

MEMORANDUM FOR SEE DISTRIBUTION **O1 FEB 2011**

SUBJECT: Reservation of In-Sourcing Approval Authority

In an era of significantly constrained resources, the Army must approach the insourcing of functions currently performed by contract in a well-reasoned, analytically based and systemic manner, consistent with law and prevailing Presidential and Department of Defense guidance. Accordingly, effective the date of this directive, I reserve to myself the authority to approve any in-sourcing proposal, wherever generated across the Army. Any in-sourcing proposal presented for my consideration must be fully documented and justified. Any proposal will include, at minimum, a manpower requirements determination, an analysis of all potential alternatives to the establishment of permanent civilian authorizations to perform the contracted work, certification of fund availability and a comprehensive legal review.

Any previously approved in-sourcing action regarding which at least one civilian authorization remains unencumbered as of the date of this directive will be suspended immediately, subject to my receipt and approval of the requisite in-sourcing proposal as described above.

The Assistant Secretary of the Army (Manpower and Reserve Affairs) and the Assistant Secretary of the Army (Financial Management and Comptroller) will develop criteria by which to measure and evaluate the efficiencies generated by this policy.

This directive is effective immediately and will remain in effect for no longer than one year, unless I reissue it or extend its application, in writing. My point of contact is Mr. Jay D. Aronowitz, Deputy Assistant Secretary of the Army (Force Management, Manpower and Resources) at 703.695.9033.

John M. McHugh

DISTRIBUTION: Principal Officials of Headquarters, Department of the Army Commander
Army Forces Command
Army Training and Doctrine Command
Army Materiel Command (CONT.)

SUBJECT: Reservation of In-Sourcing Approval Authority

DISTRIBUTION (CONT.)

Army Europe
Army Central
Army North
Army South
Army Pacific
Army Africa
Army Special Operations Command Military Suliace Deployment and Distribution
Command
Army Space and Missile Defense Command/Army Forces Strategic Command
Eighth U.S. Army
Army Network Enterprise Technology Command/9th Signal Command (Army)
Army Medical Command
Army Intelligence and Security Command
Army Criminal Investigation Command
Army Corps of Engineers
Army Military District of Washington
Army Test and Evaluation Command
Army Reserve Command

U.S. Army Installation Management Command Superintendent, U.S. Military Academy
Director, U.S. Army Acquisition Support Center

CF: Commander, U.S. Army Accessions Command Director, Office of Business Transformation
Commander, U.S. Army Cyber Command Executive Director, Army National Cemeteries Program