

DRAFT

DoD Inventory of Commercial and Inherently Governmental Activities

Guide to Inventory Submission

October 2007

This document provides instructions for DoD Components to use to compile their “2008 Inventory of Commercial and Inherently Governmental Activities” (commonly referred to as the IGCA Inventory). The 2008 Inventory will report manpower authorizations in each manpower criteria group: (1) inherently governmental (“IG”), (2) commercial exempt from private sector performance (“CE”); and, (3) commercial subject to review for divestiture or private sector performance (“CA”). It will also be used to report military manpower that can be converted to performance by DoD civilians or private sector contractors. When the data from all Components are combined, the full IGCA Inventory will serve as the data set for responding to various reporting requirements including, but not limited to, the 2008 Federal Activities Inventory Reform (FAIR) Act and the 2008 Annual Report to Congress (commonly referred to as the Commercial Activities Report).

The Department’s FAIR Inventory contains those civilian authorizations that are identified as performing CA and CE functions. It excludes, among other categories, depot maintenance and foreign national authorizations. The FAIR IG Inventory includes civilian inherently governmental authorizations; subject to the same exclusions as apply to the FAIR Inventory. The Commercial Activities Report includes the same authorizations as those in the Department’s FAIR Inventory, plus civilian authorizations performing depot maintenance.

In a memo from the Office of Management and Budget (OMB) dated March 15, 2007, OMB directed that DoD authorizations reported in the FAIR Act Inventory and IG Inventory must match the “Current Year” column of the President’s Budget. This means that this year’s IGCA inventory will report FY2008 data and be used for the FY 2008 FAIR Report. This is a change. We will not be collecting data for a 2007 IGCA Inventory. This year’s 2008 IGCA inventory should reflect FY2008 data as of 30 October 2007.

Components shall: (1) include in their IGCA Inventory all appropriated funded military manpower authorizations (Active and Reserve Components, in unit and in the Individuals

Account¹) and DoD civilian authorizations (U.S. and foreign national); and, (2) exclude manpower paid through non-appropriated funds, services obtained through contracts with the private sector and through inter-service and intra-governmental support agreements. In their memo, OMB is requesting that data submitted by each Component reflect the “Current Year” column of the 2008 President’s Budget.

The DOD is committed to meeting the Presidents Management Agenda goal of completing efficiency initiatives on 226,000 manpower authorizations by the end of FY 2013. To accomplish this goal, all DoD Components should properly identify authorizations that can be considered for A-76 competition; authorizations that are approved for military to civilian conversion; public-private partnerships; high performing organizations (HPO); and other approved alternatives to A-76 studies. Inventories should be fully coordinated prior to submission to OSD.

Special attention should be paid to how medical functions and management headquarters activities are coded. This year’s inventory data will be used to assess how coding of manpower at medical management headquarters activities compares with coding of manpower at other management headquarters activities.

Three other functional areas will receive further scrutiny this year. They are Education and Training (Function code U); Real Property Maintenance and Repair (Function code Z); Professional Services (Function Code Y); and Personnel (Function Code B). These functions were identified from last year’s IGCA Inventory as having varying criteria codes across the Department.

Positions that have been insured as a result of National Defense Authorizations Act (NDAA) FY06, Section 343 will be identified in a separate column on this year’s IGCA template.

Last year we began the transition to a standardized location field in order to align with OMBs system requirements. This year, as part of the inventory template, we are also providing a list of allowable US locations/cities. For this inventory submission Components must use this list for populating the location field.

Components shall complete their 2008 IGCA Inventory following the instructions in this *Guide to Inventory Submission*. Components shall submit their inventory using the Microsoft Excel electronic spreadsheet template provided by OSD. Enclosure 5 provides a list of preliminary quality control checks that will be run on each submission. Components are responsible for reviewing their inventories to ensure they will pass the preliminary quality control checks.

¹ Note that the only data elements required for Individuals Account manpower are the number of labor authorizations and the labor classification. For more information, see the section on data fields in the inventory template.

