

July 19, 2005

MEMORANDUM

TO: IRS Chapter Presidents

RE: IRS Competitive Sourcing — CSCG Meeting — July 7, 2005

SUMMARY: Updated information on each of the IRS's competitive sourcing projects is attached.

The IRS's Competitive Sourcing Coordination Group (CSCG) met on July 7, 2005, to discuss the status of each of the IRS's competitive sourcing projects. Here are the highlights of the group's most recent meeting:

1. Highlights of the ongoing studies:

- **MITS Seat Management**

- **Project Summary:** This MITS function includes support of Desktop Hardware¹, support of COTS Software², Desktop Support³, Security Operations⁴, Database Management and Administration⁵, Asset Management⁶, Configuration Management (CM)⁷, and Application Touchpoint⁸.

¹ Physical hardware associated with the end-user

² COTS is a software product that is ready-made and available for sale to the general public.

³ Technical Services activities for client computers and peripherals

⁴ Management structure and processes that addresses security concerns

⁵ Includes the operations of staff performing Database Management and Administration for managing the distributed computer environment

⁶ Accounting of labor and contract costs for asset identification and tracking, asset database management, change recording, and reconciliation

⁷ The process for identifying and baselining all systems (hardware and software), controlling the changes of these baselines throughout their lifecycle, recording and reporting the status and change requests, and verifying the completeness and correctness of baselines

CM includes system upgrades, refreshment, performance enhancements, topology changes, switched network changes, other physical or logical changes, setups to the hardware settings, COTS integration, and image management

⁸ Warm hand off from one help desk to another help desk

- **Update:** Terry Lutes, Associate CIO, was identified as the Seat Management Program Executive. He confirmed that Appeals, Counsel, Procurement and SOI duties would be in-scope for this A-76 competition period.

Three vendor proposals have been received for PWS Support, and technical evaluations of these proposals are proceeding. Two PWS team members completed COMPARE Training, and IT PWS Best Practice, SharePoint, MS Project Server & Team Building Session is set for the week of July 11, 2005. The PWS team kickoff is scheduled to start July 25, 2005. There are two NTEU appointed members on the PWS team. The PWS team will be tasked with the development of the solicitation for bids. Shortly, the MEO team will be convened to begin their work of developing the Agency's bid.

- **Proposed Schedule of Upcoming Events in A-76 Competition:**

PWS Team Kickoff	07/25/05
Draft RFP	11/05
Final RFP	03/06
Award Date	03/07
RIF Off-Rolls Date	11/07

- **AWSS Building Delegations or Operations and Maintenance (O&M) of Delegated Buildings**

- **Project Summary:** This function involves the operation and maintenance of delegated buildings (those buildings where the IRS has an agreement with the General Services Administration that requires the agency to maintain the services in the building). This function is responsible for operations, repairs, scheduled preventive maintenance, and equipment certifications necessary to effectively operate and maintain all building equipment and systems in the following six IRS facilities: campuses in Austin, Covington, Fresno, Ogden, Philadelphia, and the headquarters building in Washington, DC. There are approximately 61 employees assigned to this function.
- **Update:** The award announcement date is now scheduled for August 25, 2005. As with other competitive sourcing studies, the agency has unilaterally decided that win or lose, they will need to run a RIF. Because the parties have not yet reached an agreement on the Agency's desire to run a RIF, win or lose, the agency has contacted the FSIP to resolve the parties' negotiation dispute. The FSIP has scheduled a meeting with the parties on July 8, 2005 regarding RIF negotiations. NTEU is still hopeful that the parties can reach agreement on the Mitigating Strategies.

Employee RIF training sessions have been completed in all sites except for Covington, which is scheduled for July 19, 2005. Many sites have reported good attendance at the MPQ workshops following RIF trainings.

- **Proposed Schedule of Upcoming Events in A-76 Competition:**

Award Announcement	08/25/05
RIF Off Rolls Date	03/06

- **MITS Campus Operations**

- **Project Summary:** The MITS function in the ten Campus operations delivers information systems products and services that enable the delivery of submission processing and customer service programs. This function performs a variety of print and support tasks for customer requests and Tier I and Tier III systems.⁹ The main tasks consist of five elements: work control, print operations, file transmissions, data processing support, and magnetic media management. Involvement in this activity involves access to sensitive personal information concerning taxpayers, government agencies, and sensitive official government documentation.

- **Update:** A second iteration of the RIF retention register was completed during the week of June 20, 2005. The number of employees remaining that may be separated by a RIF has been reduced from 25 to 21. The off rolls date is September 18, 2005. Vendor training for IDSE and BU Tiger Teams has been completed, and new system (CTDWA) implementation is in process. Temporary IDSE positions have been announced, and management has now determined that temporary IDSE positions filled through the competitive process and announced under CTAP do not have to clear CTAP again prior to being converted to permanent. NTEU is seeking information about the impact of this conversion decision.

- **Proposed Schedule of Upcoming Events in A-76 Competition:**

RIF Off Rolls Date	09/18/05
--------------------	----------

- **W&I and SB/SE Submission Processing Files Activity**

- **Project Summary:** This activity is responsible for the receipt, control, shelving, maintenance, and retirement of all tax returns and related documents. Currently, millions of sensitive taxpayer records and documents are maintained and stored for up to one year in one of the ten IRS Campus sites. At the end of the storage period, this function is also responsible for

⁹ Tier I — Covers mainframe, computer-related hardware, software, maintenance, and related services (As a result of the Mainframe Consolidation initiative, this work is performed by the computing center operations.)

