

National Archives Record Administration

Service Contract Inventory Analysis

Fiscal Year 2013

Executive Summary

Section 743 of Division C of the Fiscal Year (FY) 2010 Consolidated Appropriations Act, P.L. 111-117, requires civilian agencies to prepare an annual inventory of their service contracts and to analyze the inventory to determine if the mix of Federal employees and contractors is effective or if rebalancing may be required. The Memorandum for Chief Acquisition Officers Senior Procurement Executives dated December 19, 2011 provided additional guidance regarding: 1) the submission of analysis for the FY 2010 inventories, 2) the preparation of FY 2011 inventories, and 3) the development of analysis of the FY 2011 inventories.

The purpose of this analysis is to determine if contract labor is being used in an appropriate and effective manner, and if the mix of agency employees and contractors is effectively balanced. This report provides a listing of the Special Interest Service Contracts with contractual related information as required in the standard format provided in the Office of Management and Budget (OMB) Memorandum regarding Service Contract Inventories (SCI), dated November 5, 2010 and the additional OMB guidance dated December 19, 2011.

Special Interest Functions Studied

The special interest functions studied by NARA were the dollar obligated to those specific product and service codes (PSCs) in FY 2012 and the rationale focusing on the identified functions as designated by OMB.

In compliance with the requirements of Section 743, NARA prepared a Service Contract Inventory (SCI) for FY13 using data contained in the Federal Procurement Data System (FPDS) which consisted of “Special Interest Functions” “Code R” services and “Code D” IT related functions which totaled approximately \$75,706,858.00 with over 200 actions for Fiscal Year 2013. A SCI questionnaire was developed to assist in the FY 2012 analysis. An assessment of the responses was conducted together with FPDS-NG Data to assist in validation and overall analysis. FY 2013 analysis is a result of groundwork prepared in FY 2012

The functions selected by NARA for analysis were considered those accounts which reflected the greatest percentage of obligations in FY 2013 and within the OMB “Special Interest” function. These also represent over forty-four (44%) percent of all PSC awarded dollars for FY 2013. The selection uses past information in conjunction with current FPDS-NG data and updated OMB guidelines to address specific agency risk factors.

The list below reflects NARA’s SCI and the associated functions:

**National Archives and Records Administration
Fiscal Year 2013 Service Contract Inventory – Special Interest Functions**

Product or Service Code	Product or Service Description	Action Obligation	Actions
	Professional or Management Services		
R414	SYSTEMS ENGINEERING SERVICES	\$ 170,715.00	3
R499	SUPPORT- PROFESSIONAL: OTHER	\$ 1,219,123.00	29
R604	SUPPORT - ADMINISTRATIVE: MAILING/DISTRIBUTION	\$ 744,406.00	4
R614	SUPPORT - ADMINISTRATIVE: PAPER SHREDDING	\$ 33,758.00	3
R707	SUPPORT- MANAGEMENT: CONTRACT/PROCUREMENT/ACQUISITION SUPPORT	\$ 978,476.00	1
R708	SUPPORT- MANAGEMENT: PUBLIC RELATIONS	\$ 140,078.00	4
	Information Technology Support Services		
D304	IT AND TELECOM - TELECOMMUNICATIONS AND TRANSMISSION	\$ 73,608.00	5
D306	IT AND TELECOM - SYSTEMS ANALYSIS	\$ 1,157,531.00	5
D308	IT AND TELECOM - PROGRAMMING	\$ 7,973,475.00	20
D311	IT AND TELECOM - DATA CONVERSION	\$ 38,604.00	4
D314	IT AND TELECOM - SYSTEM ACQUISITION SUPPORT	\$ 1,007,987.00	2
D318	D318 (IT AND TELECOM- INTEGRATED HARDWARE/SOFTWARE/SERVICES SOLUTIONS, PREDOMINANTLY SERVICES)	\$ 8,962,500.00	15
D399	IT AND TELECOM - OTHER IT AND TELECOMMUNICATIONS	\$ 7,423,361.00	30

Analysis Methodology

- a. Compiled SCI data from the Federal Procurement Data System – Next Generation (FPDS-NG) for NARA funded contracts exceeding \$25,000. The inventory included *all “Special Interest” function recommended by OMB.*
- b. A Service Contract Inventory Questionnaire was developed for the FY 2012 analysis and was fundamental in assessing FY 2013 FPDS-NG data.
- c. FY 2013 data retrieved from FPDS-NG was compared with FY 2012 information in order to conduct an analysis of selected contract actions, which incorporated parameters to assess the following:
 - - Determine if contractor employees are performing inherently governmental functions under the contract in accordance with definition of “inherently governmental function” and explained in OFPP Policy Letter 11-01, Performance of Inherently Governmental and Critical Functions, or critical functions in such a way that could affect the ability of the agency to maintain control of its mission and operations:
 - - Determine if the contract is for personal services as defined in FAR Subpart 37.104;
 - - Determine if findings from FY 2012 analysis impacted planned actions for Fy 2013;
 - - Determine if there is a risk of overreliance on contracted functions, particularly those services identified as special interest functions; and
 - - Determine if the mix of Federal employees and contractors for a given program is an effective multi-workforce balance or if rebalancing is needed.

