



**Report to the Senior Executive Council,  
Department of Defense**

**OUTPLACEMENT SERVICES  
IN SUPPORT OF BRAC AND  
COMPETITIVE SOURCING  
TASK GROUP**

**Report FY03-5**

- **Recommendations related to career transition assistance for civilian DoD employees impacted by Base Realignment and Closures (BRAC) and competitive sourcing actions.**
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**July 30, 2003**

## **TASK GROUP REPORT ON CAREER TRANSITION ASSISTANCE FOR CIVILIAN DOD EMPLOYEES IMPACTED BY BRAC AND COMPETITIVE SOURCING**

**BACKGROUND:** The Department of Defense is seeking to implement another round of Base Realignment and Closures (BRAC) in 2005. In support of these anticipated BRAC actions, the Department has a keen interest in reducing the negative impact on civilian employees whose jobs may be eliminated. The Department's response during previous BRAC rounds has reflected a high level of concern for its employees. Through the Civilian Assistance and Reemployment Program, an umbrella program for all transition assistance policies, DoD has worked with local installation commanders and local communities to reduce the DoD workforce by over 419,000 positions with only 37,000 involuntary separations. However, the Department realizes best practices and lessons learned from the private sector can inform current programs and lead to better services for impacted employees. In previous BRAC actions there has been no centralized coordination of outplacement services to help employees find new jobs and/or transition to alternate careers. Rather, this outplacement assistance has been left up to base commanders and supported by funding diverted from other activities. As a result, there has been a mixed record of outplacement success related to BRAC actions across the Department.

In an effort to improve the transition assistance related to BRAC and competitive sourcing actions, the Department is examining the use of private outplacement firms, rather than relying entirely on internal resources. The use of third parties is consistent with ongoing consideration of the functional outsourcing of activities that are considered non-core to the Department's ultimate war-fighting mission.

**OBJECTIVE:** Given the potential impact of the next round of BRAC actions, the Under Secretary of Defense (Personnel and Readiness) asked the Defense Business Practice Implementation Board (DBB) to establish a Task Group to explore best practices used in the private sector to partner with outplacement firms. Dr. David Chu asked the DBB particularly to focus on those practices related to large-scale plant and facility closures, community partnering for retraining, and alternative employment strategies. The ultimate objective of such partnering is to improve the

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Department's ability to "do the right thing" for displaced employees. A consistent, well-conceived, and well-executed outplacement program that leverages private sector best practices also would improve the political palatability/viability of BRAC decisions in the future.

**TASK:** This report represents the findings and advice of the DBB. The Board relied on private sector best practices in developing its recommendations. The Task Group was asked to provide the following deliverables:

1. Review and assess current DoD policies, programs and practices for retraining, reassigning and/or retiring employees impacted by BRAC and competitive sourcing actions.
2. Identify best practices in the private sector for large-scale retraining, reassignment/outplacement, and/or retiring affected employees, to include any community partnering strategies.
3. Determine whether partnering with private sector service providers is a preferred model versus using in-house resources.
4. Outline a best-in-class process for retraining, reassignment/outplacement, and/or retiring impacted employees to include:
  - Key selection criteria for identifying a private outplacement partner, including a description of services they should be able to provide
  - Key provisions of contract with outplacement partners, including incentives/rewards/penalties tied to performance
  - Metrics to measure and monitor partner performance
  - Potential outplacement packages for affected employees
  - Community partnership strategies

The terms of reference for the study are contained in **Exhibit A**. (Please note, all Exhibits are at the end of this report.)

A DBB Task Group was appointed to conduct the study, consisting of:

- Task Group Chairman: Frederic W. Cook
- Task Group Members: Madelyn P. Jennings, W. Norman Johnson (RADM ret.)

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- ✧ Task Group Sponsor: Dr. David S.C. Chu, Under Secretary of Defense (Personnel and Readiness)
- ✧ DoD Liaison to the Task Group: Gail McGinn, Deputy Under Secretary of Defense (Plans)
- ✧ Task Group Staff: Kelly S. Van Niman (Executive Secretary) and Alexander F. Zemek (Defense Fellow)

PROCESS: The Task Group commenced its study by becoming familiar with current and past practices for providing employee transition assistance in cases of base closings, competitive sourcing and military downsizing. This information came from the Civilian Personnel Management Service (CPMS) section (responsible for civilian personnel policy) and the Military Community & Family Policy (MC&FP) section (responsible for military personnel policy), both under the Office of the Under Secretary of Defense (Personnel & Readiness).

In further developing its recommendations, the Task Group drew upon interviews with three key groups of experts. First, the Task Group interviewed base commanders and command staffs that had been involved in previous base closings at Kelly Air Force Base, Plattsburgh Air Force Base, Charleston Naval Ship Yard, and Fort McClellan Army base. Second, the Task Group spoke with representatives from Bearing Point and Strategic Partnerships LLC, consulting firms that have provided assistance to the Department during previous BRAC rounds. Third, the Task Group solicited input from senior HR personnel in private corporations that have undergone major plant closings and competitive outsourcings in recent years. All interviewees provided useful information on what transition assistance services were offered, an assessment of their effectiveness, and candid advice for the Department going forward. The Task Group is grateful for their input.

The Task Group would like to express its gratitude to the following 23 companies for sharing their experiences, insights and advice:

3M Corporation  
Altria (Philip Morris)  
American Airlines  
AT&T  
Boeing  
Bristol-Myers Squibb  
Colgate-Palmolive  
Corning

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DuPont  
General Electric Company  
General Motors Corporation  
The Goodyear Tire and Rubber Company  
GTE  
Hewlett Packard  
Lucent  
Merck  
Nortel  
Owens-Corning  
PanAmSat  
R.R. Donnelly  
Sears Roebuck  
Tenneco  
United Technologies Corporation

**RESULTS:** After completing its review of current DoD policies and programs for providing transition assistance to civilian employees, and benchmarking those policies and programs against private industry best practices, the Task Group recommends the following:

- 1) In support of anticipated BRAC actions, the DoD should develop broad partnering relationships with private outplacement firms rather than relying on internal resources:
  - Private firms are perceived as more impartial and trustworthy by impacted employees and the public at large,
  - Private firms have developed a core competency in outplacement services and have an ability to respond quickly and access a well-developed network of professional outplacement counselors.
- 2) DoD should prioritize and centralize the provision of career transition assistance for civilian employees impacted by BRAC and competitive sourcing actions by establishing a formal Career Transition Assistance Program (CTAP) under CPMS.
  - Centralization will facilitate a consistent, fair and respectful treatment of all impacted DoD civilians.

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- CTAP should be known as the Defense-wide program for transition assistance for all DoD civilians, establishing Career Resource Centers that provide all facets of transition assistance, including, outplacement services.
- 3) The DoD Career Transition Assistance Program should leverage private sector best practices for outplacement programs as applicable, and consist of the following integrated elements:
- Comprehensive communications strategy
  - Community partnering
  - Outplacement services
  - Retraining
  - Job Placement
  - Financial planning
  - Creative solutions for severance, benefits, retirement
  - Priority placement strategy
  - Morale and family assistance
  - Active measurement of outsourced provider performance and overall Program effectiveness

**REPORT STRUCTURE:** The observations, conclusions and recommendations of this report are organized as follows:

- I. ASSESSMENT OF CURRENT BASE CLOSING OUTPLACEMENT PRACTICES
- II. ASSESSMENT OF PRIVATE SECTOR OUTPLACEMENT SERVICES
- III. RECOMMENDATIONS
- IV. NEXT STEPS

EXHIBIT A - Terms of Reference

EXHIBIT B - Current Policies, Programs and Practices for Retraining, Reassigning and/or Retiring Employees Affected by BRAC and Competitive Sourcing Actions

EXHIBIT C - Outplacement Firms

EXHIBIT D - Other Resources

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We believe implementation of these recommendations will be effective in ameliorating the effects of large-scale displacement of civilian DoD employees caused by BRAC and competitive outsourcing actions and bringing credit to the Department and the military branches.

Respectively submitted,

A handwritten signature in black ink, appearing to read "Frederic W. Cook". The signature is fluid and cursive, with the first name being the most prominent.

***Frederic W. Cook***

## I. ASSESSMENT OF CURRENT BASE CLOSING OUTPLACEMENT PRACTICES

As stated in the introduction of this report, the delivery of transition assistance services to DoD civilian employees impacted by BRAC and competitive outsourcing actions have been decentralized and vary with each Service. The offices of Civilian Personnel Management Service (CPMS) and Military Community and Family Policy (MC&FP), both under the Office of the Under Secretary of Defense (Personnel and Readiness) {OUSD (P&R)}, have central responsibility for developing policies affecting DoD civilians and military, respectively. When a job displacement occurs as a result of a BRAC or competitive sourcing action, MC&FP policies and programs extend to civilian employees. As a general rule, though, DoD separates these two policy organizations because they believe the needs of their respective customers warrant unique, separate policies, programs and practices. Furthermore, these policy organizations do not dictate to the Military Services how to implement their policies. Therefore, the delivery of transition assistance services has varied with each Service. As a result, historic records measuring the effectiveness of these services are not maintained centrally by OUSD (P&R), but rather in the field.

**Exhibit B** of this report contains a summary of current policies, programs and practices for retraining, reassigning and/or retiring employees impacted by BRAC and competitive sourcing actions. Programs usually are funded by local base commanders, who must divert funds away from other priorities. In some instances, the Department has secured a specific congressional appropriation for transition assistance. In these cases, however, the funds are dispersed to the Services for execution, resulting in duplicative service providers and disparate services. This complicates the challenge of effectively communicating about transition assistance to employees.

