

Department of Energy
Inventory of Inherently Governmental and Commercial Activities
Guide to Inventory Submission
May 2003

This document presents the instructions for submission of the 2003 Department of Energy (DOE) Inherently Governmental and Commercial Activities (IGCA) Inventory. This inventory will serve as the data set 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 the Office of Management and Budget (OMB). It is important to note that for the 2003 IGCA Inventory, the Under Secretary for National Nuclear Security is requiring the National Nuclear Security Administration (NNSA) office at headquarters to obtain, review and submit for inclusion in the Department's complete IGCA Inventory, all NNSA headquarters and subordinate field office inventory data. NNSA will provide NNSA-specific inventory instructions and guidance directly to its offices.

In this guide there are references to four enclosures. These enclosures are physically a part of this guide or available via the Internet, and are intended to lend guidance and further clarification pertaining to the specific information that must be included in the IGCA inventory. An Excel based data collection tool will be provided to each office and should be updated and submitted in accordance with the instructions provided herein and in the accompanying forwarding memorandum. Additionally, all DOE offices and NNSA must submit a narrative description addressing the following:

- Justification for any movement of FTEs from commercial reason codes to inherently governmental that explains in detail the organizational or position changes that have occurred, since the 2002 IGCA Inventory was submitted, which support declaring the FTE(s) as performing inherently governmental activities. This requirement does not change the Department's policy that any FTE that has been coded as being included in any on-going Competitive Sourcing Initiative study conducted under OMB Circular A-76 will remain coded as under study until such time as the study is completed, or the Functional Area Study Team conducting a study requests the Competitive Sourcing Initiative Executive Steering Group (ESG) to remove the FTE(s) or a Departmental organizational entity representing the FTE(s) formally requests the ESG, through the Office of Competitive Sourcing/A-76 (OCS), to remove the FTE(s) from a study.
- Strategy/philosophy for coding FTEs in particular Reason Codes and Function Codes, for example, *all clerk typists were coded as "R;"*
- Information that statistically describes all major recoding efforts between the 2002 inventory and the 2003 inventory. For example, numerically describe changes from inherently governmental to one of the commercial Reason Code (ie., "Reason Codes A through F"), or between one of the commercial Reason Codes and another (for example, the shift from Reason Code "A" to Reason Code "C" because the FTE is including in an announced competitive sourcing initiative functional area study).

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If there are any questions regarding the data collection tool or its use, Al Baione of Jupiter Corporation, can be reached at 301-946-8088, extension 219, or send an e-mail to albaione@jupitercorp.com. FAIR Act/A-76 program (function code, reason code, review process, etc.) questions should be directed to Mark R. Hively, preferably by e-mail at mark.hively@hq.doe.gov.

Enclosure 1 - DOE Function Codes - General Information

Enclosure 2 - Inherently Governmental and Commercial Activities Inventory Function Codes may be accessed through the Office of Competitive Sourcing/A-76 web page at <http://www.ma.mbe.doe.gov/a-76>, through the “FAIR Act Inventory” link.

Enclosure 3 - List of selected Function Codes with definitions may be accessed through the Office of Competitive Sourcing/A-76 web page at <http://www.ma.mbe.doe.gov/a-76>, through the “FAIR Act Inventory” link.

Enclosure 4 - Reason Codes with definitions. This information may be accessed through the Office of Competitive Sourcing/A-76 web page at <http://www.ma.mbe.doe.gov/a-76>, through the “FAIR Act Inventory” link.

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DOE FUNCTION CODES – GENERAL INFORMATION

1. **GENERAL.** This list of DOE Function Codes provides the coding structure for offices to use to account for all departmental activities performed in direct support of missions.
2. **FUNCTION CODE TAXONOMY.** 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. Each grouping of Function Codes includes 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. In 2003 the use of the miscellaneous codes is discouraged and should be utilized only as the last choice.
3. **CODING MANAGEMENT FUNCTIONS.**
 - 3.1 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. This guide provides definitions for many of OMB’s function codes. For instance, there is a “Management Headquarters – Health Services” function and a “Hospital/Clinic Management” function. The former is concerned with setting policy and overseeing health service programs, and the latter is concerned with establishing procedures and overseeing medical services provided within fixed treatment facilities. In addition, 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.
 - 3.2 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.” (This includes all management studies necessary to support management headquarters type work.) 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. For example, a personnel operation that directly and exclusively supports a headquarters activity is not coded as a management

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headquarters function since it does not involve management headquarters type work. Coding is based on the *type of work performed* (e.g., personnel operations) and not based on where the work is performed (e.g., headquarters or field office).

