



CHIEF PROCUREMENT OFFICER

Analysis of Fiscal Year (FY) 2014 Service Contract Inventory

Background:

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.

Scope:

This analysis is submitted in accordance with Section 743 of Division C of the FY 2010 Consolidated Appropriations Act (P.L. 111-117) and the Office of Federal Procurement Policy Memorandum entitled "Service Contract Inventories" dated December 19, 2011. The Office of the Chief Procurement Officer (OCPO), Department of Housing and Urban Development (HUD) selected the following special Product or Service Code (PSC) functions from its FY 2014 service contract inventory to be evaluated for further analysis:

Table 1: FY 2014 Service Inventory

PSC	Special Interest PSC Description	FY 2014 Dollars Obligated	% Total Obligations
D310	ADP BACKUP AND SECURITY SERVICES	\$1,429,651	<1%
D314	ADP ACQUISITION SUP SERVICES	\$3,949,467	1.3%
D307	AUTOMATED INFORMATION SYSTEM SERVICES	\$43,919,270	14.9%
R425	ENGINEERING AND TECHNICAL SERVICES	\$3,214,709	1.1%
R707	MANAGEMENT SERVICES/CONTRACT & PROCUREMENT SUPPORT	\$60,635	<1%
R408	PROGRAM MANAGEMENT/SUPPORT SERVICES	\$241,133,891	81.7%
R406	POLICY REVIEW/DEVELOPMENT SERVICES	\$1,362,000	<1%

HUD elected, during this service contract inventory review, to research contracts associated with special interest identified by the Office of Management and Budget (OMB) in its 2010 memorandum where HUD has significant concerns about risk.

When establishing the total population of 77 contracts for review (included on HUD's service contract inventory list submitted to MAX.gov with this plan), HUD only identified the above seven (7) PSC codes in its 2014 service contract inventory.

Methodology:

The analysis was conducted by examining the most significant awards reported in the Federal Procurement Data System (FPDS) under the selected special interest PSCs, in addition to, utilizing findings from the Risk Management & Compliance Unit (RM&CU) review of the data set selected and any lessons learned from prior and current Procurement Management Reviews, policies and initiatives. The population is 77 awards between the periods of October 1, 2013 through September 30, 2014 containing the specified PSC codes with obligations over \$25,000. The confidence level is 100%.

To validate this review, the RM&CU utilized the HUD Integrated Acquisition Management System (HIAMS) in the completion of its FY 2014 analysis. The tasks annotated in the Statement of Work (SOW) and or Performance-based Work Statement (PWS) contained within HIAMS was compared against Federal Acquisition Regulation (FAR) Subpart 7.5 to determine if the contractors were performing inherently governmental functions. RM&CU assessed the labor categories to determine whether a program or project manager was included as part of the technical approach. Additionally, the coding associated with inherently government functions, found in the description of each identified FPDS record, was scrutinized against the contract terms and conditions to ensure accuracy in reporting. Finally, pursuant to FAR Subpart 4.17, RM&CU reviewed the System for Award Management (SAM) to ensure contractor information on the amount invoiced and the direct labor hours expended on covered service contracts has been entered by the top contractors.

An analysis of the business size as a percentage of obligations within the population was calculated as part of the review.

Findings:

RM&CU conducted a random review of the Service Contract Inventory in HIAMS. The population was 77 awards between the periods of October 1, 2013 through September 30, 2014 containing the specified PSC codes with obligations over \$25,000. The confidence level was 100%. RM&CU reviewed the contracts in HIAMS, thoroughly examined the associated statement of work for each contract and identified whether a program or project manager was included as part of the technical approach.

The results indicate:

- 100% of the statements of work **did not** contain inherently governmental functions; and

- Further supporting that finding, 17% of the contracts (13 out of 77) **did** include program or project managers as part of the technical approach. The other contracts were not for services requiring program/project manager oversight.

As a result, HUD is pleased to report that none of the reviewed contracts contain inherently governmental functions.


Actions taken or planned: HUD will continue to review the list of contractors and report any issues. OCPO's Policy office issued a Signal to notify staff of the Service Contracts Reporting Requirement. The Signal required OCPO staff to work with contractors in reporting the required data into SAM. There are no open issues from previous reviews.

Accountable Officials: The Department's senior management official who is accountable for the development of agency policies, procedures, and training associated with OFPP Letter 11-01 is Mr. Keith W. Surber, Acting Chief Procurement Officer. Mr. Surber serves as the senior management official responsible for ensuring appropriate internal management attention is given to the development and analysis of service contract inventories.

HUD Point of Contact:

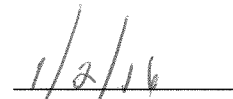
If you have any questions, please contact Mr. Lawrence E. Chambers, RM&CU Director, Office of Policy, Systems and Risk Management at (202)-402-6716 or Lawrence.e.chambers@hud.gov.

Attachment



 Approve

Disapprove



 Date

Comments