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REPORT BY THE

General Accounting Office

DOD Functions Contracted Out Under OMB Circular A-76: Contract Cost Increases And The Effects On Federal Employees

In accordance with OMB Circular A-76, DOD performs cost comparisons and contracts out commercial functions when the comparisons show that contracting is more economical than in-house performance.

GAO reviewed a judgmental sample of 20 functions that were contracted out between October 1, 1978, and February 28, 1981. All but one of the functions had subsequent contract cost increases but savings were still realized on 17 of the functions. Savings were not realized on two functions and GAO could not determine whether savings were realized on one function.

GAO also reviewed the effects of contracting on government employees in a random sample of 31 functions converted to contract during fiscal year 1983. GAO found that of 2,535 employees affected, 1,881 (74 percent) obtained other government positions. Most of the remaining employees resigned, retired, or obtained employment with contractors. Only 129 (5 percent) were involuntarily separated.



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

NATIONAL SECURITY AND
INTERNATIONAL AFFAIRS DIVISION

B-217331

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House of Representatives

The Honorable Lawrence Coughlin
House of Representatives

The Honorable Robert W. Edgar
House of Representatives

The Honorable Thomas Foglietta
House of Representatives

The Honorable William H. Gray III
House of Representatives

The Honorable Peter H. Kostmayer
House of Representatives

In your letter of August 1, 1983, you expressed concern regarding the long-range cost to the government and the effects on government employees by contracting out commercial functions under Office of Management and Budget (OMB) Circular A-76. You were concerned that contractors tend to increase contract costs in the years following conversion to contracting, resulting in higher costs to the government. You were also concerned that substantial hidden costs, such as unemployment or welfare payments to displaced workers, might be involved in contracting out. You requested that we review these matters for functions contracted out by the Department of Defense (DOD).

To review contract cost increases, we selected a judgmental sample of 20 DOD functions that were converted to contractor performance between October 1, 1978, and February 28, 1981. To review the effects of contracting on employees, we selected a random sample of 31 functions that were converted to contract during fiscal year 1983. (See appendix I for a more detailed discussion of our objectives, scope, and methodology.)

FINDINGS AND CONCLUSIONS

Our review of costs for the 20 functions showed that:

- All but one of the functions had contract cost increases, but savings were still realized on 17 of the functions. Savings were not realized on two functions and we could not determine whether savings were realized on one function.

--Contracts were recompleted on seven of the functions after the initial contractor failed to perform satisfactorily. However, on four of the seven functions, some savings were still realized.

Our review of what happened to 2,535 government employees affected by contracting out the 31 functions showed that:

--1,881 employees, or 74 percent, obtained other government positions. Only 129, or 5 percent, were involuntarily separated. Of the remaining employees, 298 retired, 171 went to work for the contractors, 53 resigned, 1 was placed in a non-federal position, 1 was discharged during the probation period, and 1 died.

--1,910 employees, or 75 percent, were male, 811, or 32 percent, were minorities, and 1,503, or 59 percent, were veterans. We were unable to determine the race/national origin of 89 employees and the veteran status of 7 employees.

--Information was not readily available to determine whether unemployment or welfare costs were being incurred for involuntarily separated employees. However, we are sending a questionnaire to these employees to obtain this information and the results will be issued in a separate report.

Our findings are discussed in detail below. Appendix II summarizes our findings for each of the 20 functions reviewed for contract cost increases, appendix III shows a composite of affected permanent employees, and appendix IV summarizes our findings for each of the 31 functions we reviewed to determine the effects contracting out had on employees.

CONTRACT COST INCREASES

OMB Circular A-76 directs government agencies to rely on the private sector for its commercial products and services as long as it is more economical than performing the services in-house. With some exceptions, the circular requires a comparison of the cost of in-house versus contractor performance to determine who will do the work.

The cost comparisons for each of the 20 functions projected savings by contracting. Although contract costs increased after the functions were contracted out, savings were realized on 17 functions, were not realized on 2 functions, and we were unable to reach a conclusion on 1 function. It should be emphasized that these conclusions are based on the results of the cost comparisons and subsequent modifications to the contracts. We did not evaluate the cost comparisons or their underlying support.

Projected savings realized

Most, if not all, of the projected savings were realized on 5 of the 20 functions. Cost increases resulted primarily from additional work and authorized wage increases. Additional work was required of contractors for four of these five functions. For example, at the U.S. Naval Station, Mayport, Florida, the motor vehicle contract was increased to cover additional expenses for parts, material, and vehicle operations. The additional expenses were attributed to the naval station's growth after the contract was awarded. If the functions had been left in-house, workload and costs would likely have increased as well.

The Service Contract Act of 1965, as amended (41 U.S.C. 351 et seq.), requires federal contractors to pay their employees not less than the prevailing minimum wage, as determined by the Department of Labor, based on the type of work and the locale. Contractor bids and in-house cost estimates do not include costs for future wage increases. Consequently, when the prevailing minimum wage increases, contracts are modified to reimburse contractors for the increased wages. Pay increases to government employees would have occurred had the functions remained in-house; therefore, government costs would also have increased.

The calculation of projected savings would not necessarily be invalidated because the costs for additional work and wage increases would have been incurred whether the work was done in-house or by contracting. Additional work would have been required irrespective of whether the work remained in-house or was contracted out. Also, government employees would have received pay increases. Accordingly, our calculations assume that costs for additional work and wage increases would be approximately equal whether performed in-house or by contracting.

Reduced savings

For 12 of the 20 functions, savings were reduced because of contract errors or ambiguities and additional costs resulting from recompeting contracts. However, some savings were still realized.

Contract cost increases for 6 of these 12 functions were caused by contract errors or ambiguities. This resulted in projected savings being reduced, but some savings were still realized by contracting the functions. Contract errors or ambiguities generally resulted from inadequate statements of work which contractors used as a basis to develop their bids. In-house cost estimates were based on the work actually being performed. We found, for example, that the motor pool maintenance contract at Fort Monmouth, New Jersey, erroneously understated the number of vehicles that were being serviced in-house by government

employees. Because the contract had to be modified to correct the number of vehicles involved, the cost increased. In cases where errors or ambiguities in contracts increased costs, costs would not have increased had the functions remained in-house because employees were already performing this work.

Contracts were recompeted in 6 of the 12 functions. Four of the six functions were recompeted because of poor performance by the initial contractors. Another of the functions was recompeted because of significant changes in the scope of the work to be performed and the sixth function was recompeted on an annual basis. Cost increases were experienced in each of the six functions by changing contractors, but savings were still realized.

Savings not realized

Savings were not realized on 2 of the 20 functions. The cost comparison for the Precision Measurement Equipment Laboratory at the Warner Robins Air Logistics Center, Georgia, showed estimated savings by contracting out to be \$656,878 over a 3-year period. The initial contractor operated the function for 2 years, but after experiencing performance problems, the Air Force awarded a contract to another company. Cost increases were \$1,778,258 more than the initial contractor's bid price for the 3-year period. The cost increases included a 2-month extension of the initial contract costing \$328,680 and a higher cost of \$661,584 for the second contract. The Air Force also paid the first contractor \$332,055 to settle a claim submitted by the contractor which charged that (1) the Air Force did not allow for an effective phase-in period, (2) facilities were not furnished in accordance with the contract, and (3) the contractor was required to accept an initial work backlog not specified in the contract. In addition to the increased contract cost, poor contractor performance and the transition to contracting, according to an Air Force official, increased the Air Force's in-house costs by about \$798,000 during the first 18 months of the initial contract. These increased in-house costs alone more than offset the anticipated savings of \$656,878 by contracting out.

At Eglin Air Force Base, Florida, the cost comparison for the photographic laboratory and audiovisual services library operation and maintenance function showed an estimated savings of \$68,559 over a 3-year period. However, the Air Force became aware of deficiencies in the contract's statement of work and decided not to extend the initial contract for the second and third year. Instead, the Air Force negotiated modifications for the contractor to continue work for the first 7 months of the second year and, after competitive bidding, awarded a new contract. Cost increases

of \$301,321 were experienced over the 3-year contract period, most of which resulted from higher prices under the new contract. While some of the cost increases resulted from additional work and wage increases, savings were not realized by contracting this function.

Savings undeterminable

We were not able to determine whether or not savings were realized in the Fort Dix, New Jersey, laundry and dry cleaning function. The first contractor failed to perform satisfactorily and the function was temporarily returned in-house and then re-competed. The new contract was awarded at a higher cost. In addition, contractor claims against the government further increased costs. Although increased costs exceeded the \$947,011 savings anticipated by contracting out, we could not objectively determine how much of the increase was due to additional workload. When the new contractor assumed the work, linen service from two Veterans Administration hospitals were added to the Fort Dix contract. This workload was not included in the cost comparison.

Other studies dealing with contract cost increases

Other studies have shown that cost increases on contracts under OMB Circular A-76 do not result in greater costs to the government than would have been incurred had the functions remained in-house. In a previous study¹ we made of 18 conversions to contracting, we reported that where contract price increases occurred, they generally seemed to be justified. Price increases resulted from factors such as wage increases required by the Department of Labor and new work requirements. With the exception of one conversion to contract involving contractor performance problems, contract price increases did not exceed the estimated savings by contracting out.

DOD reviewed all 235 contracts it awarded under OMB Circular A-76 between October 1, 1980, and October 1, 1982.² DOD reported that although some contract costs increased, the cost of functions if they had remained in-house would have increased due to wage rate increases and mission changes. The March 1984 report pointed out that although the originally estimated savings had decreased

¹Review of DOD Contracts Awarded Under OMB Circular A-76
(GAO/PLRD-81-58, dated August 26, 1981).

²Report to Congress on the Commercial Activities Program, Assistant Secretary of Defense (Manpower, Installations, and Logistics), dated March 12, 1984.

slightly, contractor performance of these 235 contracts still saved an estimated \$250 million through September 30, 1983.

EFFECTS OF CONTRACTING
ON FEDERAL EMPLOYEES

OMB Circular A-76 requires agencies to exert maximum effort to find available positions for those employees displaced by contracting. Agencies are directed to give these employees priority consideration for available positions within the agency, to pay training and relocation costs when they will contribute to placement, and to coordinate with other agencies to assist employees in finding positions. Agencies also are required to assure that contractors give priority consideration to displaced employees for employment.

Our review of the 31 functions contracted out during fiscal year 1983 showed that most displaced employees obtained other federal positions. Of 2,535 government employees affected by contracting out, 1,881, or 74 percent, obtained other government jobs. Only 129, or 5 percent, were involuntarily separated.³ The following schedule shows what happened to employees affected by contracting out.

³The percentages of employees used in this section can be projected to the universe of functions converted to contracting in fiscal year 1983 with a confidence level of 95 percent and an error rate of plus or minus 12 percent. The numbers of employees, however, cannot be projected because of discrepancies between the number of employees on the listing used for our sample and the actual number of employees that were found at the activities reviewed. Based on our review, the percentages calculated from the actual number of employees found should remain stable.

| | <u>Number of employees</u> | <u>Total</u> |
|--|--------------------------------|--------------|
| Obtained government positions: | | |
| At the same installation: | | |
| In the same grade | 618 | |
| In a lower grade | 896 | |
| In a higher grade | <u>19</u> | 1,533 |
| At another installation (no relocation): | | |
| In the same grade | 109 | |
| In a lower grade | 122 | |
| In a higher grade | <u>5</u> | 236 |
| At another installation (relocation): | | |
| In the same grade | 79 | |
| In a lower grade | 31 | |
| In a higher grade | <u>2</u> | <u>112</u> |
| Retirement: | | |
| Regular | 182 | |
| Early | <u>116</u> | 298 |
| Resigned | | 53 |
| Employed by contractor | | 171 |
| Involuntarily separated | | 129 |
| Placed in non-federal position | | 1 |
| Discharged during probation period | | 1 |
| Deceased | | <u>1</u> |
| | | <u>2,535</u> |

DOD's report to the Congress on the commercial activities program dated March 12, 1984, showed results similar to these. That report showed that of 9,650 employees affected, 9,035, or 94 percent, were either placed in other government jobs or retired. Of the remaining 615, about half obtained employment with the contractors. Our results showed that 86 percent obtained other government jobs or retired and about half of the remaining employees went to work for the contractors.

