



SECRETARY OF THE ARMY  
WASHINGTON

10 JUL 2009

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Policy for Civilian Workforce Management and Service Contracts

1. References:

- a. Title 10 United States Code Sections 2330a, 2383, 2434 and 2463.
- b. Memorandum, President of the United States, March 4, 2009, subject: Government Contracting.
- c. Memorandum, Deputy Secretary of Defense, May 28, 2009, subject: In-sourcing Contracted Services—Implementation Guidance (Enclosure 1).

2. The purpose of this memorandum is to improve the oversight of decisions to contract services. This policy reflects recent Presidential, Secretary of Defense, and Congressional requirements and concerns related to contracts that are closely associated with inherently governmental functions, personal services contracts, and the mix of military, civilian employees, and contractors performing essential missions. In addition, we must ensure that the mission authority and workload basis for contracted services are subjected to the same level of scrutiny as our expenditure of resources for military and civilian employee requirements.

3. Senior Commanders and Headquarters Department of Army (HQDA) Principals must ensure that service contract requirements do not include inherently governmental functions and that use of personal services contracts is limited to circumstances where specific statutory authority exists. This responsibility exists not simply at the time a decision is made to contract for a specific service, but also when key force structure and weapon system acquisition decisions are made that implicate contract support requirements. These responsibilities involve strategic requirements determination decisions made at the functional level of a Command and not simply for individual contract actions. Additionally, Senior Commanders and HQDA Principals must ensure that actual contract performance does not violate the rules prohibiting contractor performance of inherently governmental functions and unauthorized personal services.

4. The Accountable General Officer or Senior Executive Service official for the requiring activity (or the U.S. Property and Fiscal Officer in the case of the U.S. Army National Guard) will certify compliance using the attached form and checklist (Enclosure 2) so that we meet these statutory and fiduciary obligations. Accountable officials may delegate certification responsibilities for service contract requirements valued \$100,000 or less in accordance with Command policy. The Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA(M&RA)) may change the contents of the checklist to conform to changes in law or Department of Defense policies by notifying me in writing. The Auditor General will initiate annual reviews of the activities and

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contracts in the contractor manpower inventory. The ASA(M&RA) will serve as the senior official responsible for development and execution of Army in-sourcing plans based on the annual review of the contractor manpower inventory required by statute, currently being implemented through the Panel for Documentation of Contractors (PDC) (reference a). Army organizations will provide contractor data when manpower studies are conducted or validated by the U.S. Army Manpower Analysis Agency, or when required by the G-3/5/7 in Concept Plans or the Total Army Analysis process. The Assistant Secretary of the Army (Acquisition, Logistics and Technology) (ASA(ALT)) will continue oversight of the acquisition process and will support these requirements. The Assistant Secretary of the Army (Financial Management and Comptroller) and the G-8 will oversee costing and the integration of the contractor manpower inventory review into the Planning, Programming and Budgeting process. Additional implementation guidance will be provided by the ASA(M&RA) and the ASA(ALT).

5. Your in-sourcing implementation plans must be submitted to the ASA(M&RA) no later than 15 July 2009. The ASA(M&RA) lead for this action is Dr. John Anderson, (703) 693-2119 or e-mail: (john.anderson@hqda.army.mil). Reporting instructions will be provided separately by the ASA(M&RA) to your PDC point of contact. In addition, the job title, occupational series, grade, location and when a position is to be filled (month/year) should be submitted to the G-1 no later than 15 August 2009. Additional guidance on submitting the data will be provided by Rose Medina, the G-1/Civilian Human Resources Activity point of contact, (410) 306-1744 or e-mail: (Rose.Medina@us.army.mil).

6. To streamline the civilian hiring process and better meet the statutory intent of reference "a" to provide "special consideration" to Federal Government Employee performance of contracted functions identified on the checklist, I am eliminating the civilian hiring portion of this form. Instead, the hiring process should be managed through the Defense Civilian Personnel Data System as informed by The Army Authorization Documentation System.

7. In this resource constrained environment, your personal leadership is critical to ensure we retain the discretion we need to manage our workforce mix and contracted requirements.

Enclosures



Pete Geren

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