



OFFICE OF THE SECRETARY OF DEFENSE

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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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SUBJECT: In-sourcing Contracted Services – Implementation Guidance Regarding
the AbilityOne Program

This provides clarifying guidance on how to consider contracts awarded under the AbilityOne Program when developing total force in-sourcing plans. In response to the President's memorandum on "Government Contracting" reform, dated March 4, 2009, Secretary Gates announced his goals for reducing the number of contractors and, on April 8, 2009, signed Resource Management Decision 802 which established goals for in-sourcing contracted services. On May 28, 2009, the Deputy Secretary of Defense issued in-sourcing implementation guidance which requires DoD Components to develop and execute plans for in-sourcing contracted services.

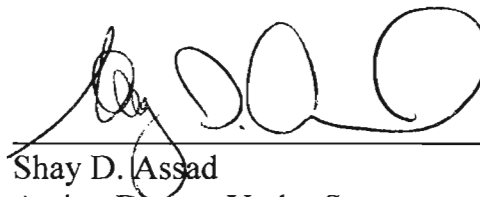
In furtherance of the President's memorandum, the Office of Management and Budget (OMB) issued memorandum M-09-26, "Managing the Multi-Sector Workforce," dated July 29, 2009, that includes an attachment "Criteria for In-sourcing Work Under Public Law 111-8." The Department of Defense is not covered by the specific guidance in the attachment to the OMB memorandum. However, when developing in-sourcing plans and identifying contracted functions for in-sourcing, DoD Component officials shall follow OMB direction that states "Agencies are not expected to evaluate for in-sourcing commercial or industrial type functions that are included, or are planned for inclusion, on the AbilityOne procurement list established pursuant to section 2 of the Javits-Wagner-O'Day Act (41 U.S.C. 47)."

In all cases, if a DoD Component has contracted for services that are subsequently determined to be inherently governmental or entail unauthorized personal services arrangements, the contracted services should be in-sourced as quickly as practicable. In addition, contracted services should be in-sourced if they are required to maintain control of a Defense mission or operation as provided in DoD Instruction 1100.22, "Guidance for Determining Workforce Mix."

Please address procurement policy questions regarding the AbilityOne Program to Ms. Susan Pollack, OUSD(AT&L)/DPAP, at 703-697-8336, susan.pollack@osd.mil. Questions regarding the implementation and management of the Department's in-sourcing initiative may be directed to Ms. Pam Bartlett, OUSD(P&R), at 703- 614-5259, pam.bartlett@osd.mil or Mr. Thomas Hessel, OUSD(P&R), at 703-697-3402, thomas.hessel@osd.mil.



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