4. CODING RULES FOR THE INHERENTLY GOVERNMENTAL AND COMMERCIAL ACTIVITY (IGCA) INVENTORY.

- 4.1 When coding for the IGCA inventory, FTEs are grouped by function and coded to indicate the type of work performed. In some cases, this may not correspond to job titles (i.e., job series). For instance, although accountants are typically found in accounting functions and engineers in an engineering function, in some cases, a budget analyst may be working in an accounting function or a geologist in an engineering function. Therefore, the type of work (i.e., function) and not type of position (i.e., job series) is coded. This year, as in 2002, offices are being asked to identify position titles (job series) as well as function codes to assist management in determining like functions for potential competitive sourcing cost comparison study.
- 4.2 The IGCA inventory accounts for the type of work authorized to be performed — FTE authorizations — regardless of whether the position is vacant or filled. Authorizations are reported regardless of whether the incumbent of the position 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.
- 4.3 The IGCA inventory is based on current processes, procedures, organizational structures, equipment, and workloads. Offices may not omit or add manpower authorizations or code manpower based on presumed improvements to organizational structures, equipment, technologies, work arrangements, processes, or procedures.
- 4.4 The definitions for the acquisition functions in this list 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 and are not based on (or necessarily relate to) occupational series occupational specialties.

5 DATA ANALYSIS.

- 5.1 The definition for each function code describes the type of work performed. The functional definition does **not** reflect:
- (1) whether the function is inherently governmental or commercial;
 - (2) whether the function is subject to, or exempt from, competition;

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- (3) how functions or activities are packaged for competitive sourcing; or,
- (4) how FAIR Act challenges and appeals are handled.

Management and organizational arrangements, geographic dispersion, span-of-control, and management relationships differ greatly among the DOE offices. Also, the degree to which DOE offices rely on inter- and intragovernmental support and private sector services and support varies. When making DOE-wide comparisons of functions, functional groups, functional categories, or organizational levels (e.g., management headquarters functions) to assess the type of activity or inherently governmental and commercial exemptions, these differences must be addressed to ensure DOE-wide comparability.

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Enclosure 2

Complete list of 2003 Inherently Governmental and Commercial Activities Inventory Function Codes may be accessed through the Office of Competitive Sourcing/A-76 web page at <http://www.ma.mbe.doe.gov/a-76>, through the “FAIR Act Inventory” link. **There are no changes to this list as compared to the 2002 list.**

Enclosure 3

List of selected Function Codes with definitions may be accessed through the Office of Competitive Sourcing/A-76 web page at <http://www.ma.mbe.doe.gov/a-76>, through the “FAIR Act Inventory” link. This list includes definitions for some of the function codes. The definitions are based on information contained in the Department of Defense Guide for Inventory Submission. The DOE IGCA Inventory is not restricted to just the function codes that are defined in this section. The complete list of Function Codes is referenced in Enclosure 2. **There are no changes to this list as compared to the 2002 list.**

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REASON CODES

Reason Code Z

Inherently Governmental. This criterion is used to identify FTEs that are necessary to exercise management authority (direction and final decision making) over Government policy, programs, property (physical assets and information), funds and treasury accounts, or employees. The incumbents of these positions make decisions on behalf of the Government and are directly and ultimately accountable for the accomplishment of assigned missions and functions.

- a. This category includes all FTEs that have the authority to obligate Federal funds or to commit the Government, through other decision making, to some course of action. This category also includes FTEs that approve strategic plans, program objectives, functional requirements, and performance criteria; policies, directives, and regulations in assigned missions and functions; the allocation of resources (funding and manpower), the obligation and disbursement of funds, contract terminations; and the collection of public funds; acquisitions, use, and disposition of Government property (real or personal, tangible or intangible); Freedom of Information Act requests and responses; Federal licensing actions (except vehicle or support equipment) and inspections; and, Government positions, testimony, and responses to Congress and audit organizations.
- b. The examples listed above coincide with functions in Appendix A of OFPP Policy Letter 92-1, reference (e).
- c. Examples of positions that fall under this criterion include the Secretary of Energy; Under Secretary, Assistant Secretary, and Deputy Assistant Secretaries of Energy; Directors of Field Activities; program and project managers; contracting officers; and DOE directors over line operations or principal staff elements.
- d. This criterion excludes FTEs that provide first-line supervision over Federal employees performing functions that are, otherwise, subject to private sector competition and performance. In addition, employee utilization of Government credit cards for the purchase of office supplies or temporary duty travel does not meet the funds obligational criteria specified above.

Reason Code A

The Commercial Activity is not appropriate for private sector performance pursuant to a written determination.