Tier II — Covers server and related hardware, software, maintenance, and related services, but not office automation equipment

Tier III — Covers end-user, computer-related hardware, software, maintenance, and related services, including desktops, laptops, personal communication devices, and window-based servers supporting this environment, including file and print servers, and domain controllers

delivering this documentation to the Federal Records Center (FRC) for retirement. There are approximately 1,450 employees assigned to this function across ten Campus sites. Involvement in this activity involves access to sensitive taxpayer information.

Update: Procurement is currently reviewing bids in order to announce a winning service provider on the award date scheduled for August 12, 2005.

NTEU and management have signed a mitigating strategies agreement (See Chapter Presidents memo dated June 30, 2005). Once the agreement has gone through the Agency head review process, the Agency is prepared to implement the rights and benefits encompassed in that agreement.

○ **Proposed Schedule of Upcoming Events in A-76 Competition:**

Award Announcement	08/12/05
Proposed RIF Off Rolls Date	06/24/06

● **Logistics Support (formerly AWSS Warehouse and Transportation)**

- **Project Summary:** The activities in these functions include the making of boxes, maintenance, stocking, and retrieval of forms, records, excess furniture, the stocking of shelves, and shipper and receiver duties. Also included is delivery of tax returns to the FRC, training materials, and other requested mail or material. Additionally, these functions are responsible for office realignments, furniture repair, and warehouse-related clerical duties. Involvement in this activity involves access to sensitive taxpayer information. With the increase in the scope, the impact will now include approximately 209 employees.

Update: A second draft solicitation was released on June 30, 2005, due to the significant change to the scope of this competition. However, there was an as yet undetermined problem with this draft solicitation, so another draft was issued on July 6, 2005, on the Procurement website but not on FedBizOpps.

All workload continues to be validated and updated in preparation for the final issuance of the solicitation for bids due on September 30, 2005. Meanwhile, the impacted employee list is being finalized based on the expanded scope of the competition. Also, the MEO team has started conducting site visits as they begin to prepare the Agency's bid.

○ **Proposed Schedule of Upcoming Events in A-76 Competition:**

Release of Final Solicitation	06/24/05
Responses Due from Bidders	09/24/05
Award Announcement	06/24/06
Proposed RIF Off Rolls Date	01/03/07

- **AWSS Transactional Processing Centers**

- **Project Summary:** This activity provides a number of personnel services, including: processing personnel actions and updating performance appraisal information, coding noncompetitive personnel actions, timekeeping, correcting personnel and payroll errors, maintaining Official Personnel Folders, TAPS support, providing personnel/payroll reports, and providing employee benefits support via the Employee Account function. There are approximately 560 employees that perform these activities across nine transactional processing centers. Involvement in this activity involves access to sensitive employee information.
- **Update:** The A-76 competition continues to be put on hold.

- **SB/SE Fuel Compliance Officers**

- **Project Summary:** This function is known as the SB/SE Fuel Compliance Officer (FCO) position (GS-1101, formerly known as Dyed Diesel Fuel Officers). The FCO program plays a vital role in ensuring fuel tax compliance as well as encouraging voluntary compliance. The FCO program is responsible for monitoring fuel terminals, fuel wholesalers, retail fuel outlets, and the U.S. borders. The FCOs inspect vehicles and fuel storage tanks at a variety of locations, including, but not limited to construction sites, designated inspection locations, commercial business sites, retail gas stations, truck stops, and bulk refineries and terminals. The FCOs are responsible for inspecting fuel samples to determine if tax has been paid on the fuel and if a tax penalty is warranted. There are approximately 140 bargaining unit employees assigned to this position nationwide.
- **Update:** NTEU PWS representative completed the A-76 overview training on June 17, 2005. The Agency has begun the process of soliciting for the support contractor to assist the PWS team in developing the solicitation for bids. On June 23, the PWS team was briefed on the “scope of assignment” and general expectations by the Director, Excise Taxes. A redacted Business Case Analysis (BCA) was reviewed by the PWS team, but the team has raised questions about why the Agency has denied them access to the entire BCA. NTEU has expressed the same concerns.

A solicitation for a MEO team member will begin shortly. Please make contact with your FCO members to determine their interest in serving on this team.

- **Proposed Schedule of Upcoming Events:**

Draft Solicitation	10/05
Final Solicitation	01/06
Award Announcement	01/07

RIF Off Rolls Date

06/07

2. Currently, there is one function scheduled to undergo a Business Case Analysis (BCA) study. The BCA is a management-only process used by the IRS to baseline the current operation, to define a potentially improved operation, to analyze the benefits, costs, and risks of pursuing alternatives, and to make a compete/don't compete decision. The IRS has made a policy decision to exclude NTEU and the front-line employees from the BCA process. Here is the status:
 - **Real Estate Field Management (700 FTEs)** — The BCA effort is scheduled to begin July 11, 2005. The selection of a Contracting Officer is underway, and procurement personnel have been assigned to the process of bringing on a support contractor to assist the BCA Team.

The next CSCG meeting is scheduled for August 4, 2005. As the competitive sourcing projects are updated, I will provide you with the latest information.

If you have any questions about the competitive sourcing projects in the IRS, please contact Kim Moseley, Deputy Director of Negotiations, via e-mail at kim.moseley@NTEU.org or at (202) 572-5500, ext. 7037.

Colleen M. Kelley
National President