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**Inherently Governmental and Commercial**

**Activities (IGCA) Inventory Guidance**

**2015**

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# Summary

The Department of Energy (DOE) has not received the Office of Management and Budget’s (OMB) 2015 inventory guidance yet, but anticipates that an OMB alert, which is largely a reminder document, will be issued soon. The alert is expected to say Agencies are to use FY2012 guidance in preparing this year’s inventory. This year’s Inherently Governmental and Commercial Activity (IGCA) inventory data collection will be essentially unchanged from the previous year’s, with a few caveats;

1. The Office of Federal Procurement Policy (OFPP) has issued OFPP Letter 11-01, Performance of Inherently Governmental and Critical Functions[[1]](#footnote-1), which clarifies how to determine whether a function is inherently governmental, should help agencies identify more accurately those activities that may be performed only by Federal employees. Departmental Elements shall carefully review the guidance in Policy Letter 11-01, especially the definition of an inherently governmental function as provided in Section 3 and the guidelines for identifying inherently governmental functions in Section 5-1(a). Departmental Elements should then review their inventories, paying particular attention to the activities classified as commercial to ensure they do not include inherently governmental functions, and reclassify functions, if necessary, based on the results of such reviews.
2. In addition to the Inherently Governmental and Commercial designations OMB is requiring a Critical Function designation for all functions in this data call. Determining the criticality of a function requires the exercise of informed judgment by agency officials. The criticality of the function depends on the mission and operations, which will differ between agencies and within agencies over time. In making that determination, the officials shall consider the importance that a function holds for the agency and its mission and operations. The more important the function, the more important that the agency have internal capability to maintain control of its mission and operations. Where a critical function is not inherently governmental, the agency may appropriately consider filling positions dedicated to the function with both Federal employees and contractors. However, to meet its fiduciary responsibility to the taxpayers, the agency must have sufficient internal capability to control its mission and operations, and must ensure it is cost effective to contract for the services.
3. Departmental Elements should continue to report “reason codes” with respect to their commercial activities. A complete list of reason codes and definitions can be found on page three of this Guidance. Departmental Elements are not required to submit separate justifications for reason code classifications, as has been required in the past. However, as shown in the table on page three of this Guidance, OMB has annotated reason codes affected by the continued statutory moratorium set forth in section 733 of the Consolidated Appropriations Act, 2012 (P.L. 112-74) on beginning or announcing a study or public-private competition regarding the conversion of contract performance of any function performed by Federal employees.
4. “Organization Code” is once again a required data collection category. Please ensure that all line entries have a corresponding Organization.
5. OMB requires the submission of the IGCA Inventory in a specified electronic format. As a result, we are reverting to the Microsoft Excel spreadsheet version of the data collection tool. Instructions related to the use of the data collection tool are available in the Collection Tool section of this guidance.

Any questions regarding this guidance and the collection tool should be addressed to Jeff Davis by
e-mail at: Jeff.Davis@hq.doe.gov. Additional references are also available in the References section of this guidance.

Required Submission / Due Dates

*Between April 20, 2015 and May 8, 2015*

Submit a draft version of your Data Collection Tool. The Office of Acquisition and Project Management (OAPM) will review and work with Departmental Elements to make any necessary changes.

*By May 22, 2015* *each Departmental Element is responsible for:*

Updating and submitting a final Data Collection Tool with corrections as necessary based upon OAPM’s review.

# Guide to Inventory Submission

This document provides overarching guidance for submission of the DOE IGCA Inventory. This inventory will be used to respond to various reporting requirements including, but not limited to, the Federal Activities Inventory Reform Act of 1998, Public Law 105-270 (FAIR Act) and the inventory of inherently governmental activities required by OMB.

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## **DOE Function Codes**

Function Code Taxonomy: Function Codes provide the coding structure for offices to account for all departmental activities performed in direct support of missions. Each function code includes an alphanumeric code, title, and definition describing the type of work performed. Function Code definitions are intended to be comprehensive and mutually exclusive. Additionally, each definition identifies meaningful exclusions. Many groupings of Function Codes include at least one miscellaneous “other” function that has an alphanumeric code ending in “99” (e.g., “H999 – Other Health Services”). These miscellaneous functions are used to code work that is not identified by other function codes on the list. The use of the miscellaneous codes is discouraged and should be utilized only as the last choice.

