



United States Department of Agriculture



Paradigm
Technologies, Inc.

**Forest Service (FS)
Region 5 (R5) Fleet Maintenance**

Independent Verification and Validation (IV&V)

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Prepared for:

USDA Office of the Chief Financial Officer (OCFO)

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USDA Forest Service R5 Fleet Maintenance Independent Verification and Validation (IV&V)

1.0 INTRODUCTION

The authority to conduct an Independent Verification and Validation (IV&V) for the USDA Forest Service (FS) Region 5 (R5) Fleet Maintenance Most Efficient Organization (MEO), henceforth R5 Fleet Maintenance was commissioned by the Office of the Chief Financial Officer (OCFO), for the Competitive Sourcing Official (CSO) and the Office of Management and Budget (OMB) post competition information regarding the aforementioned MEO activity. The IV&V entails of an independent validation of prior year achieved savings.

1.1 IV&V Team

The IV&V review is comprised of validating/investigating cost actuals received from FS Competitive Sourcing Program Office (OSPF), Fleet Maintenance Budget Office, the certified Standard Competition Form (SCF), and data received from personnel interviews and/or by teleconference. Paradigm Technologies is under contract to conduct the IV&V on behalf of the USDA OCFO. The IV&V team is made up of three analysts from Paradigm Technologies, Inc, including the following:

Mr. Larry Couvillon
Ms. Virginia Cole
Mr. Duncan Tovar

1.2 Information Contacts

Ms. Elizabeth L. Walatka (Betsy), Performance and Budget Accountability, Alaska Region, USDA Forest Service
Mr. Thomas Fitzpatrick III, Program Manager, Competitive Sourcing Program Office, USDA Forest Service
Ms. Kathleen Adam, E.I.T., Competitive Sourcing Program Office, USDA Forest Service

2.0 FINDINGS SUMMARY

Data was requested at a specific level in order to compare the MEO Baseline, Certified SCF, Actual Expenses incurred, and hours used during the execution of the MEO Phase-In Period and MEO Performance Period 2. The data requested was not adequately provided by Forest Service (FS) R5 Fleet Maintenance and was considered non-compliant with the requirements for verification and validation. The ***MEO SCF was not 'officially' certified (i.e. not signed by all officials)***. MEO baseline costs provided cannot be validated and/or substantiated. ***Specific breakout for line items such as personnel cost, material and supplies, other attributable cost, overhead or any additional costs was not provided.***

The IV&V Team analysts attempted to perform analyses on the data, however all efforts were futile, due to:

- *Incomplete data set*
- *Data set was not compliant with requirements of the IV&V team nor the OMB Circular A-76 COMPARE cost model*

2.1 Period 1 Phase-In

Undetermined data was provided for Line 1 (Personnel), Line 2 (Material and Supplies), and Line 3 (Other Attributable Costs). However, Line 6 (Total Costs) was present but analysts were unable to analyze and/or scrutinized the data.

2.2 Period 2 First Year of Full Performance

Undetermined data was provided for Line 1 (Personnel), Line 2 (Material and Supplies), and Line 3 (Other Attributable Costs). However, Line 6 (Total Costs) was present but analysts were unable to analyze and/or scrutinized the data.

2.3 Comparison to Competitive Sourcing 647 Report

Undetermined data was provided for Line 1 (Personnel), Line 2 (Material and Supplies), and Line 3 (Other Attributable Costs). However, Line 6 (Total Costs) was present but analysts were unable to analyze and/or scrutinized the data.

According to the 647 report summary, FS R5 Fleet Maintenance reported \$1.610M in actual accrued savings for FY2005, which cannot be substantiated by this report or by the data provided by the MEO.

2.4 Application of Overhead

Overhead as defined in the SCF was not provided by FS R5 Fleet Maintenance.

2.4.1 Phase-In Period 1

Phase-In Period 1 overhead costs were not calculated.

2.4.2 Period 2

FS R5 Fleet Maintenance for Period 2 overhead costs was not calculated.