Base Commanders also access federal, state and local government funding for job training assistance for impacted personnel. The civilian personnel-related costs associated with a BRAC can be significant (more than half of the total NAVSEA costs of closing the Philadelphia Naval Shipyard). These costs can escalate if national and local economic conditions are not favorable. Similarly, costs can increase if the base is eliminating functions, rather than simply transferring them to a nearby base or outsourcing them to a private contractor because a higher number of employees will not have immediate employment opportunities.

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Current programs are extensive, and offer impacted employees access to outplacement assistance, such as career fairs, financial and professional counseling, and a range of courses on all aspects of job hunting. All impacted employees eligible for severance pay, are automatically registered in the Priority Placement Program (PPP) within their commuting area. Employees are also counseled concerning their eligibility to voluntarily register in the PPP for a broader geographic area and to register for the Reemployment Priority List (RPL). They are also advised of the procedures to receive priority consideration in other Federal Agencies through the Interagency Career Transition Assistance Plan (ICTAP). Services are provided both on site and electronically.

The Task Group's research found a generally positive assessment of these programs. However, there was a consensus that employees needed access to the services sooner and that the services needed to be enhanced to be more comparable to those offered in the private sector. Additionally, because services were offered through multiple centers and websites, some confusion for employees often occurred.

The local transition assistance center on a base traditionally provides services to retiring military, so when a base closing is announced, that particular center staff quickly becomes overwhelmed. Many of the interviewees felt that either these centers needed to be augmented with consultants and contract employees, or that a clear communications plan was required to clarify where civilian employees could go to receive separate transition assistance.

## **II. ASSESSMENT OF PRIVATE SECTOR OUTPLACEMENT SERVICES**

During the past ten years in the United States, there has been a substantial increase in the number of layoffs, downsizings, outsourcings and plant/facility closings among large, public corporations. Employees displaced by these activities are often provided severance pay and benefits, tied to years of service and to organizational level. These employees also are offered outplacement assistance for finding new employment. Some corporations provide these services internally, but most companies contract with third-party firms that specialize in outplacement work.

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### Leading Outplacement Firms

Each of the following firms is capable of providing large-scale outplacement services anywhere in the U.S., or even abroad. Each firm can address the needs of a broad workforce, but also tends to focus on a particular segment of the workforce.

The firms most often used by large corporations are:

Drake Beam Morin  
Lee Hecht Harrison  
Manchester  
Right Management Consultants

Other highly regarded outplacement firms include:

Goodrich & Sherwood  
Kensington International\*  
Resources Consultants Inc.\*  
Spherion  
The Transition Team\*

(\*Has been employed by DoD in the past.)

An overview of each firm is included in **Exhibit C**, along with contact information.

### Description of Services

Services offered vary based on the level of the displaced employee, i.e., wage based, salaried non-exempt and exempt management/executive. Customized services are important to address each employee's specific needs, and are allowed because executives are under different compensation and benefits plans. Services offered are more "opportunity-focused" for salaried/blue collar workers (job search strategy, interviewing and salary negotiating), and more "coaching-focused" for executives (behavioral and career assessments, videotaped mock interviews).

Because it is understood that it will take a senior person longer to find a new position, services are offered for a longer time based on the individual's level within the organization. Timeframes can range from 3 months for wage-based

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employees, 6 months for salaried non-exempt employees and 12 months for exempt management/executive employees.

Full-service outplacement firms provide a variety of individual counseling, group seminars and internet-based information and summary reports to include the following:

- Comprehensive job search training
- Financial planning
- How to research companies before applying/interviewing
- Access to job research data base
- How to answer a job ad and interview skills (both verbal skills and dress code)
- How to write a resume, what do recruiters look for in a resume, how to build your own web page, how to post resume on web so it will get pulled by other recruiters
- Computer disk containing professionally written/printed resume, letterhead, cover letter and envelopes
- Access to telephones, computers and word-processing assistance
- How to identify and manage references
- Values, skills and interest assessments (possibly starting own business) for the purpose of developing one's "marketing campaign"
- Follow-up individual counseling as needed
- Organization of job search techniques - - networking and using recruiters

Outplacement firms can provide web-based services only, or, as recommended, a combination of on-site and web-based applications.

If desired, outplacement firms can organize and host career fairs for prospective new employers, either onsite or via the Internet. This outreach and networking also may include local churches and civic organizations.

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### **Key Selection Criteria**

While there are clear differences between outplacement firms, service offerings have become more standardized and web-based. Consequently, firm selection is based on the following primary factors:

- Costs
- Reputation
- Prior Performance
- Organic Workforce (as opposed to contractors)

Many corporations that anticipate ongoing needs for outplacement assistance negotiate stand-by contracts with one or more firms that are then activated as the need arises. These contracts are essentially blanket purchase orders. When activated, the contracts are easily modified to select services that meet the needs of the company and its employees at a particular site.

### **Payment for Services**

Payment for outplacement services depends on the duration and amount of services contracted. Typically, the employer pays directly for the lease costs of the building and equipment. In cases where the company has negotiated a stand-by contract, no payment is required until services are delivered. Outplacement costs for higher-level employees who receive more personalized services are on a per capita basis for a fixed duration. At the non-exempt salaried and hourly levels, services are delivered via group workshops and via the Internet. Workshop costs are on a per-course basis, and when augmented with Internet access, a fee is paid for each password issued.

Generally, a 2-day course costs \$2,600-\$3,000. Remote dial-in access courses can cost \$1,800-\$2,000. Rates are negotiable, as are volume discounts. Financial incentives and penalties based on performance are generally not used.

Pricing on a per person basis, on average, is in the following ranges:

- CEO Level: \$15,000
- Executive Level: \$7,000
- Manager Level: \$4,000
- Individual Contributor Level: \$3,800

### **III. RECOMMENDATIONS**

#### **1. DoD Should Develop Broad Partnering Relationships with Private Outplacement Firms**

Private outplacement firms are viewed as preferable to in-house resources because employees perceive them as impartial and trustworthy. These firms often have extensive experience and can relate better to the psychological cycle that displaced employees experience, i.e., venting, grieving and finally becoming motivated to move onto the next phase of their careers. Private firms lend credibility to the services they provide and contribute to the employee's ability to make the mental and emotional separation that is necessary to focus on a new job search. These firms have professional expertise and experience, provide economies of scale, and have the ability to ramp up quickly.

Many companies also value the public relations benefits from using private outplacement firms. Specifically, a company's willingness to employ a professional, expert firm to help its displaced employees leaves a more humane impression. Additionally, outplacement assistance is not likely to be a core competency of the company, and they may not have the resources to maintain the additional, specialized staff on a permanent basis. By using a third party firm the company avoids having to build that competency and reduces the risk of doing a poor job for its affected employees.

#### **2. DoD Should Prioritize and Centralize the Provision of Career Transition Assistance**

The DBB recommends that DoD, under the direction of the Under Secretary of Defense (P&R), designate Civilian Personnel Management Service (CPMS) as the organization responsible for implementing these recommendations. CPMS also should be responsible for setting overall policy, developing a DoD-wide program for providing career transition assistance for displaced civilian employees, and negotiating contract(s) with outplacement firm(s). As the central organization for coordinating and overseeing all services at the local level, CPMS also should be responsible for monitoring and measuring effectiveness of the services, and making adjustments based on lessons learned as transition assistance programs are completed at different locations.

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These CPMS policies and services should cover civilians impacted by base closings and major civilian employee displacements caused by competitive sourcing actions in the U.S. The program development should be coordinated with the office of Military Community and Family Policy (OUSD P&R) so that either a comparable level of service is being offered to military personnel or that any differences are logical and justifiable.

### **Career Transition Assistance Program**

DBB recommends the development of a core Career Transition Assistance Program by OUSD (P&R) CPMS for review and approval by the Senior Executive Council and the Secretary of Defense. The Program should contain the following elements:

- Communication strategy (base personnel, political officials at the national, state and local levels, AFGE officials, business community)
- Activation and coordination with state and U.S. governmental resources to provide retraining and reemployment assistance
- Severance program and benefits continuance for those who stay until closing or are OK to release early
- Voluntary program to bridge to retirement (in lieu of severance)
- Relocation program to other DoD facilities or U.S. governmental agencies (priority placement where needs, performance and skills match) in lieu of severance)
- Tuition reimbursement for retraining
- Entrepreneurial and new business development training
- Outplacement assistance with a private service provider, including:
  - Organization of job search
  - Identify resources available
  - Run support groups
  - Train in resume preparation and interviewing skills
  - Access to job opportunities on the Internet (e.g., Monster.com)
  - Skills inventory

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- Career counseling
- Access to computers, telephones and secretarial services
  
- Employee assistance program (crisis counseling and assistance)
  
- Family involvement
  
- Financial planning assistance (education and assistance with benefit elections, IRAs, etc.)
  
- Career fairs
  
- Letters of commendation for service and referrals
  
- Celebration events
  
- Performance effectiveness measures and lessons learned

The Career Transition Assistance Program should be known as a DoD-wide Program for all civilians, whether they work for the Army, Navy, Air Force or Marine Corps. All third-party resources involved in providing Program services (governmental and private) should be considered to be a part of the Program, and under DoD (or military service) sponsorship and control.

While overall program responsibility should be maintained and actively managed at the DoD level under CPMS, program implementation should be tailored to the culture and objectives of each military service, and further tailored to the different circumstances of each base closing or competitive outsourcing action. The particular services chosen from the DoD-wide contract with the outplacement firm(s) should be tailored to the unique workforce profile at each base.

Local implementation and control of the Program should be under the authority of the base commander and his/her top civilian personnel officer, with dotted line responsibility to the Director of Civilian Personnel Management Service (OUSD P&R) and to the senior civilian HR head of the military service or Defense Agency involved.

