

# M-03-20

## MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Joshua B. Bolten  
Director



SUBJECT: Technical Correction to OMB Circular No. A-76, "Performance of Commercial Activities"

This memorandum is intended to advise you of a technical correction to paragraph D.2. of Attachment A of Office of Management and Budget (OMB) Circular No. A-76. This provision addresses the submission of challenges by interested parties to inventories of the commercial and inherently governmental activities performed by agency personnel.

Paragraph D.2. of Attachment A states, among other things, that an inventory challenge shall be limited to "(a) the reclassification of an activity as inherently governmental or commercial, or (b) the application of reason codes." With respect to clause (a), OMB intends to permit interested parties to challenge the inclusion of an activity on, or exclusion of an activity from, an agency inventory, regardless of whether the activity's classification as commercial or inherently governmental has changed from the prior year or has remained the same. Accordingly, as was the case under the Circular in effect prior to the May 29th revisions, challenges may address classifications or reclassifications of activities as either commercial or inherently governmental.

The attached technical correction to Paragraph D.2. is meant to avoid confusion and ensure OMB's intent is clear regarding the ability of an interested party to challenge the inclusion or exclusion of an activity. No other changes are made to Paragraph D.2 by this memorandum.

Questions regarding this technical clarification may be addressed to Mathew Blum of the Office of Federal Procurement Policy at (202) 395-4953.

Attachment

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**Technical Correction to OMB Circular No. A-76 (Revised, May 29, 2003)**

1. Paragraph D.2. of Attachment A to Circular No. A-76 is revised to read as follows:

"2. Submission of an Inventory Challenge. After publication of OMB's Federal Register notice stating that an agency's inventories are available, an interested party shall have 30 working days to submit a written inventory challenge. The inventory challenge shall be limited to (a) the classification of an activity as inherently governmental or commercial, or (b) the application of reason codes. Function codes shall not be subject to the inventory challenge process. A written inventory challenge shall be submitted to agency inventory challenge authorities and shall specify the agency, agency component, agency organization, function(s), and location(s) for the activities being challenged."