

COMSCINST 4860.2	COG CODE N1	DATE 18 MAR 1992
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DEPARTMENT OF THE NAVY
COMMANDER MILITARY SEALIFT COMMAND
WASHINGTON NAVY YARD BLDG 210
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WASHINGTON DC 20398-5540

COMSCINST 4860.2
N1
18 March 1992

COMSC INSTRUCTION 4860.2

Subj: COMMERCIAL ACTIVITIES (CA) PROGRAM MANAGEMENT

Ref: (a) OPNAVINST 4860.7B

1. Purpose. To amplify MSC Commercial Activities (CA) Program policy, as it relates to ship operation and maintenance, to ensure proper management, maintain maximum efficiency and economy and avoid incurring costs which are not funded.

2. Background

a. CA Philosophy. The objective of the CA Program is to achieve economy and enhance productivity through cost competition. It permits government agencies currently providing products and services to compete with the private sector to accomplish the government's work requirements. It encourages government management to adopt innovative management techniques and evaluate operating procedures and manning levels. CA is not a contracting program; instead, it is a structured method by which efficiency is enhanced and costs are reduced whether performance is contracted out or retained in-house.

b. Cost Comparison Documents. The principal documents for a cost comparison are the Performance Work Statement (PWS) and the Management Study. The PWS, as described in reference (a), outlines the work results required by the Government and delineates what is to be done without prescribing how it is to be done; it does not necessarily reflect past operational practices. The Most Efficient Organization (MEO), part of the Management Study, describes how the Government will staff and conduct the requirements of the PWS. The Government cost estimate is based on these documents.

c. Program Involvement. MSC has been actively involved in the CA Program since 1983 and has, through the cost comparison process, retained in-house operation and maintenance responsibilities for various classes of ships studied.

d. Management Obligation. By retaining the right to operate and maintain these ships, MSC is obligated to work within the requirements of the PWS using only the manning identified and costed. Personnel levels identified in MEOs are based on scope of work

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contained in the respective PWS and do not include manpower for unanticipated work resulting from new or revised COMSC policies or a sponsor requirement. New work can be accommodated if identified sufficiently in advance to address manpower and funding issues.

3. Policy. It is COMSC policy to strive for maximum operational efficiency and economy and adhere strictly to the MEOs and financial parameters of the Government cost comparisons.

4. Action. To preclude erosion of the CA budgets due to COMSC staff codes directing work on A-76 ships in excess of that prescribed in the PWS, the following procedures apply:

a. Directors/Special Assistants

(1) Will monitor closely what these ships are asked to do to ensure that the work being done does not exceed PWS requirements except as authorized below.

(2) Faced with valid requirements that are not included in a PWS, or having matters that require interpretation or clarification, shall refer them to the appropriate program management staff code (e.g., N3) and funds administrator (e.g., N7) for review.

b. Program Management Staff Codes and Funds Administrators

(1) Will interpret, or clarify, and provide guidance for all issues referred.

(2) Will evaluate additional/revised work requirements against the PWS and notify the originator and the CA Program Manager (N1) of findings and recommendations.

c. CA Program Manager (N1)

(1) Will coordinate all actions with cognizant staff offices and funds administrators, and have their concurrence before releasing a response.

(2) Will, if workload is justified and beyond the scope of a PWS, authorize Area Commanders to exceed the MEO manning and/or overtime constraints and will also direct Area Commanders to account for and record, outside of the Government cost estimate, all expenses associated with the new duties.

(3) Will, if workload is not justified or within the scope of a PWS, notify Area Commanders and/or originating office that the request to exceed the MEO manning levels or overtime constraints is denied.

/S/

D. F. CHANDLER

Vice Commander

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