For each base closing, a separate on-base building or facility should be provided for all Career Transition Assistance Program activities, including

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outplacement services. These facilities may be aptly called **Career Resource Centers**. For competitive outsourcing displacements, it may be preferable to provide outplacement services in a building separate from where the employees worked to separate the employees whose function has been outsourced from those who are remaining. This separation contributes to the employee's ability to move onto the next stage of their career and move forward with the job-hunting process.

To ensure consistent implementation of the Program, the Director of Civilian Personnel Management Service should dispatch one of his/her staff on TDY duty to assist the local civilian HR head to establish the Career Resource Center and oversee its initial activities.

The Career Transition Assistance Program should be in place prior to the announcement of the first base closing in the 2005 BRAC round. The Career Resource Center on each base should be operational at least 12 months prior to the date that the first wave of employees is to be separated. Outplacement assistance programs need not be activated until the appropriate 3 or 6 month contract commitment immediately preceding the termination date of the employee.

### **3. Leverage Private Sector "Best Practices"**

This recommendation sets forth a series of private sector "best-practices" that were gleaned from interviews with key human resources executives of 23 large U.S. corporations who have managed major plant and facility closings. These practices form the guiding principles for how the Department's Career Transition Assistance Program should operate in the context of impending BRAC and major competitive outsourcing actions. Some of these private sector best practices already are in use within the Department, whereas others would require legislative change of existing statutes. Such instances are noted for background.

#### **Comprehensive Communication Strategy**

A strong and comprehensive communication strategy is essential to allay the anxieties of both the employees and the community at large. Below is a summary of the various aspects that such a strategy should entail:

- Develop and execute a flawless communication strategy, plan and program for all constituencies, including supervisors, employees and their families,

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the local community and surrounding region, state and local officials, press contacts locally, regionally and nationally, vendors, and sites not affected.

- Train managers to communicate carefully, fully and with a consistent message.
- Explain to the employees and the community the business rationale for closing the base or outsourcing the function(s).
- Set and communicate the designated release dates for various employee groups and explain why it is important for employees to stay engaged until their target release date.
- Develop web pages, using frequently asked questions and answers, and establish Internet hot lines to answer questions about the base closing/outsourcing action, for example, the status of retirement, healthcare and other benefits. Use bulletin boards, e-mail and regular employee meetings to answer questions quickly and publicly.
- Work with the unions to develop retraining and outplacement services for workers who are union members.
- Keep politicians, unions and the media informed.
- Build and maintain positive community support throughout the process.

### **Community Partnering**

Generally, DoD's bases are major employers, if not the primary employers, in their communities. Therefore, developing a broad community partnering strategy is essential to mitigate the negative impact a base closing or major outsourcing may have on the community. Below are suggestions for how best to develop such a strategy:

- Contact the local Mayor, Chambers of Commerce, and other business councils for input in developing a strategy for re-employing workers.
- DoD should work closely with the local Office of Economic Adjustment for development of re-employment strategies for base employees.

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- Notify area employers at time of base closing announcement, when employees (with general skills description) will become available.
- Organize, fund and lead an "Economic Development Team" per affected community to help transition to a civilian economy.
- Involve local religious groups who may offer counseling services to augment existing Employee Assistance Programs.
- Invite local charities and public service organizations, e.g., United Way, to suggest services they could provide.
- Look to create "coalitions" with local, state, federal and community services to mitigate the effects on communities and displaced workers.

### Outplacement Services

The purpose of providing outplacement services is to provide affected employees the tools and the time to find new employment. There should be only one firm chosen to supply outplacement services to a class of employees for a particular base closing. For example, in a single base closing, different firms may be chosen to provide services to different classes of employees, e.g., Manchester for hourly employees and Right Management Consultants for salaried employees. There should not, however, be two firms competing for the same employees at a location. While there may be economies of scale in contracting with one firm for *all* base closings, this is not recommended, because of the importance of using a firm with a local presence and organic staff, and which is best suited to provide outplacement services to the particular class of employees at that base.

Below are some supplemental ideas from the private sector for consideration by DoD:

- The outplacement service provider should be actively managed by the CPMS representative and the local HR head. The service should not be thought of as a delegated function.
- A career resource counselor should be available to meet with each displaced employee as soon as the Career Resource Center is opened.
- All eligible employees should be encouraged to sign up for outplacement services as soon as the Career Resource Center is opened. This

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encouragement can take the form of setting the period for which outplacement services will be provided at six months after the employees' designated release date, not six months after the employee first signs up for the services.

- The affected employee should not be offered a choice of using the Career Resource Center or being paid the equivalent cost in cash.
- The service provider should organize and facilitate support groups meetings of employees to share information and celebrate successes.

### **Retraining**

Retraining is an important part of the Career Transition Assistance Program for those whose skills are not transferable to the private sector, typically at the blue-collar level. Outplacement firms specifically do not provide retraining services. Consulting firms can spearhead community partnerships with local universities and investigate and arrange for local, state and federal funding for retraining courses. (See Exhibit D) Assistance is typically sought at the state and national level to provide retraining support. Close coordination with union leadership is critical for affected employees. Listed below are some key practices followed in the private sector with respect to ensuring that each of their employees has access to retraining assistance:

- Obtain retraining funds through the Worker Readjustment Act (a Federal program); estimate - \$2,500 per worker. (The applicable state may also welcome grant requests for retraining.)
- Extend duration of tuition reimbursement program to one year beyond employment termination and waive requirement that courses be limited to those related to specific job functions. This allows training for different careers, e.g., teaching.
- Invite local Employment Security Commission, community colleges and tech centers to make presentations of their offerings to displaced personnel.
- Invite the Small Business Administration to give lectures and take interested people through the process of setting up a business.

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- Offer cash stipends for retraining into professions and crafts most in need of workers that have been identified by community leaders.
- Fund and manage on-site retraining for affected employees, with emphasis on providing skills to shift to a new career.

### **Job Placement**

Outplacement firms do not provide specific job placement services like those offered by recruiters and placement agencies. Therefore, it is essential that a wide spectrum of job-hunting tools are designed and implemented. The policy is to be an advocate for your employees within the context of employees taking responsibility for their own careers.

Below is a summary of some creative concepts used frequently in the private sector that the Department should consider:

- Form a "talent alliance" with the local and regional business community to market the job skills of displaced employees.
- Network with local and regional employers to encourage them to employ our people.
- Work with the business community to encourage industries which need our talent to relocate to the area.
- Create a centralized database of job opportunities within the community and surrounding area.
- Organize Career Fairs on base to allow displaced employees to learn about job opportunities with other employers.
- Organize a web site for other employers to review the resumes of displaced employees.
- Invite the Department of Labor and state employment services to provide job placement assistance; coordinate activities with the private outplacement firm.
- Contact temporary employment firms (such as Manpower and Kelly Services) as possible employers.

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### **Financial Planning**

The financial anxiety experienced by displaced employees cannot be understated. The Board's research in the private sector underscored the importance of this area and produced the following suggestions.

- Specifically train counselors in government severance and benefit programs for the purpose of assisting employees with termination questions.
- Conduct seminars in family financial planning and involve spouses.
- Consider contracting with the bank that previously supplied the employees with a government credit card to provide financial counseling instead.
- Offer individual financial counseling to those opting for early retirement, in lieu of severance.

### **Creative Solutions for Severance, Benefits, and Retirement**

Perhaps the greatest concern of displaced employees is the status of their benefits - - retirement, healthcare, childcare, etc. These benefits and severance packages are valuable tools for the Department to retain essential personnel, manage the reduction of the workforce and establish the necessary goodwill among the citizenry to successfully close a base or conclude a major outsourcing of a function(s).

### **Severance and Benefits**

Below is a list of guidelines used in the private sector for dealing with severance and benefits issues.

- The duration of severance pay and benefits should be independent of the period for which outplacement services are provided. For example, severance pay may vary by length of service, but outplacement services are provided according to the duration specified in the contract, which may vary based on the level of the person.
- Severance pay and benefits should only be available for those employees who leave employment on or after their release date. Those who voluntarily

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leave earlier should not receive severance pay and benefits. Therefore, there should be no need for "retention bonuses" to retain critical employees until their release date. The loss of severance pay and benefits for those who leave early should be a sufficient inducement to stay. (Note that severance pay and other employee benefits are entitlements and are based on statute. Change of policy would require enactment of legislation.)

- All severance payments and benefits continuance should be subject to the employee releasing DoD from liability and agreeing not to sue over employment-related matters. (Note that severance pay and other employee benefits are entitlements and are based on statute. Change of policy would require enactment of legislation.)
- The period for continued medical coverage may be extended, depending on length of service, six months to a year after termination of employment, after which COBRA begins. (Note that severance pay and other employee benefits are entitlements and are based on statute. Change of policy would require enactment of legislation.)
- The government should offer government-purchased favorable rates for moving expenses to those employees who find another position outside the government and that requires relocation.
- Those affected by competitive outsourcing who transfer to the new service provider should be provided a "protection period", e.g. two years, during which, if they are involuntarily terminated by the new employer, they are treated no less well than if they had been let go by DoD.

### **Bridging to Retirement**

Prior base closings, as well as private sector plant closings, seem to share as a common trait, that many in the workforce are eligible or nearly eligible for retirement. General guidelines from the private sector with respect to retirement packages are as follows:

- Offer an "early out" program of added service to bridge eligible employees to pension eligibility, in lieu of severance pay and benefits. (Note that severance pay and other employee benefits are entitlements and are based on statute. Change of policy would require enactment of legislation.)

