

General Service Administration (GSA)

REPORT ON THE FISCAL YEAR (FY) 2018 SERVICE CONTRACT INVENTORY AND PLANNED FY 2019 ANALYSIS

Executive Summary

OMB memorandum, “Service Contract Inventories” (SCI) (December 19, 2011), tasks agencies to conduct a meaningful analysis of the service contracts that are funded by agency dollars in their contract 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 at the agency is effectively balanced. This report constitutes GSA’s analysis of the Fiscal Year (FY) 2018 Service Contract Inventory.

The GSA Office of Government-wide Policy (OGP) utilized the agency cross-organizational workgroup to analyze GSA’s FY2018 Service Contract Inventory. The team consisted of representatives from the Public Building Service (PBS), Federal Acquisition Service (FAS), and Office of Internal Acquisition (OIA).

Based on GSA’s analysis, it has been determined that contractor performance at GSA continues to be an acceptable choice for the analyzed services. No evidence of overreliance on contracted functions was found in any of the transactions reviewed. In addition, adequate safeguards and monitoring systems are in place to ensure that work performed by contractors does not become inherently governmental, and that there are sufficient internal resources

available to effectively manage and oversee contracts. Based on the results of the analysis, it was determined that contractor performance remains an acceptable choice for contracted services and there is no evidence of overreliance on contracted functions at GSA.

A. Analysis

Table A lists: (1) the product and service code (PSC) studied by the agency; and (2) the number of transactions and total dollars obligated for the specific product and service code reviewed for FY2018. As noted in GSA's prior year analysis, GSA intended to complete its evaluation of the top Information Technology (IT) spending categories that have not been recently evaluated. For FY 2018, GSA focused on the final five of the top IT spending categories that were not addressed in the prior year: D308 – IT and Telecom – Programming; D310 – IT and Telecom – Cyber Security and Data Backup; D316 – IT and Telecom – Telecommunications Network Management; D318 – IT and Telecom – Integrated Hardware/Software/Services Solutions (predominantly services); and D321 – IT and Telecom – Help Desk.

The samples selected from those five PSC codes consisted of 43 total contracts with total action obligations of over \$561.5 million. Collectively, the five PSCs reviewed comprise 5.5% of GSAs annual obligations reported in the FY 2018 Service Contract Inventory. The specific PSC codes reviewed for the FY 2018 retrospective analysis are further broken down in the table below:

TABLE A
Summary of Analyzed FY2018 PSCs by Transactions and Dollars

Contracting Agency Code	Contracting Service*	D308		D310		D316		D318		D321		Total	
		# of Contracts	Total Action Obligation	# of Contracts	Total Action Obligation	# of Contracts	Total Action Obligation	# of Contracts	Total Action Obligation	# of Contracts	Total Action Obligation	# of Contracts	Total Action Obligation
4705	OIA	1	\$ 2,860,895.00	0	\$ -	0	\$ -	2	\$ 684,921.15	0	\$ -	3	\$ 3,545,816.15
4732	FAS	8	\$56,412,978.58	5	\$63,097,193.15	6	\$109,782,441.78	9	\$195,711,906.62	3	\$124,664,366.81	31	\$549,668,886.94
4740	PBS	1	\$ 576,781.22	0	\$ -	0	\$ -	8	\$ 7,745,153.73	0	\$ -	9	\$ 8,321,934.95
4700	ALL GSA	10	\$59,850,654.80	5	\$63,097,193.15	6	\$109,782,441.78	19	\$204,141,981.50	3	\$124,664,366.81	43	\$561,536,638.04

*Qualifying Service Contracts for the FY2018 evaluation period were confined to the above three contracting components of the agency.

