



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
5001 EISENHOWER AVENUE, ALEXANDRIA, VA 22333-0001

REPLY TO
ATTENTION OF

AMCPE-F

29 September 1999

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Planning and Conducting Reductions in Force (RIFs) to Implement A-76 Cost Competition Study Decisions

1. Headquarters, Department of the Army, (HQDA) has issued the attached policy which implements recommendations for streamlining the A-76 study decision announcement and RIF clearance process. This policy is provided for your review and immediate implementation. The major changes are: notification to Congress has been reduced from three to two occasions; and, activities can submit requests for RIF clearance and Voluntary Early Retirement Authority at the initial decision to contract out.

2. If you have any questions, please contact your AMC Reshape Office representative or Mrs. Nancy Nachreiner on DSN 767-5129 or commercial (703) 617-5129.

3. AMC -- Your Readiness Command . . . Serving Soldiers Proudly!

FOR THE COMMANDER:

Encl
as


MELINDA McMILLON DARBY
Deputy Chief of Staff
for Personnel

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HOWARD A. OLSEN
Colonel, GS
Assistant Deputy Chief of Staff
for Personnel



DEPARTMENT OF THE ARMY
WASHINGTON, D.C. 20310

September 3, 1999

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Planning and Conducting Reductions in Force (RIFs) to Implement
A-76 Cost Competition Study Decisions

An Inter-Organizational Process Team, chartered by the Vice Chief of Staff, Army, recommended that we streamline the A-76 study decision announcement and RIF clearance processes. To implement this recommendation, the Offices of the Assistant Chief of Staff for Installation Management, Assistant Secretary of the Army (Manpower and Reserve Affairs), General Counsel, Chief of Legislative Liaison, and Judge Advocate General reviewed the A-76 study and RIF planning / implementation processes from start to finish. This memorandum disseminates and implements the results of that review.

Current Process. For large RIFs (50 or more anticipated separations), we currently submit an Information for Members of Congress (IMC) to the Congress on three occasions. (The first two IMCs are required by 10 USC 2461; the third stems from requirements in Department of Defense Directive 5410.10 for clearing and announcing reduction actions.)

- a. First IMC - Announces to Congress our plan to conduct an A-76 study.
- b. Second IMC - Notifies Congress of the final study decision.
- c. Third IMC - Issued after Headquarters, Department of the Army (HQDA) approves and Office, Secretary of Defense (OSD) clears the RIF. It advises the Congress of the RIF and its impact on civilian employees.

Modified Process. Our review focused on combining the second and third IMCs. This single IMC will be an improved information source for all parties, including the Congress. New procedures designed to accelerate the RIF IMC so that it can be combined with the study decision IMC are reflected in the enclosed study milestone list and summarized as follows:

a. The installation will "pre-position" RIF clearance (or RIF notification for a small RIF of fewer than 50 anticipated separations) and Voluntary Early Retirement Authority (VERA) request packages. These packages will be developed based on the assumption that the A-76 study will result in a contract decision. The installation will complete these packages about the time the A-76 source selection process is completed, and then hold them until cost comparison bid opening. To promote positive labor-management relations, installations are strongly encouraged to notify concerned labor unions of the development and "pre-positional" nature of these packages.

b. Immediately after the initial A-76 study decision (i.e., the day after cost comparison bid opening), if the initial decision is to contract out, the installation will submit the "pre-positioned" RIF/VERA request packages through the Major Army Command (MACOM) to HQDA. The installation's transmittal memorandum will need to clearly state that the packages are based upon the initial A-76 study decision and are intended for implementation only if that decision becomes final at the end of the public review (appeal) period. If the initial decision is to convert to in-house most efficient organization and if 50 or more separations are anticipated, then the installation revises the RIF/VERA request packages accordingly. If fewer than 50 separations are anticipated, then only RIF notification, rather than a RIF clearance request package is required, but a VERA request package should be submitted if that authority is needed.

c. HQDA will initiate the coordination, approval, and clearance process for a large RIF upon receipt of the request packages from the MACOM. By receiving this information earlier than under current procedures, we will be able to complete clearance within HQDA and OSD in time to include the RIF information in the final study decision IMC. We will also obtain VERA approval from OSD subject to the following conditions:

- a) no employee will retire under this VERA before the final A-76 decision, and;
- b) if the final A-76 decision changes the initial decision, the approval is withdrawn.

