



The Director

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

APR 16 2010

Ms. Kathleen A. Ott
Chief Human Capital Officer
Office of the Secretary of Defense
Under Secretary of Defense for Personnel
4000 Defense Pentagon
Washington, DC 20301-4000

Dear Ms. Ott:

The Office of Personnel Management is approving Direct-Hire Authority (DHA), subject to the conditions set forth below, to assist the Department of Army (DOA) with filling 200 Information Technology positions (listed below) in its Human Resource Command (HRC) at Fort Knox. DOA-HRC must fill these positions to satisfy its obligations under the Base Realignment and Closure (BRAC) initiative.

This approval is contingent upon DOA-HRC promptly initiating and/or continuing on-going recruitment efforts to fill these positions through authorities already available to it and demonstrating that these existing authorities are not adequate to fill positions in a timely fashion. Thus, DOA-HRC must undertake reasonable efforts to attempt to fill (including making tentative offers of employment to qualified candidates), as many of the Information Technology positions covered by its request using existing authorities, including the competitive examining process, non-competitive hiring authorities, excepted service hiring authorities, and OPM shared registers to the fullest extent practicable. DOA-HRC must submit a report to OPM no later than May 3, 2010, describing the results of its recruitment efforts for the positions covered under this conditional approval. DOA-HRC must also update its report every 60 days, until this DHA expires. Unless this authorization is revoked, DOA-HRC shall have direct hire authority for the positions listed below starting on May 10, 2010 and running through September 30, 2010.

This conditional DHA is warranted under the criteria of 5 CFR 337.204, based on a severe shortage of qualified candidates. As discussed below, we have determined that the criteria are satisfied:

- (1) *Identification of the position(s) that must be filled.* The Department of the Army must fill 200 full-time permanent, GS-2210, Information Technology positions at the GS-9, and GS-13 through GS-15 grade levels located at Fort Knox, Kentucky for its Human Resource Command.
- (2) *Evidence of a severe shortage.* This hiring need is based upon the Base Realignment and Closure (BRAC) initiative, enacted in the National Defense Authorization Act Fiscal Year 2005 and approved by the President on

September 15, 2005. The BRAC initiative is extremely large and very complex because it involves a world-wide realignment affecting the entire Department of Defense and its war capability. The HRC manages the assignment, training, and deployment for 547,000 soldiers worldwide. The HRC systems management affects the Army's readiness posture and national strategy. In order to comply with BRAC requirements, the HRC relocation must begin June 2010 and be completed by September 2010. DOA cannot afford a gap in access to its Army human resource systems. This relocation poses a significant challenge because DOA's market research shows that there is a severe shortage of individuals with the skills and technical ability to do the work required at HRC.

First, there is an acknowledged shortage of skilled IT professionals in the United States, as evidenced by the fact that leading IT firms are increasingly leveraging a special immigration permit to meet their IT needs. Another common technique is for companies to outsource their IT needs. These are not practicable options for the Army.

Second, the shortage is exacerbated by the fact that the work is being performed out of Fort Knox. Fort Knox is located in north central Kentucky. It is 35 miles south of Louisville and 17 miles north of Elizabethtown. The 100,000-acre plus Army installation covers parts of Bullitt, Hardin, and Meade counties.

HRC positioned advance party teams at Fort Knox over the past year and they have coordinated with local business associations, chamber of commerce and print reports on the local labor market. The following excerpt is provided from the Northern Kentucky Preparedness Assessment:

*Standard measurements: Number of technical workers such as engineers, scientists, researchers and computer programmers, employment rate, percentage of workforce in managerial, professional and technical jobs, quality, strength and relevance of workforce development programs, and the availability of workers from neighboring communities. Baseline for tech metros: As a percent of workforce in managerial, technical and professional jobs, Washington DC ranks first with 48%, Austin 46% and Minneapolis 45%. Atlanta employs nearly 70,000 and Boston 85,000 workers in the computer and mathematical occupations. Meanwhile, Boston employs 30,000 in Science occupations. Northern Kentucky: **Northern Kentucky by itself does not have a large base of technical workers. Only 4.6% of the Cincinnati MSA's workforce is employed in technology related occupations compared to an average 8.5% for the tech metros (emphasis added).** NKY can tap the large base of 200,000 production, 65,000 scientific and 280,000 professional workers within a 50-mile radius. Most firms should have little difficulty finding low-end technical workers in the region at competitive labor rates. **High-end tech workers with Master or PhD engineers and researchers are more difficult to find, and would be expensive to recruit and relocate***

(emphasis added).

