



**The Deputy Secretary of Energy**  
Washington, DC 20585

March 29, 2006

MEMORANDUM FOR HEADS OF DEPARTMENTAL ELEMENTS

FROM: CLAY SELL *Clay Sell.*

SUBJECT: 2006 Inherently Governmental and Commercial Activities Inventory

This is to request the data required to complete the Department of Energy's submission for the 2006 Federal Activities Inventory Reform Act (FAIR Act) of 1998, Public Law 105-270, commercial activities inventory and the Office of Management and Budget (OMB) inventory of inherently governmental activities.

Completion of the annual inventory of full-time equivalents (FTEs) and submission to OMB is an important statutory requirement. The Secretary and I expect that the data you submit will be the result of your personal attention in distinguishing the commercial activities performed by your Federal staff from those activities that are inherently governmental. We urge you to involve and communicate with your staff as the inventory is conducted.

Each organization must submit its 2006 Inherently Governmental and Commercial Activities inventory to the Office of Competitive Sourcing/A-76 by April 21, 2006. Organizations must also provide written justifications for FTEs designated as performing commercial activities that are not appropriate for private sector performance by the same date. In addition, major line organizations (listed on Attachment 3) must provide the Secretary a written verification of the accuracy of their submissions by May 5, 2006.

The Department's Competitive Sourcing Official redelegates the authority to sign OMB Circular A-76 required justifications, for the designation of FTEs performing inherently governmental or commercial activities that are not appropriate for private sector performance, to the Heads of the organizations that are required to submit an inventory verification of accuracy.

The attachments to this memorandum include detailed guidance on meeting FAIR Act requirements. This information will also be provided to the points of contact listed in Attachment 1.

Please direct any questions or concerns to Dennis O'Brien, Director, Office of Competitive Sourcing/A-76, at (202) 586-1690 or at [dennis.o'brien@hq.doe.gov](mailto:dennis.o'brien@hq.doe.gov) or Mark Hively at (202) 586-5655 or at [mark.hively@hq.doe.gov](mailto:mark.hively@hq.doe.gov).



## Attachments

Attachment 1 – List of IGCA Inventory Points of Contact

Attachment 2 – OMB & DOE 2006 IGCA Inventory Guidance Summary

Attachment 3 – List of Offices That Are To Provide Inventory Data and Accuracy  
Of Data Verification

Attachment 4 – Department of Energy Inherently Governmental and Commercial  
Activities Inventory, *Guide to Inventory Submission of March 2006*