Coding Management Functions:Management functions performed at the headquarters level involve work that is significantly different than that performed at operations offices. OMB has developed separate codes and titles for each. Management Headquarters type work is defined as “overseeing, directing, and controlling subordinate organizations or units through: developing and issuing policies and providing policy guidance; reviewing and evaluating program performance; allocating and distributing resources; or conducting mid- and long-range planning, programming, and budgeting.” However, “Management Headquarters” functions do not include “all direct support (e.g., professional, technical, administrative, or logistical support) that is provided directly to a major DOE headquarters office and is essential to its operation.” Direct support is included as part of a “Management Headquarters” function only when the support is an inherent part of, and inextricably tied to, management headquarters type work as defined above. If the support is performed separately, it is coded with the support function code that most closely describes the type of support provided.

There are services and operations that have management elements (e.g., supervision, oversight, and control). Services and operations are sometimes performed by private sector contractors. In such cases, the administration and oversight of the contract (to include quality assurance and technical review of the services provided) are considered to be an inherent part of the management function.

**Note:** Coding is based on the type of work activity performed (e.g., personnel operations) and not based on where the work activity is performed (e.g., headquarters or field office).

## **Coding Rules for the IGCA Inventory**

Position Title vs. FTE Function: Full time equivalents are grouped by function code to indicate the type of work activity performed. In some cases, this may not correspond to what position series and titles an FTE represents.

example: Although accountants are typically found in accounting functions and engineers in engineering functions, in some cases, a budget analyst may be working in an accounting function or a geologist in an engineering function. As a general rule, the function code selected for these FTEs should be based on the type of activity (i.e., accounting function) and not the type of position (i.e., budget analyst) associated with the FTE. In this case, the budget analyst would be coded as an accounting function and the geologist as engineering function.

Note: The definitions for the acquisition functions in the list provided with this guidance are not intended to reflect or align with the Department’s definition for the “Acquisition Work Force” as addressed in DOE Order 361.1. The Department’s definition for the “Acquisition Work Force” is based on organizations and occupational series. As explained above, DOE functions are based on the type of work performed regardless of its organization. They are not based on (or necessarily relate to) occupational series / occupational specialties.

Fractional FTEs: OMB allows for the reporting of fractional FTE; however, agencies shall **not report fractions smaller than one-quarter**. Part-time or seasonal employees should be accurately reported as fractional FTE. Splitting FTE into multiple function codes should only be done in cases where a single FTE performs two or three completely separate functions. For instance, nearly all positions have an administrative component; however, it is unnecessary to separate this from the rest of the position duties. An FTE should be assigned a single function code based on the predominant type of work performed.

Filled / Vacant Positions: FTEs ought to be reported whether the position is filled, vacant, on a non-reimbursable detail, or on extended leave. The IGCA inventory accounts for the type of work activity authorized to be performed — FTE authorizations — regardless of whether the position associated with the FTE is burdened or not (filled or vacant). FTEs are reported regardless of whether the incumbent of the position associated with the FTE is borrowed or diverted to perform other work; is on temporary or extended detail, leave, or training; or has full or part-time collateral duties.

Budgeted FTEs: The number of FTEs reported in each Departmental Element’s inventory should reflect the number of budgeted FTEs the Departmental Element is assigned. Therefore, all budgeted FTEs should be included in Departmental Element inventories regardless of personnel status (i.e. Civil Service, Political Appointees, and Foreign Service).

Organizational Structures: The IGCA inventory is based on current processes, procedures, organizational structures, equipment, and workloads. Offices may not omit or add FTEs or code FTEs based on presumed improvements to organizational structures, equipment, technologies, work arrangements, processes, or procedures, except to the extent that doing so permits the office to report the FTE level (including vacancies) as set forth in the current fiscal year Budget.

Data Analysis: The definition for each function code describes the type of work performed. The functional definition does not reflect whether the function is inherently governmental or commercial in nature.

