



DEFENSE CONTRACT MANAGEMENT AGENCY

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ALEXANDRIA, VIRGINIA 22310-3226

IN REPLY REFER TO:

AUG 27 2009

DCMA-AQP

**MEMORANDUM FOR DIRECTOR, DEFENSE PROCUREMENT AND
ACQUISITION POLICY**

SUBJECT: Defense Contract Management Agency (DCMA) Submission of the FY2008 National Defense Authorization Act (NDAA) Section 807 Inventories and Review of Contracts for Services

In accordance with DUSD(A&T) memorandum, 26 May 2009, I am pleased to submit the attached Inventory of Contracts for Services for Fiscal Year 2008 for the Defense Contract Management Agency (DCMA).

In addition to the aforementioned Inventory List, the narrative summary addresses all the submission requirements outlined in Section 807 of the National Defense Authorization Act (NDAA) for Fiscal Year 2008.

My point of contact for this action is Mr. William Javoroski, william.javoroski@dcma.mil, 703-428-0787.

A handwritten signature in black ink, appearing to read "D. Ricci", with a long horizontal stroke extending to the right.

DAVID E. RICCI

Head of Contracting Activity

Attachments

As stated

Defense Contract Management Agency (DCMA)
Narrative Summary for Fiscal Year 2008 (FY2008) Inventory of Contracts for Services

The methodology for data collection, description of any unpopulated data fields, plan to populate all incomplete data in future submissions, website for publicizing the Inventory List, and the plan for review of the Inventory List are provided below.

METHODOLOGY

The attached DCMA Inventory of Contracts for Services, hereafter referred to as Inventory List, pertains only to contract actions issued and administered by the DCMA Procurement Center. It does not contain data pertaining to contracts administered by any of our Contract Management Offices (CMOs). Additionally, the Inventory List does not include contract numbers, contractor identification or other proprietary or sensitive information. Based upon the requirements of Section 807 of the National Defense Authorization Act (NDAA) for FY2008 the Inventory List provides a listing of those DCMA contracts that funded contractor services during fiscal year 2008, regardless of the original start date of the contract.

The data for the inventory was primarily gathered from the Federal Procurement Data System – Next Generation (FPDS-NG) and the Standard Procurement System (SPS), which is the contract writing system used by the DCMA Procurement Center. The Inventory List was created and refined using the following procedures.

- 1) Using FPDS-NG and SPS, an initial list of contract actions was created identifying all DCMA contracts that were potentially active during Fiscal Year 2008. There was no dollar value threshold used for the list. All applicable contracts were included in the initial list of contract actions.
- 2) Using the Product or Service Code (PSC), all non-service contracts and/or individual line items were removed from the initial list. In addition, all contracts and/or individual line items with PSC Service Codes beginning with “X”, “Y”, or “Z” were removed from the list; as were most of the contracts and/or individual line items with PSC Service Codes beginning with “V” (e.g., V231 – Lodging-Hotel/Motel, V212 – Motor Passenger Services, etc).
- 3) Period of Performance Information and Funding Data was then used to eliminate contracts or individual contract line items where services were not performed in FY2008.
- 4) Line Item Description data was then used to remove any remaining non-service type line items; e.g., line items for travel, Other Direct Costs (ODCs), materiel, etc. The line item description data was also used to validate the accuracy of the PSC codes.
- 5) Completion of the Inventory List required the input of two data elements that were not directly available via FPDS-NG or SPS.
 - i) Identification of Personal Services Contracts. The DCMA Purchase Request Package Checklist, which must be completed for all new awards, includes the requirement to make and document a Personal vs. Non-Personal Services Determination.
 - ii) Number of Contractor Full-Time Equivalent (FTEs). Since there is no standard definition for a “contractor FTE”, DCMA looked to the Military Departments for

their approach to capturing the data. The Air Force methodology seemed the most appropriate. Therefore DCMA contractor FTEs are based on the FY2008 contract value (minus non-service costs such as travel, ODCs, etc) and an Average Factor Cost per Product or Service Code. For example, the Average Factor Cost for the first contract (PSC Code of D307) on the attached Inventory List is \$159,249; and the respective contract value is \$25,478. Dividing the contract value by the Average Factor Cost (\$25,478/\$159,249) results in a contractor FTE of .15999. The Average Factor Costs for the services included in the Inventory List are noted in the table below. This data was taken directly from the Air Force Inventory submission.

PSC CODE	PSC DESCRIPTION	AVERAGE FACTOR COST
D	ADP and Telephone Services	\$159,249
G	Social Services	\$ 62,394
R	Professional, Admin, and Management Support Services	\$160,000
S	Utilities and Housekeeping Services	\$816,331
T	Photographic, Mapping, Printing and Publication	\$ 99,423
U	Education and Training Services	\$112,682

DESCRIPTION OF ANY UNPOPULATED DATA FIELDS. All data fields on the DCMA Inventory List are complete.

PLAN TO POPULATE INCOMPLETE DATA IN FUTURE INVENTORY SUBMISSIONS. Not applicable at this point in time. As noted above, there are no unpopulated data fields on the DCMA Inventory List.

WEBSITE FOR PUBLICIZING THE INVENTORY LIST. The DCMA Inventory List will be published on a public website not later than 30 days after the Inventory List is submitted to Congress. The website address is: <http://www.dcmamilitary.com/siteindex.cfm>.

PLAN FOR PERFORMING THE REQUIRED REVIEWS 90 DAYS AFTER SUBMISSION OF INVENTORY LIST TO CONGRESS.

DCMA will conduct the required review of the Inventory List in conjunction with the requirements under Section 324 of the NDAA for FY2008 – Guidelines and Procedures on In-sourcing New and Contracted Out Functions. DoD implementation guidance for Section 324 of the FY2008 NDAA is contained in DSD Memorandum dated 29 May 2009 (SUBJECT: In-sourcing Contracted Services—Implementation Guidance). The final Inventory review will: (1) ensure service requirements do not include personal services; (2) ensure service requirements do not include any inherently governmental functions; (3) minimize services that are closely associated with inherently governmental functions; (4) identify services that possibly could be

converted to performance by civilian employees, and development a plan to consider said conversion; and (5) ensure acquisition approach for valid contractor service requirements is always the most advantageous to the government.

It should also be noted that the Section 807 review requirements are and have been a routine part of DCMA's service acquisition policy. In coordination with the requirements offices and the Financial and Human Resources Offices, the DCMA Procurement Division reviews all requests for services to ensure the acquisition process is conducted in accordance with all statutory and regulatory guidance; and to ensure DMCA receives maximum value for each taxpayer dollar.