



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
MANPOWER AND RESERVE AFFAIRS
111 ARMY PENTAGON
WASHINGTON, DC 20310-0111

SAMR-FMMR

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MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Documentation of Contract Man-Year Equivalentents (CMEs)

1. References:

- a. Title 10, United States Code, Sections 235 and 2330a.
- b. DOD Instruction 7730.64, Automated Extracts of Manpower and Unit Organizational Element Files.
- c. DOD Instruction 7041.04, Estimating and Comparing the Full Costs of Civilian and Active Duty Military Manpower and Contract Support.
- d. Memorandum, Under Secretaries of Defense (Acquisition, Technology and Logistics) and (Personnel and Readiness), 4 February 2013, subject: Guidance for the Submission and Review of the Fiscal Year 2012 Inventory of Contracts for Services.
- e. Memorandum, Assistant Secretary of Defense (Readiness and Force Management), 10 February 2014, subject: Update on OMB Circular A-76 Public-Private Competition Prohibitions – FY 2014

2. G-37/FM will only direct the documentation of contractor manpower requirements on Tables of Distribution Allowances (TDAs) or Augmented TDAs (AUGTDAs) that have been validated by an approved USAMAA manpower study. However, requirements designated to be performed by contractors will not be documented as specifically coded contractor "positions" but instead documented as generic requirements with a non-add standard remarks code indicating the requirement is currently being met with contractors. Documenting the requirement as a contractor requirement would incorrectly suggest an inappropriate personal services or "employee" relationship between the Army and the contractor, when, in fact, contractors are not Army employees but employees of their private sector firms.

3. This new procedure of documenting manpower requirements as "civilian requirements without an authorization" is consistent with prior Army practice. The practice was utilized when Most Efficient Organizations lost a public-private competition conducted under Office of Management and Budget Circular A-76 and the work was converted to private sector performance. Thus, the guidelines imposed by reference 1.e. are not invoked if the

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subject requirement has never been performed by civilians and is currently being performed by contractors. This distinction is important since converting "any work currently performed (or designated for performance) by government civilian personnel to contract performance" is prohibited by law and policy as described in reference 1.d.

4. Documentation of the requirement in this way avoids the issue as to which availability factor to use as the availability factor for civilian employees would be used and not a *contract* availability factor which legitimately could vary from contract to contract and which the Department has no analytical basis to assess. Additionally, cost comparisons of military, civilian, and contract performance should be based on the contract costs from acceptable data sources, such as the contract itself or Enterprise Contractor Manpower Reporting Application (ECMRA) cost data and must not convert the contract and civilian labor hours to full time equivalentents when performing the cost comparison consistent with reference 1.c. Such FTE conversions will bias the cost comparison. Sometimes organizations have incorrectly performed cost comparisons by mis-using previously documented CME on TDA rather than the contract or eCMRA as their source of cost data.

5. Documentation of CME authorizations in the Structure and Manpower (SAMAS) has been discontinued. The ECMRA report is the authoritative data source for Contractor Full-Time Equivalentents (CFTEs) and associated cost data for purposes of internal and external communications. The ECMRA Panel for Documenting Contractors (PDC) data base is the authoritative report for capturing contracted services projections for the program and budget as well as for accounting for inherently governmental, closely associated with inherently governmental, and personal services issues required by statute during annual agency reviews. Thus, this will enhance our ability to take the appropriate corrective actions to incorporate any necessary adjustments into the program and budget. Accordingly, a direct reporting feed from the ECMRA and PDC to the Program Optimization and Budget Evaluation (PROBE) system has been established to support this capability. This capability allows us to view ECMRA and PDC contract service data in the Business Operating data warehouse to align with the program's authorizations and funding. Consequently, this feed will provide the statutorily required contract labor and cost data required by the program and budget community to meet statutory mandates. My office will continue to provide the applicable ECMRA/PDC execution and projection data to the Army.

6. The point of contact for this policy is Dr. John C. Anderson at (703) 693-2119.



ROBIN L. MEALER
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(Force Management, Manpower and
Resources)