



U.S. DEPARTMENT OF **ENERGY**

OFFICE OF PROCUREMENT & ASSISTANCE MANAGEMENT

INHERENTLY GOVERNMENTAL AND COMMERCIAL

ACTIVITIES (IGCA) INVENTORY GUIDANCE

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Summary

The Department of Energy (DOE) has received the Office of Management and Budget's (OMB) 2011 inventory guidance and 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. OMB is developing new guidance on the definition of inherently governmental, but it has not yet been published. For now, use the definition as described on page 7, Reason Code Z. Each Departmental Element will carefully review activities that are classified as commercial (Reason Codes A, B, D, and E) to ensure they do not include inherently governmental functions. Functions will be reclassified as may be necessary in accordance with the results of the review.
2. Several Most Efficient Organizations (MEOs) expired or were terminated for convenience in the past year or so. All positions previously assigned to these MEOs must be recoded in this year's inventory.
3. "Office Branch Code" is once again a required data collection category. Please ensure that all line entries have a corresponding Office Branch Code.

OMB requires the submission of the IGCA Inventory in a specified electronic format. As a result, an updated version of the collection tool used last year is provided along with this guidance. Instructions and training related to the use of the data collection tool is available in the Collection Tool Training section of this guidance. Please refer to the Table of Contents.

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. Please refer to the Table of Contents.

Required Submission / Due Dates

Between April 1, 2011 and April 29, 2011,

Please submit a draft version of your Data Collection Tool, your justifications for positions coded Reason Code A and Z, and your narrative description of changes from last year's inventory. The Office of Procurement & Assistance Management (OPAM) will review and work with Departmental Elements to make any necessary changes.

By May 13, 2011 each Departmental Element is responsible for:

1. Updating and submitting the Data Collection Tool provided to your organization.
2. Submitting a Narrative explaining any changes between your 2010 and 2011 submissions.
3. Submitting written Reason Code A and Reason Code Z justifications in accordance with the instructions provided with this guidance. Refer to Appendix B.

Guide to Inventory Submission

This document provides 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.

OMB requires the submission of the IGCA Inventory in a specified electronic format. As a result, an Excel based data collection tool will be provided to each Departmental Element and constituent organizations. Instructions and training related to the use of the data collection tool is available in the Collection Tool Training section of this guidance. Additionally, Departmental Elements must submit a narrative description addressing any changes to the inventory. The narrative will explain, in detail, the organizational changes that have occurred since the previous IGCA Inventory was submitted, and a justification for the change. The strategy / philosophy for coding Full Time Equivalents (FTE) in particular Reason Codes and Function Codes should also be included.

Furthermore, Departmental Elements must provide Reason Code A and Z justifications. The justifications should reflect an appropriate and consistent application of criteria. They should contain enough information to enable a reasonable lay person to validate the function and reason code designations. The key elements of a complete justification are the following: a thorough definition of the function performed, including required skills and responsibilities, and a clear explanation of why the function should be categorized as reason code A or Z. Justifications could be grouped by Function Code and Position Title. Please review the definitions for Reason Code A and Z provided with this guidance.

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. A list of the Function Codes is provided in the data collection tool.

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** unless a request for a waiver is granted by OMB. 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 agency's inventory should reflect the number of budgeted FTEs the agency is assigned. Therefore, all budgeted FTEs should be included in agency 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

| | |
|-----------|--|
| A | The Commercial Activity is not appropriate for private sector performance pursuant to a written determination by the Competitive Sourcing Official (CSO). |
| B | The Commercial Activity is suitable for a streamlined or standard competition. |
| 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). |
| D8 | Legacy management FTE representing the implemented High Performing Organization (HPO) via memo transmitted in February 2007 from OMB. |
| 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. |
| Z | Inherently Governmental pursuant to a written determination by CSO. |

Several MEOs expired or were terminated for convenience during the past year or so. Reason Codes that previously designated positions within these MEOs are no longer valid. All positions previously assigned to these MEOs must be recoded in this year's inventory.

Reason Code Z Definition

Definition: Inherently Governmental Function pursuant to a written determination by the CSO.

The term “inherently governmental function” means a function that is so intimately related to the public interest as to require performance by Federal Government employees. The term includes activities 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.¹

The Federal Activities Inventory Reform Act of 1998 and CIRCULAR NO. A-76 provide detailed information on coding functions as Inherently Governmental. Access these documents through the [Commercial Services Management](#) website under [Commercial Services Management Operating Guidelines](#).

Note: For further assistance in determining whether an FTE is inherently governmental or commercial, review the informative reference guide “Determining Inherently Governmental and Commercial Functions,” located on the same website.

