



DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF, G-3/5/7
400 ARMY PENTAGON
WASHINGTON, DC 20310-0400

REPLY TO
ATTENTION OF

DAMO-FMP

31 March 2010

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Concept Plan Guidance

1. References:

a. Army Regulation 71-32, Force Development and Documentation – Consolidated Policies, dated 3 March 1997.

b. Army Regulation 570-4, Manpower Management, dated 8 February 2006.

c. Army Regulation 11-2, Army Regulation 11–2, Army Programs, Management Control, dated 1 August 1994.

d. HQDA, G-3/5/7 Concept Plan Guidance, dated 7 September 2006.

e. DepSecDef memo, 28 May 2009, In-sourcing Contracted Services – Implementation Guidance.

f. SecArmy memo, 10 July 2009, subject: Army Policy for Civilian Workforce Management and Service Contracts.

g. VCSA/USA memo, 30 December 2009, subject: Cost-Benefit Analysis to Support Enterprise Decision Making.

2. This memorandum provides guidelines and procedures for submitting a concept plan and in-sourcing initiatives to Headquarters, Department of the Army (HQDA). It supplements Army Regulation 71-32 and supersedes the HQDA, G-3/5/7 Concept Plan Guidance, dated 7 September 2006. This memorandum outlines Army Force Management policy for concept plans, thresholds for concept plan submission, HQDA responsibilities, guidelines, and continues the use of the Command Implementation Plan.

3. Our goal is to build a versatile mix of tailorable and networked organizations operating on a rotational cycle, to provide a sustained flow of trained and ready forces for full spectrum operations and to hedge against unexpected contingencies, all at a sustainable tempo for our All-Volunteer Force. The Army continues to experience tremendous change. We remain at war and continue to transform and rebalance operating and generating forces while simultaneously completing Base Realignment

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and Closure Commission 2005 decisions, implementing Total Army Analysis force structure decisions and addressing the challenge to balance requirements with affordability. This policy pertains to all Augmentation Table of Distribution and Allowances and Table of Distribution and Allowances organizations assigned to the Active Component, Army National Guard, and Army Reserve regardless if the Unit Identification Code is categorized as an operating or generating force unit.

4. The enclosures provide detailed concept plan guidance. The Army, G-37/FMP point of contact is Mr. Michael J. Bush, at DSN: 222-7955, comm: (703) 692-7955, or e-mail: michael.bush@us.army.mil.



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ANNEX A: General Concept Plan Guidance

1. Overview:

a. For the purpose of this memo, the term “Commands” pertains to all Army Service Component Commands, Army Commands, and all designated Direct Reporting Units to HQDA. G-37/FMP is executing concept plan approvals and disapprovals under the policy oversight of the ASA (M&RA).

b. As defined by Army Regulation 71-32, a concept plan is a detailed proposal to create or change one or more units when the level of change reaches a specified threshold. The purpose of a concept plan is to ensure that requirements are thoroughly reviewed and supports Army objectives and priorities. It also, ensures HQDA understanding of the change, and satisfies a variety of HQDA functional interests related to how the organization plans to implement the proposed change. Concept plans are used to request approval of changes to organizational structure, manpower requirements, and equipment requirements. In addition to requesting requirement changes, the concept plan will also be resource informed and will include a resourcing strategy for manpower and equipment authorizations.

c. A concept plan must align with Army goals and policy. A key building block of a concept plan is validating new requirements through work load data, approved models, manpower surveys, or HQDA and TRADOC approved templates. Providing workload based data is a statutory requirement. Commands are encouraged to engage the US Army Manpower Analysis Agency (USAMAA) early in the process to assist with this key step. In addition to workload data, the concept plan must address all requirements, mission authority, possible resource strategies, and command and control arrangements. Concept plans must contain enough information for the HQDA staff to be able to understand the scope and scale of the mission, the new organizational design, and the requirements for the organization.

d. One of the Army’s force management goals is to balance the Generating Force and the Operating Force. The Army must determine the appropriate source of labor (military, Department of the Army Civilian (DAC) and contractors) across all TDA and AUGTDA organizations regardless if they are assigned to the Operating Force or the Generating Force. In HQDA’s current constrained manpower environment each military and civilian requirement and authorization and the use of contractors must be carefully scrutinized. For military manpower, we must ensure it provides the best use of military unique knowledge and skills. (See Annex F for the definition of military essentiality.)

e. HQDA is also operating in a constrained resource environment. This places pressure on civilian and contract pay dollars. For the foreseeable future, the Army is accepting resource shortfalls in the Generating Force to ensure Operating Force capacity. Additional resources (manpower and dollars) may not be available to support

new or directed TDA or AUGTDA mission requirements. The addition of military authorizations with a net effect of giving a resource bill to the Army will require careful review and may not be supportable. Trade-offs will be required within approved Total Obligation Authority (TOA) and end strength to support critical initiatives. Therefore, all concept plans that request additional military and/or civilian requirements and authorizations must include a proposed bill payer strategy by grade using existing authorizations from inside the Command. All concept plans will require offsets and a cost-benefit analysis prior to HQDA approval.

f. If HQDA has directed the mission and the Command is not resourced to execute the mission and requires additional military and/or DA Civilian requirements and authorizations, then the command will provide the mission directive authority with the concept plan and have a memorandum signed by a General Officer in the Command prior to submission. All requests for additional requirements must be workload based. Commands must be prepared to resource concept plans from within the Command's available authorizations and TOA. Also, G-37/FM may direct the realignment of military authorizations from lesser priority missions within the command to resource the concept plan.

g. The Operational or Modified Table of Organization & Equipment (MTOE) Army has a systematic, disciplined methodology for organizational design centered on the Force Design Update (FDU) process. The FDU process determines Army doctrinal, organizational, training, materiel, leadership and education, personnel and facility requirements and then translates them into programs and structure. The concept plan performs this function for TDA/AUGTDA organizations. The concept plan process remains the critical feature to the TDA/AUGTDA requirements process.

h. To ensure compliance with AR 600-13 (Army Policy for the Assignment of Female Soldiers) all military positions impacted by a concept plan will be identified as gender neutral. Exceptions to this policy must be submitted IAW AR 600-13 (paragraph 2-4b).

2. Thresholds:

a. AR 71-32 currently outlines the following threshold events that normally would trigger the submission of a concept plan to G-37/FMP. Paragraph 2.b outlines additional thresholds applied by HQDA.

(1) Introduction of a new unprogrammed MTOE/TDA organization into the Army force structure. A concept plan is not required to introduce a new MTOE unit into the Army force structure, if it is approved during Total Army Analysis and the MTOE organization is developed from an approved TOE or part of the Force Design Update approval process unless the command is establishing or activating a MULTI-COMPO UNIT (MCU). The sponsoring component of a MCU must submit a concept plan after coordinating with and obtaining concurrence from all resourcing component(s) and Commands.

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(2) A deviation from MTOE or TDA organizational structure, standardization, stabilization policies and guidance in AR 71-32. Exception MTOEs will continue to be approved by the Director, Force Management and are exempt from the concept plan submission requirement.

(3) A change in MTOE unit Authorized Level of Organization (ALO) without prior HQDA approval.

(4) Creation of a new MTOE unit based upon new or changed doctrine.

(5) A change to a TDA organization's mission or functions that will involve placing increased demands on HQDA for personnel, equipment, funds and facilities.

(6) Reorganization of a TDA unit at or above directorate level (guideline: one level lower than the commander or director).

(7) Establishment or reorganization of an Army Management Headquarters Activity (AMHA).

(8) Movement of a mission, function, or unit from one Command to another, if reorganization is involved.

b. HQDA continues to provide oversight of the TDA requirements determination process. HQDA continues or adds the following thresholds:

(1) New military requirement.

(2) New civilian requirement. This does not include OCAR / ARNG Military Technicians. Requests for Military Technicians must be submitted and processed by OCAR and ARNG IAW AR 135-2 and AR 140-315.

(3) Requests for additional Paid Parachute requirements and authorizations that exceed a Command's existing ceiling.

(4) Documentation of contractor requirements and authorizations which do not have a Panel for Documentation of Contractors (PDC) validation as of 1 April 2010. Follow instructions in Annex B and C.

(5) In-sourcing or conversion of contractor or Contract Manpower Equivalent (CME) manpower to Department of the Army Civilians for CMEs with an X MMC code requires a concept plan containing an economic analysis before in-sourcing or conversion to an Army Civilian. Follow instructions in Annex B and D.

(6) HQDA directed increases in specified number of requirements and / or authorizations to support HQDA guidance or regulation (e.g. EO Advisors, etc.) must be workload- based. A concept plan prepared by the HQDA proponent directing the

increase or by the Command as directed by HQDA is required for USAMAA workload assessment and G-37/FM requirement review prior to implementation.

(7) To request the establishment or the addition of one or more funded or unfunded requirements to a mobilization TDA (MOBTDA) or AUGTDA including Joint and Defense organizations.

3. The following Command manpower reprogramming actions do not require the submission of a concept plan (but must adhere to HQDA guidance):

a. Process document changes IAW AR 570-4, chapter 10. This policy delineates procedures for obtaining HQDA approval and streamlining the approval of document changes. This process is to continue with submission by the policy proponent offices to G-37/FMP which will coordinate the results with the US Army Force Management Support Agency (USAFMSA) for documentation.

b. The in-sourcing or conversion of contractor or Contract Manpower Equivalent (CME) manpower to Department of the Army Civilians does not require a concept plan for documented CME with PDC-validated Manpower Mix Criteria (MMC) codes of E, H or higher (See Annex F).

c. The realignment and/or reprogramming of existing military or civilian requirements (zero-sum) with or without authorizations during the POM build using the Schedule 8 process. These changes will be reviewed by G-37/FMP to ensure the realignment supports the stated objective of the change. NOTE: G-37/FM controls all military requirements and authorizations. G-37/FM only controls DA Civilian requirements, not authorizations. The PBAT and / or PEGs can disapprove this action based on related movement of dollars. Again, pre-coordination with the PEG is the key to success.

d. Changes to Joint or Defense Manpower will be based on a Program Decision Memorandum (PDM), Program Budget Decision (PBD), Resource Management Decision (RMD), Director of National Intelligence Decision Document (DDD), G-1 change sheets, or Joint Implementers.

e. Inter-Command Transfers: Movement of a mission, function, or unit from one Command to another does not require a concept plan; however, G-37/FMP does require a copy of the memorandum (MOA or MOU) signed by the losing and gaining command except when Schedule 8s are submitted to correct a previously approved inter-command transfer.

f. Controlled Programs: Changes to programs such as; Senior Executive Service (SES), Army Management Headquarters Activity (AMHA), Defense Health Program (DHP), National Intelligence Program (NIP), General Officer (GO), Title XI, Special Operations Forces (SOF), or Counter Drug programs will be directed actions. Commands must gain proponent approval for changes to authorizations for controlled

programs. G-37/FMP must still review directed changes for compliance with manpower directives and will be responsible for the documentation strategy.

