



SECRETARY OF THE ARMY
WASHINGTON

28 MAY 2013

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: In-Sourcing Approval Authority

1. References:

a. Memorandum, Assistant Secretary of Defense (Readiness and Force Management), 29 January 2013, subject: Private Sector Notification Requirements in Support of In-Sourcing Actions.

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

c. Memorandum, Secretary of the Army, 10 February 2012, subject: Reservation of In-Sourcing Approval Authority.

d. Memorandum, Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA(M&RA)), 22 January 2013, subject: Department of the Army Hiring Freeze and Release of Terms and Temporary Civilian Personnel.

e. Memorandum, Deputy Assistant Secretary of the Army (Force Management, Manpower and Resources) (DASA(FMMR)), 4 March 2011, subject: Army In-Sourcing Approval Procedures.

2. In an era of constrained resources, the Army must balance the total workforce (military, civilian and contractors) to carry out our missions. To do this, we must make objective and informed judgments when deciding whether to resource functions currently performed by contract. Our in-sourcing actions must support our overall Human Capital Strategy.

3. I am the approval authority for any proposal to in-source contracted functions involving more than 50 Full-Time Equivalents (FTEs) to government performance by Soldiers or civilian employees, wherever such proposal is generated across the Army. The ASA(M&RA) is the approval authority for in-sourcing proposals involving 50 or fewer FTEs. All in-sourcing proposals presented to me or the ASA(M&RA) must comply with reference 1.e., including a legal review.

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4. In cases where in-sourcing may be appropriate, before filling unencumbered authorizations or adding new civilian authorizations, commands should consider: shifting resources from lower-priority missions; consolidating or absorbing work into different work centers; re-engineering for efficiency; and using other military or civilian staffing options.

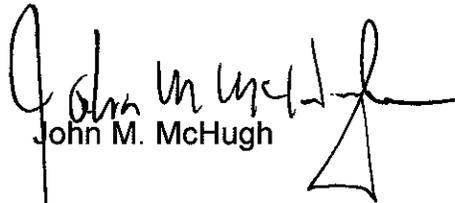
5. In determining whether a function is inherently governmental or lacking statutory authority for contract performance, commands must submit a Panel for Documentation of Contractors (PDC) package to the DASA(FMMR). The PDC determination of inherently governmental functions will be coordinated with the Office of the General Counsel.

6. When in-sourcing inherently governmental functions, as validated through the PDC process, I am authorizing the use of term overhires (within existing funding levels) and/or directed military overstrength/special duty military until my approval is obtained for permanent civilian authorizations or military authorizations as corrective action. Term employees hired or who have already been hired for this purpose are exempt from any hiring freezes and may have their terms extended as needed. Consistent with reference 1.d., an assessment of mission criticality will be made by the ASA(M&RA).

7. To meet private sector notification requirements, in accordance with reference 1.a., all Army in-sourcing proposals must be coordinated with DASA(FMMR).

8. Additionally, final approval to in-source constitutes an exemption from any hiring freezes currently in effect.

9. This directive is effective immediately and will remain in effect through 1 March 2015 unless I reissue it or extend its application, in writing. My point of contact is Ms. Gwendolyn R. DeFilippi, at 703-695-9033.


John M. McHugh

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