

**AIR FORCE MATERIEL COMMAND (AFMC)  
RESOURCE MANAGEMENT DECISION (RMD) 802  
IN-SOURCING IMPLEMENTATION GUIDANCE**



A handwritten signature in black ink, reading 'Dr. Steven Butler'. The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

**Dr. Steven Butler**  
**Executive Director, Air Force Materiel Command**  
**January 2010**

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## **1.0 PURPOSE**

The purpose of this document is to provide AFMC specific guidance regarding in-sourcing (contract-to-civilian conversions) implementation. Guidance includes background on current in-sourcing efforts, overall process implementation instructions, frequently asked questions and answers, points of contact, transition plan template, and detailed communication plan.

## **2.0 BACKGROUND**

National Defense Authorization Act (NDAA) language in 2006 and 2008 requires DoD to consider using DoD civilian employees to accomplish work previously performed by contractors. AFMC used this authority in the FY09 APOM and FY10 POM cycles to accomplish ~800 contract-to-civilian conversions across the Command.

4 March 2009 President's (POTUS) memorandum on Government Contracting, states the Federal Government "...should perform its functions efficiently and effectively while ensuring that its actions result in the best value for the taxpayers." The services contract dollar expenditures across DoD grew from 26% in FY00 to 39% in FY09. There was concern that this relatively quick escalation in contract growth had not been vetted to ensure the best value for taxpayers.

On 6 April 2009 Secretary Gates announced the Department of Defense would scale back the role of contractors in support services. On 8 April 2009, the OSD Comptroller signed Resource Management Decision (RMD) 802, which realigned resources for FY10-15, decreasing funding for contract support and increasing funding for new civilian manpower authorizations across all military services. This resulted in a reduction of contract dollars back to the FY00 level (26% contract expenditures) from FY09 level (39% contract expenditures). One key programming detail in RMD 802 was a 40% savings reduction taken to pay other OSD level bills. For every contract dollar decreased, 60% was returned for civilian pay for the conversions and 40% was retained by OSD. This assumes a 40% savings for every contract-to-civilian conversion; AFMC's historic savings in past cycles was only ~20%.

OSD-level in-sourcing implementation guidance was provided by the Deputy Secretary of Defense on 28 May 2009, in a memorandum entitled, "In-sourcing Contracted Services—Implementation Guidance." Guidance provided five target areas for in-sourcing:

- Inherently Governmental (IG) functions,
- Functions exempted from private sector performance,
- Unauthorized personal services,
- Contract administration problems and,
- Situations where civilians are more cost effective based on cost analysis

AFMC received targets for non-pay contract dollar reductions (\$561M by FY15) and civilian end strength increases (3,301 by FY15) from Air Force on 10 Aug 09. Individual contracts were identified across all AFMC mission areas by Centers to meet these targets. AFMC's plan was

presented/approved by the AFMC Council on 9 Sep 09 and submitted to Air Force on 10 Sep 09. Air Force prepared a technical adjustment, based on the contracts identified, and submitted it to OSD Oct 09. OSD accepted the Air Force's adjustments and ABIDES has been updated. Final OSD is included in RMD 700.

All guidance documents referenced in this guidance can be found on the AFMC in-sourcing Community of Practice (<https://afkm.wpafb.af.mil/community/views/home.aspx?Filter=21832>).

### **3.0 IMPLEMENTATION INSTRUCTIONS**

All RMD 802 contracts to be converted have been identified and were approved by the AFMC Council for conversion on 9 Sep 09. Refer to attachment 1 for a complete, detailed listing of contracts. Changes to the contracts on this list will be made on a case-by-case basis as needed.

Conversions are scheduled to take place beginning in FY10, increasing each year through FY13. Fiscal year for conversion is identified for each contract (as indicated in attachment 1).

**3.1 Transition Plans:** Detailed transition plans must be accomplished in accordance with the template provided (attachment 2). Template may be modified for each individual in-sourcing plan and only applicable annexes should be used. Using this standard template will ensure indirect impacts to other functional areas are captured.

- Transition plans must be accomplished 6-months prior to the beginning of the fiscal year for which the contract is identified for conversion or the year the conversion will take place (if accelerated) and provided to HQ AFMC/A1. Transition plan suspense dates for each contract are indicated in attachment 1).
- For contracts converting in FY10, transition plans will need to be completed as soon as possible.
- All transition plans should be developed by the organization owning the contract being converted and must be coordinated upon by the appropriate Center organizations to include, at a minimum, manpower/personnel (DP), financial management (FM), contracting (PK), legal (JA), small business (SB), and plans/programs (XP). Transition plans submitted to HQ AFMC/A1 must show this coordination.
- Transition plans should be updated monthly and status reported to HQ AFMC/A1 by the last Friday of the month until hiring is complete. Note: initially, AFMC will do monthly reviews, but over time this may be reduced to quarterly reviews depending on status.

**3.2 Metrics:** The following metrics will be tracked by HQ AFMC/A1 to ensure conversions are accomplished as directed:

- Contract number
- Number of authorizations converted by contract
- Date position is loaded on UMD
- Timeline for classification of position
- Timeline for RPA
- Day individual hired
- Grade (including step), occupational series, acquisition code, if applicable

- Transition plans submitted on time
- Conversions completed on time
- Progress towards completion of any open issue items resulting from specific conversions

The majority of metrics will be pulled from the manpower/personnel and financial accounting systems on a monthly basis by HQ AFMC/A1 and HQ AFMC/FM staff. However, some metrics may need to be obtained via separate requests to the Centers. In these cases, requests for information will be issued by the 15<sup>th</sup> of every month and due back to HQ AFMC/A1 by the end of each month.

Metrics will be reported, by HQ AFMC/A1, to the AFMC Group monthly and AFMC Council quarterly to ensure progress.

**3.3. Conversion Tracking Requirements:** AFMC must comply with OSD and HQ USAF reporting requirements. There are several related fields in the Manpower Programming and Execution System (MPES) which must be updated and maintained as follows.