4. HQDA continues to provide oversight of the TDA requirements determination process. Each mission and new manpower requirement must be evaluated carefully since total Army requirements exceed current available manpower, both military and civilian. All new requirements must be validated based on workload and all existing requirements must be re-validated based on workload as necessary to meet 10 USC section 129 requirements. Each commander (for purposes of OA22, Headquarters Principals are the responsible officials) is required to certify on an annual basis at conclusion of Command Plan that he or she is managing the civilian workforce solely based on workload within available funding. For the purposes of certification, a new requirement involves any change in manpower requirements resulting from new missions or reorganizations at or above directorate level. For these purposes, "managing based on workload" means that all civilian hires are only being executed against validated requirements and that this validation involves HQDA approved models, manpower studies or approved concept plans. This certification includes changes in manpower made during the Schedule 8 process. ASA M&RA will provide additional guidance on this process.

5. Command Implementation Plans (CIP): To streamline the concept plan process Commands are permitted to submit a CIP as an alternative to a concept plan. It will be used to reorganize either a single unit identification code (UIC) or several UICs residing on the same installation as long as total requirements and authorizations do not increase and there are no AMSCO/MDEP/CTYPE/REIMS/REIMC changes. On a case by case basis, Commands with multiple units that are split based and geographically separated may request G-37/FMP approval to use the Command Implementation Plan. A CIP will consist of a memorandum with an explanation of the reorganization and an attached crosswalk from the latest HQDA approved TDA to the proposed TDA organization. The proposed TDA will have a Section I, II, III and IIIS consisting of the proposed mission, personnel, and equipment requirements and authorizations. Command Implementation Plans will continue to have a focused HQDA staffing based upon the complexity of the reorganization. No screening is required by USAMAA. These plans will be reviewed by G-37/FMP and then be provided to selective members of the HQDA staff for review. G-1 will continue to conduct a personnel supportability analysis of the proposed organization to include grades and skill sets for both military and civilian. G-37/FMP will conduct a final review of CIPs and recommend implementation instructions to the Director, Force Management.

6. Manpower Studies: All studies must be approved by USAMAA before using them as justification for a concept plan or a command implementation plan. For the purpose of this guidance manpower studies are classified in two groups: Major and Minor studies.

a. Major studies are defined as studies requesting a total of 21 or more requirements. These types of studies, once approved by USAMAA, will be submitted as part of a concept plan, where the normal concept plan rules apply.

b. Minor studies are defined as studies requesting a total of 20 requirements or less. For minor studies, the process will be streamlined to follow a path similar as to that of a CIP. This process will be used to add or subtract requirements to either single unit identification code (UIC) reorganization or several UICs that were all part of the same manpower study. Submission will consist of a memorandum with an explanation of the reorganization, the study approval memo from USAMAA, and an attached crosswalk from the latest HQDA approved TDA to the proposed TDA organization. The proposed TDA will have a Section I, II, III and IIIS consisting of the proposed mission, personnel, and equipment requirements and authorizations. G-37/FMP will provide these documents to selected members of the HQDA staff for review. G-37/FMP will complete a final review and recommend implementation instructions to the Director, Force Management.

7. Staffing of Concept Plans:

a. Commands submit all concept plans to G-37/FMP for HQDA/Command staffing. G-37/FMP's Force Structure Command Managers (FSCMs) are responsible for staffing and coordination of issues concerning force structure concept plans. G-37/FMP's Program Budget Guidance (PBG) Command Managers are responsible for staffing and coordination of issues concerning in-sourcing concept plans. All concept plans will be evaluated for compliance with AR 71-32 and this policy memorandum before distributing them for staffing. Concept plans must include a sufficient level of detail to permit analysis of the proposed organization and its manpower and equipment requirements. Detailed workload data and crosswalk spreadsheets from current HQDA approved TDAs to the proposed organization are essential. Command Managers will return concept plans to the Command if they lack sufficient information for staffing.

b. After G-37/FMP review, concept plans (excluding in-sourcing Concept Plans submitted under Annex D) are sent to USAMAA for initial screening. USAMAA will review the manpower and workload data within the concept plan. Upon response from USAMAA, G-37/FMP will either send the concept plan to the HQDA staff for formal staffing or formally return it to the Command for additional work and analysis. If it is returned to the Command, it is recommended that the Command work with USAMAA to correct the shortcomings in the concept plan. After the Command has completed its review and has resubmitted the concept plan to G-37/FMP, it will be sent to the HQDA staff for formal staffing. To help avoid any workload issues that may hold up the staffing and final approval of a concept plan, commands are encouraged to informally request USAMAA to review their concept plan prior to submitting it to G-37/FMP for formal staffing.

c. Since each concept plan is unique and functionally oriented, G-37/FMP Force Structure Command Managers will determine which particular Command and HQDA offices need to review the concept plan. At a minimum concept plans will be staffed with the following organizations: appropriate Program Evaluation Groups (Training, Manning, Equipping, Sustaining, Installations and Organizing); ASA (M&RA); ASA-

FM&C; G1-PRP; G-37/FMF; G4-SIF; G8-PAE; US Army Manpower Analysis Agency (USAMAA); US Army Force Management Support Agency (USAFMSA); US Army Center of Military History (USACMH); and G-37/FMP PBG Command Managers. Within their functional areas of expertise, HQDA elements are expected to evaluate a concept plan based on the mission, function, organization, workload, capability, proposed manpower and equipment requirements and resourcing. As part of the resourcing strategy for civilian requirements, PEGs should comment on their ability to resource the requirement.

d. HQDA Responsibilities:

- ASA FM&C: Validates costs and approves methodologies used. Functional proponent that provides budgetary assessments and impacts of implementing future Army budgets.
- ASA M&RA: Provides oversight of manpower, personnel, training, mobilization, force management, Army organization and force structure functions for all components of the Army. Co-chair for Organizing, Training, and Manning PEGs. Proponent office for in-sourcing or CME to DAC conversions, the contractor inventory review process or PDC, and MMC coding.
- ASA CW: Provide policy oversight of the Civil Works program.
- ACSIM: Provide policy and program guidance on all matters relating to the overall management and resourcing of Army installations worldwide. Review the availability of efficient, effective base services, programs and facilities. Responsible for coordination with the Installation PEG.
- ASA (AL&T): Member of PDC and supports contractor inventory review process which it enforces through the SECARMY checklist for inherently governmental functions.
- G-1: Functional proponent for review of military and civilian manpower requirements and authorizations. G-37/FMP will submit all concept plans to DAPE-PRP-OA as the central point of contact for G-1. Responsible for coordination with the Manning PEG. Also responsible for Army Management Headquarters Account (AMHA) control and review and for ensuring compliance with AR 600-13 (Army Policy for the Assignment of Female Soldiers).
- G-2: Functional proponent for issues involving intelligence organization and operations to include Army language skill programs.
- G-33/OD: Functional proponent for issues involving readiness, current operations and mobilization operations.
- G-37/TR: Functional proponent for issues involving institutional training, unit training (including OPTEMPO, ammunition, and Training Support Systems), civilian and military leader development and civilian training implications. Responsible for coordination with the Training PEG.
- G-35/SS: Functional proponent for oversight of strategic concepts, policy and planning implications.

- G-37/FMP PBG Command Managers: Validates the availability of military, civilian, and CME manpower in the budget across the POM; and identifies impacts on Controlled Manpower Programs. Validates correct MDEP and AMSCO application.
- G-4: Functional proponent for issues involving sustaining operations, equipment, and materiel readiness. Responsible for coordination with the Sustaining PEG.
- G-6: Functional proponent for the strategic direction, objectives and oversight of all Army C4 and Information Technology functions.
- G-8/PAE: Functional proponents to access, integrate, and synchronize The Army Program over the POM.
- G-8/FD: Functional proponent that provides equipment resource implications and impacts. Responsible for coordination with the Equipping PEG.
- OTJAG: Responsible for reviewing concept plans for compliance with relevant statutory, regulatory and policy concerns.
- Chief, Army Reserve (OCAR/USARC): Plan, program, and budget for resourcing of USAR FTS requirements.
- Chief, Army National Guard (ARNG): Plan, program, and budget for resourcing of ARNG FTS requirements.
- USAMAA: Provide strategic level analyses of major programs and initiatives, and utilizes models, performance metrics, and on-site analysis to determine work load requirements based on validated missions.
- USAFMSA: Manages the Army's documentation processes to include compliance with AR 570-4 and AR 570-7. Review will focus on transitioning from the current approved document to the proposed TAADS document.
- Center of Military History (AAMH-FPO): Approves official unit designations and coordinates with G-37/FMP for implementation in SAMAS (Structure and Manpower Allocation System) and Defense Readiness Reporting System-Army (DRRS-A).
- PEGs: As part of the resourcing strategy for civilian requirements. PEGs should comment on their ability to resource the requirement.