Table B

FY2018 - Top 30 GSA Spending PSCs as a Percentage of Agency Service Contract Obligations

PSC	PSC Description	Obligated Amount	Percentage of FY18 Service Contract Spend
R499	Support: Professional - Other	\$ 1,600,094,540	15.6%
R425	Support: Professional - Engineering/Technical	\$ 1,548,554,272	15.1%
D399	IT and Telecom: Other IT and Telecom	\$ 1,082,463,342	10.5%
Z2AA	Repair or Alteration of Office Buildings	\$ 870,375,016	8.5%
Y1AA	Construction of Office Buildings	\$ 575,991,305	5.6%
R408	Support: Professional Program Management Support	\$ 446,201,495	4.3%
D302	IT and Telecom Systems Development	\$ 395,057,035	3.8%
Z1AA	Maintenance of Office Buildings	\$ 322,923,791	3.1%
D301	IT and Telecom Facility Operation and Maintenance	\$ 282,733,884	2.8%
S201	Housekeeping: Custodial/Janitorial	\$ 275,006,026	2.7%
B538	Intelligence Studies	\$ 270,315,488	2.6%
D318	IT and Telecom Integrated Hardware/Software/Services Solutions, Predominantly Services	\$ 205,225,050	2.0%
D307	Automated Information System Design and Integration Services	\$ 190,363,163	1.9%
S216	Facilities Operations Support Services	\$ 152,154,179	1.5%
J099	Maintenance and Repair of Miscellaneous Equipment	\$ 134,619,225	1.3%
Y1JZ	Construction of Miscellaneous Buildings	\$ 121,802,674	1.2%
K058	Modification of Communication, Detection and Coherent Radiation Equipment	\$ 121,565,375	1.2%
R405	Operations Research and Quantitative Analysis Services	\$ 111,759,451	1.1%
R708	Support: Management - Public Relations	\$ 103,694,608	1.0%
D321	IT and Telecom Help Desk	\$ 96,217,452	0.9%
D316	IT and Telecom - Telecom Network Management	\$ 86,954,071	0.8%
R706	Logistics Support Services	\$ 79,961,881	0.8%
D305	IT and Telecommunications, Teleprocessing, Timeshare, Cloud Computing, and High Performance Computing	\$ 75,815,206	0.7%
S112	Utilities: Electricity Services	\$ 71,129,503	0.7%
R799	Other Management Support Services	\$ 70,036,033	0.7%
AD22	R&D: Defense Services-Exploratory Development	\$ 67,395,640	0.7%
Z111	Maintenance, Repair or Alteration of Office Buildings	\$ 63,339,534	0.6%
J041	Maintenance and Repair of Refrigeration, Air Conditioning Equipment	\$ 62,801,244	0.6%
D310	IT and Telecom: Cyber Security and Data Backup	\$ 62,796,145	0.6%
D306	IT and Telecom: Systems Analysis	\$ 58,844,614	0.6%
GSA	Grand Total - Top 30 PSCs	\$ 9,606,191,242	93.5%

Table C

FY 2018 - Evaluated GSA Information Technology PSCs as a Percentage of Agency Service Contract Obligations

PSC	PSC Description	Obligated Amount	Percentage of FY18 Service Contracts
D308	IT and Telecom – Programming	\$ 59,850,654.80	0.6%
D310	IT and Telecom – Cyber Security and Data Backup	\$ 63,097,193.15	0.6%
D316	IT and Telecom – Telecommunications Network Management	\$ 109,782,441.78	1.1%
D318	IT and Telecom – Integrated Hardware/Software/Services Solutions	\$ 204,141,981.50	2.0%
D321	IT and Telecom – Help Desk	\$ 124,664,366.81	1.2%
GSA	Grand Total - FY2018 IT PSCs Selected for Review	\$ 561,536,638.04	5.5%

B. Methodology

1. **Select Product Service Codes.** PSCs D308, D310, D316, D318 and D321 were selected for FY 2018 review. These selections reflect the completion of GSA's planned review of active GSA Information Technology PSCs found in the top 30 spending categories.
2. **Identify Contracts for Review.** The FY 2018 Standard Service Contract Inventory report contained 1,877 GSA contract actions totaling over \$10.2 billion in spending. Using data obtained from the Federal Procurement Data System-Next Generation (FPDS-NG) for PSCs D308, D310, D316, D318 and D321, the FY2018 inventory analysis contained 43 distinct contracts, totaling over \$561.5 million in spending. Identified actions falling under the five selected PSC codes were chosen for evaluation. The contracts selected are summarized in Table A, above.
3. **Develop and Populate Survey Templates.** GSA developed surveys based on guidance issued by Office of Management and Budget (OMB), as shown in Attachment A, and issued the guidance to workgroup members from each applicable component of GSA.
4. **Perform Contract Reviews.** Each component conducted their assessment of the contracts within their purview and submitted their summary analysis to the Office of Acquisition Policy.
5. **Analyze Results and Summarize Findings and Actions/Recommendations.** The Office of Acquisition Policy compiled the results and prepared high level findings, actions and recommendations further discussed in Sections C and D, below.