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.

OMB Circular A-76 authorizes an agency’s CSO to exempt a commercial function performed by government personnel from competition on the basis that the activity is not appropriate for private sector performance. The Circular requires agencies to prepare justifications to support the designation of commercial reason code A functions. The OMB FAIR Act guidance requires agencies to submit these justifications along with their annual inventory. The next section identifies a guide to help agencies structure their reason code A justifications so that agencies may achieve incremental improvements with each inventory submission.²

Reason Code A Justification Guide²

Justifications should reflect an appropriate and consistent application of criteria. They should contain enough information to enable a reasonable lay person to validate the function and reason code designations. The key elements of a complete justification are the following: a thorough definition of the function performed, including required skills and responsibilities, and a clear explanation of why it is necessary for the commercial function to be categorized as unsuitable for competition.

Many agencies seek to exempt certain functions from competition on the grounds that the function is “core to the agency’s mission.” As a general matter, a function should be considered core to an agency’s operation only if – and only to the extent that – loss of in-house performance of the function would result in substantial risk to the agency’s ability to accomplish its unique mission. Consider the following examples:

¹ Federal Activities Inventory Reform Act of 1998 / Public Law 105-270 - OCT. 19, 1998

² OMB Guidance for use of Commercial Reason Code A Justifications

Repairing computers and routing telephone calls are not core functions. Although these functions provide essential support to daily agency operations, they do not accomplish the unique mission of any agency and the potential conversion of the entire function to contract performance would not, in the ordinary course, expose the agency to substantial risk.

Project managers and designated contracting officer representatives (commonly referred to as CORs or COTRs) may be considered core functions. An agency is likely to find that its operations would be at substantial risk if there were no in-house employees to perform these functions. However, these functions should be considered core only to the extent required to avoid substantial risk – i.e., not every FTE in these categories is necessarily core since it would not put an agency’s mission at risk to have a portion of these functions performed by contractors, so long as a sufficient number of FTE remained in house to perform the necessary oversight.

When evaluating functions, the FTE should be categorized based on the work they are actually performing, not on the title assigned or the certification acquired. For example, an FTE who has taken COR training, but does not perform that function as part of their regular duties, cannot be considered a COR for purposes of assigning status or reason code on the inventory.²

Please reference the OMB Guidance for use of Commercial Reason Code A Justifications for additional examples:

http://management.energy.gov/policy_guidance/560.htm

Reason Code B Definition

Definition: The commercial activity is suitable for a streamlined or standard competition.

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 D Definition

Definition: The Activity is performed by government personnel as the result of a standard or streamlined competition (or a cost comparison, streamlined cost comparison, direct conversion, or High Performing Organization determination).

The DOE’s MEOs expired or were terminated for convenience in the past year or so. With the exception of the FTE within the Legacy Management High Performing Organization, all positions previously assigned to Reason Code D must be recoded in this year’s inventory.

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.

Any use of Reason Code F must be included in the narrative description at the time of submission of the inventory data collection tool.

Collection Tool Training

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. Please click on the link below to access the PowerPoint training available at our website:

[Collection Tool Training](#)

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.

Agency and 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 |

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

| Organization | Code |
|---|---------|
| Albuquerque (EM) | AL |
| Albuquerque NNSA | AL NNSA |
| BPA | BPA |
| CBFO (EM) | CBFO |
| Chicago (EM) | CHI |
| CHO | CHI |
| Civilian Radioactive Waste Management | RW |
| Congressional & Intergovernmental Affairs | CI |
| Consolidated Business Center (EM) | CBC |
| Economic Impact And Diversity | ED |
| EE | EE |
| Energy information Administration | EIA |
| Environmental Management | EM |
| Fossil Energy | FE |
| General Counsel | GC |
| Golden Field Office | GOLDEN |
| Health, Safety and Security | HS |
| Hearings And Appeals | HG |
| Idaho | ID |
| Idaho (EM) | ID |

