



SECRETARY OF THE ARMY  
WASHINGTON

01 FEB 2013

MEMORANDUM FOR

UNDER SECRETARY OF DEFENSE (PERSONNEL AND READINESS)

SUBJECT: Review of the Army Contractor Inventory

1. References:

a. Title 10 United States Code Sections 2330a and 235.

b. Memorandum, Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD(AT&L)) and Under Secretary of Defense (Personnel and Readiness) (USD(P&R)), 29 December 2011, subject: Guidance for the Submission and Review of the FY 2011 Inventory of Contracts for Services.

c. Memorandum, Deputy Assistant Secretary of the Army (Force Management, Manpower, Resources) (DASA(FMMR)), 10 August 2012, subject: Contractor Inventory Review and Certification Requirement.

d. Memorandum, Secretary of the Army, 10 July 2009, subject: Army Policy for Civilian Workforce Management And Service Contracts.

e. Memorandum, Secretary of the Army, 5 November 2012, subject: Reservation of In-Sourcing Approval Authority.

2. In accordance with USD(ATL) and USD(P&R) guidance for completing the review of the inventory of contracts for services (reference b paragraph 4), the Department of the Army has reviewed more than 50 percent of the contracted functions reported in the Army's Fiscal Year (FY) 2011 contractor inventory. Furthermore, the Department of the Army is taking appropriate corrective action regarding inherently governmental and unauthorized personal services functions. Additionally, sufficient actions are being taken to mitigate risk when contracting closely associated with inherently governmental functions.

3. The Deputy Assistant Secretary of the Army (Force Management, Manpower and Resources) memorandum (reference c), initiated a review by Army Major Command and Headquarters organizations of their contract service functions described in the FY11 inventory review database, and as projected in the Panel for Documenting Contracts (PDC) process for FY14-19. Commands reviewed contract service functions using the manpower mix criteria in the Army Contract Service Approval checklist at

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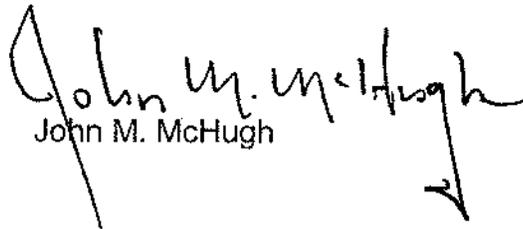
enclosure 1 as required by (reference d). The contract service functions were categorized as inherently governmental, mission critical, closely associated with inherently governmental functions, authorized and unauthorized personal services or appropriate to contract.

4. The Army Acquisition Support Center is working to complete full corrective action on contract services that were found by the contract service inventory review to involve inherently governmental functions. In addition, to expedite in-sourcing of contract service functions at risk of inherently governmental performance or otherwise lacking statutory authority for contract performance, I have approved the use of term/temporary overhires and/or direct military overstrength/special duty military until approval is obtained for the civilian/military authorization (reference e).

5. To gain more fidelity on the value of contractors, the Army plan at enclosure 2 is to use the Contractor Manpower Reporting Application (CMRA) to provide cost and manpower data. By utilizing the CMRA and its PDC process at enclosure 3, the Army will be better able to project future year contractor numbers and be able to incorporate this information into its budget submission.

6. My points of contact for this action are Ms. Eileen Ginsburg (703) 693-2109, eileen.g.ginsburg.civ@mail.mil; and Mr. Paul Rupprecht (703) 693-2123, paul.s.rupprecht.civ@mail.mil.

Encls

  
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