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Manpower and Organization

**MOST EFFICIENT ORGANIZATION
MANAGEMENT**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements AFD 38-2, *Manpower*, and continues to detail the further management of Most Efficient Organizations (MEO) as created by AFI 38-203, *Commercial Activities Program*, and Office of Management and Budget Circular No. A-76 (Revised 1999), *Performance of Commercial Activities*, 04 August 1983. This instruction prescribes responsibilities, procedures for changing a Performance Work Statement (PWS) and (or) MEO documentation and documenting PWS and (or) MEO documentation changes. This instruction applies to all Air Force Personnel on the United States Air Force Academy (USAFA). See [Attachment 1](#) for a glossary of references and supporting information.

1. Organizational Responsibilities. The following is a list of responsibilities for personnel involved with an MEO:

1.1. Functional Office Of Primary Responsibility (OPR):

1.1.1. Must ensure the MEO is provided with the resources and support necessary for successful accomplishment of the workload in the PWS.

1.1.2. The MEO will be treated like a contractor operation in so much that all proposed PWS changes must be approved prior to implementation. If resources are not approved, the change will not be implemented. The resources may come from within the MEO if a corresponding change to lessen workload in another area of the MEO results in sufficient resources to fund the increased requirement.

1.1.3. May create a steering group to oversee and advise on complex issues. The steering group will consist of, but is not limited to, MEO Manager, Functional OPR, Headquarters United States Air Force Academy (HQ USAFA) Manpower and Organization Division (HQ USAFA/XPM), HQ USAFA Financial Analysis (HQ USAFA/FMA), 10th Mission Support Squadron Civilian Personnel (10 MSS/DPC) and 10th Mission Support Group Contracting Division (10 MSG/LGC).

1.2. MEO Manager will:

- 1.2.1. Track and coordinate all proposed PWS and (or) MEO changes.
- 1.2.2. Request assistance from HQ USAFA/FMA and HQ USAFA/XPM for costing changes and (or) advisory services to provide alternative options.
- 1.2.3. Coordinate proposed changes with 10 MSS/DPC, HQ USAFA/FMA and HQ USAFA/XPM as appropriate prior to implementing approved changes.
- 1.2.4. Track MEO Quality Assurance (QA) inspections and maintain QA documentation.
- 1.2.5. Brief functional OPR monthly (more often as needed) on status of MEO resources, quality program, and budget execution.
- 1.2.6. Maintain all MEO documentation for five years. Documentation includes, but is not limited to, QA inspections and reports, functional OPR monthly briefing slides with agenda and record of attendance, and all PWS change documentation.
- 1.2.7. Provide the actual MEO costs for each performance period within 45 days after the end of the performance period to HQ USAFA/XPM for Commercial Activities Management Information System (CAMIS) reporting.
- 1.2.8. The MEO Manager shall track all manpower, personnel, and dollars utilized by the MEO to ensure all expenditures are within MEO limits.
- 1.2.9. Identify and make all approved PWS changes.
- 1.2.10. Identify changes to the Management Plan and Technical Performance Plan to HQ USAFA/XPM.

1.3. Manpower and Organization Division will:

- 1.3.1. Provide initial training to key MEO staff and functional OPR on this instruction, A-76 guidelines, PWS and (or) MEO documentation changes and responsibilities. Also provide training for key positions upon replacement of personnel. (see **Attachment 2** – Training Plan)
- 1.3.2. Provide consultant advisory services to the MEO manager and functional OPR.
- 1.3.3. Evaluate PWS and (or) MEO documentation changes for manpower impacts and compliance with AFI 38-203 and this instruction.
- 1.3.4. Maintain costing and PWS change documentation.
- 1.3.5. Update cost changes in Commercial Activities Cost Comparison System (COMPARE).
- 1.3.6. Maintain original Management Plan and Technical Performance Plan.
- 1.3.7. Update Management Plan and Technical Performance Plan changes as identified by the MEO Manager.