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- “Early out” bridges should only be offered to those who stay until their designated release date and sign a general release from liability waiver of their right to sue over employment-related matters.

### **Priority Placement Strategy**

The Department has tapped successfully into the interagency and internal priority placement functions as detailed in the previous chapter. The Board’s research reinforced the importance of augmenting priority placement programs. Below is additional guidance for the Department to consider:

- Aggressively pursue job opportunities in other DoD facilities or government agencies for those with the interest, requisite skills, and satisfactory performance.
- Create a database of positions available within DoD and the federal government. (Note, currently through the PPP, which is a centrally managed DoD-wide database, displaced employees are provided priority consideration for all locations for which they are registered and positions for which they are found well-qualified. For other Federal government positions, OPM regulations require an agency to post vacancy announcements on the OPM USAJOBS website, whenever it is filling the position outside the agency.)
- Offer a lump sum to offset moving costs for those who accept other governmental positions, in lieu of severance. (Note, current travel policy requires the payment of moving expenses when an employee is relocated within DoD due to a reduction in force, and an outplacement subsidy is authorized when an employee is offered employment with another Federal agency.)
- For those going to lower-rated positions, provide for pay continuance at their current level for two years. (Note, within the Federal sector, grade retention is already provided for two years based on statute and regulation.)

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### Morale and Family Assistance

Another critical facet of the transition process for displaced employees are the many emotions they experience throughout the process. It is critical that DoD not overlook this aspect of transition assistance if we are to achieve the objective of treating each person humanely and with respect. Below are some suggestions for maintaining sensitivity to these individuals and their families.

- Give something to affected employees the day they are first given their designated termination date: handouts, one-on-one counseling and small perks such as opening the cafeteria for free.
- Create a "year book" for families on the history of the base.
- Extend availability of employee assistance counselors (crisis intervention) for one year beyond employment termination.
- Provide competition and rewards for maintaining high unit productivity, safety and other goals.
- Do not forget first-line supervisors and HR specialists who bear the brunt of employees' concerns.
- Establish a "Community Fund" for emergency financial assistance to distressed families of affected employees.
- Sponsor local family events as recognition and celebratory events during the base closure process.
- Provide an open house for families on the last day.

## **Defense Business Practice Implementation Board**

### **Security**

Protection from the acts of disgruntled employees is, unfortunately, a part of base closings or competitive outsourcing actions. Physical protection for the base commander and his/her civilian HR staff and families may be in order. Any employee who acts in a disruptive way should be subject to immediate dismissal for cause and taken out of the Career Transition Assistance Program without severance or benefits.

### **Active Measurement of Service Provider Performance**

The DBB recommends that Civilian Personnel Management Service develop clear performance measures for determining the effectiveness of the outplacement service provider and the Career Transition Assistance Program itself. These metrics can then be tailored and applied to each major base closing and competitive sourcing action.

Performance metrics are often built into the outplacement firms' contracts and supplied by the firm itself during the course of an engagement. These metrics include:

- Percentage of eligible employees who use the service.
- Percentage of participants who are placed in new positions through the service.
- Average time to placement.
- Average cost per placement.
- Employee satisfaction with service (outplacement firms are the best source of this information using a CPMS-approved survey instrument).

Comparisons can be made of the performance among the different DoD locations and functions using the outplacement services and to national norms provided by the outplacement firm.

During the course of a particular Career Transition Assistance Program, the outplacement firm should be asked for periodic status reports of what is going well/poorly. Frequent contact and open communication between the outplacement

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firm's designated representative, the Director of CPMS, and the on-site base or function HR head overseeing the outplacement services are recommended.

At the conclusion of each base closing and competitive sourcing action, we recommend that Civilian Personnel Management Service, in conjunction with the sponsoring military branch or Defense Agency, take the lead in developing a paper on "lessons learned." This paper should be circulated among the DoD's Human Resources community so that improvements can be made in real-time fashion.

The private sector tells us that the major outplacement firms are very sensitive to and accommodating of criticisms and suggestions for improvement. There is no need for financial incentives or penalties for performance in the contracts. These firms want to do a good job because their performance will dictate their ability to be hired again. Like all service providers, they live by their reputations. Notwithstanding this motivation, DoD personnel responsible for the Career Transition Assistance Program should be actively engaged in the development and management of the Program.

### IV. NEXT STEPS

Following acceptance of this report by the Senior Executive Council, the USD (P&R) and his Director of Civilian Personnel Management Service should take the following actions:

- **Secure a staff and budget, and form a DoD team.** This team should include representatives of the top civilian HR officers from all the military branches and legal and procurement executives. Its function will be to assist the Director in the development of the core Career Transition Assistance Program and in the outplacement firm evaluation and selection processes.
- **Meet with outplacement firms.** Invite senior representatives from major outplacement firms for a meeting in the Pentagon to explore the services each might be prepared to provide and the general costs for those services. Firms other than those identified in Exhibit C could be included if they have established a strong reputation and a national presence. Each firm should meet individually with the Pentagon team, not collectively, so that their individual merits and characteristics may be assessed.

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- **Execute stand-by contracts.** As a result of the meetings described above, the DoD should execute stand-by contracts with each firm selected as qualified to meet DoD's needs. Selected firms would be designated as "preferred providers" to be called upon to make specific proposals when the need for their services arises. In the meantime, firms should not request a retainer fee. Firms should be encouraged to secure their registration on the General Services Administration schedule to facilitate their successful bid for services when needed.
- **Inventory and assess related government and private services.** The Exhibits listed below provide a head start in detailing the currently available assistance for displaced civilian employees in retraining and finding new employment.
  - **Exhibit B** contains an initial listing of governmental services.
  - **Exhibit D** contains a brief description of other relevant organizations whose missions are related to transition assistance.
  - Direct contact with Emily S. DeRocco, the Assistant Secretary of Labor (Employment and Training) is recommended.
- **Develop a DoD-wide Career Transition Assistance Program.** The program outline should contain the elements identified earlier under "Career Transition Assistance Program" on pages 7-8.
- **Develop a congressional funding request.** A request to fund outplacement services should specify that such funding be centrally administered by USD/P&R. This funding should cover employees affected by BRAC and competitive outsourcing actions.
- **Communicate Program elements.** DoD officials should meet with senior civilian personnel officers in the field and separately with the leadership of the Armed Forces Government Employees Association to discuss the general outlines of the DoD's Career Transition Assistance Program and to obtain input, suggestions and support. In communicating with union leadership, special attention should be paid to the rules in the labor agreement to ensure that they allow retraining of union members "across union lines."

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- **Evolve the Program.** Meetings should be held at least once a year with the preferred provider outplacement firms to discuss DoD's evolving needs, explore new programs offered by each firm, and update the stand-by contracts as appropriate.

The DBB stands ready to meet with OUSD/P&R officials and the BRAC Directorate to answer questions and secure support for the recommended Career Transition Assistance Program.

# Defense Business Practice Implementation Board

## Exhibit A

### TERMS OF REFERENCE

MEMORANDUM FOR CHAIRMAN, DEFENSE BUSINESS PRACTICE  
IMPLEMENTATION BOARD (DBB)

SUBJECT: Terms of Reference – DBB Study on the Use of Private Outplacement Services in Support of Base Realignment And Closure (BRAC) and Competitive Sourcing Actions

You are requested to establish a DBB Task Group on contracting world-class outplacement services for the Department of Defense (DoD) in support of BRAC actions and competitive sourcing displacement. In anticipation of the 2005 round of BRAC actions, DoD is seeking advice on ways to improve its services to civilian employees affected by BRAC actions or by actions related to the competitive sourcing of DoD functions that might result in the displacement of employees. The DoD would like to manage the personnel turbulence this might cause in the context of its greater need to manage the impending retirement of experienced personnel and adjust skill imbalances caused by transformation and advancing technology.

The DoD believes that by teaming with private sector providers of retraining and/or reassignment/outplacement services, the needs of the employees and the needs of the Department can be better met. The objectives of these services would include:

- To employ best practices shown to have the greatest success in securing placement of employees in the event of closures and downsizing, to include placement of individuals within other DoD organizations, with other Federal agencies, or with the private sector.
- To recommend and/or perform retraining and counseling that might be necessary to facilitate a successful transition for employees, regardless of their ultimate employment destination.
- To enable DoD to partner with local communities to mitigate the negative impact of BRAC actions.

The Task Group effort should provide an assessment of current DoD practices for reassigning and/or retraining employees impacted by BRAC actions and competitive sourcing displacement and recommends actions to improve these practices. Specifically, you are requested to:

1. Review current policies, programs and practices for retraining, reassigning and/or retiring employees impacted by BRAC and competitive sourcing actions.
2. Identify best practices for large-scale retraining, reassignment/outplacement, and/or retiring affected employees used by private industry, to include any community partnering strategies.
3. Determine whether partnering with private sector service providers is a preferred model versus using in-house resources.

## Defense Business Practice Implementation Board

4. Outline a best-in-class process for retraining, reassignment/outplacement, and/or retiring impacted employees to include:
  - Key selection criteria for identifying a private outplacement partner, including a description of services they should be able to provide.
  - Key provisions of contracts with outplacement partners, including incentives/rewards/penalties tied to performance.
  - Metrics to measure and monitor partner performance.
  - Potential outplacement packages for affected employees.
  - Community partnership strategies.

Dr. David S. C. Chu, Under Secretary of Defense (Personnel and Readiness) will sponsor the Task Group. Mrs. Gail McGinn, Deputy Under Secretary of Defense (Plans) will be the DoD Liaison. Mr. Fred Cook will be the Task Group Chairman. Mrs. Kelly Van Niman, Consultant to the DBB, will be the Task Group Executive Secretary, supported by Mr. Alex Zemek, Defense Fellow to the DBB. The Task Group will present an interim draft report in May 2003 with a final report to be delivered no later than the July 30<sup>th</sup> DBB meeting.

