



OFFICE OF THE SECRETARY OF DEFENSE

1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000



DEC 20 2005

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, JOINT STAFF
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: 2005 Commercial and Inherently Governmental Activities Inventory Data Call

The attached guidance provides information on preparing and submitting the 2005 Inventory of Commercial and Inherently Governmental Activities (commonly referred to as the IGCA Inventory). The IGCA Inventory will serve as the vehicle for identifying military-to-civilian conversions and as the data set for responding to various reporting requirements, including, but not limited to, the Federal Activities Inventory Reform Act and the in-house data requirement for the annual report to Congress under subsection 2461(g) of title 10 of the United States Code (commonly referred to as the Commercial Activities Report).

The 2005 IGCA Inventory will include all appropriated fund military and civilian manpower authorizations that are inherently governmental, exempt, and subject to competition. The inventory data should be relatively consistent with the Fiscal Year (FY) 2005 manpower reported in the FY 2006 President's Budget. The inventory should exclude manpower paid through non-appropriated funds and services obtained through contracts with the private sector and through inter-service or intra-governmental support agreements.

DoD Components should continue to identify activities for military-to-civilian conversions. The Secretary considers military conversions a key method for reducing the stress on the military forces and reducing workforce costs and has emphasized the importance of removing military from activities that are not "military essential." Components should take steps to ensure that manpower identified for conversion during the Defense Agency Manpower Review Process, the United States Military Entrance Processing Command study, and the Defense Health Program study, are coded for conversion in this year's inventory submission. In addition, Components should utilize an aggressive coding strategy to maximize the identification of manpower for competitions under Office of Management and Budget Circular A-76. Although the IGCA Inventory represents a "snapshot in time," it should reflect progress in meeting both of these high-visibility objectives.

This past year, both the Manpower Mix Criteria and Guidance for Risk Assessments were updated based on "lessons learned" from operations in Iraq and Afghanistan and from findings from the Office of General Counsel's Law of War Working Group. In addition, the DoD Function Codes and Manpower Mix Criteria were revised consistent with subsection 1205(b)(9) of the Ronald W. Reagan National Defense Authorization Act (NDAA) for FY 2005, which



directed the Department to establish "categories of security, intelligence, law enforcement, and criminal justice functions that are—(A) inherently governmental functions under Subpart 7.5 of the Federal Acquisition Regulation; or (B) although not inherently governmental functions, should not ordinarily be performed by contractors in areas of operations." Subject matter experts from the Office of the Secretary of Defense, the Military Departments and the Joint Staff assisted with defining the four functional areas and updating the Manpower Mix Criteria to identify categories that should be inherently governmental or exempt from private sector performance as they relate to areas of operation.

The Military Departments should submit their completed inventories by April 15, 2006, to Mr. Paul Solomon, ODUSD (I&E), at paul.solomon@osd.mil. The Joint Staff should submit completed inventories for the Joint Staff and the Combatant Commands by April 15, 2006. All other DoD Components should submit their inventories by March 15, 2006. Instructions for preparing and submitting the 2005 IGCA Inventory are attached at Tab A. Each Component will be provided with an electronic spreadsheet template to assist in the submission of its data. As in past years, this year's data submission must also include a narrative description of the data following the information requirements detailed in the attached instructions.

The action officers for this data call are Mr. Paul Solomon, ODUSD (I&E), at paul.solomon@osd.mil, and Ms. Pam Bartlett, ODUSD (PI), at pam.bartlett@osd.mil.



Jeanne B. Fites
Deputy Under Secretary of Defense
(Program Integration)



Philip W. Grone
Deputy Under Secretary of Defense
(Installations and Environment)

Attachments:
As stated