

June 12, 2006

MEMORANDUM

TO: IRS Chapter Presidents

RE: MITS Reorganization and Seat Management A-76

SUMMARY: The agency briefed NTEU on the reorganizations and competition moving forward within MITS.

On June 7, 2006, the agency's MITS Office of Strategic Sourcing provided NTEU with an updated briefing on the A-76 competition as well as the various reorganizations and Business Process Improvement Initiatives (BPI) taking place in MITS. NTEU requested this briefing because of the complexity and shifting time frames of these activities and to clarify the status of several initiatives.

There are currently four initiatives moving forward in the MITS organization:

- 1) Enterprise Networks BPI
- 2) Applications Development BPI
- 3) Enterprise Operations Competency Based Organization (CBO)
- 4) Seat Management A-76 Competition

While these four initiatives are all within MITS, they are proceeding separately. Therefore, there is currently no contemplation of proceeding with an A-76 competition in Enterprise Networks (EN), Applications Development (AD), or Enterprise Operations (EO). The BPI's and CBO are, in fact, considered alternatives to the A-76 process and will hopefully shield EN, AD, and EO from a competition for the near future. However, as we saw with the standup of the EO organization in October 2005, these initiatives can have a significant and often adverse impact on bargaining unit employees.

Enterprise Networks BPI

The EN BPI is currently in the latter phases of defining the services delivered by the organization. It was during this process that the agency decided to include Voice Technology components within the Seat Management A-76 study (see the chapter presidents' memo dated October 24, 2005). Those components included the Wide Area Network, Network Voice, and Voice Technology operations. At the time, the agency made clear that they may decide to include more EN components within the Seat Management competition. During the briefing today, however, the agency indicated that it was highly unlikely that any additional components would be included, and committed to notifying NTEU prior to any change.

Additionally, the agency indicated that in approximately January of 2007, they would begin a process to modify EN employee position descriptions to match the process and other changes currently being examined. Finally, in mid to approximately late September 2007, the agency will develop a transition plan for the new EN organization.

Applications Development BPI

The AD BPI is planning to implement multiple changes within the next five months, all of which NTEU will be negotiating. The agency plans to implement certain pilot measures related to AD on July 31, 2006, with an eye towards implementing those changes throughout AD by the end of October. The agency also plans to implement a Unique Identifier system on or about October 1, 2006. This system will identify AD projects by new codes in order to track costs and progress. Finally, the agency is planning on converting to language-specific position descriptions for employees on August 31, 2006.

Enterprise Operations CBO

EO stood up in October 2005, changing the structure to skills and mission focused organization. The change resulted in the elimination of over 200 FTEs. However, changes within this organization are continuing through the current CBO initiative.

For the first time, the agency informed NTEU of an initiative known as TRIPLEX. This initiative will be included on the next quarterly notice, and NTEU will bargain over it. There will be three components to TRIPLEX: the reengineering of approximately 25 processes used to manage workload; the establishment of Operating Command Centers and an Enterprise Systems Management (ESM) operation; and the development of an Optimized Technology Infrastructure. NTEU believes that the establishment of the Operating Command Centers and the ESM in particular could have a significant impact on bargaining unit employees. The agency hopes to implement those components in phases beginning in June of 2006, and finishing in 2009.

Seat Management A-76 Competition

The Seat Management A-76 competition continues as discussed in the last CSCG chapter presidents' memo dated May 4, 2006. The first draft solicitation is currently scheduled to be released in October 2006, with the final solicitation scheduled for June 2007. The award date is not expected until December of 2008, but that date may be pushed into 2009.

If you have any questions regarding these initiatives within MITS, please contact Rick Bialczak at (202) 572-5500, ext. 8073, or via e-mail at richard.bialczak@nteu.org.

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