3.0 DATA COLLECTION MEETINGS

Cost data collection meetings took place on the following dates with personnel in attendance in person or by telephone (refer to Table 1). Other data collection efforts were achieved via email.

Meeting #	Meeting Date	Type of Meeting	Attendees	Reason for Meeting	Information Received
1	April 26, 2006	Working Group Session in DC	Thomas Fitzpatrick Kathleen Adam Carl Culham (Telephone) Larry Couvillon Virginia Cole	Data Collection for FS Fleet Maintenance IV&V Study	<i>Uncertified SCF</i> dated 12/11/03 & Fleet Maintenance Baseline Cost Document dated 3/24/04
2	May 8, 2006				FY 2003/2004 Competitive Sourcing 647 report summary by email from Kathleen Adam

Table 1 Meeting and Dates (Data Collection)

3.1 Information Request Actions

Data and information regarding USDA FS Fleet Maintenance was requested repeatedly and has been provided only in part to the IV&V Team. Examples of data/information “in part”:

- The Fleet Maintenance Baseline Cost Document does not validate personnel costs, materials and supplies or other attributable costs
- *Actual costs for Lines 1-3 attributable to FS Fleet Maintenance was not provided*

Resultantly, an “Apples to Apples” cost comparison of Line 1-3 of the SCF to the FS Fleet Maintenance MEO Period 1 or Period 2 cannot be completed.

3.2 Collection of Existing Documentation:

Existing documentation collection was performed by Mr. Larry Couvillon and Ms. Virginia Cole of Paradigm Technologies, Inc. on 26 April 2006. Information requested centered on the achieved savings by the Fleet Maintenance during the prior year performance. The following tables indicate the information requested, and the information to date.

Category	What we have:	What we need:
Government Baseline Costs	<i>MEO Baseline Cost Doc dated 3/24/04</i>	Baseline and/or actual cost estimate
		Mapping of old organization in study scope to the new organization, by function
		Original number of FTEs announced under competition
		Actual cumulative costs for first full year of performance to last day of full performance
Competition Documents	<i>SCF dtd 12/11/03 - Not 'officially' certified (i.e. signed by all officials); Competitive Sourcing Doc & Rpt, dtd 4/22/05; Fleet Maint Competitive Sourcing Rev Rpt (1310), dtd 6/6/05; FY2003 & 2004 Competitive Sourcing 647 Report Summary</i>	Certified Standard Competition Form (SCF)
		Budget plan for MEO (actual cost of labor based on actual grade, step, & fringe benefits; indirect labor paid directly by the agency; cost of materials, supplies, facilities, equipment, travel, etc; agency overhead rates) & any adjustments made during the acquisition process
		Entire agency tender w/ accepted MEO cost/price Overtime Phase-in costs (records of actual start date, staffing plan at completion & start of full performance) Capital Investments Quality Assurance Surveillance Plan (QASP) & Quality Control Plan (QCP)
		Signed MEO LOO All MEO LOO modifications
		Solicitation or RFP (for type of competition, location(s), acquisition strategy used, incentive or award fees, cost tracking systems required)
		Position Organization Listing (POL) or MEO staffing chart for end of full performance period

No Overhead Costs Provided (Overhead Pool)

Table 2 Data Collected

Information in Table 2 italicized in red indicates information provided to the IV&V team to date by FEDEX.

3.3 Additional Requested Information:

- All Modifications to Solicitation/MEO-LOO
- Detailed cost actuals for USDA Fleet Maintenance for Phase-In (Period 1) and First Year of Full Performance (Period 2)
- Hours bid at the FTE level
- FTE quantity by Schedule/Series/Grade
 - OT Hours and Pay by FTE
 - Differential Hours and Pay by FTE

Several data request have been made to Ms. Kathleen Adam via email for Fleet Maintenance CEO to provide actual personnel expenses, material and supply costs, other attributable costs and overhead accruals incurred in Period 1 and Period 2.