The Task Group will be operated in accordance with the provisions of P.L. 92-463, the “Federal Advisory Committee Act,” and DoD Directive 5105.4, the “the DoD Federal Advisory Committee Management Program.” It is not anticipated that this Task Group will need to go into any “particular matters” within the meaning of Section 208 of Title 18, U.S. Code, nor will it cause any member to be placed in the position of acting as procurement official.

Dov S. Zakheim

**Exhibit B**

**CURRENT POLICIES, PROGRAMS AND PRACTICES FOR RETRAINING, REASSIGNING AND/OR RETIRING EMPLOYEES IMPACTED BY BRAC AND COMPETITIVE OUTSOURCING ACTIONS**

Current in-house, DoD transition assistance programs for employees impacted by BRAC and competitive sourcing actions<sup>1</sup>

- **Implementation of formal Reduction In Force (RIF) procedures**
  - RIF right of assignment placement: (Otherwise known as bump and retreat) When an employee is subject to RIF DoD must offer assignment to another position that requires no reduction, or the least possible reduction, in terms of salary. The employee must be qualified for the offered position. The offered position shall be in the same competitive area, last at least 3 months, and have the same type of work schedule (e.g., full-time, part-time, intermittent, or seasonal) as the position from which the employee is released. Upon accepting an offer of assignment (or displacing another employee) the employee retains the same status and tenure in the new position.
  
- **Outplacement Assistance (April 14, 1991 Memo from ASD/FMP)**
  - Commanders, Activity Heads and equivalent officials are authorized to provide outplacement assistance using their own funds as appropriate, such as:
    - Payment for outplacement courses
    - Payment for contractor placement services, provided there is no job placement fee
    - Administrative excusal from duty for job searches and interviews
    - Administrative support, such as computers, copiers
    - Use of clerical support to prepare job applications or resumes
  
- **Services that might be contracted for by local Commander**

<sup>1</sup> Actions identified are for example only. Lists are not all inclusive. Payment for all actions or any contractor support comes from affected Activities budget or Base Realignment and Closure Accounts, as applicable. No appropriation, central DoD Transition/Outplacement Account, Budget Line Item or Fund Cite is established.

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- o Town Hall Meetings
- o Religious Services
- o Quarterly Newsletters
- o Career Counseling
- o Executive Transition Assistance (with reference/resource books and materials)
- o Seminar Development and Facilitation
- o Transition Life Advisors
- o Health and Human Care Comprehensive Case Management
- o Suicide and Workplace Violence Prevention
- o Career/Guidance Assessment Instruments (Myers Briggs Personality Inventory/Strong Interest Inventory) with associated materials
- o Severely Disabled (Other than Physical) Transition Into New Work Environment
- o Severely Physically Disabled Transition Into New Work Environment
- o Outplacement Job Find Services
- o Counseling/Job Attainment Services
- o Life Skills Training to Employees with Developmental Disabilities
- o Refresher Training – English and Math
- o Computer Training for Disabled Employees
- o Interpreter Services for Hearing Impaired
- o Testing, Study and Goal Setting Skills
- o Job Fairs/Career Days
  - NCO Club Open House/Career Day
  - Internet Introduction
  - Open House Recruitment
- o Candidate Preparation
- o Personal Financial Counseling
- o Study and Review Materials
- o Research and Reference Library
- o Transition/Career Search Software
- o Client Management Information System
- o Assessor Series Software – Relocation, Salary, Consultant and Geographic Information and Comparison
- o Associations Unlimited – Search, Select – Directory of Executive Recruiters
- o Encyclopedia of Careers & Vocational Guidance
- o Other Related Actions/Support Services
- o Counselors, Trainers, Facilitators, Analysts, Doctors, Nurses

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- o Construction/Reproduction of Materials, Reference Books, and Manuals
- o Printing
- o Seminars
- o Transition Centers
  - Site and Furnishings
  - Computer Equipment (printers, scanners, copiers, faxes, CD ROMs, PCs, Laptops, mice)
  - Software Licenses
- **Local placement actions: (Coordinated Transition Assistance Programs - February 10, 1994 Memo from OASD/Personnel and Readiness)**
  - o Directed military departments to streamline and coordinate TAPs.
  - o Directed that BRAC installations make transition assistance from military assistance offices available to military and civilians on an equal basis, and non-BRAC installations, at a minimum, provide services to civilians on a space available basis.
- **Pilot Program for Payment of Retraining Expenses (NDAA for FY 2002)**
  - o Allows the Department to pay a retraining incentive (up to \$10,000) to a non-Federal employer who hires a displaced DoD employee.
  - o Employee must complete 12 months of continuous employment with the non-Federal employer.
  - o Authority expires September 20, 2005.
- **Registration in the DoD Priority Placement Program (PPP)**
  - o Automated, mandatory placement program used to match displaced employees with vacant positions elsewhere in the Department.
  - o Web application utilized to speed placement consideration.
  - o PPP incorporates other statutory and regulatory placement programs.
  - o More than 168,389 surplus employees placed since program inception in 1965.
  - o *Eligibility:* Current employees on an appointment without time limitation in the competitive or excepted service may register in the PPP if scheduled for displacement action. The employee's performance and conduct must be fully satisfactory. Unless early registration is authorized, employees become eligible to register when they: receive a specific RIF notice of separation or demotion; decline in writing an official RIF reassignment or demotion out of the

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commuting area; decline in writing a Transfer of Function (TOF) or a covered management-directed reassignment out of the commuting area; or receive a notice of furlough for six months or more.

Employees entitled to severance pay are automatically registered.

Employees must register while still employed.

- *Skills*: Employees register for their current skill and may register for up to 5 skills, provided they are well qualified. Mandatory registrants must be registered for all skills for which well qualified.
  - *High Grade*: Employees may register no higher than current permanent grade or retained grade. If registering for other pay systems, registration is restricted to the grade having the representative rate equal to or below the representative rate of the registrant's current permanent or retained grade. If registering from GS to other pay systems, the individual may register for the highest grade for which well qualified; the potential gaining activity makes the determination as to whether an offer should be made based on their local pay scale.
  - *Low Grade*: Generally, employees may register down to and including 3 GS grades or equivalent below current permanent grade.
  - *Priority*: "1", "2", or "3" based on the severity of the action, Priority 1, being the most severe.
  - *Area of Referral*: Employees facing separation are registered for the minimum number of activities nearest their duty station likely to provide a reasonable opportunity for placement. They may not skip over DoD activities or states to register for more distant locations.
  - *Offer Response Time*: Registrants in the continental U.S. (CONUS) must accept or decline offers from CONUS activities within 2 calendar days, and registrants outside CONUS must respond within 3 calendar days.
- **Interagency Career Transition Assistance Plan (ICTAP) (5 CFR, Subpart G)**
    - ICTAP was established by the President in 1995.
    - Office of Personnel Management (OPM) program providing interagency placement assistance to surplus and displaced Federal employees.
    - ICTAP is a Government-wide program; authority is permanent.
    - *Details*:  
ICTAP is designed to help Federal employees who lose their jobs due to downsizing to find jobs in other Federal agencies by affording them

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a special selection priority. ICTA- eligible employees must be selected over any other candidate for vacancies in the commuting area for which they apply and are found well qualified.

- **Right of First Refusal of Employment (Federal Acquisition Regulation (FAR) 52.207-3)**
  - The Contractor shall give Government employees who have been or will be adversely affected or separated as a result of award of this contract the right of first refusal for employment openings under the contract in positions for which they are qualified, if that employment is consistent with post-Government employment conflict of interest standards.
  - Within 10 days after contract award, the Contracting Officer will provide to the Contractor a list of all Government employees who have been or will be adversely affected or separated as a result of award of this contract.
  - The Contractor shall report to the Contracting Officer the names of individuals identified on the list who are hired within 90 days after contract performance begins. This report shall be forwarded within 120 days after contract performance begins.
  
- **Registration in the Reemployment Priority List (RPL)**
  - The RPL is also a Government-wide program and the authority is permanent.
  - The reemployment priority list (RPL) is the mechanism agencies use to give reemployment consideration to their former competitive service employees separated by reduction in force (RIF) or fully recovered from a compensable injury after more than 1 year. The RPL is a required component of agency positive placement programs. In filling vacancies, the agency must give RPL registrants priority consideration over certain outside job applicants and, if it chooses may also consider RPL registrants before considering internal candidates.
  
- **Voluntary Separation Incentive Payments (VSIP) - Buyouts (5 USC, section 5597)**
  - Buyouts effected during FY02 – almost 7,000.
  - Over 160,000 employees have been saved from involuntary separation since program inception in 1993. Buyouts considered critical element of future downsizing efforts.