Profile data on affected employees

Our review of the makeup of employees affected by contracting out showed that 75 percent of the employees were male, 32 percent were minorities, and 59 percent were veterans. The following schedule provides profile data on employees affected, those obtaining other government jobs, employees who went to work for the contractor, and employees who were involuntarily separated.

| | <u>Employees affected</u> | | <u>Obtained other government jobs</u> | | <u>Employed by contractor</u> | | <u>Involuntarily separated</u> | |
|-----------------------|---------------------------|----------------|---------------------------------------|----------------|-------------------------------|----------------|--------------------------------|----------------|
| | <u>No.</u> | <u>Percent</u> | <u>No.</u> | <u>Percent</u> | <u>No.</u> | <u>Percent</u> | <u>No.</u> | <u>Percent</u> |
| Gender: | | | | | | | | |
| Male | 1,910 | 75 | 1,437 | 76 | 111 | 65 | 71 | 55 |
| Female | <u>625</u> | <u>25</u> | <u>444</u> | <u>24</u> | <u>60</u> | <u>35</u> | <u>58</u> | <u>45</u> |
| | <u>2,535</u> | <u>100</u> | <u>1,881</u> | <u>100</u> | <u>171</u> | <u>100</u> | <u>129</u> | <u>100</u> |
| Race/National Origin: | | | | | | | | |
| White | 1,635 | 64 | 1,260 | 67 | 110 | 64 | 53 | 41 |
| Minority | 811 | 32 | 566 | 30 | 52 | 31 | 71 | 55 |
| Unknown | <u>89</u> | <u>4</u> | <u>55</u> | <u>3</u> | <u>9</u> | <u>5</u> | <u>5</u> | <u>4</u> |
| | <u>2,535</u> | <u>100</u> | <u>1,881</u> | <u>100</u> | <u>171</u> | <u>100</u> | <u>129</u> | <u>100</u> |
| Veteran status: | | | | | | | | |
| Veteran ^a | 1,503 | 59 | 1,124 | 60 | 84 | 49 | 61 | 47 |
| Non-veteran | 1,025 | 41 | 752 | 40 | 87 | 51 | 68 | 53 |
| Unknown | <u>7</u> | <u>-</u> | <u>5</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>2,535</u> | <u>100</u> | <u>1,881</u> | <u>100</u> | <u>171</u> | <u>100</u> | <u>129</u> | <u>100</u> |

^aThe veteran classification may also include unmarried widows or widowers of veterans, spouses of unemployable service-connected disabled veterans, and certain mothers of disabled or deceased veterans.

Appendix IV contains the data for each of the 31 functions.

Employees affected in functions
other than those contracted

We found that employees affected were not limited to only those working in a function that was contracted. Employees working elsewhere can also be affected by conversions to contracting. For example, depending on seniority, veteran status, and qualification, an employee in a function to be contracted out can displace an employee in another function. Therefore, the total number of employees affected can exceed the number of employees in a function that is contracted out. Of the 2,535 permanent employees who were affected by contracting out the 31 functions, 2,114 had worked in the functions that were contracted out and 421 had worked in other functions.

Costs associated with
displaced employees

The government incurs costs for severance pay, relocation, retraining, and retention of grade or pay when converting a function to contract. These costs, however, were to be considered in the cost comparisons conducted under OMB Circular A-76 and used in determining whether it was more economical to perform the work in-house or to contract it out.

Employees may be entitled to severance pay if they have been employed continuously by the government for at least 12 months before separation and they are involuntarily separated from employment. The amount of severance pay is based on an employee's basic pay rate immediately before separation, age, and number of years of service.

Retention of grade or pay allows employees, with certain exceptions, who are placed in lower graded positions as a result of contracting out to retain their prior grade for 2 years and their prior pay indefinitely. The cost to the government is the difference between the employee's pay and the amount the government would normally pay an employee to fill the position. For example, a WG-5 could be placed in a WG-4 position and still retain the pay of a WG-5. Retention of grade or pay costs are difficult to determine. The costs depend on how long an employee remains in the lower graded position and also on the grade step of the employee that would normally fill the position.

Hidden costs of contracting out

Information on hidden costs, i.e., costs not considered in cost comparisons, such as unemployment or welfare payments to employees, was not readily available during our review. Therefore, we are sending questionnaires to all of the involuntarily separated employees to obtain this information. We are also

sending questionnaires to employees who went to work for the contractor to ascertain such information as comparability of contractor work, wages, and fringe benefits with their previous government employment. Because of the time necessary to obtain responses and analyze the data, we plan to issue a separate report to you on the results of these questionnaires.

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As requested by your office, we did not obtain official agency comments on this report. However, our findings were discussed with officials at the installations who were responsible for the contracted functions and their comments were considered in preparing the report.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 5 days from the date of the report. At that time, we will send copies to the Secretaries of Defense, the Army, the Air Force, and the Navy; the Director, Office of Management and Budget; and the Administrator, Office of Federal Procurement Policy. We will also send copies to interested parties and make copies available to others upon request.



Frank C. Conahan
Director

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OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our review were (1) to review contract costs to determine if cost increases had occurred which would result in greater costs to the government than if the function had continued to be performed in-house, (2) to determine the effects on government employees by contracting out, and (3) to identify hidden costs of contracting out, such as unemployment or welfare payments to displaced employees.

We obtained computerized listings of DOD conversions to contractor performance from officials in the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics). The listings covered 532 conversions from fiscal years 1979 through 1983. To review contract cost increases, we selected a judgmental sample of 20 functions that were converted to contractor performance between October 1, 1978, and February 28, 1981. To review the effects of contracting out on employees, we selected a random sample of 31 functions that had been converted to contracting during fiscal year 1983.

To identify and evaluate contract cost increases, we reviewed contract modifications for the conversions in our sample and discussed contract costs with DOD contracting and functional officials. We obtained summary statistical data from the cost comparisons that were used to justify conversions to contracting, but we did not evaluate the comparisons or their underlying support.

The question of whether or not projected savings were actually realized is difficult to answer with precision. While contract costs, including modifications, can be compared with the original contractors' bids, no in-house costs were incurred which could be compared with estimates for performing the function in-house. Our approach was to compare the contract costs, plus or minus costs for contract modifications, with the original contractors' bids used in the cost comparisons and to identify the reasons for any increases. If the increase was caused by a factor unique to contracting out or would not have had a similar effect on the cost of performance in-house, we examined the increase to determine if it exceeded the original estimate of savings. This provided a basis for our conclusions as to the realization of savings.

To determine the effects of contracting out on federal employees, we reviewed personnel records and interviewed representatives of civilian personnel offices. We also obtained data on the gender, race/national origin, and veteran status of the employees.

Our review, which was conducted from March through November 1984, was made in accordance with generally accepted government auditing standards.

Our samples of functions we reviewed for both contract cost increases and the effects on employees were drawn from the computerized listing of conversions in DOD. Because of the considerable time and effort involved, we did not verify the accuracy of the data in the listing prior to our sample selections.

SAMPLING RATIONALE FOR CONTRACT COST INCREASES

To review cost increases, we selected a judgmental sample of 20 functions that were converted to contracting between October 1, 1978, and February 28, 1981. During our review, we found that one function was actually converted to contracting in August 1981. A judgmental sample was used rather than a costlier random sample because we concluded that a review of 20 functions would be adequate to compare with the results of previous reports addressing this issue. We had previously reported on the issue of contract cost increases in August 1981. Also, DOD addressed cost increases in a March 1984 report following a review of all 235 functions it contracted out between October 1, 1980, and October 1, 1982.

DOD reported 213 conversions in the contiguous 48 United States during the sample period. Since cost comparisons conducted under OMB Circular A-76 normally cover a 3-year period, we selected functions that had been contracted out for at least 3 years to compare contract costs, including modifications, with the contract costs used in the cost comparisons. We chose a wide variety of types of functions, functions of varying sizes based on dollar amounts of contracts, included all military services, and obtained a wide geographic distribution of installations.

SAMPLING RATIONALE FOR EFFECTS ON EMPLOYEES

To review the effects of contracting out on employees, we selected a random sample of 31 functions which were converted during fiscal year 1983. DOD reported 140 conversions in the

contiguous 48 United States during that time frame. We did not select functions converted prior to fiscal year 1983 because statistics on employees would not always be available for older conversions. In selecting functions, we eliminated 42 conversions with the fewest civilian positions reported. These were eliminated because they contained only about 4 percent of the reported civilian positions in the fiscal year 1983 universe. We selected for review the 15 conversions with the largest number of reported civilian positions (each with 80 or more positions). These conversions contained about 57 percent of reported civilian positions in the fiscal year 1983 universe. By doing this, we were able to maximize our sample of civilian positions affected without oversampling installations. To round out the sample size of 31 installations required for 95 percent confidence, we used simple random sampling to select 16 conversions from the remaining 83 conversions in the universe. These 16 functions contained about 7 percent of the total reported civilian positions. In total, we selected 31 conversions containing about 64 percent of reported civilian positions.

The percentages of employees used in the report (see p. 6) can be projected to the universe of functions converted to contracting in fiscal year 1983 with a confidence level of 95 percent and an error rate of plus or minus 12 percent. The numbers of employees, however, cannot be projected because of discrepancies between the number of employees on the listings used for our sample and the actual number of employees that we found at the activities reviewed. Based on our review, the percentages for gender, minorities, and veterans calculated from the actual number of employees found should remain stable. Since our sample was selected from fiscal year 1983 conversions, the results of our review cannot be projected outside the fiscal year 1983 time frame.

FUNCTIONS REVIEWED FOR COST INCREASES

| <u>Installation</u> | <u>Function</u> | <u>Page</u> |
|---|---|-------------|
| <u>Army</u> | | |
| Fort Dix, NJ | Laundry and dry cleaning | 5 |
| Fort Leavenworth, KS | Packing and crating | 8 |
| Fort Monmouth, NJ | Motor vehicle maintenance | 10 |
| Fort Riley, KS | Test examiner and test proctor services | 12 |
| St. Louis Area Support Center, IL | Installation support | 13 |
| Sharpe Army Depot, CA | Receipt, consolidation, and reshipment of supplies | 15 |
| Tobyhanna Army Depot, PA | Custodial services | 16 |
| <u>Navy</u> | | |
| Naval Air Propulsion Center, Trenton, NJ | Custodial services | 18 |
| Naval Air Station, Lemoore, CA | Mess attendant services | 20 |
| U.S. Naval Station, Mayport, FL | Motor vehicle operations and maintenance | 22 |
| <u>Marine Corps</u> | | |
| The Marine Corps Air Station, Beaufort, SC | Family housing maintenance | 23 |
| <u>Air Force</u> | | |
| Eglin Air Force Base, FL | Photographic laboratory and audiovisual services library operation and maintenance | 25 |
| Hill Air Force Base, UT | Medical facility housekeeping services | 27 |
| Lowry Air Force Base, CO | Commissary shelf stocking and custodial services | 28 |
| Lowry Air Force Base, CO | Refuse collection | 30 |
| Mather Air Force Base, CA | Grounds maintenance | 32 |
| McClellan Air Force Base, CA | Precision measurement equipment laboratory | 33 |
| U.S. Air Force Academy, CO | Commissary shelf stocking and custodial services | 35 |
| Vance Air Force Base, OK | Instrument flight simulator operations | 37 |
| Warner Robins Air Logistics Center, GA | Precision measurement equipment laboratory | 38 |

Fort Dix, New Jersey,
Laundry and Dry Cleaning Services

The comparison of in-house with contracting-out costs covered the 3-year period from September 29, 1980, to September 30, 1983. The initial contractor operated the function through December 31, 1981. Due to the contractor's poor performance, the function was returned in-house from January 1, 1982, to February 28, 1982. A second contractor assumed operations on March 1, 1982.

| | <u>9-29-80 to</u> <u>9-28-81</u> | <u>9-29-81 to</u> <u>9-30-82</u> | <u>10-1-82 to</u> <u>9-30-83</u> | <u>Total</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Estimated savings by contracting out | <u>\$319,848</u> | <u>\$ 315,739</u> | <u>\$ 311,424</u> | <u>\$ 947,011</u> |
| Contractor bid used in the cost comparison | <u>\$734,707</u> | <u>\$ 734,707</u> | <u>\$ 734,707</u> | <u>\$2,204,121</u> |
| Contract costs | \$814,405 | \$1,317,856 | \$1,378,819 | \$3,511,080 |
| Cost of in-house operation | <u>\$ -</u> | <u>\$ 149,000</u> | <u>\$ -</u> | <u>\$ 149,000</u> |
| Total costs of operating the function | <u>\$814,405</u> | <u>\$1,466,856</u> | <u>\$1,378,819</u> | <u>\$3,660,080</u> |
| Cost increases | <u>\$ 79,698</u> | <u>\$ 732,149</u> | <u>\$ 644,112</u> | <u>\$1,455,959</u> |

Cost increases resulted from the following:

| | | |
|--------|---|-----------------|
| Year 1 | Contractor claim resulting from loss of business, quantity variations, and the Army's refusal to allow a pre-bid inspection | \$75,000 |
| | Reimbursement for work back- log caused by a slowdown of in-house personnel | 4,000 |
| | Additional work | <u>698</u> |
| | Total | <u>\$79,698</u> |

| | | |
|--------|---|------------------|
| Year 2 | Contract extension from 9/29/81 to 12/31/81 was negotiated at a higher price than anticipated | \$153,344 |
| | Cost of in-house operation from 1/1/82 to 2/28/82 was higher than anticipated | 26,549 |
| | Subsequent contractor's bid for 3/1/82 to 9/30/82 was higher than anticipated | 509,758 |
| | Settlement of contractor claim resulting from contract errors and workload discrepancies | 63,485 |
| | Government claim for loss of materials, equipment repairs, and deficiencies | (36,842) |
| | Additional work | 14,158 |
| | Parts and supplies | <u>1,697</u> |
| | Total | <u>\$732,149</u> |
| Year 3 | Subsequent contractor's bid was higher than anticipated | \$ 88,786 |
| | Settlement of contractor's claim resulting from contract errors and workload discrepancies | 64,594 |
| | Loss of production due to power outage | 126 |
| | Additional work | <u>490,606</u> |
| | Total | <u>\$644,112</u> |

As shown above, most cost increases resulted from contractor claims against the government, additional work, and a subsequent contractor assuming the function at a higher cost. Most cost increases resulting from claims against the government reduced the anticipated savings by contracting out. Additional work would have also been required if the function had remained in-house but we were informed that an in-house work force could have performed the additional work at a lower cost. At least a portion of the cost increases resulting from the subsequent contractor's higher bid could be attributable to additional work. For instance, when the subsequent contractor assumed work on March 1, 1982, linen service from two Veterans Administration

hospitals was added to the Fort Dix contract. The Veterans Administration workload did not exist at the time of the cost comparison.

