

MEMORANDUM OF AGREEMENT (MOA)

Performance Based Costing of Security Cooperation Work Hours

1. The American Federation of Government Employees (AFGE) Council 214, referred to as the Union and the Air Force Materiel Command (AFMC), referred to as Management hereby enter into this MOA regarding the use of performance based costing (PBC) to track security cooperation (SC) activities of affected bargaining unit members in matters covered by the Master Labor Agreement. For the purpose of this MOA, the term "PBC" covers Activity Based Costing (ABC) reporting of hours or percentage of work by SC activity/task.

2. **Background.** In 2000, the DSCA announced an initiative to use the principles of activity based costing to provide tools for understanding the cost of conducting security cooperation business throughout the Department of Defense. The planned PBC system will provide those tools and will be initially used to support a performance based budgeting process for the foreign military sales (FMS) administrative budget. FMS represents approximately 10 percent of AFMC's business base. The PBC system will document work hours expended under the FMS administrative budget—as well as other security cooperation funding sources—to facilitate a more effective allocation of resources in this vital arena. The PBC system will be initially implemented as a hybrid system, using different sources of input at different AFMC centers. Employees will directly enter their work hours where an automated system is available and, elsewhere, they will respond to periodic surveys. Eventually, a fully automated system is envisioned.

3. **Scope of Use.** The following assurances apply to organizations using or implementing Performance Based Costing to track security cooperation activities. The PBC data collected will not be used for discipline, performance evaluation, appraisal rating, nor for tracking time and attendance and/or employees' use of leave. This disclaimer does not preclude discipline for deliberate, knowledgeable, or willful falsification. The PBC activity dictionary that employees utilize for reporting is neither designed for, nor intended to, provide data usable for job classification/reclassification purposes.

4. **Agreement.** To meet the objectives of DSCA and to minimize the adverse impacts on bargaining unit employees, the Parties agree to the following:

a. The information in the PBC database pertaining to a specific individual will be protected in accordance with the Privacy Act. Where input data sheets are used and when PBC system forms and reports are printed out, they will not show the employee's social security number.

b. Management will train employees on how to enter data into their local PBC system or, as applicable, on how to submit survey data. Employees will be assured that the data will be used to determine the costs associated with doing business and not to examine their individual performance.

c. Management agrees to provide adequate time in the employee's work schedule to provide the required data.

d. Management recognizes that employees may make unintentional errors in documenting their work hours. When unintentional accuracy problems arise, Management will respond by providing the employee additional training. This disclaimer does not preclude discipline for deliberate, knowledgeable, or willful falsification.

e. The PBC reporting system will include appropriate codes for reporting Union official time and other forms of representational duty time. Full time stewards will not be required to provide PBC data, since their method of reporting is specified in the Master Labor Agreement.

f. This MOA applies only to PBC, PBC data, and does not abrogate existing agreements regarding pre-existing labor hour accounting tools (e.g. DELTA) that may serve as a pass through for PBC data.

5. Future Directives/Instructions. It is understood the Union retains the right to negotiate written directives or instructions management publish which impact changes in conditions of employment of bargaining unit employees.

6. MOA Conflicts. In the spirit of partnership, Management and the Union agree to keep each other informed throughout implementation of the PBC system and to work together to address any unforeseen circumstances that may arise during implementation or concerns over compliance with this MOA. All remedies available under the MLA or 5 U.S.C. Chapter 71 will remain available to the Parties if concerns cannot be cooperatively resolved.

Melinda W Grant 13 Dec 02
For Management Date
MELINDA W. GRANT, Colonel, USAF
Director, International Affairs

Tom Robinson 17 Dec 02
For The Union Date