

GENERAL SERVICES ADMINISTRATION
SERVICE CONTRACT INVENTORY ANALYSIS

FY 2010

As provided in the Office of Management and Budget (OMB) Memorandum on November 5, 2010 Service Contract Inventories (SCI), (<http://www.whitehouse.gov/omb/procurement-service-contract-inventories>), agencies were tasked to conduct a meaningful analysis of the data in their inventories for purposes of determining if contract labor is being used in an appropriate and effective manner and if the mix of federal employees and contractors in the agency is effectively balanced. The Office of Government-wide Policy in GSA developed a GSA cross-organizational SCI team to create and analyze GSAs FY 2010 Service Contract Inventory. The primary team is divided by their respective organizations:

Paul Boyle (Team Lead) Office of the Chief Acquisition Officer (OAP)

Michelle Coleman Public Building Services (PBS)

Chiara McDowell Federal Acquisition Services (FAS)

Al Maynard Office of the Chief People Officer (OCPO)

Maryann Aud Office of the Chief Information Officer (OCIO)

Additional team members from the Office of the Chief Financial Officer (OCFO), the CPO and OAP also participated in the development and analysis of the SCI. A complete list of participating team members is attached as Appendix A. As prescribed in the memorandum, the team reviewed the Product Service Codes (PSCs) and Special Interest Functions (SIFs) provided by OMB, as well as the highest dollar volume PSCs included in the Federal Procurement Data System – Next Generation (FPDS-NG). The following four PSCs were chosen for further analysis by the team and were reported to OMB as GSAs Special Interest Functions:

PSC	Description	# of Contracts	Dollars Obligated (in Millions)
R408	Program Management/Support Services	148	\$761.70
R499	Other Professional Services	875	\$306.50
R707	MGT Svcs/Contract & Procurement Support	11	\$1.60
R799	Other Management Support Services	86	\$43.30

An FPDS-NG data request provided the team with 1,120 contracts considered as Special Interest Functions. Using the November 5, 2010 OMB Memo as guidance, the four impacted organizations (PBS, FAS, CPO and CIO) set out to perform a meaningful analysis of their subset of the SIF contracts. A description of their separate reviews and results developed from those reviews is included in this report.

AGENCY ANALYSIS AND RECOMMENDATIONS

Of the 1,120 selected contracts GSA reviewed 464 (41%). All areas reported some miscoded and/or missing data elements. The team used interviews, individual document review and Regional data calls and surveys in performing their analysis.

Organization	# of Contracts Reviewed	Contained Inherently Gov't Functions	Contained Closely Associated IG Functions
FAS	9	0	0
OCIO	2	0	0
PBS	453	0	49

Despite the rigorous review of the data, only one recommendation was made.

RECOMMENDATION 1 – Improve the data input process to FPDS-NG to ensure the complete and accurate retention of contracting data for the Federal agencies. Without significant improvement in the data retained by FPDS-NG, the FY 11 Service Contract Inventory is not likely to result in any additional recommendations or improvements to the agency’s Service Contract Inventory review and analysis.

Specific actions taken by individual organizations are summarized below.

THE FEDERAL ACQUISITION SERVICES (FAS)

In FAS, the population of the SCI data was reduced to a sample of contracts that could be identified as potential candidates for conversion by doing a search of the “Description of Requirement” data field using search terms from functions identified in the Draft OFPP proposed policy letter, “Work Reserved for the Performance by Federal Government Employees (March 31, 2010)”. As such the following search terms were used: acquisition, procurement, contract, program management, systems, and management. By reducing the population to only those actions that contained those search terms, the FAS population contains nine (9) contracts. Out of this population, two of the actions were duplicates, three were miscoded and funded by another agency and only one contract was coded with a continuing period of performance beyond fiscal year 2010. After correcting these issues and in accordance with the guidance provided by OFPP, the FAS representative conducted further analysis by sending out a survey to be completed by the responsible FAS contracting offices for each of the nine awards.

The Contracting Officer and/or Program Manager associated with each contracting action were interviewed to verify the following characteristics were adhered to for each of the contracts reviewed:

- i. each contract in the inventory that is a personal services contract has been entered, and is being performed, in accordance with applicable laws and regulations; the agency is giving special management attention, as set forth in FAR 37.114, to functions that are closely associated with inherently governmental functions;
- ii. the agency is not using contractor employees to perform inherently governmental functions;
- iii. the agency has specific safeguards and monitoring systems in place to ensure that work being performed by contractors has not changed or expanded during performance to become an inherently governmental function;
- iv. the agency is not using contractor employees to perform critical functions in such a way that could affect the ability of the agency to maintain control of its mission and operations; and
- v. there are sufficient internal agency resources to manage and oversee contracts effectively.

FAS Results:

As a result of the analysis of the survey responses, none of the contract actions listed in the Service Contract Inventory are inherently governmental and the government is managing the contracts in a manner to ensure the services does not appear to be in the manner. All of the contracts are also reported to have a good or better performance history. Two contracts for acquisition and program management services have been recompeted; however each contract is being reported as essential and supplemental to the government workforce. Currently, there isn't any preliminary analysis that shows that it is in the best interest to in-source these requirements.

OFFICE OF THE CHIEF INFORMATION OFFICER (OCIO)

The OCIO identified and reviewed two contracts meeting the criteria for additional analysis. The review revealed that there were pre-award determinations that none of the functions to be contracted were inherently governmental functions and the office has sufficient internal capability to control its mission and operations, as related to the contract function. No additional actions were recommended as a result of the OCIO review.

PUBLIC BUILDINGS SERVICE (PBS)

As the scope of the four Special Interest Functions (SIFs) is management support services vice technical skilled services (i.e. cost estimators, Construction Managers, Architecture Engineers, interior design) – PBS focused their efforts on 453 contracts. A break out by Product Service Code (PSC) is provided below.

PSC	Description	# of Contracts
R408	Program Management/Support Services	45
R499	Other Professional Services	359
R707	MGT Svcs/Contract & Procurement Support	4
R799	Other Management Support Services	45

By utilizing a regional survey, PBS was able to complete a detailed review of these contracts. The survey included responses to a set of 9 questions. Some of the questions needed a couple of sentence response, others were Yes/No with the appropriate drop down selection and the last column asked for a number.

PBS identified 49 contracts (11%) where there may be contract support that is Closely Associated to Inherently Governmental functions. There were no contracts identified as performing any Inherently Governmental functions. In each case, statements were provided that the description of requirements was sufficient to control the scope and control of the business process and Project Managers and/or CORs provided sufficient monitoring of activities/performance.

THE OFFICE OF THE CHIEF PEOPLE OFFICER (OCPO)

The OCPO was only able to find a minimum list of contract records in FPDS-NG. This oversight was traced back to a period when test agency codes were being reviewed for FPDS-NG. At an undetermined point in time, the Central Office Contracting Division (MVS) started using new data elements. The change to the new data elements did not occur uniformly and the OCPO data is not available in FPDS. Subsequent to this report OCPO and MVS personnel have been working together to identify and correct any mis-coded records.

GENERAL SERVICES ADMINISTRATION
SERVICE CONTRACT INVENTORY TEAM

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