Although cost increases were higher than the anticipated savings by contracting out, we could not conclude that all anticipated savings were actually eliminated. As stated above, some of the cost increases would have taken place even if the function had remained in-house. We could not quantify this amount, however.

Fort Leavenworth, Kansas,
Packing and Crating

The comparison of in-house with contracting-out costs for packing and crating covered the 33-month period from April 1, 1980 through December 31, 1982. In comparing in-house with contractor costs for the function, the Army used a 1-year contractor bid for packing, crating, and moving. The Army subtracted estimated moving costs from the bid and used the balance as a basis for estimating contract costs for only packing and crating for 33 months. A contract for packing, crating, and moving was awarded on April 14, 1980; subsequent contracts for packing, crating, and moving were competed and awarded for each calendar year since 1980.

We could not identify contract costs specifically attributed to the packing and crating function because contracts included moving as well. Moving costs were not separately identified in the contracts. Therefore, the following analysis includes moving even though moving was not a part of the initial cost comparison.

| | <u>4-1-80 to</u> <u>12-31-80</u> | <u>1-1-81 to</u> <u>12-31-81</u> | <u>1-1-82 to</u> <u>12-31-82</u> | <u>Total</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Estimated savings by contracting out (packing and crating only) | \$ 52,382 | \$ 87,347 | \$ 87,347 | \$227,076 |
| Estimate of contract costs in the cost comparison (includes moving) | \$240,904 | \$321,206 | \$321,206 | \$883,316 |
| Contract costs | <u>\$227,521</u> | <u>\$345,506</u> | <u>\$284,911</u> | <u>\$857,938</u> |
| Cost increases (decreases) | <u>(\$ 13,383)</u> | <u>\$ 24,300</u> | <u>(\$ 36,295)</u> | <u>(\$ 25,378)</u> |

Cost increases or decreases resulted from the following:

| | | |
|--------|---|-------------------|
| Year 1 | Contract started 1/2 month later than anticipated | <u>(\$13,383)</u> |
| Year 2 | New contractor's prices were higher than estimated in the cost comparison | <u>\$24,300</u> |
| Year 3 | New contractor's prices were higher than estimated in the cost comparison | \$11,729 |
| | Requirements decreased | <u>(48,024)</u> |
| | Total | <u>(\$36,295)</u> |

Although contractor prices were higher in the second and third years as compared to the estimated prices in the cost comparison, at least a portion of the increases was due to higher wages. Costs decreased in the third year due, in part, to decreased requirements; if the functions were performed in-house, costs would have also likely decreased. Savings were realized by contracting this function.

Fort Monmouth, New Jersey,
Motor Vehicle Maintenance

The comparison of in-house and contracting-out costs covered the 3-year period from October 1, 1980, through September 30, 1983. The initial contractor operated the function for 2 years, but for fiscal year 1983 Fort Monmouth decided to combine 30 functions of installation support, including motor vehicle maintenance, under one contract.

| | <u>10-1-80 to</u> <u>9-30-81</u> | <u>10-1-81 to</u> <u>9-30-82</u> | <u>10-1-82 to</u> <u>9-30-83</u> | <u>Total</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------|
| Estimated savings by contracting out | <u>\$158,551</u> | <u>\$173,043</u> | <u>\$195,806</u> | <u>\$ 527,400</u> |
| Contractor bid including estimated material costs used in the cost comparison | \$556,457 | \$567,768 | \$576,607 | \$1,700,832 |
| Contract costs | <u>\$784,972</u> | <u>\$858,003</u> | <u>unknown</u> | <u>unknown</u> |
| Cost increases | <u>\$228,515</u> | <u>\$290,235</u> | <u>unknown</u> | <u>unknown</u> |

We could not determine contract costs for fiscal year 1983 because the combined installation support contract did not allocate contract modification costs to specific functions, such as motor vehicle maintenance. However, motor vehicle maintenance costs included in the subsequent contractor's fiscal year 1983 bid, including estimated material costs, totaled \$488,182.

Cost increases for fiscal years 1981 and 1982 resulted from the following:

| | | |
|--------|--|-------------------------|
| Year 1 | Higher than anticipated materials and services | \$156,968 |
| | Additional services to bring vehicle fleet up to an acceptable readiness level | 40,000 |
| | Additional work | 1,000 |
| | Contract errors | <u>\$ 30,547</u> |
| | Total | <u><u>\$228,515</u></u> |
| Year 2 | Higher than anticipated materials and services | \$157,300 |
| | Additional work | 10,398 |
| | Increased wages | 53,477 |
| | Contract errors | <u>69,060</u> |
| | Total | <u><u>\$290,235</u></u> |

Cost increases resulting from increased materials and services and additional work would have been incurred even if the function had remained in-house. A contract error occurred when the Army understated its vehicle fleet. Cost increases resulting from this error had the effect of reducing anticipated savings of contracting out. However, some savings were realized by contracting this function.

Fort Riley, Kansas,
Test Examiner and Test Proctor Services

The comparison of in-house with contracting-out costs covered the 3-year period from October 1, 1980, through September 30, 1983.

| | <u>10-1-80 to</u> <u>9-30-81</u> | <u>10-1-81 to</u> <u>9-30-82</u> | <u>10-1-82 to</u> <u>9-30-83</u> | <u>Total</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Estimated savings by contracting out | (\$ 4,528) | \$ 3,354 | \$ 2,355 | \$ 1,181 |
| Contractor bid used in the cost comparison | \$25,044 | \$27,426 | \$30,022 | \$ 82,492 |
| Contract costs | <u>\$41,583</u> | <u>\$47,057</u> | <u>\$56,252</u> | <u>\$144,892</u> |
| Cost increases | <u>\$16,539</u> | <u>\$19,631</u> | <u>\$26,230</u> | <u>\$ 62,400</u> |

All cost increases were the result of additional work being required of the contractor. Workload increases would have likely occurred even if the function had remained in-house. Savings were realized by contracting this function.

St. Louis Area Support Center, Illinois,
Installation Support

The comparison of in-house with contracting-out costs covered the 2-year period from October 1, 1980, through September 30, 1982. The government awarded a cost-plus-award-fee contract.

| | <u>10-1-80 to</u> <u>9-30-81</u> | <u>10-1-81 to</u> <u>9-30-82</u> | <u>Total</u> |
|---|-------------------------------------|-------------------------------------|--------------------|
| Estimated savings by contracting out | <u>\$1,554,203</u> | <u>\$1,828,787</u> | <u>\$3,382,990</u> |
| Estimate of contract costs in the cost comparison | <u>\$3,335,444</u> | <u>\$3,321,334</u> | <u>\$6,656,778</u> |
| Contract costs | \$4,199,313 | \$4,532,165 | \$8,731,478 |
| Supplemental government resources | \$ <u>6,300</u> | \$ <u>-</u> | \$ <u>6,300</u> |
| Cost of operating the function | <u>\$4,205,613</u> | <u>\$4,532,165</u> | <u>\$8,737,778</u> |
| Cost increases | <u>\$ 870,169</u> | <u>\$1,210,831</u> | <u>\$2,081,000</u> |

Cost increases resulted from the following:

| | | |
|--------|---------------------------------------|--------------------|
| Year 1 | Award fees in excess of estimate | \$ 12,773 |
| | Ambiguities or errors in the contract | 656,944 |
| | Cost overruns | 35,293 |
| | Supplemental government resources | 6,300 |
| | Additional work | <u>158,859</u> |
| | Total | <u>\$870,169</u> |
| Year 2 | Award fees in excess of estimate | 10,781 |
| | Ambiguities or errors in the contract | 385,672 |
| | Cost overruns | 327,782 |
| | Unanticipated phase-out costs | 11,883 |
| | Additional work | 130,133 |
| | Wage increases | <u>344,580</u> |
| | Total | <u>\$1,210,831</u> |

Cost increases resulting from additional work and wage increases represent conditions that would have likely increased costs even if the function had remained in-house. The balance of the cost increases, \$711,310 in year 1 and \$736,118 in year 2, represents decreases in the savings the government initially anticipated when the function was transferred to contractor performance. However, savings were still realized by contracting out.

Sharpe Army Depot, California,
Receipt, Consolidation, and Reshipment of Supplies

The comparison of in-house with contracting-out costs covered a 3-year period with the contractor assuming the function on October 1, 1980. The first contractor operated the function for 2 years. The Army decided to recompute the function starting in year 3 because of substantial changes in the scope of work to be accomplished. A second contractor took over the function on October 1, 1982.

| | <u>10-1-80 to</u> <u>9-30-81</u> | <u>10-1-81 to</u> <u>9-30-82</u> | <u>10-1-82 to</u> <u>9-30-83</u> | <u>Total</u> |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Estimated savings by contracting out | \$ 126,475 | \$ 153,304 | \$ 181,788 | \$ 461,567 |
| Contractor bid used in the cost comparison | \$1,411,470 | \$1,411,470 | \$1,411,470 | \$4,234,410 |
| Contract costs | <u>\$1,411,470</u> | <u>\$2,242,796</u> | <u>\$3,336,724</u> | <u>\$6,990,990</u> |
| Cost increases | <u>\$ -</u> | <u>\$ 831,326</u> | <u>\$1,925,254</u> | <u>\$2,756,580</u> |

Cost increases resulted from the following:

| | | |
|--------|---|--------------------|
| Year 2 | Wage increases | \$286,840 |
| | Additional work | <u>544,486</u> |
| | Total | <u>\$831,326</u> |
| Year 3 | Second contractor costs were higher than anticipated in the cost comparison | <u>\$1,925,254</u> |

Wage increases and additional work increased costs in year 2. If the function had remained in-house, wage increases and a higher workload could have increased costs as well.

Army officials estimated that wage increases were responsible for about \$481,000 of the year 3 costs increase. It also appears that an increased scope of work was responsible for most of the balance of the increase in year 3. Accordingly, savings were realized by contracting this function.

Tobyhanna Army Depot, Pennsylvania,
Custodial Services

The comparison of in-house and contracting-out costs covered a 3-year period from October 1, 1980, through September 30, 1983. The first contractor operated the function for 1 year but was replaced after failing to satisfactorily perform. The second contractor started work in October 1981 and defaulted in February 1982. The Army operated the function between February and June 1982 while the function was recompeted. A third contractor took over the function in July 1982.

| | <u>10-1-80 to</u> <u>9-30-81</u> | <u>10-1-81 to</u> <u>9-30-82</u> | <u>10-1-82 to</u> <u>9-30-83</u> | <u>Total</u> |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Estimated savings by contracting out | <u>\$423,240</u> | <u>\$453,862</u> | <u>\$471,635</u> | <u>\$1,348,737</u> |
| Contractor bid used in the cost comparison | <u>\$256,212</u> | <u>\$256,212</u> | <u>\$270,175</u> | <u>\$ 782,599</u> |
| Contract costs | \$283,780 | \$214,219 | \$519,169 | \$1,017,168 |
| Cost of in-house operation | \$ - | <u>\$213,745</u> | \$ - | <u>\$ 213,745</u> |
| Total costs of operating the function | <u>\$283,780</u> | <u>\$427,964</u> | <u>\$519,169</u> | <u>\$1,230,913</u> |
| Cost increases | <u>\$ 27,568</u> | <u>\$171,752</u> | <u>\$248,994</u> | <u>\$ 448,314</u> |

Cost increases resulted from the following:

| | |
|------------------------|------------------|
| Year 1 Additional work | \$ 36,916 |
| Contract errors | (<u>9,348</u>) |
| Total | <u>\$ 27,568</u> |

| | | |
|--------|---|------------------|
| Year 2 | Second contractor costs for 10-1-81 to 2-12-82 were lower than anticipated | (\$ 4,928) |
| | In-house operation for 2-13-82 to 6-30-82 were higher than anticipated | 116,140 |
| | Third contractor costs for 7-1-82 to 9-30-82 were higher than anticipated | 60,822 |
| | Net workload decrease | (<u>282</u>) |
| | Total | <u>\$171,752</u> |
| Year 3 | Third contractor costs were higher than anticipated | \$248,875 |
| | Additional work | <u>119</u> |
| | | <u>\$248,994</u> |

Nearly all of the cost increases resulted from subsequent contract awards and in-house supplemental performance at higher prices than the initial contractor bid used in the cost comparison. However, subsequent contracts contained additional work. We were unable to determine how much of the cost increase was solely attributable to higher prices. Despite the changes in contractors with resulting cost increases, savings were realized by contracting this function.

