



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
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WASHINGTON, D.C. 20301-4000

APR 24 2020

MEMORANDUM FOR CHIEF MANAGEMENT OFFICER OF THE DEPARTMENT OF
DEFENSE

SECRETARIES OF THE MILITARY DEPARTMENTS
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DIRECTOR OF OPERATIONAL TEST AND EVALUATION
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ASSISTANT SECRETARY OF DEFENSE FOR LEGISLATIVE
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ASSISTANT TO THE SECRETARY OF DEFENSE FOR PUBLIC
AFFAIRS
DIRECTOR OF NET ASSESSMENT
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: Temporary Direct Hire Authority for Employees of Installation Military Housing
Offices in the Department of Defense

References: (a) Section 559 of the National Defense Authorization Act for Fiscal Year 2018
(Public Law 115-91, 10 U.S.C. § 1792 note)
(b) Section 3035 of the National Defense Authorization Act for Fiscal Year 2020
(Public Law 116-92)

Section 559 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018, as amended by section 3035 of the NDAA for FY 2020, authorizes the Secretary of Defense to appoint individuals in the competitive service to fill vacancies in installation military housing offices, when the Secretary determines there is a critical need for employees at installation military housing offices and there is a shortage of such employees, without regard to the provisions of chapter 33, subchapter I of title 5, United States Code (U.S.C.). For purposes of this policy, sections 3303, 3323, 3326, and 3328 of chapter 33, subchapter I of title 5, U.S.C., and corresponding Code of Federal Regulations provisions will continue to apply.

I have determined there is a critical hiring need for employees at installation military housing offices and there is a shortage of such employees. As set forth in the attachment, this memorandum provides implementing procedures for use of this authority. No appointment may be made under this authority after September 30, 2021.

For more information, my point of contact is Ms. Melissa Lalonde, Associate Director, Employment and Compensation, Defense Civilian Personnel Advisory Service, who may be reached at (571) 372-1557 or melissa.a.lalonde.civ@mail.mil.

A handwritten signature in black ink, appearing to read "Matthew P. Donovan". The signature is fluid and cursive, with the first name being the most prominent.

Matthew P. Donovan

Attachment:
As stated

IMPLEMENTING PROCEDURES FOR THE DIRECT HIRE AUTHORITY FOR EMPLOYEES AT INSTALLATION MILITARY HOUSING OFFICES

1. Authority

a. Section 559 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018, as amended by section 3035 of the NDAA for FY 2020, authorizes the Secretary of Defense to appoint individuals in the competitive service to fill vacancies in installation military housing offices, when the Secretary determines there is a critical need for employees at installation military housing offices and there is a shortage of such employees, without regard to the provisions of chapter 33, subchapter I of title 5, United States Code (U.S.C.).

b. The Under Secretary of Defense for Personnel and Readiness, on behalf of the Secretary, has determined there is a critical need for and shortage of such employees. The Deputy Assistant Secretary of Defense for Civilian Personnel Policy (DASD(CPP)) will determine which occupational series are covered by this hiring authority.

c. Individuals may be appointed in the competitive service in the Department of Defense (DoD) without regard to chapter 33, subchapter I of title 5, U.S.C. As a matter of policy, sections 3303, 3323, 3326, and 3328 of chapter 33, subchapter I of title 5, U.S.C., and corresponding Code of Federal Regulations provisions will continue to apply.

(1) This direct hire authority (DHA) to appoint qualified candidates to vacancies in installation military housing offices may be used by Secretaries of the Military Departments and Directors of the Defense Agencies and DoD Field Activities with independent appointing authority, hereafter referred to as “DoD Components.”

(2) Appointments under this authority may not be made after September 30, 2021. DoD Components must maintain records on the use of this authority.

(3) The authority should primarily be used to appoint qualified candidates who are not existing DoD competitive service employees with permanent status. DoD Components should follow their Merit Promotion Plans to enable movement of the existing DoD competitive service workforce. Use of internal merit promotion procedures will ensure transparency, accountability, and adherence to merit systems principles.

2. Use of DHA

This DHA enables DoD to recruit and appoint qualified persons directly without applying competitive rating and ranking procedures. The following principles shall be followed when exercising this authority:

- a. A highly-qualified workforce is critical to DoD’s mission;
- b. Recruitment efforts should be expansive enough to ensure, to the extent possible, that a diverse candidate pool exists;

c. Merit factors shall be the basis for selecting individuals for positions. All personnel program and practices shall be administered in accordance with DoD Directive 1020.02E, “Diversity Management and Equal Opportunity in the DoD;” and

d. DoD Components must ensure transparency, accountability, and auditability in hiring processes.

3. Definitions

a. A “critical hiring need” and “shortage” may occur when the need to fill positions creates an operational hardship in meeting mission requirements brought about by circumstances such as, but not limited to, unusual or unanticipated events, extraordinary workload, or new or emerging mission requirement creating the need to fill positions.

b. Installation military housing office means any office whose primary function is performing day-to-day supervision of military housing covered by subchapter IV of chapter 169 of title 10, U.S.C.

c. Primary function refers to the foremost or core mission of an office/organization, and not to any secondary, collateral, or incidental functions the office/organization may perform in support of a broader mission.

4. Covered positions – The DHA may be used to appoint individuals at the GS-15 and below (or equivalent) pay grades to a position identified in the appendix, provided the position resides within an office with a primary function for installation military housing.

