

# OFPP Finalizes Guidance on Inherently Governmental Functions

By Molly Bernhart Walker      *Sep 13 2011*

New guidance on inherently governmental functions, or what jobs must be conducted by federal employees rather than contractors, will be effective Oct. 12, according to a final policy letter released Sept. 9 by the Office of Management and Budget's office of federal procurement policy. The official rule appeared in the Federal Register Sept. 12.

The guidance is similar to the March 2010 draft policy and uses the 1998 Federal Activities Inventory Reform Act definition of inherently governmental, rather than broadening it.

According to OFPP, an inherently governmental function is "a function that is so intimately related to the public interest as to require performance by federal government employees." The rule also establishes criteria for identifying what functions should only be performed by federal employees and guidance for improving "agency management" of inherently governmental functions.

The document lists functions that are inherently governmental. For example, all jobs that require combat, security connected with combat, price determinations, contractor performance review and grant recipients will be deemed inherently governmental. The rule also provides test questions for identifying inherently governmental functions, as some job determinations are less clear cut.

Policy changes will be necessary with the new definition, according to OFPP's letter. The document specifically suggests agencies review the inherently governmental functions in the context of performance, contractor management and oversight, and human capital planning. Not only will agencies have to make sure federal employees retain sufficient management oversight, they will also need to "ensure that Federal employees have the technical skills and expertise" to continue the agency mission and operations," says the policy.