Naval Air Propulsion Center, Trenton, New Jersey,
Custodial Services

The cost comparison covered a 3-year period from October 29, 1979, through October 28, 1982. The initial contractor was replaced on October 29, 1981, after failing to perform satisfactorily.

| | <u>10-29-79 to</u> <u>10-28-80</u> | <u>10-29-80 to</u> <u>10-28-81</u> | <u>10-29-81 to</u> <u>10-28-82</u> | <u>Total</u> |
|--|---------------------------------------|---------------------------------------|---------------------------------------|-------------------|
| Estimated savings by contracting out | \$ <u>51,180</u> | \$ <u>84,452</u> | \$ <u>89,691</u> | \$ <u>225,323</u> |
| Contractor bid used in the cost comparison | \$105,187 | \$105,187 | \$105,187 | \$315,561 |
| Contract costs | \$ <u>122,521</u> | \$ <u>135,405</u> | \$ <u>190,110</u> | \$ <u>448,036</u> |
| Cost increases | \$ <u>17,334</u> | \$ <u>30,218</u> | \$ <u>84,923</u> | \$ <u>132,475</u> |

Cost increases resulted from the following:

| | | |
|--------|---|-----------------|
| Year 1 | Additional work | \$14,006 |
| | Contract errors | <u>3,328</u> |
| | Total | <u>\$17,334</u> |
| Year 2 | Wage increases | \$23,475 |
| | Additional work | 10,482 |
| | Deductions for poor performance (| <u>3,739)</u> |
| | Total | <u>\$30,218</u> |
| Year 3 | Subsequent contract price was higher than anticipated | \$84,813 |
| | Additional work | <u>110</u> |
| | Total | <u>\$84,923</u> |

Most of the cost increases resulted from the subsequent contract being higher than that anticipated when the cost comparison was made. However, at least a portion of the increased cost was attributed to an increased scope of work in the subsequent contract. Savings were realized by contracting this function.

Naval Air Station, Lemoore, California,
Mess Attendant Services

The comparison of in-house with contracting-out costs covered a 3-year period with a conversion to contractor performance on August 16, 1981.

| | <u>8-16-81 to</u> <u>9-30-82</u> | <u>10-1-82 to</u> <u>9-30-83</u> | <u>10-1-83 to</u> <u>9-30-84</u> | <u>Total</u> |
|--|-------------------------------------|-------------------------------------|-------------------------------------|---------------------|
| Estimated savings by contracting out | \$ <u>35,402</u> | \$ <u>142,304</u> | \$ <u>184,929</u> | \$ <u>362,635</u> |
| Contractor bid used in the cost comparison | \$617,189 | \$617,189 | \$617,189 | \$1,851,567 |
| Contract costs | \$ <u>765,128</u> | \$ <u>768,933</u> | \$ <u>788,613</u> | \$ <u>2,322,674</u> |
| Cost increases | \$ <u>147,939</u> | \$ <u>151,744</u> | \$ <u>171,424</u> | \$ <u>471,107</u> |

Cost increases resulted from the following:

| | | |
|--------|--|------------------|
| Year 1 | Additional cost for 1-1/2 months. Contract costs for the first period covered 13-1/2 months while the bid in the cost comparison was for 12 months | \$ 67,266 |
| | Wage increases | 75,886 |
| | Additional work | <u>4,787</u> |
| | Total | <u>\$147,939</u> |
| Year 2 | Additional work | \$ 466 |
| | Wage increases | <u>151,278</u> |
| | Total | <u>\$151,744</u> |
| Year 3 | Wage increases | <u>\$171,424</u> |

The cost comparison was based on a contractor proposal submitted 18 months prior to the actual start date of the contract. The actual contract cost at the start of the first contract period consisted of the original proposed contract price plus increased costs for wages. Cost increases consisted only of wage increases and additional work. Savings were realized by contracting this function.

U.S. Naval Station, Mayport, Florida,
Motor Vehicle Operations and Maintenance

The comparison of in-house with contracting-out costs covered a 3-year period with the conversion to contracting on June 29, 1980.

| | <u>6-29-80 to</u> <u>6-30-81</u> | <u>7-1-81 to</u> <u>6-30-82</u> | <u>7-1-82 to</u> <u>6-30-83</u> | <u>Total</u> |
|---|-------------------------------------|------------------------------------|------------------------------------|---------------------|
| Estimated savings by contracting out | (\$ <u>121,867</u>) | \$ <u>149,930</u> | \$ <u>149,930</u> | \$ <u>177,993</u> |
| Contractor bid used in the cost comparison | \$1,058,245 | \$1,058,245 | \$1,058,245 | \$3,174,735 |
| Contract costs | \$ <u>1,277,278</u> | \$ <u>1,065,295</u> | \$ <u>1,173,279</u> | \$ <u>3,515,852</u> |
| Cost increases | \$ <u>219,033</u> | \$ <u>7,050</u> | \$ <u>115,034</u> | \$ <u>341,117</u> |

Cost increases resulted from the following:

| | | |
|--------|---|------------------|
| Year 1 | Wage increases | \$ 55,008 |
| | Rental of government tools and equipment to the contractor | (2,583) |
| | Additional work | <u>166,608</u> |
| | Total | <u>\$219,033</u> |
| Year 2 | Additional work | <u>\$ 7,050</u> |
| Year 3 | Wage increases | <u>\$115,034</u> |

Cost increases resulting from additional work were attributed to the Naval Station's growth after the contract was awarded. Similar growth and resulting cost increases in operating the function would have occurred even if the function had remained in-house. Therefore, savings were realized by contracting this function.

The Marine Corps Air Station, Beaufort, South Carolina,
Family Housing Maintenance

The comparison of in-house with contracting-out costs covered a 3-year period with a conversion to contractor performance on July 31, 1980. Due to the first contractor's marginal performance, the Marine Corps selected a second contractor to provide family housing maintenance services starting September 1, 1981. However, on September 15, 1982, the second contractor defaulted and the Marine Corps returned the function to in-house performance.

| | <u>7-31-80 to</u> <u>7-30-81</u> | <u>7-31-81 to</u> <u>7-30-82</u> | <u>7-31-82 to</u> <u>7-30-83</u> | <u>Total</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|---------------------|
| Estimated savings by contracting out | \$ <u>255,478</u> | \$ <u>290,046</u> | \$ <u>326,339</u> | \$ <u>871,863</u> |
| Contractor bid used in the cost comparison | \$ <u>286,345</u> | \$ <u>286,345</u> | \$ <u>286,345</u> | \$ <u>859,035</u> |
| Contract costs | \$288,345 | \$466,181 | \$ 39,951 | \$ 794,477 |
| Cost of in-house operation | \$ - | \$ - | \$ <u>736,382</u> | \$ <u>736,382</u> |
| Cost of operating the function | \$ <u>288,345</u> | \$ <u>466,181</u> | \$ <u>776,333</u> | \$ <u>1,530,859</u> |
| Cost increases | \$ <u>2,000</u> | \$ <u>179,836</u> | \$ <u>489,988</u> | \$ <u>671,824</u> |

Cost increases resulted from the following:

| | | |
|--------|--|------------------|
| Year 1 | Contract errors | \$ <u>2,000</u> |
| Year 2 | Contract errors | \$ 3,856 |
| | Contract extension and new award were higher than anticipated | <u>175,980</u> |
| | Total | <u>\$179,836</u> |

| | | |
|--------|---|-------------------------|
| Year 3 | Contract errors | \$ 351 |
| | Second contract and in-house performance were higher than anticipated | <u>\$489,637</u> |
| | Total | <u><u>\$489,988</u></u> |

Cost increases resulted from contract errors, awarding a new contract at a cost higher than initially anticipated, and eventually returning the function to in-house performance. Much of the cost increase considerably reduced anticipated savings of contracting out but savings were still realized.

At the time of our review in July 1984, the Marine Corps was studying the feasibility of returning the function to contractor performance.

Eglin Air Force Base, Florida,
Photographic Laboratory and Audiovisual Services
Library Operation and Maintenance

The comparison of in-house with contracting-out costs covered the 3-year period from October 1, 1979, through September 30, 1982. In responding to a bid protest, the Air Force became aware of deficiencies in the contract's statement of work and decided not to extend the initial contract through years 2 and 3. Instead, the Air Force negotiated modifications for the contractor to continue work for the first 7 months of year 2 and after competitive bidding, awarded a new contract for work starting May 1, 1981.

| | <u>10-1-79 to</u> <u>9-30-80</u> | <u>10-1-80 to</u> <u>9-30-81</u> | <u>10-1-81 to</u> <u>9-30-82</u> | <u>Total</u> |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Estimated savings by contracting out | (\$ 35,813) | \$ 50,228 | \$ 54,144 | \$ 68,559 |
| Contractor bid used in the cost comparison | \$1,181,408 | \$1,167,170 | 1,179,094 | \$3,527,672 |
| Contract costs | <u>\$1,201,519</u> | <u>\$1,325,031</u> | <u>\$1,302,443</u> | <u>\$3,828,993</u> |
| Cost increases | <u>\$ 20,111</u> | <u>\$ 157,861</u> | <u>\$ 123,349</u> | <u>\$ 301,321</u> |

Cost increases resulted from the following:

| | | |
|--------|--|------------------|
| Year 1 | Additional work | \$ 20,111 |
| Year 2 | Additional work | \$ 5,827 |
| | Negotiated contract extensions and new contract were higher than anticipated | <u>152,034</u> |
| | Total | <u>\$157,861</u> |
| Year 3 | Additional work | \$ 25,992 |
| | Wage increases | 56,861 |
| | New contract costs were higher than anticipated | <u>40,496</u> |
| | Total | <u>\$123,349</u> |

Most of the cost increases, \$192,530 in years 2 and 3, resulted from the negotiation of contract extensions and award of a new contract. Although increased work and increased wages were responsible for at least a portion of this \$192,530 increase, savings were not realized by contracting this function.

Hill Air Force Base, Utah,
Medical Facility Housekeeping Services

The comparison of in-house with contracting-out costs covered the period October 1, 1980, through September 30, 1983.

| | <u>10-1-80 to</u> <u>9-30-81</u> | <u>10-1-81 to</u> <u>9-30-82</u> | <u>10-1-82 to</u> <u>9-30-83</u> | <u>Total</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|--------------|
| Estimated savings by contracting out | \$ 57,983 | \$ 58,864 | \$ 59,791 | \$176,638 |
| Contractor bid used in the cost comparison | \$127,056 | \$127,056 | \$127,056 | \$381,168 |
| Contract costs | \$127,056 | \$128,803 | \$137,599 | \$393,458 |
| Cost increases | \$ - | \$ 1,747 | \$ 10,543 | \$ 12,290 |

All cost increases, \$1,747 in the second year and \$10,543 in the third year, were attributed to wage increases. Savings were realized by contracting this function.

Lowry Air Force Base, Colorado,
Commissary Shelf Stocking and Custodial Services

The comparison of in-house and contracting-out costs covered the period September 16, 1980, to September 30, 1983. The first contractor operated the function from September 16, 1980, through October 31, 1981. Due to the first contractor's poor performance, Lowry AFB obtained another contractor starting November 1, 1981.

| | <u>9-16-80 to</u> <u>9-30-81</u> | <u>10-1-81 to</u> <u>9-30-82</u> | <u>10-1-82 to</u> <u>9-30-83</u> | <u>Total</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|--------------|
| Estimated savings by contracting out | \$304,801 | \$315,578 | \$320,568 | \$940,947 |
| Contractor bid used in the cost comparison | \$229,569 | \$225,516 | \$227,556 | \$682,641 |
| Contract costs | \$233,154 | \$260,472 | \$280,816 | \$774,442 |
| Cost increases | \$ 3,585 | \$ 34,956 | \$ 53,260 | \$ 91,801 |

Cost increases for the period covered by the cost comparison resulted from the following:

| | | |
|--------|--|-----------------|
| Year 1 | Additional work | \$3,341 |
| | Equipment reimbursement | 802 |
| | Government claim for unperformed work | (558) |
| | Total | <u>\$3,585</u> |
| Year 2 | Additional work | \$10,922 |
| | Work for October 1981 performed for less than bid price | (81) |
| | Second contractor's bid for last 11 months was higher than anticipated | <u>24,115</u> |
| | Total | <u>\$34,956</u> |

| | | |
|--------|--|-----------------|
| Year 3 | Additional work | \$12,299 |
| | Second contractor's bid was higher than anticipated | 24,267 |
| | Wage increases | <u>16,694</u> |
| | Total | <u>\$53,260</u> |

Most cost increases resulted from Lowry AFB's decision to award the contract to a second contractor whose bid was higher than the first contractor's, but some of the increase was due to higher wages. Savings were realized by contracting this function.