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- Buyout authority extended by NDAA for FY 2000 to September 30, 2003.
- Sample payment:  
VSIP provides a monetary incentive, up to \$25,000, for employee to retire, either optional or early, or resign. Payment of the incentive must save another DoD employee from being involuntarily separated.
- **Voluntary Early Retirement Authority (VERA) (5 USC, sections 8336 and 8414)**
  - Almost 6,000 involuntary separations were avoided through early retirement in FY99.
  - Since 1993, over 69,000 employees have been saved from involuntary separation using this authority.
  - OPM provided VERA approval authority to DoD through September 30, 2003.
  - Details: VERA provides early retirement opportunities for Federal employees covered by either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS) who are facing involuntary separation or downgrade. VERA is requested from and approved by the Office of Personnel Management. The authority may be open to all or to a selected group of employees; however, it is available only during a specified time. It is a management tool used when an organization is faced with downsizing, workforce restructuring/reshaping, and/or base closure and realignment actions and eases the trauma employees would otherwise face by enabling them to begin receiving annuity payments before they reach normal retirement age and service requirements. VERA allows you to volunteer for retirement well in advance of the announcement or implementation of formal RIF procedures. As a result, if you are eligible for VERA and work in specified organizations or positions where it is being offered, you may volunteer to take early retirement when your departure would avoid an involuntary separation or demotion. Your separation must take place during the VERA opportunity period prior to the anticipated RIF effective date. You cannot be offered VERA if you are in receipt of a specific RIF notice. Under the CSRS, the employee may retire on a reduced annuity at age 50 with 20 years of service or at any age with 25 years of service. The annuity is reduced by 2 percent for each year the employee is under 55. Under FERS, there is no age reduction in the annuity. However, an annuity reduction may occur.

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- **Voluntary Reduction in Force (NDAA for FY 1996)**
  - o Allows DoD activities to minimize impact of downsizing by encouraging employees to be separated in lieu of another employee who is to be separated by reduction in force (RIF) procedures.
  - o Authority expires September 30, 2005.
  - o Example:

Allows employees not affected by RIF to volunteer for RIF separation to save someone else. Volunteer cannot be paid the incentive but may be eligible for severance pay and is not eligible for any placement program.
  
- **Severance Pay**
  - o Lump-Sum Severance Pay Option (5 USC, section 5595(i)(1)).
  - o Option provided to displaced employee to receive severance pay in lump sum in lieu of bi-weekly payments.
  - o Authority extended by NDAA for FY 2003 to September 30, 2006.
  - o Sample severance payment:

A payment made to eligible separating employees. The amount is determined by a formula that considers years of creditable civilian service, basic pay at the time of eligibility and an adjustment for employees over age 40. Severance pay is available to an involuntarily separated employee provided that the employee did not refuse an offer of a position that is (1) in the same commuting area, (2) in the same agency, and (3) no more than two grades lower than the employee's current grade level. In addition, the employee must have been employed for at least 12 continuous months, and cannot be eligible for an immediate annuity as a Federal employee or as a retired member of the armed forces. Only civilian service is creditable for severance pay.
  - o An employee is entitled to 1 week's basic pay for each year of civilian service up through 10 years, plus 2 weeks' basic pay for each year of creditable service beyond 10 years. The maximum amount of severance pay eligibility is one year's salary (52 weeks). (This is a lifetime limitation; thus, any severance pay an employee has received in the past is taken into account in applying the limit.) Severance payments are equal to the employee's rate of basic pay at separation and are paid out at regular pay period intervals (usually biweekly) until the severance pay is exhausted. The only deductions made from severance pay are taxes, social security (if applicable), and Medicare. If an employee is reemployed in a permanent position with the

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Federal Government or the District of Columbia, severance payments are immediately stopped.

- **Temporary Continuation of Coverage (TCC) of Federal Employee Health Benefits (5 USC, section 8905a(d)(4)(B))**
  - o TCC provides for continuation of health coverage for eighteen months after involuntary separation resulting from reduction in force. Individual pays employee cost; Defense pays government contributions and administrative fee.
  - o DoD has congressional authority for TCC through October 1, 2006.

### Current DoD programs and strategies for partnering with the local community and government to mitigate the negative impact of BRAC and competitive sourcing actions <sup>1</sup>

- Base Commander partners with most senior government official and the local Chamber of Commerce to arrange job fairs and job placement
- Job Fairs/Career Days with the Local Community
  - Driver's (Commercial Drivers License 9 (CDL)) Job Fair
  - Law Enforcement Job Fair
  - Scientist & Engineers Career Program
  - Secretary/Clerical Job Fair
  - Computer & Computer Training Job Fair
  - Financial Job Fair
  - Bureau of Reclamation Job Fair
  - Local Government Job Fair
  - Hospitality Industries Job Fair
  - Business Development Center
  - Post Office Recruitment Briefing
  - Customs Recruitment
  - Regional Electronic Job/Resume Banks/Bulletins Boards
  - Information Exchanges
  - Networking Groups/Forums
- Small Business Administration to give lectures and take people through the process of setting up a business.

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<sup>1</sup> Actions identified are for example only. Lists are not all inclusive. Payment for all actions or any contractor support comes from affected Activities budget or Base Realignment and Closure Accounts, as applicable. No appropriation, central DoD Transition/Outplacement Account, Budget Line Item or Fund Cite is established.

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- Base Commander, including his/her head of civilian personnel at the base, and the local Program Manager from the Office of Economic Adjustment work closely to develop a re-employment strategy for base employees that reflects the community's needs and abilities.
- Base Commanders work with the Department of Labor for retraining financial assistance. The Assistant Secretary of Labor for Employment and Training, Emily S. DeRocco, can be reached at 202-693-2700.
- Base Commanders arrange to provide in-house access to State and local Departments of Employment to answer questions about unemployment compensation and retraining eligibility.
- Under authority of the Workforce Investment Act of 1998 (WIA) Title I, Base Commanders can seek a National Emergency Grant (NEG) for outplacement and retraining services for displaced workers.

**Exhibit C**

**OUTPLACEMENT FIRMS**

**Drake Beam Morin** (part of Thompson Corporation)

*Profile:*

DBM ([www.dbm.com](http://www.dbm.com)) is the world's leading provider of strategic human resource solutions that help organizations align their workforces to meet changing business needs. Known for over 35 years for its innovative and effective career transition services, DBM offers in-depth capabilities in employee transition, retention, development, and selection. Founded in 1967, the company has more than 225 locations in over 45 countries.

DBM is part of The Thomson Corporation, a \$7.8 billion global provider of integrated information solutions to business and professional customers. Thomson provides value-added information, software tools and applications to more than 20 million users in the fields of law, tax, accounting, financial services, higher education, reference information, corporate training and assessment, and scientific research and healthcare.

*Thoughts on transition:*

Realigning Today's Workforce for Tomorrow

Outplacement Consulting & Career Transition Services

In times of change, the world's leading organizations partner with DBM. Their objective? To minimize risk and maintain productivity as they reshape their workforce.

Whether your organization's unique challenges are the result of merger, acquisition, consolidation or contraction, at DBM you will find the planning capabilities, practical, proven solutions, and worldwide presence you need to:

- Enhance performance, image, and morale
- Reduce exposure to liability
- Ensure smooth transitions for separated employees

Find out how we can help your organization accomplish these critical business objectives:

Outplacement Consulting helps you plan and implement your workforce reorganization.

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Career Transition Services assists your former employees in quickly identifying and securing new career opportunities.

### *Location:*

New York - Worldwide Headquarters  
100 Park Avenue  
New York, New York 10017  
Phone: 212-692-7700  
FAX: 212-297-0426

### *Contact:*

Joelyn Cecere  
Director of Business Development  
212-692-7799  
joelyn\_cecere@dbm.com

## **Right Management Consultants**

### *Profile:*

At Right Management Consultants ([www.right.com](http://www.right.com)), the worldwide leaders in Career Transition and Organizational Consulting, managing the human side of change means bringing unparalleled responsiveness, capability, and expertise to our clients. Our services and solutions address the organizational and people issues that make the difference in managing powerful and productive change. Our goal is to help you harness and manage that change as a positive, even inspiring, force - a force that can help you, your people, and your business accomplish great things. We deliver our Career Transition and Organizational Consulting services seamlessly anywhere in the world - with a sense of urgency, with high principles, and with high value to our clients.

After all, the work we do has a powerful impact and we believe we have a responsibility to be nothing less than excellent. We also believe helping people and organizations through change is important business. It affects profitability, and the capacity to adapt quickly to new conditions. And it affects the very lives of those employees who will drive the vision forward, as well as of those who are in transition.

It is becoming the norm that most organizations we serve do business in more than one country. And when global companies need consulting, they need these services to be global, too. A firm that can meet these clients' needs through a single

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relationship - across an organization and across geographies, with adaptability to regional differences - is a firm that provides a value few others can match. Founded in 1980, Right's services have evolved to meet the growing needs of our clients, including using technology in new and better ways. To maintain our position as the industry leader, we've made significant investments in reinventing Career Transition, growing our Organizational Consulting practice, and developing leading-edge technology enabled solutions. In short, it needs to be done right. And we're the right company to do it.

### *Location:*

Right Management Consultants  
World Headquarters  
1818 Market Street, Thirty-third Floor  
Philadelphia, Pennsylvania 19103-3614  
800-237-4448 or 215-988-1588

### *Contact:*

Lee Bohs, Executive Vice President, Business Development  
215-640-7147

## **Lee Hecht Harrison**

### *Profile:*

Lee Hecht Harrison ([www.lhh.com/index.cfm](http://www.lhh.com/index.cfm)) is the preeminent global career management services company specializing in providing outplacement, leadership development/coaching and career development services. With over 180 offices worldwide, our exclusive focus is helping organizations and their employees deal with career transitions, career management and the effect of change on careers, work and employability.

Our goal is simple: To develop and deliver the highest quality career management services in the industry that are customized to offer exactly what you need, when and where you need it.