- Enter in the AF RMK-2 field – IR
- Enter in the CMD RMK-2\* field one of the codes:  
RMD10 (starts in FY10),  
RMD11 (starts in FY11),  
RMD 12 (starts in FY12),  
RMD13 (starts in FY13)
- Enter in the CMD RMK-4\* field-S2416
- Enter IGCA Reason Code-RS (converted from contract)
- Enter MSI Code- Y (Technical Estimate)
- Enter Commercial Activity ID (CAID)-Contract number provided in the 30 Nov 09 Manpower Program Adjustment– FY10 PB/FY11 APOM RMD 802 In-sourcing

\*This is a change from previous guidance driven by HAF UMD coding changes. HQ AFMC will automatically move all of the codes presently in CMD RMK-4, to CMD RMK-2 NLT 26 Jan 10. In the future use CMD RMK-2 to enter and maintain in-sourcing codes. Similarly, HQ USAF will perform a mass update of all positions with AF RMK-2=IR adding the event code S2416. In the future, ensure event code S2416 is added and maintained on all positions added for in-sourcing.

Potential contract substitutions will cause tracking issues because every contract converted must be reported on a monthly basis to HAF. Do not assume you can substitute another contract for one of those already approved by HAF just because there is no programming impact caused by the substitution. Substitutions will be approved on a case-by-case basis and when approved will require reporting to HAF and adjustments to all MPES codes to maintain tracking audit trails.

**3.4. Program Auditing:** One of the main objectives of in-sourcing is to ensure services are obtained in a cost effective manner. In-sourcing conversions will be subject to audit and, in fact, the Air Force Audit Agency (AFAA) has already been to HQ AFMC twice to-date. In addition to program tracking requirements as noted above, AFMC will be required to demonstrate and/or certify the costing model used to select contracts for conversion to an organic workforce.

When developing transition plans and FY12 POM inputs, only those costs truly driven by in-sourcing should be attributed to in-sourcing. In-sourcing is not a get well program for shortfalls driven by other issues, poorly written performance work statements, etc. Some requirements creep is anticipated for transition costs, but it must be kept to the minimum truly traceable to in-sourcing. For example, if some functional requirements have changed as reflected in a new AFI or other directive and would have driven changes to the contract anyway, these are not requirements driven by in-sourcing.

Any manpower requirements identified over and above those already identified for the contract conversions should be identified as unfunded requirements in FY12 POM submissions. Details regarding submission of unfunded requirements in the FY12 POM can be found in the AFMC POM Instructions located on the Community of Practice at the following link:

<https://afkm.wpafb.af.mil/community/views/home.aspx?Filter=OO-XP-PO-M1>.

**3.5 Communication:** Transparency in the process and open communication at all levels is key to ensuring successful transitions. Responses to all inquiries and communication regarding in-sourcing must utilize the AFMC In-sourcing Communication Plan provided (attachment 3). All inquiries should be reported to HQ AFMC/A1 prior to responding. Media inquiries will be sent to HQ AFMC/PA for approval prior to release.

In some case, with larger contracts being converted, tactical-level communication plans may be needed. Transition plan authors (organization owning the contract being converted) shall develop a communication plan and Communications Tasking Order (CTO) to document the target audiences, desired effects, key messages, tactics to communicate, and methods of feedback specific to their situation.

Congressional notification will be done for all Air Force in-sourcing efforts via the bi-annual Force Structure Announcements (FSAs) and Services Contract Inventory reporting. In some cases where there are larger in-sourcing efforts in a particular Congressional district or the in-sourcing effort is believed to spark political interest, Centers should work with HQ AFMC/CCX-Legislative Affairs office to initiate separate, specific Congressional notification.

A Community of Practice has been created to facilitate exchange of information including guidance documents related to in-sourcing and discussion on frequently asked questions, etc. (<https://afkm.wpafb.af.mil/community/views/home.aspx?Filter=21832>).

## **4.0 ROLES and RESPONSIBILITIES**

### **4.1 HQ AFMC will:**

- Provide and manage the complete listing of AFMC contracts to be converted FY10-15; provided as attachment 1 (A8/9 and A1) as part of RMD 802.
- Identify fiscal year for conversion of each contract with attachment 1 (A8/9 and A1).
- Provide Manpower Program Adjustment (MPA) memoranda to Center Manpower Offices authorizing the addition of civilian authorizations to the Unit Manpower Document (UMD) (A1).
- Provide a template for conversion transition plans (attachment 2) (A8/9 and A1).
- Collect and track transition plans for all conversions from Centers (A1).
- Report command status to HQ USAF (A1).

- Retrieve metrics from Centers, manpower/personnel and financial accounting systems on a monthly basis (A1 and FM).
- Report to AFMC Group monthly and AFMC Council quarterly on conversion transition status (A1).
- Develop, maintain, and distribute an AFMC communication plan regarding conversions; provided as attachment 3 (A8/9, PA and A1).
- Review and approve all responses to media inquiries (PA).
- Review small business impacts (SB).
- Provide contract numbers, organizations and transition data/status to AFMC/IG on a monthly basis for consideration in the IG inspection planning and execution process (A1).

#### **4.2 Centers will:**

- Plan conversions for all contracts for the fiscal year directed in attachment 1.
- Prepare detailed transition plans for all conversions in accordance with the template provided at attachment 2
  - o All transition plans should be developed by the organization owning the contract being converted and must be coordinated upon by the appropriate Center organizations to include, at a minimum, manpower/personnel (DP), financial management (FM), contracting (PK), legal (JA), small business (SB), and plans/programs (XP).
  - o Provide to HQ AFMC/A1 6-months prior to the start of the fiscal year identified for conversion.
  - o Update, and provide to HQ AFMC/A1, monthly to reflect current status until hiring is complete or all PPLAN annex items are complete.
  - o Develop and execute a tactical level communication plan and CTO, as necessary and IAW paragraph 3.5.
- Establish internal Center-level governance process to review and monitor all in-sourcing actions for their Center.
- Ensure manpower/personnel and financial accounting systems are updated regularly and are accurate for monthly HQ data pulls and reporting.
- Be prepared to provide tracking data to auditors as necessary
- Submit any additional requirements associated with in-sourcing in the FY12 POM

#### **5.0 FREQUENTLY ASKED QUESTIONS & ANSWERS**

**Q:** Can you specify a contractor by name to be converted to a civilian position?

**A:** No. Current hiring rules apply and there are no special provisions which allow for a current contract employee to be converted to a civilian government employee without competition. Contract employees will need to apply for civilian government jobs when posted on USA Jobs.

