

AFSS A-76 Performance Decision Announcement

Text of Remarks by Dennis DeGaetano, Vice President of Acquisition and Business Services, FAA

On December 19, 2003, the Federal Aviation Administration announced a public-private competition for the services provided by the 58 Automated Flight Service Stations in the Continental United States, Puerto Rico, and Hawaii.

The competition followed the guidance of the Office of Management and Budget's Circular A-76 and was administered through the FAA's Acquisition Management System. This acquisition encompassed the services provided by approximately 2,500 employees.

Accordingly, the FAA has conducted a thorough competition process. The purpose was to find a solution which reduced our costs and at the same time modernized the AFSS service, thereby improving responsiveness to pilots. From a wide field of prospective service providers, the following competitors were considered to have the resources and capabilities to provide the necessary level of service without interruption:

- Most Efficient Organization – or MEO (the Government Offeror)
- Computer Sciences Corporation
- Lockheed Martin
- Northrop Grumman
- Raytheon

Each of these competitors has devoted considerable time and effort to develop and present alternative approaches to providing flight services.

Based on the established solicitation criteria, the proposal from Lockheed Martin was selected. The total evaluated cost of the 5-year contract, with 5 additional option years, awarded based on best value, is \$1.9 billion. This is a savings of \$2.2 billion.

The Lockheed Martin proposal includes the following benefits for employees, some of which are:

- An offer of employment to all incumbent AFSS employees

- 3 years guaranteed employment to those employees projected to staff the end-state facilities
- Meeting the existing pay of incumbent employees

The phase-in period will last approximately nine months following the selection. During this time Lockheed Martin will be visiting all 58 sites. During these site visits, Lockheed Martin will provide the employees with program and orientation briefings, extend job offers, and finalize employment processing.

During the phase-in, all of the affected AFSS employees will remain in government service – all facilities will remain open – and all processes and procedures will remain in place. Once the phase-in is complete and the transition is underway, an incremental and orderly consolidation of flight services will begin.

This consolidation will result in 20 facilities in the following locations:

Hub Facilities

Ft. Worth, Texas

Leesburg, Virginia

Prescott, Arizona

Other AFSS SITES

Albuquerque, New Mexico

Nashville, Tennessee

Columbia, Missouri

Oakland, California

Denver, Colorado

Princeton, Minnesota

Honolulu, Hawaii

Raleigh, North Carolina

Islip, New York

St. Petersburg, Florida

Kankakee, Illinois

San Diego, California

Lansing, Michigan

San Juan, Puerto Rico

Macon, Georgia

Seattle, Washington

Miami, Florida

In conclusion, let me emphasize that this decision is the result of a carefully conducted process. The objective is to provide improved flight services at a substantially reduced cost with no degradation in safety.