

a. Service Contract Act. Contracts subject to the Service Contract Act of 1965 require minimum wage determinations from the Administrator, Wage and Hour Division, Department of Labor (DOL). The Contracting Officer will request a wage determination from DOL no earlier than 120 calendar days, and no later than 60 calendar days, before the solicitation release date. When a delay of 60 or more calendar days occurs in the solicitation process, the Contracting Officer will request an updated wage determination from DOL.

b. Davis-Bacon Act.

(1) Normally, construction projects are not included in CA studies and will be competed separately. However, requirements in a contract (subject to the SCA) calling for construction, alteration, renovation, and painting performed in response to a service call or work order in excess of \$2,000 are subject to the DBA.

(2) FOA support services such as building maintenance, grounds maintenance, plant operations, custodial services and snow removal are subject to the SCA. When the service call or work order is clearly for maintenance work, the SCA will apply regardless of dollar value.

(3) When the service call or work order is clearly for construction, alteration, renovation or painting, the DBA will apply unless the value of the work order is less than \$2,000, in which case the SCA will apply.

(4) Work will not be separated or aggregated to avoid the applicability of either the SCA or the DBA. Service call or work order estimates used to determine the applicability of either act will be based on the least cost alternative.

Section V. General Information on Management Studies

3-23. Requirement for Management Studies. A formal management study must be part of all CA studies involving an existing or proposed in-house CA. The staffing and the organizational and procedural recommendations included in the management study and approved by the FOA Commander ensure execution of the mission requirements in the PWS, establish the most efficient organization for performing that work, and form the basis for the estimation of the Government's in-house costs included in the cost comparison.

3-24. Purpose of Management Studies.

a. The CA management study establishes the MEO and position structure that is able to perform the required services and compete with commercial sources. The staffing proposed by the MEO must be related to an achievable level of service. Management study proposals should be based on expected use and a level of service that can be supported within projected resources.

b. The management study also identifies whole-position changes in staffing of overhead or support activities (such as the finance and accounting office) as well as positions required for contract administration.

c. In addition, the CA management study must present the structures of both the residual in-house organization if the CA study results in a contract decision and the in-house organization in its most efficient configuration if the CA study result is to retain the function in-house. It also documents management improvements made in relation to tasks (excepted, excluded or exempted) that will not be included in the solicitation.

d. The CA management study also validates essential mission requirements, includes performance factors, identifies equipment necessary to perform the work, documents reporting systems for workload and staff hours, and establishes staffing standards.

3-25. Effects of Management Studies on Other Organizations.

a. Conversion to contract performance of any but the smallest in-house activities will cause changes to the functions and workloads of the FOA staff element responsible for the contracted activity. If contracting would result in reducing one or more whole positions in the overhead activities, these reductions must be identified in the management study so that the associated costs can be included in the Government's in-house cost estimate (Appendix E). The organization and staffing of the functional area chief's office must be set up as part of the management study to identify whole-position changes in overhead and to ensure proper performance of the Government's responsibilities if the final decision is to convert to contract performance. Operation of the functional area chief's office with contracted operating elements is described in OFPP Pamphlet No. 4.

b. Activities that provide support to the activity under study must be surveyed to determine if streamlining or contracting would cause personnel reductions in their operations. Reductions in these activities related to implementing the MEO must also be separately identified in the management study since the Government's in-house cost estimate will include position reductions of this type as well as those in overhead activities which are attributable to contract conversion.

3-26. Timing of Management Studies.

a. Because of the lead time that may be required, programing the acquisitions of new equipment and improvement of facilities that would improve productivity should begin as soon as it is known that a CA study will be undertaken. During the management study the possibility of using Productivity Capital Investment Programs for equipment acquisition should be investigated.

b. Administrative and regulatory requirements that reduce productivity must be identified and corrected as early as possible. Requests to rescind, modify, or obtain exceptions to requirements that reduce productivity should be forwarded through channels to the agencies that establish the requirements. Information copies of FOA requests will be provided to CDR USACE (CERM-MC) WASH DC 20314-1000.

c. As part of the effort to improve methods of operation, VE and the possibilities of obtaining needed services from other agencies, especially those with proven expertise in that particular field (see paragraph 3-8), should be considered during the management study.

d. When a management study proposes a non-standard organization or functional alignment which departs from that specified in USACE organizations and functions regulations (ER 10-1-2 and ER 10-1-3), deviation approval is required in accordance with ER 10-1-3 before the management study can be implemented. Deviations will be submitted to CDR USACE (CERM-MO) WASH DC 20314-1000. Allow at least four weeks for the evaluation process.

e. The management study and development of the PWS are normally performed concurrently. A job analysis, described in OFPP Pamphlet No. 4, is conducted as the first step in developing or adapting the PWS. This analysis must be integrated with the initial stages of the management study

to ensure that the outputs and standards of the management study and the PWS are identical. The management study will not be approved until the PWS is complete and the work requirements and performance levels agree.

Section VI. Management Study Process

3-27. Team Selection. The management study should be conducted by a team with expertise in management analysis, manpower, position classification, work measurement, VE, CA program management, cost estimating, industrial engineering, and the functions under study. A senior person from the management analysis activity in the Resource Management Office/Office of the Comptroller should be the management study team leader to ensure impartiality of the results. The management study must be coordinated with the person responsible for the entire CA study. The management study leader should have the means available to task representatives with the required expertise to serve on the management study team. Prior coordination with the Personnel Officer and the functional manager is necessary to ensure cooperation and access to resources from these areas for the study team. Also, coordination with the HQUSACE manpower representative is required to ensure that only minimum essential staffing is properly documented in the completion of Schedules X, manpower manning documents, and TDA.

3-28. Sources of Information. The study team should use all available information about the organization under study. Some valuable sources of information are:

- a. Civilian personnel classification and position management reviews,
- b. Manpower surveys,
- c. Audits,
- d. Inspections and staff visit reports,
- e. Previous studies,
- f. Available detail or summary level standards,
- g. Standard operating procedures.