the A-76 process, its contribution to readiness, quality of life, and mission has not been established. Key components of any reengineering action are to define goals, establish standards and metrics, and evaluate performance against those metrics. This paper explores the following: how A-76 has been implemented across Department of Defense (DOD) and within the Department of the Army (DA); metrics in place to evaluate performance of activities after implementation of A-76 results; the lessons learned; and implications for U.S. Army as it pursues A-76 goals. The methodology includes an examination of A-76 materials (Federal Mandate and DOD/DA guidance), presentation of A-76 results within DA, and review of independent studies of A-76 implementation.

TABLE OF CONTENTS

ABSTRACT	III
ACKNOWLEDGEMENTS	VII
LIST OF ILLUSTRATIONS	IX
LIST OF TABLES	XI
A-76 IMPLEMENTATION AND IMPLICATIONS FOR THE U.S. ARMY	1
A-76 GUIDANCE AND IMPLEMENTATION	2
OMB AND CONGRESSIONAL GUIDANCE.....	2
DOD GUIDANCE.....	4
DA IMPLEMENTATION.....	5
DA REPORTS	7
STANDARDS OF PERFORMANCE.....	8
INSTALLATION STATUS REPORT.....	9
ISR ASSESSMENT.....	9
SERVICE BASED COSTING.....	11
SBC ASSESSMENT.....	12
RESULTS OF INDEPENDENT STUDIES	12
ARMY AUDIT AGENCY REPORT.....	12
AAA OBSERVATIONS.....	13
AAA RECOMMENDATIONS.....	13
GAO REPORTS.....	14
GAO OBSERVATIONS.....	14
RAND CORPORATION REPORTS.....	16
RAND OBSERVATIONS.....	16
THE CENTER FOR NAVAL ANALYSES (CNA) CORPORATION REPORT.....	18
CNA OBSERVATIONS.....	19

EMERGING THEMES.....19
IMPLICATIONS FOR THE ARMY.....20
THE ROAD AHEAD.....23
CONCLUSION.....24
ENDNOTES 25
BIBLIOGRAPHY..... 29

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LIST OF ILLUSTRATIONS

FIGURE 1. ARMY A-76 TARGETS 6

LIST OF TABLES

TABLE 1. DEPARTMENT OF THE ARMY A-76 STUDIES FY97-PRESENT 8

TABLE 2. DEPARTMENT OF THE ARMY COMPLETED A-76 STUDIES FY90-PRESENT 8

A-76 IMPLEMENTATION AND IMPLICATIONS FOR THE U.S. ARMY

As the U.S. Army enters the 21st century, many challenges must be addressed. To be the world's superpower and to attain our national objectives requires continual assessment of the national security strategy and the national military strategy as the means and ways to achieve them. As reflected in the 1997 Quadrennial Defense Review (QDR), opportunities must be realized from the revolution in military affairs (RMA) and the revolution in business affairs (RBA).¹ RMA is defined as a "discontinuous increase in military capability and effectiveness arising from simultaneous and mutually supportive change in technology, systems, operational methods, and military organizations. The current RMA is characterized by four types of changes: extremely precise, stand-off strikes; dramatically improved command, control, and intelligence; information warfare; and nonlethality."² The RBA includes: reducing overhead and streamlining infrastructure; taking advantage of acquisition reform, leveraging commercial technology and dual use technology; reducing unneeded standards and specifications; and utilizing integrated process and product development.³

Exploiting RBA through reengineering DOD infrastructure, outsourcing, and privatization of non-core activities (among other initiatives) is needed to achieve the annual \$60 billion goal for procurement funding for the Department of Defense while remaining within the relatively fixed top line of obligation authority. In addition, the Army projects a \$20 billion requirement for modernization as it pursues its Transformation. Secretary of Defense Cohen gave guidance to "deregulate defense just as we have deregulated many other American industries so we can reap the cost and creativity benefits of wide-open competitions."⁴ As such, RBA directly contributes to the resourcing (**means**) which supports readiness, quality of life, and mission requirements (**ends**) of our Army.

Key to these three pillars is the conduct of base support for Department of Defense (DOD) and Department of Army (DA) organizations. Reduction of expenditures in base support coupled with effective business practices that attain quality facilities and services while supporting readiness are the goals of any installation commander, regardless of service. The A-76 process has been a strategy (**way**) directed by the Executive Branch and Congress to support these goals.

Although there have been substantial cost savings attributed to the A-76 process, its contribution to readiness, quality of life, and mission has not been established. Key components of any reengineering action are to define goals, establish standards and metrics, and evaluate performance against those metrics. This paper will explore the following: how

A-76 has been implemented across DOD and within DA; metrics in place to evaluate performance of activities after implementation of A-76 results; lessons learned from the implementation of A-76; and implications for the U.S. Army as it pursues A-76 goals. The methodology includes an examination of A-76 materials (Federal Mandate and DOD/DA guidance), presentation of A-76 results within DA, and review of independent studies of A-76 implementation.

A-76 GUIDANCE AND IMPLEMENTATION

OMB AND CONGRESSIONAL GUIDANCE

In 1966, Office of Management and Budget (OMB) issued Circular *A-76 Performance of Commercial Activities*, which established the policy for acquiring commercial activities. In 1979, OMB issued procedures for A-76 cost comparison studies to determine whether commercial activities should be performed by the government, by another federal agency, or by the private sector.⁵ This competitive sourcing process seeks to determine the most cost effective method of obtaining services that are available from the commercial market.

Competitive sourcing differs from outsourcing where outsourcing implies that in-house (i.e., within the government) workload will be contracted out after the study is complete. Competitive sourcing studies can result in activities being performed either by in-house or by contract personnel. This also differs from privatization in that the government does not relinquish ownership or control of the commercial activity.

Major revisions to the basic circular have been made over the past years. The intent has been to simplify the cost comparison procedures and reduce the administrative burden of the A-76 process. OMB's purpose for A-76 was to provide an additional resource that federal managers could use for sound business decisions and to enhance performance by introducing competition and choice.⁶

There are three types of A-76 studies: full cost comparison, streamlined cost comparison, and direct conversion. Streamlined procedures may be used for activities involving 65 full-time equivalent (FTE) positions or less. Direct conversion is permitted for a function with 10 FTEs or less without a cost comparison and/or converting small contracts to in-house performance. In addition, military positions may be directly converted to civilian without A-76 cost studies.⁷

The Federal Activities Inventory Reform (FAIR) Act of 1998 directed federal agencies to submit to OMB an annual inventory of all activities that are performed by federal employees but are not inherently governmental in nature. Congress sought to gain visibility of the federal

workforce and commercial activities performed by government employees. The FAIR report is intended to assist the A-76 process by identifying potential positions to be studied.⁸

The March 1996 update to OMB Circular A-76 provided a wide range of options for reinventing government operations to supplement the A-76 process. This reinvention has been captured in a Strategic Sourcing Program that is intended to maximize effectiveness, efficiencies, and savings throughout DOD. The program expands the application of OMB Circular A-76 by extending opportunities to areas that are exempt from the A-76 competitive processes. It encourages complete assessment of functions and activities that are commercial, commercial exempt from competition, and inherently governmental. The goal is to determine whether processes can be eliminated, improved, or streamlined without requiring a cost comparison with other federal providers or contractors. The DOD Strategic Sourcing Program options included consolidation, restructuring or reengineering activities, privatization, joint venture with the private sector, adoption of best business practices, and termination of obsolete services.⁹

An A-76 study requires an agency to develop a performance work statement (PWS) to identify the work to be done, to prepare a government in-house cost estimate based upon a Most Efficient Organization (MEO) that can accomplish the work, to solicit bids to perform this work from the private sector, and to compare this estimate with the lowest cost or best value offer from the private sector. The MEO is a streamlined in-house organization that may consist of federal employees and/or contract support. It is the result of a management study based on the PWS and is used to establish an in-house estimate.

