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Library Services Improvement Act (1989)

Education: National Endowment for the Arts and Humanities, Subject Files I (1973-1996)

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## Library Services Improvement Act (1989): Report 16

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## FACT SHEET - A-76 COST COMPARISON STUDY OF EDUCATION RESEARCH LIBRARY

- The Department of Education, like other Federal agencies, is required by the Office of Management and Budget Circular No. A-76 "Performance of Commercial Activities" and Executive Order 12615 "Performance of Commercial Activities" to conduct a cost comparison study for all necessary services which could be performed by a private firm.
- o In November 1987, the Department determined that the Education Research Library was a commercial activity which met the criteria for an A-76 cost comparison competition with the private sector for performance of quality, cost-effective Library Services. The Deputy Under Secretary for Management (DUSM) was instructed to initiate an A-76 cost comparison of the Department's Research Library. OM contracted with a private firm to study the Library and develop the procurement documents.
- o Attached Chronology/Milestone Schedule sets out the key events and milestone dates for each phase of the A-76 cost comparison. All milestones to-date have been met. We anticipate minimal problems in meeting the remaining milestone dates.
- The "final award" decision is tentatively scheduled for May 1990. At that point the results of the competition for library services will determine whether it is more economical to operate the Education Research Library either through (1) continued services from Federal employees in OERI's Library or through (2) a private sector contract offeror. In either case, the taxpayers win through library services being performed more efficiently at costs low enough to justify the time and expenses of conducting an A-76 cost comparison.
- o In the event that competition leads to a private sector contractor to perform library services, affected Federal employees (1) are offered the right of first refusal for employment with the winning contractor, (2) are given priority job placement and assistance in finding other positions. Past experience with previous A-76 competitions in the government indicates that the majority of Federal employees find jobs within the agency or other Federal agencies.
- o OMB'S experience with A-76 cost comparisons in other Federal agencies shows that on average the annual savings per FTE studied is \$9,666. Using this estimate, the Department could save \$773,280 (for 16 FTE over a five-year contract period). However preliminary analysis suggests that savings may be higher.