Lowry Air Force Base, Colorado,
Refuse Collection

The Air Force's comparison of in-house with contracting-out costs covered the 3-year period from October 1, 1980, to September 30, 1983.

| | <u>10-1-80 to</u> <u>9-30-81</u> | <u>10-1-81 to</u> <u>9-30-82</u> | <u>10-1-82 to</u> <u>9-30-83</u> | <u>Total</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| Estimated savings by contracting out | <u>\$269,405</u> | <u>\$270,912</u> | <u>\$272,419</u> | <u>\$812,736</u> |
| Contractor bid used in the cost comparison | \$225,000 | \$236,292 | \$248,220 | \$709,512 |
| Contract costs | <u>\$230,911</u> | <u>\$308,585</u> | <u>\$385,558</u> | <u>\$925,054</u> |
| Cost increases | <u>\$ 5,911</u> | <u>\$ 72,293</u> | <u>\$137,338</u> | <u>\$215,542</u> |

Cost increases resulted from the following:

| | | |
|--------|--|------------------|
| Year 1 | Additional work | \$ 5,260 |
| | Fuel price adjustments | <u>651</u> |
| | Total | <u>\$ 5,911</u> |
| Year 2 | Additional work | \$ 67,503 |
| | Fuel price adjustments | 446 |
| | Wage increases | 4,272 |
| | Reimbursement to contractor for equipment damaged by the government | <u>72</u> |
| | Total | <u>\$ 72,293</u> |
| Year 3 | Additional work | \$115,132 |
| | Fuel price adjustments | (7) |
| | Wage increases | <u>22,213</u> |
| | Total | <u>\$137,338</u> |

Although the costs of operating the function increased in the years following the award of the contract, if the function had remained in-house, cost growth similar to that experienced by the contractor would have occurred. Savings were realized by contracting this function.

Mather Air Force Base, California,
Grounds Maintenance

The comparison of in-house with contracting-out costs covered the 3-year period from October 1, 1980, to September 30, 1983.

| | <u>10-1-80 to</u> <u>9-30-81</u> | <u>10-1-81 to</u> <u>9-30-82</u> | <u>10-1-82 to</u> <u>9-30-83</u> | <u>Total</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Estimated savings by contracting out | <u>\$108,540</u> | <u>\$110,671</u> | <u>\$116,747</u> | <u>\$ 335,958</u> |
| Contractor bid used in the cost comparison | \$287,400 | \$287,400 | \$287,400 | \$ 862,200 |
| Contract costs | <u>\$295,042</u> | <u>\$346,485</u> | <u>\$370,436</u> | <u>\$1,011,963</u> |
| Cost increases | <u>\$ 7,642</u> | <u>\$ 59,085</u> | <u>\$ 83,036</u> | <u>\$ 149,763</u> |

Cost increases resulted from the following:

| | | |
|--------|--------------------|-----------------|
| Year 1 | Additional work | <u>\$ 7,642</u> |
| Year 2 | Additional work | \$42,976 |
| | Wage increases | <u>16,109</u> |
| | Total | <u>\$59,085</u> |
| Year 3 | Additional work | \$59,381 |
| | Wage increases | 22,180 |
| | Contract ambiguity | <u>1,475</u> |
| | Total | <u>\$83,036</u> |

Although the costs of operating the function increased in the years following the award of the contract, only the contract ambiguity reduced the anticipated savings. Savings were realized by contracting this function.

McClellan Air Force Base, California,
Precision Measurement Equipment Laboratory

The comparison of in-house with contracting-out costs covered a 3-year period with the contractor starting work on November 1, 1979.

| | <u>11-1-79 to</u> <u>10-31-80</u> | <u>11-1-80 to</u> <u>10-31-81</u> | <u>11-1-81 to</u> <u>10-31-82</u> | <u>Total</u> |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------|
| Estimated savings by contracting out | \$ 718,802 | \$714,205 | \$ 714,250 | \$2,147,257 |
| Contractor bid, including reimbursable material estimates for year 1 | \$1,133,547 | \$712,530 | \$ 712,530 | \$2,558,607 |
| Contract costs | \$1,058,547 | \$978,000 | \$1,022,864 | \$3,059,411 |
| Cost increases (decreases) | (\$ 75,000) | \$265,470 | \$ 310,334 | \$ 500,804 |

Cost increases or decreases resulted from the following:

| | | |
|--------|---|------------------|
| Year 1 | Decrease in materials | (\$ 75,000) |
| Year 2 | Wage increases | \$112,177 |
| | Additional work and reimbursable expenses | <u>153,293</u> |
| | Total | <u>\$265,470</u> |
| Year 3 | Wage increases | \$175,178 |
| | Additional work and reimbursable expenses | <u>135,156</u> |
| | Total | <u>\$310,334</u> |

In addition to the cost increases shown above, the Air Force agreed to an adjustment on July 13, 1981, of \$69,850 resulting from an insufficient phase-in period, failure to furnish acceptable facilities and equipment, and an

unanticipated work backlog at the time of conversion. The Air Force did not increase the cost of the contract by \$69,850, however, since this amount was offset by reduced payments for materials.

Additional work, reimbursable expenses, and wages would have likely resulted in increased costs even if the function had remained in-house. Savings were realized by contracting this function.

U.S. Air Force Academy, Colorado,
Commissary Shelf Stocking and Custodial Service

The comparison of in-house with contracting-out costs covered the period August 16, 1980, through August 31, 1983.

| | <u>8-16-80 to</u> <u>8-30-81</u> | <u>9-1-81 to</u> <u>8-31-82</u> | <u>9-1-82 to</u> <u>8-31-83</u> | <u>Total</u> |
|---|-------------------------------------|------------------------------------|------------------------------------|--------------|
| Estimated savings by contracting out | \$129,866 | \$147,775 | \$159,314 | \$436,955 |
| Contractor bid used in the cost comparison | \$117,181 | \$110,650 | \$110,825 | \$338,656 |
| Contract costs | \$124,236 | \$150,822 | \$165,173 | \$440,231 |
| Cost increases | \$ 7,055 | \$ 40,172 | \$ 54,348 | \$101,575 |

Cost increases resulted from the following:

| | | |
|--------|--|-----------------|
| Year 1 | Wage increases | \$12,953 |
| | Payment deductions due to decreased workload | (5,898) |
| | Total | <u>\$ 7,055</u> |
| Year 2 | Wage increases | \$26,710 |
| | Deleting government-furnished supplies and equipment from the contract | 16,249 |
| | Contract errors or inadequacies | 1,586 |
| | Payment deductions due to decreased workload | (4,373) |
| | Total | <u>\$40,172</u> |

| | | |
|--------|--|-----------------|
| Year 3 | Wage increases | \$30,123 |
| | Deleting government furnished supplies and equipment from the contract | 19,499 |
| | Contract errors | 5,130 |
| | Payment deductions due to decreased workload | (<u>404</u>) |
| | Total | <u>\$54,348</u> |

Small cost increases in years 2 and 3 were attributed to contract errors, such as underestimation of the number of square feet to be cleaned, that reduced the anticipated savings of contracting out. Savings were realized by contracting this function.

Vance Air Force Base, Oklahoma,
Instrument Flight Simulator Operations

The comparison of in-house with contracting-out costs covered the 3-year period from October 1, 1980, through September 30, 1983. In estimating contract costs for the cost comparison, the Air Force negotiated a fiscal year 1981 price with a contractor who already had a services contract at the base. The instrument flight simulator operations function was then made a part of this contract.

| | <u>10-1-80 to 9-30-81</u> | <u>10-1-81 to 9-30-82</u> | <u>10-1-82 to 9-30-83</u> | <u>Total</u> |
|---|-------------------------------|-------------------------------|-------------------------------|--------------------|
| Estimated savings by contracting out | <u>\$114,053</u> | <u>\$138,185</u> | <u>\$163,509</u> | <u>\$ 415,747</u> |
| Estimated contract costs used in the cost comparison | <u>\$314,639</u> | <u>\$314,639</u> | <u>\$314,639</u> | <u>\$ 943,917</u> |
| Contract costs for year 1 and estimated contract costs for years 2 and 3 | <u>\$372,248</u> | <u>\$392,133</u> | <u>\$421,840</u> | <u>\$1,186,221</u> |
| Cost increases | <u>\$ 57,609</u> | <u>\$ 77,494</u> | <u>\$107,201</u> | <u>\$ 242,304</u> |

Estimated contract costs in the cost comparison for years 2 and 3 were based on the negotiated price for fiscal year 1981. Since the instrument flight simulator operations function was part of a larger contract, we were only able to obtain estimates of the function's costs for years 2 and 3. We were unable to quantify specific causes of cost increases but, according to Air Force representatives, contract costs were higher than those in the cost comparison because overhead rates, wages, and workloads increased. Savings were realized by contracting this function.

Warner Robins Air Logistics Center, Georgia,
Precision Measurement Equipment Laboratory

The comparison of in-house with contracting-out costs covered the 3-year period from October 1, 1979, to September 30, 1982. The initial contractor operated the function for 2 years but after it experienced performance problems the Air Force awarded the contract to another company. The second contractor started work with a 2-month phase-in period on October 1, 1981, while the original contractor completed work on November 30, 1981.

| | <u>10-1-79 to</u> <u>9-30-80</u> | <u>10-1-80 to</u> <u>9-30-81</u> | <u>10-1-81 to</u> <u>9-30-82</u> | <u>Total</u> |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| Estimated savings by contracting out | \$199,318 | \$ 228,292 | \$ 229,268 | \$ 656,878 |
| Contractor bid used in the cost comparison | \$805,794 | \$ 805,794 | \$ 805,794 | \$2,417,382 |
| Contract costs | <u>\$930,794</u> | <u>\$1,293,594</u> | <u>\$1,971,252</u> | <u>\$4,195,640</u> |
| Cost increases | <u>\$125,000</u> | <u>\$ 487,800</u> | <u>\$1,165,458</u> | <u>\$1,778,258</u> |

Cost increases resulted from the following:

| | | |
|--------|---|-----------------------|
| Year 1 | Increased funding for reimbursable materials | \$ 125,000 |
| Year 2 | Contractor claim against the government Additional work | \$ 332,055 155,745 |
| | Total | <u>\$ 487,800</u> |
| Year 3 | Two-month contract extension for \$328,680 and new contract bid for \$1,467,378 were higher than initial estimate | \$ 990,264 |
| | Increased funding for reimbursable materials | 174,536 |
| | Increased funding for reimbursable contractor travel expense | <u>658</u> |
| | Total | <u>\$1,165,458</u> |

Cost increases in year 2 resulting from a contractor claim decreased the anticipated savings of contracting out. Cost increases in years 1 and 3, resulting from additional work and reimbursable materials and travel, would have occurred even if the function had remained in-house and did not, therefore, reduce savings. In year 3, \$990,264 in cost increases were attributed to a 2-month contract extension and the award to a new contractor. However, at least a portion of this increase was due to additional work and increased wages.

In addition to the increased contract costs, we were informed that poor contractor performance and the transition to contracting increased the Air Force's costs as well by about \$798,000 during the first 18 months of the initial contract. These costs alone more than offset the anticipated savings of \$656,878 from contracting out.

Prior to the award of a new contract in October 1981, the Air Force made another comparison of in-house and contracting-out costs for fiscal years 1982, 1983, and 1984. The Air Force concluded that contracting rather than converting back to in-house performance would result in savings of \$2,035,229 over the 3-year period.

COMPOSITE OF AFFECTED PERMANENT EMPLOYEES

| | <u>Total</u> | <u>Gender</u> | | <u>Minority</u> | | | <u>Veteran</u> | | |
|---|--------------|---------------|---------------|-----------------|------------|----------------|----------------|--------------|----------------|
| | | <u>Male</u> | <u>Female</u> | <u>No</u> | <u>Yes</u> | <u>Unknown</u> | <u>Yes</u> | <u>No</u> | <u>Unknown</u> |
| Placed at the installation: ^a | | | | | | | | | |
| In the same grade | 618 | 370 | 248 | 395 | 214 | 9 | 315 | 302 | 1 |
| In a lower grade | 896 | 766 | 130 | 668 | 216 | 12 | 614 | 282 | - |
| In a higher grade | 19 | 11 | 8 | 9 | 9 | 1 | 10 | 9 | - |
| Placed at another installation: ^a (no relocation) | | | | | | | | | |
| In the same grade | 109 | 79 | 30 | 54 | 44 | 11 | 55 | 53 | 1 |
| In a lower grade | 122 | 104 | 18 | 42 | 60 | 20 | 55 | 64 | 3 |
| In a higher grade | 5 | 3 | 2 | 2 | 3 | - | 3 | 2 | - |
| Placed at another installation: ^a (relocation) | | | | | | | | | |
| In the same grade | 79 | 73 | 6 | 68 | 9 | 2 | 51 | 28 | - |
| In a lower grade | 31 | 30 | 1 | 20 | 11 | - | 20 | 11 | - |
| In a higher grade | 2 | 1 | 1 | 2 | - | - | 1 | 1 | - |
| Regular retirement | 182 | 150 | 32 | 101 | 65 | 16 | 125 | 56 | 1 |
| Early retirement | 116 | 99 | 17 | 72 | 42 | 2 | 75 | 40 | 1 |
| Resigned | 53 | 39 | 14 | 37 | 14 | 2 | 33 | 20 | - |
| Involuntarily separated | 129 | 71 | 58 | 53 | 71 | 5 | 61 | 68 | - |
| Employed by contractor | 171 | 111 | 60 | 110 | 52 | 9 | 84 | 87 | - |
| Placed in non-federal position | 1 | 1 | - | - | 1 | - | - | 1 | - |
| Discharged during probation period | 1 | 1 | - | 1 | - | - | 1 | - | - |
| Deceased | <u>1</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Total | <u>2,535</u> | <u>1,910</u> | <u>625</u> | <u>1,635</u> | <u>811</u> | <u>89</u> | <u>1,503</u> | <u>1,025</u> | <u>7</u> |

^aPlaced in permanent positions except for a few instances as discussed in appendix IV.

