MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Guidance for Justifying Transfers of Workload

1. References:
   a. Title 10, United States Code (U.S.C.) Sections 129a, 2461 and 2463.
   f. Memorandum, Secretary of the Army, 12 September 2014, subject: Delegation of In-sourcing Approval Authority.

2. Referenced statutes require the most appropriate and cost-effective mix of manpower sources to perform our missions. Holistic prioritization of workload which results in the reduction of functions should lead to programmatic manpower reductions. Such manpower reductions or other realignments must, however, take into account the prohibition against the "unjustified transfer of functions between or among the military, civilian, and service contractor personnel workforces" of the Department of Defense.

3. The following are examples of justified transfers:
   a. Contractor to Civilian or Military (In-sourcing): Conversion from contract performance to civilian or military performance is permissible, so long as the guidelines laid out in reference 1.f. are followed (to ensure appropriate approval procedures and
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that timely notification occurs). Additionally, organizations may not publish guidance that prohibits in-sourcing, as such a prohibition is disallowed pursuant to 10 U.S.C. 2463.

b. Civilian to Military: Converting a function from civilian (in-house or contractor) to military performance is permissible when the function is determined to be “military essential” as defined in DoDI 1100.22, or when military is the least costly form of labor pursuant to the costing methods in DoDI 7041.04. These conversions must be approved through the Command Plan/Command Implementation Plan (CP/CIP) process and must include a narrative justification.

c. Military to Civilian: Converting a function from military to civilian performance is permissible; such conversions must be approved through the CP/CIP process and must include a narrative justification and compete in the POM process for funding.

d. Military to Contractor: Converting a function from military to contractor performance is permissible in certain circumstances (excluding medical conversions—see 4.b, below). When considering contracting for services, the Request for Services Contract Approval Form provides consolidated information on the guidelines governing service contracts, and it can be found at http://www.asamry.army.mil/scra.

4. The following are examples of unjustified transfers:

a. Civilian to Contractor (Out-sourcing): Converting work designated for civilian performance to contract performance is currently prohibited (pursuant to 10 U.S.C. 2461 and 129a). This pertains to civilian overhires, as well as encumbered and unencumbered positions.

b. Medical Conversions: Converting a medical or dental function from military performance to civilian or contractor performance is currently prohibited (pursuant to Section 721 of the NDAA for FY08, as amended by Section 701 of the NDAA for FY10).

5. Commands must always manage their manpower in accordance with workload and available funding, as required by 10 U.S.C. 129. The above guidelines are provided to help ensure that Commands are aware of existing statutes and policies that govern workload reduction and transfers. The points of contact listed below can provide Commands, with questions about these or other statutory restrictions, with additional information and clarity.
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6. The points of contact for this issue are Dr. John Anderson, at (703) 693-2119 or john.c.anderson1.civ@mail.mil, Ms. Eileen Ginsburg at (703) 693-2109 or eileen.g.ginsburg.civ@mail.mil, and LTC Amy Sheehan at (703) 693-0295 or amy.l.sheehan2.mili@mail.mil.

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