8. Approval Process:

a. Each staff section will have two weeks to review a concept plan and return it to G-37/FMP with a concurrence, a concurrence with comment, or a non-concurrence with comment. If a staff section requires additional time to resolve issues then the FSCM may grant an additional two weeks for issue resolution. G-37/FMP will attempt to resolve all issues or non-concurrences prior to sending forward a concept plan to the leadership for decision. If reconciliation is not possible G-37/FMP will outline the Command's or HQDA's position and send the concept plan forward for decision.

b. The approval authority for a concept plan will depend on its complexity and the nature of the change. Concept plans are normally approved by the Director, Force

Management. For concept plans with wide ranging implications or changes, or senior leader interest, the G-3/5/7 or the VCSA may be the approval authority.

c. Based upon HQDA staffing, G-37/FMP will recommend and the Director, Force Management will make a decision on an organization/unit's structure, manpower and equipment requirements. In HQDA's current constrained manpower environment the Generating Force will be working inside an Army assigned military limit or cap. There is no cap or limit on the number of DA civilians or CMEs that can be assigned to a Command. However, these resources are limited by the budget.

(1) Military requirements and authorizations. The Director, Force Management (DFM) can approve or disapprove all or some lesser number of military requirements and authorizations.

(a) If the concept plan is resource neutral for military manpower the DFM will review and either approve or disapprove the Command's bill payer strategy.

(b) If the concept plan is requesting additional military manpower the DFM will review and either approve or disapprove the concept plan. If the concept plan is approved, the DFM has several options for a resourcing strategy.

{1} The requirement will be recognized as an Army priority and the military authorization will be allocated across the POM, at no bill to the Command.

{2} The requirement will be recognized as an Army priority however it is acknowledged that it will result in overstructure. Therefore the authorization has a sunset clause which will direct the authorization be terminated after a period of time. Again, the authorization will be allocated for a period of time at no bill to the Command. It is recognized that this will cause an operating strength deviation. The sunset clause is documented by intentionally entering zero for manpower in SAMAS and PROBE after the sunset year.

{3} The requirement will be recognized however the Army will not allocate an authorization to support the requirement. The requirement would then compete in the next Total Army Analysis (TAA) for resourcing.

{4} The requirement will be recognized, however G-3/5/7 would direct the command to realign an authorization from a lower priority mission.

(2) Department of the Army Civilians manpower requirements and authorizations. The Director, Force Management can approve or disapprove all or some lesser number of DAC requirements. Approved DAC requirements must then compete in the Program Objective Memorandum (POM) / PEG process for funding and if approved, G-1 will provide the authorizations. In most cases civilian manpower will be positioned to compete for resourcing against the Army's priorities during the next POM/PBR cycle. G-37/FM cannot approve funding or DAC authorizations.

(3) Contract Man-year Equivalent (CME) requirements. The Director, Force Management can approve or disapprove all or some lesser number of CME requirements. Approved CME requirements must then compete in the Program Objective Memorandum (POM) / PEG process for resources (dollars) to fund CME authorizations.

(4) TDA Equipment. TDA equipment requirements that meet HQDA review thresholds will either be approved as part of the concept plan process or be referred to the HQDA TDA Unit Equipment Review and Validation Board (ERVB).

d. Once a concept plan is approved the G-37/FMP FSCM will send the concept plan approval memorandum to the appropriate Command and will provide an information copy to ASA M&RA, appropriate HQDA staff POCs, and USAFMSA. The FSCM will coordinate SAMAS entries and TAADS documentation of the approved concept plan. Changes to civilian end strength and work years that require APE/MDEP/CTYPE reprogramming will be submitted during the POM as part of the Command's Schedules 8s. General Orders are done at HQDA level by the proponent and permanent orders are done by the Command.

9. Guidelines:

a. Concept plans may be submitted at any time. However, to be considered for resourcing during the next budget cycle, they must be approved by 15 December for the upcoming POM cycle. Depending on their complexity, concept plans usually require 30-90 days from the time they are received at HQDA until a decision is reached. Therefore, concept plans should be received by G-37/FMP no later than 30 September in order to be included in the resourcing cycle that begins in the December timeframe each year. Unresourced civilian requirements must compete for funding in the POM and budget process; the G-3/5/7 can approve civilian requirements only, not funding. The Command Plan process (July - June of each year) normally documents the Army force two years out, but may document one year out by exception. The Command Plan process will include a review of all approved concept plans for implementation compliance.

b. A successful concept plan submission will result in the approval of an organization/unit's structure, manpower and equipment requirements. A decision will be provided for the allocation of military manpower or the Command will be provided a way ahead. TDA equipment requirements that meet HQDA review thresholds will be either approved or referred to the HQDA TDA Unit Equipment Review and Validation Board for a resourcing and documentation decision. Civilian manpower requirements will be positioned to compete for resourcing against the Army's priorities during the next POM cycle or be paid internally by the command.

10. Way Ahead: The key to success is increased standardization and efforts to support the development and validation of models that are responsive to mission and workload

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change. These initiatives will decrease the number of concept plans and will apply a systematic approach to TDA organizational design; however the diversity within the Generating Force is one of its most striking features. Unlike operating forces, most TDA organizations vary significantly from others in size and structure and perform unique, complex functions across a broad expanse of activities not duplicated elsewhere (with minor exceptions). As a result of this diversity, TDA organizations generally are not subject to “one size fits all” kinds of change, except at the highest level, where common policy and procedures govern all Army organizations. Initiatives introduced in one TDA organization to generate effective change, therefore, may not be meaningful for other TDA elements. The Army Enterprise initiative may assist future TDA organizational design.

ANNEX B: Concept Plan Preparation

1. Organizations will prepare concept plans in the following format (an electronic version in MS Word, Excel, and PowerPoint) and submit them through their higher Army Command, Army Service Component Command or Direct Reporting Unit (referred to as Commands hereafter) offices or appropriate command channels to HQDA, ODSC G-3/5/7 (DAMO-FMP). The use of abbreviated concept plans is discontinued.
2. Detailed workload data and crosswalk spreadsheets from current HQDA approved TDAs to the proposed organization are essential. They enable complete analysis of military and civilian grade and skill requirements and facilitate review of the manpower resourcing strategy. This analysis will trace bill payers, identify shortfalls and ensure compliance with standards of grade and manpower policies. Again, all concept plans must contain a proposed bill payer strategy.
3. All concept plans will have a one to two page executive summary in addition to the information outlined below. Provide key facts in the executive summary.
4. Subject. Short, descriptive title of the action, which includes the name of the unit and its proponent Command or HQDA staff agency.
5. Cost Benefit Analysis: In today's resource-constrained environment, the Army must exercise wise stewardship of every dollar it manages. A key element in that stewardship is to develop and use sound Cost Benefit Analysis (CBA) practices throughout all requirement/resourcing processes. For every proposed program, initiative or decision point that is presented to decision makers, it is important to provide an accurate and complete picture of both the costs to be incurred and the benefits to be derived. The Senior Leaders of the Department of the Army have directed that any decisions involving Army resources be supported by a CBA. All concept plans will have a CBA included. The eight major steps are:
 - A. Develop the Problem Statement, Define the Objective and the Scope
 - B. Formulate Assumptions and Identify Constraints
 - C. Document the Current State (the Status Quo)
 - D. Define Alternatives with Cost Estimates
 - E. Identify Quantifiable and Non-Quantifiable Benefits
 - F. Define Alternative Selection Criteria
 - G. Compare Alternatives
 - H. Report Results and Recommendations

6. Cost Benefit Analysis Steps – A Short Summary

Develop the Problem Statement; Define the Objective and the Scope

The problem statement clearly defines the problem, need, or opportunity that requires a solution and describes what the effort intends to accomplish.

The objective of the effort is to improve, reduce, or increase some aspect of a process, procedure, or program. Objectives should be measurable, realistic, achievable, and results-oriented. Simply put, objectives are measurable outcomes.

Scope defines the range of coverage encompassed by an initiative or proposal along specific dimensions like time, location, organization, technology or function.

Formulate Assumptions and Identify Constraints

Assumptions are factors or conditions that are essential to the success of the solution and are beyond the control of the organization. Assumptions define the ground rules and accepted statements in order to limit the scope of the CBA. They are explicit statements of conditions on which the CBA is based.

Constraints usually refer to limits placed on resources to be devoted to the project. Constraints or barriers are normally beyond the control of the analyst and provide limitations within which analyses take place.

Document the Current State (the Status Quo)

This defines and assesses the current state/ condition. This should include a presentation of the estimate of costs associated with the status quo.

The status quo alternative of the CBA is the “baseline” program or system against which the costs and benefits of all feasible alternatives are compared.

Define Alternatives with Cost Estimates

Alternatives are potential solutions to the problem statement which will be evaluated in the CBA.

Alternatives should reflect a review of the mission and strategic goals to verify that the alternative’s objectives are consistent with the problem statement.

A cost estimate captures the total cost of each alternative over its entire life cycle and is a summation of all relevant cost elements.

Identify Quantifiable and Non-Quantifiable Benefits

Benefits are results expected in return for costs incurred for a chosen alternative. They are the quantitative and qualitative improvements expected or resulting from the implementation of an alternative.

Quantifiable benefits are benefits that can be assigned a numeric value such as dollars, physical count of tangible items, or percentage change.

Non-quantifiable benefits are subjective in nature and can make a positive contribution to the analysis. Some examples of non-quantifiable benefits are improvement in morale and customer satisfaction.

Define Alternative Selection Criteria

Alternative selection criteria are those standards/bases on which a decision will be based. CBAs must contain documentation that outlines decision criteria and identifies the extent to which each alternative satisfies each of the criteria.

Compare Alternatives

a. Compare Costs and Benefits

The essence of the CBA process is in comparing the costs and benefits of two or more alternatives (including the status quo) in order to select the preferred alternative.

