

Air Force Audit Agency

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A-76 INDEPENDENT REVIEWS UPDATE

What Has AFAA Been Up To?



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Overview

- **Background**
- **Organizational Changes**
- **Process and Approach**
- **Successes**
- **Challenges**
- **Questions**



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Background

- **Assigned IRO responsibility 1 Jan 2002**
- **Transition Period (Jan – May 2002)**
 - Stand up AFAA Division
 - Obtain A-76 Training
 - Develop Review Approach
- **Assumed full IRO responsibility 1 Jun 02**
- **Responsibilities include**
 - Direct conversions
 - Cost comparisons
 - Post MEO



Changes in Division Structure

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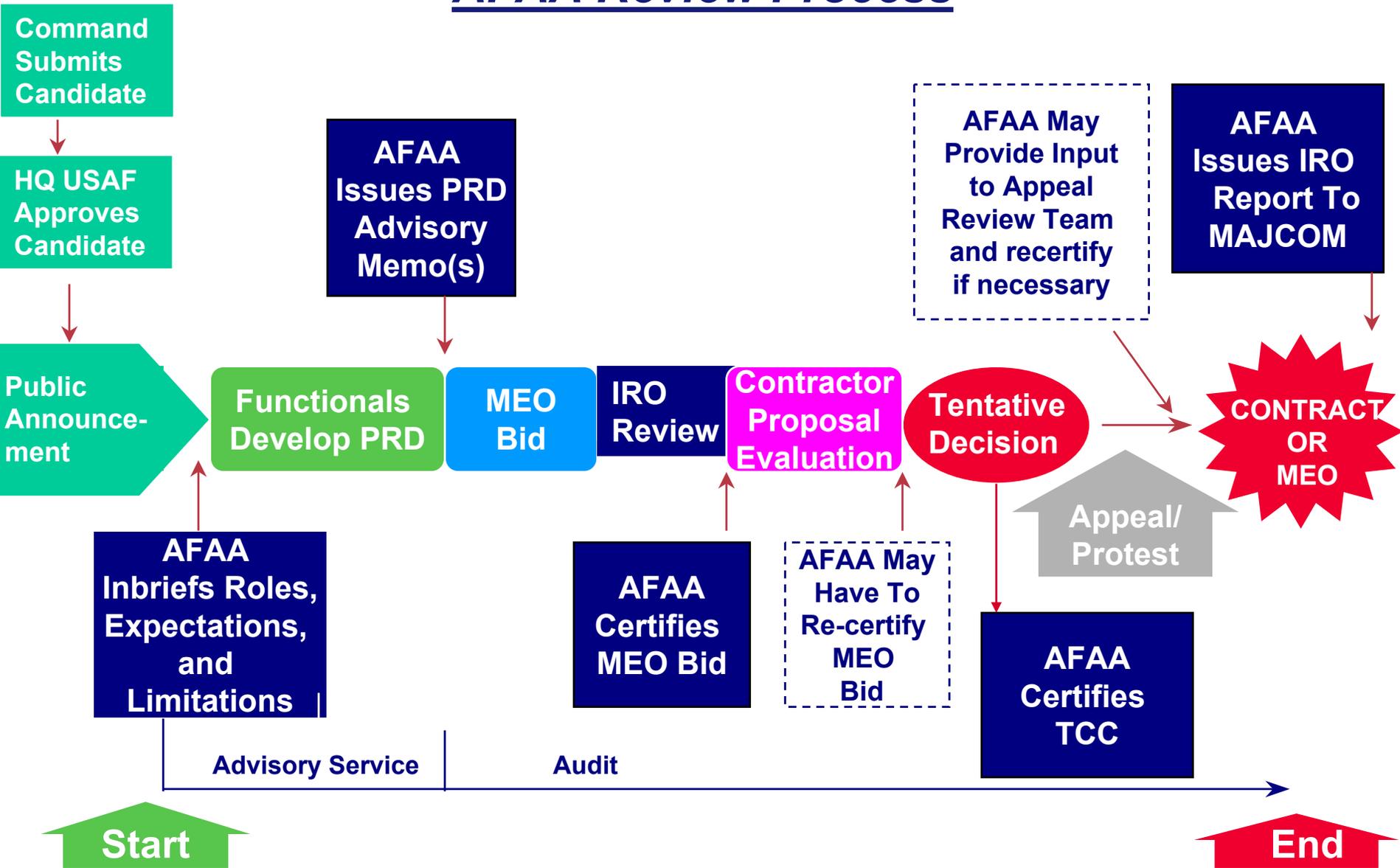
Original Structure

- 1 Associate Director**
- 3 Program Managers (IROs)**
- 13 Audit Managers**
- 24 Field Auditors (Dedicated Full-Time)**

Current Structure

- 1 Associate Director**
- 2 Program Managers (IROs)**
- 9 Audit Managers**
- 23 Field Auditors (As Needed)**

AFAA Review Process





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Current Approach

■ **Two-Phased Reviews**

- Performance Requirements Document (PRD)/Solicitation Review (Advisory Service)
- Independent Review/Certification (Audit)

■ **Cross-Functional Teams**

- Auditors
- Functional Experts

■ **DoDIG Guide for Independent Review of OMB Circular A-76 Studies (draft) - Modified by AFAA**