5. Announcement and Assessment Process

a. Public notice is not required; however, if posting job opportunity announcements, DoD Components must use announcements that are concise and easily understood. Public notice is appropriate if the area of consideration includes current DoD competitive service employees with permanent status.

(1) DoD Components will establish recruitment procedures that facilitate identification of qualified individuals for referral to management for selection and appointment.

(2) DoD Components must ensure that Merit System Principles are followed when posting advertisements and announcements, receiving applications, referring candidates, and notifying applicants regarding receipt and status of their applications.

(3) Potential applicants should have ready access to information about how to apply for positions, and the basis on which they will be assessed to meet the qualifying criteria.

b. DoD Components will assess candidates against job-related criteria, ensuring they have the skills, education, training, and behavioral attributes that provide for successful job

performance. Selectees for entry-level positions requiring the Administrative Careers with America (ACWA) assessment must be assessed using the most recent, streamlined ACWA examination or a validated alternative assessment instrument (e.g., select USA HIRE assessments). All candidates must:

(1) Meet the minimum standards for the subject positions as published in the Office of Personnel Management's operating manual, "Qualification Standards for General Schedule Positions," and any DoD qualification standards specific to the position(s) to be filled;

(2) Meet any selective placement factor(s) and/or competencies identified as necessary for appointment to the position(s); and

(3) Meet or will meet the pre-employment requirements, within the required time frame, for appointment to the position(s) being filled, as applicable.

c. Appointments under this authority are subject to the Priority Placement Program. Procedures applicable to the use of direct hiring authority may be found in the Priority Placement Program Handbook, available at: https://www.dcpas.osd.mil/Content/documents/EC/PPP_Handbook_112019.pdf.

6. Appointing Authority – Appointments may be made on a permanent, term, or temporary basis using the following Legal Authority Code/Legal Authority:

Z5CAJ/Direct Hire Auth (Mil Housing Office), Sec 3035, PL 116-92, 12/20/2019

7. Oversight and Accountability

Each DoD Component is responsible for determining the appropriate use of this DHA to meet workforce needs, ensuring implementation is in accordance with Merit System Principles and applicable collective bargaining agreements.

a. The Under Secretary of Defense for Personnel and Readiness is responsible for the development of implementing guidance and policies.

b. The Defense Civilian Personnel Advisory Service (DCPAS) will oversee and monitor the use of this authority throughout the DoD.

c. DoD Components are responsible for oversight, accountability, and reporting for themselves and their serviced organizations. Components are required to report on the usage and effectiveness of the authority as requested by DCPAS.

d. Documentation for appointments made under this authority must be sufficient to allow reconstruction of actions taken and must be maintained for a time frame consistent with other appointing authorities (e.g., resumes, job opportunity announcements, candidate referral lists, if applicable).

e. Appointments under this authority will be evaluated as part of the DoD Human Capital Framework.

8. Reporting

a. DoD Components must report to DCPAS by October 31st with an analysis of DHA usage, to include narrative on hiring improvements and adherence to merit system principles. Reports must include the following:

- (1) Number of employees hired by position, series, and grade/pay band/level;
- (2) Number of veterans hired;
- (3) Number of military spouses hired;
- (4) Number of internal candidates (i.e., current employees) hired; and
- (5) Quantifiable effectiveness in meeting Component staffing efforts.

9. Requesting Additional Position Coverage

a. DoD Components may request additional position coverage if they find there is a critical hiring need for and shortage of employees at installation military housing offices for positions outside the scope of coverage as identified in Section 4 of these procedures. The basis for identifying a critical hiring need and shortage of military housing employees must be substantiated by the following:

- (1) Requested position(s) reside within an office with primary function for installation military housing;
- (2) Reduced manning levels which threaten the ability for the installation military housing office to continue operations at an acceptable level; and
- (3) Recruitment efforts have produced an insufficient supply of qualified candidates for vacancies in installation military housing offices.

b. The following data, at a minimum, must be submitted to support a request for inclusion of additional position(s) as a critical hiring need and a shortage of employees at installation military housing offices. Submissions must be endorsed by the DoD Component headquarters civilian human resources policy office and shall be submitted to DCPAS for approval by the DASD(CPP). Requests for additional coverage should include the following information:

- (1) Recruitment needs, to include the current number of positions being recruited and the projected recruitment needs (projected retirements, projected turnover, increased/new workload);
- (2) Supply gap, to include vacancy lapse rate, and market data analysis of labor market demand; and
- (3) Past recruitment efforts (e.g., job fairs, compensation incentives) and evidence of ineffectiveness.

Covered Occupational Series

Following is a list of occupational series designated as a critical hiring need and shortage for which the direct hire authority for employees at installation military housing offices may be used immediately without further justification:

- 0301 - Misc Administration and Program
- 0343 - Management and Program Analysis
- 1101 - General Business and Industry
- 1170 - Realty
- 1173 - Housing Management

Positions within the above occupational series must adhere to the requirements of paragraph 4 of the “Implementing Procedures for the Direct Hire Authority for Employees at Installation Military Housing Offices”, dated April 24, 2020, in order to be covered under this DHA. Requests for additional occupational series may be submitted according to the requirements of paragraph 9 of the same implementing procedures.