

**AMENDMENT TO H.R. 5136, AS REPORTED
OFFERED BY MR. MILLER OF FLORIDA**

Page 92, after line 24, insert the following:

1 **SEC. 326. IMPROVING THE PROCESS FOR CONVERSION OF**
2 **FUNCTIONS TO PERFORMANCE BY FEDERAL**
3 **EMPLOYEES.**

4 (a) PROHIBITION.—

5 (1) DEPARTMENT OF DEFENSE.—The Sec-
6 retary of Defense may not establish, apply, or en-
7 force any numerical goal, target, or quota for the
8 conversion of Department of Defense function from
9 performance by a contractor to performance by De-
10 partment of Defense civilian employees, unless such
11 goal, target, or quota is based on considered re-
12 search and analysis, as required by section 235,
13 2330a, or 2463 of title 10, United States Code.

14 (2) OTHER FEDERAL AGENCIES.—No other
15 Federal agency or department may establish, apply,
16 or enforce any numerical goal, target, or quota for
17 conversion of functions from performance by con-
18 tractors to performance by Federal employees.

19 (b) DECISIONS TO INSOURCE.—

1 (1) DEPARTMENT OF DEFENSE METHOD-
2 OLOGY.—In deciding which functions should be con-
3 verted from performance by a contractor to perform-
4 ance by Department of Defense civilian employees
5 pursuant to section 2463 of title 10, United States
6 Code, the Secretary of Defense shall develop a cost-
7 ing methodology including, but not limited to, the
8 factors outlined in the Directive-Type Memorandum
9 09-007 (Estimating and Comparing the Full Costs
10 of Civilian and Military Manpower and Contractor
11 Support) or any successor guidance for the deter-
12 mination of costs when costs are the basis for the
13 decision. The Secretary of a military department
14 may issue supplemental guidance to assist in such
15 decisions affecting functions of that military depart-
16 ment.

17 (2) DEVELOPMENT OF METHODOLOGY FOR
18 OTHER AGENCIES.—Not later than 90 days after the
19 date of the enactment of this Act, the Office of Man-
20 agement and Budget shall develop a costing method-
21 ology to be used by non-Department of Defense Fed-
22 eral agencies when determining which functions
23 should be converted from performance by a con-
24 tractor to performance by Federal employees when
25 costs are the basis for the decision.

1 (c) REPORTS.—

2 (1) REPORT TO CONGRESS.—Not later than De-
3 cember 31, 2010, and each subsequent year through
4 December 31, 2014, the Secretary of Defense and
5 the head of each Federal agency and department
6 shall submit to the congressional defense commit-
7 tees, the Committee on Oversight and Government
8 Reform of the House of Representatives, and the
9 Committee on Homeland Security and Governmental
10 Affairs of the Senate a report on the decisions with
11 respect to the conversion of functions from perform-
12 ance by contractors to performance by Department
13 of Defense civilian employees and Federal agency
14 and department employees made during fiscal year
15 2010, and each subsequent year through 2014. Such
16 report shall identify, for each such decision—

17 (A) the agency or military service of the
18 Department of Defense involved in the decision;

19 (B) the basis and rationale for the deci-
20 sion;

21 (C) the number of contractor employees
22 whose functions were converted to performance
23 by Federal employees; and

24 (D) the effect of the decision on small
25 businesses at the prime and subcontract level.

1 (2) COMPTROLLER GENERAL REVIEW.—

2 (A) REVIEW REQUIRED.—Not later than
3 120 days after the submittal of the report
4 under paragraph (1), the Comptroller General
5 of the United States shall submit to the con-
6 gressional defense committees, the Committee
7 on Oversight and Government Reform of the
8 House of Representatives, and the Committee
9 on Homeland Security and Governmental Re-
10 form of the Senate an assessment of the report.

11 (B) REPORT.—Not later than 90 days
12 after the date of the enactment of this Act, the
13 Comptroller General of the United States shall
14 submit to the congressional defense committees,
15 the Committee on Oversight and Government
16 Reform of the House of Representatives, and
17 the Committee on Homeland Security and Gov-
18 ernmental Reform of the Senate a report detail-
19 ing whether DTM-09-007 is a viable tool for
20 determining the full and long-term costs associ-
21 ated with conducting functions using Federal
22 employees or contracts.