As a general rule, the preferred alternative is the alternative that provides the greatest amount of benefits in relation to its cost.

b. Define Trade-offs and Billpayers

Trade-offs / billpayers are the funding sources that have been identified which will cover (partially or entirely) the costs of an alternative.

c. Identify Second and Third Order Effects (Cause and Effect)

Second and third order effects are the results (consequences and/or impacts) stemming from a decision. They include the opportunity costs of pursuing one alternative over another. Second and third order effects identify what a decision maker can do or not do as a result of a decision.

d. Perform Sensitivity Analysis and Risk Assessment

Sensitivity analysis explains what the effect is on the cost/benefit model should assumptions change, risks become issues and/or dependencies not be met.

Risk assessment describes all risks that can impact the achievement of stated benefits or the cost of solving the business problem. Each risk has an associated mitigation strategy and an assessment of likelihood of occurrence.

Report Results and Recommendations

Results and recommendations summarize the findings of the analysis and make conclusive statements about the comparisons of alternatives.

The conclusions should demonstrate the cost/benefit relationships between each alternative.

The results address how the alternatives were ranked using the criteria developed in Step 6. Following a clear statement of the conclusions, there should be a firm recommendation regarding the preferred alternative.

- Identify Supporting Documentation

All data and other information used in Steps 1-8 must be adequately documented. Supporting information should be identified so decision makers and analysts can understand how Steps 1-8 were developed.

6. The concept plan must also include a detailed Mission Analysis. Is the mission required by law or regulation, HQDA or higher Command directed, Command/Agency initiative or assumed (should it be performed by some other unit/organization)? Reason or threshold for proposing the concept plan (i.e. correction of deficiency, new requirement, restructuring, etc). The mission directive can include those missions received from Combatant Commanders (COCOM) as well as Headquarters Department of the Army regulations, policies, etc. The analysis should be presented in the following format:

A. Mission Statement: An active statement of the mission to be performed by the organization.

B. Mission Source: Cite the official mission source (i.e. Title X US Code, HQ DA General Order No.xx, AR yy para 1 etc.)

C. Mission Functions: List a limited number of functions to be performed by the organization. This should be from 3-5 functions, not a list of tasks. These functions will be used as the basis for your workload analysis part of the manpower analysis requirement of a concept plan.

D. Detailed Mission Analysis: what is the impact of eliminating or scaling back performance? If the mission is not new, how and by whom has it been accomplished in the past? Reason or threshold for proposing the concept plan (i.e. correction of deficiency, new requirement, restructuring, etc)

7. Execution. Discuss briefly how the concept plan will be executed to include requested E-dates and justification. Describe measurable efficiencies and improved capabilities resulting from the concept plan. Include an organizational efficiency review or a business process review if completed. Describe the command and control structure if the concept plan recommends a new TDA organization.

8. Manpower Analysis. See Annex E, Manpower Analysis, for a more detailed discussion of this topic. Describe method used to determine existing and proposed requirements. (HQDA manpower survey, Command delegated manpower requirements certification authority or a logical justification for manpower requirements). The concept plan should contain sufficient workload data that validates the requested requirements and should ensure that the requested requirements are for expanded and authorized missions. What workload is specifically generated to support accomplishment of this mission? Is this an increase or decrease from past performance? If an increase, is it a short-duration increase or long term? Review AR 570-4, chapters 3 and 4. Questions to consider for various types of personnel are:

a. Active Component Military. Is it an essential military function? Does it require unique military knowledge and skills? Provide job description and workload data to support the requirement. See Annex F for the definition of "military essential" function.

b. Reserve Component Military. Is it an essential military function? Does it require unique military knowledge and skills? Provide job description and workload data. Reserve Component soldiers from the ARNG and the USAR must be addressed by the component and particular categories impacted (AGR or TPU). ARNG and/or OCAR/USARC must approve any Active Guard and Reserve (AGR) positions as appropriate. G-37/FMP will staff the concept plan with OCAR/USARC and ARNG however it is recommended that the Command complete coordination prior to submission. NOTE: Any FTS requirements approved in a concept plan must compete for resourcing with all other FTS requirements.

c. Civilians. Is it an inherently governmental or closely associated with inherently governmental or personal service? Is it required for continuity of operations? Provide job description and workload data to support the requirement.

d. Contractors. Is it a non-inherently governmental function? What is the cost? Provide a cost and benefit comparison for using Department of the Army Civilians instead. Provide workload data to support the requirement.

9. Summary of Changes. State how the changes will be resourced. All concept plans must contain a proposed bill payer strategy.

a. Personnel. Summarize personnel requirements (additions, changes, reductions) by category as listed below.

(1) Active Component Military. Identify internal authorized Command bill payers.

(2) Reserve Component Military by specific category (ARNG, USAR).

(3) Civilians. Identify internal Command bill-payers.

(4) Contractors. Identify the source of funding for contractors and/or contracts. Identify requirements by Federal Supply Classification (FSC).

b. Controlled Programs. Address impacts.

c. DoD Manpower Mix Criteria: Recommend coding. See Annex F.

d. Equipment (list all additional equipment required, including controlled items in SB 700-20 Chapter 2 and 4, and the HQDA Intensely Managed Line Item Number (LIN) list). These will be staffed with the concept plan. If approved as part of the concept plan there is no requirement for them to be submitted to the HQDA TDA Unit Equipment Review and Validation Board. If G-8/FD requires further justification or further review then the Command will have to submit the required LINs to the HQDA TDA Unit Equipment Review and Validation Board through the G-37/FMP Force Structure Command Manager before they can be documented.

e. Facilities Requirements (by funded project and FY programmed). Provide an assessment of facilities required to support the concept plan and how those facilities will be funded. State if current facilities will be used. If facility requirements are unknown then provide an estimate and ACSIM will help develop the requirements.

f. Funding. State appropriation funding requirements for each affected fiscal year, status of funding availability and any known/expected shortfalls.

g. Organizational or Standardization impact. Discuss any deviation from organizational or standardization policy /guidance. Also state whether this is directly in support of an approved Force Design Update (FDU) or HQDA-directed action (i.e. GDP, BRAC, etc).

h. Recommended E-Date and justification. Specify E-Date, for example 1 Oct 2012, not "as soon as possible".

i. Readiness Impact. Identify any readiness effects of either not approving the concept plan or delaying it past the recommended E-Date.

j. Other Units Affected: List UICs and names of units impacted by this concept plan, and their Command if outside the submitting Command.

k. Stationing: Identify any thresholds in AR 5-10 Stationing that will be breached, as appropriate. If there is a stationing issue, then submit a stationing proposal as an enclosure.

l. Political Sensitivities: Describe any known or possible political sensitivities that should be made known to HQDA.

m. Point of Contact: Name, office symbol, e-mail address, and DSN number of the point of contact.

10. List of required supporting enclosures.

a. Proposed TAADS document (Sections I, II, III, IIIS) for each affected organization required in WINTAADS format. The WINTAADS format can be created in FMSWeb by selecting the spreadsheet option for exporting data and then subsequently selecting the TAADS/WINTAADS 9.3 format box (Consult your USAFMSA Army Command/ASCC/DRU Document Integrator for more specifics).

b. Excel Spreadsheet (No PDF files) with manpower para/line level of detail crosswalk from the latest approved TAADS document to the proposed structure as an Excel file. Clearly identify bill payers, new positions, and account for every personnel requirement and authorization. Data for civilians must include Commercial Activities Function Code (CAFC) and data for CMEs must include the Federal Supply Classification (FSC) code. Spreadsheet must include FY, Document Number, and Command Control Number (CCNUM).

c. Manpower Schedule 8 in Excel format.

d. Spreadsheet with equipment para/line level of detail crosswalk from the latest approved TAADS document (WINTAADS format) to the proposed structure. Address increase/decrease of equipment by LIN with justification/rationale.

e. Summary Spreadsheet. This spreadsheet provides a summary of all changes (additions, deletions, transfers, etc) that are taking place in the concept plan by UIC/Unit Name/E-Date/ personnel structure (OFF/WO/ENL/CIV/CME/AGG by MDEP and AMSCO). NOTE: For complex concept plans, on a case by case basis G-37/FMP may accept a summary of all changes instead of a detailed crosswalk.

f. Cost Benefit Analysis.

g. Requests for assignment of new UIC (if applicable). If a new organization is created, a UIC request is required. The following information is required for G-37/FMP to process a request a new UIC:

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- (1) Proposed Unit Designation.
- (2) Command Assignment.
- (3) Proposed TPSN. The recommended TPSN will follow G-37/FM guidance provided in NEW TPSN design memo.
- (4) Station Code and/or Geographical Location Code.
- (5) Specific Location (e.g. Camp Red Cloud, Republic of Korea).
- (6) Proposed E-Date.
- (7) Component (1 Active Army, 2 National Guard, 3 Army Reserve).
- (8) Type (1 MTOE, 2 AUG TDA, 3 TDA).
- (9) Mission statement. Brief description to aid in assignment of TPSN.
- (10) Proposed ACP DP 99 code and justification.

h. Supporting information (slides, etc) that can help communicate the concept plan in a clear, easily understood manner.

ANNEX C: Contractor Documentation

1. Contractor documentation is required to fulfill new statutory contractor reporting, review and planning requirements prescribed by 10 United States Code section 2330a(c) through (f) and SecArmy policy (reference f). In some cases, the results of this review process may mandate or permit the in-sourcing of certain contracted activities.
2. Approval of new contractor documentation requires justification and analysis in a concept plan to support:
 - A. the mission authority for performing the work;
 - B. the workload supporting the requirement based on Annex E;
 - C. justification that the contract does not duplicate organic capabilities;
 - D. identification of the function performed by Federal Supply Classification (FSC) code;
 - E. identification of the OSD Function Code of the requiring activity supported by the contractor;
 - F. identification of the Unit Identification Code of the requiring activity
 - G. the Manpower Mix Criteria Code (MMC) validated on the PDC and based on an application of the Sec Army checklist for inherently governmental functions at <http://www.asamra.army.mil/insourcing>; and
 - H. an economic analysis comparing the cost of in-house performance to contract performance as required by DepSecDef guidance for functions coded "X" (commercial functions that are not coded E (inherently governmental) or H (closely associated with inherently governmental or unauthorized personal services). See Annex D.
3. The Panel for Documentation of Contractors (PDC) has been established to document the results of the annual review of the Contract Manpower Report (CMR) prescribed by 10 United States Code section 2330a(c) through (f). See Annex G. No contractor documentation may proceed without a PDC determination approved by ASA M&RA.
4. Commands may nominate in-sourcing candidates based on PDC results using a schedule 8 format when directed for review by the PBAT and PEGs to ensure that a valid funding source exists before civilian authorizations are added. A concept plan, with an economic analysis is required if the PDC classifies a position nominated for conversion as code X. In-sourcing may be mandated by HQDA based on MMC coding or the results of a CME concept plan economic analysis. ASA M&RA will provide additional guidance on this process.