- a. DOE offices shall designate FTEs with Reason Code A when it has been determined that the function is not appropriate for private sector performance and that determination has affirmed by a written determination signed by the Secretary of Energy or designee. For the 2003 IGCA Inventory, Heads of the Offices submitting inventories are considered to have been delegated the

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authority to sign the written justification for FTE(s) coded with Reason Code A. If OMB requests copies of your written justifications, the OCS will forward the request to your office with the expectation that the written justifications will be provided. OMB has provided no specific format for the written justifications. At the minimum the justification should be in the form of Memorandums for the Record; provide sufficient identification of the Reason Code A FTE(s) so as to be able to locate the FTE(s) in the 2003 IGCA Inventory information from your office; and, explains why the activities of the FTE(s) should not be performed by the private sector.

b. At DOE, designation of FTE with Reason Code A **does not** exclude the FTE from potentially being included in DOE's Competitive Sourcing Initiative Functional Area Studies. For DOE, OMB's practice in applying the President's Management Agenda Competitive Sourcing Initiative requires the Department to potentially include Reason Code A FTEs in the pool of commercial activity FTEs subject to Competitive Sourcing Initiative study.

1. This includes an FTE that has been determined to be inappropriate for private sector performance because the work performed by the FTE is not severable from the work performed by other inherently governmental FTE(s). The Department through Competitive Sourcing Initiative studies or by the reporting offices periodically reviewing the FTEs, the FTEs' activities will be evaluated to determine if they can be realigned to allow for competition.

c. DOE offices shall designate FTEs with Reason Code A to identify a minimum number of FTEs that are required to ensure that decision-making officials maintain sufficient levels of oversight, control, and accountability over Government operations and federally funded projects and tasks. The incumbents in these positions provide corporate knowledge and technical expertise necessary to ensure that Government and public interests are advanced and that Government contractual obligations are fully satisfied by playing an active and informed role in areas such as contract administration and evaluation. This includes FTEs in staff and line functions that require current technical knowledge and on-the-job training and work experience necessary to effectively influence Government decision-making and progress into positions of authority and direction.

1. Examples include FTEs that:
 - a. Interpret and/or execute Federal laws and develop associated policy and regulatory guidance in assigned functional areas, e.g., resource management, procurement/contracting, personnel administration, etc.;
 - b. Render value judgments, develop recommendations, and establish management criteria and objectives on behalf of the Government, e.g., legal opinions, program priorities, budget requests, performance evaluation, contract awards, quality assurance, personnel selection and appraisal, security clearances, etc.;

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- c. Develop government positions, testimony, legislation, and responses to the Congress, audit agencies, public and private sector inquiries, etc. (because of the appearance of private influence with respect to documents that are prepared for the Congress or reflect government position pursuant to OFPP Policy Letter 92-1);
 - d. Perform duties that require official government representation, e.g., prosecution and adjudicatory functions, Federal license certifications, foreign government relations, employee labor relations, legislative activities, public affairs, financial collection activities; and,
 - e. Are in formal personnel management programs designed to provide progression into civilian positions that require government corporate knowledge and technical expertise.
2. The manpower under this category perform functions listed in Appendix B of OFPP Policy Letter 92-1, and represent the minimum number necessary for government control.
 3. Identification and validation of FTEs under this criterion are based upon a manpower requirements study or assessment of what functions and duties must be performed by Government employees and other conditions that must exist in order to maintain sufficient Government expertise and oversight or Competitive Sourcing Initiative Study. Manpower guidance governing this criterion will vary by function based upon its nature, complexity, magnitude of contract reliance, organizational level, geographic dispersion, and other factors (including access to ultimate decision-maker). Every effort must be made to avoid situations where Government decision making in a functional area is weighted in favor of, or limited to, options presented by the private sector interests.

REASON CODE B

The Commercial Activity is suitable for a Cost Comparison or a Direct Conversion.

Reason Code B should be applied to any function or activity where the decision as to who should perform the work is a quality and cost based decision and the agency would expect that this decision would be based upon the results of a public-private competition conducted in accordance with OMB Circular A-76.

REASON CODE C

The Commercial Activity is the subject of an in-progress Cost Comparison or Direct Conversion.

For 2003 OMB eliminated the 2002 Reason Code C and converted the 2002 Reason Code D to the 2003 Reason Code C. In the Excel based data collection tool each office will receive, as

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appropriate, for those FTEs that were coded Reason Code C, the Reason Code will be left blank, so that each office may make an appropriate Reason Code revision decision for 2003. All 2002 Reason Code D FTEs have been updated to the appropriate 2003 Reason Code C sub-code in the Excel based data collection tool each office will receive. The FTEs identified in Reason Code C are those that were included in the functional area competitive sourcing studies announced March 22, 2002, and excludes those FTEs the Competitive Sourcing Initiative ESG has released from study since that announcement. The DOE Reason Code C sub-codes are as follows:

C1 - Information Technology positions identified as part of the 2002-2003 Competitive Sourcing Studies (In 2002, Reason Code D1).