It is important to keep in mind that the inventory information will be reviewed by parties internal and external to DOE. Those parties may not be aware of the fact that management and organizational arrangements, geographic dispersion, span-of-control, and management relationships differ greatly among DOE offices. Also, they may not be aware of the degree to which DOE offices rely on inter / intra-governmental support and private sector services. In order to assess the type of activity or to question inherently governmental and commercial designations of FTEs, parties may make DOE-wide comparisons of functions, functional groups, functional categories, or organizational levels. By documenting the rationale behind your coding decisions, any questions resulting from the review and analysis of your inventory should be easier to answer.

## **Reason Codes**

|  |  |  |
| --- | --- | --- |
| **Codes** | **Description**  | **Status Code** |
| **A** | The commercial activity is not appropriate for private sector performance pursuant to a written determination by the Competitive Sourcing Official (CSO). | Commercial |
| **B** | The commercial activity is suitable for a streamlined or standard competition. *Note: Section 733 of the Consolidated Appropriations Act, 2012 (P.L. 112-74) establishes a statutory moratorium on beginning or announcing a study or public-private competition regarding the conversion of contract performance of any function performed by federal employees.* |
| **C** | The commercial activity is the subject of an in-progress streamlined or standard competition. *Note: Section 733 of the Consolidated Appropriations Act, 2012 (P.L. 112-74) establishes a statutory moratorium on beginning or announcing a study or public-private competition regarding the conversion of contract performance of any function performed by federal employees.* |
| **D** | The commercial activity is performed by government personnel as the result of a standard or streamlined competition (or a cost comparison, streamlined cost comparison, or direct conversion) within the past five years. |
| **E** | The commercial activity is pending an agency approved restructuring decision (e.g., closure, realignment). |
| **F** | The commercial activity is performed by government personnel due to a statutory prohibition against private sector performance. |
| **I** | Inherently Governmental  | Inherently Governmental |

#### Reason Code I Definition

**Definition:** ‘‘Inherently governmental function,’’ as defined in section 5 of the Federal Activities Inventory Reform Act, Public Law 105–270, means a function that is so intimately related to the public interest as to require performance by Federal Government employees.[[2]](#footnote-2)

a. The term includes functions that require either the exercise of discretion in applying Federal Government authority or the making of value judgments in making decisions for the Federal Government, including judgments relating to monetary transactions and entitlements. An inherently governmental function involves, among other things, the interpretation and execution of the laws of the United States so as —

(1) To bind the United States to take or not to take some action by contract, policy, regulation, authorization, order, or otherwise;

(2) To determine, protect, and advance United States economic, political, territorial, property, or other interests by military or diplomatic action, civil or criminal judicial proceedings, contract management, or otherwise;

(3) To significantly affect the life, liberty, or property of private persons;

(4) To commission, appoint, direct, or control officers or employees of the United States; or

(5) To exert ultimate control over the acquisition, use, or disposition of the property, real or personal, tangible or intangible, of the United States, including the collection, control, or disbursement of appropriations and other Federal funds.

b. The term does not normally include—

(1) Gathering information for or providing advice, opinions, recommendations, or ideas to Federal Government officials; or

(2) Any function that is primarily ministerial and internal in nature (such as building security, mail operations, operation of cafeterias, housekeeping, facilities operations and maintenance, warehouse operations, motor vehicle fleet management operations, or other routine electrical or mechanical services).

The OFPP Policy Letter 11-01 and the Federal Activities Inventory Reform Act of 1998 provide detailed information on coding functions as Inherently Governmental. Access these documents through the OMB’s website at <http://www.whitehouse.gov/omb/procurement_index_work_performance/>, and <http://www.whitehouse.gov/omb/procurement_fair-default/>.

#### Reason Code A Definition

**Definition:** Commercial Activity not appropriate for private sector performance pursuant to a written determination by the CSO. FTE coded Reason Code A serve a critical function, and assist the Department in maintaining control of its mission and operations.

‘‘Critical function’’ means a function that is necessary to the agency being able to effectively perform and maintain control of its mission and operations. Typically, critical functions are recurring and long-term in duration.

The OFPP Policy Letter 11-01 provides detailed information on coding functions as Critical Function. Access this document through the OMB’s website at <http://www.whitehouse.gov/omb/procurement_index_work_performance/>.

#### Reason Code B Definition

**Definition:** The commercial activity is suitable for a streamlined or standard competition. *Note: Section 733 of the Consolidated Appropriations Act, 2012 (P.L. 112-74) establishes a statutory moratorium on beginning or announcing a study or public-private competition regarding the conversion of contract performance of any function performed by federal employees.*

Reason Code B should be applied to any FTE performing a function or activity that is essential, but not inherently governmental. These activities may be performed by either federal employees or private sector contractors.

