

General Service Administration (GSA)

REPORT ON THE FISCAL YEAR (FY) 2019 SERVICE CONTRACT INVENTORY AND PLANNED FY 2020 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) 2019 Service Contract Inventory.

The GSA Office of Government-wide Policy (OGP) utilized the agency cross-organizational workgroup to analyze GSA's FY2019 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.

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 FY2019.

For FY 2019, GSA shifted its focus to what will be a multi-year effort to analyze the PSC codes identified as Professional Services related and found in the top 30 spending categories at GSA (see Table B). For FY 2019, the PSC chosen for analysis was as follows:

- PSC R425 – Support - Professional: Engineering/Technical

The samples selected from this PSC code consisted of 44 service contract actions (out of 94 total actions), totaling approximately \$119 million in total obligations (out of \$145.7 million). The PSC reviewed comprised 1.1% of total contract obligations reported in the FY 2019 Service Contract Inventory for GSA. The PSC code reviewed for the FY 2019 retrospective analysis is further broken down in the table below:

TABLE A

Summary of Analyzed FY2019 PSCs by Transactions and Dollars

Contracting Agency Code	Contracting Service*	R425	
		# of Contracts	Total Obligations
4705	OIA	2	\$9,496,966.37
4732	FAS	10	\$73,333,215.18
4740	PBS	32	\$36,174,946.87
4700	ALL GSA	44	\$119,005,128.42

*Qualifying Service Contracts for the FY2019 evaluation period were confined to the above three contracting components of the agency.

Table B

FY2019 - Top 30 GSA Spending PSCs as a Percentage of Agency Service Contract Total Spend

PSC Code	PSC Description	Obligated Amount	Percentage of FY19 Service Contract Spend
Z2AA	REPAIR OR ALTERATION OF OFFICE BUILDINGS	\$2,911,511,322	21.5%
Y1AA	CONSTRUCTION OF OFFICE BUILDINGS	\$2,043,672,375	15.1%
D302	IT AND TELECOM- SYSTEMS DEVELOPMENT	\$1,324,517,462	9.8%
D399	IT AND TELECOM- OTHER IT AND TELECOMMUNICATIONS	\$1,050,252,892	7.8%
R499	SUPPORT- PROFESSIONAL: OTHER	\$957,180,566	7.1%
Y1AZ	CONSTRUCTION OF OTHER ADMINISTRATIVE FACILITIES AND SERVICE BUILDINGS	\$571,210,357	4.2%
D318	IT AND TELECOM- INTEGRATED HARDWARE/SOFTWARE/SERVICES SOLUTIONS, PREDOMINANTLY SERVICES	\$548,542,609	4.1%
Z1AA	MAINTENANCE OF OFFICE BUILDINGS	\$352,241,402	2.6%
R408	SUPPORT- PROFESSIONAL: PROGRAM MANAGEMENT/SUPPORT	\$298,372,990	2.2%
C1AA	ARCHITECT AND ENGINEERING- CONSTRUCTION: OFFICE BUILDINGS	\$230,157,108	1.7%
Y1JZ	CONSTRUCTION OF MISCELLANEOUS BUILDINGS	\$226,323,575	1.7%
D321	IT AND TELECOM- HELP DESK	\$193,924,021	1.4%
S201	HOUSEKEEPING- CUSTODIAL JANITORIAL	\$163,516,464	1.2%
C211	ARCHITECT AND ENGINEERING- GENERAL: LANDSCAPING, INTERIOR LAYOUT, AND DESIGNING	\$158,137,180	1.2%
R704	SUPPORT- MANAGEMENT: AUDITING	\$155,287,253	1.1%
D301	IT AND TELECOM- FACILITY OPERATION AND MAINTENANCE	\$151,812,918	1.1%
D306	IT AND TELECOM- SYSTEMS ANALYSIS	\$146,702,246	1.1%
R425	SUPPORT- PROFESSIONAL: ENGINEERING/TECHNICAL	\$145,764,979	1.1%
D307	IT AND TELECOM- IT STRATEGY AND ARCHITECTURE	\$143,766,956	1.1%
R611	SUPPORT- ADMINISTRATIVE: CREDIT REPORTING	\$115,343,067	0.9%
R710	SUPPORT- MANAGEMENT: FINANCIAL	\$111,737,055	0.8%
R699	SUPPORT- ADMINISTRATIVE: OTHER	\$109,691,839	0.8%

D308	IT AND TELECOM- PROGRAMMING	\$94,819,744	0.7%
Y1QA	CONSTRUCTION OF RESTORATION OF REAL PROPERTY (PUBLIC OR PRIVATE)	\$88,968,494	0.7%
Z2AZ	REPAIR OR ALTERATION OF OTHER ADMINISTRATIVE FACILITIES AND SERVICE BUILDINGS	\$75,064,749	0.6%
D325	IT AND TELECOM- DATA CENTERS AND STORAGE	\$74,319,303	0.5%
D310	IT AND TELECOM- CYBER SECURITY AND DATA BACKUP	\$73,698,751	0.5%
B540	SPECIAL STUDIES/ANALYSIS- BUILDING TECHNOLOGY	\$53,054,758	0.4%
D304	IT AND TELECOM- TELECOMMUNICATIONS AND TRANSMISSION	\$50,277,322	0.4%
C219	ARCHITECT AND ENGINEERING- GENERAL: OTHER	\$47,971,951	0.4%
GSA Grant Total - Top 30 PSCs		\$12,667,841,706	93.5%

B. Methodology

1. **Select Product Service Codes.** PSC R425 was selected for FY 2019 review. This selection reflects the beginning of GSA’s planned review of active GSA Professional Support PSCs found in the top 30 spending categories.
2. **Identify Contracts for Review.** The FY 2019 Standard Service Contract Inventory report contained 3,960 GSA contract actions totaling over \$13.5 billion in total contract value. Using data obtained from the Federal Procurement Data System-Next Generation (FPDS-NG) for PSC R425, the FY2019 inventory analysis contained 44 distinct contracts, totaling approximately \$119 million in total obligations. Identified actions falling under the selected PSC 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 contractor employee performance of inherently governmental functions.¹
2. 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.
3. Past performance ratings for the 44 contracts reviewed were as follows: Exceptional (4); Very Good (4); Good (34); Satisfactory (2).
4. No contracts 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.
5. There was no evidence of overreliance on contractor performance.
6. 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 FY2019 retrospective analysis results.

Planned Analysis

¹ While outside the scope of this retrospective analysis, GSA acknowledges GSA’s Office of Inspector General report A150028/P/4/R20009, “Audit of the GSA Public Buildings Service’s Use of Construction Management Services,” Sept. 4, 2020, which found evidence of contractors performing inherently governmental functions under contracts for construction management services.

For the FY 2020 analysis, GSA plans to continue 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 continue the review of Professional Services PSCs:

- PSC R499 – Support - Professional: Other

Based upon the currently available data, the planned Professional Services related PSC code selected for evaluation in the FY 2020 review cycle consists of 281 service contract actions, totaling approximately \$1.3 billion in total contract obligations or 8.4% of FY 2020 Service Contract Inventory obligations.

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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.		