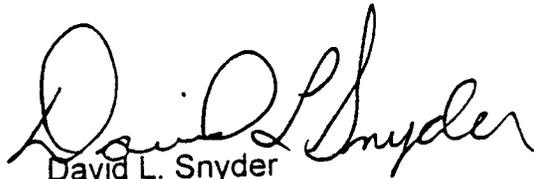
In planning for study implementation, please keep the following in mind:

- a. "Right of first refusal" is an entitlement for employees who are adversely affected by contracting out and not for those who separate voluntarily. Only employees who are released from their competitive levels, and who are scheduled to be separated or demoted, or whose appointments are terminated prior to expiration dates are considered to be "adversely affected." Employees who take VERA and/or VSIP leave the work force of their own volition and become ineligible for right of first refusal. Be certain to counsel your work force to this effect when offering VERA/VSIP.

b. If 50 or more employees are to be separated by RIF within a commuting area during the year, we must notify the Congress. This need for notification can result from the combined impacts of two or more small RIFs. You need to coordinate your RIF planning closely with your Civilian Personnel Operations Center and with other Army activities in your area to ensure that this requirement is met.

Installations must comply with their obligations under the Federal Service Labor Management Relations Statute and applicable negotiated agreements before implementing the modified process.

We encourage use of the modified procedures indicated in paragraph 3 above. Point of Contact (POC) for personnel management issues is Mr. Steve Lewis, DSN 221-9419 or 703-325-9419. POC for A-76 issues is Mr. Jim Wakefield, DSN 223-6836 or 703-693-6836.



David L. Snyder
Deputy Assistant Secretary
(Civilian Personnel Policy)



R. L. Van Antwerp
Major General, GS
Assistant Chief of Staff
for Installation Management

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CF:
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AGGRESSIVE TIMELINES FOR A-76 AND RIF APPROVAL/EXECUTION

MILESTONE SCHEDULE - NEGOTIATED BID PROCUREMENT

Size of Study:	Small (<100 spaces)	Medium (100-600 spaces)	Large (>600 spaces)
Estimated Months to Complete (Event 2 thru 20):	13	18	21

Event No.	Milestone	Day	Day	Day
1.	Installation forwards Commercial Activities Proposed Action Summary (CPAS) to MACOM.	1	1	1
2.	HQDA Office of the Chief of Legislative Liaison (OCLL) provides Congressional announcement. Installation makes public announcement, convenes study team, and begins Performance Work Statement (PWS) and Management Study (MS).	30	30	30
3.	Installation submits Acquisition Plan; Issues Commerce Business Daily (CBD) Synopsis; Notifies Independent Reviewer of projected MS completion date.	60	72	78
4.	Installation completes 1 st draft of PWS and Performance Requirements Summary (PRS).	90	114	126
5.	Installation completes PWS and submits to Contracting Officer for solicitation.	120	156	174
6.	Installation completes MS and In-house Cost Estimate; Independent Reviewer begins Independent Review (IR). Installation works with Civilian Personnel Advisory Center (CPAC) and Civilian Personnel Operations Center (CPOC) to begin Reduction in Force (RIF) planning (if RIF planning is not already underway).	180	239	271
7.	Installation issues solicitation.	180	239	271
8.	Independent Review completed. Installation submits In-house Cost Estimate to Contracting Officer and completes Transition and Quality Assurance (QA) Plans.	210	281	319
9.	Installation receives proposals.	270	364	416
10.	Installation begins source selection process (evaluates proposals and conducts negotiations).	271	365	417
11.	Installation completes source selection. Installation completes/pre-positions a RIF clearance request if contracting out of the work would result in a large RIF (50+ projected involuntary separations) or a RIF notification if a small RIF (less than 50 separations) is projected. Installation also prepares/pre-positions a Voluntary Early Retirement Authority (VERA) request, if needed. Installation holds and secures these pre-positioned packages at the installation level, pending cost comparison / initial decision (item 14).	360	500	579
12.	Installation notifies MACOM of impending cost comparison (pre-notification).	375	521	603
13.	Installation completes legal review and Head of Contracting Activity/ Principal Assistant Responsible for Contracting (HCA/PARC) selection.	375	521	603
14.	Initial Decision. Installation opens In-house Cost Estimate, completes cost comparison form, announces cost comparison results, and notifies MACOM of initial decision (telephonic).	376	522	604
	Installation submits RIF clearance (or RIF notification) request and VERA request to MACOM if initial decision is to convert to contract performance. (If in-house decision and a RIF to reach MEO is needed, activity revises pre-positioned RIF clearance/RIF notification/ VERA request packages before submitting them to MACOM.) MACOM notifies HQDA if there are other RIFs within the commuting area that in combination would result in 50 or more separations in the commuting area.	376	522	604