The BRIEFER

An Update on the AFSS A-76 Study

April 2004 Edition

Acquisition Team Update

In conjunction with the Automated Flight Service Station (AFSS) public-private competition public announcement and release of the first draft Screening Information Request (SIR), the Federal Aviation Administration (FAA) requested that interested parties submit a notice of intent to participate in the competition. Notices of intent were filed by 10 potential prime service providers (SPs), including the Most Efficient Organization (MEO). Based on the number of respondents, the FAA planned to exercise its ability to conduct a down-select activity.

After review of the criteria for the down-select activity, several competitors opted not to continue to compete as potential prime SPs. The balance of the down-select activity was cancelled. There are currently 6 SPs participating in the competition.

Potential Prime Service Providers

FAA Most Efficient Organization (MEO)

Computer Sciences Corporation (CSC)

Lockheed Martin Corporation

Northrop Grumman Corporation

Raytheon Company

Wade & Associates, LLC

The FAA has continued to release interim drafts of the SIR for review and comment. Interim releases occurred on March 5th, March 11th, and April 2nd of 2004. Comments on each interim release of the SIR were received from parties representing private industry and the MEO. The Acquisition Team is currently working to review these comments and revise the SIR accordingly. The final release of the SIR is planned for the week of May 3, 2004. Following the release of the final SIR, SPs will have 90 days to develop their technical proposal and 120 days to develop their cost proposal.

Flight Services Board of Performance and Cost Review

The AFSS competitive sourcing effort traces its origins to the President's Management Agenda (PMA), which is a strategy for improving performance of the federal Government. The PMA requires each agency to subject a portion of activities declared commercial in nature to public-private competition under Office of Management and Budget (OMB) Circular A-76. Identifying the AFSS services as commercial in nature did not change the fact that the services are being delivered using the tools and techniques of the federal Government.

In the development of the competitive sourcing activity the FAA established the following goals:

- Achieve significant process improvements to lower costs and maximize operational efficiency of the AFSSs
- Encourage creative approaches to delivering AFSS services
- Focus on the outcomes produced rather than the level of effort of the SP
- Improve the quality of AFSS services
- Ensure that the customer needs are met while improving customer satisfaction

One of the greatest challenges to attaining those goals is finding a way to smoothly transition the delivery of services to a SP whose approach depends on business tools and techniques. To effect the transition, a process and common approach is needed. The process and approach should consider the particulars of the winning competitor's proposal and ensure proper government oversight of the contract. A tool to help build a bridge for the transition is the Board of Performance and Cost Review (BPCR).

The AFSS A-76 Performance of Work Statement says:

The SP shall join with the Government and form a partnership to ensure continuity of performance outcomes and cost efficiency of flight services by forming a Board of Performance and Cost Review (BPCR).

The BPCR will hold its inaugural meeting during the Phase-In Period …. will meet bi-monthly during the Transition Period and quarterly thereafter…. The meetings … will serve as the primary communication link between the FAA and the SP in regard to performance…

These few sentences say a lot about how success in the AFSS competition will be achieved. The idea of partnership appears first. It has a primary importance; because the SP and the Government have the best chance of success when they have goals in common, a partnership. The "continuity of performance outcomes" speaks to the pride the FAA has in how well the service has been provided in the past. Preserving the AFSS record of safety and service to aviation is a source of pride and in the interests of both the FAA and the SP. Likewise, the government and the SP share a stake in delivering the service with cost efficiencies – a goal derived from responsibility to taxpayers, and for potential SPs from private industry, to stockholders.

The details of BPCR membership and meeting schedules have not been established. That will, in part, be the work of the Implementation Office and will depend on the particulars of the winning competitor's proposal. It promises to be a challenging and rewarding task.

Realigned / Discontinued Activities

The first step to conducting any public private competition is to determine the exact scope of work to be included in the competition. To identify all of the possible activities, the Office of Competitive Sourcing (ACA) sponsored functional scoping workshops in each of the eight regions with representatives from every AFSS under study. From these workshops and with the assistance from the Performance Work Statement (PWS) Team, a dictionary describing the 240 activities currently performed in the AFSSs was developed.

