



OFPP Advances Insourcing Agenda

The Obama administration takes its turn at defining 'inherently governmental'

By Matthew Weigelt

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Slowly but surely, the Obama administration's vision for reshaping the federal workforce is coming into focus.

Earlier this month, the Office of Federal Procurement Policy provided agencies with guidance on how to decide whether to leave work with contractors or bring the jobs back in-house. As part of that guidance, administration officials attempted to clarify the definition of "inherently governmental functions."

OFPP officials opted for a definition from the 1998 Federal Activities Inventory Reform Act. The term means a "function that is so intimately related to the public interest as to require performance by federal government employees," the FAIR Act states.

But the new guidance doesn't stop there. It also urges agencies to avoid outsourcing jobs that are closely associated with those functions to protect the government against any undue influence by contractors.

The guidance includes examples of inherently governmental work, such as applying government authority or making value judgments for the government — for example, in monetary transactions. The policy letter also outlines tests agencies can use to determine whether it is appropriate to hire a contractor for the work.

OFPP Administrator Daniel Gordon is hoping to dispel the confusion and uncertainty created by the numerous variations on inherently governmental that have been used through the years, reported Government Executive's Robert Brodsky.

Industry experts and some union groups support the new approach. But not everyone does.

John Gage, president of the American Federation of Government Employees, said the new policy is more academic than practical and should have expanded the definition to encompass more federal work, according to the Federal Times' Gregg Carlstrom.

Definitions aside, OFPP suggested several tests to help determine whether a job falls within the definition.

The nature-of-the-function test would ask agency managers to consider whether the work under consideration would involve exercising the government's sovereignty. If so, OFPP said, it should be deemed an inherently governmental function.

The discretion test would have managers evaluate whether outsourcing the work to a contractor could effectively commit the government to a course of action.