Attachment 5 – Sample Inventory Verification of Accuracy Memos

<u>Organization</u>	<u>Name</u>	<u>Email</u>	<u>Phone Numbers</u>	<u>Alternate Name</u>	<u>Email</u>	<u>Phone</u>	<b>SUBMIT JUSTIFICATIONS*</b>
<b>Albany Research Center</b>	George Dooley III	<a href="mailto:dooley@alrc.doe.gov">dooley@alrc.doe.gov</a>	(541) 967-5936				YES**
<b>Bonneville Power Administration</b>	Christina J. Brannon	<a href="mailto:cjbrannon@bpa.gov">cjbrannon@bpa.gov</a>	(503) 230-4795	Anthony John Segvich cc: John Taves	<a href="mailto:ajsegvich@bpa.gov">ajsegvich@bpa.gov</a>	(503) 230-5783	YES
<b>Chicago Operations Office</b>	Elaine Kocolowski	<a href="mailto:elaine.kocolowski@ch.doe.gov">elaine.kocolowski@ch.doe.gov</a>	(630) 252-2334				YES**
<b>Chief Financial Officer</b>	Howard Borgstrom	<a href="mailto:howard.borgstrom@hq.doe.gov">howard.borgstrom@hq.doe.gov</a>	(202) 586-5923	Teresa Collins	<a href="mailto:Teresa.Collins@hq.doe.gov">Teresa.Collins@hq.doe.gov</a>	(202) 586-8259	YES
<b>Chief Information Officer</b>	Kevin Cooke	<a href="mailto:kevin.cooke@hq.doe.gov">kevin.cooke@hq.doe.gov</a>	(202) 586-6566				YES
<b>Civilian Radioactive Waste Management</b>	Sonja L. Green	<a href="mailto:sonja.green@rw.doe.gov">sonja.green@rw.doe.gov</a>	(202) 586-8839 Fax: (202) 586-7546				YES
<b>Congressional &amp; Intergovernmental Affairs</b>	Arlene L. Estep	<a href="mailto:Arlene.Estep@hq.doe.gov">Arlene.Estep@hq.doe.gov</a>	(202) 586-0972	Jill L. Sigal	<a href="mailto:jill.sigal@hq.doe.gov">jill.sigal@hq.doe.gov</a>	(202) 586-5450	YES
<b>Counterintelligence Economic Impact And Diversity</b>	Denise Williamson	<a href="mailto:Denise.Williamson@cn.doe.gov">Denise.Williamson@cn.doe.gov</a>	(202) 586-5901	Christopher S. Karis	<a href="mailto:christopher.karis@cn.doe.gov">christopher.karis@cn.doe.gov</a>	(202) 586-8747	YES
<b>Electricity and Energy Assurance</b>	Myrna K. Turturro	<a href="mailto:myrna.turturro@hq.doe.gov">myrna.turturro@hq.doe.gov</a>	(202) 586-4676 Fax: (202) 586-5488				YES
<b>Energy Efficiency And Renewable Energy</b>	Paul Trottier	<a href="mailto:paul.trottier@hq.doe.gov">paul.trottier@hq.doe.gov</a>	(202) 586-7844				YES
<b>Energy Information Administration</b>	Nicole L. C. McGowan	<a href="mailto:nicole.mcgowan@hq.doe.gov">nicole.mcgowan@hq.doe.gov</a>	(202) 586-4667 Fax: (202) 586-9562	Linda Whitted	<a href="mailto:linda.whitted@hq.doe.gov">linda.whitted@hq.doe.gov</a>	(202) 586-2555	YES
<b>Environment, Safety And Health</b>	Barbara J. Hall	<a href="mailto:BJHall@eia.doe.gov">BJHall@eia.doe.gov</a>	(202) 586-4482	Stephen F. Durbin	<a href="mailto:sdurbin@eia.doe.gov">sdurbin@eia.doe.gov</a>	(202) 586-3521	YES
<b>Environmental Management (including all EM activities @ Idaho, Nevada, Richland, Savannah River Operations Offices, Ohio &amp; Rocky Flats Field Offices, Office of River Protection...)</b>	Nathan Spruill	<a href="mailto:nathan.spruill@eh.doe.gov">nathan.spruill@eh.doe.gov</a>	(202) 586-9840				YES
<b>Fossil Energy</b>	Patrick J. Noone	<a href="mailto:patrick.noone@em.doe.gov">patrick.noone@em.doe.gov</a>	(301) 903-2870	James J. Fiore	<a href="mailto:james.fiore@em.doe.gov">james.fiore@em.doe.gov</a>	(202) 586-1665	YES
<b>General Counsel</b>	Edward Kilroy	<a href="mailto:Edward.kilroy@hq.doe.gov">Edward.kilroy@hq.doe.gov</a>	(301) 903-2051 Fax: (301) 903-4106	Pamela Gentel	<a href="mailto:pamela.gentel@hq.doe.gov">pamela.gentel@hq.doe.gov</a>	(301) 903-1856	YES
<b>Golden Field Office</b>	Dan Bullington	<a href="mailto:dan.bullington@hq.doe.gov">dan.bullington@hq.doe.gov</a>	(202) 586-7364				YES
<b>Hearings And Appeals</b>	Christine A. Phoebe	<a href="mailto:Christine.Phoebe@go.doe.gov">Christine.Phoebe@go.doe.gov</a>	(303) 275-4752				YES**
<b>Human Capital Management Inspector General</b>	Richard Tedrow	<a href="mailto:richard.tedrow@hq.doe.gov">richard.tedrow@hq.doe.gov</a>	(202) 287-1566				YES
<b>Intelligence</b>	Gerald S. Venanzi	<a href="mailto:gerald.venanzi@hq.doe.gov">gerald.venanzi@hq.doe.gov</a>	(202) 586-0215	Claudia A. Cross	<a href="mailto:claudia.cross@hq.doe.gov">claudia.cross@hq.doe.gov</a>	(202) 586-5610	YES
<b>Legacy Management</b>	Kristen A. Klein	<a href="mailto:kristen.klein@hq.doe.gov">kristen.klein@hq.doe.gov</a>	(202) 586-1931	Denise H. Smith	<a href="mailto:denise.smith@hq.doe.gov">denise.smith@hq.doe.gov</a>	(202) 586-1925	YES
<b>Management</b>	Michael Ortmeier	<a href="mailto:michael.ortmeier@hq.doe.gov">michael.ortmeier@hq.doe.gov</a>	(202) 586-5046				YES
<b>National Energy Technology Laboratory</b>	Sharon I. Rudy	<a href="mailto:sharon.rudy@hq.doe.gov">sharon.rudy@hq.doe.gov</a>	(202) 586-4072				YES
<b>National Nuclear Security Administration</b>	Robin D. Henderson	<a href="mailto:robin.d.henderson@hq.doe.gov">robin.d.henderson@hq.doe.gov</a>	(202) 586-2550				YES
<b>Naval Petroleum Reserves, Ca</b>	Kathleen Fear	<a href="mailto:fear@netl.doe.gov">fear@netl.doe.gov</a>	(412) 386-6170	Joseph F. Grimes	<a href="mailto:joseph.grimes@netl.doe.gov">joseph.grimes@netl.doe.gov</a>		YES**
<b>Naval Petroleum Reserves, Co, Wy</b>	Belinda Holloman	<a href="mailto:belinda.holloman@nnsa.doe.gov">belinda.holloman@nnsa.doe.gov</a>	(301) 903-1570	Raymond F. Greenberg	<a href="mailto:RAYMOND.F.GREENBERG@nnsa.doe.gov">RAYMOND.F.GREENBERG@nnsa.doe.gov</a>	(301) 903-6802	YES
<b>Nevada (Non-NNSA) Nuclear Energy, Science And Technology</b>	Pamela Gentel	<a href="mailto:pamela.gentel@hq.doe.gov">pamela.gentel@hq.doe.gov</a>	(301) 903-1856				YES**
	Janet Boulanger	<a href="mailto:janet.boulanger@rmtoc.doe.gov">janet.boulanger@rmtoc.doe.gov</a>	(307) 233-4814				YES**
	Patrick J. Noone	<a href="mailto:patrick.noone@em.doe.gov">patrick.noone@em.doe.gov</a>	(301) 903-2870				YES
	Jennifer Kirk Gilroy	<a href="mailto:jennifer.gilroy@nuclear.energy.gov">jennifer.gilroy@nuclear.energy.gov</a>	(301) 903-5769	William J. Colsh	<a href="mailto:wjm.colsh@hq.doe.gov">wjm.colsh@hq.doe.gov</a>	(301) 903-3796	YES

\*YES - Indicates organization is required to submit an electronic version of written Reason Code A justifications for submission to OMB.

\*\*Organization will submit Reason Code A justifications through LPSO.