Additionally, Components shall submit inventories via a formal memorandum that includes an **IGCA Inventory Narrative Description** and a copy of any internal inventory guidance. Inventories submitted without a signed memorandum and/or the required narrative will be returned to the Component for resubmission. At a minimum, the Components shall include the following elements in their Narrative:

- (1) A summary of the inventory data being submitted showing the total number of military and civilian authorizations coded in each manpower criteria group: commercial reviewable (CA), commercial exempt (CE), and inherently governmental (IG);
- (2) A summary comparison of data submitted in a Component's 2006 and 2008 inventories (there won't be a 2007 IGCA), to include changes in the total number of authorizations in each manpower criteria group;
- (3) An explanation of any significant differences (>2%) between the grand totals and sub-totals (for the force structure and Individuals Account) in a Component's inventory submission and the FY 2008 President's Budget (as outlined above);
- (4) A description of the process a Component uses for coding authorizations in its inventory (e.g., centralized vs. decentralized approach), the organizational levels (e.g., headquarters, major command, installation) where coding is performed, and copies of any relevant internal guidance. This discussion should include a brief description of the data source used by the Component for compiling its inventory (e.g., manpower data system, manning documents, and existing database);
- (5) Summary data on the number of military authorizations identified for military-to-civilian conversion by criteria code.
- (6) Explanation for how the DoD Components' strategic plans for managing the workforce are driving changes to the workforce mix. DoD components should identify numerically and provide rationale for all major changes to the manpower criteria group (e.g. CA, CE, IG); and,
- (7) An explanation of how risk assessment(s) influenced the Component's coding decisions. (Guidance on performing risk assessments can be found in DoD Instruction 1100.22, "Guidance for Determining Workforce Mix.") Additional documentation will be required when risk assessments are used to justify exempting military or civilian manpower from public-private competitions. Examples are provided below

1. Some activities may be exempted from A-76 competitions to preserve continuity of operations (Criteria Code H). In such cases, the DoD Component must provide a comprehensive explanation of why the authorizations are classified as commercial but exempt from competition. Blanket coding of all authorizations within an activity or function code may not always be appropriate. For example, NSPS is a high

visibility initiative that if poorly implemented would have major negative consequences to the Department. For this reason, DoD Components may elect to temporarily code a portion of their civilian personnel activities as exempt from public-private competition to ensure that NSPS is properly administered.

2. Some activities may be classified as exempt from public-private competition on a temporary basis as a result of the GWOT. In such cases, the DoD Component must state when they will reevaluate this temporary coding. For example, a Military Service may elect to classify a portion of health care and family services as exempt from public-private competition to avoid the possibility of disrupting (or appearing to disrupt) these high visibility services during the GWOT.

3. Some activities can be classified as exempt from public-private competition due to the level of contractor support already in place. This exemption should only be applied when activities have substantial contractor support, and there is a risk to government oversight or control. To justify this coding, DoD Components must provide the dollar amount of the contract support, estimate the percent of the function already under contract (and how the calculation was conducted), and address whether or not there has been an upward trend in the level of contract support over the last three years. The DoD Component should also explain the consequence and likelihood of contract default.

The Military Departments shall brief DUSD(I&E) and PDUSD(P&R) within three weeks after submission of their inventory. At a minimum, this briefing shall address all of the above information required for the IGCA Inventory Narrative Description. Special emphasis will be placed on authorizations coded as commercial exempt due to risk assessments. While this mandatory briefing is not required of the Defense Agencies and Field Activities, they should be prepared to brief DUSD(I&E) or H&CS regarding any aspect of their inventory submission in the event additional information is needed. When OSD conducts its review of the 2008 IGCA Inventory, Components shall have the required written documentation available to explain and support any inventory coding decisions.

To assist OSD in developing guidance for next year's inventory, Components should submit proposed changes to any portion of the inventory data call guidance, to include specific proposed changes to the DoD Function Codes, Manpower Mix Criteria, and risk assessment guidance.

The formal memo that includes the IGCA Inventory Narrative Description and forwards a Component's FY 2008 IGCA inventory is due by 14 March 2008 for the Defense Agencies and Field Activities and 15 April 2008 for the Military Departments and the Joint Staff (to include COCOM submissions). Please submit the memo, IGCA Inventory Narrative Description, and inventory to Monica Kelliher-Hamby at monica.kelliher-hamby@osd.mil, (703) 602-3666. Direct any questions pertaining to the inventory

submission to Ms. Jessica Wolfanger, CNA Corporation, at wolfanj@cna.org or (703) 824-2842.

The Action Officers for this OSD FY 2006 Inventory Submission are Ms. Monica Kelliher-Hamby, ODUSD(I&E), monica.kelliher-hamby@osd.mil, and Ms. Pam Bartlett, ODUSD(PI), pam.bartlett@osd.mil.