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PHASE 1 PERFORMANCE REQUIREMENTS DOCUMENT AND SOLICITATION REVIEW



Management Advisory Service

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Phase 1 – PRD/Solicitation Review

Objectives

To determine if the PRD/Solicitation

- Is prepared IAW OMB Circular A-76 and related guidance
- Provides a reasonable basis for in-house and contractor estimates
- Is documented with consistent, accurate, and clear data that supports workload requirements



Phase 1 – PRD/Solicitation Review

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- **Initial review starts when draft PRD posted on FBO**

- **RFP, final PRD, and amendments reviewed when posted**

- **Auditor and Functional Roles**
 - Auditors focus on completeness, accuracy, and supportability of PRD, attachments, and exhibits

 - Functional experts focus on sources and reasonableness of workload estimates



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Phase 1 – PRD/Solicitation Review

Review Results to PRD Team

Interim Action Logs

- **Material deficiencies**
 - Impact AFAA's ability to perform IR
 - Impact contractors' ability to prepare bids
 - Must be corrected

- **Other errors, omissions, and inconsistencies**



Phase 1 – PRD/Solicitation Review

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Review Results to Contracting Officer and Manpower Chief

■ **Interim Memos**

- Summarize material deficiencies
- Action logs attached

■ **Close-Out Memos**

- Issued at end of PRD/Solicitation Review
- Provide follow-up status of action log items
- Material deficiencies closed or resolved

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PHASE 2 INDEPENDENT REVIEW



Audit

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Phase 2 – Independent Review (Audit)

OBJECTIVES

- **Determine if data contained in management plan reasonably establishes government’s ability to perform work in PRD (Cost Comparisons Only)**
- **Determine if costs on cost comparison form (CCF) are fully justified and calculated in accordance with OMB Circular A-76 and related guidance (Cost Comparisons and Direct Conversions)**



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Phase 2 – Independent Review (Audit)

Review Schedule

- **Direct conversions – 30 days**
- **Cost comparisons – 60 days**
- **Starts when final documents and signed in-house cost estimate (IHCE) received**



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Phase 2 – Independent Review (Audit)

Management Plan Review

- **Includes MEO Plan, Position Descriptions, Transition Plan, Quality Assurance Surveillance Plan, and Technical Performance Plan, depending on type of study**
- **Auditors review for completeness, accuracy and consistency with PRD tasks and workload estimates**
- **Functional experts focus on completeness of work methods and reasonableness of technical estimates, leveling factors, and adjustments**



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Phase 2 – Independent Review (Audit)

IHCE Certification

- **Auditors perform IHCE review**
- **Detail review of CCF, WinCOMPARE² documentation, and supporting documentation**
- **Corrections to WinCOMPARE² completed and new CCF prepared for certification**
- **Certified CCF to contracting officer**



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Phase 2 – Independent Review (Audit)

Management Plan and IHCE Review

Results to MEO Team

Action Logs

- **Errors, omissions, and inconsistencies in management plan or in-house cost estimate**
- **All errors MUST be corrected or resolved before IRO certification**



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Phase 2 – Independent Review (Audit)

Independent Review Re-Certification

- **After source selection, MEO may need to make changes to management plan and/or IHCE**
 - Changes to solicitation/PRD
 - Technical leveling
 - Changes in cost factors or pay rates

- **IRO will re-certify (if required)**



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Phase 2 – Independent Review (Audit)

Tentative Cost Comparison

AFAA IRO

- Ensures contractor bid entered correctly in WinCOMPARE²
- Verifies cost and inflation factors are current and corrections are made, as required
- Confirms MEO bid reconciles to current version of solicitation
- Certifies CCF tentative cost comparison



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Phase 2 – Independent Review (Audit)

Appeal/ Protest

Guidelines for AFAA involvement

- **Appeal/Protest Team must put specific request in writing**
- **AFAA responds in writing**
- **AFAA may testify at GAO protest hearing**



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Phase 2 – Independent Review (Audit)

Final Review Results to MAJCOM

- **Audit report**
- **Issued after final award**
- **Provides details of management plan, IHCE, re-certification, and tentative cost comparison reviews as well as appeal/protest results requiring AFAA involvement**
- **Usually no recommendations in reports**



Reviews Completed/On-Going

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	Direct Conversions	Cost Comparisons
PRD/Solicitation Reviews Completed	11	2
PRD/Solicitation Reviews On-Going	5	2
Independent Reviews Completed	6	1
Independent Reviews On-Going	8	1

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Successes

- **Resolution of audit independence issues (impacted advisory service for PRD review)**
- **PRD and management plan guides for functionals**
- **IRO process refinements**
- **Improved PRD content and supportability**
- **Improved consistency between PRD, management plan, and cost comparison**
- **Improved cost estimate accuracy and supportability**
- **Some overseas costing issues resolved**



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Challenges

- **Impact of new OMB Circular A-76**
- **Coordination to identify upcoming studies and reliability of CAMIS**
- **Procedures for handling open and unresolved PRD review material deficiencies**
- **Release of MEO documentation to IRO**
- **IRO role in competitive sourcing alternatives**
- **Learning curve for large studies**
- **Applicability of draft interim changes to AFI**
- **Standardized review procedures and revisions to IRO guide**
- **Functional guide for technical performance plans**



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Questions?

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