



Cost-Benefit Analysis Key to Insourcing, Says DoD Memo

Chandler Harris - April 5, 2011

The Defense Department recently outlined internal guidance on insourcing hiring procedures designed to help future hiring practices.

The March 15 memo issued by Ashton Carter, undersecretary of defense for acquisition, technology, and logistics, and Robert Hale, DOD's comptroller and CFO, points out that all insourcing should be done on a case-by-case basis, after careful consideration of critical need.

The memo also states that hiring procedures should also be based on whether a function is inherently governmental and there is a benefit demonstrated by a cost-benefit analysis. New positions should not exceed the current budget, particularly under the current continuing resolution, the memo added.

Any new full-time positions created through the Defense Acquisition Workforce Development Fund (DAWDF) cannot exceed existing caps on the number of civilian employees. Plus, service branches must also be able to pay for the new employees, Carter and Hale said.

"The strategy requires that the Components provide funding for long-term sustainment of the in-sourced positions," they said in the memo.

While the DoD has plans to grow its workforce by about 10,000 civilian Full Time Equivalents (FTE) by fiscal 2015, it will not build its workforce through only insourcing said Shay Assad, director for defense procurement, acquisition policy, and strategic sourcing.

"We're stepping back from that a little bit," he said. "We want to make sure when we make that decision" it meets the criteria, Federal Times reported.

While this is expected to present "a significant lessening" of insourcing, the hiring of employees through direct hire authority is not expected to slow he said. The new authority allows the Defense Department to avoid the slow traditional hiring process and hire employees much quicker.