OMB to Release 'Inherently Governmental' Definition

By Elizabeth Newell and Robert Brodsky
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The Office of Management and Budget will release long-awaited guidance on the definition of "inherently governmental" work Wednesday. The announcement, which has major ramifications for determining the kinds of work that can and cannot be outsourced, will appear as a draft policy letter in the Federal Register, an OMB spokesman told Government Executive.

At the beginning of March, Daniel Gordon, administrator of OMB's Office of Federal Procurement Policy, said the guidance will address three categories of work: inherently governmental, closely associated with inherently governmental and critical functions. He said comments on the draft will be seriously considered.

"Agencies need detailed guidance from us," he said. "But this is not cast in stone in terms of being final. This will be a draft for public comment. We expect a lot of public comment, and we will give substantial weight obviously to every comment. But then we need to move promptly. Agencies are anxious to get guidance from OFPP and OMB."

Standards on what constitutes inherently governmental work were introduced in 1992. The fiscal 2009 Defense authorization bill required OMB to review the policies, which some consider out of date.

In a July 2009 memorandum to federal agencies, OMB Director Peter R. Orszag laid out a new framework for managing the multisector workforce.

Federal News Radio obtained a copy of the draft policy letter Monday, and reported that it says agencies should use a definition of inherently government included in the 1998 Federal Activities Inventory Reform Act in all regulations and policies. The draft also also lists 20 examples of inherently government positions.

CORRECTION: The original version of this story indicated the guidance would be released Tuesday, March 30. The correct date is Wednesday, March 31. The article has been updated to correct the error.