1.4. Financial Analysis Division will:

- 1.4.1. Track MEO costs by performance period and provide cost expenditure reports to MEO Manager.
- 1.4.2. Provide costing assistance in pricing increases or decreases in workload due to proposed PWS changes.

1.5. Contracting Division will:

1.5.1. Review PWS changes for consistency with solicitation. Verify change is within the scope of the original solicitation.

1.5.2. Provide PWS writing assistance.

1.6. Staff Judge Advocate Office will:

1.6.1. Review PWS changes to ensure compliance with applicable laws and regulations.

1.7. Civilian Personnel Flight will:

1.7.1. Work with the MEO manager to resolve personnel issues.

1.7.2. Assist the MEO manager in obtaining qualified personnel to staff the MEO.

2. Changes to the PWS. The following outlines requirements to document and obtain coordination and approval for PWS changes. Refer to **Attachment 3, PWS Change Process Flowchart**.

2.1. Identify a potential PWS change. The requirement for a PWS change may be identified by the residual organization, from within the MEO, or by the MEO customers.

2.2. Determine if the proposed change is warranted. The functional OPR and MEO manager must jointly determine if the proposed change is warranted, and complies with applicable instructions.

2.3. Obtain a cost/benefit analysis from HQ USAFA/XPM and HQ USAFA/FMA for the proposed change. HQ USAFA/XPM and HQ USAFA/FMA validate any impact on resources (i.e. manpower, dollars, etc). HQ USAFA/XPM may outline numerous options including whether the MEO or the residual organization should or should not perform the proposed work.

2.4. Determine from where resources will be realigned. The functional OPR must determine where the manpower or dollars will come from in order to offset any increases generated by the proposed change. The resources may come from within the MEO if a corresponding change to lessen workload in another area of the MEO results in sufficient resources to fund the increased requirement. The proposed PWS change will not be approved without the resources being provided to offset the increased workload and cost. Should no resources be provided and the change is disapproved, the MEO Manager will obtain a letter explaining the reasons for disapproval from the Functional OPR.

2.4.1. The MEO manager will prepare an AF IMT 1768, **Staff Summary Sheet (SSS)** for official coordination and approval of the proposed change. The SSS requesting the change must be coordinated, as a minimum, through 10 MSG/LGC, HQ USAFA/XPM and HQ USAFA/FMA with the appropriate functional OPR as the approving authority. More functions may be added for coordination as necessary. The following information must be included:

2.5. Purpose : Obtain functional OPR approval for changing the PWS and funding.

2.6. Background : Provide an overview of the PWS change. Provide full PWS change including page, paragraph, and specific wording change, on USAFA IMT 48 **Most Efficient Organization (MEO) Change Request**, as an attachment.

2.7. Authority Driving Change: Provide change justification and (or) authority (Air Staff, local requirement, etc.). New requirements, workload left out of the PWS, work no longer required, and more efficient use of resources are examples of additional justification. Identify potential workload and resource impacts.

2.8. **Resource Impact:** The functional OPR must verify the proposed change is warranted, it complies with applicable instructions, evaluate impact on resources and propose where resources will come from. Additional resources must correspond to an increase in the PWS workload. Any increases in manpower or dollars are the responsibility of the functional OPR. The functional OPR identifies resources to be realigned prior to PWS change approval. If the functional OPR must obtain approval from a higher authority for realignment of resources, the functional OPR will be listed on the SSS as a coordinator and the higher authority will be the approver.

2.9. **Recommendation:** Functional OPR (or higher authority as required) approve proposed change to the PWS and realignment of resources.

2.10. **Tabs:** As a minimum, provide the USAFA IMT 48 and all supporting documentation for the change (i.e. regulation references, policy letters, etc) as attachments. Also include USAFA IMT 48 for corresponding changes to the Management and Technical Performance Plans generated by the PWS change.

