

July 23, 1982

Mr. Don Sowle
Administrator for Federal
Procurement Policy
Office of Management and Budget

Dear Mr. Sowle,

I am writing you on behalf of the Department of Energy Message Center employees in the Forrestal Building. Our Branch recently underwent a cost analysis under the provisions of the A-76 Circular. We appealed the results of the cost-study as provided for in Paragraph 11 of the Circular and were denied. Although the Circular makes no provision for further appeal I am writing on the advice of Ms. Lee Carlson of OFPP to inform you of what appear to be several irregularities in this particular instance, which, we feel, make the final conclusions regarding this cost-study suspect.

I have enclosed for your attention a number of documents to support this contention. They include:

The original letter of intent to contract out signed by the Director of the Office of Computer Services and Telecommunications Management, John Polk;

The original cost-study analysis as prepared by the Office of Computer Services and Telecommunications Management at DOE;

Our appeal and the supporting figures; and,

The letter denying this appeal signed by the Assistant Secretary for Management and Administration, William Heffelfinger.

In particular, we feel the letter from Mr. Heffelfinger denying the appeal, does not demonstrate why CSTM's figures are "right" and ours are "wrong." We feel that we should be entitled to some explanation on this point, since the figures in our appeal reflect the actual employment in the Message Center Branch, and therefore, the actual amount of savings that would accrue to the Government if this function were contracted out.

In addition to the points brought up in our appeal, there are some other aspects of this particular case that seem to show a lack of understanding of the A-76 Circular on the part of the CSTM management; to wit:

Paragraph 9.d. (and elsewhere) state that a 10% savings must accrue to the government in order to contract out; our figures, which were not refuted in the denial of the appeal, show that a savings of less than 2% is realized.

We received no advance notice of review as required in paragraph 10.c.(3); our first notification was the letter from Mr. Polk; also the Chapter 213 of the National Treasury Employees Union was notified of this action only 30 minutes before the affected employees.

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In paragraph 10.a.(6), these requirements have been consistently glossed over by CSTM management, in what appears to the affected employees to be an overt attempt to force us to go to work for the projected contractor. The original time frame for implementation left the employees barely four weeks (including the three weeks allotted for appeal), to accept the change-over, decide whether to work for the contractor, or to pursue our rights under RIF procedures. No mention of retraining rights was ever made. The short transition time would have caused disruption not only for the affected personnel but for the functions being contracted out if present government employees did not accept employment with the contractor.

The functions of our branch could be protected under paragraph 5.f.(1), as we deal with intelligence functions. This point was discussed with Mr. Arnold Donohue, National Intelligence Analyst, of OMB, who would probably be able to advise you on some of these aspects.

In the justification for sole-source, as pointed out in our appeal, there are still the problems dealing with the contractor familiarity with the functions they would take over. This point has been discussed with the Contracting Office at DOE, some personnel of which feel that certain functions involved would require a new start, and therefore an open bid situation. As of this date, the Procurement Request for the contracting out has not been received in the Contracting Office.

In conclusion, while we realize that the policy of the present administration is in favor of contracting out Government functions where possible, we don't believe that the administration wishes this accomplished by misusing the directives put forth in the A-76 Circular. We contend that the figures used in the original cost-study analysis as prepared by CSTM are incorrect and inflate the expense of this operation to the Government and, therefore, make it appear that substantial savings will result from contracting out. Also, in general, the attitude of CSTM management has been totally callous toward the effects this action is having on present Government employees. In delivering the denial of appeal to me personally, the Deputy Director of CSTM, after I told him that this denial would be grieved by the NTEU under the bargaining agreement with DOE, expressed the opinion the since the present administration wants to contract out everything it can and reduce the number of Federal employees, that there was no use in fighting this action. DOE itself defines our functions as critical, and the sensitive nature of the work should place it above politics.

I hope that your office will consider this letter seriously and with all due speed, to prevent what appears to us to be a misuse of Government regulations in order to accomplish the Administration's desire to contract out functions when possible. You may contact myself, or Mr. James Cummings, should you or your staff desire any clarifications or additional information at 252-5149 or 252-6704. Our address is Department of Energy, MA-623, N.S. GM-III, Forrestal Bldg., 1000 Independence Ave., SW, Washington, DC20585.

Sincerely,

Alan F. Brit