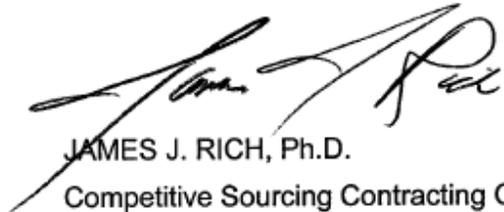


**Competitive Sourcing Operational Order No. 1**  
**Letters of Obligation**

## **Operational Order**

According to OMB Circular A-76 at page B-18, paragraph 6f(3), ". . . the CO [Contracting Officer] shall establish an MEO [Most Efficient Organization] with an official responsible for performance of the MEO". The attached serves as the template for all Letter of Obligations to carry out this requirement.

Performance accountability for the MEO under a Letter of Obligation (LOO) shall be accomplished as prescribed in Operational Order 3 and the sequentially numbered (e.g. 3.1) operational order for the related activity.

  
JAMES J. RICH, Ph.D.  
Competitive Sourcing Contracting Officer

**Competitive Sourcing Operational Order No. 1  
Letters of Obligation**

**LETTER OF OBLIGATION**

**<ACTIVITY NAME>**

This LETTER OF OBLIGATION (LOO) establishes the requirements for performance by the <Activity Name> Most Efficient Organization (MEO) within the U.S. Army Corps of Engineers (USACE).

USACE (hereafter “the Agency”) completed a public-private competition, <insert RFP# and title>, under the standard competition procedures of Office of Management and Budget (OMB) Circular A-76 (Revised), Performance of Commercial Activities, dated May 29, 2003 (hereafter “the circular”). The circular is hereby incorporated by reference. All actions taken under this LOO shall be in accordance with the requirements of the circular.

The agency tender, dated <insert date>, was selected as the service provider under said competition and is incorporated by reference to this LOO.

The organizational title of the MEO is the <describe MEO organization and reporting position within USACE>.

Performance under this LOO will be in accordance with the following requirements:

1. The MEO will perform the work identified in the Request for Proposals (RFP) and Performance Work Statement (PWS) consistent with the agency tender proposal and all applicable laws, regulations, and command policy. In accordance with the Circular and AR 5-20, Chapter 8, paragraph 8-1, the RFP, including the PWS, is Attachment A to this LOO. The Management and Technical Volumes of the agency tender are Attachments B and C.
2. Performance during the Phase-In Period shall also be in accordance with the requirements identified as necessary for transition by USACE and with the Phase-In Plan submitted with the agency tender. The Phase-In Plan is Attachment D to this LOO.
3. Performance of the PWS will be provided during a Phase-In Period and a <insert number>-year Base Period. <Insert number> one-year Option Periods are available for continued performance under this LOO. The exercise of the options is dependent upon the MEO performing at an acceptable levels described in the PWS. The Delegated Competitive Sourcing Official (DCSO) will make the determination on whether to re compete this activity at the end of the

**Competitive Sourcing Operational Order No. 1  
Letters of Obligation**

full performance period. In accordance with paragraph E.5 of the Circular, this LOO may be extended for an additional three-year period beyond the periods identified above.

<b>Period</b>	<b>Start Date</b>	<b>End Date</b>	<b>Estimated Cost</b>
Phase-In			
Base			
Option 1			
Option 2			
Option 3			
Option 4			
<b>CCTotal</b>			

4. The MEO is required to submit the deliverables, including actual cost reporting, specified in the PWS.

5. The Continuing Government Organization (CGO) shall designate one or more Quality Assurance Evaluators (QAEs) for Strategic Sourcing Program Manager (SSPM) approval. Work and deliverables of the MEO provided and produced by Federal employees of the MEO will be monitored by the QAEs and other designated representatives. The QAE designation will be in writing, signed by the SSPM and will state the responsibilities of the QAEs, to include monitoring, inspecting and acceptance of non-conforming work. Additionally, technical monitors, quality assurance evaluators or other representatives may be designated by the CGO and approved by the SSPM to assist the QAEs. Quality assurance will be conducted in accordance with the Quality Assurance Surveillance Plan (QASP). The QASP is Attachment E to this LOO. In the event of conflict between the RFP and the QASP, the RFP shall take precedence.

6. The MEO will use the Quality Control Plan in its performance of the work. The Quality Control Plan is Attachment F to this LOO.

7. The DCSO and ATO may at any time, by written order, make changes within the general scope of this LOO after consultation with the head of the CGO. The DCSO and ATO shall be the only officials authorized to approve changes to the terms and conditions of this LOO. If any change causes an increase or decrease in the estimated cost, or the time required for performance of any part of the work under this agreement, whether or not changed by the order, or otherwise affects any other terms and conditions of this LOO, the Strategic Sourcing Program Manager, as the executive agent for the DCSO, will make an equitable adjustment and revise the LOO, PWS, and agency tender, as necessary. The CGO and the MEO will jointly develop a plan to expeditiously process such

**Competitive Sourcing Operational Order No. 1  
Letters of Obligation**

orders through the required adjustments. This plan will be presented to the Strategic Sourcing Program Manager (SSPM) for approval not more than 30 days following the effective date of this LOO. The CGO and MEO will consult with the SSPM and establish a procedure to comply with OMB Circular A-76 regarding the expansion of existing activity.

8. The DCSO may terminate this LOO by following the procedures in the circular.

9. This LOO solely represents the obligations of the Agency and the MEO with regard to the MEO's performance of the PWS. Management of all Federal employees of the MEO workforce is the responsibility of the MEO management. The administration and enforcement of any decisions related to the LOO will be in conformance with all laws and regulations governing Federal employment.

10. Administration of contracts for services performed by the private sector either as a partner of the MEO, an existing contract, or new contract is the responsibility of a Contracting Officer (KO) provided by the Agency. Contract management is performed by Contracting Officer's Representatives (CORs) appointed by the KO. CORs are Continuing Government Organization (CGO) staff and may be the same personnel designated as QAEs.

11. Attachments

- A Request for Proposals, including Performance Work Statement
- B Management Volume, Agency Tender
- C Technical Volume, Agency Tender
- D Phase-in Plan
- E Quality Assurance Surveillance Plan
- F Quality Control Plan

**Competitive Sourcing Operational Order No. 1**  
**Letters of Obligation**

12. Agreed to on this date of <Enter day/month/year>

\_\_\_\_\_  
<Name>  
Major General, US Army  
Delegated Competitive Sourcing Official

\_\_\_\_\_  
<Name>  
<Title of Activity>  
Agency Tender Official

CF:  
Strategic Sourcing Program Manager  
Continuing Government Organization Head  
Most Efficient Organization Manager  
Contracting Officer(s) (for official files)  
Quality Assurance Evaluators (upon designation)  
Contracting Officer's Representatives (upon designation)