**Q:** Will there be increases in our support staff functions to accommodate this increase in workload (personnel, financial management, etc.)?

**A:** There are no current plans to increase Center personnel staffs. However, HQ AFMC/A1 is currently working with AF/A1 to obtain authorization to temporarily increase the civilian personnel offices and/or Air Force Personnel Center (AFPC) to accommodate increases in civilian hiring for the FY10-FY13 timeframe.

**Q:** Is there direct hiring authority to expedite hiring for these new civilians?

**A:** Yes, AFMC currently has expedited hiring authority for all acquisition coded positions. HQ AFMC/A1 is working to obtain direct hiring authority for other positions.

**Q:** Will there be any relief in timeline and in salary range for the difficult hiring climate in some areas?

**A:** Timeline and phasing issues for large conversions or hard-to-hire areas will be worked on a case-by-case basis as part of the transition plan. Standard locality pay for each geographic area will be applied to all salaries. There are incentives and provisions to address hard to fill and critical needs. Please contact your local civilian personnel office for these provisions.

**Q:** What parameters and assumptions were used to determine which contracts were valid for conversion?

**A:** A cost comparison was accomplished on all contracts identified for conversion and each showed savings (civilians more cost effective than contract). There were 2 methods used for cost comparison: (1) utilizing AF/A1 comparison model which accounts for civilian grade and location and (2) utilizing SAF/FM-approved programming composite rates which utilizes the average rate within a Program Element Code (PEC). In some cases only one method was used and in others both were used.

**Q:** Will the in-sourcing model be shared with us to be sure it is inclusive of all of our concerns?

**A:** The in-sourcing model was developed by the Air Force Manpower Agency and is owned by AF/A1. AFMC has access to the model at the MAJCOM level, but has not distributed it to the field, to date, in order to ensure consistent application of the tool. At this time there are no plans to distribute this model in the future. Future in-sourcing will be addressed as part of the FY12 POM. Please refer to the FY12 POM instructions for detailed information.

**Q:** Once conversions are announced, there will be ramifications to existing contract level of service. Some Centers are already seeing contractors having difficulty hiring and retaining a workforce to continue services until conversions are accomplished. How should this issue be addressed?

**A:** The contractor's obligations for satisfying Government requirements are set forth under the terms of its contract with the Air Force. The contractor generally has the responsibility for taking appropriate steps to ensure it meets its contractual obligations. Should a contractor be unable to meet its contract obligations, only authorized personnel acting consistent with applicable law/regulation may seek resolution with the contractor.

**Q:** Are there any assurances that our contract funding will continue to be provided past the conversion date until we can fully implement an in-sourced organization? We are concerned that contract funds will be removed when we are less than fully manned?

**A:** In the year identified for conversion, contract dollars have already been reprogrammed from the current funding lines to civilian pay to fund the appropriate number of civilian authorizations. There are opportunities to migrate funds from civilian pay back into non-pay funding lines to continue partially funding the contract effort as civilians are hired. However, please keep in mind this should be part of your approved transition plan, and conversions will still need to be accomplished by the end of the fiscal year identified and will be tracked. Please work with the Contracting Officer and your Center FM and personnel offices regarding these issues.



**Q:** How will we address gaps in service, between the time the contract ends and civilians are hired to ensure we are still able to accomplish the mission?

**A:** Each contract transition will be different and must be planned accordingly. There are numerous avenues in place to ensure transition is smooth and there is no gap in service. Recommend you contact your local contracting office/civilian personnel office to address these avenues.

**Q:** How do we address contract employee questions such as "Will I have a job?" and "Can I obtain unemployment benefits if there is a gap between the time my contract ends and my civilian career begins?"

**A:** If a contract employee's position has been converted, the contract employee may apply for the government civilian job once the position is posted on USA Jobs. All unemployment benefits and other related issues will have to be addressed by the contract employee's current employer. Additional guidance is available through the Contracting Officer.

**Q:** If the incumbent contract employee has been with the company for an extended period of time and established longevity, could those benefits transfer (Leave, vacation, etc.)?

**A:** No, current contract employee benefits, leave balances, etc. cannot transfer to government civilian jobs.

**Q:** Was there a non-pay tail added in for each new civilian authorization to account for supply, training, travel, and other costs?

**A:** No. For most conversions the government is already paying for the contractor's computer, supplies and they are already occupying building space. In addition, the intent of the conversions was only to remove the contract labor costs. Any travel funds included in the contract, should have remained in the non-pay funding lines and can now fund the government civilians instead of the contract. Training is the only area for a potential shortfall, and it should be addressed by the Center as part of the FY12 POM. All other shortfalls will also have to be addressed as part of the FY12 POM.

**Q:** Has anyone worked with SAF/AQ to get DAU and AFIT to have more courses available for training. They will have to hire more professors and figure out how to accommodate the new manning and training needs. We heard SAF/AQ was providing money to help. It isn't program dollars but from the Air Force perspective there is money needed.

**A:** Both DAU and AFIT are aware of the Air Force in-sourcing effort, as well as other workforce efforts, that may increase their training requirements. They are currently working to expand training capacity and address any shortfalls.

**Q:** What are we doing to prepare the community for this? There is a potentiality for great impact to small businesses? What can we tell them?