FUNCTIONS REVIEWED FOR EFFECTS ON PERMANENT EMPLOYEES

| <u>Installation</u> | <u>Function</u> | <u>Page</u> |
|--|--|-------------|
| <u>Army</u> | | |
| Cameron Station, VA | Motor vehicle operations and maintenance | 43 |
| Dugway Proving Ground, UT | Installation base support | 44 |
| Fort Benning, Fort Stewart, and Hunter Army Airfield, GA | Administrative telephone operations and maintenance | 46 |
| Fort Benning, GA | Laundry and dry cleaning services | 47 |
| Fort Bliss, TX | Training audiovisual support center | 48 |
| Fort Eustis, VA | Industrial operations base support services | 49 |
| Fort Monmouth, NJ | Installation and support activity | 50 |
| Fort Riley, KS | Maintenance | 52 |
| Presidio of San Francisco, CA | Laundry and dry cleaning services | 53 |
| <u>Navy</u> | | |
| Charleston Naval Shipyard, SC | Vehicle maintenance, refuse collection, and taxi operation | 54 |
| Commissary Store, Alameda, CA | Night shelf stocking | 55 |
| Commissary Store, Little Creek, VA | Shelf stocking | 56 |
| Jacksonville Naval Air Station, FL | Air transportation services | 57 |
| Mare Island Naval Shipyard, Vallejo, CA | Data and key entry services | 58 |
| Naval Academy, Annapolis, MD | Custodial and miscellaneous services | 59 |

Dugway Proving Ground, Utah,
Installation Base Support

The function, converted to contracting in July 1983, affected 106 employees. Included were 96 employees who had worked in the function and 10 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | <u>Veteran</u> | |
|---|-------------------|------------------|------------------|-----------------------------|-----------------|------------------|------------------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Hispanic</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | |
| In the same grade | 40 | 26 | 14 | 39 | 1 | 24 | 16 |
| In a lower grade | 32 | 29 | 3 | 30 | 2 | 15 | 17 |
| Placed at another installation or federal agency (no relocation): | | | | | | | |
| In the same grade | 3 | 3 | - | 3 | - | 1 | 2 |
| In a lower grade | 1 | 1 | - | 1 | - | 1 | - |
| Placed at another installation or federal agency (relocation): | | | | | | | |
| In the same grade | 4 | 4 | - | 4 | - | 4 | - |
| In a lower grade | 1 | 1 | - | 1 | - | 1 | - |
| Regular retirement | 3 | 3 | - | 3 | - | 1 | 2 |
| Early/disability retirement | 20 | 19 | 1 | 17 | 3 | 13 | 7 |
| Resignation | <u>2</u> | <u>2</u> | <u>-</u> | <u>2</u> | <u>-</u> | <u>1</u> | <u>1</u> |
| Total | <u>106</u> | <u>88</u> | <u>18</u> | <u>100</u> | <u>6</u> | <u>61</u> | <u>45</u> |

Cameron Station, Virginia,
Motor Vehicle Operations and Maintenance

The function, converted to contracting in January 1983, affected 95 employees. Included were 43 employees who had worked in the function and 52 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | | <u>Veteran</u> | | |
|---|--------------|---------------|---------------|-----------------------------|--------------|---------------|------------|----------------|-----------|------------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Indian</u> | <u>Unk</u> | <u>Yes</u> | <u>No</u> | <u>Unk</u> |
| Placed at the installation: | | | | | | | | | | |
| In the same grade | 9 | 9 | - | 1 | 7 | - | 1 | 3 | 6 | - |
| In a lower grade | 2 | 2 | - | 1 | - | - | 1 | 2 | - | - |
| Placed at another installation or federal agency (no relocation): | | | | | | | | | | |
| In the same grade | 24 | 24 | - | 6 | 12 | 1 | 5 | 17 | 6 | 1 |
| In a lower grade | 56 | 54 | 2 | 10 | 35 | - | 11 | 20 | 33 | 3 |
| In a higher grade | 1 | 1 | - | - | 1 | - | - | - | 1 | - |
| Regular retirement | 1 | 1 | - | 1 | - | - | - | 1 | - | - |
| Resignation | 1 | 1 | - | 1 | - | - | - | 1 | - | - |
| Involuntary separation | <u>1</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Total | <u>95</u> | <u>93</u> | <u>2</u> | <u>20</u> | <u>55</u> | <u>1</u> | <u>19</u> | <u>44</u> | <u>47</u> | <u>4</u> |

Fort Benning, Fort Stewart, and Hunter Army Airfield, Georgia,
Administrative Telephone Operations and Maintenance

In March 1983, the Army contracted out administrative telephone operations and maintenance at nine installations in the southeastern United States. The decision to contract out was based on one cost comparison covering all nine installations. We reviewed three of the nine installations which accounted for about 45 percent of all employees affected by the conversion.

Conversion of the function to contracting affected 57 employees at the 3 installations. Included were 56 employees who had worked in the function and 1 employee who was displaced from another function.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | <u>Veteran</u> | |
|--|------------------|------------------|------------------|-----------------------------|-----------------|-----------------|------------------|------------------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | |
| In the same grade | 10 | 3 | 7 | 7 | 2 | 1 | 2 | 8 |
| In a lower grade | 37 | 27 | 10 | 32 | 2 | 3 | 25 | 12 |
| In a higher grade | 2 | 1 | 1 | 2 | - | - | 1 | 1 |
| Placed at another installation or federal agency in the same grade (relocation) | 2 | 2 | - | 1 | 1 | - | - | 2 |
| Regular retirement | 4 | 3 | 1 | 4 | - | - | 3 | 1 |
| Involuntary separation | <u>2</u> | <u>1</u> | <u>1</u> | <u>2</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>1</u> |
| Total | <u>57</u> | <u>37</u> | <u>20</u> | <u>48</u> | <u>5</u> | <u>4</u> | <u>32</u> | <u>25</u> |

The installation imposed a hiring freeze several months before the function was converted to contract performance in order to have positions for permanent employees affected by contracting out. During the hiring freeze, permanent positions at the installation were filled with temporary employees. When the function was converted to contractor performance, permanent employees affected by contracting were placed in many of the positions that had previously been filled by temporary employees.

Fort Bliss, Texas,
Training Audiovisual Support Center

The function, converted to contracting in July 1983, affected 65 employees. Included were 62 employees who had worked in the function and 3 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | | <u>Veteran</u> | |
|-----------------------------|--------------|---------------|---------------|-----------------------------|--------------|-----------------|--------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Asian</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | | |
| In the same grade | 22 | 17 | 5 | 7 | - | 14 | 1 | 18 | 4 |
| In a lower grade | 39 | 37 | 2 | 17 | - | 22 | - | 33 | 6 |
| Regular retirement | 1 | 1 | - | - | - | 1 | - | 1 | - |
| Early retirement | 2 | 1 | 1 | 2 | - | - | - | 1 | 1 |
| Resignation | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Total | <u>65</u> | <u>56</u> | <u>9</u> | <u>26</u> | <u>1</u> | <u>37</u> | <u>1</u> | <u>54</u> | <u>11</u> |

Fort Benning, Georgia,
Laundry and Dry Cleaning Service

The function, converted to contracting in October 1982, affected 102 employees. Included were 96 employees who had worked in the function and 6 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | <u>Veteran</u> | |
|-----------------------------|--------------|---------------|---------------|-----------------------------|--------------|-----------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | |
| In the same grade | 27 | 12 | 15 | 5 | 21 | 1 | 10 | 17 |
| In a lower grade | 8 | 8 | - | 2 | 5 | 1 | 7 | 1 |
| In a higher grade | 1 | - | 1 | 1 | - | - | - | 1 |
| Regular retirement | 12 | 2 | 10 | 1 | 11 | - | 1 | 11 |
| Resignation | 12 | 5 | 7 | 3 | 8 | 1 | 4 | 8 |
| Involuntary separation | 13 | 2 | 11 | - | 13 | - | 7 | 6 |
| Placed with contractor | <u>29</u> | <u>4</u> | <u>25</u> | <u>6</u> | <u>23</u> | <u>-</u> | <u>4</u> | <u>25</u> |
| Total | <u>102</u> | <u>33</u> | <u>69</u> | <u>18</u> | <u>81</u> | <u>3</u> | <u>33</u> | <u>69</u> |

Fort Monmouth, New Jersey,
Installation and Support Activity

The function, converted to contracting in October 1982, affected 507 employees. Included were 461 employees who had worked in the function and 46 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | | | <u>Veteran</u> | | |
|---|--------------|---------------|---------------|-----------------------------|--------------|-----------------|--------------|---------------|----------------|------------|------------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Asian</u> | <u>Indian</u> | <u>Unk</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | | | | |
| In the same grade | 138 | 72 | 66 | 118 | 17 | 2 | 1 | - | - | 57 | 81 |
| In a lower grade | 302 | 276 | 26 | 256 | 35 | 6 | 1 | 1 | 3 | 242 | 60 |
| Placed at another installation or federal agency (no relocation): | | | | | | | | | | | |
| In the same grade | 2 | 2 | - | 1 | 1 | - | - | - | - | 2 | - |
| In a lower grade | 1 | 1 | - | 1 | - | - | - | - | - | 1 | - |
| In a higher grade | 1 | 1 | - | 1 | - | - | - | - | - | 1 | - |
| Placed at another installation or federal agency (relocation): | | | | | | | | | | | |
| In the same grade | 3 | 3 | - | 3 | - | - | - | - | - | 3 | - |
| In a lower grade | 1 | 1 | - | - | 1 | - | - | - | - | 1 | - |
| Regular retirement | 33 | 29 | 4 | 32 | 1 | - | - | - | - | 29 | 4 |
| Early retirement | 11 | 9 | 2 | 11 | - | - | - | - | - | 8 | 3 |
| Resignation | 4 | 2 | 2 | 4 | - | - | - | - | - | 1 | 3 |
| Involuntary separation | 1 | 1 | - | 1 | - | - | - | - | - | 1 | - |
| Placed with the contractor | <u>10</u> | <u>4</u> | <u>6</u> | <u>7</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>5</u> | <u>5</u> |
| Total | <u>507</u> | <u>401</u> | <u>106</u> | <u>435</u> | <u>56</u> | <u>8</u> | <u>3</u> | <u>1</u> | <u>4</u> | <u>351</u> | <u>156</u> |

Fort Eustis, Virginia,
Industrial Operations Base Support Services

The function, converted to contracting in February 1983, affected 304 employees. Included were 247 employees who had worked in the function and 57 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | | <u>Veteran</u> | | |
|---|-------------------|-------------------|------------------|-----------------------------|------------------|-----------------|-----------------|------------------|-------------------|-------------------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Asian</u> | <u>Unk</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | | | |
| In the same grade | 64 | 37 | 27 | 43 | 19 | 1 | - | 1 | 39 | 25 |
| In a lower grade | 104 | 75 | 29 | 68 | 30 | - | 1 | 5 | 70 | 34 |
| In a higher grade | 2 | 2 | - | 2 | - | - | - | - | 2 | - |
| Placed at another installation or federal agency (no relocation): | | | | | | | | | | |
| In the same grade | 28 | 18 | 10 | 21 | 2 | - | - | 5 | 15 | 13 |
| In a lower grade | 30 | 26 | 4 | 14 | 7 | - | 1 | 8 | 19 | 11 |
| In a higher grade | 1 | 1 | - | 1 | - | - | - | - | 1 | - |
| Regular retirement | 46 | 41 | 5 | 19 | 17 | - | - | 10 | 36 | 10 |
| Early retirement | 2 | 2 | - | - | 2 | - | - | - | 1 | 1 |
| Resignation | 11 | 10 | 1 | 8 | 2 | - | - | 1 | 9 | 2 |
| Involuntary separation | 7 | 7 | - | 4 | 1 | - | - | 2 | 7 | - |
| Placed with the contractor | 7 | 6 | 1 | 6 | - | - | - | 1 | 4 | 3 |
| Deceased | 1 | 1 | - | 1 | - | - | - | - | - | 1 |
| Discharged during probation | <u>1</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Total | <u>304</u> | <u>227</u> | <u>77</u> | <u>188</u> | <u>80</u> | <u>1</u> | <u>2</u> | <u>33</u> | <u>204</u> | <u>100</u> |

Fort Riley, Kansas,
Maintenance

The function, converted to contracting in December 1982, affected 142 employees. Included were 110 employees who had worked in the function and 32 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | | <u>Veteran</u> | | | |
|---|--------------|---------------|---------------|-----------------------------|--------------|-----------------|--------------|----------------|------------|-----------|------------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Asian</u> | <u>Unk</u> | <u>Yes</u> | <u>No</u> | <u>Unk</u> |
| Placed at the installation: | | | | | | | | | | | |
| In the same grade | 43 | 40 | 3 | 39 | 4 | - | - | - | 33 | 10 | - |
| In a lower grade | 79 | 74 | 5 | 70 | 7 | 1 | - | 1 | 39 | 40 | - |
| Placed at another installation or federal agency in the same grade (had to relocate) | 1 | 1 | - | - | 1 | - | - | - | 1 | - | - |
| Regular retirement | 4 | 4 | - | 1 | - | 1 | - | 2 | 3 | - | 1 |
| Early retirement | 10 | 9 | 1 | 7 | - | 1 | 1 | 1 | 8 | 2 | - |
| Placed with the contractor | <u>5</u> | <u>4</u> | <u>1</u> | <u>5</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2</u> | <u>3</u> | <u>-</u> |
| Total | <u>142</u> | <u>132</u> | <u>10</u> | <u>122</u> | <u>12</u> | <u>3</u> | <u>1</u> | <u>4</u> | <u>86</u> | <u>55</u> | <u>1</u> |

Temporary positions for 192 employees were created at the time of the conversion to contracting. After the conversion to contracting, some of the temporary positions were eliminated when the employees were able to acquire permanent positions.

