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h. If a DRIS study result is to have interservice or intraservice performance of a contractible function, the activity will not be considered for CA study until such time as the DRIS study has been completed. If the DRIS study does not result in an interservice or intraservice determination, the CA study will proceed.

i. The final decision in a CA study may be to contract the function; a subsequent DRIS study may determine that it is more cost-effective to include the workload of other DOD components in that expanded scope of work. Employees of DOD components who are displaced as a result of combining their workload into a contract will have the right of first refusal for employment with the contractor in positions for which they are qualified.

j. The final decision in a CA study may be to retain the function in-house; the FOA may subsequently consider the possibility of combining that work with that of other DOD components. This consolidation should be undertaken only if a DRIS study indicates that an actual savings in manpower and dollars would then accrue to the other DOD components.

k. Questions concerning interservice support policy should be submitted to CDR USACE (CERM-MO) WASH DC 20314-1000.

Section III. Commercial Activity Study Approval Process

3-9. Government-Furnished Equipment and Facilities.

a. Preliminary FOA judgments on whether or not to furnish Government equipment or facilities to contractors should be identified in the CPAS (see paragraph 3-10) developed by the FOA at the time it proposes to conduct a CA study. Some decisions are easy. The Government, for example, rather than a contractor, would furnish a lock or a dam for work done at such a facility. Many decisions, however, will be much more complicated. They will involve consideration, in accordance with FAR Part 45, of more than one of the following four basic options:

(1) Government-owned, contractor-operated (GOCO) facilities with Government-furnished equipment (GFE);

(2) GOCO without GFE;

(3) Contractor-owned, contractor-operated (COCO) facilities with GFE; or

(4) COCO without GFE.

b. Within these four basic options are possibilities for partial furnishing of facilities or equipment. Whatever options or mixtures are chosen, the decision will be based on a comprehensive, documented analysis of the costs and benefits of offering versus not offering and disposing or making other use of the facilities and equipment for review by the independent reviewers (USAAA or CEAO) and, after the initial decision at bid opening, to the general public.

c. Facilities.

(1) If only one of the facilities options (i.e., GOCO or COCO) will be offered to potential contractors in the solicitation, then the justification must be sent to CDR USACE (CERM-MC) WASH DC 20314-1000 for approval at least six weeks prior to the scheduled arrival of the independent reviewers. A list of all functions approved for GOCO-only solicitation is given below. The independent reviewers require a HQUSACE waiver for single method solicitation of any function not in this list:

<u>GFA</u>	<u>Function</u>
C106	Operation of Recreational Areas
C109	Fish and Hatcheries
C112	Operation and Maintenance of Dams
C115	Operation and Maintenance of Locks and Bridges
C118	Operation and Maintenance of Hydropower Facilities
C119	Operation and Maintenance of the Washington Aqueduct
H115	Clinics and Dispensaries
S709	Custodial Services
S710	Pest Management
S712	Refuse Collection and Disposal Services
S713	Food Services
S724	Guard Service

<u>GPA</u>	<u>Function</u>
S725 to S730	Utilities
T807	Visual Information (VI) Services
T809	Administrative Telephone Service
T816	Telecommunication Centers
T817	Other Communications and Electronics Systems
T820A	Word Processing Centers
T820D	Internal Mail and Messenger Service
W825	Maintenance of ADP Equipment
Z991 to Z999	Maintenance, Repair, Alteration and Minor Construction of Real Property

(2) When a waiver is required, the request must be supported by a cost-benefit analysis of what is most cost advantageous to the Government. The only exception is when the choice of a single option is based on valid noneconomic grounds (such as serious security considerations) that can be presented in a self-explanatory, documented justification which would be both understandable and credible to HQUSACE, the independent reviewer, and the general public.

d. Equipment. If only one of the equipment options (i.e., with or without GFE) will be offered, a HQUSACE waiver is not required. Nevertheless, the documentation for the independent reviewers must be supported by a cost-benefit analysis and/or a strong noneconomic justification.

e. The thorough analysis required in the above paragraphs ensures that all facility and equipment options are considered, that neither the private sector nor the in-house work force is given an unfair advantage in the cost comparison process, and that if the activity is converted to contract performance it will operate as well as possible.