ANNEX D: In-sourcing of Contract Manpower Equivalent (CME) to Department of Army (DAC) Civilians

1. Commands (to include Joint Activities for which the Army is the Executive Agent) may nominate in-sourcing candidates based on PDC results using a manpower and dollar schedule 8 format throughout the year for review by the PBAT and PEGs to ensure that a valid funding source exists before civilian authorizations are added. Requests for conversion will be submitted to G-37/FMP PBG Command Managers.
2. A concept plan with cost analysis is required if the PDC classifies a position nominated for conversion as code X. CME validated by PDC with MMC Codes of B, E or H may be converted to a DA Civilian without an economic analysis. Cost analysis determines the amount of savings for an in-sourcing concept plan across the POM years by employing DACs instead of CMEs. Guidelines for completing the cost analysis are provided below. A PDC decision validating code X is required before submitting a conversion plan based on a cost analysis.
3. Controlled Programs. Address impacts to Army Controlled Programs including Army Management Headquarters (AMHA), Defense Health Programs (DHP), or National Intelligence Program (NIP).
4. Facilities Requirements (by funded project and FY programmed). Provide an assessment of facilities required to support the in-sourcing plan and how those facilities will be funded. State if current facilities will be used. If facility requirements are unknown then provide an estimate and ACSIM will help develop the requirements.
5. Implementation. Discuss briefly how the in-sourcing plan will be implemented to include requested E-dates and justification.
6. Point of Contact: Name, office symbol, e-mail address, and DSN number of the point of contact.
7. Manpower Schedules 8 will be submitted to the FMP PBG Command Managers reflecting the reduction of CMEs and the increase in civilians following the format outlined in the Resource Formulation Guidance (RFG).
8. Dollar Schedules 8 will be submitted to the FMP PBG Command Managers to reprogram the costs for the CME(s) and associated DAC(s). A Dollar Schedule 8 is required to reduce the dollar requirements (BO-R). A Dollar Schedule 8 is also required to reprogram both dollar requirements and funding (BO-R and BO-1) if the funding for the CMEs is in a different MDEP and/or AMSCO from where the Civilians will be executed.
9. A cross-walk between PDC spreadsheets and schedule 8 submissions for in-sourcing is required to be submitted with the schedule 8 to G-3/5/7.

10. In addition, once a schedule 8 is approved, the command is responsible for submitting the detailed hiring information required by the Civilian Human Resources Activity in their tracking tool at <https://nccpoc.ria.army.mil/apps/insourcing/default.asp>. The POC is Rose Medina at rose.medina.us.army.mil or (410) 306-1744.

11. Costing CME to DAC Conversions: Concept plans will be submitted by the Command to G-37/FMP for review. G-37/FMP will provide the concept plan to ASA FM&C for a cost analysis review and validation prior to HQDA staffing. .

a. Contractor Costs. Associated with the cost to employ non-government workers, contractor costs do not involve the payment of benefits or on-site costs. It is important to note that contractor costs should come from the actual contract and must at least include the cost category values below.

- (1) Wages
- (2) Direct Costs – other than wages (i.e., labor or materials)
- (3) Travel
- (4) Overhead – other than travel (i.e., utilities, maintenance, leasing of space)
- (5) Reimbursable Costs – meals, incidentals, etc.
- (6) Other contract administrative costs and costs not captured within the contract
- (7) Penalties for ending the contract

b. Civilian Costs. These costs are associated with the employment of DAC employees. The following list contains the types of direct costs that should be included in your analysis:

- (1) Wages
- (2) Direct Costs – other than wages (i.e., labor or materials)
- (3) Travel
- (4) Overhead – other than travel (i.e., utilities, maintenance, leasing of space)
- (5) Reimbursable Costs – meals, incidentals, etc.

c. Civilian salaries should be identified by the job series, GS-grade, locality, and number of positions that will be needed to fulfill manpower duties.

(1) Civilian pay costs are received from the Army Manpower Cost System (AMCOS) Lite tool, which can be accessed from the website below:
<https://www.osmisweb.army.mil>.

- (2) Use the following methods for researching civilian salaries in AMCOS Lite:
 - a. The civilian general schedule and default summary category for civilian costs.
 - b. The group and sub-group categories correspond to the occupations and series for the selected civilian positions, respectively.

- c. Each salary level must correspond to the geographic location of the position
 - (3) Although many locations have begun using them, please do not use NSPS pay rates (i.e. YA/YB/YC/YD). GS-scale salaries currently provide more accurate reporting within AMCOS.
 - (4) For contracts with only one price, or firm-fixed price contracts, the civilian and government cost categories that apply to a conversion must still be provided.

d. Special Pay Categories. It is very important that you use the civilian general special schedule tables in AMCOS where applicable. To find out which job series and grade levels are assigned the special rate tables, please go to the OPM website of <http://apps.opm.gov/SSR/tables/index.cfm> Please remember that you will use the rates from AMCOS and the OPM website only for reference.

e. Comparison Methods between Contractor and Civilian Costs. Actual contractor costs should be used whenever possible for calculating out-year contract costs (i.e., FY 12-17). When there is no contract that gives information on future costs, Army inflation guidance must be used to provide a basis. The list below contains the rates needed for calculating out-year costs.

- (1) CivPay inflation indices for both contractor and civilian pay and carried out 4 decimal places
- (2) OMA inflation indices should be used for contractor and civilian travel and are to be carried out to 4 decimal places.
- (3) Use the "Compound" column for both CivPay and OMA inflation indices.
- (4) For CivPay, use FY 2009 as the base until January when new Civ rates are published. For OMA indices use FY 2010 as the base year.
- (5) The government cost savings are calculated over POM years (FY 12-17) but also include current fiscal year FY 10 and FY 11 as reference points for your calculations.
- (6) Army inflation guidance and the aforementioned indices can be accessed at <http://www.asafm.army.mil/offices/office.aspx?officecode=1200>. The indices will be under the "Most Current Inflation Indices" link. Use the CivPay inflation index for GS-employee and Contractor Salaries. Use the OMA inflation index for GS-employee and Contractor training and travel costs.

f. Other Information

- (1) Provide documentation to support the ultimate government savings. By labeling and accounting for the amount of overhead, wages, and GS salary of each position, DASA C&E personnel can better estimate the ultimate cost savings.
- (2) Indicate whether the contractor will be on or off-site.
- (3) Spell out all acronyms in the footnotes of your analysis.
- (4) Include all costs, even if that category is not provided in the guidance or the aforementioned examples given above.
- (5) For any civilian position that formerly belonged to an off-site contractor add an additional rate for overhead (contact cost POCs for assistance) before inflating.

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(6) If you are submitting in-sourcing concept plans, make sure that your CME data is correct in SAMAS and CMR.

(7) For further reference regarding cost and economic analysis check the websites below:

a) The Department of the Army Cost Analysis Manual:

<http://asafm.army.mil/Documents/OfficeDocuments/CostEconomics/Guidances/cam.pdf>

b) Cost Benefit Analysis Guide

c) The Economic Analysis Manual

<http://asafm.army.mil/Documents/OfficeDocuments/CostEconomics/Guidances/eam.pdf>

POC Information. POC's for costing information are Eric Goldman and Audry McAfee. They can be reached at (703) 692-7406 and (703) 614-4633 respectively. In addition, they are also responsible for reviewing the In-Sourcing Plan before submission to HQDA G-3/5/7. If you have any questions please feel free to call or send email to Eric.j.Goldman@conus.army.mil or MCAFEEAL@conus.army.mil.

ANNEX E: Manpower Analysis

1. References:

a. Department of Defense Directive (DoDD) 1100.4, 12 February 2005, subject: Guidance for Manpower Management.

b. Department of Defense Instruction (DoDI) 1100.22, 6 April 2007, subject: Guidance for Determining Workforce Mix.

c. AR 570-4, 8 February 2006, subject: Manpower Management.

d. Memorandum, SAMR, 3 December 2004, subject: U.S. Army Manpower Analysis Agency (USAMAA) Reorganization and Analytical Process Reengineering.

2. As specified in DoDD 1100.4 (reference 1a above), a key precept underlying manpower management in the Department of Defense is that "manpower requirements are driven by workload and shall be established at the minimum levels necessary to accomplish mission and performance objectives." Accordingly, a major element of ASA(M&RA)'s review of concept plans is to verify that any requested changes in manpower requirements are in fact supported by mission and workload. Since USAMAA, acting as ASA(M&RA)'s agent in this regard, will seldom have the opportunity to conduct this verification via an on-site review of the facts and data behind a given concept plan, it is essential that the requesting activity ensure the rationale, data, and analysis supporting the requested changes are comprehensively documented in the concept plan package.

3. There are two key areas that a concept plan must address in terms of mission and workload for requested changes in manpower requirements: the mission directive from a higher headquarters that forms the basis for the overall change; and the workload analysis that led to the specific manpower requirements changes. These areas will be addressed in this annex below. In addition, the military-civilian-contractor delineation of the requirements must reflect the least-costly manpower mix able to accomplish the mission and must be consistent with current manpower mix law and policy. This later area is addressed separately in Annex F, Manpower Mix Criteria. Furthermore, the concept plan must include a TDA crosswalk which clearly identifies the requested changes, mapped from the latest approved TDA to the proposed TDA.

a. Mission Directive.