**A:** RMD 802 was an OSD-directed effort, and they are aware of the potential impacts this may have on small businesses. AFMC is reviewing all contracts being converted to analyze the specific small business impact and will mitigate if possible. If you have inquiries from small

business personnel, please refer to the Communication Plan provided in this guidance package (attachment 3).

**Q:** What can we say?

**A:** Please refer to the Communication Plan provided in this guidance package (attachment 3).

**Q:** When can we start talking to the companies?

**A:** You may begin working with your Contracting Officer to initiate communications with the contractor, at the appropriate time, for all conversions identified as part of RMD 802 FY10-FY13, unless they have been identified as “broken glass” and the contract is being replaced by a different contract for conversion during the FY12 POM.

**Q:** Over the past several years, A&AS contracts have been driven to more Firm Fixed Price (FFP) contracts. Has anyone considered the termination costs and limitations for these types of contracts?

**A:** Yes, we recognize there are potential transition limitations with our current FFP contracts. Transition plans will need to account for the contract type and any other terms and conditions that drive impacts for contracts that are converted, as appropriate. The majority of conversions are for existing contracts scheduled with options, and transition will occur at the end of an option year in order to avoid termination costs, etc.

**Q:** Which contracts will be converted in FY10?

**A:** HQ AFMC recognizes the immediate need to understand and begin transitions for the contracts that will be converted in FY10. Attachment 1 provides the list of contracts to be converted in FY10, and HQ AFMC/A1 will be issuing program letters for the civilian authorizations shortly.

**Q:** Who should be telling the Contractor that we no longer need their services?

**A:** Notification shall be provided by the Contracting Officer.

**Q:** What can we release? – By location only or AFMC wide?

**A:** Please refer to the Communication Plan provided in this guidance package (attachment 3).

**Q:** Can we release the entire FYDP or is it going to be by year? Will there be an annual review?

**A:** Manpower adjustments will be reported via the annual HAF force structure public announcement.

**Q:** Are we going to ask the contractors to participate in transition plans to phase these contracts out?

**A:** We recognize that in some cases you may need to engage with the current contractors to assist in your transition plan development, but this should be done only after consulting with the Contracting Officer and only when absolutely necessary.

**Q:** What is the right approach for job offers for the transitioned positions? Rules of Engagement?

**A:** Job offers for converted positions fall under the same standard rules as all other civilian hires.

**Q:** What are the conditions of employment clauses in the current contract between contractor and employee?

**A:** A&AS contracts typically do not address conditions of employment between the contractor and its employees. Consult with the Contracting Officer for any terms and conditions that may have a bearing on conversion.

**Q:** What is the impact on the contracts that are not currently affected – perceived future cuts?

**A:** Potential future in-sourcing does not relieve a contractor from the requirements of the contract and they continue to be responsible for performance. We believe in-sourcing will continue in the FY12 POM cycle. However, it should be noted that in-sourcing is only done where it is more cost effective to hire civilians. Therefore, long-term this effort should drive contractors to be more competitive.

**Q:** Who is eligible to receive support from a military chaplain?

**A:** Any person with a valid military/civilian I.D. card (Military members, their dependents, retirees and DoD employees) may receive counseling from a Chaplain. Eligible civilians are encouraged to use other available civilian or mental health sources in their community since military chaplains are not manned to provide counseling and support to civilians. Under no circumstances do current DoD or Air Force specific instructions allow for military chaplains to provide direct spiritual support or counseling to contractors. All AFMC installations are located in fairly robust metropolitan areas where spiritual and mental health support are easily accessible. Where there are exceptions such as Arnold AFB, we suggest that contractors seek to utilize professional clergy or counselors in the local area to provide support or hire an on-site counselor specifically for their employees.

**Q:** Which Air Force-related services, like the chaplain and other wellness resources, are available to contract personnel?

**A:** Collaborate with specific contract company to determine which services are already being provided by the company. Get word out about those services that the Air Force is able to provide. Consult your local Contracting Officer, JA and Air Force service provider to determine contractor accessibility to any Air Force support service.

**Q:** What kind of job search aid can be provided to those contractors who have lost their jobs?

**A:** Contractors wishing to seek government employment should visit the USA Jobs website ([www.usajobs.gov](http://www.usajobs.gov)). Additional career counseling for displaced contract employees may be provided by their companies.

**Q:** Is there a centralized location where questions can be addressed?

**A:** Yes, a Community of Practice has been created to post all documents related to in-sourcing and facilitate discussion on frequently asked questions, etc.

(<https://afkm.wpafb.af.mil/community/views/home.aspx?Filter=21832>)

## **6.0 HQ AFMC POINTS OF CONTACT**

All questions should be referred to one of the HQ AFMC points of contact below.

### **A1 Manpower/Personnel**

Manpower	Marcae White/Cindy Shewell
Personnel	Sheri Fletcher-Roy
A2/5 Requirements	Jeffrey Fox / Leigh Anne Bierstine
A3 Operations	Linda West
A4 Logistics	Marlene Brandon
A6/7 Mission Support	Claire Cyr
A8/9 Plans, Programs and Analyses	Christine Haupt
A10 Nuclear	Lt Col Kathy Goforth
CS Command Staff	Ted Singer
CCX-LL Legislative Liaison	Maj Louis Duncan
EN Engineering	Mike Bickett
FM Financial Management	Etta Cobb
HC Chaplain	Lt Col Victor Toney
HO Historian	Jack Weber
IG Inspector General	Lt Col Ronald Polomoscanik
PA Public Affairs	Monica Morales
PK Contracting	Marty Trent
SB Small Business	Linda Greaves
SE Safety	Chuck Pyron
SG Surgeon General	Col James King
Change Management/ Internal Communication	Jeff Glendenning

**ATTACHMENT 1**

**RMD 802 CONTRACTS TO BE IN-SOURCED/CONVERTED**

Spreadsheet reflects planned contract conversions as of Jan 10 (attachment 1). However, there will likely be minor changes as “broken glass” is fixed in the FY12 and minor contract swaps occur. As the spreadsheet changes, it will be uploaded to the in-sourcing CoP.

