



MANPOWER AND
RESERVE AFFAIRS

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DEC 12 2018

MEMORANDUM FOR: CHIEF MANAGEMENT OFFICER
SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
CHIEF, NATIONAL GUARD BUREAU
COMMANDERS OF THE COMBATANT COMMANDS
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
CHIEF INFORMATION OFFICER OF THE DEPARTMENT OF
DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
ASSISTANT TO THE SECRETARY OF DEFENSE FOR PUBLIC
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DIRECTOR OF NET ASSESSMENT
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF DOD FIELD ACTIVITIES
DIRECTORS OF JOINTLY MANNED ACTIVITIES
DIRECTORS OF CHAIRMAN CONTROLLED ACTIVITIES
PRESIDENT OF DEFENSE ACQUISITION UNIVERSITY
PRESIDENT OF UNIFORMED SERVICES UNIVERSITY OF THE
HEALTH SCIENCES

SUBJECT: Update on OMB Circular A-76 Public-Private Competition Prohibitions – FY 2019

This memorandum replaces the May 17, 2018 memorandum on the same subject, and provides updated fiscal year (FY) 2019 guidance for the continuing prohibition on public-private competitions pursuant to Office of Management and Budget (OMB) Circular A-76. The Department of Defense (DoD)-specific suspension on public-private competitions (including studies regarding public-private competitions), imposed by section 325 of the National Defense Authorization Act for FY 2010 (Public Law 111-84), remains in effect for FY 2019.

This suspension, coupled with restrictions established in section 2461 of title 10, United States Code (U.S.C.), prohibits DoD Components from converting (i.e., outsourcing) any functions and work currently performed, or designated for performance, by any number of civilian personnel to private sector (contract) performance.

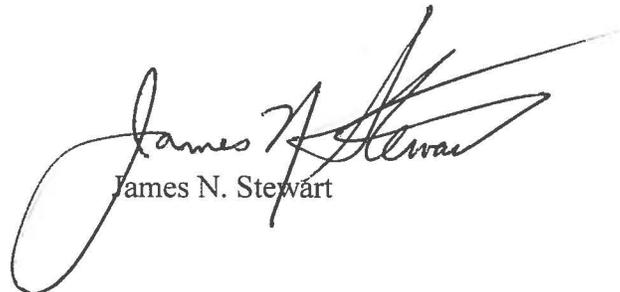
The prohibition on conversion to contract performance applies to functions and work assigned to civilian personnel, regardless of whether a position or billet is established for that work, or whether that position or billet is encumbered. This includes any workload, functions, and positions/billets impacted by

ongoing agency reform initiatives, hiring constraints or challenges, or funding shortfalls. In accordance with 10 U.S.C. § 2461, this prohibition applies to functions that are modified, reengineered, reorganized, modernized, upgraded, expanded, or changed to become more efficient, but still essentially provide the same service.

The ongoing restriction on the conduct of competitions does not preclude the establishment, under 10 U.S.C. § 2679, of intergovernmental support agreements (IGSA) with State or local governments, to provide, receive, or share installation support services. However, per 10 U.S.C. § 2679, if work or a function is currently performed (or designated for performance) by civilian personnel, IGSA's shall not be used to circumvent the OMB Circular A-76 requirements to conduct public-private competitions to convert to contract performance such work or function.

The 2018 National Defense Strategy, National Defense Business Operations Plan, and the DoD Workforce Rationalization Plan recognize that government civilians are a critical component of our Total Force and an essential enabler of our mission capabilities, lethality, and operational readiness. Accordingly, DoD Components must ensure their civilian workforce is sized and resourced to complement and support the military mission, and should ensure that contracted services are not being utilized to convert workload more appropriately or efficiently performed by DoD civilians.

Please ensure maximum distribution of this memorandum across your organization, particularly to your acquisition, human capital, manpower, and resource management communities. Questions should be addressed to Mr. Thomas Hessel (thomas.j.hessel.civ@mail.mil/703-697-3402) in the Total Force Manpower & Resources Directorate.



James N. Stewart