ACQUISITION AND TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000

November 20, 2000

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD AGENCIES
DIRECTOR FOR MANPOWER AND PERSONNEL, J-1
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT, HQ, USA
DIRECTOR, MANPOWER AND ORGANIZATION, HQ USAF

SUBJECT: DoD A-76 Costing Software (COMPARE) Upgrade to Windows

I am pleased to announce delivery of the Windows based COMPARE which will be referred to as ***win.COMPARE²*** to distinguish it from the DOS version of COMPARE currently in use. The October 1, 2000 release of ***win.COMPARE²*** is available and is a significant improvement over COMPARE. DoD Components should encourage their field technicians and consultants to become familiar with the new software. An updated version of ***win.COMPARE²***, which will incorporate several minor changes, will be available in early December 2000. In addition, the DoD A-76 Costing Manual which must be used in conjunction with ***win.COMPARE²*** is processing towards final adoption. Therefore, we are using a phased-in approach until February 1, 2001 to implement both ***win.COMPARE²*** and the DoD A-76 Costing Manual.

The phased-in approach should allow sufficient time for Components to accomplish the following actions by February 1, 2001:

- Obtain the appropriate hardware,
- Familiarize field technicians and consultants with the new software,
- Conduct ***win.COMPARE²*** training,
- Implement the revised DoD A-76 costing policies, and
- Adjust timing of independent reviews.

Attached are instructions for how to install the software. Components may begin to use it in the development of in-house cost estimates (IHCE) since this process takes some time to complete. The updated version of ***win.COMPARE²*** will be available on the web site in early December. At that time, Components should ensure personnel install the updated ***win.COMPARE²*** software. When this version of ***win.COMPARE²*** is applied to any IHCEs under development, the new version of ***win.COMPARE²*** automatically adjust the IHCEs. Specific directions or warnings will be placed on the web site and the ***win.COMPARE²*** Help Desk will be available to assist.

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If Components begin using ***win.COMPARE²*** to develop an IHCE, they must also use the policies contained in the draft DoD A-76 Costing Manual. This Manual is in formal coordination. The costing policies implement OMB costing policies contained in the Revised Supplemental Handbook to OMB Circular A-76 and will be mandatory for all Components. During the development of this manual, we have held several workshops with Component participation and have worked with OMB for clarification on numerous costing issues. These policies have been imbedded into ***win.COMPARE²***. The draft DoD A-76 Costing Manual was placed on our home page (www.acq.osd.mil/installation/csp/) for formal coordination on October 23, 2000. We expect coordination on the Manual to be completed by November 30. We plan for both the Manual and ***win.COMPARE²*** to be officially available in early December.

DoD Components need to evaluate the status of in-progress cost comparisons in order to prepare for the implementation of the DoD A-76 Costing Manual and ***win.COMPARE²***. Components shall comply with this implementation policy except as noted below where they have the option to waive implementation for specific cost comparisons on a case-by-case basis. The policy for implementation follows:

(a) For A-76 cost comparisons announced in FY 01 and in future years, DoD Components shall use both the DoD A-76 Costing Manual and ***win.COMPARE²***.

(b) For A-76 cost comparisons that were announced prior to FY 01, the following applies:

(1) If the Government Management Plan including the IHCE is projected to be submitted to the Independent Review Official (IRO) for independent review on or after February 1, 2001, DoD Components shall use both the DoD A-76 Costing Manual and ***win.COMPARE²*** to develop their IHCE. Since a milestone is typically set for when the Independent Review occurs, Components need to evaluate each cost comparison and plan accordingly. Components may determine on a cost comparison by cost comparison basis that changing from COMPARE to ***win.COMPARE²*** will negatively impact a specific cost comparison's milestones. In these situations, the Component's Headquarters' level may permit the continued use of COMPARE and their current costing practices (as long as these practices are in compliance with the Revised Supplemental Handbook) for that specific cost comparison.

