

# 507.503 Policy.

(a) Concurrent with the transmittal of each statement of work or any modification to a statement of work for a service contract, the requirements office must provide the contracting officer a written determination that none of the functions to be performed are inherently governmental as defined in [FAR subpart 7.5](#). The determination must include a statement that the requirement is not for functions similar to those listed under [FAR 7.503\(c\)](#).

(b) The requirements office must also review the examples of functions listed under [FAR 7.503\(d\)](#). While these functions are not inherently governmental, they may restrict the discretionary authority, decision-making responsibility, or accountability of Government officials using the contractor services or work products. If the services to be acquired may cause such restrictions, the acquisition plan must discuss the associated vulnerabilities, and address management controls to mitigate them.

(1) These measures may include requiring special controls and safeguards to prevent improper personal services relationships, contractor personnel access to privileged or sensitive information, and/or confusion regarding the mistaking of contractor employees for Federal employees. For additional guidance see [537.104](#) Personal Service Contracts.

(2) The requirements office is directed to use [FAR 37.104](#) and [FAR subpart 37.5](#) and OFPP Policy Letter 93-1 for guidance in addressing these considerations.

(3) The HCA resolves any disagreement regarding the requirements official's determination, following the guidelines in [FAR subpart 7.5](#). The HCA may delegate this authority to a level not lower than the contracting director.

**Parent topic:** [Subpart 507.5 - Inherently Governmental Functions](#)