### Lee Hecht Harrison Solutions & Services

Here's how we can help you, your organization and your employees in the changing world of work:

- Career Transition/Outplacement
- Leadership Development/Coaching
- Career Development

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- Consulting
- EServices

### *Location:*

Career Transition/Outplacement

Phone: 201-930-9333

Toll Free: 800-611-4LHH

Fax: 201-505-1439

### *Contact:*

Barbara Barra, Eastern Regional Senior Vice President

201-782-3614

## **Manchester Inc.**

### *Profile:*

Manchester ([www.manchesterusa.com](http://www.manchesterusa.com)) is the recognized leader in providing Human Capital Management consulting services and solutions. Manchester partners with companies at each stage of the employment lifecycle to ensure that HCM strategies are aligned with corporate objectives to achieve and demonstrate higher returns on investment. Manchester's practice expertise includes Organization Effectiveness, Intelligent Hiring, Professional Development, eLearning, and Career Transition Services. The Manchester Human Capital Asset Management model illustrates our unique approach to integrating services, products, and technologies through all stages of the employment lifecycle.

Founded twenty years ago, Manchester values its reputation for providing the highest quality services and support to Fortune 1000 companies across the globe. Manchester is proud to be a member of the MPS Group ([www.mpsgroup.com](http://www.mpsgroup.com)). MPS Group helps its client companies thrive by delivering a unique mix of consulting, solutions, and staffing services in the disciplines of accounting and finance, e-business, engineering, executive search, healthcare, human capital automation, information technology, law, and work force management. MPS Group is one of the world's largest providers of specialty staffing and business solutions. A Fortune 1000 company with headquarters in Jacksonville, Florida, MPS Group serves leading businesses throughout the United States, Canada, the United Kingdom, and continental Europe.

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### *Location:*

Manchester  
1 Independent Drive  
Jacksonville, Florida 32202  
Phone: 1-800-220-1234  
info@manchesterUSA.com

### *Contact:*

Chuck Mollor – Managing Director of Sales  
617-523-9190

## **Kensington International**

### *Profile:*

Kensington International ([www.kionline.com](http://www.kionline.com)) is one of the largest and most successful combined Retained Search, Executive Coaching and Outplacement businesses. We strive to earn the title of "strategic partner" in maximizing the contributions of our clients' most important asset: people. We are experts in each aspect of the employment life cycle, from talent acquisition through retention, development, and transition. This expertise adds value in areas where people have an impact on the strategic direction of a company. We have an excellent reputation for the highest quality service because of:

*Our strategy* -The selection, development and deployment of personnel is key to carrying out business strategy. Kensington International will assist in the implementation of that strategy with our full service offering. We understand the new rules in today's workplace. We are engaged by our clients to attract, develop, retain and transition employees using state of the art methodologies. We counsel individuals to embrace career opportunities, accept change to meet challenges, and take control over their careers and development.

*Our expertise* - Kensington International was founded in 1988 by a group of senior managers coming from Fortune 500 and equivalent organizations. This experience combined with that of our consultants, research and administrative staff provides expertise across industry and functional lines. Services include:

- Retained Search
- Career transition and outplacement programs for executive, managers and employees at all levels
- Assessment-based leadership development programs

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- Executive coaching, integration and intervention
- Financial and retirement planning programs

*Our commitment to technology* -Kensington International takes advantage of leading-edge technology to enhance internal processes and to provide superior service to clients. A state of the art proprietary database provides candidate information to our recruiters at the click of a button. Our web-integrated career transition programs provide access to on-line company information, job-search resources and resume posting. Our strong commitment to technology translates into a strategic advantage for our clients.

*Our relationships* - Kensington International partners with our clients to maximize employee performance throughout the employment life cycle. As an extension of your organization's human resource function, the overall market knowledge of Kensington International is a strong strategic advantage.

*Our mission, vision and values* - KI is a full service, Retained Search, Career Transition, Leadership Development and Executive Coaching business that strives to earn the title of "Strategic Partner" with organizations by providing services to companies looking to expand or contract human resources within their organization. Our goal is to provide these services at the highest quality level and a competitive rate. This translates into a strategic advantage for our clients, and we are recognized for delivering results.

### *Location:*

Corporate Headquarters  
Oak Brook Corporate Offices  
1415 W. 22nd Street, Suite 500  
Oak Brook, IL 60523  
Phone 630.571.0123  
Fax 630.571.3139

### *Contact:*

John Myers, Managing partner of Outplacement and Executive Coaching division  
630-571-0123 x222 [jmyers@kionline.com](mailto:jmyers@kionline.com)

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### **Goodrich & Sherwood**

#### *Profile:*

For nearly three decades ([www.goodrichsherwood.com/index.asp](http://www.goodrichsherwood.com/index.asp)) we've built our reputation as a leading consulting firm by adhering to a basic fact. "Human Resources" drive your company and represent your most important asset. Therefore, your human resources should be aligned with your goals. We will help maximize the performance of your organization to achieve stronger bottom line results through providing fresh thinking and innovative solutions. We provide a variety of services-career transition (including Encompass Career Transition System-an on-line technology), executive coaching & career management, executive search, human resources consulting and corporate financial consulting.

#### *Location:*

Goodrich & Sherwood Corporate Headquarters  
521 Fifth Avenue, 19th Floor  
New York, NY 10175  
Phone: 212-697-4131  
Fax: 212-983-7499  
General Info: [info@goodrichsherwood.com](mailto:info@goodrichsherwood.com)

#### *Contact:*

Robert Cunningham  
212-697-4131

### **The Transition Team**

#### *Profile:*

The Transition team ([www.transitionteam.com](http://www.transitionteam.com)) has over 800 affiliate offices in the USA, and 1500 globally.

The Transition Team, a dynamic, global outplacement firm was founded in 1979 in conjunction with the Oakland (MI) University Continuing Education program. Its initial goal was to provide support and counsel for individuals being affected by a large plant closing. This project included employees at all levels from hourly to executive. The Team's approach to career transition soon gained national recognition for its successes.

The Transition Team quickly rose to a position of prominence in the field of outplacement by providing assistance to many companies whose workforces were severely impacted by global economic restructuring.

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The Transition Team maintains an international network of offices serving a wide range of organizations with outplacement and human resource solution. Its emphasis continues to be on providing in-depth quality services that are driven by the individual needs of its clients. For this reason, The Transition Team is considered one of the world's leading resources for outplacement assistance. Year after year, regardless of economic conditions, the firm's placement statistics surpass the national average.

### *Location:*

#### **Corporate Headquarters**

9111 Cross Park Drive, Suite A 220  
Knoxville, TN 37923  
(865) 693-3193  
(865) 694-3865 Fax

### *Contact:*

Les Lunceford, Senior Partner  
865-693-3193  
Don Truza, CEO  
dtruza@transitionteam.com

## **Resource Consultants Inc.**

### *Profile:*

Resource Consultants, Inc. ([www.resourceconsultants.com](http://www.resourceconsultants.com)) was founded in 1979 and is a leading professional services company supporting the U.S. military and Defense Department, the Postal Service, federal civilian agencies, state and local governments, and commercial customers. RCI provides a wide range of services including: engineering, information technology, human strategies and services, enterprise outsourcing, business process reengineering, supply chain management, and economic/cost analysis.

The company is headquartered in Vienna, Virginia and operates from over 100 branch offices and field locations throughout the United States, Europe, and Asia. With over 23 years of experience, RCI employs over 3,153 full time personnel and is projecting fiscal year 2003 revenues of \$274 million.

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### *Location:*

Resource Consultants, Inc.  
2650 Park Tower Dr., Suite 800  
Vienna, VA 22180  
571-226-5000  
703-573-8215 (Fax)

### *Contact:*

Willie Harrison  
571-226-5000

## **Spherion**

### *Profile:*

Spherion ([www.spherion.com](http://www.spherion.com)) has been “Making the Workplace Work Better” for nearly 60 years by connecting the right employees with the right companies when they need them most.

The Company delivers recruitment, outsourcing and technology solutions that measurably enhance workplace performance.

Spherion’s broad-based experience in recruiting and staffing is founded on an in-depth understanding of the workforce and the issues that drive performance. It has extended this expertise into high-value workforce management and outsourcing solutions that incorporate specialized knowledge of many workplace processes and technologies. It is these core competencies that Spherion offers to clients who want to more effectively plan, acquire and optimize talent to improve their bottom line.

Through career transition consulting services, we oversee the outplacement or realignment of employees due to layoffs or related organizational change as well as spouse/partner and family counseling and relocation services. Our approach to career transition is designed to ensure smooth transitions and stabilize performance while at the same time giving displaced employees the necessary assistance, time, information and access to resources needed to successfully reach their objectives. We are committed to technological superiority through our online career development service, CareerPartner.com. CareerPartner.com is a private password-protected Web portal for the exclusive use of our candidates. It provides a gateway to the most extensive career transition bookmark file in the industry, job ad resume bank and member networking.

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### Company Overview:

Founded: 1946

Headquarters: Fort Lauderdale, Florida

Services: staffing, recruiting, outsourcing, HR consulting & technology

Customers: More than 33,000, including 85% of the Fortune 100

Annual Revenues: \$2.1 billion in 2002

Locations: More than 800

Geographic Reach: 8 countries – United States, Australia, Canada, Netherlands, New Zealand, United Kingdom, Hong Kong & Singapore

### Company Statistics:

- A leader in recruitment & staffing for 57 years
- One of the top five companies in the U.S. staffing industry
- One of the top employers in North America, averaging 59,000 employees on assignment daily
- More than 20 million job candidates screened in the last decade alone
- More than one million customer contacts managed weekly on behalf of clients
- One of the leading career transition & outplacement firms in the U.S.

### *Location:*

Spherion Corporation Headquarters

2050 Spectrum Boulevard

Fort Lauderdale, Florida 33309

Phone: 954 308-7600

### *Contact:*

Perry Borman, Director Human Capital Consultant

954-308-6159

**Exhibit D**

**OTHER RESOURCES**

This Exhibit describes other resources available to the Civilian Personnel Management Service as it develops and implements the Career Transition Assistance Program.