C2 - Human Resources positions identified as part of the 2002-2003 Competitive Sourcing Studies (In 2002, Reason Code D2).

C3 - Financial Services positions identified as part of the 2002-2003 Competitive Sourcing Studies (In 2002, Reason Code D3).

C4 - Logistics positions identified as part of the 2002-2003 Competitive Sourcing Studies (In 2002, Reason Code D5).

C5 - Graphics positions identified as part of the 2002-2003 Competitive Sourcing Studies (In 2002, Reason Code D6).

C6 - Civil Rights Reviews positions identified as part of the 2002-2003 Competitive Sourcing Studies (In 2002, Reason Code D7).

REASON CODE D

The Commercial Activity is performed by a Most Efficient Organization (MEO) resulting from a Cost Comparison decision made within the past five years.

For 2003 there will **not** be any DOE FTEs coded in Reason Code D.

REASON CODE E

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

DOE offices shall use code E for all FTEs performing work in a function that has been deferred from a cost comparison or direct conversion to contract performance, pending the results of an approved force restructuring decision. This code is limited to restructuring initiatives such as approved base closures, or functional realignment or consolidation actions that have been approved in writing (In 2002, Reason Code F). All 2002 Reason Code F FTEs have been updated to Reason Code E in the Excel based data collection tool each office will receive.

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REASON CODE F

Performance of the commercial activity by government personnel is required due to a statutory prohibition against private sector performance.

There were no DOE FTEs coded in the 2002 Reason Code G, which is replaced by Reason Code F for 2003.

The following cross-walk was included in OMB's 2003 Inventory guidance. The discussion column contains OMB's broad non-mandatory expectations for all Federal agency conversion of 2002 Reason Coded FTEs to 2003 Reason Coding.

OMB 2002 TO 2003 INVENTORY REASON CODES CROSS-WALK

2002 Inventory Reason Codes	2003 Inventory Reason Codes	Discussion
A - "Indicates that the function is performed by Federal employees and is specifically exempt by the agency (Agency Head) from the cost comparison requirements of the Circular and this Supplemental Handbook."	A - "The Commercial Activity is not appropriate for private sector performance pursuant to a written determination."	For 2003, the Agency Head may delegate this determination.
B - "Indicates that the activity is performed by Federal employees and is subject to the cost comparison or direct conversion requirements of the Circular and this Supplement."	B - "The Commercial Activity is suitable for a Cost Comparison or a Direct Conversion."	The 2003 Code B consolidates functions that were listed in the 2002 B and C codes.
C - "Indicates that the activity is performed by Federal employees, but it has been specifically made exempt from the provisions of the Circular and this Supplement by Congress, Executive Order or OMB."		The 2002 Code C indicated that a function could be available for direct conversion, but that the direct conversion is not "in-progress" For 2003, these functions are expected to be listed in Code B.

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<p>D - “Indicates that the function is currently performed by in-house Federal employees and is in the process of being compared or converted directly to contract or inter-service support agreement performance.”</p>	<p>C - “The Commercial Activity is the subject of an in-progress Cost Comparison or Direct Conversion.”</p>	<p>The 2003 Code C replaces the 2002 Code D.</p>
<p>E - “Indicates that the function is retained in-house as a result of a cost comparison.”</p>	<p>D - “The Commercial Activity is performed by a Most Efficient Organization (MEO) resulting from a Cost Comparison decision made within the past five years.”</p>	<p>The 2003 Code D replaces the 2002 Code E.</p>
<p>F - “Indicates the function is currently being performed by Federal employees, but a review is pending force restructuring decisions (i.e., base closure, realignment, consolidation, etc.)”</p>	<p>E - “The Commercial Activity is pending an agency approved restructuring decision (e.g., closure, realignment).”</p>	<p>The 2003 Code E replaces the 2002 Code F.</p>
<p>G - “Indicates that the function is prohibited from conversion to contract because of legislation.”</p>	<p>F - “Performance of the commercial activity by government personnel is required due to a statutory prohibition against private sector performance.”</p>	<p>The 2003 Code F replaces the 2002 Code G</p>
<p>H - “Waiver Issued.”</p>		<p>This code is eliminated. Functions listed under the 2002 Code H are expected to be listed under Code B in the 2003 inventory.</p>
<p>I - “Indicates the function is being performed in-house as a result of a cost comparison resulting from a decision to convert from contract to in-house performance.”</p>		<p>This code is eliminated. Functions listed under the 2002 Code I are expected to be listed under Code D in the 2003 inventory.</p>