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ASSISTANT SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

APR 21 2016

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Update on OMB Circular A-76 Public-Private Competition Prohibitions – FY 2016

This memorandum replaces the memorandum of the same subject, dated February 18, 2015, and provides updated guidance, for fiscal year (FY) 2016, related to the continued moratorium and restrictions on public-private competitions pursuant to Office of Management and Budget (OMB) Circular A-76 and section 2461 of title 10, United States Code. The Department continues to be statutorily prohibited by law from converting any work currently performed, or designated for performance, by any number of civilian personnel to private sector (contract) performance.

The government-wide moratorium, including the Department of Defense, on the use of funds for public-private competitions was extended for FY 2016 by section 742 (Title VII, General Provisions – Government-wide) of Division E – Financial Services and General Government Appropriations of the Consolidated Appropriations Act, 2016 (Public Law (P.L.)114-113). Furthermore, the DoD-specific suspension of public-private competitions remains in effect per section 325 of the National Defense Authorization Act (NDAA) for Fiscal Year 2010 (P.L. 111-84).

The above restrictions prohibit the conversion of any work currently performed (or designated for performance) by civilian personnel to contract performance and apply to functions and work assigned to civilian personnel, regardless of whether or not a position, or billet, is established for that work, and whether or not that position, or billet, is encumbered. This includes workload and positions/billets that are impacted as a result of ongoing institutional reform initiatives, such as delayering or headquarters reductions; workforce reductions associated with section 955 of the NDAA for Fiscal Year 2013 (P.L. 112-239) or other initiatives; and position vacancies and workload impacted by hiring freezes or funding shortfalls.

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

A handwritten signature in blue ink, appearing to read "Todd A. Weiler", with a stylized flourish at the end.

Todd A. Weiler

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