Charleston Naval Shipyard, South Carolina,
The Vehicle Maintenance, Refuse Collection,
and Taxi Operation

The function, converted to contracting in April 1983, affected 47 employees. Included were 41 employees who had worked in the function and 6 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | <u>Veteran</u> | |
|-----------------------------|--------------|---------------|---------------|-----------------------------|--------------|--------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Asian</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | |
| In the same grade | 30 | 29 | 1 | 16 | 13 | 1 | 16 | 14 |
| In a lower grade | 16 | 16 | - | 5 | 11 | - | 10 | 6 |
| Regular retirement | <u>1</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Total | <u>47</u> | <u>46</u> | <u>1</u> | <u>22</u> | <u>24</u> | <u>1</u> | <u>27</u> | <u>20</u> |

Presidio of San Francisco, California,
Laundry and Dry Cleaning Services

The function, converted to contracting in October 1982, affected 21 employees. All 21 employees worked in the function.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | | <u>Veteran</u> | |
|-----------------------------|--------------|---------------|---------------|-----------------------------|--------------|-----------------|--------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Asian</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | | |
| In the same grade | 1 | - | 1 | - | 1 | - | - | - | 1 |
| In a lower grade | 8 | 6 | 2 | 4 | 3 | - | 1 | 4 | 4 |
| Regular retirement | 3 | - | 3 | 1 | 2 | - | - | 1 | 2 |
| Early retirement | 3 | - | 3 | - | 3 | - | - | - | 3 |
| Involuntary separation | <u>6</u> | <u>2</u> | <u>4</u> | <u>-</u> | <u>4</u> | <u>1</u> | <u>1</u> | <u>2</u> | <u>4</u> |
| Total | <u>21</u> | <u>8</u> | <u>13</u> | <u>5</u> | <u>13</u> | <u>1</u> | <u>2</u> | <u>7</u> | <u>14</u> |

The contract was terminated by the Presidio 3 months after it started due to contractor deficiencies. The function was returned to in-house performance. Fourteen affected employees, including some employees that were involuntarily separated and some employees that were placed in other government positions, returned to positions in the laundry services as temporary employees.

Commissary Store, Little Creek, Virginia,
Shelf Stocking

The function, converted to contracting in February 1983, affected 16 employees. Included were 11 employees who had worked in the function and 5 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | <u>Veteran</u> | |
|--|--------------|---------------|---------------|-----------------------------|--------------|----------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Unknown</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | |
| In the same grade | 7 | 5 | 2 | 2 | 5 | - | 3 | 4 |
| In a lower grade | 1 | - | 1 | 1 | - | - | - | 1 |
| In a higher grade | 2 | 1 | 1 | 1 | 1 | - | 1 | 1 |
| Placed at another installation or federal agency in a lower grade (no relocation) | 3 | - | 3 | - | 3 | - | - | 3 |
| Placed at another installation or federal agency in the same grade (relocation) | 1 | 1 | - | - | - | 1 | 1 | - |
| Involuntary separation | <u>2</u> | <u>-</u> | <u>2</u> | <u>-</u> | <u>2</u> | <u>-</u> | <u>-</u> | <u>2</u> |
| Total | <u>16</u> | <u>7</u> | <u>9</u> | <u>4</u> | <u>11</u> | <u>1</u> | <u>5</u> | <u>11</u> |

Commissary Store, Alameda, California,
Night Shelf Stocking

The function, converted to contracting in August 1983, affected 13 employees. Included were seven employees who worked in the function and six employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | | <u>Veteran</u> | |
|---|--------------|---------------|---------------|-----------------------------|--------------|-----------------|--------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Asian</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | | |
| In the same grade | 1 | - | 1 | - | 1 | - | - | - | 1 |
| In a lower grade | 7 | 3 | 4 | 2 | 3 | 1 | 1 | 3 | 4 |
| Placed at another installation or federal agency in the same grade (no relocation) | 1 | - | 1 | 1 | - | - | - | - | 1 |
| Involuntary separation | 2 | - | 2 | - | 2 | - | - | - | 2 |
| Placed with the contractor | <u>2</u> | <u>-</u> | <u>2</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>2</u> |
| Total | <u>13</u> | <u>3</u> | <u>10</u> | <u>3</u> | <u>7</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>10</u> |

Mare Island Naval Shipyard, Vallejo, California,
Data and Key Entry Services

The function, converted to contracting in April 1983, affected nine employees. All nine employees worked in the data and key entry service function.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | <u>Race/National Origin</u> | | | | <u>Veteran</u> |
|--------------------------------|--------------|---------------|-----------------------------|--------------|-----------------|--------------|----------------|
| | | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Asian</u> | <u>No</u> |
| Placed at the installation: | | | | | | | |
| In the same grade | 7 | 7 | 4 | 2 | 1 | - | 7 |
| In a higher grade | <u>2</u> | <u>2</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2</u> | <u>2</u> |
| Total | 9 | 9 | 4 | 2 | 1 | 2 | 9 |

Jacksonville Naval Air Station, Florida,
Air Transportation Services

The function, converted to contracting in November 1982, affected 14 employees. Included were nine employees who had worked in the function and five who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Gender</u> | | <u>Race/National Origin</u> | | | | <u>Veteran</u> | |
|-----------------------------|---------------|-------------|-----------------------------|--------------|-----------------|---------------|----------------|-----------|
| | <u>Total</u> | <u>Male</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Indian</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | |
| In the same grade | 7 | 7 | 3 | 4 | - | - | 6 | 1 |
| In a lower grade | <u>7</u> | <u>7</u> | <u>4</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>6</u> | <u>1</u> |
| Total | <u>14</u> | <u>14</u> | <u>7</u> | <u>5</u> | <u>1</u> | <u>1</u> | <u>12</u> | <u>2</u> |

Naval Air Station, Memphis, Tennessee,
Base Operations Services

The function, contracted out in July 1983, affected 273 employees. Included were 253 employees who had worked in the function and 20 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | <u>Veteran</u> | |
|---|--------------|---------------|---------------|-----------------------------|--------------|----------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Unknown</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | |
| In the same grade | 39 | 14 | 25 | 36 | 3 | - | 16 | 23 |
| In a lower grade | 37 | 29 | 8 | 29 | 8 | - | 25 | 12 |
| Placed at another installation or federal agency (no relocation): | | | | | | | | |
| In the same grade | 13 | 8 | 5 | 5 | 7 | 1 | 8 | 5 |
| In a lower grade | 12 | 11 | 1 | 6 | 6 | - | 9 | 3 |
| Placed at another installation or federal agency (relocation): | | | | | | | | |
| In the same grade | 39 | 36 | 3 | 32 | 6 | 1 | 27 | 12 |
| In a lower grade | 11 | 11 | - | 6 | 5 | - | 10 | 1 |
| Regular retirement | 29 | 28 | 1 | 17 | 12 | - | 24 | 5 |
| Early retirement | 18 | 17 | 1 | 9 | 9 | - | 14 | 4 |
| Resignation | 2 | - | 2 | 1 | - | 1 | - | 2 |
| Involuntary separation | 13 | 9 | 4 | 10 | 2 | 1 | 8 | 5 |
| Placed with the contractor | <u>60</u> | <u>50</u> | <u>10</u> | <u>52</u> | <u>8</u> | <u>-</u> | <u>44</u> | <u>16</u> |
| | <u>273</u> | <u>213</u> | <u>60</u> | <u>203</u> | <u>66</u> | <u>4</u> | <u>185</u> | <u>88</u> |

About 1 year before the conversion, the Naval Air Station began filling vacancies in positions anticipated to be affected by the conversion with temporary employees. This was done to reduce the impact of the reduction-in-force on permanent employees.

Naval Academy, Annapolis, Maryland,
Custodial and Miscellaneous Services

The function, converted to contracting in March 1983, affected 78 employees. Included were 55 employees who had worked in the function and 23 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race</u> | | <u>Veteran</u> | |
|-----------------------------|--------------|---------------|---------------|--------------|--------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | |
| In the same grade | 42 | 33 | 9 | 1 | 41 | 27 | 15 |
| In a lower grade | 21 | 17 | 4 | 1 | 20 | 7 | 14 |
| Regular retirement | 2 | 1 | 1 | - | 2 | 1 | 1 |
| Early retirement | 11 | 9 | 2 | - | 11 | 9 | 2 |
| Resignation | <u>2</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |
| Total | <u>78</u> | <u>61</u> | <u>17</u> | <u>3</u> | <u>75</u> | <u>45</u> | <u>33</u> |

Several affected employees were placed in temporary or intermittent status after the conversion to contracting. The Naval Academy placed personnel in the newly created positions with the hope that they could be moved to other permanent positions if openings occurred.

Naval District, Washington, D.C.,
Custodial Services

The function conversion was delayed from September 1983 to January 1984. Eleven employees were affected by the conversion. All 11 employees worked in the custodial services function.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race</u> | <u>Veteran</u> | |
|---|--------------|---------------|---------------|--------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>Black</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | |
| In the same grade | 7 | 3 | 4 | 7 | 3 | 4 |
| In a lower grade | 2 | 2 | - | 2 | 2 | - |
| Placed at another installation or federal agency in the same grade (no relocation) | 1 | 1 | - | 1 | - | 1 |
| Regular retirement | <u>1</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>1</u> | <u>-</u> |
| Total | <u>11</u> | <u>7</u> | <u>4</u> | <u>11</u> | <u>6</u> | <u>5</u> |

Naval Air Station, Whiting Field, Florida,
Base Operating Services

The function, converted to contracting in October 1982, affected 144 employees. Included were 130 employees who had worked in the function and 14 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | | <u>Veteran</u> | |
|---|--------------|---------------|---------------|-----------------------------|--------------|--------------|---------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Asian</u> | <u>Indian</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | | |
| In the same grade | 5 | 5 | - | 4 | 1 | - | - | 4 | 1 |
| In a lower grade | 18 | 17 | 1 | 18 | - | - | - | 16 | 2 |
| Placed at another installation or federal agency (no relocation): | | | | | | | | | |
| In the same grade | 15 | 12 | 3 | 12 | 3 | - | - | 7 | 8 |
| In a lower grade | 9 | 8 | 1 | 8 | - | 1 | - | 2 | 7 |
| Placed at another installation or federal agency (relocation): | | | | | | | | | |
| In the same grade | 10 | 10 | - | 10 | - | - | - | 6 | 4 |
| In a lower grade | 9 | 9 | - | 6 | 3 | - | - | 5 | 4 |
| In a higher grade | 1 | 1 | - | 1 | - | - | - | 1 | - |
| Regular retirement | 9 | 9 | - | 7 | 1 | - | 1 | 5 | 4 |
| Early retirement | 15 | 12 | 3 | 14 | 1 | - | - | 11 | 4 |
| Resignation | 17 | 17 | - | 16 | - | - | 1 | 15 | 2 |
| Involuntary separation | 23 | 22 | 1 | 14 | 8 | 1 | - | 16 | 7 |
| Placed with the contractor | <u>13</u> | <u>13</u> | <u>-</u> | <u>13</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8</u> | <u>5</u> |
| Total | <u>144</u> | <u>135</u> | <u>9</u> | <u>123</u> | <u>17</u> | <u>2</u> | <u>2</u> | <u>96</u> | <u>48</u> |

Naval Hospital, Bethesda, Maryland,
Laundry Services

The function, converted to contracting in October 1983, affected 19 employees. Included were 16 employees who worked in the function and 3 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race</u> | | <u>Veteran</u> | |
|-----------------------------|--------------|---------------|---------------|--------------|--------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | |
| In the same grade | 6 | 2 | 4 | 1 | 5 | 2 | 4 |
| In a lower grade | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Regular retirement | 4 | - | 4 | - | 4 | 1 | 3 |
| Resignation | 1 | 1 | - | 1 | - | - | 1 |
| Involuntary separation | <u>6</u> | <u>1</u> | <u>5</u> | <u>3</u> | <u>3</u> | <u>1</u> | <u>5</u> |
| Total | <u>19</u> | <u>5</u> | <u>14</u> | <u>6</u> | <u>13</u> | <u>5</u> | <u>14</u> |

Naval Education and Training Support Center Pacific,
San Diego, California,
Audio Visual Services Function