2.11. **Obtain approval.** Once approval is obtained from the functional OPR or higher authority, the SSS will be returned to HQ USAFA/XPM (realign positions) and HQ USAFA/FMA (realign financial resources) for action.

2.12. **Realignment of resources.** HQ USAFA/XPM and HQ USAFA/FMA will realign resources identified by the functional OPR.

2.13. **Modification of the PWS.** The MEO Manager will make the approved changes to the PWS and provide copies to HQ USAFA/XPM, 10 MSG/LGC, and the functional OPR.

2.14. **Modification of the Management Plan and the Technical Performance Plan.** HQ USAFA/XPM will make the approved changes to the Management and Technical Performance Plans and provide copies to the MEO Manager and the functional OPR.

2.14.1. The MEO manager will adjust MEO operations to comply with the updated PWS, maintain all supporting documentation, and provide copies of the documentation to HQ USAFA/XPM and HQ USAFA/FMA.

3. Improving an MEO. Like any other organization in the Air Force, MEO management is required to find ways to improve customer service, operations efficiency, and resource utilization. Keep in mind the MEO must re-compete at the end of five years. If the MEO finds efficiencies that reduce required resources, the MEO is authorized to realign those resources to other areas of the MEO. Another option would be for the MEO to turn the excess resources into the Academy for redistribution to higher priority areas. Any improvements must be documented with justification for the change, explaining the old system, the new system, and savings. Copies of the improvement documentation must be maintained by the MEO Manager and HQ USAFA/XPM. All improvements must be briefed to the functional OPR.

4. MEO Changes. The following outlines the requirements to document and obtain coordination and approval for MEO changes.

4.1. **MEO Growth.** The MEO may experience a growth in requirements based on level of service or changes to an Air Force Instruction (AFI). If a growth in the MEO is required, the following procedures must be accomplished.

4.1.1. Follow the procedures for making a PWS change identified in paragraph 2. of this instruction. Create MEO Change Requests for changes to the Management and Technical Performance Plans.

4.1.2. If growth of the MEO exceeds prescribed limitations identified in AFI 38-203, the MEO must be re-competed.

4.2. **MEO Reductions.** An MEO is subject to the same resource constraints as any Air Force organization. USAFA leadership may choose to take a portion of any reduction in manpower or dollars from an MEO. If a reduction in the MEO is required, the following procedures must be accomplished.

4.2.1. Follow the procedures for making a PWS change identified in paragraph 2. of this instruction. Complete the USAFA IMT 48 MEO Change Request for changes to the Management and Technical Performance Plans.

4.2.2. Identify what services will no longer be accomplished due to the reduction.

5. **Temporary Increases to the MEO.** Temporary increases to the MEO could occur for a variety of reasons, such as moving the MEO operation temporarily for building renovations. Support of the MEO for this type of unforeseen circumstance requires less documentation and does not require a change to the PWS. However, documentation is required for audit purposes. State the following minimum requirements in a memorandum:

5.1. **Describe the work to be performed and why.**

5.1.1. Identify the resources necessary to accomplish the temporary workload.

5.1.2. State that the change is a one-time requirement and USAFA is funding the requirement as Government Furnished resources to the MEO.

5.2. **Identify from where the resources are to be realigned.**

5.2.1. Copies of the letter must be maintained by the MEO Manager, HQ USAFA/XPM and the functional OPR. Courtesy copies should be forwarded to HQ USAFA/FMA and 10 MSS/DPC.

6. **MEO Termination.**

6.1. **MEO Default.**

6.2. **Default Determination.** The MEO will be in default when the cost of the MEO exceeds the original MEO cost plus the minimum conversion differential (10% of original MEO personnel costs). To determine if the MEO is in default, the Post-MEO review authority (Air Force Audit Agency) will use the original final decision Cost Comparison Form (CCF), taking into consideration allowable adjustments, and add the conversion differential to the MEO cost. If the current MEO cost exceeds the result of that calculation, the MEO is in default.