The government activity will convert to performance by the private sector if the offer is either lower by 10 percent of direct personnel costs than the in-house estimate, or is \$10 million less over the length of the specified performance period than the in-house estimate.¹⁰ In accordance with the FAIR guidelines, a residual government organization performs those functions within the organization that are not included within the PWS. These include Government in Nature (GIN) functions and those that the military department has exempted from competition.

Historically, cost comparisons have taken a long time to perform. Therefore, the FY 91 and subsequent DOD Appropriations Acts have required that single function competitions be completed within 24 months and multifunction competitions be finished within 48 months.¹¹

The National Defense Authorization Act for FY 1988-89 authorized installation commanders to study activities for potential outsourcing. DOD estimated that base support activities would cost more than \$30 billion in FY97. Several studies concluded DOD could

realize a savings of between 20 and 40 percent by outsourcing selected base support activities.¹²

Base commercial activities, also called base support, are functions necessary to support, operate, and maintain DOD installations. There are 29 services defined as base support in the revised supplemental handbook to OMB Circular A-76. DOD does not have a generally accepted definition for base support although the U.S. Army Cost and Economic Analysis Center (USACEAC) has identified 122 functions supporting Army installation.¹³

There was minimal A-76 activity by federal agencies from the late 1980s to mid-1990s. Many agencies reported not studying any positions under A-76 during that period. For fiscal year 1997, DOD was the only federal agency that had completed any A-76 studies (25,225 federal positions) while other federal agencies did not submit reports.¹⁴

DOD GUIDANCE

Across DOD there has also been limited use of the directed A-76 studies. By the mid-1990s, following the post Cold War drawdown, officials estimated that DOD had outsourced about 37 percent of its overall civil service workforce connected with commercial activities. At the end of FY96, the Air Force had significantly more A-76 studies in place than the other services. The Army and Navy estimated that they had outsourced 32 and 31 percent, respectively.¹⁵

In August 1995, the Deputy Secretary of Defense directed the Services to make outsourcing (now termed competitive sourcing) a priority. The search for the "Peace Dividend" brought about reduced budgets and lack of funding for defense modernization programs that renewed interest in cost saving measures. At that time, it was estimated that 60-70 percent of the DOD budget would be used to maintaining infrastructure. As referenced in the 1997 QDR, Secretary Cohen established the Task Force on Defense Reform to review Office of the Secretary of Defense (OSD), Defense Agencies, DOD field activities, and the military departments to "consolidate functions, eliminate duplication of effort, and improve efficiency."¹⁶ As a result, DOD initiated a review of six support areas: base support, material management, depot maintenance, finance and accounting, education and training, and data centers. This was incorporated into the Secretary of Defense 1997 Defense Reform Initiative.¹⁷

The guidance was clear, "consider far more non-warfighting DOD support functions as candidates for outsourcing."¹⁸ The Defense Reform Task Force with the military departments identified 203,000 positions (Army 71,100; Navy 46,500; Air Force 44,300; Marine Corps 7,200; and defense agencies 34,5000 positions) to be studied over the next five years (FY97-02). The

services reported to DOD an expected \$9.2 billion in savings during FY97-05 and \$2.8 billion in annual recurring savings after FY05. The anticipated benefits were to allow the military to focus on core task, attain higher quality service and new technologies, and overall lower costs.

DA IMPLEMENTATION

The Army reported that from 1979-1996 over 468 competitions were conducted where 25,305 positions were either converted to contract or restructured as MEOs. This represented a projected savings totaling over \$4 billion. Contracting out reduced personnel spaces by approximately 16,000 and MEO restructuring accounted for a 9,000 space reduction.¹⁹ The savings were calculated by comparing the budget of the original government organization performing the activity to the winning bid of the A-76 competition or resulting budget of the MEO. Most of the A-76 studies were performed with help of private firms using existing USACEAC contracts funded by the Office of the Assistant Chief of Staff for Installation Management (ACSIM).

DA has recorded 106 A-76 studies that have been cancelled for various reasons. Directorates of Community Activities (DCAs) and Directorates of Community and Personnel Activities (DCPAs) were exempted by the Army MWR Board of Trustees and were to undergo efficiency reviews in lieu of A-76. Congress also exempted ammunition demilitarization personnel, security guards, and firefighters from study. All utilities studies were cancelled from A-76 studies as part of an Army initiative to privatize utilities. Some studies were cancelled and consolidated into others. These cancellations removed 4900 personnel slots from announced studies²⁰.

Based on 1997 QDR and Congressional guidance, DA focused its A-76 effort solely on base support functions. The Army agreed to program savings expected on future A-76 competitions involving 66,311 civilian positions and approximately 6000 military positions. The Army's plan for POM FY 97-03 was to compete about 73,000 spaces (See Figure 1 for the Army original and revised targets). Based on that number of spaces to be studied with two years to complete and implement study results, the programmed gross savings for FY 99-05 was \$3.2 billion. The programmed steady state annual savings was projected at \$819 million per year. The Army plan was revised during FY 97-99 with announced studies for 37,000 spaces for that period. This resulted in actually completed studies of only 2534 spaces with an annual projected savings of \$47 million. DA reported savings of 30% of the originally budgeted personnel cost. This was well short of the annual projected savings of \$96 million that DA expected to achieve for the FY97-99 timeframe.²¹

