



June 28, 2002

**MEMORANDUM FOR:** Mr. David Childs  
Office of Federal Procurement Policy

**FROM:** Mark Kinsey  
Associate Director  
Finance and Administration

**SUBJECT:** **Inventory of Commercial Activities**

Pursuant to the requirements of the Federal Activities Inventory Reform (FAIR) Act, P.L. 105-270, OFHEO has reviewed each of its positions and determined that they are inherently governmental in nature.

From its inception OFHEO followed a strategic path aimed toward utilizing the appropriate mix of permanent staff and contract services. In fact, Congress encouraged the Office to use contracting services rather than hire permanent staff wherever appropriate. We have consistently followed this path throughout our existence. Tasks best performed by the private sector are currently contracted out in order for staff to focus on carrying out our mission-related duties.

OFHEO continues to contract for both large and small projects. Some examples of contracting projects include specialized legal services, EEO services, accounting systems and support, health fairs, dental benefits, personnel and payroll services, ID cards, building services, and Enterprise executive compensation reviews. OFHEO has always recognized that these services would be most efficiently performed by commercial entities.

As part of the Executive Branch, OFHEO appreciates and applauds efforts to deliver services to the taxpayer in the most efficient and effective manner possible. It is important to note that OFHEO is not funded by taxpayer dollars, but by assessments on the companies we regulate. OFHEO, however, continues to strive to ensure that the American public is well served by the decisions we make in allocating our resources and managing our programs.

OFHEO's FTE level authorized for FY2002 was 118 (with 114 FTPs currently on board). This small staff provides a core cadre of government professionals who maintain the institutional capacity necessary for OFHEO to be an effective financial institution regulator, develop OFHEO policy and strategic plans, manage the office, and perform oversight of the activities that are currently contracted out. Other than the Enterprises themselves, we believe our staff represents the critical mass of individuals able to perform the core duties set forth in our enabling statute.

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OFHEO will continue to review its activities to insure that those activities that should be undertaken on a contract basis are accomplished in that manner.

Attached you will find the single inventory submission as required by the February 27, 2002 Memorandum (M-02-04).

If you have any questions, please contact Jill Weide at (202) 414-3813.

Enclosure (1)