16.1 What is the purpose of this chapter? This chapter redelegates authority from the Director to the Assistant Director – Budget, Planning and Human Resources (AD-BPHR) to carry out the Competitive Sourcing Official (CSO) responsibilities described in section 16.4. The AD-BPHR cannot redelegate these authorities.

16.2 What are the authorities for this chapter?

A. Office of Management and Budget (OMB) Circular A-76, Performance of Commercial Activities, 05/29/03.

B. OMB Circular A-11; Preparation, Submission, and Execution of the Budget; 06/21/05.

C. Memorandum from the Assistant Secretary for Policy, Management, and Budget; 08/29/03; subject: Competitive Sourcing Official Responsibility for Competitive Sourcing Studies – Delegation.

16.3 What terms do I need to know to understand this chapter?

A. Agency Tender Official. The Service official who is responsible for the Government's bid on competitive sourcing competitions.

B. Commercial Activity. Activities that a contractor could perform. Commercial activities are the kinds of services you could find in the yellow pages.

C. Competitive Sourcing. The process the Government uses to evaluate commercial activities that Federal employees perform. OMB Circular A-76 describes the process in detail. The Government analyzes the activities and determines if there might be a more efficient way to perform them. If it is appropriate, the Government develops a Request for Proposals on which both contractors and Federal employees bid. The Government evaluates the proposals to determine which is in the best interest of the Government and American citizens. The Government then implements the winning proposal.

D. Inherently Governmental Activity. Activities so intimately related to the public interest that only Government employees can perform them. They are not part of competitive sourcing.

E. Most Efficient Organization. The Government’s bid on a solicitation.

F. Reason Code A. A designation that an activity is commercial, but not appropriate for competition.

G. Source Selection Authority. The Service official, typically a contracting officer, who works with the evaluation teams to evaluate bids.

H. Standard Competition. A competition that typically involves 65 or more full-time equivalents (FTE). For a standard study, we develop a solicitation and then the Government and contractors compete for the work.

I. Streamlined Competition. A competition that involves fewer than 65 FTE. For a streamlined study, we compare the cost for the Government’s MEO to do the work against what it would cost for a contractor to do the work. If the Government’s MEO cost is lower, the competition is over and we implement the new organization. If the Government’s MEO cost is higher, then we develop a solicitation and compete for the work using standard contracting principles.
16.4 What responsibilities are delegated to the AD-BPHR? The Assistant Secretary for Policy, Management, and Budget delegates the following competitive sourcing responsibilities to the Director. The Director redelegates the responsibilities to the AD-BPHR.

A. Receiving written approvals from OMB for the Service to perform work as a contractor or subcontractor.

B. Identifying savings resulting from completed streamlined and standard competitions in accordance with OMB Circular A-11.

C. Justifying, in writing, designations of Service personnel performing inherently governmental activities.


E. Appointing Service competition officials in writing.

F. Granting a time limit waiver for streamlined competitions when we develop a Most Efficient Organization.

G. Justifying, in writing, our determinations to provide or not provide Government-furnished property.

H. Approving, in writing, requests from a contracting officer to require a private sector source to include a performance bond.

I. Using solicitations with an award fee if procedures are in place permitting us to make such an award fee.

J. Determining if amending the solicitation closing date is in the best interest of the Government.

K. Determining if a commitment of additional resources will enable the Agency Tender Official (ATO) to correct a material deficiency within a specified number of days. If the AD-BPHR determines that the ATO cannot correct the material deficiency with a reasonable commitment of additional resources, the AD-BPHR may advise the Source Selection Authority to exclude the agency tender from the standard competition.

16.5 Are there any competitive sourcing responsibilities that the Assistant Secretary – Policy, Management and Budget does not delegate? Yes, the Assistant Secretary retains responsibility for the following activities:

A. Coordinating OMB approval for any deviation from OMB Circular A-76.

B. Canceling streamlined or standard competitions.

C. Approving the use of a tradeoff source selection process and notifying OMB of the decision to use the process.

D. Terminating a service provider (public or private) for reasons other than failure to perform.

E. Evaluating contracting officer documentation to either revise a solicitation or implement the agency
tender when we receive no satisfactory bids from contractors or public reimbursable sources.

F. Exempting commercial activities performed by Government personnel from private sector performance using Reason Code A.

16.6 What process do we use to obtain approval on any of the responsibilities described in section 16.5? We must submit all requests for decisions involving the authorities described in Section 16.5 to the Department’s Center for Competitive Sourcing Excellence for review and concurrence before seeking OMB approval.

Date: February 13, 2006

Deputy DIRECTOR