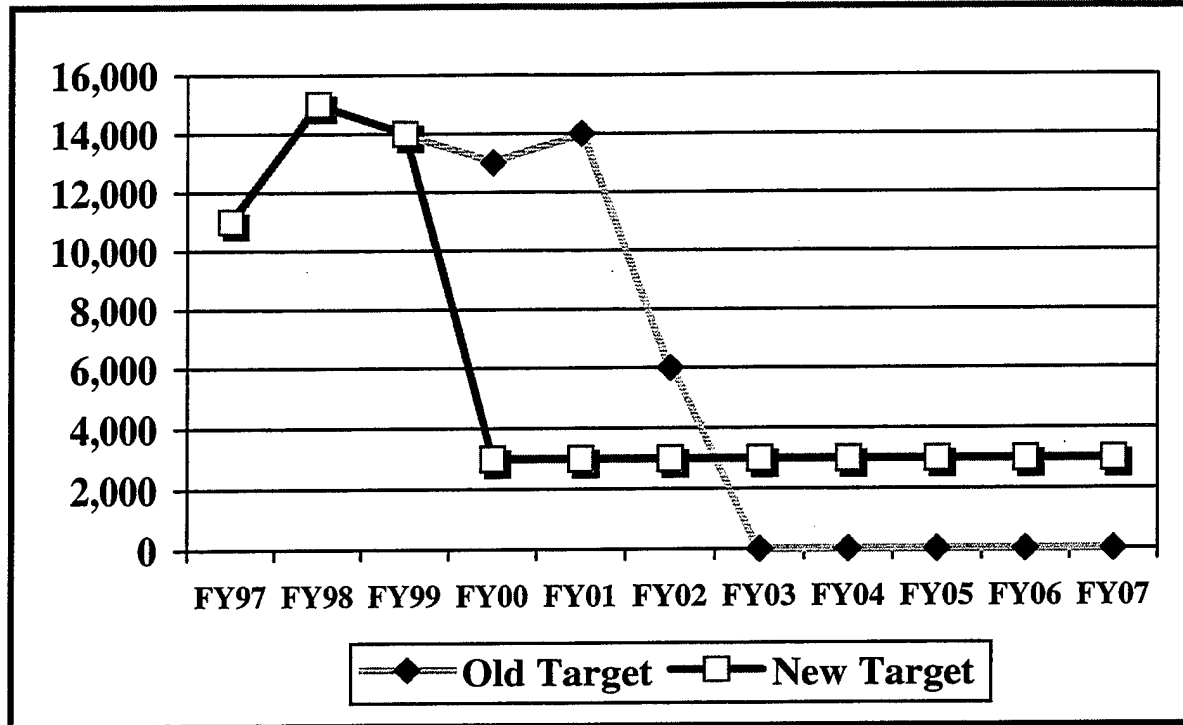


FIGURE 1. ARMY A-76 TARGETS²²

During FY97-99, DA provided \$59.5 million for contract consultant support for approximately \$1,700 per space studied under A-76. DA reported savings associated with completed studies at \$19,000 per space. DA projected \$94 million in study costs for the following years. As a result, it has planned to increase the amount of contract support to \$2000 per space studied in FY01. DA also projected \$284 million in transition costs for FY 97-05.²³ However, DA did not count transition cost against its projected savings.

In February 1999, in preparation for the FAIR report submission, the Army Morale Welfare and Recreation (MWR) Board of Directors voted to exempt Child and Youth Services, Army Community Services, Sports/Fitness, and Army lodging from the A-76 process. The Assistant Secretary of the Army (Manpower & Reserve Affairs) approved this request. Subsequently, the ACSIM issued the following guidance, "Army A-76 competitions and announcements should only include positions and functions reported as eligible for competition in the revised FAIR.... Inherently governmental positions and functions excluded from competition should be studied in the management study phase of the A-76 competition. However, the Performance Work Statement must exclude such inherently governmental functions."²⁴

In Feb 2000, the FAIR report identified 56,919 Army civilian positions that were eligible (not Inherently Governmental in Nature (GIN) or otherwise exempted) for competition under A-76 study out of the 103,343 civilian personnel authorization for FY01.²⁵ These targeted positions were from CONUS MACOMs that had base support responsibilities. A-76 is not applicable to overseas installations and to some specified CONUS-based Army agencies that do not provide base support functions. The exempted and GIN spaces included the positions protected by Congress and the Army MWR Board of Directors, and approximately 8,000 positions identified for potential career competition by Major Army Commands (MACOMs) that were excluded from competition for civilian career progression reasons. In addition, the Army senior leadership excluded from competition approximately 27,000 civilian positions pending a risk assessment in Total Army Analysis 07.²⁶

DA issued guidance that MACOMs had the option to establish command Strategic Sourcing Programs that included both A-76 studies and Business Process Reviews (BPRs). BPRs entail reengineering and restructuring activities much the same as with MEOs, but without competition with industry. If OSD and DA approved the MACOM plans, most of the remaining 36,000 spaces (of the initially planned 73,000 military and civilian positions) would not be subject to A-76 cost competitions in the near future.²⁷ The Army formally sought relief in April 2000 through the DOD Strategic Sourcing Program to use BPRs to supplement A-76 studies. DA provided guidance that announced A-76 studies would not be cancelled and each BPR would include a plan for a future A-76 study.²⁸

OSD disapproved the Army Strategic Sourcing Plan due to the insufficient number of A-76 studies that had yet to be completed or initiated. MACOMs received guidance that adjusted the A-76 study targets and extended completion dates from FY04 to FY07 (see Fig 1). POM FY01-07 will be submitted with 3,000 spaces to be studied each year under A-76.²⁹ The revised Army plan reduces the original target of 73,000 positions to total number of spaces studied to 61,000 for FY97-07 for which DA still projects annual savings in excess of \$800M.³⁰ The revised plan included an additional 18,000 positions that will be studied separately under BPRs.

DA REPORTS

DOD and DA reports reflect success in the A-76 process when measured by savings. Table 1 depicts the number of studies that have been conducted since the QDR. Twenty-seven full cost comparison studies were completed with 16 wins by in-house MEO. DA reported budget savings were 27 percent for In-house wins and 51 percent for contractor wins. The total projected annual savings is now \$99.9 million for the completed studies.

Type of Study	# of Studies	Spaces Studied	MEO Spaces	Annual Savings	% Savings
Full Cost Contract Decisions	11	2378	1495	\$68.005M	51%
Full Cost In-House Decisions	16	1748	898	\$21.915M	27%
Streamlined Comparisons	19	406	N/A	\$ 7.187M	39%
Direct Conversions	39	1015	N/A	\$ 2.777M	18%
Tentative Decisions	20	5244	Not Available	Not Available	Not Available
Total	105	10791	2393	\$99.886M	39%

TABLE 1. DEPARTMENT OF THE ARMY A-76 STUDIES FY97-PRESENT³¹

Table 2 depicts the cumulative number of completed A-76 studies that have been conducted since 1990 over all categories: direct conversions, streamlined cost comparisons, and full cost comparisons.

Studies	Direct Conversion	Streamlined Cost	Full Cost
FY90-96	12	1	17
FY97-Present	39	19	27
Total	51	20	44

TABLE 2. DEPARTMENT OF THE ARMY COMPLETED A-76 STUDIES FY90-PRESENT³²

STANDARDS OF PERFORMANCE

The implementation of the A-76 process for base support must be examined by identified goals and standards, established metrics, and measurement of performance against pre-determined standards. The DOD standard for evaluating A-76 performance has been by achieved cost savings. DOD savings will be addressed in a review of independent studies in a later section of this paper. The Army standard is developing along three lines; personnel cost savings, service/activity cost, and performance against set standards. DA has two means of evaluating base support performance: the Installation Status Report and the evolving Service Based Costing.