(2) If the Government Management Plan including the IHCE is projected to be submitted to the IRO for independent review prior to January 31, 2001, DoD Components have the option to (1) implement ***win.COMPARE²*** and the DoD A-76 Costing Manual or (2) to continue to use COMPARE and their current costing practices (as long as these practices are in compliance with the Revised Supplemental Handbook to OMB Circular A-76). If a revision (e.g., wage rate change, SSA direction) to the Government Management Plan including the IHCE is required after the initial IHCE has been certified by the IRO, the same software (with the associated costing policies as stated in (1) and (2) above) shall be used to revise the IHCE.

(c) In either case, DoD Components shall identify whether COMPARE or ***win.COMPARE²*** will be used in the development of the IHCE in all solicitations and, if required, modifications.

The Services are working together under the lead of the Navy to develop web-based ***win.COMPARE²*** training. Information on this training is available through Component A-76 Program Managers. Consultant training on ***win.COMPARE²*** is also available.

I believe this is a significant and positive step for the Department's effort to improve the A-76 cost comparison process. I applaud the outstanding efforts of the Air Force in managing the acquisition of the new software and particularly to the Air Force Manpower and Innovation Agency. I also thank all who participated in the ***win.COMPARE²*** Alpha and Beta tests performed in July and August as well as the A-76 Costing Manual Workshops held in Washington, D.C. Please contact Mrs. Annie Andrews of my staff at (703) 602-2608 if you have any questions.

J K Sikes

Joseph K. Sikes
Director, Competitive Sourcing
and Privatization

Attachment:
win.COMPARE² Instructions

cc:
Inspector General of the Department of Defense
Deputy General Counsel of the Department of Defense (Acquisition and Logistics)

***win.COMPARE²* INSTRUCTIONS**

1. **INSTALLATION:** To install the ***win.COMPARE²*** software, go to the MEVATEC web site at http://compare.mevatec.com using either Explorer or Netscape and select either:

One-Click Install	Install the ***win.COMPARE²*** software directly from the web site
COMPARE_Setup.exe	Download the entire ***win.COMPARE²*** setup as a single self-extracting executable file. This file can be used to create a load CD for further distribution to remote locations.

2. ***win.COMPARE²* MASTER TABLES**: For web update of the Master Tables, use http://www.afmia.randolph.af.mil/xpms/update.mdb. Go to the main screen, select Print/Update Master Tables. On the COMPARE Master Tables screen, select Web Update. On the Update Tables window, select the General Options tab. In the download site URL frame type: http://www.afmia.randolph.af.mil/xpms/update.mdb. This is the address on the AFMIA website where the master tables will be stored. After the URL line is updated, select either Update All Tables or Update Specific Tables tabs and press the update button. The master tables will be updated and you are ready to start a cost comparison.

3. ***win.COMPARE²* QUESTIONS**: For questions, a ***win.COMPARE²*** Help Desk web site has been established to respond to ***win.COMPARE²*** program operation questions. This Help Desk is located at http://compare.mevatec.com. This site also offers an electronic version of the ***win.COMPARE²*** User's Manual. This Help Desk will have an area for ***win.COMPARE²***, Frequently Asked Questions (FAQs), and several options for questions and suggested program improvements. Questions and suggestions are to be sent to the e-mail address located on the ***win.COMPARE²*** Help Desk web site. For urgent issues, a toll-free number is also listed.

4. **COSTING QUESTIONS**: Currently, the ***win.COMPARE²*** Help Desk will not respond to costing questions. In the near future, we hope to expand the ***win.COMPARE²*** Help Desk into the DoD Costing Help Desk to respond to both ***win.COMPARE²*** and costing questions from the field. To decrease the work on the Components, this Help Desk will respond to field costing questions either directly or as determined by the DoD Components. Any policy interpretations will be referred to OSD and the Component for resolution. Other details regarding this Costing Help Desk are still in development. Until then, costing questions must be addressed through the appropriate chain of command as determined by the DoD Component. Please do not bypass Component A-76 Program Managers in order to ask OSD interpretation of costing rules. OSD will refer them back to the appropriate Component point of contact as a courtesy to the DoD Component.

Attachment