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ACQUISITION,
TECHNOLOGY
AND LOGISTICS

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MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Reporting Inherently Governmental Functions Indicators to the Federal Procurement Data System

Office of Federal Procurement Policy (OFPP) guidance dated December 19, 2011 instructed civilian agencies to begin coding functions closely associated to inherently governmental functions, critical functions, and other functions in the Federal Procurement Data System (FPDS). This data collection is a requirement of the service contract inventory mandated for civilian agencies by Section 743 of Division C of the Fiscal Year 2010 Consolidated Appropriations Act (P.L. 111-117). This collection results in more information about the role service contracts play in achieving agency objectives. As the requirements of this Act apply to the funding organization, Department of Defense (DoD) contracting officers must comply with the OFPP guidance for reporting awards that were funded predominantly by civilian agencies.

Additionally, as this information is also required to complete the DoD Inventory of Contracts for Services and conduct subsequent reviews in accordance with sections 235 and 2330a of title 10, United States Code, the Department has decided to collect the function indicators for DoD funded actions as well. This memorandum does not relieve Components or the Department of its obligations under the referenced law to annually compile an Inventory of Contracts for Services, subsequently review contract services, and use that information to inform the budget. The guidance signed by the Under Secretaries of Defense for Acquisition, Technology, & Logistics and Personnel & Readiness directing the establishment of the Enterprise-wide Contractor Manpower Reporting Application (ECMRA) and the inclusion of language in performance work statements in the procurement of all services for or on behalf of the Department, regardless of funding source, remains in effect.

For FPDS reporting, OFPP guidance, as supplemented by FPDS instructions, requires that the "Description of Requirements" field on procurements for services include inherently governmental functions indicators that represent "Closely Associated Functions," "Critical Functions," or "Other Functions". Please see the attachment to this memorandum for definitions and further instructions for reporting. Contracting officers shall ensure that requiring

organizations provide the function indicator with their requirements package so it may be appropriately reported. The instructions will apply to new awards dated March 1, 2013, forward and modifications to those new awards. Including this data in the contract action report for modifications reported for older awards is optional. However, please comply if a civilian agency requests that you add the designation to an earlier award, as they are required to track awards dated March 2012 or later. Identifying closely associated and critical functions at the time of award should assist in prioritizing which contracts may require increased management attention and oversight to ensure that mission creep does not result in the performance of inherently governmental functions by contractors, and ensure that the agency does not lose control of its mission and operations.

The Defense Federal Acquisition Regulation Supplement Procedures, Guidance, and Information will be updated for these instructions within 90 days. My action officer for reporting to FPDS is Lisa Romney (lisa.romney@osd.mil). My action officer for the Inventory of Contracts for Services requirements is Jeffrey Grover (jeffrey.grover@osd.mil).

Richard Ginman
Director, Defense Procurement
and Acquisition Policy

Attachment:
As Stated

Instructions for Reporting Inherently Governmental Functions Indicators to the Federal Procurement Data System (FPDS)

Definitions:

"Closely Associated Functions" means functions that are closely associated with inherently governmental functions; those contractor duties that could expand to become inherently governmental functions without sufficient management controls or oversight on the part of the Government. Office of Federal Procurement Policy (OFPP) Policy Letter 11–01, Performance of Inherently Governmental and Critical Functions, provides examples of work that is inherently governmental and therefore must be performed by Federal employees and work that is closely associated with inherently governmental functions that may be performed by either Federal employees or contractors.

"Critical Functions" means functions that are necessary to the agency being able to effectively perform and maintain control of its mission and operations. Typically, critical functions are recurring and long-term in duration.

"Other Functions" means the services are neither of the above.

Applicability:

These instructions apply to contract action reports reported to FPDS when:

- The product service code (PSC) represents a service (i.e., begins with a letter); and
- The action is a new award dated on or after March 1, 2013, or a modification to a new award dated on or after March 1, 2013.

Instruction:

The following indicators represent the functions as shown below:

- Closely Associated Functions = CL
- Critical Functions = CT
- Other Functions = OT

At the beginning of the "Description of Requirements" data field enter the following indicators exactly as shown followed by a space before using the remainder of the field to describe what is being procured:

- IGF::CL::IGF
- IGF::CT::IGF
- IGF::OT::IGF

The following is also allowed if the requiring organization indicates that the services are both 'Closely Associated Functions' and 'Critical Functions':

- IGF::CL,CT::IGF