February 13, 2013

James Wade  
Office of Federal Procurement Policy  
Office of Management and Budget  
Executive Office of the President  
725 17th Street, NW  
Washington, D.C. 20503

Dear Mr. Wade:

In accordance with the Federal Activities Inventory Reform (FAIR) Act (P.L. 105-270), the FY 2012 Commercial Activities Inventory for the National Science Foundation is attached.

NSF has developed a strategic approach to workforce planning and deployment that evaluates mission needs, customer expectations and workload. The approach also identifies competencies, and develops strategies to obtain, develop and retain critical competencies. Results from the business analysis effort have led to the development of a competency-based Job Family framework for evaluating the Foundation's human capital needs. Following discussions with OMB and OPM, NSF first utilized the framework while developing the 2004 FAIR Act Inventory, and it continues to be utilized for the annual inventory.

NSF's 2012 FAIR Act Inventory continues its use of Reason Code A to identify those commercial activities that are core to the agency’s mission, and therefore are not appropriate for private sector performance. The 2012 justification for the use of Reason Code A remains largely unchanged from previous years.

NSF will continue to refine our Inventory and evaluate the viability of competitive sourcing as a tool to ensure that business process efficiencies are maximized at the Foundation. We appreciate OMB’s ongoing support of our efforts to maintain an agile workforce.

Please contact Judith Sunley, Division Director of Human Resource Management, at 703-292-8180 for further information.

Sincerely,

Cora B. Marrett  
Deputy Director

Enclosures
Justification Statement for Reason Code A

Efficient achievement of the Foundation's mission requires a collaborative effort among a variety of staff including scientists, engineers, program assistants, administrative personnel and support staff. The interaction between Directorate staff and Universities is critical to the announcement, receipt, processing, review, decision and oversight of grants. The relationship of program staff with program directors and senior officials within the Directorates is vital because of the broad responsibilities and relatively small size of the program staff. The need for program continuity, recognition of program priorities and continuous interaction with the research community is core to the Foundation's mission, and make program staff integral to the Foundation's success. Loss of the continuity afforded by the in-house performance of the functions listed below would result in substantial risk to the Foundation’s ability to accomplish its unique mission. Therefore, the following functions, although potentially commercial in nature, should not be subject to privatization, commercialization or potential outsourcing:

C315   Financial Management (16 FTE)
D300   Statistical Analysis (37 FTE)
D707   Program Evaluation (95 FTE)
D000   Regulatory and Program Management Administrative Support (106 FTE)
L000   Grants Management Administrative Support (124 FTE)

Cora Marrett
Deputy Director
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