Agency Findings

Based on the analysis, it was determined that contractor performance remains at an acceptable balance and choice for contracted services and there is no evidence of overreliance on contracted functions. The largest percentage of dollar obligations for selected “Special Interest” functions “Code R” services and “Code D” IT related functions ranged between 4.34% and 5.24% of the total FY 2013 dollar obligations overall. These services are concentrated in the IT and Telecommunications, Programming and other IT related services. Procurement and Acquisition Support reflected only 0.57% of NARA’s total FY 2013 dollar obligation.

NARA has used its SCI to gain insight into where, and how the extent to which the work of the Agency is performed by contractors. The results of the FY 2013 analysis continue to demonstrate consistent adequate safe-guards are in place to ensure contractors are being properly utilized. The 4% to 5% of contract dollars obligated to “Special Interest “ functions which are considered by definition “closely associated with inherently governmental functions” reflect NARA’s efforts in monitoring and guarding against expanding contractors in these areas. Current safeguards include status reports, quality assurance surveillance plans, certified and trained Contracting Officer Representatives and Project Managers, pre/post award checklists, project plans, proper use of contract clauses and provisions, and utilization of clear performance based statements of work. Although, monitoring of “Special Interest” functions and proper coding in FPDS-NG remains a challenge within the agency FY 2013 FPDS-NG results indicates continued progress in this area when compared to FY 2012 data.

Actions Taken/Planned

In FY 2012, Contracting Officer Representatives and/or Program Managers associated with contracting actions within their Program Office received a questionnaire to determine 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 questionnaire help set the frame work in understanding “inherently governmental special interest” function from a Program Office perspective and encourage their participation.

After assessing questionnaire responses combined with the FPDS-NG data reviews it was determined that changes could be made in the questionnaire in order to promote a more meaningful response for future analysis. However, no questionnaire was used to assist in the FY 2013 assessment. The previous questionnaire served as guidance and a source of reference to better develop FY 2013 reporting. In addition, the mandatory FPDS requirement containing guidance for agencies to begin coding functions for new contracts awarded after March 1, 2012 has simplified the task from using multiple resources to confirm adherence to OMB directives.

To ensure accuracy, compliance and to strengthen future SCI report analysis NARA will continue its efforts and use all resources available to comply with OMB directives and meeting agency requirements. The contract review process will continue to consist of mandatory peer reviews and monitoring of FPDS-NG coding that impacts SCI established guidelines.

Appendix A: Required Inventory Data Elements

- A description of the services purchased by the executive agency
- A description of the role the services played in achieving agency objectives
- The organizational component of the executive agency administering the contract, and the organizational component of the agency whose requirements are being met through contractor performance of the service
- The total dollar amount obligated for services under the contract and the funding source for the contract
- The total dollar amount invoiced for services under the contract and funding source for the contract
- The contract type and date of award
- The name of the contractor and place of performance
- The number and work location of contractor employees, expressed as full time equivalents for direct labor, compensated under the contract
- Whether the contract is a personal services contract
- Whether the contract was awarded on a noncompetitive basis, regardless of date of award

Appendix B: Standard Inventory Format

**Appendix C: Standard Inventory Summary Format
Socio-Economic/Small Business**

**Appendix C: Part 2: Standard Inventory Summary Format
Competition/Type of Contract**

Appendix D: Agency Inventory Analyses

In accordance with section 743(e), agency inventory analyses shall include a review of the contracts and information in the inventory for the purpose of ensuring that –

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- (i) each contract in the inventory that is a personal services contract has been entered into, and is being performed, in accordance with applicable laws and regulations;
- (ii) the agency is giving special management attention, as set forth in FAR 37.114, to functions that are closely associated with inherently governmental functions;
- (iii) the agency is not using contractor employees to perform inherently governmental functions;
- (iv) 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;
- (v) 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
- (vi) there are sufficient internal agency resources to manage and oversee contracts effectively.