#### Reason Code C Definition

**Definition:** The commercial activity is the subject of an in-progress streamlined or standard competition. *Note: Section 733 of the Consolidated Appropriations Act, 2012 (P.L. 112-74) establishes a statutory moratorium on beginning or announcing a study or public-private competition regarding the conversion of contract performance of any function performed by federal employees.*

#### Reason Code D Definition

**Definition:** The Commercial Activity is performed by government personnel as the result of a standard or streamlined competition (or a cost comparison, streamlined cost comparison, direct conversion) within the past five years.

#### Reason Code E Definition

**Definition:** The Commercial Activity is pending an agency approved restructuring decision (e.g., closure, realignment).

DOE offices shall use Reason Code E for all FTEs performing activities in a function that has been deferred from a streamlined or standard competition pending the results of an approved force restructuring decision. This code is limited to restructuring initiatives such as approved site closures, or functional realignment or consolidation actions that have been approved in writing.

#### Reason Code F Definition

**Definition:** The Commercial Activity performed by government personnel due to a statutory prohibition against private sector performance.

## **Critical Functions**

**Definition:** The OFPP Letter 11-01, Performance of Inherently Governmental and Critical Functions defines a Critical Function as a function that is necessary to the agency being able to effectively perform and maintain control of its mission and operations. Typically, critical functions are recurring and long-term in duration. The addition of column ‘X’ “Critical Function” on the data collection spreadsheet allows for the critical function classification of all functions. The required annotation is Yes or No in this field/column.

# Collection Tool

The IGCA Collection Tool is an Excel based tool that allows program offices to collect and validate their inventory. The tool automatically filters and summarizes data so that program offices can submit detailed inventory reports.

## **Data Spreadsheet**

The spreadsheet is broken down into several data groups by color.

* Group 1 – General Data
* Group 2 – Previous Year’s Data
* Group 3 – Current Year Data

## **Data Entry**

Data from the previous year has been provided as a starting point. If data has not changed between 2014 and 2015 - copy 2014 data (Group 2) and paste on 2015 data fields (Group 3). Under the “Explanation” column please select:

* + - **No Change**

If data in (Group 1) and/or (Group 2) have changed - update data on (Group 1) and (Group 3). Under the “Explanation” column please select one of the following:

* + - **Reason Code Change**
		- **Function Code Change**
		- **More FTEs**
		- **Less FTEs**
		- **Other**

If you need to add new entries – input new data in (Group 1) and (Group 3) at the bottom of the spreadsheet. Under the “Explanation” column please select:

* + - **New Entry**

***Make sure that under (Group 2), which corresponds to FY 2014 data, you input N/A on every cell.***

If previous year data is non-existent in FY 2014, input N/A in (Group 3) cells. Under the “Explanation” column please select:

* + - **Non-existing**

## **Data fields used in the collection tool**

There are a total of 25 data fields in the collection tool. Every line of data (row) must have every data field (column) completed. The tool has drop-down lists for several data fields – just click on the cell and select your option. If no drop-down list is available please input the corresponding data. Below is a list of the data fields and a description for each.

**Bureau Code** = Please refer to the list below.

|  |  |
| --- | --- |
| 019-05 | National Nuclear Security Administration |
| 019-10 | Environmental and Other Defense Activities |
| 019-20 | Energy Programs |
| 019-50 | Power Marketing Administration |
| 019-60 | Departmental Administration |

**Departmental Element Code** = Identifies the Departmental Element Code the FTE belongs to. Sub-organization codes are also included in this data field.