<b>Oak Ridge Operations Office</b>	Melanie Kent	<a href="mailto:kentmm@oro.doe.gov">kentmm@oro.doe.gov</a>	(865) 576-0673	Edward Dunbar	<a href="mailto:dunbare@oro.doe.gov">dunbare@oro.doe.gov</a>	(865) 576-0670	YES
<b>Office Of Scientific And Technical Information</b>	Dareen Scoggins	<a href="mailto:scogginsd@osti.gov">scogginsd@osti.gov</a>	(865) 576-6947				YES
<b>Office Of Security and Performance Assurance</b>	Lesley Gasperow	<a href="mailto:lesley.gasperow@oa.doe.gov">lesley.gasperow@oa.doe.gov</a>	(301) 903-5577	Sandra Dentinger	<a href="mailto:Sandra.Dentinger2@hq.doe.gov">Sandra.Dentinger2@hq.doe.gov</a>	(301) 903-5139	YES
<b>Office Of The Secretary</b>	Shena Blake-Kennerly	<a href="mailto:kennerly@hq.doe.gov">kennerly@hq.doe.gov</a>	(202) 586-0577				YES
<b>Policy And International Affairs</b>	Jon Mathis	<a href="mailto:Jon.Mathis@hq.doe.gov">Jon.Mathis@hq.doe.gov</a>	(202) 586-4909				YES
<b>Public Affairs</b>	Anne Womack Kolton	<a href="mailto:anne.womack.kolton@hq.doe.gov">anne.womack.kolton@hq.doe.gov</a>	(202) 586-4940	Carol Moten	<a href="mailto:Carol.Moten@hq.doe.gov">Carol.Moten@hq.doe.gov</a>	(202) 586-7953	YES
<b>Science</b>	Aracely Nunez-Mattocks	<a href="mailto:aracely.nunez-mattocks@science.doe.gov">aracely.nunez-mattocks@science.doe.gov</a>	(301) 903-3141	John A. Alleva	<a href="mailto:john.alleva@science.doe.gov">john.alleva@science.doe.gov</a>	(301) 903-3064	YES
<b>Southeastern Power Administration</b>	Carol P. Rice	<a href="mailto:carolr@sepa.doe.gov">carolr@sepa.doe.gov</a>	(706) 213-3822 Fax: (706) 213-3884	Joel Seymour	<a href="mailto:joels@sepa.doe.gov">joels@sepa.doe.gov</a>	(706) 213-3810	YES
<b>Southwestern Area Power Administration</b>	Cheryl Crosswell	<a href="mailto:cheryl.crosswell@swpa.gov">cheryl.crosswell@swpa.gov</a>	(918) 595-6616				YES
<b>Strategic Petroleum Reserves Project Office</b>	Arvel Callwood	<a href="mailto:arvel.callwood@spr.doe.gov">arvel.callwood@spr.doe.gov</a>	(504) 734-4722	Gary C. Landry	<a href="mailto:Gary.Landry@spr.doe.gov">Gary.Landry@spr.doe.gov</a>	(504) 734-4660	YES**
<b>The Secretary Of Energy Advisory Board</b>	Robin D. Henderson	<a href="mailto:robin.d.henderson@hq.doe.gov">robin.d.henderson@hq.doe.gov</a>	(202) 586-2550				YES
<b>Western Area Power Administration</b>	Suezell Owens	<a href="mailto:owens@wapa.gov">owens@wapa.gov</a>	(720) 962-7447				YES

\*YES - Indicates organization is required to submit an electronic version of written Reason Code A justifications for submission to OMB.

\*\*Organization will submit Reason Code A justifications through LPSO.

**OFFICE OF MANAGEMENT & BUDGET & DEPARTMENT OF ENERGY**  
**2006 INVENTORY GUIDANCE SUMMARY**

OMB GUIDANCE

OMB's 2006 inventory guidance is unchanged from its 2005 guidance, which contained a number of incremental changes to the inventory collection and documentation process. Those changes included:

- a. Agencies will submit commercial activity Reason Code A justifications with their inventory submission.
- b. OMB, in acknowledging that agencies' use of fractional full-time equivalents (FTEs) is appropriate, limited the FTE fraction to no less than one-quarter unless a request for a waiver has been granted by OMB.
- c. OMB provided examples of acceptable reasons why a FTE's activities could be coded with Reason Code A.
- d. OMB described the key elements that should be included in the written justifications.

Further explanation of these revisions and impact on your coding decisions is provided in Attachment 4, Department of Energy Inherently Governmental and Commercial Activities Inventory, *Guide to Inventory Submission of March 2006*.

DOE GUIDANCE

OMB requires the submission of the IGCA Inventory in a specified electronic spreadsheet format. An updated version of Microsoft Excel software based data collection tool used last year will be provided to your inventory point of contact. Instructions and training related to the use of the updated data collection tool is available through the web page referenced above.

The Headquarters Departmental Elements identified in Attachment 3 are responsible for reviewing and verifying the accuracy of the information provided by their organization and any constituent field organizations. As stated in the Deputy Secretary's 2006 IGCA Inventory memorandum, to which this inventory guidance summary is attached, the inventory verification of accuracy memoranda also represent and substitute for signature on the individual justifications required for designating FTE activities as inherently governmental or Reason Code A. Sample inventory verification of accuracy memoranda may be found at Attachment 5. The Under Secretary for Nuclear Security (NNSA) will ultimately provide the inventory verification of accuracy to the Secretary for NNSA organizations. Other DOE organizations reporting to the Deputy Secretary and the Under Secretary for Energy, Science, and Environment, will verify the accuracy of their inventory and transmit the memorandum to the Secretary through the Director, Office of Management.

REQUIRED SUBMISSIONS

By **April 21, 2006**, each office listed in Attachment 3 will:

Update and revise the data in the Excel data collection tool provided to your organization.

Submit the 2006 data by returning it to the Office of Competitive Sourcing/A-76 (OCS) by e-mail addressed to [mark.hively@hq.doe.gov](mailto:mark.hively@hq.doe.gov); [dennis.o'brien@hq.doe.gov](mailto:dennis.o'brien@hq.doe.gov); and [maria.sims@hq.doe.gov](mailto:maria.sims@hq.doe.gov).

In addition to returning the 2006 inventory data, submit a narrative attached to an e-mail to the e-mail addresses listed above, explaining changes made to the data as compared to your 2005 submission, in accordance with the guidance in Attachment 4.

Your organizations' written Reason Code A justifications will be provided by electronic files containing the justifications sent to the OCS at the e-mail addresses listed above.

**Between April 21, 2006 and May 5, 2006**, verifying offices and the OCS will review and work with the submitting organizations to make any necessary changes to inventory data.

By **May 5, 2006**, those offices identified in Attachment 3 as responsible for inventory verification of accuracy will submit a memorandum substantively similar to that contained in the Attachment 5 sample memoranda, verifying the accuracy, completeness, and consistency of data submitted by their organization and representing and substituting for signature of the justifications for designating FTEs as performing inherently governmental or commercial Reason Code A activities.

Copies of this memorandum, attachments and the data collection tool will be provided to the IGCA Inventory Point(s) of Contact for your organization. A list of the points of contact can be found in Attachment 1. If the list is incorrect or you wish to add an alternate please contact the OCS.

If you have any questions or require additional information regarding this guidance, please contact Mark R. Hively, by e-mail to [mark.hively@hq.doe.gov](mailto:mark.hively@hq.doe.gov) or by telephone at 202-586-5655 or Dennis O'Brien, Director, OCS, at 202-586-1690 or by e-mail to [dennis.o'brien@hq.doe.gov](mailto:dennis.o'brien@hq.doe.gov).

