



# NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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Press Release 01-23  
June 15, 2001  
For External Release

## DFAS selects ACS to perform military retiree and annuitant pay services

The Defense Finance and Accounting Service has announced its intent to award ACS Government Services of Rockville, MD, a contract to provide pay services to its 2.5 million Department of Defense retirees and annuitants with a monthly payroll of more than \$2.6 billion.

This action is a result of a U.S. Office of Management and Budget Circular A-76 cost comparison study and is expected to save the Department of Defense approximately \$36 million over the life of the contract.

The A-76 program establishes processes and procedures for determining whether public or private sector organizations should perform government activities. The OMB guidelines have a two-step process that first involves selecting a service provider that offers the best value, and second the selected private-sector provider competes against the government's most efficient organization proposal.

The award to ACS is tentative pending a public review period of not less than 20 days as required under the A-76 program guidelines. During this period, interested parties, such as affected employees, may file an appeal.

Following the public review, ACS would be expected to assume pay services late this calendar year. While operations will stay in their current locations – Denver and Cleveland – during the first year of operations, ACS will consolidate most business operations at the Cleveland site during their second year of operations.

Currently there are approximately 535 retiree and annuitant services employees at Cleveland and Denver. DFAS and ACS are working to develop a workforce transition plan specific to each affected site. The plans will include options such as employment with the contractor, relocation, re-training for employees placed in new positions, early retirement offers (if qualified) or placement on a DoD priority placement list. DFAS is working with union representatives during the transition.

ACS is a Fortune 1000 company providing information technology and business process outsourcing to commercial and government clients worldwide. ACS, with over \$2 billion of annual revenue, employs nearly 20,000 people in 21 countries.

For more DoD A-76 information go to <http://emissary.acq.osd.mil/inst/share.nsf>.