(1) Concept plans documenting changes resulting from new mission assignments should cite—and include a copy of—the specific directive (e.g., HQDA memorandum, OPORD/FRAGO/EXORD, etc.) that assigned that new mission.

(2) Concept plans documenting changes due to workload growth in an existing assigned mission should cite the doctrinal basis for the mission (e.g., the specific paragraph in the AR that originally assigned the mission), and should provide a complete explanation of the basis for the workload growth. For example:

(a) In a production-type environment (e.g., depot, arsenal, installation maintenance activity, warehouse, classroom, training area, etc.), identify the specific basis for the increased throughput or increased cycle time.

(b) In a customer- service environment (e.g., ID card office, Army Community Services office, patient-care facility, central issue facility, etc.), identify the basis for the increased demand or increased customer base. For population-based activities, identify the specific source of any population increases, to include the losing location of any population shifts.

(c) In a staff-support environment (e.g., a headquarters staff element, a pronency office, etc.), provide a clear explanation for the changed or expanded mission which led to the associated manpower changes being requested.

b. Workload analysis. The concept plan must present an analytical argument using empirical data to relate the necessary workload of the organization to the total amount of manpower required to accomplish that workload. Workload is defined as the major output, product produced or service provided by a working element, normally a work center. Any analytically-based method is acceptable as long as it adequately justifies the manpower requirements based on the necessary workload. To this end, the following specific guidance applies to presentation of workload analyses in concept plans:

(1) Workload analyses must justify the total manpower required within a functional area within the affected work center(s), not just the changes or additional requirements being requested. Specifically, workload analysis is required for all existing requirements that have similar functions (or job titles) as the new requirements being requested. If similar functions cross multiple work centers, its totality should be accounted for at the aggregate level to determine the necessity of additional requirements. This step will provide the work center leadership better visibility of current assets and determine whether requesting additional requirements is indeed the solution.

(a) A work center is defined as the basic working element organized to accomplish a specific function or similar functions. It is normally a TDA paragraph, i.e. team, branch, or division.

(b) Examples are as follows:

- When requesting an additional Ammunition Specialist, workload should be provided for all Ammunition Specialists currently supporting the effort rather than workload for the one requested position.
- When requesting an additional Paralegal, workload should be provided for all paralegal personnel currently supporting the effort. Workload for the attorneys, administrative support personnel, or legal administrator would not be required.

(2) Concept plans should attempt to develop manpower requirements from a bottom-up mission/functional/task analysis. This means, based on the validated mission, all major functions required to accomplish that mission must be identified. Subsequently, for each of these major functions, the primary essential tasks must be determined in order to result in the necessary workload. The listing of tasks should be comprehensive but not necessarily exhaustive; identify the major tasks that comprise the bulk of the workload of the work center, with sufficient detail in the task description to enable an analyst who is unfamiliar with the function to understand what is done. Excel spreadsheets can then be used to organize the results of the mission/functional/task analysis, which essentially shows “what” must be done. These same spreadsheets can then be used to capture the remaining workload analysis; two specific methods, with examples provided, are as follows:

(a) For each function, an estimate is made (or historical data is used) to determine “how long” it takes to perform each primary essential task and the frequency (“how often”) each task is performed within a given period of time (normally a year). This data is recorded on the spreadsheet where the task times and frequencies are multiplied to determine the total estimated time it takes to conduct each particular task in a given time period. The times for all tasks are totaled, and divided by the availability factor—normally 1740 hours—and rounded off to determine the man-year requirements necessary for the given function. This procedure must be completed for each major function. Using this method, figure 1 below is an example of workload analysis for a single function. Note that the task times, also called PAT (per accomplishment time) and frequencies must be reasonable and/or rationale for each of these numbers must be provided in the concept plan.

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TaskList Worksheet						
Function:	Conduct Operational Accounting					
Work Center:	G-8 Finance and Accounting Branch					
Task Number	Task Description	Task Time (hours)	Frequency	Period	MHrs Per Year	Remarks
1	Prepare/coordinate command annual accounting code guidance with FMD	8.00	1	Year	8.00	
2	Establish, delete and review annual accounting codes with FMD for requirements/tracking	8.00	1	Year	8.00	
3	Review and research UMDs, NULOs, intransits, aged receivables, and travel advances	5.00	1	Day	1255.00	Based on availability factor of 251 work days in a year
4	Research involves without DD250s for vendor pay execution and billing requirements	6.00	1	Month	72.00	
5	Analyze weekly fund status reports with PBAS/RMT	4.50	1	Week	227.00	
6	Coordinate processing of expired year invoices and withdrawal of residual balances	4.00	1	Week	208.00	
7	Assist with fiscal year-end closeout	10.00	1	Year	10.00	
8	Perform examination, verification, reconciliation, and maintenance of accounting data in accounting and management systems	6.00	1	Month	72.00	
9	Identify problem areas and or abnormal balances and conduct root cause analysis	3.00	1	Day	753.00	Based on availability factor of 251 work days in a year
10	Identify systematic problems and address to the appropriate DFAS system representative	2.50	1	Day	627.50	Based on availability factor of 251 work days in a year
11	Evaluate command performance against established JRP goals	6.00	1	Year	6.00	
12	Prepare JRP performance metrics	12.00	1	Year	12.00	
13	Review/analyze command 218/112 and all applicable financial reports	12.00	1	Month	144.00	
14	Perform quarterly reviews and prepare certification	24.00	4	Quarter	384.00	
	TOTAL				3793.50	3793.50/1740 = 2.18 ~ 2 man-years

Figure 1

(b) For every task of each function, an estimate is made (or historical data is used) to determine “how much” workload is required within a given period of time (normally a year). Alternatively, a workload driver, a programmable metric that has a meaningful influence on the amount of workload, can be used here. For example, if the task is to respond to and complete work orders, the corresponding workload may be the number of work orders that are responded to (in a given year); the workload driver may be the number of assigned customers—the more customers, the more expected work orders. In either case, this estimate, along with an estimate of “how much” time it takes to produce or service each unit of workload (or workload driver) is recorded on the spreadsheet. The amount of workload (or workload driver) and times are then multiplied to determine the total estimated time it takes to conduct each particular task in a given year. The times for all tasks are totaled, and divided by the availability factor—normally 1740 hours—and rounded off to determine the man-year requirements necessary to for the given function. This procedure must then be completed for each major function. Using this method, figure 2 below is an example of workload analysis for a single function. Note, that the workload (or workload driver) counts and factors

must be reasonable or rationale for each of these numbers must be provided in the concept plan.

Individual task List Worksheet				
Function: Financial Analysis				
Work Center: Finance and Accounting Branch				
Duties/Tasks	Driver	Driver Value	Workload Factor (in hours)	Total Work Hours
Set-up and maintain Work Centers and JONOs in SOMARDS to perform accounting functions for CIF obligations and maintain	# CIFs or Annexes	80	20	1600
Monitor CIF requisitions to ensure they are using proper Customer fund codes and DoDAACs for Central Manager and ensure obligations are being billed to CM	# Requisitions	76,000	0.06	4560
Establish level of funding for each CIF, approved by HQ AMC, IAW with HQDA G4 guidance, in coordination with Army Commands in Funds Control – monitor and provide funding level to HQ AMC monthly	# CIFs or Annexes	80	8	640
Identify 75% spent level to HQDA for all Army Commands and notify when that level is reached	# CIFs or Annexes	80	0.8	64
Perform assessments of Funds Control DOJOCN tables for all CIFs	# CIFs or Annexes	80	10	800
Provide input for the development of program and budget guidance: review command budget estimates, operating budgets. In addition, the C&HSO will provide resources and cost estimates as well as furnish justification and recommendations during budget development and establish and maintain an audit trail of resources.	# Budget Submissions	1	450	450
Reconcile billing statements with requisitions and take appropriate action to correct errors	# Requisitions	76,000	0.04	3040
Compile and submit Budget/Finance reports IAW HQAMC and PEO Soldier guidance	# Budget Reports	47	4	188
Total Man-hours per year				11342
Hours equal to one man-year				1740
Requirements needed				6.5184 ~ 7

Figure 2

Regardless of the approach taken, no workload analysis spreadsheet can stand alone; it must be accompanied by a full explanation of the mission/regulatory underpinning for each function and task, and the basis for the numbers provided.

(3) When a manpower model (including staffing ratio or allocation rule) is used to justify the requested changes in manpower, organizations should provide a description of the model, a copy of the approval/validation memorandum from USAMAA, and an explanation of how and why it is being applied or reapplied to justify the changes. Note that a model approved by USAMAA for use by a specific organization is normally not appropriate for application by another organization. Often, the use of an approved/validated manpower model does not require the submission of a concept plan, but rather, are handled using other means, directly with G3-FMP.

(4) In instances where the approach described in (3) above may not be feasible (e.g., a new organization for which no performance data exist), activities may choose to develop manpower requirements by comparing the workload, size, and structure of the proposed organization to the approved manpower requirements of a similar organization elsewhere. When using this type of comparative analysis, the concept plan must include a full explanation of the underlying analysis, the basis for selecting the organization against which to compare, an explanation of similarities and differences between the two organizations, and the specific rationale used to determine the size and structure of the proposed organization.

(5) For proposed TDA augmentations (AUGTDA) to MTOE, it is particularly important that concept plans address the rationale for needing manpower requirements beyond those documented in the MTOE itself. It is not sufficient to merely state that the MTOE cannot support the workload. The concept plan should provide a clear explanation of the doctrinal workload that provided the basis for the MTOE requirements for the function in question, explain the origin and basis for additional workload not accommodated by the doctrinal MTOE requirements, and include an analysis of the workload of the total workcenter (combined MTOE/AUGTDA), not just the AUGTDA requirements being requested.

(6) In instances where all or part of the workload associated with a concept plan is being accomplished through use of overtime, overhires, troop diversions, borrowed labor, contract, or other means, the concept plan should provide a full explanation of these circumstances. This information is necessary to identify and clarify the use of "other personnel" to accomplish enduring workload. More importantly, the concept plan should reflect the associated manhours contributed to the work center to develop the workload-to-manpower requirements relationship necessary to support the changes being requested.