**ORGANIZATIONS RESPONSIBLE FOR INVENTORY AND VERIFICATION OF ACCURACY SUBMISSION**

**Organizations Reporting Directly to the Deputy Secretary**

<b>All Organizations Listed Submit an IGCA Inventory and Provide Verifications of Inventory Accuracy</b>
<b>Chief Financial Officer</b>
<b>Chief Information Officer</b>
<b>Congressional and Intergovernmental Affairs</b>
<b>Counterintelligence</b>
<b>Economic Impact and Diversity</b>
<b>Energy Information Administration</b>
<b>General Counsel</b>
<b>Hearings and Appeals</b>
<b>Human Capital Management</b>
<b>Inspector General</b>
<b>Intelligence Management</b>
<b>Policy and International Affairs</b>
<b>Public Affairs</b>
<b>Secretary of Energy Advisory Board</b>
<b>Security and Safety Performance Assurance</b>
<b>Bonneville Power Administration</b>
<b>Southeastern Power Administration</b>
<b>Southwestern Power Administration</b>
<b>Western Area Power Administration</b>
All Organizations listed are to prepare and submit an inventory to the Office of Competitive Sourcing/A-76 (OCS) and verification of inventory accuracy statement that includes Head of Departmental element attestation to exercising Competitive Sourcing Official redelegation of inherently governmental and Reason Code A justification signature authority. The verification of accuracy statement and required narrative are to be forwarded to the Secretary through the Director, Office of Management for retention by the OCS.

**ORGANIZATIONS RESPONSIBLE FOR INVENTORY AND VERIFICATION OF ACCURACY SUBMISSION**

**Organizations Reporting to the  
Under Secretary for National Nuclear Security**

<b>National Nuclear Security Agency (NNSA), HQ Submits an IGCA Inventory for all NNSA Organizations and Provides the Verification of Inventory Accuracy for all of NNSA</b>
<b>National Nuclear Security Agency, HQ</b>
NNSA Service Center
NNSA Nevada Site Office
Oakland Operations Office
Oak Ridge Area Office
Savannah River Area Office
Pittsburgh Naval Reactors
Schenectady Naval Reactors
NNSA, HQ prepares and submits an inventory to the Office of Competitive Sourcing/A76 (OCS) for all of NNSA including the listed field sites. The Under Secretary for National Nuclear Security provides a verification of inventory accuracy statement for all of NNSA that includes Head of Departmental element attestation to exercising Competitive Sourcing Official redelegation of inherently governmental and Reason Code A justification signature authority and required narrative to the Secretary, with a copy to the Director, Office of Management for retention by the OCS.



**ORGANIZATIONS RESPONSIBLE FOR INVENTORY AND VERIFICATION OF ACCURACY SUBMISSION**

**Organizations Reporting to the**  
**Under Secretary for Energy, Science, and Environment**

<b>Each Organization Submits an IGCA Inventory with the Organizations Listed in Bold Providing the Verification of Inventory Accuracy for all its Subordinate Components</b>
<b>Office of Science</b>
Chicago Operations Office
Oak Ridge Operations Office
Lawrence Berkeley National Laboratory Site Office
Stanford Linear Accelerator Center Site Office
Office of Scientific and Technical Information
<b>Electricity Delivery and Energy Reliability</b>
<b>Energy Efficiency &amp; Renewable Energy</b> (includes all regional offices)
Golden Field Office
<b>Environment, Safety &amp; Health</b>
<b>Fossil Energy</b>
National Energy Technology Laboratory
National Petroleum Technology Center
Naval Petroleum Reserves in California
Naval Petroleum & Oil Shale Reserves in Colorado/Utah/Wyoming
Strategic Petroleum Reserve Project Office
Albany Research Center
<b>Legacy Management</b>
Carlsbad Field Office
<b>Nuclear Energy, Science and Technology</b>
<b>Office of Civilian Radioactive Waste Management</b>
Inventories received by the Office of Competitive Sourcing/A-76 (OCS) from the field sites belonging to the Organizations listed in bold above will be reviewed by the cognizant Headquarters Program Organization. The Organizations listed in bold above are to prepare a verification of inventory accuracy statement that includes Head of Departmental element attestation to exercising Competitive Sourcing Official redelegation of inherently governmental and Reason Code A justification signature authority for their organization that covers any subordinate organizations. The verification of accuracy statement and required narrative are to be forwarded to the Secretary through the Director, Office of Management for retention by the OCS.
<b>Environmental Management (EM) Collects and Submits the IGCA Inventory for all EM Subordinate Organizations and Provides a single Verification of Inventory Accuracy for all of EM</b>
<b>Environmental Management</b>
Idaho Operations Office
Richland Operations Office
Savannah River Operations Office
Non-NNSA Nevada Operations Office
Ohio Field Office
Rocky Flats Field Office
Office of River Protection
EM HQ will prepare an inventory for all of EM based upon inventory data obtained from all listed field sites. The Assistant Secretary for Environmental Management provides a verification of inventory accuracy statement that includes Head of Departmental element attestation to exercising Competitive Sourcing Official redelegation of inherently governmental and Reason Code A justification signature authority and required narrative to the Secretary, through the Director, Office of Management for retention by the OCS.

Department of Energy  
Inventory of Inherently Governmental and Commercial Activities  
*Guide to Inventory Submission*  
March 2006

This document presents the instructions for submission of the 2006 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 2006 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. Likewise, the Office of Environmental Management (EM) at Headquarters will obtain, review and submit for inclusion in the Department's complete IGCA Inventory, all EM headquarters and subordinate field office inventory data.

An important element of DOE's inventory process is noted here, and in Enclosure 4 to this *Guide to Inventory Submission*. This element concerns the Department's Competitive Sourcing Official's (CSO) redelegation of the authority to sign Office of Management and Budget (OMB) Circular A-76 required justifications for the designation of FTEs as performing inherently governmental or commercial Reason Code A activities. Through the Deputy Secretary's memorandum, to which this guide is attached, the CSO redelegates justification signature authority to the Heads of the organizations that are required to submit an inventory verification of accuracy. The signatures on the inventory verification of accuracy memorandums will represent and substitute for signatures on each of the individual justifications for your organization. OMB is requiring agencies to submit the written Reason Code A justifications with the inventory data and those Reason Code A only justifications will be submitted as electronic files with your inventory data.