f. Sometimes it is impossible to prejudge what options will be most advantageous to the Government. For example, although it is often better to have contractor-furnished equipment so that contractor performance is not dependent on the condition of Government equipment, or that machine usage costs are reduced by spreading them to more customers, there are other conditions under which it is better for the Government to furnish equipment, as when specialized and/or expensive equipment is not owned by many contractors and failure to finish such equipment could result in few or no bidders, to the exclusion of small

businesses, or in a near monopoly position for a winning bidder. Similarly, use of contractor facilities could be the most economical option if these facilities are shared by other customers or their location yields lower rental costs. Conversely, these savings might be more than offset by transportation expenses and additional Government administrative costs created by the need to deal with off-site facilities. It is difficult to obtain data on all such factors, especially since they can vary considerably by geographical region and nature of the companies that are interested in bidding at any given time. Frequently, therefore, the only way to determine what is most advantageous to the Government is to offer all feasible options to potential contractors in the solicitation and see what results.

g. If provision of GFE has been shown to provide an incentive for a contractor to neglect maintenance of the GFE, it may in the Government's best interest not to offer GFE or to provide in the contract for Government inspection of the GFE and the appropriate payment deductions for improper maintenance.

h. Where it is uncertain as to which approach to take, the preferred alternative is to offer all feasible options in the solicitation. The PWS and the Government's in-house cost calculations must be produced both under the assumption that Government facilities and/or equipment will be furnished and under the assumption that they will not be furnished. Then each of these versions of the Government costs must be compared to the corresponding version of the contractors' bids or offers. This extra work will pay large dividends, though, as will the analysis of options described above, if the result is a more cost effective contract for the Government.

i. Supplies and material. Contractors should normally be required to provide supplies and materials that will be consumed or expended in the performance of a function.

3-10. Commercial Activities Proposed Action Summary (CPAS) (RCS CSCOA-112).

a. The FOA will submit a CPAS (RCS CSCOA-112), shown in Figure 2-2, to obtain HQUSACE approval to study an in-house CA for possible change in method of performance. The format provided in Figure 2-2 will be used to gain approval of all proposed studies regardless of method of funding. The CPAS provides the information required for

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HQUSACE staff review and for Congressional announcement (see paragraph 3-12). The CPAS is submitted in letter format with the appropriate elements of information included in the narrative. The CPAS will be coordinated with:

- (1) FOA CA Program Manger,
- (2) Functional managers,
- (3) Procurement and small business specialists,
- (4) Manpower manager,
- (5) Personnel Officer,
- (6) Equal Opportunity Officer, and
- (7) Counsel.

b. The CPAS is prepared by the originating FOA, endorsed by the FOA Commander, and forwarded through channels to CDR USACE (CERM-MC) WASH DC 20314-1000 to obtain HQUSACE approval. The CPAS will be marked "For Official Use Only--Protective Marking Cancelled on Announcement of Initial Decision or Cancellation of CA Study." The approval/announcement procedures for CPAS are covered in paragraph 3-12.

c. Submission and approval of a CPAS do not substitute for the requirement to submit and obtain approval of an acquisition plan when required by procurement regulations (see FAR Part 7).

d. CPAS submissions will be maintained by the FOA and CERM-MC. After the initial decision in the CA study is announced (see paragraph 3-41), interested parties may review the CPAS at any time.

e. No CPAS can be cancelled (see paragraph 3-15) or substantially altered without HQUSACE approval.

3-11. Commercial Activities Transfers, New Requirements, and Expansions.

a. General. Transfers, new requirements and expansions (all defined in the Glossary) require the special treatment explained below. Guidance will be supplied on whether or not new work resulting from legislation (such as the Water Resources Development Act of 1986 (P. L. 99-662)) is governed by this paragraph.

b. Transfer Process.

(1) FOA commanders will submit a Commercial Activities Transfer Proposal (RCS CSCOA-115), Figure 3-2, to obtain HQUSACE approval to make a CA study of a contracted activity (see AR 5-20 dated 20 October 1986, paragraph 4-8a, for guidance on DOD-funded activities).

(a) Justification for performing the study includes projections of contract price as well as cost estimates of in-house performance. The decision to request approval to conduct a CA study of a transfer activity should be made only when analysis of an existing contract by the contracting office and the functional manager, either upon exercise of contract option periods or at contract expiration, indicates that in-house performance might be less costly than any available commercial source.

(b) Only after exhausting all efforts to develop a competitive contract price through negotiation, repackaging, and reprocurement should the feasibility of in-house performance be considered.

(c) Requests for additional personnel spaces or funds to establish and maintain the in-house activity must be included and justified with the transfer proposal. If the required workyears cannot be accommodated within the Corps' manpower ceiling, a request for adjustment will be submitted for decision during the appropriate phase of the budget process.

