

**Department of
Veterans Affairs**

Memorandum

Date: February 29, 2012

From: Associate Deputy Assistant Secretary for Procurement Policy, Systems and Oversight (003A2)

Subj: OFPP Mandatory Reporting Requirements in FPDS, Service Contract Inventories

To: See Addressee List

1. The purpose of this memorandum is to inform the Department of Veterans Affairs Acquisition Workforce about the Office of Federal Procurement Policy's (OFPP) new mandatory reporting requirements in Federal Procurement Data System (FPDS) for all service contract actions \$25,000 and above awarded on or after March 1, 2012.
2. Section 743 of Division C of the Fiscal Year (FY) 2010 Consolidated Appropriations Act, P.L. 111-117, requires civilian agencies to prepare an annual inventory of their service contracts and to analyze the inventory to determine if the mix of Federal employees and contractors is effective or if rebalancing may be required.
3. Heads of Contracting Activities shall ensure their respective Contracting Officers (COs) comply with OFPP's new reporting requirements, which requires executive agencies to provide additional information in FPDS for all new service contract actions \$25,000 and above awarded on or after March 1, 2012 and any subsequent modifications to those contracts.
4. Specifically, COs **shall** ensure the "description of requirement" field in the FPDS-NG report begins with one of the following phrases: "Closely Associated", "Critical Functions", or "Other Functions" (e.g., if the contract requirement is for IT Maintenance Services with functions that are closely associated to inherently governmental functions the FPDS-NG "description of requirement" field **shall** begin with the phrase "Closely Associated" prior to the description, which is still required.) Definitions for each of the three newly required phrases can be found in OFPP Policy Letter 11-01, *Performance of Inherently Governmental and Critical Functions*.
5. Contracting Officers are strongly encouraged to review OFPP Policy Letter 11-01, as posted in the Federal Register, Volume 76, Number 176, September 12, 2011, page 56236. *Performance of Inherently Governmental and Critical Functions* (76 FR 56227 (September 12, 2011))
6. For detailed information regarding the requirements of this guidance, please reference: <http://www.whitehouse.gov/omb/procurement-service-contract-inventories>: Service Contract Inventories, memorandums dated November 5, 2010 and December 19, 2010, and OFPP clarification correspondence dated February 10, 2012 (attached).

7. Additional Information: Questions or comments should be directed to Ms. Cheryl Duckett-Moody, Senior Procurement Analyst, at Cheryl.Duckett-Moody@va.gov.

C. Ford Heard III

Addressees:

Deputy Under Secretary for Memorial Affairs (40)

Director, Office of Management, VBA (20M)

Chief Procurement and Logistics Officer, VHA (10NA2)

Associate Deputy Assistant Secretary, Office of National Healthcare Acquisition (003A4)

Executive Director, Office of Acquisition Operations (003B)

Executive Director, Office of Construction and Facilities Management (003C)