| **Departmental Element** | **Code** |
| --- | --- |
| Office of the Secretary | S |
| Advanced Research Projects Agency – Energy (ARPA-E) | AR |
| Bonneville Power Administration | BPA |
| Chief Financial Officer | CF |
| Chief Human Capital Officer  | HC |
| Chief Information Officer | IM |
| Congressional & Intergovernmental Affairs | CI |
| Economic Impact and Diversity | ED |
| Energy Efficiency and Renewable Energy | EE |
| Energy Policy and Systems Analysis | EPSA |
| U.S. Energy Information Administration | EIA |
| Environment, Health, Safety & Security  | AU |
| Environmental Management | EM |
| Fossil Energy | FE |
| General Counsel | GC |
| Independent Enterprise Assessment | EA |
| Indian Energy Policy & Programs | IE |
| International Affairs | IA |
| Hearings And Appeals | HG |
| Inspector General | IG |
| Intelligence & Counterintelligence | IN |
| Loan Programs Office | LP |
| Nuclear Energy | NE |
| Electricity Delivery and Energy Reliability | OE |
| Legacy Management | LM |
| Management | MA |
| Public Affairs | PA |
| Science | SC |
| Small and Disadvantaged Business Utilization | SB |
| National Nuclear Security Agency | NNSA |
| Southeastern Power Administration | SEPA |
| Southwestern Power Administration | SWPA |
| Western Area Power Administration | WAPA |

**Organization Code** = Identifies the Organization codeassociated with the FTE’s office/branch/division.

**Facility** = Identifies the actual physical location where the FTE is located.

**Inventory First Year** = Identifies the first year the FTE was reported.

**State** = Identifies the state where the FTE is located.

**City** = Identifies the city where the FTE is located.

**Country** = Identifies the country where the FTE is located.

**Function Code** = Identifies the Function Code the FTE represents. Please review the coding rules for the IGCA Inventory as described above.

**Position Title** = Identifies the current position title of the FTE. This may not correspond to the Function Code.

**Pay Plan** = Identifies the current pay plan of the FTE. This may not correspond to the Function Code.

**Position Series** = Identifies the current position series of the FTE. This may not correspond to the Function Code.

**Position Grade** = Identifies the current position grade of the FTE.

**FTE** = Identifies the number of FTEs reported for that specific entry. Grouping of FTEs is allowed as long as they share identical data fields (example: Function Code, Position Title, Plan, and Series).

**Status** = Identifies if the FTE is Inherently Governmental (I) or Commercial (C).

**Reason Code** = Identifies which reason code corresponds to the entry as described above.

**Critical Function =** Identifies if the function is critical or not (example: Y for Yes or N for No).

**Explanation** = Identifies an explanation for a change between the previous and current year. The list below describes the available explanations:

|  |  |
| --- | --- |
| **Reason Code Change**  | If during this fiscal year the function has been classified with a different reason code please select this option. This could be the result of a reorganization or management decision. |
| **Function Code Change** | If during this fiscal year the function has been classified with a different function code please select this option. This could be the result of a reorganization or management decision. |
| **No Change**  | If there has been no change please select this option. |
| **More FTEs**  | If the function includes more FTEs please select this option. |
| **Less FTEs**  | If the function includes less FTEs please select this option. |
| **New Entry**  | If the function is new to your organization please select this option. Keep in mind that you must include the current year in the 'First year on Inventory' column. A new entry could be derived from a. If the new entry belonged to a different organization on the previous fiscal year, please coordinate with the respective organization so that the FTE is not accounted for twice. |
| **Non-existing**  | If the function no longer exists within your organization please use this option. If the function was eliminated due to reorganization please select this option. If the function was inherited by a different organization please coordinate with the respective organization so that the FTE is not accounted for twice. |
| **Other** | If the change is not described by any of the above options please use this option. |

#

# Appendix A - References

References are available through our website, under the operating guidelines link.

<http://energy.gov/management/fair-act-inventory>

You could also use the links below:

The FAIR Act

<http://www.whitehouse.gov/omb/procurement_fair-default/>

OMB Circular No. A-76

<http://www.whitehouse.gov/omb/circulars/a076/a76_incl_tech_correction.html>

OMB Guidance

<http://www.whitehouse.gov/omb/procurement_fair-default/>

1. The Policy Letter is published at 76 Fed. Reg. 56227 (September 12, 2011), with a technical correction at 77 Fed. Reg. 7609 (February 13, 2012). These Federal Register notices and related materials are on OMB’s website at <http://www.whitehouse.gov/omb/procurement_index_work_performance/>. [↑](#footnote-ref-1)
2. For further assistance in determining whether an FTE is inherently governmental, review the informative reference guidance in the OFPP Policy Letter 11-01, Section 5-1. [↑](#footnote-ref-2)