The next step was to have Air Traffic Service (formerly AAT), assisted by personnel from ACA and the PWS field team, review these activities and determine which ones should be included in the competition. Each activity was evaluated in alignment with the AFSS mission and the critical need as a core FAA responsibility. This analysis was conducted by having the PWS field team, AAT and ACA management, and user group representatives independently rate and score each activity. Then ACA and AAT management representatives met and reviewed the scores and each activity to develop recommendations for the final scope of the competition. The Director of the Office of Competitive Sourcing concurred with these recommendations and they were approved by the Deputy Director of Air Traffic Service (AAT-2) in early September 2003.

A complete list of the realigned and discontinued activities is available on the Office of Competitive Sourcing website. Of the 240 total activities only 25 will be discontinued. Many of these are the responsibility of another organization outside the FAA. Independent on request services, not given as part of a pilot briefing, will also be discontinued. AAT also decided to discontinue the TWEB broadcasts. All of the realigned activities will continue, but will be transferred to some other organization.

So when do these activities realign or stop? That is one of the first tasks that the Implementation Office will address. This office will review these activities and determine the best course of action to facilitate a smooth transition.

Note: These activities were completed prior to the rollout of the Air Traffic Organization (ATO).

User Forum

A customer user forum was held on March 5, 2004. The users were provided an update on the status of the AFSS competition. Attendees included representatives from the Airline Pilots Association (ALPA), the Aircraft Owners & Pilots Association (AOPA), the Air Transport Association (ATA), the National Business Aviation Association (NBAA) and the Small Aircraft Manufacturers Association (SAMA).

Topics of discussion included:

- The process for adding new services or changing old services (ex: Adding Local Airport Advisory service to a site that does not currently provide the service)
- The need to coordinate with the users prior to conducting the BPCR
- How the agency will ensure that realigned activities are not dropped.

Site Visits

Service Provider visits to AFSS facilities were completed in March and April. The following facilities were visited:

Leesburg, VA (DCA)
Miami, FL (MIA)
Seattle, WA (SEA)
Princeton, MN (PNM)
San Angelo, TX (SJT)

The selection of facilities was made by the Office of Competitive Sourcing personnel, with the concurrence of the Flight Service Service Unit. The potential SPs also had the opportunity to comment on the choice of facilities.

The facilities were selected to expose the vendors to unique operations, including international, domestic ADIZ, transborder and OASIS operations, as well as facilities of varying physical condition and size. Potential SPs had the opportunity to spend up to four hours at each facility. Two to three individuals from the Competitive Sourcing Office participated in each site visit. NAATS also ensured that a representative was present for each visit.

The choices were **not** meant to suggest which facilities would remain open if a competitor proposed consolidation of facilities. The professionalism displayed by AFSS personnel during these visits was greatly appreciated.

Highlighted Recently Asked Questions

Is the Phase in period delayed until the appeals is settled or does it begin immediately regardless of the status of the appeal??

Contests to FAA actions taken as a result of the AFSS public-private competition will be adjudicated by the FAA's Office of Dispute Resolution for Acquisition (ODRA). The procedural rules for A-76 contests have been published by the ODRA, and can be found at the following web address: http://www.faa.gov/agc/odra/default.htm (Click the icon labeled "A-76 Contest Rules").

The phase-in period will begin and continue during the contest period, unless the party challenging the FAA can demonstrate a compelling reason to halt the phase-in. The rules cited above address this point.

Has the contract award date changed from March 17, 2005? We have heard that it could be as early as October 2004.

Administrator Blakey committed to Congress that there would be no outsourcing decisions made in fiscal year 2004, which ends September 30, 2004. She also approved a schedule that allows the agency until March 17, 2005 to make a performance decision. The decision date is contingent upon the duration of the evaluation process. The duration of the evaluation process (which results in a performance decision) is unknown since the number of potential service providers who will actually submit proposals will not be known with certainty until August 2004. There will be a mandatory 6 month phase-in period after contract award. Previously, this time period was identified as a 3-6 months. This means that affected employees will know who won the competition 6 months prior to any action being taken.