INSTALLATION STATUS REPORT

The Installation Status Report (ISR) is service-wide system that the Army uses to rate the readiness of its installations. It is similar to the Unit Status Report which rates the readiness of tactical units. The ISR system assesses installation conditions and performance against Army-wide standards for active and reserve component infrastructure (ISR Part I), environmental programs (ISR Part II), and customer support services (ISR Part III). The ISR uses two components—quality and quantity to measure an Army installation's capability to support readiness, provide quality of life, and to accomplish assigned missions. Part I assesses infrastructure readiness in the five areas of Mission, Mobility, Housing, Community, and Installation Support (Utilities). The quality component measures facility condition against a standard; the quantity component compares amount on hand versus required. Part II reports information for environmental programs in Compliance, Conservation, Pollution Prevention, Restoration, and Foundation. The quality component assesses how well programs are being managed, while the quantity component compares program management indicators. Part III evaluates nine service activities: Personnel and Community, Health Services, Logistics, Information Technology, Command and Staff, Engineering, Resource Management, Operations, and Acquisition. The quality component measures how well the service is being performed; the quantity component assesses how much service is provided.

ISR Goals are:

1. To show the performance and condition of installation infrastructure, environmental programs, and customer support.
2. To provide executive level information to improve program, budget, and policy decisions.
3. Provide a consistent method to assess the quality and quantity against an established standard.
4. To identify trends and substandard components of installation base operations support.³³

ISR ASSESSMENT

If the ISR is intended as a measure for performance of base support, then the outlook is not good. In a January 2001 brief, the Army ACSIM proclaimed, "We're a C1/C2 Army living on C3/C4 Installations."³⁴ ISR Part I showed that commanders rated two-thirds of Army facilities as C3/C4. C3 is defined as having attained 60 percent of the quality points and meeting 60 percent of the requirement and posing significant risk to combat readiness. There was a decline

in the overall quality of Army facilities from the previous year's rating. Facilities were predominately C3 with the number of C4 facilities increasing. The primary reason cited was the historical underfunding of Real Property-Maintenance (RPM) as a direct consequence of declines in the Army budget for the past fourteen years. RPM has been funded at an average of 60 percent of requirement over the past ten years. The underfunding in RPM leads to deterioration of facilities and is woefully under the capital investment in infrastructure found in the private sector (generally 3 percent of the property value annually). In contrast, the Army invests less than one percent. At the current rate of funding, two-thirds of the ISR PART I rated categories will be C4 by FY21.

The Army's C3 rating of the quality component in key areas of Mission, Mobility, and Installation Support is telling. This has a direct reflection on the ability of the Army to accomplish its missions and the readiness of its units. "Quality installations are the foundations of readiness."³⁵ Installations provide training facilities (ranges and maneuver areas), power projection platforms (railheads, airfields, and convoy support), sustainment (maintenance facilities), and communities where the force lives, works, and plays. Substandard performance at installations substantially impacts the ability of units to conduct mission essential training, to maintain equipment as fully-mission capable, and to deploy when needed to answer the nation's call. With the recent openness about readiness conditions throughout DOD, it seems that installation commanders have become more willing to declare shortfalls in base support. In the past, low C-ratings may have been construed as a function of poor command leadership and management. Currently, it seems that the squeaky wheel is getting more attention for oiling (that is funding!), so installation commanders have greater incentives to make the unsatisfactory conditions known.

ISR Part II Environment has mixed reviews with increases and decreases in ratings compared to FY99. Ten of nineteen subcategories had lower rating with the majority (nine) moving to C3 for quantity (against standards). As with other functions, more resources are needed. A significant requirement is the need to redefine "Must Fund" Policy to include legal and policy designations. In the past year, a funding ceiling was imposed on environmental projects and the number of standards was reduced from 620 to 401.

ISR Part III dropped two categories from FY99—Resource Management and Acquisition. The remaining seven major service categories received no assessment of their quantity component. The resulting ratings on quality were all C2/C3. C2 rating is defined as "meets Unit/Activity needs and partially meets Army Standards. C3 rating "meets majority of Unit/Activity needs, does not meet and Army standard." Obviously, this reflects the quality of life

provided to service members, their families, and civilians that live and work on Army installations. ACSIM stated that the data showed inconsistencies expected in first year collection. ACSIM also projects that 3 years of data are needed (FY04) to develop trends and validate relationships with the standards. The next rating period FY02 will move from two components (quantity, quality) to three (quality, management, and cost) as it incorporates service based costing.

The ISR has not been an appropriate tool to evaluate the performance of base support functions. It gives a snapshot of installations and programs, but there is not a direct linkage to organizations (in-house or contractor). The ISR has been used successfully to influence funding decisions by raising the "red flag" on key functions such as Army Family Housing, Unaccompanied Housing, and Mission Support facilities. Improvements or decreases in ISR categories are attributed to funding levels and not to activities that provide the service or management function. Therefore, ISR is not effective in evaluating the A-76 process for installations.

SERVICE BASED COSTING

The Army ACSIM, and USACEAC initiated Service Based Costing (SBC) in April 1996 to evaluate the cost of Army services, and to institute a cost management system at the installation level in accordance with the Government Performance and Results Act (GPRA). The Army's SBC program measures the historical costs incurred to provide a given service and measures the actual output(s) or pacing measures of a service. Data are collected for a standard set of 95 services typically provided at Army installations. SBC goals are to help:³⁶

1. Installations provide a predictable level of support within available resources.
2. Provide quality services at Army installations.
3. Provide a sound basis for measuring the impact of changes to base support functions.
4. Proliferate new business concepts such as "Best Practices" and "Centers of Excellence."

Army SBC cost and pacing measures data for each reporting installation are reported by MACOM to DA independently from ISR Part III. In FY01, SBC will be combined with the ISR Services Performance Standards in a program known as Standard Service Costing (SSC) to provide the Army a cost modeling capability. This management tool will be used to measure changes; identify opportunities for improvement; and aid in defining, developing, and defending base operations (BASOPS) program and budget requirements.

For the upcoming FY04-09 POM, the ISR Program will be the principal funding tool for Army installations worldwide. Army SBC data collection and reporting requirements will be integrated with those of the ISR III--Services in early 2001. Integrating service standards, performance, and resources data will allow ACSIM to be more precise in programming the "corporate dollar." If successful, SBC will be a viable method for evaluating the performance of services provided. The predictive models should establish the baseline cost for a desired level of service, both in quality and quantity. Collected data will capture the actual cost of services and will be a valuable tool in assessing service provider performance. This could be used to evaluate MEOs or contract providers of key base support functions. Ideally, incremental costs of moving from a C3 or C4 ISR rating to C1 can be determined.

