

# National Archives Record Administration

## Service Contract Inventory Analysis

### Fiscal Year 2011

#### 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 FY2010 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 FY2011 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) report for FY11 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. The total dollar amount for all PSC (service only) awards for Fiscal Year 2011 was approximately \$230,890,707.00 with an associated 1,548 actions. Based on NARA’s analysis of the “special interest functions” ten (10) PSC functions were selected which totaled approximately \$117,472,236.00 with an associated 103 actions for Fiscal Year 2011. This PSC selection also represents an estimated fifty percent (50%) of all FY 2011 service awards.

The functions selected by NARA for analysis were considered those accounts which reflected the greatest percentage of obligations in FY 2011 and within the OMB “special interest function”. The selection, however, does not take into account previous NARA SCI reviews for FY 2010 but uses past information in conjunction with current FPDS-NG data and updated OMB guidelines to address specific agency risk factors. A high degree of consideration was given to those PSC functions that may reflect coding errors or a lack of description completeness compiled in the FPDS record.

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

**National Archives and Records Administration  
Fiscal Year 2011 Service Contract Inventory – Special Interest Functions**

<b>Product or Service Code</b>	<b>Product or Service Description</b>	<b>Action Obligation</b>	<b>Actions</b>
D301	ADP FACILITY MANAGEMENT	\$20,658,558	5
D302	ADP SYSTEMS DEVELOPMENT SERVICES	\$61,504,541	20
D306	ADP SYSTEMS ANALYSIS SERVICES	\$5,525,135	14
D307	AUTOMATED INFORMATION SYSTEM SVS	\$520,931	6
D308	PROGRAMMING SERVICES	\$4,996,427	21
D314		\$3,883,260	2
D399	OTHER ADP & TELECOMMUNICATIONS SVCS	\$18,728,057	24
R414	SYSTEMS ENGINEERING SERVICES	\$469,657.15	3
R425	ENGINEERING AND TECHNICAL SERVICES	\$142,334	2
R707	MGT SVCS/CONTRACT & PROCUREMENT SUP	\$1,043,236	6

**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 functions” recommended by OMB.
- b. Once identified, each selected PSC function was reviewed individually by keying in on each award description to validate the type of support activity.

- c. The data retrieved from FPDS-NG was used to collect necessary information in order to conduct an analysis of the selected contract actions, which incorporated parameters to assess the following:
- - Determine if contractor employees are performing functions closely associated with the performance of inherently governmental functions;
  - - Determine if specific safeguards and monitoring systems are in place to ensure that work being performed by contractors has not changed or expanded during performance to become an inherently governmental function;
  - - 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 there are sufficient internal resources to effectively manage and oversee the contract;
  - - Determine if the contract has been poorly performed due to excessive costs, inferior quality, or budget overruns, or the organization is experiencing difficulty in managing its contract staff;
  - - Determine if the contract is for personal services as defined in FAR Subpart 37.104;
  - - 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 an acceptable balance and choice for contracted services within NARA and there is no evidence of overreliance on contracted functions

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 FPDS data provided a partial method in assessing whether contracts involving critical functions or functions closely associated with inherently

governmental functions are properly executed. A formal questionnaire with specific questions and comments from Program Offices (PO), Contract Officer Representatives (CORs) and Program Managers (PM) were planned but not initiated for this analysis. However a planned questionnaire will better assist the agency in understanding what types of instructional guidelines are necessary to ensure future progress in monitoring the SCI effort.

The results of the SCI analysis demonstrated that adequate safe-guards are in place to ensure contracts are being properly utilized. These safeguards include status reports, quality assurance surveillance plans, certified and trained CORs and PMs, pre/post award checklists, project plans, proper use of contract clauses and provisions, and utilization of clear performance based statements of work. However, monitoring of “special interest functions” proper coding and complete narrative descriptions in FPDS-NG remain a challenge within the agency.

### **Actions Taken/Planned**

- CORs and/or PMs associated with contracting actions within their PO will receive a detailed 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.
- Meetings will be scheduled to increase participation from all of NARA’s components involved in contracting activities to ensure a high standard of awareness regarding OMB’s guidelines are understood and implemented.
- To ensure correct coding and complete narrative descriptions are being properly submitted per contract, consistent peer reviews and monitoring of FPDS-NG data inputs are planned to ensure accuracy, compliance and to strengthen future SCI report analysis.
- A redistribution of past and current OMB SCI Memorandums to assist staff when having dialogue with NARA’s POs

### **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 administrating 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**

## 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.