In this guide there are references to four enclosures. These enclosures are physically a part of this guide or are available via the Internet, and are intended to provide specific information on what must be included in the DOE 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 signed by the Deputy Secretary. Additionally, all DOE offices and NNSA must submit a narrative description addressing the following:

- Explanation/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 2005 IGCA Inventory was submitted, and which supports the change to inherently governmental. 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," commercial Reason Code C, until such time as the study is completed, or the Competitive Sourcing Executive Steering Group (ESG) has formally decided to remove the FTE(s) from a study.

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- 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 2005 inventory and the 2006 inventory. For example, numerically describe changes from inherently governmental to one of the commercial Reason Code (i.e., “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 included in an announced competitive sourcing initiative A-76 study).

FAIR Act/A-76 program (function code, reason code, review process, etc.) questions should be directed to Mark R. Hively, Office of Competitive Sourcing/A-76, preferably by e-mail at [mark.hively@hq.doe.gov](mailto:mark.hively@hq.doe.gov) or by telephone at (202) 586-5655.

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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.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.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.mbe.doe.gov/a-76>, through the “FAIR Act Inventory” link.

# Enclosure 1

Department of Energy  
Inventory of Inherently Governmental and Commercial Activities  
*Guide to Inventory Submission*  
March 2006

## **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. Many groupings 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 2006 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 headquarters function since it does not involve management headquarters type work activity.

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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).

## 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 activity performed. In some cases, this may not correspond to what position series and titles might lead reviewers to believe an FTE's activities must be. 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 function code selected is based on the type of activity (i.e., accounting function) and not type of position (i.e., budget analyst) associated with the FTE. This year, as in the past, offices are being asked to associate position titles/position series, as well as function codes to FTEs in order to assist management in determining potential competitive sourcing A-76 study candidates.
- 4.2 Please keep in mind that the FAIR Act inventory is based on describing the activities of the Department by FTEs. **Please be aware of the following for the 2006 inventory:**

OMB allows for the reporting of **fractional FTE** in the inventory submission; 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 to them; however, it is unnecessary to artificially separate this out from the rest of the position duties. Except in rare instances, an FTE should be assigned a single function code selected on the basis of the predominant type of work performed.

- 4.3 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. **Please consider the following on this subject:**

The number of FTE reported in each agency's inventory should reflect the number of budgeted FTE the agency is assigned. Therefore, all budgeted FTE should be included in agency inventories regardless of personnel status (i.e. Civil Service, Political Appointees, and Foreign Service). Moreover, FTE ought to be reported whether the FTE is filled, vacant, on a non-reimbursable detail, or on extended leave.

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- 4.4 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) for FY 2006, as set forth in the FY 2007 Budget.
- 4.5 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 in nature;
  - (2) whether the function is subject to, or exempt from, competition;
  - (3) how functions or activities are packaged for competitive sourcing; or,
  - (4) how FAIR Act challenges and appeals are handled.

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 the DOE offices. Also, they may not be aware of the degree to which DOE offices rely on inter/intragovernmental support and private sector services and the level of such support. Those parties may make DOE-wide comparisons of functions, functional groups, functional categories, or organizational levels (e.g., management headquarters functions), in order to assess the type of activity or to question inherently governmental and commercial designations of FTEs. By documenting the rationale behind your coding decisions, any questions resulting from the review and analysis of your inventory information by other parties should be easier to answer.

## Enclosures 2 & 3

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### Enclosure 2

Complete list of 2006 Inherently Governmental and Commercial Activities Inventory Function Codes may be accessed through the Office of Competitive Sourcing/A-76 web page at <http://www.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.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 several changes to this list as compared to the 2005 list.**

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### REASON CODES

#### Reason Code Z

##### **Inherently Governmental Reason Code Z.**

The revised OMB Circular A-76 (dated May 29, 2003), fundamentally changed the definition and elevated the threshold for FTE activities to be coded as “inherently governmental.” OMB Circular A-76 is available at: <http://www.whitehouse.gov/omb/circulars/index.html>. The revised OMB Circular A-76 supersedes the guidance in the Office of Federal Procurement Policy (OFPP) Letter 92-1 that defined and described inherently governmental activities. The Federal Acquisition Regulation, Part 7.5 – Inherently Governmental Functions, which has as its basis OFPP Letter 92-1, has not been revised to reflect the supersession of the policy letter. Current OMB Circular A-76 language describing inherently governmental activities varies from the description of inherently governmental activities contained in the FAIR Act. Despite the foregoing, for the purposes of the DOE 2006 Inherently Governmental and Commercial Activities (IGCA) Inventory, the Department will apply the OMB Circular A-76 interpretation of inherently governmental to the coding of FTEs.

a. As justified in writing by the Department’s Competitive Sourcing Official (CSO), who has redelegated the authority for signature of inherently governmental and commercial Reason Code A justifications to the Heads of the organizations that are required to submit an inventory verification of accuracy, organizations shall use the inherently governmental criterion for coding FTEs only when the activity of a FTE, or percentage of a FTE, “is so intimately related to the public interest as to mandate performance by government personnel.” According to OMB Circular A-76, at Attachment A, paragraph B, instead of merely exercising “discretion,” the FTE must now exercise “substantial discretion.” Consequently, the code of inherently governmental is only assigned to FTE whose function involves the “exercise of substantial discretion in applying government authority and/or in making decisions for the government.” OMB Circular A-76 states that “Inherently governmental activities normally fall into two categories: the exercise of sovereign government authority or the establishment of procedures and processes related to the oversight of monetary transactions or entitlements. An inherently governmental activity involves:

- (1) Binding the United States to take or not to take some action by contract, policy, regulation, authorization, order, or otherwise;
- (2) Determining, protecting, and advancing economic, political, territorial, property, or other interests by military or diplomatic action, civil or criminal judicial proceedings, contract management, or otherwise;
- (3) Significantly affecting the life, liberty, or property of private persons; or



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(4) Exerting ultimate control over the acquisition, use, or disposition of United States property (real or personal, tangible or intangible), including establishing policies or procedures for the collection, control, or disbursement of appropriated and other federal funds.