SBC ASSESSMENT

Currently, SBC is still in early stage of implementation. It is not a viable measure at this time to assess performance of service providers for base support functions. With its integration into ISR III and the implementation of Standard Service Costing (SSC), it could prove to be a valuable tool.

RESULTS OF INDEPENDENT STUDIES

There has been a great deal of interest in A-76 studies and competitive sourcing initiatives. The basic questions that arise are: How effective is the A-76 process? What are the lessons learned? Are there cost savings? Are the programs effective? In the past decade, no less than 30 Government Accounting Office (GAO) reports have been provided to Congress on competitive sourcing related issues. Only four of those studies were conducted prior to 1995.³⁷ Several other studies have been contracted to various organizations (Army Audit Agency, The RAND Corporation, and The CNA Corporation). This section will review the findings of the independent studies of key A-76 issues and present common themes and identify conflicting assessments.

ARMY AUDIT AGENCY REPORT

In 1998, the U.S. Army Audit Agency (AAA) compiled observations and lessons learned based upon their independent reviews of A-76 commercial activity studies. The AAA review was focused at studies involving more than 65 full-time personnel that required a full-cost comparison.³⁸

AAA OBSERVATIONS

The Army's surge in commercial activity workload began during FY97 in an attempt to fulfill the 1997 QDR goals. DA did not achieve the 2- and 4-year timeframes for completing A-76 studies. Therefore, delays affected installation funding and the Army's overall plan to achieve savings.

1. The goal for completing A-76 studies was ambitious. Many of the commercial studies for FY97 experienced delays. None of the 36 studies that should have been completed by September 1997 were finished by the end of FY97.
2. Installations and major commands estimated that the A-76 studies would take about 50 percent longer than the goals set by ACSIM.
3. FY 99-03 Program Objective Memorandum (POM) guidance withdrew more than \$1.2 billion from Army CONUS installation budgets beginning in FY99. The decrease was based upon a projected savings factor of 20 percent of the civilian pay for positions to be studied and the assumption that funding reductions would start two years after the announcement date for each A-76 study.
4. Budget reductions occurred before installations completed their A-76 studies. Installation operated under reduced funding before they did not were able achieve the expected savings.

AAA RECOMMENDATIONS

AAA provided the following ways to streamline the A-76 process.

1. Use of successful performance work statements already developed for similar functions.
2. Early development of workload collection systems for the study.
3. Set up of detailed milestones for each study and input into the ACSIM tracking system.
4. Sharing of lessons learned between contractors and installations from other studies.
5. Study of the entire function and organization, not just specific components.
6. Development of a strategy for addressing labor exempted by A-76 (e.g., volunteers and borrowed military manpower).
7. Establishing installation ownership of the A-76 study and process.
8. Incorporating contractors into the process and develop partnering relationships.

AAA developed key Lesson Learned from the numerous A-76 studies it reviewed.

1. Performance Work Statements (PWS) were incomplete and did not accurately reflect the work to be accomplished.

2. Workload data used to support task statements in PWS were generally inaccurate, incomplete, and unable to be validated.
3. Directives and forms used in the PWS were not current or applicable to functions/tasks.
4. Technical Exhibits used to develop management study and the MEO were missing or incomplete.

GAO REPORTS

Of the thirty GAO reports dealing with DOD outsourcing, twenty were conducted between 1998 and 2000. Three separate GAO Reports released in August and December 2000 reviewed DOD A-76 implementation and assessed DOD compliance with annual Congressional reporting requirements.

GAO found that DOD has made progress with A-76 while implementation of program results has been significantly slower than expected. DOD initially announced that it would study 229,000 positions from FY97-05, but that figure dropped by 11 percent to 203,000. Numerous studies were begun in FY97-99 as a result of the QDR, and the average time for completion exceeded the two year standard. All services currently report difficulties in identifying enough position to attain the A-76 goals.³⁹

GAO has questioned the magnitude of savings projections cited in various DOD studies and the savings projections of the services. The projections were based on initial savings estimates from previous outsourcing efforts and did not reflect changes in the scope of work and wages over time. Therefore, the extent to which DOD will achieve that level of savings is questionable.

GAO OBSERVATIONS

1. Savings occurred regardless of whether the government or private contractors won competitions, but were substantially less than the \$290 million projected savings for FY99 for the nine selected cases.
2. Savings for government MEOs were achieved because fewer persons were required to perform the work. Contract workforce was also smaller than the DOD organization previously performing the commercial activity.
3. Baseline estimates were calculated on average cost of salary and benefit for number of authorized positions rather than cost for positions actually filled.
4. Baseline cost estimates were based on personnel costs, but 15 percent of costs for MEO plans or contractors' offers were not personnel costs.

5. Baseline results **overstated** cost savings by not reflecting study and implementation costs, or contract administration costs which offset short-term savings. Cost estimates do not accurately estimate the cost of conducting studies, which includes the use of in-house personnel as well as cost of contractor personnel used to complete the studies.

6. Significant cost can be incurred from implementing study results. DOD estimates \$950 million for transition cost resulting from A-76 studies. This includes \$284 million for the Army, \$400 million for the Navy, and \$202 million for the Air Force.

7. Transition cost represents the separation costs for civilian DOD employees whose positions are terminated. Separation costs include costs of voluntary early retirement, voluntary separation incentives, and involuntary separations through reduction-in-force (RIF) procedures. Service estimates for each terminated position are \$21,000, \$25,000, and \$33,000 for the Army, Navy and Marine Corps, and the Air Force, respectively. The difference in estimates are unexplained and were provided by the services.

8. Changes to operating environments affect savings and make tracking of cost and savings estimates difficult over time. As workload requirements change, so will program costs and comparisons to baseline cost estimates become invalid.

9. GAO and DOD have been **unable** to precisely quantify the extent of savings due to **questionable reliability** of historical data DOD has used to determine cost and savings.

a. GAO referred to its 1990 evaluation of DOD savings data that showed neither DOD nor OMB had reliable data on which to validate the savings estimates. Also, DOD and OMB did not know how much of the expected savings were actually achieved because DOD does not collect and analyze cost information to track savings after the first 3 years of the contract.⁴⁰

b. DOD tracks the results of A-76 competitions in the Commercial Activities Management Information System (CAMIS). Each service and defense agency maintains its own version of this management information system (the Army version was the Commercial Activities Study Tracking Systems (CASTS)). The accuracy and completeness of data in the components CAMIS is suspect.⁴¹ Each service's information system provided data and reports that are accessed by DOD. GAO found that service data entries were incomplete or inaccurate and errors existed in the algorithms that generated reports.

10. Delays in starting and completing A-76 studies prevent achievement of short-term savings. Defense components have reduced their operating budgets based on projected savings.