The function, converted to contracting in April 1983, affected 52 employees. Included were 46 employees who had worked in the function and 6 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | | <u>Veteran</u> | | |
|---|--------------|---------------|---------------|-----------------------------|--------------|-----------------|------------|----------------|-----------|------------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Unk</u> | <u>Yes</u> | <u>No</u> | <u>Unk</u> |
| Placed at the installation: | | | | | | | | | | |
| In the same grade | 20 | 15 | 5 | 13 | 3 | 2 | 2 | 11 | 8 | 1 |
| In a lower grade | 13 | 10 | 3 | 13 | - | - | - | 9 | 4 | - |
| Placed at another installation (no relocation): | | | | | | | | | | |
| In the same grade | 1 | - | 1 | 1 | - | - | - | - | 1 | - |
| In a lower grade | 2 | 1 | 1 | - | - | 2 | - | 2 | - | - |
| Placed at another installation in the same grade (relocation) | 2 | 2 | - | 2 | - | - | - | 2 | - | - |
| Early retirement | 4 | 3 | 1 | 4 | - | - | - | 2 | 1 | 1 |
| Involuntary separation | 6 | 5 | 1 | 4 | 1 | 1 | - | 5 | 1 | - |
| Placed with contractor | <u>4</u> | <u>3</u> | <u>1</u> | <u>3</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>3</u> | <u>1</u> | <u>-</u> |
| Total | <u>52</u> | <u>39</u> | <u>13</u> | <u>40</u> | <u>4</u> | <u>6</u> | <u>2</u> | <u>34</u> | <u>16</u> | <u>2</u> |

Naval Regional Medical Center, Portsmouth, Virginia,
Laundry Services

The function, converted to contracting in April 1983, affected 20 employees. Included were 18 employees who had worked in the function and 2 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | <u>Veteran</u> | |
|-----------------------------|--------------|---------------|---------------|-----------------------------|--------------|-----------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | |
| In the same grade | 6 | 4 | 2 | - | 6 | - | 2 | 4 |
| In a lower grade | 2 | 1 | 1 | - | 2 | - | 1 | 1 |
| In a higher grade | 2 | 2 | - | - | 2 | - | 2 | - |
| Regular retirement | 1 | 1 | - | 1 | - | - | - | 1 |
| Involuntarily separated | <u>9</u> | <u>4</u> | <u>5</u> | <u>1</u> | <u>7</u> | <u>1</u> | <u>3</u> | <u>6</u> |
| Total | <u>20</u> | <u>12</u> | <u>8</u> | <u>2</u> | <u>17</u> | <u>1</u> | <u>8</u> | <u>12</u> |

Naval Regional Medical Center, Portsmouth, Virginia,
Food Services

The function, converted to contracting in June 1983, affected 113 employees. Included were 84 employees who had worked in the function and 29 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | <u>Veteran</u> | |
|---|--------------|---------------|---------------|-----------------------------|--------------|-----------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | |
| In the same grade | 8 | 5 | 3 | 1 | 7 | - | 6 | 2 |
| In a lower grade | 29 | 18 | 11 | 3 | 26 | - | 23 | 6 |
| In a higher grade | 1 | 1 | - | - | 1 | - | 1 | - |
| Placed at another installation or federal agency (no relocation): | | | | | | | | |
| In the same grade | 15 | 7 | 8 | 1 | 12 | 2 | 1 | 14 |
| In a lower grade | 6 | 1 | 5 | 1 | 5 | - | - | 6 |
| In a higher grade | 2 | - | 2 | - | 2 | - | 1 | 1 |
| Regular retirement | 8 | 7 | 1 | - | 7 | 1 | 4 | 4 |
| Early retirement | 7 | 7 | - | - | 7 | - | 2 | 5 |
| Involuntary separation | 22 | 3 | 19 | 2 | 20 | - | 3 | 19 |
| Placed with the contractor | 14 | 5 | 9 | 1 | 12 | 1 | - | 14 |
| Placed in non- federal position | <u>1</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>1</u> |
| Total | <u>113</u> | <u>55</u> | <u>58</u> | <u>9</u> | <u>100</u> | <u>4</u> | <u>41</u> | <u>72</u> |

Naval Training Center, Orlando, Florida,
Motor Vehicle Operations

The function, converted to contracting in January 1983, affected 21 employees. Included were 18 employees who had worked in the function and 3 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race</u> | | <u>Veteran</u> | |
|--|--------------|---------------|---------------|--------------|--------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | |
| In the same grade | 5 | 4 | 1 | 3 | 2 | 5 | - |
| In a lower grade | 10 | 10 | - | 8 | 2 | 4 | 6 |
| Placed at another installation (relocation): | | | | | | | |
| In the same grade | 1 | 1 | - | 1 | - | 1 | - |
| In a lower grade | 1 | 1 | - | 1 | - | - | 1 |
| Regular retirement | 3 | 3 | - | 2 | 1 | 3 | - |
| Early retirement | <u>1</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Total | <u>21</u> | <u>20</u> | <u>1</u> | <u>16</u> | <u>5</u> | <u>14</u> | <u>7</u> |

Naval Shipyard, Charleston, South Carolina,
Data Transcription

The function, converted to contracting in October 1982, affected five employees. All five employees worked in the data transcription function.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race</u> | | <u>Veteran</u> |
|--|--------------|---------------|---------------|--------------|--------------|----------------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>No</u> |
| Placed at the installation: | | | | | | |
| In the same grade | 3 | 1 | 2 | 1 | 2 | 3 |
| In a lower grade | 1 | - | 1 | - | 1 | 1 |
| Placed at another installation or federal agency in a lower grade (no relocation) | <u>1</u> | <u>-</u> | <u>1</u> | <u>1</u> | <u>-</u> | <u>1</u> |
| Total | <u>5</u> | <u>1</u> | <u>4</u> | <u>2</u> | <u>3</u> | <u>5</u> |

Navy Commissary Store, Gulfport, Mississippi,
Night Shelf Stocking

The function, converted to contracting in July 1983, affected 11 employees. Included were seven employees who had worked in the function and four employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | Gender | | Race/National Origin | | | Veteran | | |
|---|--------------|-------------|----------------------|--------------|--------------|--------------|------------|-----------|
| | <u>Total</u> | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Asian</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | |
| In the same grade | 3 | 1 | 2 | 1 | 2 | - | 2 | 1 |
| In a lower grade | 3 | 3 | - | 2 | 1 | - | 3 | - |
| Placed at another installation or federal agency in the same grade (no relocation) | 4 | 3 | 1 | 2 | 1 | 1 | 3 | 1 |
| Involuntary separation | <u>1</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Total | <u>11</u> | <u>8</u> | <u>3</u> | <u>5</u> | <u>5</u> | <u>1</u> | <u>9</u> | <u>2</u> |

Naval Weapons Center, China Lake, California,
Family Housing, Motor Vehicle Maintenance,
Supply Operations, and Warehouse Functions

The functions, converted to contracting in March 1983, affected 212 employees. Included were 130 employees who had worked in the functions and 82 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race/National Origin</u> | | | | <u>Veteran</u> | |
|--|--------------|---------------|---------------|-----------------------------|--------------|-----------------|---------------|----------------|------------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Black</u> | <u>Hispanic</u> | <u>Indian</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | | | |
| In the same grade | 41 | 14 | 27 | 39 | - | 2 | - | 15 | 26 |
| In a lower grade | 86 | 68 | 18 | 79 | 3 | 3 | 1 | 55 | 31 |
| In a higher grade | 3 | 3 | - | 2 | - | 1 | - | 2 | 1 |
| Placed at another installation (relocation): | | | | | | | | | |
| In the same grade | 17 | 14 | 3 | 15 | 2 | - | - | 7 | 10 |
| In a lower grade | 8 | 7 | 1 | 6 | - | 2 | - | 3 | 5 |
| In a higher grade | 1 | - | 1 | 1 | - | - | - | - | 1 |
| Regular retirement | 12 | 11 | 1 | 11 | - | 1 | - | 5 | 7 |
| Early retirement | 10 | 8 | 2 | 7 | 3 | - | - | 3 | 7 |
| Involuntary separation | 14 | 11 | 3 | 12 | 2 | - | - | 6 | 8 |
| Placed with contractor | <u>20</u> | <u>15</u> | <u>5</u> | <u>17</u> | <u>3</u> | <u>-</u> | <u>-</u> | <u>7</u> | <u>13</u> |
| Total | <u>212</u> | <u>151</u> | <u>61</u> | <u>189</u> | <u>13</u> | <u>9</u> | <u>1</u> | <u>103</u> | <u>109</u> |

Philadelphia Naval Shipyard, Pennsylvania,
Supply Support

The function, converted to contracting in April 1983, affected six employees. All six employees worked in the function.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | | <u>Race</u> | | <u>Veteran</u> | |
|-----------------------------|--------------|---------------|---------------|--------------|------------|----------------|-----------|
| | | <u>Male</u> | <u>Female</u> | <u>White</u> | <u>Unk</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | |
| In the same grade | 2 | 2 | - | - | 2 | 2 | - |
| In a lower grade | 3 | 3 | - | 3 | - | - | 3 |
| In a higher grade | <u>1</u> | <u>-</u> | <u>1</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>1</u> |
| Total | <u>6</u> | <u>5</u> | <u>1</u> | <u>4</u> | <u>2</u> | <u>2</u> | <u>4</u> |

Norfolk Naval Shipyard, Portsmouth, Virginia,
Data Entry Services

The function, converted to contracting in September 1982, affected 19 employees. All 19 employees worked in the data entry services function.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender Female</u> | <u>Minority^a</u> | | <u>Veteran</u> | |
|---|--------------|--------------------------|-----------------------------|-----------|----------------|-----------|
| | | | <u>Yes</u> | <u>No</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | |
| In the same grade | 15 | 15 | 8 | 7 | 1 | 14 |
| In a higher grade | 2 | 2 | 2 | - | - | 2 |
| Placed at another installation or federal agency in the same grade (no relocation) | 1 | 1 | - | 1 | - | 1 |
| Regular retirement | <u>1</u> | <u>1</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>1</u> |
| Total | <u>19</u> | <u>19</u> | <u>11</u> | <u>8</u> | <u>1</u> | <u>18</u> |

^aRace/National Origin data was not obtained.

U.S. Naval Construction Battalion Center,
Port Hueneme, California,
Grounds Maintenance

The function, converted to contracting in October 1982, affected 18 employees. Included were 16 employees who had worked in the functions and 2 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> | <u>Race/National Origin</u> | | | <u>Veteran</u> | |
|-----------------------------|--------------|---------------|-----------------------------|-----------------|------------|----------------|-----------|
| | | <u>Male</u> | <u>White</u> | <u>Hispanic</u> | <u>Unk</u> | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | | | |
| In the same grade | 9 | 9 | 3 | 3 | 3 | 8 | 1 |
| In a lower grade | 7 | 7 | 1 | 6 | - | 7 | - |
| In a higher grade | 1 | 1 | - | - | 1 | 1 | - |
| Early retirement | <u>1</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Total | <u>18</u> | <u>18</u> | <u>4</u> | <u>10</u> | <u>4</u> | <u>17</u> | <u>1</u> |

Philadelphia Naval Station, Pennsylvania,
Food Services

The function, converted to contracting in October 1982, affected 16 employees. Included were 15 employees who had worked in the function and 1 employee who was displaced from another function.

Status and Profile of Affected Permanent Employees^a

| | <u>Total</u> | <u>Gender Male</u> | <u>Veteran</u> | |
|--|--------------|------------------------|----------------|-----------|
| | | | <u>Yes</u> | <u>No</u> |
| Placed at the installation in a lower grade | 2 | 2 | 2 | - |
| Placed at another installation or federal agency in a lower grade (no relocation) | 1 | 1 | 1 | - |
| Regular retirement | 4 | 4 | 4 | - |
| Early retirement | 1 | 1 | 1 | - |
| Involuntary separation | 1 | 1 | - | 1 |
| Placed with the contractor | <u>7</u> | <u>7</u> | <u>7</u> | <u>-</u> |
| Total | <u>16</u> | <u>16</u> | <u>15</u> | <u>1</u> |

^aRace/National Origin was not determined.

Barksdale Air Force Base, Louisiana,
Transient Aircraft Maintenance

The function, converted to contracting in October 1982, affected 19 employees. Included were 16 employees who had worked in the function and 3 employees who were displaced from other functions.

Status and Profile of Affected Permanent Employees

| | <u>Total</u> | <u>Gender</u> <u>Male</u> | <u>Race</u> <u>White</u> | <u>Veteran</u> | |
|-----------------------------|--------------|------------------------------|-----------------------------|----------------|-----------|
| | | | | <u>Yes</u> | <u>No</u> |
| Placed at the installation: | | | | | |
| In the same grade | 1 | 1 | 1 | - | 1 |
| In a lower grade | <u>18</u> | <u>18</u> | <u>18</u> | <u>3</u> | <u>15</u> |
| Total | <u>19</u> | <u>19</u> | <u>19</u> | <u>3</u> | <u>16</u> |

Prior to the conversion to contracting, the installation's Civilian Personnel Office stockpiled vacancies and imposed a semi-hiring freeze in order to enhance the placement opportunities for affected employees.

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