RMD 802 Contracts  
to be In-Sourced.xlsx

## ATTACHMENT 2

### IN-SOURCING TEMPLATE

*The following is provided as a template for development of all in-sourcing transition plans within AFMC. The template should be used as a guide only and should be modified, as needed, for each individual conversion. This may mean that all the appendixes are not applicable to each transition plan and other areas need to be added or removed.*

#### AIR FORCE MATERIEL COMMAND IN-SOURCING PLAN (IPLAN)

##### Title

*(Naming convention to be used for all transition plan titles should be: Center-Wing-Program Title.  
For example: ASC-ENV-AF Plant 42)*

Effective Date of Conversion:

*(Should match fiscal year for which conversion has been identified)*

**1 XXXXXX 2010**

## **EXECUTIVE SUMMARY**

*Provide a summary of the workload being converted and overall plan for successful completion.*

**SPECIAL INSTRUCTIONS**

1. **TITLE:** The title of this document is "XXX".

*Naming convention to be used for all transition plan titles should be: Center-Wing-Program Title.  
For example: ASC-ENV-AF Plant 42*

2. **EFFECTIVE DATE:** 1 XXX 2010

3. **OFFICE OF PRIMARY RESPONSIBILITY:**

4. **SECURITY CONSIDERATIONS:** This document is UNCLASSIFIED and does not fall within the scope of directives governing the protection of information affecting the national security of the United States.

5. **REPRODUCTION:** This document may be reproduced for official Air Force use only (FOUO).

6. **DISPOSITION:** Dispose of excess copies of this document according to applicable directives. Do not return to originator.



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ANNEX D – LOGISTICS

ANNEX E – MISSION SUPPORT/ENGINEERING

ANNEX F – CONTRACTING

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ANNEX L – JUDGE ADVOCATE

ANNEX M – SMALL BUSINESS

## **BASIC PLAN**

### **1. PURPOSE:**

Xxx

*Purpose should include details on the number of positions being converted and fiscal year the workload has been identified for conversion.*

### **2. AUTHORITY/REFERENCES:**

2.1 xxx.

2.2 xxx

2.3 xxx

2.4 xxx

### **3. BACKGROUND:**

3.1 xxx

*Background should include the following:*

- *Current contract end date or current contract option end date*
- *Number of positions being converted*
- *Grade level and occupational series*
- *Fiscal year identified for conversion*
- *Projected completion date for conversion*

### **4. CONCEPT OF OPERATIONS:**

4.1 xxxx.

4.2 xxx

### **5. ASSUMPTIONS:**

### **6. PROGRAM MANAGEMENT:**

## **7. PARTICIPATING ORGANIZATIONS:**

The following is a list of AFMC organizations that participated in the development of this plan:

*All in-sourcing plans must be approved by the Center Contracting (PK), Small Business (SB), Financial Management (FM), Plans and Programs (XP), Personnel (DP) and Judge Advocate (JA) offices at a minimum.*

## **8. RESPONSIBILITIES:**

## **9. COORDINATION AND APPROVAL:**

This document has been coordinated through the above participating organizational 2-ltr directors/commanders and is approved.

*Please list organizations and approval authority that coordinated for each organization.*

## **10. REPORTING INSTRUCTIONS:**

All Annex Managers are required to update their annexes quarterly, providing current action item status and changes. The annex updates will be reported to the above participating organizations and provided to the 2-ltr directors.

*Initial plan must be approved and provided to HQ AFMC/A1M 6 months prior to time of planned conversion.*

## **11. CLOSURE INSTRUCTIONS:**

The plan will be closed when all action items have been either completed or closed. The plan manager will close the plan when these conditions have been met.

## **ANNEX A – ANNEX MANAGERS**

<b>ANNEX</b>	<b>POC</b>	<b>ORGANIZATION</b>	<b>DSN</b>
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B – Manpower & Personnel			
C – Financial Management			
D - Logistics			
E - Mission Support/Engineering			
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H - Requirements			
I - Intelligence			
J – Public Affairs			
K - Safety			
L – Judge Advocate/Legal			
M - Small Business			

## **ANNEX B – MANPOWER AND PERSONNEL**

**1. PURPOSE:**

**2. REFERENCES:**

**3. ASSUMPTIONS:**

**4. RESPONSIBILITIES AND ACTIONS:**

### **TIME-PHASED ACTIONS -- MANPOWER**

*A UMD reflecting the correct MPES tracking codes should be attached.*

### **TIME-PHASED ACTIONS – CIVILIAN PERSONNEL**

*Specific dates for classification, RPA release and actual hiring are required.*

**APPROVED:**

//SIGNED//

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AFMC Manpower & Personnel Annex Manager

DSN

(include email address)

## **ANNEX C – FINANCIAL MANAGEMENT**

**1. PURPOSE:**

**2. REFERENCES:**

**3. ASSUMPTIONS:**

**4. RESPONSIBILITIES:**

**5. FUNDING TRANSFER SUMMARY:**

**APPROVED:**

//SIGNED//

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AFMC Financial Management Annex Manager  
DSN  
(include email address)

### **COMPTROLLER/FUNDING ACTIONS**

#### **TIME-PHASED ACTIONS**

<b>Activity</b>	<b>Actions</b>	<b>OPR</b>	<b>Start</b>	<b>Finish</b>

## ANNEX D – LOGISTICS

**1. PURPOSE:**

**2. AUTHORITY/REFERENCES:**

**3. ASSUMPTIONS:**

**4. RESPONSIBILITIES:**

**APPROVED:**

//SIGNED//

---

AFMC Logistics Annex Manager  
DSN  
(include email address)

### LOGISTICS ACTIONS

#### TIME-PHASED ACTIONS

Activity	Actions	OPR	Start	Finish

## **ANNEX E – MISSION SUPPORT/ENGINEERING**

**1. PURPOSE:**

**2. REFERENCES:**

**3. ASSUMPTIONS:**

**4. RESPONSIBILITIES AND ACTIONS:**

**APPROVED:**

//SIGNED//

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AFMC Mission Support/Engineering Annex Manager  
DSN  
(include email address)