While inherently governmental activities require the exercise of substantial discretion, not every exercise of discretion is evidence that an activity is inherently governmental. Rather, the use of discretion shall be deemed inherently governmental if it commits the government to a course of action when two or more alternative courses of action exist and decision making is not already limited or guided by existing policies, procedures, directions, orders, and other guidance that (1) identify specified ranges of acceptable decisions or conduct and (2) subject the discretionary authority to final approval or regular oversight by agency officials.”

b. “An activity may be provided by contract support (i.e., a private sector source or a public reimbursable source using contract support) where the contractor does not have the authority to decide on the course of action, but is tasked to develop options or implement a course of action, with agency oversight. An agency shall consider the following to avoid transferring inherently governmental authority to a contractor:

(1) Statutory restrictions that define an activity as inherently governmental;

(2) The degree to which official discretion is or would be limited, i.e., whether involvement of the private sector or public reimbursable provider is or would be so extensive that the ability of senior agency management to develop and consider options is or would be inappropriately restricted;

(3) In claims or entitlement adjudication and related services (a) the finality of any action affecting individual claimants or applicants, and whether or not review of the provider’s action is de novo on appeal of the decision to an agency official; (b) the degree to which a provider may be involved in wide-ranging interpretations of complex, ambiguous case law and other legal authorities, as opposed to being circumscribed by detailed laws, regulations, and procedures; (c) the degree to which matters for decisions may involve recurring fact patterns or unique fact patterns; and (d) the discretion to determine an appropriate award or penalty;

(4) The provider’s authority to take action that will significantly and directly affect the life, liberty, or property of individual members of the public, including the likelihood of the provider’s need to resort to force in support of a police or judicial activity; whether the provider is more likely to use force, especially deadly force, and the degree to which the provider may have to exercise force in public or relatively uncontrolled areas. These policies do not prohibit contracting for guard services, convoy security services, pass and identification services, plant protection services, or the operation of prison or detention

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facilities, without regard to whether the providers of these services are armed or unarmed;

(5) The availability of special agency authorities and the appropriateness of their application to the situation at hand, such as the power to deputize private persons; and

(6) Whether the activity in question is already being performed by the private sector.

### Reason Code A

**Commercial Reason Code A:** “The Commercial Activity is not appropriate for private sector performance pursuant to a written determination by the CSO.”

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. That determination has to be affirmed in writing. For the 2006 IGCA Inventory, offices will prepare the written justification for FTE(s) coded with Reason Code A, and will submit them as an electronic file, with their inventory data, to the Office of Competitive Sourcing/A-76. As mentioned above under Reason Code Z, the CSO has redelegated to the Heads of the organizations that submit inventory verifications of accuracy the authority to sign justifications and whose signature on the inventory verification of accuracy memorandums represents and substitutes for signatures on each of the individual justifications for the organization.

b. OMB has provided the following with regard to the use of commercial Reason Code A and for justifying that use:

#### **OMB Guidance for use of Commercial Reason Code A Justifications**

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 Circular does not specify what constitutes an acceptable reason for categorizing a function as reason code A. This document serves as guidance to help agencies structure their reason code A justifications so that agencies may achieve incremental improvements with each inventory submission.

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### Justification Expectations

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.

*Risk to the Agency.* Many agencies seek to exempt certain functions from competition on the grounds that the function is “core,” as in “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:

- 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.<sup>1</sup>
- 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.<sup>2</sup>

*Preponderance of Duty.* 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, can not be considered a COR for purposes of assigning status or reason code on the inventory.

<sup>1</sup> Unlike CORs or COTRs, Contracting Officers should be listed on workforce inventories as inherently governmental because they bind the federal government to a particular course of action.

<sup>2</sup> There may be other bases for concluding that the activity should not be competed; however, in the example provided the “core” justification would not apply.

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### Examples of Acceptable Reasons to Use Commercial Reason Code A

The statements below are examples of summary justifications that offer meaningful rationales to explain why a particular activity is not suitable for competition. The examples are illustrative and agencies need not use the exact verbiage in the examples in order to have a reasonable justification.

*Note:* Many of the acceptable reasons cited below for categorizing a function under reason code A include the qualifying phrase “sufficient number” to indicate that only a fraction of the total number of FTEs performing the function have been designated as reason code A. As explained above, it is ordinarily neither necessary nor appropriate to exempt an entire function or business line from competition to avoid substantial risk to the agency. There is no prescribed ratio of commercial reason code B to commercial reason code A FTEs within a function; this ratio will vary depending on the nature of the function. The same risk analysis conducted to determine whether a function is “core” should be conducted to determine the “sufficient number” of any given commercial reason code A function.

- A *sufficient number* of FTE are required to provide independent, day-to-day oversight of core agency function.
- Function requires a *sufficient number* of specialized FTE with expertise of agency systems and procedures.
- Agency requires a *sufficient number* of trained and experienced FTE with historical knowledge to ensure continual performance of a *core* function.
- Agency requires a *sufficient number* of FTE within this function to provide an inhouse cadre of suitable candidates for career growth in mission critical areas of the agency.
- Function routinely requires working with proprietary, sensitive, pre-decisional business information to develop various proposals for consideration by inherently governmental final agency decision makers.
- The FTE performing a commercial function are currently filled by individuals with disabilities.<sup>3</sup>

<sup>3</sup> This justification must be applied on an individual FTE basis. In other words, it may not be applied to all FTE within a function simply because the majority of those FTE are currently filled by individuals with disabilities.

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- FTEs currently performing function require distinctly multiple skill sets, so that the agency has the flexibility to rotate FTE between assignments as needed for maximum productivity potential.<sup>4</sup>
- Function is preformed by a student intern as a part of formalized program for federal recruitment.

### Examples of Acceptable Complete Justifications for Commercial A Functions

The examples below illustrate what may constitute an acceptable complete justification.

Agencies are allowed flexibility in defining function codes, so mock function codes have been substituted.

**DXXX Commercial** - This FTE establishes accountability policies and procedures, and provides independent, day-to-day oversight over accountability of Government security documents manufactured. The FTE draws on specialized knowledge of the Bureau's manufacturing and accountability systems and procedures to ensure that assets are safeguarded from waste, loss, misappropriation, etc. The systems accountant is responsible for conducting physical inventories that are reviewed by external auditors. This FTE is responsible for conducting unannounced inventories of various products. The FTE provides software application support, to include system enhancements, for all manufacturing and accountability systems users. The FTE coordinates system requirements for production and support division with various headquarter offices for proper tracking of the product through production process. Specialized knowledge and expertise in the Bureau's Product Accountability System is required to adequately perform these functions.