(2) A transfer CA study does not involve an existing in-house work force; therefore, no requirement exists to notify Congress and the restrictions in paragraph 3-12 do not apply.

(3) Separate approval is not required to study augmentation contracts for possible in-house performance. If augmentation contracts are to be studied, the CPAS proposing a CA study of the augmented in-house activity will include data on these contracts as well as on the in-house work force.

(4) The CA transfer study is carried out using the procedures specified in the management study and PWS sections of this regulation. The FOA will prepare the Government's in-house cost estimate according to the procedures in Appendix E and will complete ENG Form 4843B-R, Cost Comparison of Expansions, New Requirements and Conversions to In-house Performance (RCS CSCOA-116), to document these costs.

(5) If problems arise in establishing an in-house work force by the contract expiration date, use of part time and temporary employees is recommended.

c. New requirement approval process.

(1) FOA Commanders will submit a Commercial Activities New Requirement Proposal (RCS CSCOA-115), Figure 3-2, through channels to CDR USACE (CERM-MC) WASH DC 20314-1000 to obtain HQUSACE approval to conduct a CA study for possible in-house performance of a newly established need for a commercial product or service (see AR 5-20 dated 20 October 1986, paragraph 4-8, for guidance on DOD-funded activities). FOA should submit this proposal only when it is likely that in-house performance of a new requirement will be less costly than any available commercial source.

(2) If a cost-effective contract can be obtained to perform a new requirement, the work may be contracted without a CA study. The requirements in paragraph 3-11b apply to proposed CA studies of new requirements as well as transfers to in-house performance.

d. Expansion approval process.

(1) In-house activities must be reviewed when a proposed increase in costs or capital investment meets the criteria of an expansion (see Glossary). A CA study will be conducted when expansion of an in-house activity is proposed and no noncost reasons exist that compel in-house performance. The results of a CA study will determine whether the activity will be converted to contract or expanded as an in-house operation. FOA Commanders will

obtain approval to conduct a CA study of an expanded operation by submitting a CPAS according to paragraph 3-10 (see AR 5-20 dated 20 October 1986, paragraph 4-9, for guidance on DOD-funded activities). Since an in-house work force is involved, the statutory requirements for Congressional announcement (paragraph 3-12) apply to expansion CA studies.

(2) Separate approval is not required to study augmentation contracts for possible in-house performance. If they are proposed for study, they will be included in the initial CPAS.

(3) If the expansion includes construction of a new facility, completion of the CA study may be deferred until six months before the activity will move into the new facility. The CA study can be deferred only for activities that must be performed in a Government facility despite who performs the--a contractor or an in-house work force.

(4) The requirements in paragraph 3-11b(4) apply to expansions as well as to transfers to in-house performance.

e. New requirement or expansion approval is not required for the following:

(1) Repair and maintenance of real property, as defined in AR 420-10; restoration of equipment to its original state or designed productive capacity.

(2) Alteration of existing real property, as defined in AR 415-35, that is not directly related to an increase in the productive capacity of an in-house activity.

(3) Installation of equipment, such as air conditioning or heating, that is not directly related to an increase in the productive capacity of an in-house activity.

(4) Replacement of a damaged or wornout machine with a similar machine designed to perform the same or like task.

(5) Construction that is not directly related to an increase in productive capacity of an in-house activity such as a general access road or installation of perimeter fencing.

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(6) Addition of authorizations to meet previously recognized requirements. The authorizations must have been reduced or held below requirements because of nonworkload-related manpower ceilings.

(7) In-house performance of essential services pending reacquisition when a contract has been terminated.

(8) Actions required solely to comply with the requirements of the National Environmental Policy Act or the Occupational Safety and Health Act.

(9) Projects accomplished under the Energy Conservation Investment Program; other projects initiated to achieve Army energy reduction goals.

f. New requirement or expansion approval is required for the following:

(1) Operation and maintenance of a newly constructed lock, dam, laboratory, etc. where that particular activity was never performed before (new requirement);

(2) Operation and maintenance of an existing facility, where the operation and maintenance are currently performed in-house at an annual cost of \$400,000 and the capacity of the facility has been expanded by \$150,000 in annual operating costs (expansion);

(3) Reactivation of an in-house activity that was discontinued because of ceiling restrictions or other reasons (new requirement).