6.3. **A-76 Waiver.** If the MEO is in default, the default determination will be the basis for an A-76 cost comparison waiver. The waiver documentation will be sent to the 9a Authority for approval (refer to the glossary of references in [Attachment 1](#)). Upon approval of the waiver the contracting officer will release a solicitation for private sector competition. Since the MEO is in default, there will be no MEO or government in-house cost estimate developed. The functional manager and the contracting officer will immediately design a transition plan to ensure an orderly transition to contractor performance.

6.4. **Decision to Re-compete.** The Functional OPR may choose to re-compete an MEO at any time during the five-year period.

6.4.1. The Functional OPR must have documentation explaining the reasons for re-competing early. This documentation must be maintained by the MEO Manager and HQ USAFA/XPM.

6.4.2. The Functional OPR can choose to increase the resources allocated to the MEO prior to the announcement of the competition if there is sufficient justification. Examples of appropriate justification are that the MEO was bid incorrectly or that the MEO is no longer believed to be competitive. All documentation must be maintained by the MEO Manager and HQ USAFA/XPM.

6.4.3. HQ USAFA/XPM, MEO Manager, and the Functional OPR must begin preliminary planning for re-competition in accordance with OMB Circular A-76.

7. Information Collections, Records, and Forms or Information Management Tools (IMT).

7.1. **Information Collections.** No information collections are created by this publication.

7.2. **Records.** Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with AFMAN 37-123, *Management of Records*, and disposed of in accordance with the Air Force Records Disposition Schedule (RDS) located at <https://webrims.amc.af.mil>.

7.3. Forms or IMTs (Adopted and Prescribed).

7.3.1. Adopted Forms or IMTs: AF IMT 1768, **Staff Summary Sheet**.

7.3.2. Prescribed Forms or IMTs: USAFA IMT 48, **Most Efficient Organization (MEO) Change Request**.

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Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

AFPD 38-2, *Manpower*

AFI 38-203, *Commercial Activities Program*

Office of Management and Budget Circular No. A-76 (Revised 1999), *Performance of Commercial Activities*, 04 August 1983.

Abbreviations And Acronymns

CAMIS—Commercial Activities Management Information System

COMPARE—Commercial Activities Cost Comparison System

CCF—Cost Comparison Form

DPC—Civilian Personnel Office

FAR—Federal Acquisition Regulation

FMA—Financial Analysis Division

Functional OPR—Representative for USAFA designated to oversee PWS

JA—Staff Judge Advocate Office

LGC—Contracting Office

MEO—Most Efficient Organization

OPR—Office of Primary Responsibility

PWS—Performance Work Statement

QA—Quality Assurance

QASP—Quality Assurance Surveillance Plan

SSS—AF IMT 1768, **Staff Summary Sheet**

XPM—Manpower and Organization Division

Terms

9a Authority—The authority granted to the Office of the Secretary of Defense in OMB Circular A-76, section 9a (for DoD).

Residual Organization—The Inherently Governmental portion of the organization that was not included in the MEO.

Attachment 2

MEO TRAINING PLAN

A2.1. Personnel Requiring Training. As a minimum, the following personnel require MEO training:

A2.1.1. Functional OPR

A2.1.2. MEO Manager and key MEO staff

A2.2. When Training is Required. MEO training is required when a new MEO is implemented or when key personnel are replaced.

A2.3. What Training is Required. The minimum training required is as follows:

A2.3.1. Training on this instruction emphasizing responsibilities, making PWS changes and maintaining documentation, emphasizing that all documentation must stand up to an Air Force Audit.

A2.3.2. The basic MEO structure and an overview of the PWS requirements.

A2.3.3. The MEO Quality Assurance Surveillance Plan (QASP) inspection and documentation requirements.

A2.3.4. Other training will include identification of other services available through HQ USAFA/XPM.

Attachment 3

PWS CHANGE PROCESS FLOWCHART