## **ANNEX F – CONTRACTING**

### **1. PURPOSE:**

### **2. REFERENCES:**

### **3. ASSUMPTIONS:**

### **4. RESPONSIBILITIES AND ACTIONS:**

*Specific contract actions required to align with transition should be provided.*

### **APPROVED:**

//SIGNED//

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AFMC Contracting Annex Manager

DSN

(include email address)

## **ANNEX G – HISTORIAN**

**1. PURPOSE:**

**2. REFERENCES:**

**3. ASSUMPTIONS:**

**4. RESPONSIBILITIES AND ACTIONS:**

**APPROVED:**

//SIGNED//

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AFMC History Annex Manager

DSN

(include email address)

## ANNEX H – REQUIREMENTS

**1. PURPOSE:**

**2. REFERENCES:**

**3. ASSUMPTIONS:**

**4. RESPONSIBILITIES AND ACTIONS:**

**APPROVED:**

//SIGNED//

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AFMC Programming Annex Manager

DSN

(include email address)

### REQUIREMENTS

#### TIME-PHASED ACTIONS

Activity	Actions	OPR	Start	Finish

## **ANNEX I – INTELLIGENCE**

**1. PURPOSE:**

**2. REFERENCES:**

**3. ASSUMPTIONS:**

**4. RESPONSIBILITIES AND ACTIONS:**

**APPROVED:**

//SIGNED//

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AFMC Intelligence Annex Manager

DSN

(include email address)

## **ANNEX J – PUBLIC AFFAIRS**

**1. PURPOSE:**

**2. REFERENCES:**

**3. ASSUMPTIONS:**

**4. RESPONSIBILITIES:**

**APPROVED:**

//SIGNED//

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AFMC Public Affairs Annex Manager  
DSN  
(include email address)

## **ANNEX K - SAFETY**

**1. PURPOSE:**

**2. REFERENCES:**

**3. OBJECTIVE:**

**4. ASSUMPTIONS:**

**5. RESPONSIBILITIES:**

**APPROVED:**

//SIGNED//

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AFMC Safety Annex Manager  
DSN  
(include email address)

## **ANNEX L – JUDGE ADVOCATE/LEGAL**

**1. PURPOSE:**

**2. REFERENCES:**

**3. OBJECTIVE:**

**4. ASSUMPTIONS:**

**5. RESPONSIBILITIES:**

**CONCUR:**

//SIGNED//

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AFMC Judge Advocate/Legal Annex Manager  
DSN  
(include email address)

## **ANNEX M – SMALL BUSINESS**

**1. PURPOSE:**

**2. REFERENCES:**

**3. OBJECTIVE:**

**4. ASSUMPTIONS:**

**5. RESPONSIBILITIES:**

**APPROVED:**

//SIGNED//

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AFMC Small Business Annex Manager  
DSN  
(include email address)



## **ATTACHMENT 3**

### **AFMC IN-SOURCING/WORKFORCE RESOURCING INITIATIVE COMMUNICATION PLAN**

(As of January 10)

#### **PURPOSE OF THE PLAN**

Provide communications guidance and consistent messages related to AFMC's desire to scale back the role of contractors in support services and increase civilian manpower authorizations to accomplish the mission. This is a high priority of the Secretary of Defense and referred to as an "in-sourcing initiative."

Please note that bases' individual communication plans should be reviewed and revised at regular intervals to reflect the most up-to-date in-sourcing guidance and changes.

#### **SITUATION:**

In-sourcing is defined as the realignment of non-pay dollars currently funding contract services to civilian pay in order to fund civilian authorizations (a contract-to-civilian conversion). The purpose of in-sourcing is to save money, reconstitute the AFMC organic workforce, and reduce reliance on support contracts. AFMC is committed to accomplishing in-sourcing with minimal mission impact.

The 2006 National Defense Authorization Act (NDAA), section 343 and, more recently, 2008 NDAA, Section 324 directs Federal Government employees be given consideration for work currently performed under DoD contracts. These NDAA actions granted the authority to bring workload back in-house, applying to all services contracts including those resulting from previous A-76 studies.

The President's 4 Mar 09 Memorandum on government contracting directs the Office of Management and Budget (OMB) to issue guidance for review of contracts to identify wastefulness, inefficiency, lack of need and inappropriateness of outsourcing. The memorandum established the following OMB issue guidance to review contracts and identify those that are wasteful, inefficient, or do not meet expectations. The agency will then issue guidance on sole source contracts; assist with Federal acquisition workforce capacity and ability review; and clarify when outsourcing isn't appropriate NLT 30 Sep 09.

The "In-sourcing Contracted Services – Implementation Guidance" was signed by Office of the Secretary of Defense (OSD) 28 May 09. There are five target areas:

- Inherently governmental functions
- Functions exempt from private sector performance
- Unauthorized personal services

- Contract administration problems
- Civilians more cost effective based on cost analysis

In-sourcing will likely impact all AFMC organizations and employees from now through FY15, when all, currently programmed, conversions are completed. However, it is important to understand that, to most, the impact will be minor and is downward directed.

#### **DESIRED EFFECT:**

AFMC leaders at all levels will use every opportunity to inform the workforce and potential candidates of the high level of Air Force leadership interest in in-sourcing. As a result, AFMC personnel and current contracted personnel will be better informed, will recognize opportunities available and this will ultimately improve the AFMC mission accomplishment.

Be aware that the topic of in-sourcing can create concern in local communities, specifically those with a large contractor workforce. Commanders and PAs should be cautious not to give the impression of insensitivity when conveying some of the included messages.