Data Fields in the Inventory Template

DoD Component—Enter the alphanumeric code for the DoD Component, from the list in Enclosure 1, that is “responsible” for these authorizations.²

State, Territory, or Foreign Country—Enter the alphanumeric code for state, U.S. territory/possession or foreign country for the activity as listed in Enclosure 2. These codes have been developed using Federal Information Processing Standard (FIPS) codes as reported by the Department of State. For manpower in the Individuals Account, this field should be left blank. Please note that locations in the United States are designated by a numeric code, not the two-letter alpha abbreviations used by the United States Postal Service.

Location—Enter the city or installation where the activity is performed from the "All Cities" list included with the IGCA Inventory template. US Cities or installations must be taken from the “All Cities” list. Please note that valid foreign cities may not be listed on the “All Cities” list and if not, please populate the record with the appropriate foreign city at your discretion. For manpower in the Individuals Account, this field should be left blank. Note: Although CNAC assisted Components in cross-walking the "Location" field to a new standardized "City" field for the 2006 IGCA Inventory Submission, Components are now required to populate the "Location" field with these standardized cities or installations from the "All Cities" list. The "City" field will not appear in the 2008 Inventory.

UIC Code—Enter the distinct Unit Identification Code (UIC) for the activity as reported to the Defense Manpower Data Center (DMDC). For those Components not currently utilizing UIC in their reporting methods, enter an “N/A” in this field.

Unit/Organization Name—Enter the UIC name for those activities that have a UIC or an organization name for those activities that do not have a UIC. The entries in this field should be commonly recognizable names. For manpower coded as a commercial activity the entries in this field should reflect the unit level to the extent practical.

² Military authorizations assigned to another Component will be the responsibility of the receiving Component and should not be included in the Military Departments’ submissions.

Labor Authorizations—Enter the total number of civilian full-time equivalents (FTE)³ and the total military end strength authorized for the activity for FY 2008. Civilian authorizations include all civilian U.S. citizens and Foreign Nationals⁴ on DoD’s direct payroll, as well as Foreign Nationals hired indirectly through contractual arrangements with overseas host nations. Do not include civilians paid through Non-Appropriated Funds (NAF). Military authorizations include all Active Component and Selected Reserve (SELRES)⁵ military.

Labor Classification—For civilian authorizations: enter “I” if the activity is performed by an Indirect Hire Foreign National⁶, “D” if the activity is performed by a Direct Hire Foreign National⁷, and “C” for all other civilian authorizations. For military authorizations: enter “R” for Reserve, “G” for National Guard, and “A” for Active military manpower. For manpower in the Individuals Account: enter “T” for transient manpower, “N” for trainees, “P” for patients, “J” for prisoners, “H” for holdees, “K” for cadets, and “S” for students.

Function Code—Enter the function code from Enclosure 3 that best describes the type of activity performed. For manpower in the Individuals Account, this field should be left blank.

Criteria Code—Enter the code from those contained in DoD Instruction 1100.22, “Guidance for Determining Workforce Mix” that best describes the category of the work performed. Authorizations are coded for the work being performed, not by the position or classification title. Enclosure 4 presents the projected crosswalk between DoD criteria codes and OMB reason codes. For manpower in the Individuals Account, this field should be left blank.

³ A full-time equivalent (FTE) work-year is the *planned* use of 2,088 straight-time paid hours in a fiscal year (to include authorized leave and paid time off for training). For example, in the case of full-time employees with permanent appointments “one FTE” is normally comparable to “one employee.” Two part-time employees, each working 1,044 straight-time paid hours in a fiscal year, equal “one FTE.” Only straight-time, not over-time, is included in the calculations. See DoD Instruction 4100.33 for more details on how to calculate FTEs.

⁴ Foreign National employees are non-US citizens employed by the US Armed Forces or by a host government to meet the needs of the US Armed Forces.

⁵ The SELRES consists of Active Guard and Reserve personnel, trained individuals (Individual Mobilization Augmentees, (IMAs)), and members of the SELRES units. Members of the SELRES performing initial active duty for training should be counted as members of the SELRES units.

⁶ Indirect Hire Foreign National employees are employed by host governments to meet the local civilian labor needs of the US Armed Forces in a particular country. Under this arrangement, the host country specifically grants to the US Armed Forces operational control of the day-to-day management of such personnel.

⁷ Direct Hire Foreign National employees are local foreign national employees who are employed directly by the US Armed Forces and the US Armed Forces are responsible for their administration. In certain cases, third-state nationals may also be employed as direct hire employees of the United States with pay and allowances as determined by the US Forces.