(7) In instances where long-term unacceptable backlog or unacceptably long cycle times/customer wait times form the basis for requesting increased manpower requirements, the concept plan should provide the basis for computing the backlog, identify specific negative impacts resulting from the continuing backlog, and identify the steps that have been taken within the work center to resolve the unacceptable backlog by means other than increased permanent staffing, e.g., revising the process used.

(8) Activities contemplating the use of a valid and approved manpower model or manpower study as the basis for computing updated manpower requirements in a concept plan should contact their assigned USAMAA Command Analyst for guidance before proceeding. See USAMAA website at the following for reference: <http://www.asamra.army.mil/usamaa/index.cfm>.

c. Position Delineation. See Annex F for a detailed discussion of position delineation, Manpower Mix Criteria (MMC), and position conversion considerations.

d. TDA Crosswalk. This is normally an attached spreadsheet with manpower paragraph/line level of detail which crosswalks the requested changes from the latest approved TDA document (FMSWEB format) to the proposed structure. This document accounts for every personnel requirement (and authorization) in the affected work centers) or in the entire UIC (if necessary). Bill payers (if any) and new positions should be clearly identified.

4. The instances and examples cited above are not intended to be all-inclusive. Activities preparing concept plans may take whatever approach works best in their particular case, but should ensure that they include a full explanation, supporting rationale, all pertinent data, and all applicable computations with the concept plan. Regardless of the approach taken, submitting activities should keep in mind that it is their responsibility to make a complete and compelling case for the changes they are requesting. This is best done by linking a specific mission directive to a set of revised manpower requirements using a sound analytical argument, well supported by empirical data, and clearly explained in unambiguous, non-technical, jargon- and acronym-free language.

5. Army Command (ACOM), Army Service Component Command (ASCC), or Direct Reporting Unit (DRU) role.

a. Concept plans originating in functional staffs or subordinate activities within an Army Command (ACOM), Army Service Component Command (ASCC), or Direct Reporting Unit (DRU) should be thoroughly reviewed by the ACOM/ASCC/DRU headquarters staff element having responsibility for manpower requirements before submission to HQDA. Concept plan documentation should provide contact information for both the functional POC and the headquarters-level manpower requirements POC.

b. If, during the course of ACOM/ASCC/DRU review, changes are made to the manpower requirements in a concept plan, the body of the concept plan and all impacted enclosures should be revised to reflect those changes so it remains a complete, stand-alone document fully reflecting the command's position.

c. ACOM/ASCC/DRU should keep in mind that concept plan approvals—particularly those for changes based on projected workload—often carry with them a requirement that a full manpower review be conducted within a specified length of time following implementation. ACOM/ASCC/DRU should be prepared to add such studies to their 3-year schedule (reference 1d), and then execute and forward those studies for ASA(M&RA) review and validation.

d. Prior to finalizing a particularly large or complex concept plan, ACOM/ASCC/DRU should contact their USAMAA Command Analyst to discuss the intent of the action and to outline their planned approach to defining workload and manpower requirements. This informal pre-coordination will help preclude the need for later rework of all or part of the submission, and should shorten the time and allow the ASA(M&RA) to conduct a thorough, consistent, and complete analysis.

ANNEX F: Manpower Mix Criteria

1. References:

a. Department of Defense Instruction (DoDI) 1100.22, 6 April 2007, subject: Guidance for Determining Workforce Mix.

b. ASA (M&RA) FAIR Act web site, www.asamra.army.mil/fair.

c. In-sourcing Worksheets at third bullet ("Request for Service Contract Approval (including Worksheets A through D)") at ASA (M&RA) In-sourcing web site, <http://www.asamra.army.mil/insourcing/>.

2. All manpower requirements (positions) must be classified as military essential, civilian essential, or appropriate for contract performance. The basis for this classification is not the position itself, but rather the function(s) performed by this position. Sometimes a function may be currently performed by a labor source which is not the optimum one. For example, sometimes a function may be performed by military or contract, when civilian employee performance is the most appropriate. The basis for classifying a function (and thus the corresponding requirement) as military essential, civilian essential or appropriate for contract performance is identified using MMC codes as described in DoDD 1100.22 (reference 1a above). Additional clarity with respect to specific functions may be obtained from the ASA (M&RA) FAIR Act web (reference 1b above).

3. Military Essentiality. DoDI 1100.22 identifies a number of MMC codes that depict specific functions as military essential. In many cases, more than one MMC code may apply to a function. In those cases, the highest priority MMC code should be applied.

a. Codes A applies to operational units.

b. Code B applies to Augmentation TDAs.

c. Code D applies to functions that are dual-tasked for wartime assignments, such as applies to certain medical positions identified as Professional Filler System positions in the Medical Readiness Review process.

d. Code F applies to military expertise that can only be acquired through recent operational experience. While some functions may be performed by civilian employees or contract, there may be a core level required to assure that an independent base of military expertise exists within the Department for the purposes of command, control, communications and intelligence; operational planning; development of doctrine; force management; military training; and the acquisition, testing and evaluation of military equipment. Any command position requiring authorities under the Uniform Code of Military Justice (UCMJ), as well as any legal position involved in the administration of

UCMJ and operational law require military unique knowledge and skills. Most military essential positions in the concept plan process will be best identified with Code F.

e. Code G applies to USMA cadre and military recruiters. Other functions that merit a G classification also qualify under code A for operational units (e.g., bands).

f. Code I applies to Military Technicians.

g. Code J applies to rotation base positions. These may only be identified at the Departmental level in the Total Army Analysis process.

h. Code K applies to positions required for military career progression. These may only be identified at the Departmental level based on the analysis of the G-1 in support of the Total Army Analysis process.

i. Code L applies to positions solely required to be military based on statute. This classification must be supported with a copy of the statutory language. Currently, only some positions required for AC/RC support fall under this criteria.

4. Civilian Essentiality. DoDI 1100.22 identifies a number of MMC codes that depict specific functions as civilian essential. In many cases, more than one MMC code may apply to a function. In those cases, the highest priority MMC code should be applied.

a. Code E applies to inherently governmental functions. No inherently governmental function may ever be contracted. Apply the in-sourcing checklist (Worksheet A) (reference 1c) above to determine if a function is inherently governmental. If a function is not described on the checklist and there is doubt as to its classification, consult with Dr. John Anderson or Ms. Eileen Ginsburg in ASA (M&RA) (703-693-2119 or 703-693-2109) to obtain advice on whether it is inherently governmental.

b. Code G applies to some faculty positions at the USMA and certain Soldier and Family Support functions. The application of this code should be limited as OSD may challenge positions in this code more so than in other codes.

c. Code H applies to functions needed for continuity of operations. There are five examples that fall within this classification.

(1) Some functions may not be inherently governmental but are "closely associated with inherently governmental functions". Apply the in-sourcing checklist (Worksheet B) (reference 1c above) to determine if a function is "closely associated with inherently governmental functions." By statute, the Army is required to give "special consideration" to civilian performance of these functions and avoid contract performance to the maximum extent practicable.

(2) Some functions may require continuous supervision by government employees for effective performance. In these cases, contract performance could

involve personal services arrangements. Unless specific statutory authority exists for personal services, these functions should be performed by civilian employees. Apply the in-sourcing checklist (Worksheet C) (reference 1c above) to determine if this is a basis for code H.

(3) Some functions may be contracted to a degree, but there may be a point where core competencies and core capabilities are eroded if these functions are contracted any further. At that point, the function is classified as code H for the portion that should be retained as a core capability within the Department. Office of Management and Budget guidance dated 29 July 2009 states that critical functions which are not inherently governmental may only be filled with Federal employees to the extent required by the agency to maintain control of its mission and operations.

(4) Some functions are core competencies of the Department and are enduring requirements. The determination of whether a requirement is enduring is made at the macro-functional level (e.g., training support) and not at the task level. In addition, specialized skills that may temporarily not be available within the Department may be contracted until the capability is established within the Department, such as maintenance support for major weapon systems during spiral development. Such arrangements should not be permanent. Rather, long term planning must arrange for military or civilian employee performance. Funding is not the basis for determining whether a "requirement" is enduring. Some enduring funding streams require scrutiny to make sure they are not funding non-enduring requirements. Conversely, some enduring functions are funded with temporary funding sources.

(5) A function that was performed by a DoD civilian employee at any time or place in the past ten years is a function requiring "special consideration" for in-sourcing pursuant to 10 U.S.C. section 2463.

d. Code J applies to civilian rotation. At this point, except in the Criminal Investigation Division command, no positions qualify for this code. The application of this code requires Departmental level analysis by the G-1, G-3 and ASA (M&RA).

e. Code K applies to civilian career progression. As civilian employees are not managed based on End Strength, the use of this code is suspect unless it is applied solely to intern positions.

f. Code L applies to civilian positions required by law, executive order, treaty or international agreement. A copy of the statute or international agreement is required before applying this code, unless a determination has already been made to support this classification. In addition, an analysis that shows how the position fits within the statutory criteria must be included. Laws and international agreements change and these changes must be accounted for. Security guard, fire-fighter and foreign national positions in the European Union, Korea and Japan are most typically coded with this code.