The Northern Kentucky Area Occupational Outlook to 2016 also substantiates the projected lack of technical expertise in the area. In addition, Kentucky telecommunications reports show that in 2010, 15% of Kentucky businesses plan on expanding or initiating IT programs in their companies. It will be difficult for the Army to compete with these private sector companies for IT professionals.

(3) Recruiting and hiring efforts to date. Based on historical data concerning previous BRAC initiatives, HRC expects approximately 37% of its relocating employees to elect to move to Ft. Knox. DOA-HRC has recently begun to actively recruit to fill its projected IT positions. There is currently an open job announcement for multiple vacancies, and DOA-HRC is evaluating qualified candidates who apply. DOA-HRC is committed to continuing to use all available procedures to fill its positions and will use DHA as a last resort. Its periodic reports will establish whether those efforts are being successful, and will allow for further consideration of whether to continue or terminate this DHA.

(4) Specification of the duration for which the critical hiring need is expected to exist. OPM anticipates this critical hiring need will exist for the period **May 10, 2010** through **September 30, 2010**.

Based on the above, your authority reads:

DOA-001 issued on the date of this letter under the conditions set forth in this letter to fill 200 Information Technology, GS-2210 positions at the GS-9 through GS-15 grade levels (or equivalent) at Fort Knox, Kentucky. This authority is based on a severe shortage of candidates for IT positions at the Fort Knox location that are critical to support of the Base Realignment and Closure initiative enacted in the National Defense Authorization Act, FY2005 and signed by the President on September 15, 2005. This authority begins on May 10, 2010, and expires on **September 30, 2010**.

Using this DHA

DOA may give individuals in the occupational series shown above competitive service career, career-conditional, term, or temporary appointments, as appropriate, without regard to provisions of 5 U.S.C. 3309-3318 or 5 CFR part 211 and part 337, subpart A.

These appointments are subject to public notice requirements in 5 U.S.C. 3327, 3330 and 5 CFR 330, subpart G, and requirements in 5 CFR 332.402.

In addition, DOA must comply with all relevant laws unless DOA is exempted from such laws pursuant to 5 U.S.C. 3304a(3). Qualified candidates with veterans' preference

should be selected as they are found, just as any qualified non-preference eligible candidate would be. Recommend you take particular care on conducting

pre-employment background and security clearance investigations to ensure clearance and security requirements.

OPM Oversight

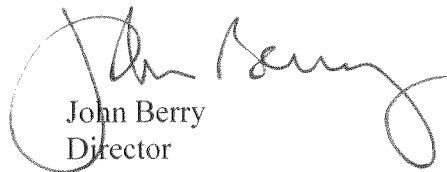
DOA must use two authority codes when documenting personnel actions using the direct hire authority.

The first code "AYM" automatically fills in "Reg. 337.201" on the Notification of Personnel Action, Standard Form 50. The second authority code "BYO" identifies DOA use of this agency-specific authority. Using these two authority codes will help OPM evaluate the use of these authorities without requiring agency reports.

On a periodic basis OPM will determine if continued use is supportable. OPM will monitor DOA use of this authority as well as the continued need for it, and may modify or terminate this authority as appropriate. Failure by DOA to submit the reports required by this approval by the applicable deadlines could result in immediate termination of this authority.

I am confident this authority will help you to fill the mission critical positions identified for the Department of the Army to comply with the National Defense Authorization Act, FY2005 and the Base Realignment and Closure initiative. Please contact Ms. Darlene Phelps at (202) 606-1730 for any additional questions or assistance.

Sincerely,



John Berry
Director