3-12. Congressional Announcement Requirements.

a. Section 502 of the DOD Authorization Act, FY 1981, P.L. 96-342 (1980), requires the Secretary of Defense to give Congress timely announcement of any decision to study certain in-house activities for possible conversion to contract. Section 502 has been amended by Defense Authorization Act for FY 1986 (P.L. 99-145). AR 5-20 dated 20 October 1986, paragraph 4-6, provides guidance on this topic for DOD-funded activities. The Corps of Engineers has agreed with DA that the Congressional announcement requirement will be applied to all DOD employees, regardless of their method of funding. Activities operated by detailed, diverted, or borrowed civilian personnel will be included in the announcement requirement as well as those with authorized staffing.

b. Announcement is not required for CA studies that do not involve an in-house work force (such as transfers from contract to in-house performance) or those that involve a work force of ten or fewer civilian employees. These studies can begin after they are approved by HQUSACE. Announcement is required for all studies with more than 40 civilian employees.

c. HQDA prepares Congressional announcements, using information submitted in the CPAS (paragraph 3-10). Announcements to Congress may include any number of studies being added to the Corps' CA study program. After an announcement has been delivered to Congress, and/or notification has been received from HQUSACE, FOA Commanders will ensure that union officials and affected personnel are informed of CA study actions (see paragraph 3-17). The Chief of Public Affairs will authorize public release of the information contained in the Congressional notification/approval document.

d. The USACE agreement with HQDA to abide by the statutory requirement for timely announcement as well as the requirement for HQUSACE approval limit the actions that can be taken before Congress is informed of a CA study or before approval to conduct the study has been received. Also, the participation of a fully informed work force is required to perform the study properly. The following restrictions apply to CA study actions before Congressional announcement/HQUSACE approval:

(1) Notices of the requirement in the Commerce Business Daily or other advertisements for commercial sources to perform a specific activity's functions may not be published.

(2) The specific management study that will determine the most efficient and cost-effective in-house organization for the Government's in-house cost estimate may not be performed. Other management studies, manpower surveys, efficiency reviews, and other actions to improve productivity may be accomplished before Congressional announcement/HQUSACE approval.

(3) The Government's in-house cost estimate may not be prepared.

(4) The PWS to be used in the solicitation of bids or proposals may not be developed, nor may the solicitation be prepared.

(5) Reviews, CA study planning and programing, and preparation of the CPAS are actions leading to the decision to conduct a CA study. These actions may occur before Congressional announcement/HQUSACE approval. Proposed CA studies will not be disclosed to the public or unauthorized employees before Congress is notified or before HQUSACE approves the study. Documents that identify specific activities for proposed CA study will be marked "For Official Use Only--Protective Marking Cancelled Upon Public Release."

e. Upon notification of CPAS approval, FOA will compute the costs of the beginning organization using the procedures set forth in Appendix E for the equivalent of lines 1 through 5 of either ENG Form 4843A-R or ENG Form 4843B-R. This information will be reported in paragraph 2.g. of the Final Decision Report (RCS CSCOA-113), Figure 3-3.

3-13. Publicizing CA Study Sonication Status.

a. HQDA will publish the schedule to conduct CA studies of CAs in the Commerce Business Daily and the Federal Register according to OMB Circular A-76, part 1, chapter 1, paragraph C.1.b.

b. The status of CA studies will be publicized using the following minimum requirements (see FAR Part 5):

(1) HQUSACE through HQDA will publicize CA contract opportunities and inform private industry of the solicitation status of CA studies. Publicizing current information will:

(a) Increase competition,

(b) Broaden industry participation,

(c) Keep interested parties informed of the progress of CA studies.

(2) By the first business day of January and July of each year, HQUSACE will provide HQDA the following information, based on field input, for all CA studies in which a solicitation is expected to be issued within one calendar year:

(a) CA Study Number,

(b) FOA,

(c) Location,

(d) Title of Study,

(e) Scheduled Solicitation Issue Date,

(f) Scheduled Bids/Initial Offers Receipt Date,

(g) Scheduled Final Decision Date,

(h) CA POC's name, address and commercial telephone number to answer all questions on these dates,

(i) Contracting POC's name, address, and commercial telephone number to answer all questions on anticipated procurement actions.

(3) In January and July of each year, HQDA will issue a public release in the Commerce Business Daily on the solicitation status of those CA studies meeting the requirements in 3-13b(2) above. At this time proper modifications should be made to those studies previously included to maintain currency of the information.

(4) Requests for information on the status of identified studies will be satisfied by copies of these releases.

