

From: Davis, Jeff

Sent: Monday, July 13, 2009 9:57 AM

To: [deleted]

Subject: Letters of Obligation (LOO)

As you may recall, the Office of Management and Budget (OMB) A-76 Commercial Services Management (CSM) program as we know it has been under scrutiny. The 2009 Omnibus Appropriations Bill includes a provision prohibiting the use of funds to study or hold a public-private job competition for the remainder of fiscal 2009. Additionally, both chambers of Congress have passed or considered a series of legislative measures such as limiting which agencies could hold job competitions. In March, President Obama ordered the OMB to undertake an in-depth review of the government's contracting efforts, including the outsourcing of work historically performed by federal employees.

DOE is currently reviewing its CSM program to see what makes sense under the current environment. There are several options available.

One is continue operating with the existing LOOs, as they exist. This would mean complying with performance monitoring activities, including quality assurance, maintenance of LOO files, recording actual costs, documentation of past performance, and Government reports.

Another is to terminate the LOOs. This option will reduce the requirement for tracking and reporting. Second, it will free up resources such as the Residual Organization (RO) to focus on other priorities. The OMB Circular A-76 allows for the termination of the LOO for reasons other than failure to perform. Examples of these terminations include elimination of an agency requirement through divestiture, privatization, reorganization, restructuring, national defense, or homeland security. If you want to terminate the LOO, we will need your justification. In many cases reorganization may be the best reason, especially if you are considering adding, deleting, or clarifying tasks, which then affects the staffing. If you have considered becoming a High Performing Organization (HPO) and it requires a different staffing mix, reorganization may again be the best approach.

Please provide your recommendation and if it is termination, your justification by July 27, 2009.

Please direct any questions or concerns to Jeff Davis, Office of Procurement & Assistance Management at (202) 287-1877 or at jeff.davis@hq.doe.gov.

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