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**ASSISTANT SECRETARY OF DEFENSE**

4000 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-4000

FEB 19 2014

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Update on OMB Circular A-76 Public-Private Competition Prohibitions – FY 2014

This memorandum replaces memorandum of same subject, dated September 17, 2013, and provides updated guidance, for fiscal year (FY) 2014 related to the continued moratorium and restrictions on public-private competitions pursuant to Office of Management and Budget (OMB) Circular A-76. By law, the Department continues to be prohibited from conducting such competitions in FY14. As a result, consistent with section 2461 of title 10, United States Code, the Department is statutorily prohibited from converting any work currently performed, or designated for performance, by any number of civilian personnel to private sector (contract) performance.

The government-wide moratorium, including the Department of Defense, on the use of funds for public-private competitions was extended for FY 2014 by section 737 (Title VII, General Provisions – Government-wide) of Division E – Financial Services and General Government Appropriations of the Consolidated Appropriations Act, 2014 (Public Law 113-76). Furthermore, the DoD specific suspension of public-private competitions remains in effect per section 325 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84).

The above restrictions prohibiting the conversion of any work currently performed (or designated for performance) by civilian personnel to contract performance apply to functions and work assigned to civilians, regardless of whether or not a position, or billet, is established for that work, and whether or not that position, or billet, is encumbered. This would include workload associated with headquarters or other personnel reductions, as well as position vacancies impacted by hiring freezes or funding shortfalls.

Please ensure maximum distribution of this memorandum across your organization. Questions should be addressed to the Office of Total Force Planning & Requirements: Mr. Thomas Hessel (thomas.j.hessel.civ@mail.mil or 703-697-3402) and Ms. Amy Parker (amy.l.parker26.civ@mail.mil or 703-697-1735).

A handwritten signature in black ink, appearing to read "F. E. Vollrath", with a long horizontal flourish extending to the right.

F. E. Vollrath

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