#### **AUDIENCES (STAKEHOLDERS):**

AFMC Senior Leadership (CC, CV, CA, 2-Ltr Directors, Center CCs)

Desired effects:

- Awareness/understanding of and demonstrated commitment to in-sourcing mission, vision, objectives and benefits
- Understand and explain in-sourcing impact to high-interest stakeholders
- Strong advocates for in-sourcing initiative

AFMC Managers/Supervisors

Desired effects

- Understand and execute their roles and responsibilities in support of the in-sourcing mission and in the training, career development of newly hired personnel
- Enhance understanding of how their work supports AFMC goals and objectives
- Take proactive action to learn about operational and culture changes and forward pertinent information and key messages to their people to keep them informed
- Act as a conduit for two way communication flow in telling the in-sourcing story

AFMC Organic Workforce at large

Desired Effects

- Recognize how their work contributes to Air Force and AFMC goals, objectives and metrics
- Increased knowledge of opportunities for training and career development
- Cultivate a caring environment and total adoption of wingman concept
- Increased awareness and understanding of the reasons for government in-sourcing
- Experience improved support for the in-sourcing initiative
- Trust AFMC leadership to provide most effective/efficient support to the warfighter
- Increase partnership to improve warfighter

#### Contractor Managers/Supervisors

##### Desired effects:

- Understanding/acceptance of in-sourcing vision, objectives and benefits
- Explain potential range of in-sourcing impacts to affected employees
- Act as a conduit for two-way communication flow in telling the in-sourcing story

#### Contractor Employees:

##### Desired effects

- Gain understanding of in-sourcing initiative
- Sustain commitment to accomplish AFMC mission

#### Customers

##### Desired effects

- Gain understanding of in-sourcing initiative
- Inform that there will be no loss of mission capability or support

#### Surrounding Community/Public

##### Desired effects

- Inform of DoD priority to gain control of taxpayer dollars spent on services contracts in order to ensure efficient use of funds.

#### **POINTS OF CONTACT:**

Refer to the Points of Contact section of the overarching in-sourcing guidance for specific names and points of contact within HQ 2-Ltr directorates.

- Media, community or public inquiries – HQ AFMC/PA and all Installation PA offices
- Small business impacts – SB (small business) offices at HQ AFMC and Center level
- Communication plan development for internal government awareness – HQ AFMC/A8C
- Commanders and leaders at all levels and A8/9 (Center XP) offices

- Congressional/Legislative issues – HQ AFMC/CCX-LL
- Overall in-sourcing guidance/information – HQ AFMC/A1, HQ AFMC/A8 and Center DP and XP offices

## **MESSAGES:**

### **Overarching**

- In-sourcing, or adding positions to the AFMC workforce to perform work previously done by contractors, will provide multiple benefits to AFMC and the rest of the Air Force
- Doing so will save AFMC, the Air Force and DoD money currently paid to contractors performing the same work
- Second, we'll create a more stable workforce
- In-sourcing will help us recoup some of the expertise we have lost in acquisition and related workforces over the past several years
- AFMC consists of 10 bases across the country, and is responsible for science, technology, research, test and development, acquisition, modernization and sustainment for aeronautical weapon systems needed by warfighters to prevail in combat
- AFMC is looking forward to the opportunity to hire those who can help us maintain support for the nation's air, space and cyberspace forces
- AFMC officials are excited about increasing numbers and the caliber of our workforce
  - We are already seeing significant number of new hires with advanced degrees from great schools, as well as those with prior military or industry experience
  - A good percentage of these new hires will be working in research, test and development, and acquisition
- In return for their contributions, new hires acquire a whole range of benefits, including but not limited to:
  - Healthcare
  - Travel
  - Training
  - A chance to learn leadership skills
  - Opportunities for career growth
  - The opportunity to serve their country as civilians
  - Making a difference to millions of people everyday

### **AFMC Senior Leadership (CC, CV, CA, 2-Ltr Directors, Center CCs)**

- In-sourcing was downward directed, cannot be avoided, but provides many benefits including opportunity to revitalize organic workforce and obtain cost savings.

### **AFMC Mid-Level Managers/Supervisors & Organic Workforce**

- Your help is KEY to making the in-sourcing transitions successful. While there may be temporary workload increases, long-term in-sourcing will provide a more stable workforce and provide additional organic career opportunities

#### Contractor Managers/Supervisors

- Strategic decision to change workforce mix to obtain funding efficiencies (taxpayer savings); not a reflection on contract performance

#### Contractor Employees:

- If interested, organic job opportunities are available and we encourage all current contract personnel to consider applying

#### Customers

- Workforce change should be transparent with no impact to support provided. AFMC will provide updates on in-sourcing transitions, as needed.

#### **TACTICS/PRODUCTS:**

- Benefits of in-sourcing AFMC positions should be a priority at Commander's/Director's Calls, town hall meetings, in base newspaper and Website commentaries, interviews, direct e-mails, blogs, etc.
- A8/9 provides draft commentary to HQ AFMC/PA to be used as a template for all Center A8/9's to push to local base papers and websites.
- A8/9's leaders at all levels seek every opportunity to tell the in-sourcing story, e.g., one-on-one conversations, e-mails, brown-bag lunches, newsletters, etc.
- Center XPs draft personal commentaries touting benefits of government in-sourcing and provide to PA's for use in base papers and websites.
- Center XP offices seek out in-sourcing success stories/initiatives and provide them to local PA offices to highlight in base newspapers and on websites. Appropriate stories will be selected by HQ AFMC/PA for Command-wide and Air Force distribution.
- Center XP offices work with their PA's to highlight in-sourcing efforts to local news media and offer AFMC people to talk about their in-sourcing initiatives.
- Display in-sourcing messages on Commander's access channels, marquees, existing displays, etc.
- This Communication Plan should be distributed to all Senior Leaders
- Contracting Officer will be the single POC to Contractor Management and will respond to queries from Contractor Managers/Supervisors
- Contractor Managers/Supervisors will communicate to Contractor Employees
- Applicable information will be provided at all forums where customers are present including Acquisition/Sustainment Reviews (ASRs), Integrated Life Cycle Management (ILCM) meetings, CORONA, and individual program reviews.