4.0 FAIR ACT INVENTORY

The original number of FTEs involved with the USDA FS Fleet Maintenance A-76 Study was approximately [Redacted] FTEs (Fleet Maintenance Baseline Cost Doc, 3/24/04). No other information about the FAIR Act Inventory regarding the FS Fleet Maintenance organization prior to the completion of the OMB A-76 was exchanged with the IV&V team.

5.0 COMPARISON AND FINDINGS (COST)

5.1 Period 1 (Phase-In)

As depicted in the following table, the proposed cost for Period 1 Line 6 of the SCF is [Redacted] (including overhead costs) and the Personnel Line 1 cost is [Redacted].

Proposed Period of Performance: Phase-In began on June 8, 2004 and concluded on June 7, 2005 (Fleet Maintenance Baseline Cost Document).

Line	Description	MEO Actuals	MEO Bid	MEO Delta	Delta %
1	Personnel Costs	Unknown	Redacted	\$0.00	Unknown
2	Material Supply Costs	Unknown	Redacted	\$0.00	Unknown
3	Other Specifically Attributable Costs	Unknown	Redacted	\$0.00	Unknown
4	Overhead Costs	Unknown	Redacted	\$0.00	Unknown
5	Additional	Unknown	Redacted	\$0.00	Unknown
6	Total Cost of Agency Performance	Unknown	Redacted	\$0.00	Unknown

Table 3 MEO Actuals, Bid, & Delta Period 1 (From the unofficial

The comparison of actual costs to the MEO baseline (SCF) for Period 1 cannot be compared because *detailed cost data was not provided*.

The number of FTE's utilized during Phase-In was unavailable at the time of the drafting of this document; therefore, a one to one FTE comparison is not available.

Line 4 Personnel Overhead Cost: *MEO overhead actual costs not provided* for Period 1.

5.1.1 Rationale

MEO actual costs were not provided for Period 1 therefore, cost cannot be validated and/or substantiated to develop criteria for analysis for overrun/ underrun or decision. Metrics cannot be developed to establish workload, supplies, other attributable costs, or subcontract costs.

5.2 Period 2 (First Year of Full Performance)

As shown in the following table, the MEO proposed cost for Period 2 from Line 6 of the SCF is [Redacted] (including overhead costs) and the Personnel Line 1 cost is [Redacted].

Proposed Period of Performance: First year of full performance (Period 2) to begin on June 8, 2005 and conclude on June 7, 2006 (Fleet Maintenance Baseline Cost Document).

Line	Description	MEO Actuals	MEO Bid	MEO Delta	Delta %
1	Personnel Costs	Unknown	Redacted	\$0.00	Unknown
2	Material Supply Costs	Unknown	Redacted	\$0.00	Unknown
3	Other Specifically Attributable Costs	Unknown	Redacted	\$0.00	Unknown
4	Overhead Costs	Unknown	Redacted	\$0.00	Unknown
5	Additional	Unknown	Redacted	\$0.00	Unknown
6	Total Cost of Agency Performance	Unknown	Redacted	\$0.00	Unknown

Table 4 MEO Actuals, Bid, & Delta Period 2 (From the unofficial

The comparison of actual costs to the MEO baseline (SCF) for Period 2 cannot be compared because *detailed cost data was not provided*.

The total proposed number of FTE’s utilized during Period 2 was [Redacted] (Fleet Maintenance Baseline Cost Document, 3/24/04). *However, analysis cannot be provided for FTEs due to insufficient data.*

Line 4 Personnel Overhead Cost: *MEO overhead actual costs not provided* for Period 2.

5.2.1 Rationale

MEO actual costs identified in Appendix 3 cannot be validated and/or substantiated to develop criteria for analysis beyond top level overrun/ underrun or decision. *Overall, no cost data was provided* to develop metrics to establish workload, supplies, other attributable costs, or subcontract costs.

Appendix 1 MEO Organization

Source: (Fleet Maintenance Baseline Cost Document, dated 3/24/04)

[Redacted]