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ASSISTANT SECRETARY OF DEFENSE
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WASHINGTON, D.C. 20301-1500

JAN 13 2017

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Update on OMB Circular A-76 Public-Private Competition Prohibitions – FY 2017

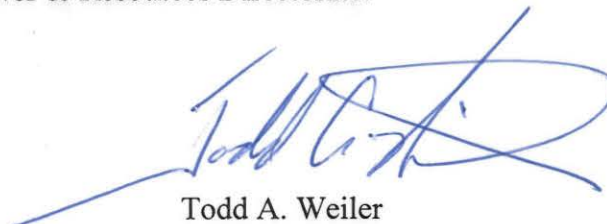
This memorandum replaces the memorandum of the same subject, dated April 21, 2016, and provides updated guidance, for fiscal year (FY) 2017, related to continued restrictions on public-private competitions pursuant to Office of Management and Budget (OMB) Circular A-76 and section 2461 of title 10, United States Code. The Department of Defense continues to be statutorily prohibited by law from converting any work currently performed, or designated for performance, by any number of civilian personnel to private sector (contract) performance.

A DoD-specific suspension on the conduct of public-private competitions remains in effect for FY 2017, in accordance with section 325 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law (P.L.) 111-84), as the National Defense Authorization Act for FY 2107 (P.L. 114-328) did not repeal this restriction.

In addition, the government-wide moratorium on the use of funds for public-private competitions, was extended in FY 2016 by section 742 (Title VII, General Provisions – Government-wide) of Division E – Financial Services and General Government Appropriations of the Consolidated Appropriations Act, 2016 (P.L. 114-113). Section 742 remains in effect as a result of the passage of the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (P.L. 114-223) and the Further Continuing and Security Assistance Appropriations Act, 2017 (P.L. 114-254).

These restrictions prohibit the conversion of any work currently performed (or designated for performance) by civilian personnel to contract performance and apply to functions and work assigned to civilian personnel, 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 includes workload and positions/billetts that are impacted as a result of ongoing institutional reform initiatives, such as delayering or headquarters reductions; civilian workforce reductions; and/or position vacancies and workload impacted by hiring freezes or funding shortfalls.

Please ensure maximum distribution of this memorandum across your organization. Questions should be addressed to Mr. Thomas Hessel (thomas.j.hessel.civ@mail.mil or 703-697-3402) in the Total Force Manpower & Resources Directorate.



Todd A. Weiler

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