

INFORMATION PAPER

BLUF: Information on the Department of Defense (DoD) Public-Private Talent Exchange (PPTE) Program

Background: The National Defense Authorization Act for Fiscal Year (FY) 2017, Section 1104, Chapter 81 of title 10, United States Code (U.S.C.), is amended by adding at the end of the following section: 1599g, the Public-Private Talent Exchange (PPTE). Section 1599g provides that the Secretary of Defense, with the agreement of a private-sector organization and the consent of the employee, arranges for the temporary assignment of an employee to such a private-sector organization, or from such private-sector organization to a DoD organization. The memorandum to implement the PPTE was signed by the Deputy Secretary of Defense and issued on July 19, 2018. The legislation does not provide an expiration date. Additionally, FY21 NDAA Section 1102, requires the expansion and modification of PPTE to include modernization priorities of the Department and mitigation of any conflicts of interest as a result of PPTE participation.

Key Discussion Points:

- **Authority:** The Secretaries of the Military Departments and Directors of Defense Agencies and DoD Field Activities with independent appointing authority may exercise authority to assign DoD employees to private-sector organizations and approve assignments of private-sector employees to DoD organizations under the PPTE. This authority extends to their respective serviced organizations (hereafter referred to as "DoD Components").
- **FY21 NDAA Section 1102 Mandate:** This section requires the Department of Defense to expand the DoD PPTE program. The expansion aims to align talent exchanges with the Department's modernization priorities and mitigate potential conflicts of interest arising from PPTE participation.
- **DoD Civilian Employee Eligibility:** Eligible DoD civilian employees must:
 - Be at the General Schedule (GS) grade 12 level and above (or equivalent).
 - Possess the knowledge, skills, and abilities of a subject matter expert in their occupational field.
 - Meet all established performance standards at the fully successful level or above.
 - Hold a permanent appointment and have completed their initial probationary or trial period.
- **Assignment Duration:** Assignments under this program shall last a minimum of three months and a maximum of two years, renewable up to a total of four years. No DoD employee may participate in PPTE assignments for more than a cumulative total of four years.
- **Memorandum of Agreement:** A written memorandum of agreement (MOA) is required for each PPTE participant. This MOA will document the specific terms and responsibilities agreed upon by the DoD Component, the private-sector organization, and the participant. The MOA must include language ensuring employees do not improperly use information related to Department acquisition or procurement for the benefit or advantage of the private-sector organization.

- **Inherently Governmental Work:** Private-sector employees are prohibited from performing work considered inherently governmental.
- **Pay and Benefits:** DoD employees will be considered on detail during the assignment and will continue to receive their pay and benefits from their employing DoD organization. Private-sector participants will continue to receive pay and benefits from their private-sector employers.
- **Post-Assignment Requirements (DoD Employees):** Upon completing the PPTE assignment, DoD participants will be placed in the position they held immediately before the assignment or a similar position. They must then serve in the DoD (or elsewhere in the Federal civil service with component approval) for a period equal to twice the length of the assignment.
- **Assignment Termination:** The DoD or the private-sector organization may terminate an assignment at any time and for any reason. If a participant fails to fulfill the agreement, they will be liable to the U.S. government for all assignment expenses, unless the failure was for a good and sufficient reason as determined by the Secretary of Defense.
- **Prohibition of Cost Charging:** Private-sector organizations may not charge the Department of Defense or any other federal agency, as direct or indirect costs under a federal contract, for the pay or benefits paid to an individual assigned to a DoD organization under a PPTE.
- **Small Business Participation:** DoD Components must ensure that at least 20% of private-sector employees accepted for PPTE assignments each fiscal year are from a small business entity.
- **Part-Time Exchanges:** The bill does not prohibit part-time exchanges. This flexibility may benefit small businesses and agencies facing staffing challenges who wish to participate in the program.

Future/Next Steps: None, for information only

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