11. Savings may increase if multiple functions can be grouped together under a single, omnibus contract.⁴²

12. Greater savings occur if DOD converts military support positions to civilian positions or contract performance since the average military position is more costly than its civilian equivalent.⁴³

13. Services are not planning to reduce end strength as a result of A-76 studies, so no savings will be realized from studying military positions. Government civilian or contractor personnel will perform some functions previously performed by military personnel. Therefore, there will be an increased budget requirement to pay for the civilian salaries or contracts.⁴⁴

The latest GAO Report (December 2000) provided an assessment of the DOD compliance with the Section 8109 report requirements. GAO found that generally DOD provided the required information. DOD reported on the 278 A-76 studies completed since 1995, the number of contracted activities that were returned to government operation (five of eight activities that were previously performed by a contractor) with associated costs, and recommendation to improve the privatization of commercial activities. There were concerns with the reduction in the percentage of studies that were won by non-government contractors. For the five-year period FY95-FY99, 40 percent of the 258 studies have been won by contractors, whereas only 23 percent were won by contractors in the past fiscal year (FY00)⁴⁵.

RAND CORPORATION REPORTS

The RAND Corporation has also released three studies on competitive sourcing conducting an analysis of projected savings and the impact on civilian employees. The scope of two reports encompassed six activities (2 Army, 2 Air Force, and 2 Navy) across four DOD installations. Of particular interest is that two of the examined activities were Base Operation Support (BOS). The findings were: savings were real, ranging from 30 to 60 percent where the bulk of the savings were generated by reduction of personnel performing the function (through numerous strategies); the savings appeared to be enduring (with no significant increase in cost over term of the contract period); and adequate authority exists with installation commanders to achieve savings.⁴⁶

RAND OBSERVATIONS

1. For BOS competitions, the projected savings of in-house compared to contracted was 39 percent vice 66 percent, significantly more than for other activities. There were identified cost increases for BOS activities. This was attributed to work that was not included in the initial contract proposal based on the PWS. Some cost increase was due to increase in mission load for the installation or understatement of personnel required to perform the tasks.⁴⁷

2. Many of the workforce reductions came from replacing uniformed personnel with civilian workers. This allowed the A-76 winner, that was either a MEO or contract organization, to flatten its organization, operate with fewer managers, and create a more efficient operation with fulltime workers (other military duties prevented uniformed personnel to be fulltime performers of a function).

3. Personnel cost saving were generally realized and maintained over time. There was no substantial evidence of cost increases over time in either in-house or contractor wins.

4. As in other GAO studies, difficulties exist in evaluating cost changes when mission changes. RAND was unable to determine whether the personnel cost savings generated by a particular activity studied in the A-76 competition would lead to real savings for the DOD budget.

5. Several costs incurred by DOD in the A-76 process were unaccounted for in the studies. Some studies failed to capture important costs like initial investment costs to conduct the competition and costs to implement the contract or MEO (e.g., separation payments and hiring costs).

6. DOD must require MEOs to track actual cost and not just manpower authorizations for in-house organizations.⁴⁸

7. DOD needs more positive incentives for local commanders and managers to undertake reforms. Negative incentives exists, such as arbitrary budget cuts imposed on installations and staffing policies.

8. DOD should provide front-line managers with training and support to understand and implement reforms.

9. DOD should develop and implement consistent definitions for key terms like "baseline cost" and "cost savings."

10. Another study from 1996 estimated savings for DOD A-76 competitions at 30 percent per year over the contract term: 38 percent for activities that were outsourced and 20 percent for activities that remained in house.⁴⁹

11. Savings estimates have not adjusted based on actual A-76 results. Historically, 40 percent of initiated competitions have been cancelled before completion. When a competition is cancelled, the activity remains in-house, and there is no obligation to implement the MEO. Competitions with a large number of civilian positions are more frequently cancelled and subject to the longest delays.⁵⁰

Another RAND study looked at the effect of DOD Outsourcing on Civil Service employees with the following observations.⁵¹

1. When government workers are transferred to a lower grade position during a reduction in force (RIF), employees initially keep the pay associated with their current grade in their new position. This "Save Pay" entitlement is not usually included evaluating the cost of contracting or in calculating the savings generated by outsourcing.

2. Contract costs increase over the amount of the initial bid because the scope of work expands. This occurs because the workload exceeded expected levels or because the initial PWS was inadequate.

3. Installation supervisors and managers lack training and experience in developing the PWS and MEO. In-house personnel have little or no experience estimating the labor and other resources needed to operate commercial activities.

4. Once an A-76 study begins, civilian personnel officers (CPOs) leave positions unfilled or fill them with temporary employees. This is referred to as "stockpiling vacancies."⁵² This occurs before the announcement of cost-comparison results. If the function is outsourced, the temporary employees are separated, and vacancies outside the outsourced activity are filled with displaced permanent employees. Permanent employees can also displace others with lower tenure in areas not being studied.

5. Recommendations are to:

a. Promote centralized programs to help local managers prepare better PWS and MEO.

b. Advocate itemizing employee related transition costs that are not captured in current A-76 cost comparisons.

THE CENTER FOR NAVAL ANALYSES (CNA) CORPORATION REPORT

In 2000, The CNA Corporation conducted a review of 49 A-76 studies to determine the long term performance of contractor wins.⁵³ The review resulted in a detailed survey of 16 studies that fit two criteria: were implemented for five to twelve years, and had detailed data available to analyze. Fourteen of the subject studies were contractor wins in the A-76 process. The results showed that savings did exist and were consistent with other reports by GAO and RAND.

CNA developed a new way of looking at costs. It established three types: expected, observed, and effective. Expected cost were those that were presented in the winning bid for the contractor and provided an expected savings over the baseline cost of the function(s) studied. Observed cost are those actual cost that were recorded during the contract term. Observed cost reflects the cost to the government of the function including scope changes, wage adjustments, and government support. Observed savings are the observed cost as

compared to the baseline cost. Effective costs were determined as the total cost of the function excluding scope wage, and workload adjustments that would have occurred regardless who won the competition. The results were encouraging with expected savings of 34.8 percent, observed savings at 23 percent, and effective savings at 34 percent. Therefore, the effective savings were 98% (34/34.8) of the expected savings.

CNA OBSERVATIONS

1. Competitive sourcing programs generate savings and increase efficiencies. The majority of cases studied, both contract and MEO, showed no significant increase or decrease (less than 5 percent) in effective cost over the first contract period. The majority of contract-win competitions showed no effective growth (over the initial contract bid) across all contract periods.

2. Overall performance is satisfactory. Customer survey results showed that satisfaction with contractor performance ranged from neutral to satisfactory. Generally, contracting representatives and installation activity managers were less impressed with performance while activity customers expressed satisfaction. However, performance assessments increased, nearing "satisfied" after the first year implementation problems were resolved.

3. MEOs do not maintain data and have poor record keeping of costs. The CNA attempt to validate savings with MEOs was unsuccessful since the in-house organizations do not collect or record data on performance after the A-76 study is completed. This limits the ability to accurately track cost savings.