**CXXX Commercial** - The Bureau must have a sufficient number of trained and experienced staff to ensure the timely and accurate formulation, completion and review of all required financial reports. This requires employees with prerequisite accounting skills and specialized knowledge of the Bureau's revolving fund financing, as well as a thorough understanding of the Bureau mission. The need for these FTE's to provide essential technical information, advice, review and oversight increases directly with the increase in the degree of involvement of contractors in the Bureau's financial activities. Additionally, this function has historically provided an in-house cadre of talented financial management candidates for the Bureau's core functions.

<sup>4</sup> It is expected that this justification will be used by a small number of agencies. An example of appropriate application would be for an FTE who primarily performs a physically or mentally straining activity, but it is periodically assigned desk work in part to provide relief from the strain and maintain sharpness in their primary duty.

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**CXXX Commercial** - The FTE's associated with Cost Accounting are primarily responsible for developing prices of Bureau products for the purpose of funding present and future operations and maintaining the integrity of the Bureau's revolving fund. They are also responsible for monitoring monthly manufacturing performance with respect to established standards, and reporting such findings to management. The development, and subsequent review, of product prices is a challenging task, due to the complexity and dynamics of the security-printing environment. The historical knowledge of Bureau operations, the specialized knowledge and analytical skills required by these positions, and their impact on the integrity of the Bureau's revolving fund, require that these skills remain in-house. Additionally, this function has historically provided an in-house cadre of talented candidates for the Bureau's core functions.

**CXXX Commercial** - Cost analysis is directly linked to the Bureau's mission "to securely and efficiently produce currency." The FTE's involved in cost analysis are responsible for monitoring the effectiveness of product prices, performing cost analyses used for go/no go decision making, and analyzing favorable and unfavorable cost variances related to monthly manufacturing performance. Their analyses help ensure the integrity of the Bureau's revolving fund. Further, this function routinely works with proprietary, pre-decisional business information to develop cost analyses on various proposals and what-if scenarios for the exclusive, confidential consideration of Bureau executive management. Because of the specialized knowledge of Bureau operations and analytical skills required to provide management with the information needed to effectively and efficiently operate the Bureau, these positions should remain in-house. Additionally, this function has historically provided an inhouse cadre of talented financial management candidates for the Bureau's inherently governmental management and oversight functions.

**TXXX Commercial** - These FTE's are currently occupied by individuals with severe physical disabilities, psychiatric disabilities, or who are mentally challenged, who were hired noncompetitively on the basis of their disabilities using Schedule A authority, and who require ongoing and continuing employment accommodation. These positions have been set aside for the larger governmental purpose of providing gainful employment for those individuals who otherwise have limited employment options in the private sector. This action is consistent with the federal government's role as a model employer for persons with disabilities. Accordingly, the Bureau has no intent of competing these positions at this time.

**DXXX Commercial** - These FTE's provide oversight to the Bureau's Quality Management System and Management Controls programs by conducting Internal Quality audits and Internal Control reviews (including unannounced physical inventories reviewed by external auditors) of BEP production, support, and administrative activities. An Internal Quality audit program is required to maintain International Organization of Standards (ISO) certification. Due to the specialized knowledge of Bureau quality procedures, access to confidential business information, and the nature of the production, support, and administrative operations to be audited, contracting out this function would not be appropriate. The Internal Control

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reviews also performed by these FTE's are often focused on security and accountability over Bureau products and require access to sensitive security information, and consequently, contracting out this function would pose risk and vulnerability to the Bureau.

**YXXX Commercial** - These core functions are critical to the agency's mission as they entail the operation of offset and intaglio printing equipment and electronic inspection equipment by highly skilled plate printers, pressmen, and bookbinders. The Bureau of Engraving and Printing is the largest single employer of plate printers in the United States with only a limited number of private sector companies with a limited number of individuals employing this particular skill. Bookbinders and Pressmen, either trained in the private sector or trained in-house, have specialized knowledge of major pieces of inspection and processing equipment and they too, are in short supply in the private sector. Plate Printing operations, inspection operations, and finishing operations coupled with the highly skilled, difficult-to-replace individuals in both the Washington, DC and Fort Worth, TX facilities must remain an integral part of the Bureau and cannot be contracted to the private sector. This level of sophistication and experience of the workforce enables the flexibility to assign individuals to either the currency program or the special security products program and enhancing the productivity of both programs.

**BXXX Commercial** - This is a Schedule B FTE under the Student Educational Employment Program (SEEP). SEEP is a program specifically designed to further the government objectives of encouraging individuals to attend institutions of higher learning by providing an additional source of income to offset some of the expenses incurred in attending school. The program also increases student and society awareness of the Federal government as an employer and expands employment opportunities for students in school. Therefore, it is reasonable that this position while clearly a commercial activity not be considered under the A-76 process for commercialization. *(End of OMB Reason Code A guidance)*

c. At DOE, designation of FTE with Reason Code A **does not** exclude the FTE from potentially being included in DOE's Competitive Sourcing Initiative competitions. 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 activities performed by the FTE is not severable from the activities performed by other inherently governmental FTE(s). The Department through Competitive Sourcing Initiative competitions or by the reporting offices themselves periodically reviewing the FTEs' activities, Reason Code A FTEs' activities can be evaluated to determine if they can be realigned to allow for competition.

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### REASON CODE B

**Commercial Reason Code B.** “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 could be subjected to public-private OMB Circular A-76 competition.

### REASON CODE C

**Commercial Reason Code C.** “The Commercial Activity is the subject of an in-progress streamlined or standard competition.”

FTEs identified in Reason Code C are those that were included in announced DOE functional area competitive sourcing studies, and excludes those FTEs the Competitive Sourcing Executive Steering Group (ESG) has released from study since those announcements (FTE excluded from study by the ESG shall be identified in the appropriate Reason Code). The DOE Reason Code C sub-codes are as follows:

C1 – Albany Research Center positions identified as part of the 2005 Competitive Sourcing Studies.

C2 – New Brunswick Laboratory positions identified as part of the 2005 Competitive Sourcing Studies.