**Strategic Partnerships LLC**

Strategic Partnerships LLC, formerly Frontline Global Resources ([www.frontline-group.com](http://www.frontline-group.com)), seeks to provide clients access to government incentives to support business activities and reduce or offset related costs. Their expansion and maintenance assistance involves:

- layoff/consolidation support
- new facilities/hires training
- upgrade training of current workers
- recurring upgrading training assistance

*Location:*

Strategic Partnerships LLC  
1729 King Street  
Alexandria, VA 22314  
703-684-8400  
703-684-9489

*Contact:*

Kenneth M. Smith, Chief Executive  
703-706-9651  
[Taryn.Sifakis@strategicpartnershipsllc.com](mailto:Taryn.Sifakis@strategicpartnershipsllc.com)

**Rutgers University, Heldrich Center ([www.heldrich.rutgers.edu](http://www.heldrich.rutgers.edu))**

Rutgers University has recently established the John J. Heldrich Center for Workforce Development (the Heldrich Center). One of its initial activities will be to conduct a comprehensive survey of employee satisfaction with private outplacement firms. Components of the survey will include retraining activities,

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partnering with local communities, contracting with outplacement firms, and the use of in-house versus outside firms.

The Heldrich Center is currently designing a protocol for focus groups of dislocated workers who have had experience with outplacement services. We expect to be conducting these focus groups in the Fall of 2003. Beginning in September 2003, the Heldrich Center will develop a framework for comparing and assessing the on-line career transition information available to dislocated workers from both government and fee based sources. The analysis will be completed by the Spring of 2004. Findings from these two studies will be coupled with survey data on workers' views on effective worker adjustment strategies that will be gathered as part of the center's ongoing Worktrends Survey of American Workers. A final report will be published by June 30, 2004. Sufficient preliminary information will be available by the end of December 2003 to provide informal feedback. The point of contact for informal information is Carl Van Horn, [vanhorn@rci.rutgers.edu](mailto:vanhorn@rci.rutgers.edu)

We encourage the Director of Civilian Personnel Management Service to track the study and access its findings. Contact Carl E. Van Horn, Professor and Director, at 732-932-4100X717, or Bill Tracy X713 or email at [btracy@rci.rutgers.edu](mailto:btracy@rci.rutgers.edu)

### **National Academy of Public Administration - Capabilities Related to BRAC**

As an independent, non-profit organization chartered by Congress, the National Academy of Public Administration is uniquely positioned to provide non-partisan trusted advice and research within the areas of governance and government operations. Among the expectations established in the Academy's Congressional charter is that it will "assess the effectiveness, structure, administration, and implications for governance of present and proposed public programs, policies, and processes, recommending specific changes." Accordingly, the Academy has assisted hundreds of Federal agencies, Congressional committees, state and local governments, civic organizations, and institutions overseas through problem solving, research, analysis, information sharing and strategies for change.

Two Centers within the Academy are particularly well suited to assist in activities related to the Department of Defense's Base Realignment and Closure (BRAC) initiative. The Center for Human Resources Management (CHRM) serves as a trusted source of expert advice, guidance and assistance to resolve

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human capital management challenges and position public sector leaders to maximize their effectiveness. The Academy's Center for the Economy and the Environment (CEE) works with public agencies and private institutions to strengthen their capacity for producing stronger economies and cleaner ecosystems, as well as safer, healthier living and working environments.

The Center for Human Resources Management has broad and extensive capability to assist in the human capital aspects of BRAC owing largely to its cadre of senior consultants. These consultants have been executive leaders in Federal departments and were integrally involved in human resource management policy and program implementation. Many have first-hand knowledge and experience with Department of Defense and service components' downsizing and restructuring initiatives. Previous relevant CHRM efforts include the following.

- **Effective Downsizing: A Compendium of Lessons Learned for Government Organizations.** Provides guidance about “best practices” for managing a workforce reduction, addressing the needs of affected employees, and tools to facilitate the process, e.g., identifying resources needed for a career transition center.
  
- **Downsizing the Federal Workforce: Effects and Alternatives.** Analyzes the experience of private and public sector organizations that downsized and identifies human resources considerations that were key factors in the failure to achieve downsizing goals. Presents a Change Components model that identifies the elements that need to be integrated for successful change to occur. Within the context of protecting citizens and managing public assets, this report offers ideas for improving the taxpayer's return on their investment in the government's human resources and the resulting contribution to mission accomplishment.

The Center for the Economy and the Environment has extensive experience conducting studies that evaluate and recommend improvements for federal, state, and local economic development and environmental protection programs, with an emphasis on using performance-based management. The Center's expertise also includes determining how to produce effective results through collaborative efforts by various government agencies, businesses, nonprofit groups, and community organizations so they can work together on addressing important economic, social, and environmental issues. In addition, the Center has recently developed a unique expertise in effective methods for addressing environmental justice concerns and building the capacity of community groups to participate in state and local

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initiatives for economic development and environmental protection. Over a number of years, various Congressional committees have asked the Center to analyze trends and evaluate initiatives for economic development and environmental protection and to provide advice, strategies, and insights for improving the management of existing or future programs.

Examples of CEE's past studies include:

- Setting Priorities, Getting Results: A New Direction for EPA (1995)
- Building Stronger Communities and Regions: Can the Federal Government Help?
- Environment.gov: Transforming Environmental Protection for the 21st Century
- Environmental Justice in EPA Permitting: Reducing Pollution in High-Risk Communities is Integral to the Agency's Mission
- Third-Party Auditing of Environmental Management System
- Models for Change: Efforts by Four States to Address Environmental Justice
- What States Need to Protect Water Quality
- A Breath of Fresh Air: Reviving the New Source Review Program

The Academy can provide in-depth research, actionable recommendations, and other support for managing the second round of military base realignments and closures by:

- Preparing a compilation of studies and a meta-analysis of the successes and barriers encountered during the first round of base closures.
- Identifying the most environmentally beneficial and cost-effective environmental cleanup strategies and techniques that have been used for past closures.
- Assessing the most effective methods for coordinating environmental cleanup with future site development to maximize economic opportunities, including possible use of institutional controls that take future land use into account when selecting the level of cleanup required.
- Reviewing efforts to involve stakeholders and enhance the effectiveness of their participation, including work with local governments to address the cleanup levels appropriate for future site utilization.
- Developing a strategy for engaging local community organizations on the human resources aspects of a base closure or realignment.

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- Devising a methodology for out-placing employees impacted by the realignment or closure program,
- Conducting a skills gap analysis and human resources utilization of capability study for future placement in the community of employees who are impacted.

Point of Contact is Al Ressler at [ARessler@napawash.org](mailto:ARessler@napawash.org) or 202-347-3190.

### **The National Skill Standards Board (NSSB) ([www.nssb.org](http://www.nssb.org))**

The NSSB is an unprecedented coalition of leaders from business, labor, employee, education, and community and civil rights organizations created in 1994 to build a voluntary national system of skill standards, assessment and certification systems to enhance the ability of the United States workforce to compete effectively in a global economy.

The Board is composed of 28 members including: the Secretary of Labor; the Secretary of Education; the Secretary of Commerce; the Chairperson of the National Education Standards and Improvement Council; eight representatives of business (including representatives of small employers and representatives of large employers) selected from among individuals recommended by recognized national business organizations or trade associations; eight representatives of organized labor selected from among individuals recommended by recognized national labor federations; two members from neutral, qualified human resource professionals; and members from educational institutions, community-based organizations, state and local governments and non-governmental organizations with a demonstrated history of successfully protecting the rights of racial, ethnic, or religious minorities, women, individuals with disabilities, or older persons.

The skills for which to develop standards are identified by industry in full partnership with labor, civil rights and community-based organizations. The standards are based on high performance work and are portable across industry sectors.

Members from each industry sector come together to form Voluntary Partnerships, which, under the guidance of the NSSB, are responsible for developing skill standards, assessments, and certification for their respective industry sectors. Industry skill standards have been developed in the manufacturing and the sales and service industry sectors.

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The NSSB's web site contains the most extensive collection of skills-related information on the Internet. The site also hosts an electronic version of the NSSB Clearinghouse, which houses more than 1,400 skills-related documents; a categorized system of over 200 links to domestic and international skills certification sites; and detailed information on all our industry coalitions. Their site also links to the web sites of their partners in the national skill standards system. For more information, contact the NSSB at [information@nssb.org](mailto:information@nssb.org) or (202) 254-8628.

### **People Business Network**

The People Business Network<sup>®</sup> began in 1978, as Clarke & Associates LLC (C&A), a successful professional services business that has operated with continuous profitability since the beginning. Between 1999 and 2001, the company built several custom Web-based applications for large, Fortune-500 companies. These applications all focused on the same set of needs: helping companies better manage employee exit or separation processing.

The demonstrated success of these solutions in helping companies dramatically improve efficiencies while simultaneously reducing transition costs highlighted an opportunity for the company: there was a core set of common unmet user needs in this space. As a result, the company identified and began building a logical suite of separation management modules to perform a series of functions uniquely different from, but adjacent to, traditional HR applications.

In June 2001, The People Business Network was formed to productize what were previously unlinked custom solutions. Today, PBN operates in the workforce management space, specializing in Web-based separation processing tools: voluntary separation, involuntary separation, individual attrition and migration to an Alumni Center.

PBN's Separation Management(SM) is an automated Web-based solution that streamlines workforce adjustment initiatives and exit processing, saving time and money by getting individuals off payroll quickly and with minimal use of internal resources.

Contact: Russ Clark, CEO, 908-722-0900, X-609; or via email at [russ@pbnmail.com](mailto:russ@pbnmail.com).