4. BOS competitions show larger than expected savings.

5. Greater opportunities for savings exist by developing less prescriptive PWSs and packaging of multiple activities.

EMERGING THEMES

In a review of the independent studies, the following are the emerging trends:

1. Cost savings do occur and are based primarily on the reduced workforce required to perform the activity/service. The savings are calculated against the budget of the original government agencies providing the service and the cost associated with the winner of the A-76 study

2. Actual cost savings are difficult to quantify because of data limitations (CAMIS), imprecise standards for baseline cost estimates, and un-captured cost associated with conducting studies and implementation of results. GAO and RAND reports cited inconsistent

methods of establishing baseline cost estimates for each study conducted and between the services as well as inaccuracy data and reporting reflected in the component's CAMIS.

3. Cost increases are difficult to directly assign to a specific cause and their tracking grows more difficult over time.

4. The degree of savings differs by review of independent agencies. GAO reports are substantially less optimistic about the magnitude of saving than are other contracted agencies. The limited reviews of A-76 cases may not be accurate in forecasting DOD wide savings.

5. Greater savings may be obtained by broadening the scope of the A-76 study to include more functions and activities at an installation.

6. Greater savings may be realized by converting military positions to civilian performance (government civilian or contractor). However, it is improbable that the service components will reduce their military end strengths.

IMPLICATIONS FOR THE ARMY

Since the 1997 QDR, budgets have been reduced predicated upon anticipated saving from competitive sourcing. In addition, the Army has reprogrammed funds, on the order of \$16 billion, for FY02-05 for its Transformation Modernization Plan and this is still short of the \$21.5 billion requirement. As stated previously, funding Real Property Maintenance-Army (RPMA) is currently only sixty percent of the requirement, a requirement which aims at investing less than one-third of what the private sector generally invests to maintain real properties. The backlog for RMPA for FY 00 has been revised to \$43 billion.⁵⁴ The combination of underfunding and an overwhelming backlog results in "triage" programs that only fix what is broken or what is so critical that it must be fixed merely to continue limping along awaiting the next catastrophe. This type of operation does not allow for preventive maintenance or re-investment to halt the degradation in the infrastructure of installations. Like debt on a high interest credit card account, the degradation is compounded over time and the interest will eventually overshadow the principal. The lack of funding has an obvious impact the support for Army mission and readiness. Inadequate maintenance facilities will have a direct impact on the ability to perform Preventive Maintenance, Checks and Services (PMCS) to standard. The lack of quality training areas and ranges affect the ability of units to train and execute Mission Essential Tasks that are needed in military operations. This shortchanging of base support does not support the readiness of the Transformed Army.

Installation in-house manpower levels will continue to be reduced as A-76 studies are completed. Since 1990, approximately 35 percent of the DOD civilian workforce has been

reduced. With the revised schedule of Army A-76 studies and the current pressure to increase privatization efforts, it is evident that more positions will be eliminated. Residual organizations at installations will maintain the same degree of responsibility for base support with arguably less control over a smaller and more diverse workforce. The flattened organizations will out of necessity pick up the mid-level supervisory responsibilities and place them on the leaders of the already burdened residual organization.

The FAIR report will receive increased scrutiny and positions that were once exempted will be subject to competition. The Army's attempt to shield key services of Child and Youth Services, Sports and Fitness, Army Community Services, and Army Lodging will eventually no longer be supported. The potential degradation in these MWR activities will likely be seen as degradation to the quality of life that has been promised to soldiers and their family members. Failure to meet the expectations of the soldier will lead to lower morale and greater discontent. This would affect retention as implied by the adage, "The Army enlists soldiers, but reenlists families."

The government civilian workforce will have lowered morale in the face of uncertain careers. As installations undergo A-76 studies, workers feel that an unspoken trust has been broken. 'If I do my job well, there will always be a job for me in the organization' is no longer true. The majority of civilian positions out-sourced are the lower General Service (GS) or Wage Grade (WG) positions. Typically, the employee would look elsewhere for a position that will maintain government benefits. There has been evidence that higher rated personnel are somewhat shielded from job loss by either moving into a protected position or developing a new position within the residual organization. The vulnerable employees will be disenchanting with the community leadership and it would affect the quality of services provided to customers. Commanders must balance mission with personnel concerns during the conduct of A-76 studies.

There will be a continued challenge to recruit a civilian workforce without perceived career stability of government positions. There is a concern that a great number of retirement eligible civilians will leave the force beginning in FY03 after surviving the reduction in force (RIF) and competitive sourcing of the last decade. In GS 9 grades and above, over 50 percent of key career program civilians will be retirement eligible by FY03.⁵⁵ These mid-and senior grade civilians have considerable base support expertise and institutional knowledge that will be difficult to replace. Lower morale along with recruiting and retention challenges with the civilian workforce will lead to lower levels of performance by the residual organization.

Defense agencies will continue to resist A-76 implementation. It is not surprising that DOD has made significantly more progress than other government agencies in conducting competitive sourcing. Executive and Congressional oversight has generated a degree of responsiveness by the military services. Although, DA is behind on its ambitious schedule of studies, it is consistent with past decisions that it will quickly establish the glide path as part of the multi-year POM cycle.

There will be continued disincentives to conduct A-76 studies. Installation commanders are under the direction to provide for mission, quality of life, and readiness. As with all commanders, they are more concerned with effectiveness and flexibility rather than with efficiency. The focus on outsourcing frankly scares commanders. They believe they have more control and flexibility with an in-house workforce. Commanders also are faced with the reality that A-76 studies, once completed, will result in a reduced budget and less personnel to accomplish the same number of tasks as before the study. This means they will have to do the same with less and, when asked, to do more with less when requirements change. By way of example, consider a BOS contract for snow removal that was based upon the average amount of snowfall experienced for an installation. In the case where the year's snowfall greatly exceeded the average, critical locations such as airfields and main thoroughfares must still be cleared. An in-house workforce would be more flexible and responsive to this snow removal need whereas a contracted activity would potentially not have the manpower available or have exceeded the contract budget. Therefore, the more efficient contract activity would not be effective in meeting the operational need. Similar examples exist for other critical areas such as training support on ranges where surge capability is needed to fulfill unforeseen but essential operational requirements.

As cited previously, 40 percent of all A-76 studies (with large civilian components) have historically been cancelled. The trend to resist undergoing A-76 full-cost comparisons will continue. The ability to conduct BPRs under strategic sourcing provides the installation commander with more flexibility. Given the proper training and support, installation managers could successfully conduct reengineering of their organizations to improve effectiveness in lieu of competition with an outside agency.