C3 – DOE Logistics positions identified as part of the 2002-2003 Competitive Sourcing Studies.

### REASON CODE D

**Commercial Reason Code 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.”

D1 - Graphics FTEs representing the implemented MEO resulting from the 2002-2003 Competitive Sourcing Studies.

D2 – Financial Services FTEs representing the implemented MEO resulting from the 2002-2003 Competitive Sourcing Studies.

D3 – NNSA Logistics FTEs representing the implemented MEO resulting from the 2002-2003 Competitive Sourcing Studies.



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D4 – Human Resources Training FTEs representing the implemented MEO resulting from the 2002-2003 Competitive Sourcing Studies.

D5 – Albany Research Center Logistics FTEs representing the implemented MEO resulting from the 2002-2003 Competitive Sourcing Studies.

D6 – Information Technology FTEs representing the implemented MEO resulting from the 2002-2003 Competitive Sourcing Studies.

### REASON CODE E

**Commercial Reason Code E.** *“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

**Commercial Reason Code F.** *“The Commercial Activity performed by government personnel due to a statutory prohibition against private sector performance.”*

Any use of Reason Code F will be supported in the narrative description submitted to the Office of Competitive Sourcing/A-76 at the time of submission of the inventory data collection tool.

**EXAMPLE  
VERIFICATION OF ACCURACY MEMO**

**NON-NATIONAL NUCLEAR SECURITY ADMINISTRATION ORGANIZATIONS**

MEMORANDUM FOR THE SECRETARY

THROUGH: INGRID KOLB  
DIRECTOR  
OFFICE OF MANAGEMENT

FROM:

SUBJECT: ACTION: Verification of Accuracy of Data Provided for the Department of Energy Federal Activities Inventory Reform Act of 1998 Commercial Activities Inventory and Office of Management and Budget (OMB) Inherently Governmental Activities Inventory

ISSUE: The Administrator of the Office of Federal Procurement Policy, OMB, in a February 27, 2002, memorandum, directed agencies to "...produce a more accurate FAIR Act inventory of commercial functions performed by Federal employees..." consistent with the Federal Activities Inventory Reform Act of 1998 (FAIR Act) (P.L. 105-270) and OMB's FAIR Act implementation guidelines.

BACKGROUND: The FAIR Act requires each executive agency to submit to OMB a detailed commercial activities inventory of all functions that are performed by Federal employees, but are not inherently governmental (i.e., commercial activities). OMB Circular A-76 requires the submission of an inventory of inherently governmental full-time equivalents (FTEs) in addition to the Commercial Activities Inventory (CAI).

The Office of \_\_\_\_\_ has provided data for both the 2006 FAIR Act CAI and the inherently governmental activities inventory for submission to OMB. A narrative description is included which addresses the strategy/philosophy for use of particular reason and function codes, and data that statistically describes all major recoding efforts between the 2005 inventory and the 2006 inventory.

The submitted data is supported by justification, in writing, of any designation of FTEs performing inherently governmental or for reason code A commercial activities. By virtue of the fact that the Department's Competitive Sourcing Official has redelegated authority to sign these justifications to me, this verification of accuracy

represents that signature for all justifications for which I am responsible.

In response to OMB and departmental direction to improve the accuracy of inventory data, this office has carefully analyzed and applied OMB and DOE guidance regarding the characterization of FTEs as performing inherently governmental or commercial activities. The information reported, which has been thoroughly vetted within my organization, is accurate and complete to the best of my knowledge. Additionally, steps have been taken to assure consistency between sub-organizations in the application of reason and function codes.

SENSITIVITIES: [As determined by the office.]

POLICY IMPACT: [As determined by the office.]

RECOMMENDATION: That you accept this verification of the accuracy of this office's inventory data and include the data in the Department's submission to OMB.

Attachment

**EXAMPLE  
VERIFICATION OF ACCURACY MEMO**

**NATIONAL NUCLEAR SECURITY ADMINISTRATION**

MEMORANDUM FOR THE SECRETARY

FROM: LINTON BROOKS  
UNDER SECRETARY FOR NATIONAL NUCLEAR SECURITY

SUBJECT: ACTION: Verification of Accuracy of Data Provided for the Department of Energy Federal Activities Inventory Reform Act of 1998 Commercial Activities Inventory and Office of Management and Budget (OMB) Inherently Governmental Activities Inventory

ISSUE: The Administrator of the Office of Federal Procurement Policy, OMB, in a February 27, 2002, memorandum, directed agencies to "...produce a more accurate FAIR Act inventory of commercial functions performed by Federal employees..." consistent with the Federal Activities Inventory Reform Act of 1998 (FAIR Act) (P.L. 105-270) and OMB's FAIR Act implementation guidelines.

BACKGROUND: The FAIR Act requires each executive agency to submit to OMB a detailed commercial activities inventory of all functions that are performed by Federal employees, but are not inherently governmental (i.e., commercial activities). OMB Circular A-76 requires the submission of an inventory of inherently governmental full-time equivalents (FTEs) in addition to the Commercial Activities Inventory (CAI).

The National Nuclear Security Administration (NNSA) has provided data for both the 2006 FAIR Act CAI and the inherently governmental activities inventory for submission to OMB. A narrative description is included which addresses the strategy/philosophy for use of particular reason and function codes, and data that statistically describes all major recoding efforts between the 2005 inventory and the 2006 inventory.

The submitted data is supported by justification, in writing, of any designation of FTEs performing inherently governmental or reason code A commercial activities. By virtue of the fact that the Department's Competitive Sourcing Official has redelegated authority to sign these justifications to me, this verification of accuracy represents that signature for all justifications for which I am responsible.

In response to OMB and departmental direction to improve the accuracy of inventory data, this office has carefully analyzed and applied OMB and DOE guidance regarding the characterization of FTEs as performing inherently governmental or commercial activities. The information reported, which has been thoroughly vetted within my organization, is accurate and complete to the best of my knowledge. Additionally, steps have been taken to assure consistency between sub-organizations in the application of reason and function codes.

SENSITIVITIES: [As determined by the office.]

POLICY IMPACT: [As determined by the office.]

RECOMMENDATION: That you accept this verification of the accuracy of the NNSA's inventory data and include the data in the Department's submission to OMB.

Attachment

cc: Director, Office of Management