



Insourcing Update

presented by

Kevin Hoffman

Director
Management Directorate
DCS, G-8
HQ US Army Training and Doctrine Command



Insourcing



- The NDAA 08 and implementation of §324 and §807 into public law are in force. To comply with mandatory reporting requirements, the Army has published a number of memoranda to implement service wide contractor inventories and enforce population of the Contractor Manpower Reporting Application (CMRA).
- The Army began work on a Panel for Documentation of Contractors (PDC) in Feb 09, requiring each Army command, headquarters element, and field operating agency provide a list of all executed service contracts. The approved PDC lists would be used to formulate the annual report to Congress on the implementation. The PDC would also serve as the master inventory of those CMEs we could consider for insourcing.
- CMRA population continues to be an issue. Enforcing both contracting officer representative and vendor input remains a challenge.



Challenges



- Our insourcing efforts face a number of challenges:
 - Absence of formal guidance on requirements for concept plans, insourcing submissions, and PDC updates.
 - Reluctance within the workplace to relinquish CMEs.
 - Living within our means. Many of the positions identified for insourcing are requested at relatively high grades.
 - Civilian pay funding. Army funds our insourcing efforts at a standard civilian pay rate, which equates to \$83K per position (equivalent to a GS-12 w/locality pay) for most of our mission work.
 - FY 10 budget reductions pushing us to look at insourcing in order to retain the capability.



Implementation



- We continue to work at:
 - Returning work executed as personal services or considered to be inherently governmental.
 - Balancing the workforce.
 - Operating within the confines of our core dollars, with less dependence on supplemental and Overseas Contingency Operations (OCO) funding of enduring missions.
 - Building a base of federal employees to ensure continuity of operations.
- We (TRADOC) have streamlined our insourcing process. What once was a three phase process resulting in a formal concept plan now requires only a memo and four enclosures.
- A cost analysis of each insourcing initiative was retained to ensure we compare all the costs of both the contractors and civilian employees.



Leveraging the Private Sector



- When should we use a private sector workforce?
 - New mission start-ups when time is of the essence and a permanent workforce is not in place.
 - Work is considered a one-time requirement.
 - Skill is perishable or fluid, such as unique language training requirements or guest speakers.
 - Associated with an overseas contingency operation and not considered enduring in nature.
- Performance work statements and contract administration have to be revised to eliminate any government “immediate” supervision or personal services relationship.
- Contracts identified for conversion to in-house performance will not have options exercised or follow-on contracts awarded.
- Contractor employees will be eligible to apply for the newly-created positions.



Looking to the Future



- A review of all our service contracts in the PDC identified a potential pool of CMEs which could be brought in-house. These will be evaluated and identified as candidates if:
 - Long term funding is continuous and verifiable
 - Mission is enduring in nature, not tied to:
 - The war effort
 - Fluctuations in training requirements
 - CME positions have been included on our manning documents
 - Conversion will/should generate a savings to the government



Reality of Insourcing



- Congressional oversight of contracting and insourcing will continue.
- “Motivation” may include further budget reductions which have already been applied in FY 10, further reducing funds available for contract support.
- The eventual downsizing of military operations for Operations Enduring Freedom and Iraqi Freedom will further reduce our reliance on private sector augmentation.
- The federal government has no obligation to the private sector to continue contracting if it is not in the best interests of the services.