C. Agency Findings

1. No contracts were identified that involved the performance of inherently governmental functions. All service contracts reviewed were found to contain adequate safeguards and monitoring systems to ensure that work performed by contractors did not become inherently governmental, and that there were sufficient internal resources available to effectively manage and oversee those contracts.
2. Past performance ratings for the 43 contracts reviewed were as follows: Exceptional (14); Very Good (10); Good (11); Satisfactory (6); Fair (1); Marginal (1).
3. Three (3) contracts within the Federal Acquisition Service (FAS) were found to have contract employees performing critical functions in such a way that could affect GSA's ability to maintain control of its mission and

operation. However, the agency has sufficient internal agency resources to manage and oversee the contracts effectively.

4. There was no evidence of overreliance on contractor performance.
5. The survey revealed contractor performance remains an acceptable choice for the contracted services in the contracts that were reviewed. The GSA SCI team continues to recommend the discontinuation of the annual retrospective review process, as agency controls appear to be sufficient.

D. Actions taken or planned by the agency to address any identified weaknesses or challenges.

- No action required based on the FY2018 retrospective analysis results.

Planned Analysis

The planned FY2019 SCI Analysis will shift away from the completed examination of GSA's Information Technology professional services portfolio. For the FY2019 analysis, GSA plans to begin evaluating the PSC codes identified as the most frequently used Professional Services related PSCs found in the top 30 spending categories at GSA.

The following PSC will be considered for analysis to begin the review of Professional Services PSCs:

- PSC R425 – Support - Professional: Engineering/Technical

Based upon the currently available data, the planned Professional Services related PSC code selected for evaluation in the FY2019 review cycle consist of 344 service contract actions, totaling approximately \$265 million in obligation.

E. Accountable Official:

Jeffrey Koses
Deputy Chief Acquisition Officer/Senior Procurement Executive
Office of Acquisition Policy
1800 F Street NW
Washington, DC 20405

Attachment A – Service Contract Analysis Template

Q#	Contract #	Yes/No/NA	Comments
1	Identify the contract/task order description to include:		
1a	a) Contract#/ Order #		
1b	b) Company Name		
1c	c) Contract Type		
1d	d) Total Award Amount		
1e	e) Period of Performance		
2	Is the contract a personal services contract? If the contract is a personal services contract is it being performed, in accordance with applicable laws and regulations (Yes, No, Not Applicable).		
3	Is special attention being given, as set forth in FAR 37.114, to functions that are closely associated with inherently governmental functions[1] (See OMB guidance)? (Yes, No, Not Applicable).		
4	Does this contract use contractor employees to perform inherently governmental functions? (Yes, No, Not Applicable).		
5	Is the performance under the award considered a “critical function”[2] (Yes, No, Not Applicable).		
6	Are there 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? (Yes, No, Not Applicable) (If yes, provide how).		
7	Are contractor employees performing critical functions in such a way that could affect the ability of the agency to maintain control of its mission and operations (Yes, No, Not Applicable)?		

8	Are there sufficient internal agency resources to manage and oversee contracts effectively? (Yes, No, Not Applicable) (If yes, please describe).		
9	What are the functions/services being performed by the contract employees under the subject award? Please provide a summary from the SOW.		
10	Are any functions restricted by the contract (i.e. approval of documents, attendance at meetings, firewalled activities, etc? How is it monitored? How effective is the monitoring?		
11	How is/was the contract performance: (Good - Fair - Poor)?		
12	Questions for the requesting office (the program manager was specifically requested to provide this information):		
12a	a) How many FTEs are located in the program office that this award supports?		
12b	b) Is recruitment of Federal employees an issue/obstruction (Can refer question to management)?		
13	Name of the Program Office this contract supports.		
14	Number of contractors or contractor FTE under this award.		