

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

JUN 2 3 2023

MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP COMMANDERS OF THE COMBATANT COMMANDS DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Direct Hire Authority for Domestic Defense Industrial Base Facilities and the Major Range and Test Facilities Base in the Department of Defense

References: (a) Section 1107 of the National Defense Authorization Act for Fiscal Year 2020 (Public Law 116–92), "Extension of Direct Hire Authority for Domestic Industrial Base Facilities and Major Range and Test Facilities Base"

- (b) Section 1102 of the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115–91), "Extension of Direct Hire Authority for Domestic Defense Industrial Base Facilities and Major Range and Test Facilities Base"
- (c) Section 1125 of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114–328), "Temporary Direct Hire Authority for Domestic Defense Industrial Base Facilities, the Major Range and Test Facilities Base, and the Office of the Director of Operational Test and Evaluation"
- (d) Under Secretary of Defense for Personnel and Readiness Memorandum,
 "Extension of Temporary Direct-Hire Authority for Domestic Defense Industrial Base Facilities and the Major Range and Test Facilities Base in the Department of Defense," October 1, 2020 (hereby rescinded)
- (e) Office of the Under Secretary of Defense for Personnel and Readiness Memorandum, "Extension of Temporary Direct-Hire Authority for Domestic Defense Industrial Base Facilities and the Major Range and Test Facilities Base in the Department of Defense," July 19, 2018 (hereby rescinded)
- (f) Office of the Under Secretary of Defense for Personnel and Readiness Memorandum, "Temporary Direct-Hire Authority for Domestic Defense Industrial Base Facilities and the Major Range and Test Facilities Base in the Department of Defense," June 1, 2017 (hereby rescinded)

This memorandum provides guidance, as set forth in the attachment, for the direct hire authority (DHA) for Domestic Defense Industrial Base Facility or Major Range and Test Facilities Base in the DoD as granted in reference (a) and extended through references (b) and (c).

The application of 5 U.S.C. § 3326, subchapter I, which was previously required as a matter of policy, is no longer required for appointments made under this authority. Sections 3321 and 3323 of title 5, U.S. Code, chapter 33, subchapter I, and corresponding Code of Federal Regulations provisions will continue to apply. Accordingly, the attached implementation procedures have been updated, removing the previous requirement to apply 5 U.S.C. § 3326, subchapter I, and; further, to incorporate all previously published amendments to the policy that

were directed in references (d)-(f). This temporary DHA remains in effect through September 30, 2025, unless extended through future legislation.

For more information, my point of contact is Ms. Rosemary Meriwether, Associate Director, Employment and Compensation, Defense Civilian Personnel Advisory Service, at (571) 372-2191 or rosemary.m.meriwether.civ@mail.mil.

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Attachment: As stated

TEMPORARY DIRECT HIRE AUTHORITY FOR DOMESTIC DEFENSE INDUSTRIAL BASE FACILITIES AND THE MAJOR RANGE AND TEST FACILITIES BASE IN THE DEPARTMENT OF DEFENSE IMPLEMENTATION PROCEDURES

1. Authority

a. Section 1125(a) and (c) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017, as amended by section 1102 of the NDAA for FY 2018 and section 1107 of the NDAA for FY 2020, provides that the Secretary of Defense may appoint qualified candidates to positions in the competitive service in the DoD at any domestic defense industrial base facility or Major Range and Test Facilities Base without regard to 5 U.S.C., chapter 33, subchapter I, other than sections 3303 and 3328 of such title. The Department will preserve sections 3321 and 3323 of title 5, U.S. Code, Chapter 33, subchapter I, and corresponding Code of Federal Regulations provisions related to selection and appointment, remain in effect.

b. The authority to appoint qualified persons under the direct hire authority (DHA).

c. DHA is delegated to Secretaries of the Military Departments, Directors of the Defense Agencies, and Directors of the DoD Field Activities with independent appointing authority for themselves and their serviced organizations as defined in their respective DoD chartering directives, hereafter referred to as "DoD Components."

d. Appointments under this authority may not be made after September 30, 2025, unless it is extended by future legislation. DoD Components must maintain records on their use of this authority for themselves and for their serviced organizations until the authority expires.

2. Use of DHA

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

a. A highly-qualified workforce is critical to the Department's mission.

b. Recruitment efforts should be expansive enough to ensure, to the extent possible, that a diverse candidate pool exists that is representative of all segments of society.

c. Merit factors will be the basis for selecting individuals for positions. All personnel programs and practices will be administered in accordance with Department of Defense Directive 1020.02E, "Diversity Management and Equal Opportunity in the DoD."

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

3. Definitions

For the purposes of section 1125 (a) and (c) of the NDAA for FY 2017:

a. "qualified candidates" are defined as individuals who:

(1) Meet the minimum standards for the position as published in the applicable Office of Personnel Management qualification standard and any DoD qualification standards specific to the position to be filled; and

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

b. "Defense Industrial Base Facility" means any DoD depot, arsenal, or shipyard located within the United States.

c. "Major Range and Test Facilities Base" means those ranges and facilities which, pursuant to Department of Defense Instruction 3200.18, "Management and Operation of the Major Range and Test Facility Base," comprise the list which is published and disseminated, at least annually, by the Director, Test Resource Management Center.

4. Announcement and Assessment Process

a. If using vacancy announcements, DoD Components must use job opportunity announcements that are concise and easily understood.

b. DoD Components will establish procedures for recruiting that ensure the identification of qualified individuals for referral to management for selection and appointment.

c. 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.

d. DoD Components will assess candidates against job-related criteria, ensuring they have the skills and behavioral attributes that lead to success.

(1) 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).

5. <u>Appointing Authority</u>

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

Z5CAK/Direct-Hire Authority (Domestic DIB, MRTFB), Sec 1107, PL 116-92, 12/20/2019

6. Oversight and Accountability

Within the scope of this authority, each DoD Component is responsible for determining the appropriate use of this authority relating to recruitment needs, and coverage for specific occupational series, in the General Schedule (GS) or Federal Wage System (or equivalent pay bands/levels), but not for positions above GS-15 (or comparable levels), such as Senior Executive Service positions, 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, in consultation with the Director, Test Resource Management Center.

b. The Defense Civilian Personnel Advisory Service (DCPAS) will oversee and monitor use of this authority throughout the Department and ensure compliance with any reporting requirements on the use of this authority, if any.

c. The Secretaries of the Military Departments, Directors of the Defense Agencies, and Directors of the DoD Field Activities or their designees are responsible for oversight, accountability, and reporting for their respective DoD Component.

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

7. <u>Reporting</u>

DoD Components will report annually to DCPAS by October 31st of each year. Reports should be developed with input from the Domestic Defense Industrial Base Facilities, Major Range and Test Facilities Base, and Human Resources Specialists, and should include the following:

a. Description of the effectiveness of this authority on the management of the Department's civilian workforce during the mostly ended FY; and

b. The number of employees:

(1) Hired Pursuant to this authority during the most recently ended FY by position, series, and grade/ pay band, and;

(2) Expected to be hired pursuant to this authority during the current FY by position, series, and grade/pay band.