

DAMO-FMP

SUBJECT: Concept Plan Guidance

ANNEX D: In-sourcing of Contract Manpower Equivalent (CME) to Department of Army (DAC) Civilians

1. Commands (to include Joint Activities for which the Army is the Executive Agent) may nominate in-sourcing candidates based on PDC results using a manpower and dollar schedule 8 format throughout the year for review by the PBAT and PEGs to ensure that a valid funding source exists before civilian authorizations are added. Requests for conversion will be submitted to G-37/FMP PBG Command Managers.

2. A concept plan with cost analysis is required if the PDC classifies a position nominated for conversion as code X. CME validated by PDC with MMC Codes of B, E or H may be converted to a DA Civilian without an economic analysis. Cost analysis determines the amount of savings for an in-sourcing concept plan across the POM years by employing DACs instead of CMEs. Guidelines for completing the cost analysis are provided below. A PDC decision validating code X is required before submitting a conversion plan based on a cost analysis.

3. Controlled Programs. Address impacts to Army Controlled Programs including Army Management Headquarters (AMHA), Defense Health Programs (DHP), or National Intelligence Program (NIP).

4. Facilities Requirements (by funded project and FY programmed). Provide an assessment of facilities required to support the in-sourcing plan and how those facilities will be funded. State if current facilities will be used. If facility requirements are unknown then provide an estimate and ACSIM will help develop the requirements.

5. Implementation. Discuss briefly how the in-sourcing plan will be implemented to include requested E-dates and justification.

6. Point of Contact: Name, office symbol, e-mail address, and DSN number of the point of contact.

7. Manpower Schedules 8 will be submitted to the FMP PBG Command Managers reflecting the reduction of CMEs and the increase in civilians following the format outlined in the Resource Formulation Guidance (RFG).

8. Dollar Schedules 8 will be submitted to the FMP PBG Command Managers to reprogram the costs for the CME(s) and associated DAC(s). A Dollar Schedule 8 is required to reduce the dollar requirements (BO-R). A Dollar Schedule 8 is also required to reprogram both dollar requirements and funding (BO-R and BO-1) if the funding for the CMEs is in a different MDEP and/or AMSCO from where the Civilians will be executed.

9. A cross-walk between PDC spreadsheets and schedule 8 submissions for in-sourcing is required to be submitted with the schedule 8 to G-3/5/7.

10. In addition, once a schedule 8 is approved, the command is responsible for submitting the detailed hiring information required by the Civilian Human Resources Activity in their tracking tool at <https://nccpoc.ria.army.mil/apps/insourcing/default.asp>. The POC is Rose Medina at rose.medina.us.army.mil or (410) 306-1744.

11. Costing CME to DAC Conversions: Concept plans will be submitted by the Command to G-37/FMP for review. G-37/FMP will provide the concept plan to ASA FM&C for a cost analysis review and validation prior to HQDA staffing.

a. Contractor Costs. Associated with the cost to employ non-government workers, contractor costs do not involve the payment of benefits or on-site costs. It is important to note that contractor costs should come from the actual contract and must at least include the cost category values below.

- (1) Wages
- (2) Direct Costs – other than wages (i.e., labor or materials)
- (3) Travel
- (4) Overhead – other than travel (i.e., utilities, maintenance, leasing of space)
- (5) Reimbursable Costs – meals, incidentals, etc.
- (6) Other contract administrative costs and costs not captured within the contract
- (7) Penalties for ending the contract

b. Civilian Costs. These costs are associated with the employment of DAC employees. The following list contains the types of direct costs that should be included in your analysis:

- (1) Wages
- (2) Direct Costs – other than wages (i.e., labor or materials)
- (3) Travel
- (4) Overhead – other than travel (i.e., utilities, maintenance, leasing of space)
- (5) Reimbursable Costs – meals, incidentals, etc.

c. Civilian salaries should be identified by the job series, GS-grade, locality, and number of positions that will be needed to fulfill manpower duties.

(1) Civilian pay costs are received from the Army Manpower Cost System (AMCOS) Lite tool, which can be accessed from the website below: <https://www.osmisweb.army.mil>.

- (2) Use the following methods for researching civilian salaries in AMCOS Lite:
 - a. The civilian general schedule and default summary category for civilian costs.
 - b. The group and sub-group categories correspond to the occupations and series for the selected civilian positions, respectively.

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c. Each salary level must correspond to the geographic location of the position

(3) Although many locations have begun using them, please do not use NSPS pay rates (i.e. YA/YB/YC/YD). GS-scale salaries currently provide more accurate reporting within AMCOS.

(4) For contracts with only one price, or firm-fixed price contracts, the civilian and government cost categories that apply to a conversion must still be provided.

d. Special Pay Categories. It is very important that you use the civilian general special schedule tables in AMCOS where applicable. To find out which job series and grade levels are assigned the special rate tables, please go to the OPM website of <http://apps.opm.gov/SSR/tables/index.cfm> Please remember that you will use the rates from AMCOS and the OPM website only for reference.

e. Comparison Methods between Contractor and Civilian Costs. Actual contractor costs should be used whenever possible for calculating out-year contract costs (i.e., FY 12-17). When there is no contract that gives information on future costs, Army inflation guidance must be used to provide a basis. The list below contains the rates needed for calculating out-year costs.

(1) CivPay inflation indices for both contractor and civilian pay and carried out 4 decimal places

(2) OMA inflation indices should be used for contractor and civilian travel and are to be carried out to 4 decimal places.

(3) Use the "Compound" column for both CivPay and OMA inflation indices.

(4) For CivPay, use FY 2009 as the base until January when new Civ rates are published. For OMA indices use FY 2010 as the base year.

(5) The government cost savings are calculated over POM years (FY 12-17) but also include current fiscal year FY 10 and FY 11 as reference points for your calculations.

(6) Army inflation guidance and the aforementioned indices can be accessed at <http://www.asafm.army.mil/offices/office.aspx?officecode=1200>. The indices will be under the "Most Current Inflation Indices" link. Use the CivPay inflation index for GS-employee and Contractor Salaries. Use the OMA inflation index for GS-employee and Contractor training and travel costs.

f. Other Information

(1) Provide documentation to support the ultimate government savings. By labeling and accounting for the amount of overhead, wages, and GS salary of each position, DASA C&E personnel can better estimate the ultimate cost savings.

(2) Indicate whether the contractor will be on or off-site.

(3) Spell out all acronyms in the footnotes of your analysis.

(4) Include all costs, even if that category is not provided in the guidance or the aforementioned examples given above.

(5) For any civilian position that formerly belonged to an off-site contractor add an additional rate for overhead (contact cost POCs for assistance) before inflating.

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(6) If you are submitting in-sourcing concept plans, make sure that your CME data is correct in SAMAS and CMR.

(7) For further reference regarding cost and economic analysis check the websites below:

a) The Department of the Army Cost Analysis Manual:

<http://asafm.army.mil/Documents/OfficeDocuments/CostEconomics/Guidances/cam.pdf>

b) Cost Benefit Analysis Guide

c) The Economic Analysis Manual

<http://asafm.army.mil/Documents/OfficeDocuments/CostEconomics/Guidances/eam.pdf>

POC Information. POC's for costing information are Eric Goldman and Audry McAfee. They can be reached at (703) 692-7406 and (703) 614-4633 respectively. In addition, they are also responsible for reviewing the In-Sourcing Plan before submission to HQDA G-3/5/7. If you have any questions please feel free to call or send email to Eric.j.Goldman@conus.army.mil or MCAFEEAL@conus.army.mil.