5. Contract Performance. All requirements for contract performance must establish that the contract is being funded through an appropriate source. Apply the in-sourcing checklist (Worksheet A) (reference 1c above) to support that the function is not inherently governmental. In addition, the application of the checklist should establish that the commander has identified any “closely associated with inherently governmental functions using Worksheet B and given “special consideration” to federal government employee performance of that function. Finally, the application of the in-sourcing checklist should establish that the contracted function will not operate as a personal services contract involving relatively continuous supervision of a contractor by a government employee, unless there is specific statutory authority for personal services as identified in the in-sourcing checklist (Worksheet C) (reference 1c above). As of Command Plan for Fiscal Year 2012, Concept Plans are required for any new contract requirements not documented in TAADS and SAMAS, based on the baseline established by the Panel for Documentation of Contract Man-Year Equivalents (PDC). DoDI 1100.22 identifies two MMC codes that would describe a requirement as appropriate for contract performance.

a. Code R describes a function that is appropriate for competition under OMB Circular A-76. Some functions are precluded from competition under OMB Circular A-76 by reason of law. The functions that may be performed by contract that are precluded from competition under OMB Circular A-76 by reason of law are identified in Code X. As a result of the National Defense Authorization Act for Fiscal Year 2008 (NDAA08) section 324 (codified in 10 U.S.C. section 2463), the A-76 process may not be used to in-source any contracted requirement. Accordingly Code R no longer applies to any contract requirement.

b. Code X describes a function that is not appropriate for competition under OMB Circular A-76. These include: depot maintenance; arsenals; research, development, test and evaluation functions (excluding support functions); architect and engineering functions; management of locks and dams; and Sikes Act environmental management functions. In addition, any functions that are in-sourced pursuant to 10 U.S.C. Section 2463 may not be competed under OMB Circular A-76. Since NDAA08, all contract requirements that are appropriate for contracting and that do not meet and/or fall within any of the MMC classifications for military essentiality or civilian essentiality should be classified under code X.

6. Potential Conversions. Sometimes a requirement is currently filled with a military or civilian position, or by contract. It is important to make sure that an “unfilled” requirement under one source of labor is not being double-counted through the same requirement when it is filled by another labor source. For example, longstanding unfilled requirements for military and civilian positions are sometimes filled by contract. When accounting for the contract performance as a contract requirement, it is important to reduce the unfilled requirement for military or civilian. Finally, a requirement may be currently performed or documented as military, civilian employee, or contract, but an objective application of the MMC may indicate that the requirement should be converted to a different labor source. When this occurs, the requirement should be classified

under the appropriate MMC code that would be the basis for conversion. The classification of a position or contract for potential conversion by means of an MMC code does not automatically result in the conversion of that position, as other actions may be required in the PPBE, personnel and acquisition processes before completing a potential conversion. There are five potential types of conversions:

a. **Military to Civilian Conversion.** The potential for this type of conversion is identified by applying the appropriate civilian essential MMC code to an existing military position (typically a code E or H). In addition, funding to pay for civilian backfills must be programmed and budgeted for such a conversion.

b. **Military to Contract Conversion.** The potential for this type of conversion is identified by applying the appropriate contract performance MMC code to an existing military position (typically code R or X). The application of code X requires a determination from the G-1 that the civilian personnel office will be unable to recruit a qualified civilian employee to fill the position within a reasonable time. In addition, whether Code R or X is applied, funding to pay for contract performance must be programmed and budgeted for such a conversion.

c. **Civilian Employee to Contract Conversion.** The potential for this type of conversion is identified by applying the appropriate contract performance MMC code to an existing civilian position. Unless the position is performing a function that statute authorizes for conversion to contract performance outside of the A-76 process (such as RDT&E and A&E functions), most functions performed by civilian employees can not be converted to contract without using the OMB Circular A-76 process. Therefore, most civilian employees performing functions that could be contracted are coded with MMC code R. In addition, funding for contract performance and administration must be programmed and budgeted, as well as any costs for conducting an A-76 competition.

d. **Contract to Civilian Employee Conversion.** Contract Manpower Equivalents (CME) that are performing inherently governmental functions based on the application of the in-sourcing checklist (Worksheet A) (reference 1c above) should be classified with MMC code E. CMEs that are performing "closely associated with inherently governmental functions" based on the application of the in-sourcing checklist (Worksheet B) (reference 1c above) should be coded with MMC code H. CMEs that are at significant risk of performing unauthorized personal services based on the application of the in-sourcing checklist (Worksheet C) (reference 1c above) should be coded with MMC code H. CMEs that are performing enduring functions that meet any other criteria for continuity of civilian operations should be classified with MMC code H. CMEs that are being converted to civilian employee performance solely based on cost savings should be classified with MMC code R as they could be subject to OMB Circular A-76 competitions at some point in the future. It is important that an enduring funding source be programmed and budgeted for permanent requirements established through in-sourcing. Term or temporary civilian employees should be used for temporary requirements that are inappropriate for contracting, such as inherently governmental functions.

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e. Contract/Civilian Employee to Military Conversions. Civilian Employee to Military Conversions are generally discouraged. Any such conversions require ASA (M&RA) approval to ensure that merit principles and civilian personnel laws and policies are not being violated. Contract to Military Conversions may be appropriate, particularly when contractors are performing functions in support of the operating forces classified with an MMC code A. In any case, the appropriate military essentiality code must be justified (typically codes A, B, D or F) and funding programmed and budgeted for military performance. Although this may present End Strength and funding issues, application of the MMC code itself only identifies a potential conversion.

ANNEX G: Panel For Documentation of Contractors (PDC)

1. References:

- a. 10 U.S.C. sections 2330a and 2463 (as enacted in the National Defense Authorization Act for Fiscal Year 2008);
- b. 10 U.S.C. section 235 (as enacted in the National Defense Authorization Act for Fiscal Year 2010);
- c. Memorandum, Director, OMB, July 29, 2009, subject: Managing the Multi-Sector Workforce;
- d. Memorandum, SecArmy, July 10, 2009, subject: Army Policy for Civilian Workforce Management and Service Contracts.

2. Above references superseded the prior in-sourcing concept plan guidance which had been issued pursuant to earlier statutory authorities repealed by the National Defense Authorization Act for Fiscal Year 2008. Above statutory references currently in effect require an annual contractor inventory report be submitted to Congress no later than the end of the third quarter of each fiscal year for the preceding fiscal year comprised of the data currently compiled by the Contractor Manpower Reporting (CMR) for all contract services, whether funded in the base budget or by Overseas Contingency Operations funding sources. Within 30 days of the report to Congress, the inventories are published on <http://www.asamra.army.mil/insourcing>, after a notice in the Federal Register. Currently the FY07 and FY08 CMR inventories are reported for the Army on that web site. Above statutes require an annual review to be completed within 90 days after the date it is submitted to Congress of the activities and functions performed by contractors on that inventory for:

- Inherently governmental functions, which must be in-sourced immediately and contractor performance must be terminated immediately;
- Closely associated with inherently governmental functions, for which “special consideration” must be given for in-sourcing and for which contractor performance must be avoided to the “maximum extent practicable”;
- Authorized and unauthorized personal services contracts, taking corrective action to in-source or discontinue unauthorized personal services contracts immediately;
- Contracts which have been poorly performed due to excessive costs or quality of performance based on a determination by a contracting officer must be identified and given “special consideration” for in-sourcing;
- Contracts that are non-competitive must be given “special consideration” for in-sourcing; and

- Functions performed by contractors that have been performed by DoD civilian employees in the last 10 years must be given “special consideration” for in-sourcing.
3. Above statutes also provide that no one may arbitrarily limit or constrain the number of functions to be in-sourced. Rather, determinations should be made within the rational and deliberative framework of the above process and criteria.
 4. OMB has provided additional guidance to agencies to target time and materials and cost reimbursement contracts for reduction and to reduce contract services by certain percentages in their next budget submission. In addition, OMB has encouraged growth of the acquisition workforce, which it has defined more broadly than current definitions used by the Department of Defense to include planning, requirements determination, and contract administration functions (including Contracting Officer Representatives) and not just traditional contracting or procurement functions. Finally, OMB has added a category that may be in-sourced for “critical functions” that are not inherently governmental “to the extent required by the agency to maintain control of its mission and operations” or where there is insufficient human capital capacity for government performance of its critical missions. The annual PDC review is an ideal forum for adjudicating and coming to consensus on all these issues.
 5. All of these policies are available at <http://www.asamra.army.mil/insourcing>. This is an evolving area, so organizations should periodically monitor this web site for any new laws, regulations, OMB, DoD, and Army policies on these requirements.
 6. Sec Army policy (reference c) states: “The ASA(M&RA) will serve as the senior official responsible for development and execution of Army in-sourcing plans based on the annual review of the contractor manpower inventory required by statute, currently being implemented through the Panel for Documentation of Contractors (PDC).” It further requires the “costing and integration of the contractor manpower inventory review into the Planning, Programming and Budgeting process.” This SecArmy policy is the enduring framework for implementing these statutory requirements. The most significant evolution is the new statutory requirement (Reference b) that annual budget justification materials include the amount requested, and the projected full time equivalent contractors, for the procurement of contract services for each Defense Component) (i.e., the Army) and each installation and activity. The statute further stipulates that this projection and justification is to be based on the contractor inventory required by 10 U.S.C. section 2330a (i.e., CMR) and the review required by section 2330a currently being performed on an annual basis by the PDC. The GAO has been directed to annually audit the contractor inventory. This process is of interest to the Appropriators and Authorizers.
 7. Accordingly, all contract requirements must be documented and be subjected to a PDC review in order to meet requirements necessary to justify an authorized level of contract services. Any contract service lacking an approved PDC determination will require a concept plan and be reviewed by ASA M&RA as part of concept plan process.

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The burden of proof is on the organization seeking validation of contract requirements. For these purposes, contract requirements are defined at the “activity” or functional level, not at the level of individual task. Re-justification is not required for requirements already possessing a PDC determination unless there is a change in the way the contract requirement is being performed or managed that would require a change to its Manpower Mix Criteria code or to the aggregate level of projected contract FTE at the activity/functional level or installation or UIC level. The PDC is chaired by the Principal Assistant Deputy, Force Management, Manpower and Resources, within the OASA (M&RA). Advisory co-chairs include representatives from G-3/5/7, OASA (AL&T), and OGC/TJAG. After the PDC is concluded, any directed or discretionary in-sourcing action must have a PDC crosswalk to a funding source and be reviewed by the PBAT if a civilian authorization is needed for an enduring requirement with an enduring funding source. In the event the requirement is less than one year or is funded with non-enduring funding sources (such as OCO funds), the function can only be in-sourced using a term or temporary employee.

8. Commanders are encouraged to consult with their legal counsel to develop their PDC recommendations.