3-14. Public Release Authorization.

a. FOA initiating CA studies should identify nonreleasable information and its sources at the beginning of the study process. This will preclude premature release of information that should have been protected or arbitrary denial of information that is releasable.

b. In carrying out CA studies, the confidentiality of both the Government's in-house cost estimate and contract prices will be maintained to ensure complete independence of the two. This confidentiality will be maintained until the cost comparison is completed and the initial decision is announced. Persons who have knowledge of the Government's in-house cost estimate will not take part in the negotiation or source selection process other than in an assisting or advisory capacity and only if there are no other candidates for those duties. Before the initial decision the Government's in-house cost estimate, or information from which it could readily be derived, will not be released to anyone outside the Government, including:

- (1) The public,
- (2) Potential contractors,
- (3) Employee unions,

(4) Anyone other than those persons who have a need-to-know because they will prepare or review the Government's in-house cost estimate.

c. The Government's in-house cost estimate should be based on a proposed streamlined MEO that may be changed significantly from the current and past organization in:

- (1) Organizational and position structure,
- (2) Staffing,
- (3) Methods of operation,
- (4) Operating costs.

d. The cost of operation under this proposed MEO must be protected to ensure that potential contractors' bids are based on the work to be performed and not on the price required to bid below the in-house competition. However, potential contractors must not be denied information they require for a full understanding of the nature and quantity of the work to be performed under contract. Information on historic or current in-house performance may be released in most cases. Information that has been widely disseminated at the FOA, reported to Congress, or otherwise made readily obtainable through unofficial means is not confidential and should not be denied to requestors even if it may be

prejudicial to the confidentiality of the Government's in-house cost estimate.

e. Requests for information related to a current or proposed CA study should be processed according to AR 340-17 and the Freedom of Information Act (FOIA), Section 552, Title 5, United States Code. Such requests often do not refer to a CA study or a specific procurement action or even mention the CA Program. Typically, requests may be for release of the FOA table of distribution and allowances (TDA) or other manpower manning document, command operating budget, or other information that would reveal the organizational structure, staffing, or projected costs of an activity undergoing or scheduled for CA study. All requests for information that may be relevant to a CA study, even though the information is received in a nonprocurement context, must be carefully reviewed for possible association with current or future Government in-house cost estimates and treated as a request for procurement information.

f. The premature disclosure of Government-generated advance procurement information could significantly harm the Government's commercial interests. Such information is normally considered exempt from disclosure under exemption (5) of the FOIA, 5 USC 552(b)(5), and AR 340-17. Exemption 5 may also apply to CA study information that is preliminary in nature when premature disclosure would interfere with the cost comparison process. FOA conducting CA studies will follow the procedures below to identify and protect information that may be exempt from release:

(1) All determinations regarding the treatment of information relevant to a CA study should be made jointly by the CA Program Manager, functional managers, the Contracting Officer responsible for issuing the solicitation, and the FOA Counsel.

(2) Information that may be exempt from release will be identified as early as practicable with a comprehensive review of information occurring no later than the CPAS submittal date (see paragraph 3-10).

(3) Information identified as being potentially exempt from disclosure will be marked "For Official Use Only" (FOUO) according to AR 340-17 and treated accordingly.

(4) FOIA requests for FOUO or other information that is determined to be exempt should be referred to the proper

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Initial Denial Authority for procurement matters, CDR USACE
(CECC-C) WASH DC 20314-1000.

(5) Referrals to Initial Denial Authority will include a written justification for exemption of the information.

g. The categories of CA information below are provided for guidance in determining what information normally should be treated as exempt from release:

(1) Information that discloses the Government's in-house cost estimate and, therefore, is normally not releasable until the initial decision in a CA study includes:

(a) The Government's in-house cost estimate;

(b) The management study that developed the MEO used for the Government's in-house cost estimate;

(c) The proposed TDA or other manpower manning document for the MEO;

(d) Budget data for the activity that show the projected operating costs of personnel resources;

(e) The CPAS.

(2) Information that may disclose the Government's in-house cost estimate and may not be releasable in certain situations includes:

(a) A current approved TDA or other manpower manning document showing all or a large portion of the in-house organization as it will be organized under the MEO;

(b) Preliminary management studies, manpower surveys, or other management actions that were used to develop the MEO;

(c) Proposed personnel actions, changes to operating procedures, budget adjustments, or other changes in the FOA operation that may disclose the cost of operation under the MEO.