Year the Activity First Appeared in the Commercial Activities Inventory—This data is collected solely for the purpose of responding to FAIR Act requirements. As a result, entries in this field should only be made for records that contain commercial civilian authorizations. More specifically, for all manpower that is: (1) coded civilian (not including direct and indirect hire foreign nationals); AND, (2) designated as commercial (criteria codes B, D, G, H, J, K, L, M, P, R, W, and X), enter all four digits of the fiscal year the authorization first appeared in the Inventory. At a minimum, the following situations constitute a new activity being added to the Inventory this year and should be coded as “2008”: new mission requirements, activities converted to in-house, and activities changed from Inherently Governmental to Commercial. All other records (i.e., those civilian authorizations that are coded inherently governmental and all military and Individuals Account authorizations) shall have an “N/A” entered in this field.

Assigned FROM—This field applies ONLY to military manpower assigned to any of the Components other than the Army, Navy, Air Force, or Marine Corps that are listed in Enclosure 1. To complete this field, enter the code (A, F, M, or N as defined in Enclosure 1) that corresponds to the Military Department that provides the resource. If the source of the authorization is unknown at the time the data are compiled, enter “UN” in this field. For example, an Army military authorization assigned to DLA would have an “A” listed against that particular billet in the DLA Inventory. If the military manpower authorizations are assigned to organizations not listed in Enclosure 1 (e.g., White House assignments and joint activities such as Surface Deployment & Distribution Command (SDDC), and USMEPCOM), the authorizations shall be coded by the appropriate Military Department as part of its inventory and should be coded “N/A” in the “Assigned From” field. All Defense Agencies and Field Activities that have military manpower assigned to their organizations shall have entries in this field to indicate the parent Service. Prior to submission of their inventory to OSD, all Defense Agencies and Field Activities that have military manpower assigned to their organizations shall coordinate with the appropriate military service POCs. With few exceptions, the Military Departments and COCOMs will be the only organizations that will report “N/A” in this field for military manpower entries.

Cases where this field **does not** apply include:

Civilians assigned to Defense Components from one of the Military Departments;

Other detailees between Military Departments;

Civilians or Military detailees provided to other Federal agencies;

All civilian authorizations and cases where this field does not apply (as outlined above) shall be coded as “N/A.”

Responsible Official—Enter the name, position title, email address, and phone number of the Federal employee responsible for the activity, or for the contact person from whom additional information about the activity may be obtained.

Defense Health Program Manpower—For manpower that is part of the Defense Health Program, enter “H.” For all other manpower, enter “N/A.”

Military Technician Manpower—For military technicians as defined by sections 10216 and 10217 of title 10, United States Code, enter “U” for Dual status and “T” for Non-Dual status military technicians. For all other manpower, enter “N/A.”⁸

Service—For military manpower only, the COCOMs should enter the alpha code from the list in Enclosure 1 that corresponds to the Military Department designation for that manpower. Allowable codes include A, F, M, or N and correspond to the Military Department that provides the resource. All other Components should populate this field with “N/A.”

Section 343 - For civilian manpower that was previously performed under contract and was in-sourced as a result of a 343 action during fiscal year 2007, place an “ I ” in this column. Do not include new requirements or manpower that was in-sourced as a result of an A-76 competition. All other authorizations should be coded “N/A” in this field.

Military to Civilian Conversions. For military authorizations programmed or decided for Mil-Civ conversion, place a “C” in this column. The “C” should be used for all military authorizations projected for conversion regardless of the fiscal year the actual conversion will take place. All other military authorizations and all civilian authorizations will be coded N/A in this field.

⁸ Section 10216 of title 10 of the United States Code defines a military technician (dual status) as a Federal civilian employee who: 1) is required, as a condition of employment, to maintain membership in the Selected Reserve; and 2) is assigned to a civilian position as a technician in the administration and training of the Selected Reserve, or in the maintenance and repair of supplies or equipment issued to the Selected Reserve or the armed forces. Section 10217 of title 10 defines a military technician (non-dual status) as a civilian employee of DoD serving in a military technician position who: 1) was hired as a technician before November 18, 1997, and a) was not a member of the Selected Reserve as of that date, or b) is no longer a member of the Selected Reserve; or 2) is employed in the National Guard or in a position designated by the Secretary of a military department to be filled only by a non-dual-status technician, and when hired was not required to maintain membership in the Selected Reserve.