## FEEDBACK, EVALUATION, AND ASSESSMENT:

During execution of this communication plan, and Communication Tasking Order (CTO), the AFMC Team will capture feedback. The goal of feedback is to provide a means for acknowledging concerns and questions, measuring the effectiveness of communications, and adjust communication accordingly. Feedback mechanisms will be identified for each communication activity on the CTO.

Examples of Feedback: Face-to-Face, direct feedback, Commander's Action Line, e-mail, phone, random surveys, etc.

The CTO below summarizes the stakeholders identified, key messages, method of delivery and feedback previously discussed in this plan.

### AFMC In-Sourcing Communication Tasking Order

Target Audience (Stakeholders)	Key Messages (What they need to know)	Potential Methods of Delivery	When (Frequency/Start)	Responsible POC	Feedback Method
AFMC Leadership	Downward directed, but provides opportunity to reintegrate our organic workforce.	AFMC Senior Leader Conference, Commander's Log Quarterly AFMC Council Mtg updates, Brown Bag lunches, Squadron COs course, Senior Leader's Course (SLMC)	as often as possible	HQ AFMC/A8/A1	Direct face-to-face feedback in these forums
AFMC Organic Personnel	Your help is KEY to make transitions successful. May be temporary workload increases, but long-term will provide more stable workforce and provide additional organic career opportunities	Center Town Hall meetings, Commander's Call, WIGOs, base newspapers, CoP	as often as possible	Center leadership, HQ AFMC/A8/A1	Face-to-Face or email

AFMC Contract Personnel/ Leadership	Contractor personnel – if interested, organic job opportunities are available and we encourage you to consider applying. Key Message: Contractor leadership – Strategic decision to change workforce mix to obtain funding efficiencies (tax-payer savings); not a reflection on contract performance.	Personnel: bulletin board announcements, Center town hall meetings, Commander's Calls, WIGOs, base newspapers, CoP Leadership: direct correspondence w/PCO	as often as possible	Center leadership, HQ AFMC/A8/A1	Face-to-Face or email
Customers	Transparent change; no impact to support provided. Will continue to update you on our status as transitions are accomplished.	ASRs, ILCM forum, CORONA, emails with customers, program office to MAJCOMs, program reviews	Initial info and quarterly updates	HQ AFMC/A8/A1	Face-to-Face or email
Surrounding Community/ Public	Looking forward to hiring good candidates to help support our AF mission	Newspaper articles, responses to media inquiries, job fairs	By request	HQ AFMC/PA and CCX-LL	Email

## IN-SOURCING QUESTIONS/ANSWERS

Q.1. How many in-sourcing positions are we talking about?

A.1. Numbers are still in a state of flux. Over a period of 6 years, we are looking at several thousand. We will have a better idea of exact numbers when the President's Budget is signed into law. (Please note: Public Affairs will only release data after the budget is signed by the President and after Draft Q/A have been coordinated with SAF/PA.)

Q.2. Is it true replacement rate for Advisory and Assistance Services (A&AS) contractors, and possibly others, will not be one-for-one? Please comment and address the impact to the mission.

A.2. AFMC was able to reach 1-for-1 conversion with no long-term capability loss or temporary mission impact.

What this means for the conversions is that we will stop work under a contract and get a replacement dollar rate from HQ Air Force equivalent to approximately 60 percent of what we were paying the contractor for their work. With that money, will fund new internal positions, which may still be close to a 1-for-1 replacement rate of actual personnel. Recent studies have shown that in most cases it will cost less to do the work in-house. Overall, we'll be able to accomplish the same workload, and employ approximately the same number of people.

Q.3. How will these new government positions be filled?

A.3. They will be filled through the usual procedures. Currently, that means vacancy announcement on USAJOBS Website (some positions will also be advertised on local base web sites), followed by a full and open competition for each job. Although AFMC is asking for direct hire authority, we have not yet received that.

Q.4. What is the break out of positions by career field?

A.4. AFMC has positions open at every level of command across the country, including, but not limited to:

- Researching new "green" fuels, laser-guided weapons and unmanned aerial vehicles
- Acquisition, development and sustainment of weapon systems
- Development of ways to defend against cyber threats
- Supporting rescue missions and humanitarian efforts
- Supporting international security cooperation programs

Q.5. What will the impact be to acquisition mission? The test and evaluation mission? The sustainment mission?

A.5. In-sourcing should provide the acquisition, sustainment and test workforces with more expertise, experience and personnel, providing us the ability to bring back into the Air Force a good deal of the work we feel should be performed with a federal workforce. This will give us more flexibility to meet new challenges as they occur.

Q.6. Are you expecting contractor complaint and/or protests as a result of these actions?

A.6. Due to the unavoidable impact upon segments of the defense contractor community, some resistance to in-sourcing should be expected. However, we believe actions taken to delay or prevent in-sourcing will be relatively minimal. The majority of contracts impacted are annual contracts containing options, and the plan will simply be to not exercise those options. In other cases, the contracts may be expiring, in which case, the contract will not be recompeted.

Q.7. Will any of the contracts closed out be in the category of those originally awarded to industry as a result of A-76 studies?



A.7. Yes. We reviewed all contracts, including those that were competed under OMB Circular A-76. The determination on what will be converted was based on a cost benefit analysis.

Q.8. So labor unions should actually be pleased because this means more manpower?

A.8. Yes, we expect their full support.

Q.9. Will there be a Congressional engagement plan?

A.9. HQ AFMC/CCX-LL will work with SAF/LL, in conjunction with SAF/PA, on any required Congressional notifications. We can say that we expect to keep approximately the same number of jobs at each base impacted by the conversions, and we'll be creating more net positions with the acquisition plus-up.

Q.10. Will there be any data rights issues?

A.10. No, we do not believe so based on the type of contracts we're looking at converting.

Q.11. Will this conversion impact KC-X or other major source selections?

A.11. No.

Q.12. Will training and/or refresher training be guaranteed for all new hires?

A.12. New hires resulting from the conversions will receive the same training as other Air Force employees in similar positions that perform similar work.