(3) Information that normally should not be withheld from potential contractors or others requesting it includes:

(a) Information on past, current, and projected functions and workloads that is necessary for a private bidder or offeror to fairly and adequately prepare a bid or offer based on the PWS contained in the solicitation;

(b) Obsolete TDAs or other manpower manning document and staffing data;

(c) Current or obsolete operating procedures;

(d) Information that has been widely distributed at the FOA without protection so that it could be obtained easily without official request;

(e) Information that is compiled and published on Army-wide or USACE-wide performance of CAS and prior year budget execution reports or other reports on resource consumption.

h. Upon announcement of the initial decision, all interested parties must immediately be given access to the following:

- (1) The cost comparison,
- (2) The Government's in-house cost estimate,
- (3) The Management study,
- (4) USAAA or CEAO report,
- (5) Supporting appendices and attachments.

i. The period for submission of appeals (see Section VIII of this chapter) may not begin until this basic information is made available. Other information relevant to the cA study should be made available unless release would be clearly prejudicial to legitimate Government interests. Information should be made available at the FOA where the affected work force is physically located and at the location of the contracting office issuing the solicitation if they are geographically separated. The objective in release of information upon announcement of the initial decision is to provide a full understanding of the Government's decision to all interested parties.

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3-15. CA Study Termination. FOA may submit written requests to terminate in-progress CA studies to CDR USACE (CERM-MC) WASH DC 20314-1000 at any time prior to initial decision. Such requests must be fully justified. In no case will a study be terminated without HQUSACE approval. See AR 5-20 dated 20 October 1986, paragraph 4-15, for guidance on DOD-funded activities.

3-16. Tracking Funds and Manpower. Tracking CA manpower authorizations and savings helps to determine program progress and to adjust programing in the year of execution.

a. First, the current authorized strength of the organization to be studied is included in the CPAS that is either approved by HQUSACE or announced to the Congress. This data will become the baseline for manpower and fund changes throughout the term of the CA study. (See paragraph 3-12e on computing the costs of the beginning organization.)

b. Then, FOA manpower managers should develop and maintain an audit trail to justify all additions and deletions to these approved/announced authorized numbers for manpower and funds (see Appendix D for ENG Form 4842-R, Effect of CA Study on FOA Manpower (RCS CSCOA-96), and ENG Form 4841-R, Effect of CA Study on FOA Funds (RCS CSCOA-96). Instructions on completing these forms are contained in Appendix F.). FOA will submit this documented audit trail for both manpower and funding changes and justification for changes as a part of the Final Decision Report (RCS CSCOA-113) (see paragraph 3-55 and Figure 3-3).

3-17. Work Force and Union Involvement

a. Government employees and their unions should be encouraged to participate in CA Studies following notification of announcement/approval described in paragraph 3-12. Suggestions should be solicited for improving the in-house organization and the accuracy of the PWS. The completed PWS should be made available to the employees of the studied activities and may be made available to their unions for their review and comment. The findings and recommendations portions of the management study, but not the MEO, may be discussed with the affected employees and their union before the FOA Commander approves the management study. Detailed staffing and cost information that would clearly jeopardize the confidentiality of the Government's in-house cost estimate

will not be released in these discussions. A deadline should be set for submitting comments and suggestions. Management officials should carefully consider comments and suggestions received by the deadline. The management study documentation will include a record of the employee and union participation in developing the PWS and the management study, addressing all comments and suggestions.

b. The invitation to comment (a above) is strictly to help management make decisions. It does not constitute permission to infringe upon management's reserved right to make decisions about contracting out (5 U.S.C. 7106(a)(2)(B)). Also, the invitation to comment on the PWS and management study does not extend to any other part of the CA study, such as the terms and conditions of the solicitation or the Government's in-house cost estimate.

Section IV. Acquisition Aspects of the Commercial Activities Study

3-18. Availability of Commercial Sources.

a. An assessment of the availability of commercial sources should be made at the beginning of the CA study. If review of bidders lists, inventories of contractors, and other information indicate contract sources are available, the CA study should proceed.

b. In accordance with FAR 5.204, 15.404 and 36.302, the Contracting Officer shall publicize presolicitation notices in the Commerce Business Daily. Solicitations will be synopsisized following the publication of these notices as prescribed in FAR 5.201 and 5.203.

c. If the availability of commercial sources is not certain, action must be taken early in the CA study to find potential contractors, especially small businesses and small businesses owned or controlled by minority and disadvantaged persons.

(1) Help should be sought from the General Services Administration (GSA), SBA, and the Domestic and International Business Administration in the Department of Commerce.

(2) The contracting office will place at least three notices of the requirement in the Commerce Business Daily over a 90-day period in accordance with FAR 5.205(d). When