| Organization | Code |
|---|-----------|
| Inspector General | IG |
| Intelligence & Counterintelligence | IN |
| Livermore | LL NNSA |
| National Nuclear Security Administration | NETL |
| Naval Petroleum Reserves, Co, WY | NPR-CO/WY |
| Naval Reactors | NR NNSA |
| NETL | NETL |
| Nevada (EM) | NV |
| Nevada NNSA | NV NNSA |
| Nuclear Energy | NE |
| Oak Ridge | OR |
| Oak Ridge (EM) | OR |
| Oak Ridge Y-12 Office | Y-12 NNSA |
| Oakland Operations Office (EM) | Oakland |
| Office of Electricity Delivery and Energy Reliability | OE |
| Office of Human Capital Management | HC |
| Office of Legacy Management | LM |
| Office of Management | MA |
| Office of Policy and International Affairs | PI |
| Office of River Protection (EM) | ORP |
| Office of the Chief Financial Officer | CF |
| Office of the Chief Information Officer | IM |
| Office Of The Secretary | S |
| Oak Ridge Office | OR |
| Oak Ridge Office | PW |
| Oak Ridge Office | SSO |
| Oak Ridge Office | TJSO |
| Pittsburgh Naval Reactors | PNR NNSA |
| Ports-Pad Project Office (EM) | AL |
| Ports-Pad Project Office (EM) | CBC |
| Public Affairs | PA |
| Richland (EM) | RL |
| Savannah River (EM) | SR |
| Savannah River NNSA | SR NNSA |
| Schenectady Naval Reactors | SNR NNSA |
| Science – HQ | OSTI |
| Science | SC |
| Southeastern Power Administration | SEPA |
| Southwestern Power Administration | SWPA |
| Strategic Petroleum Reserves Project Office | SPRO |
| Western Area Power Administration | WAPA |

Departmental Element Code = Identifies the Departmental Element the organization belongs to (if applicable). Please refer to the list below.

| Departmental Element | Code |
|---|------|
| Bonneville Power Administration | BPA |
| Civilian Radioactive Waste Management | RW |
| Congressional & Intergovernmental Affairs | CI |
| Economic Impact And Diversity | ED |
| Energy Efficiency and Renewable Energy | EE |
| Energy Information Administration | EIA |
| Environmental Management | EM |
| Fossil Energy | FE |
| General Counsel | GC |
| Health, Safety and Security | HS |
| Hearings And Appeals | HG |
| Inspector General | IG |
| Intelligence & Counterintelligence | IN |
| Nuclear Energy | NE |
| Office of Electricity Delivery and Energy Reliability | OE |
| Office of Human Capital Management | HC |
| Office of Legacy Management | LM |
| Office of Management | MA |
| Office of Policy and International Affairs | PI |
| Office of the Chief Financial Officer | CF |
| Office of the Chief Information Officer | IM |
| Public Affairs | PA |
| Science | SC |
| National Nuclear Security Agency | NNSA |
| Southeastern Power Administration | SEPA |
| Western Area Power Administration | WAPA |
| Southwestern Power Administration | SWPA |
| Office of the Secretary | S |

Office Branch Code = Identifies the code associated with the FTE's office/branch/division.

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

First Year on Inventory = 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.

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 reorganization and/or A76 program. 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 a reorganization and/or A76 program 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. |

Narratives, Reason Code A justifications and Reason Code Z justifications are combined into a single template for the 2011 IGCA Inventory. Refer to Appendix B.

Reason Code A Justifications

| Office Name XXX | | | |
|------------------------------|----------|---------------------------|--|
| Reason Code A Justifications | | | |
| Function Code | No. FTEs | Title (s) | Justification |
| B720 | 2 | Human Resource Specialist | Interprets Federal laws, renders value judgments and makes recommendations on personnel policies and programs as they relate to senior executives in the area of pay and awards. Requires working with proprietary, pre-decisional business information to develop various proposals for consideration of inherently governmental agency decision makers. |
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| Total | 2 | | |

| Office Name XXX | | | |
|------------------------------|----------|------------------------------|---|
| Reason Code Z Justifications | | | |
| Function Code | No. FTEs | Title (s) | Justification |
| D704 | 1 | Management & Program Analyst | Contracting Officer - Warrant authority delegated from Procurement Office; purchase card (and some with purchase order) capability supports acquisition of goods/services necessary to meet legal, mission and organizational requirements. Contracting Officer's Representative - Written delegation from a Contracting Officer in HQ Procurement Office authorizing certain contract management responsibilities. |
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| Total | 1 | | |

Appendix A - References

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

http://management.energy.gov/policy_guidance/competitive_sourcing.htm

You could also use the links below:

The FAIR Act

http://www.whitehouse.gov/omb/fedreg_fair-act

Office of Management and Budget, Circular No. A-76

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

OMB Guidance

<http://www.whitehouse.gov/sites/default/files/omb/assets/omb/memoranda/fy2008/m08-14.pdf>

Appendix B – Templates

| | |
|---------------|--|
| Office Name | |
| Contact Name | |
| Contact Phone | |

Narrative:

Reason Code A Justifications

| Function Code | No. FTE | Title(s) | Justification |
|---------------|---------|----------|---------------|
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Reason Code Z Justifications

| Function Code | No. FTE | Title(s) | Justification |
|---------------|---------|----------|---------------|
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