Although some surveys show levels of satisfaction with service provided by contractors when compared to in-house organization, the actual success varies widely. A customer that is not aware the standards of performance does not know what he may not be receiving. Thus, he will not necessarily be aware of the fact that he should be dissatisfied. Although the contracting officer representative (COR) is responsible for enforcing contract performance, it is the

customer who is the final judge on the quality of service provided. Some contractors perform better than others; some statements of work prepared by installations are better than others; and, the personalities of the parties and the customers can play a large role in how they execute respective responsibilities. Success can be measured by dollar savings, customer satisfaction, or both, as well as by other factors such as responsiveness and customer focus.⁵⁶ As of yet, there is no effective performance measurement of base support providers.

The bottom line is that there will continue to be more mission requirements for installations than resources allocated. As the ISR illustrates, the base support of mission, readiness, and quality of life has an unhealthy prognosis. Attempts to upgrade base housing by FY08 and FY10 do not address the shortfalls in the myriad of services provided to members of the force. AS DOD and DA press forward in their modernization efforts, resources will continue to be reprogrammed away from base support. Savings eventually realized through infrastructure reengineering (either competitive or strategic sourcing programs) will not be reinvested. Therefore, base support will continue to be underfunded and fail to perform to standard.

THE ROAD AHEAD

After numerous studies that identified major concerns and shortfalls in the implementation of the A-76/competitive sourcing process, both DOD and DA have taken steps to improve the process. Both have extensive websites that provide a wealth of knowledge on A-76 with links that include updated guidance, status reports, and training opportunities. Both have attempted to consolidate lessons learned in the form of GAO and AAA reports. DA ACSIM has hosted two competitive sourcing workshops (March and September 2000) to update the field on current issues of competitive sourcing as well as strategic sourcing. ACSIM has issued guidance to standardize baseline cost estimates, including the cost of contract administration and transition cost as appropriate. Perhaps, the most important decision was to redesign the Army CASTS (redesignated Army CAMIS in Jan 2001) to correct its faults and place increased emphasis on MACOMs to provide accurate data. Army CAMIS has incorporated the recommendations to include milestones, more clearly define data requirements, and tracking of costs. The challenge remains in getting the field to provide the required information.

In 1999, ACSIM hosted an Installation Functional Area Analysis (FAA) to assess MTOE and TDA positions of installation/garrison organizations. The intent was to evaluate military and civilian spaces to restructure around core functions to maximize efficiency and effectiveness compatible with SBC/ABC and to incorporate initiatives into MEO and for use in ISR. Results of this FAA have yet to be concluded.

CONCLUSION

For the Army to fulfill its assigned missions, it must have trained and ready forces and it must be able to attract and retain quality personnel (military, civilian, and family members) to man the force. These are the true measures of effectiveness of our Army. The A-76 process was introduced as a tool to increase the efficient use of resources—dollars and manpower—by government agencies. This efficiency has not been clearly established for the Army, and there have not been measurable improvements in readiness, quality of life, and mission accomplishment that can be linked to A-76 implementation. Long term cost savings to DOD and DA cannot be verified, and reported short term savings do not accurately capture the costs associated with putting A-76 results in place. A-76 implementation has several second and third order effects that impact on the services provided by installations. The current assessment tools used by the Army, as represented by the Installation Status Report, are inadequate to measure the performance of base support providers, whether they are government or contract organizations. What is needed is a set of benchmarks that defines the attainable and acceptable standards of performance. These base support standards should be established DA-wide and not decentralized to local commands.

Improvements must be made in developing incentives for installation commanders and managers to use competitive and/or strategic sourcing to shape the most efficient and effective organizations. It is certain that the mismatch between mission requirements and resources will continue. As with all leaders, the first concern will remain the effectiveness of the organization, not efficiency. In many eyes, efficiency equates to doing more with less. That implies fewer resources—less money, less facilities and equipment, and less personnel. Those in base support do not see a decrease in mission requirements and fear the loss of flexibility in supporting the three pillars of readiness, quality of life, and mission. The key is education and training of leaders/managers to conduct effective reengineering operations. We must change the focus to improving the services provided by base support organizations and measuring their performance against well-defined standards.

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³ Cohen, 15.

⁴ Cohen, ix.

⁵ Government Accounting Office, DOD Competitive Sourcing: Savings are Occurring but Actions are Needed to Improve Accuracy of Savings Estimates, Report to the Chairman, Subcommittee on Military Readiness, Committee on Armed Services, House of Representatives (Washington, D.C.: U.S. General Accounting Office, August 2000), 5-6.

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¹⁴ "Agencies Dodge A-76," Government Executive, August 1998, 10. and

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¹⁶ Cohen, ix.

¹⁷ GAO, Base Operations: Challenges, 5-6.

¹⁸ Cohen, 54.

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³⁰ John Van Antwerp, Installation Needed But...." briefing slides with scripted commentary, Washington, D.C., Senior Installations Leaders' Conference, 10 January 2001.

³¹ William L. Broyles <William.Broyles@hqda.army.mil>, "re: Help Seek," electronic mail message to author<Charles.Allen@carlisle.army.mil>, 16 March 2001. Only Full Cost studies have associated MEOs so it is not applicable to Direct or Streamlined studies. Information on tentative decisions regarding savings is not available.

³² Ibid.

³³ "Installation Status Report", HQ USAREUR ODCSRM webpage, available from <<https://www.per.hqusareur.army.mil/rmmgt/isr/isrhp.html>>; Internet; accessed 29 November 2000.

³⁴ Van Antwerp, "Installations Needed But..." The C-ratings are defined as following:

C1— Quality: ≥ 90 percent of total quality points available

Quantity: Meets 95% of requirement or greater

C2— Quality: ≥ 75 percent of total quality points available

Quantity: Meets 80 to 95% of requirement

C3— Quality: ≥ 60 percent of total quality points available

Quantity: Meets 60 to 80% of requirement

C4— Quality: < 60 percent of total quality points available

Quantity: below 60% of requirement

³⁵ Van Antwerp, "Installations Needed, But..."

³⁶ Anthony Fasolo, "Why Army SBC (Service Based Costing)?" Memorandum for Record and Fact Sheet from ACSIM ISR Program, Washington, D.C., 19 February 2000

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³⁹ GAO, DOD Competitive Sourcing: Some Progress, 6-10.

⁴⁰ GAO, Base Operations: Challenges, 9.

⁴¹ GAO, DOD Competitive Sourcing: Savings are Occurring, 6. As stated each component maintains its own system with information provided by its subordinate commands. Their input is consolidated into the DOD CAMIS which provides macro-level status of commercial activity across the Department.

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⁴⁴ Ibid., 14.

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⁵⁴ Van Antwerp.

⁵⁵ David L. Snyder, "Army Leader Day, " briefing slides with scripted commentary, Carlisle, Barracks, U.S. Army War College, 8 November 2000.

⁵⁶ Donald Yates <Donald.Yates@carlisle.army.mil> "Roles and Functions in P3 Process," electronic mail message to author <Charles.Allen@carlisle.army.mil>, 28 November 200. This concept was developed from an email between the author and Colonel Don Yates, formerly Commander, U.S. Army Contracting Command Europe.

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