



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

April 26, 2012

MEMORANDUM

FROM: Celeste H. Rueffert, Director
Office of Procurement

SUBJECT: Analysis of FY 2010 Service Contracts Inventory

This memorandum contains the United States International Trade Commission's (USITC) analysis of its FY 2010 service contract inventory responsive to Section 734 of Division C of the Fiscal Year 2010 Consolidated Appropriations Act, P.L. 111-117. Following the Office of Federal Procurement Policy's (OFPP) memoranda on service contract inventories, dated November 5, 2010, and December 19, 2011, USITC selected special interest and other functions to include in the study. USITC then evaluated the use of contractors versus government employees for those functions.

A. Special Interest Functions Studied by USITC

USITC chose one special interest function to study from its FY 2010 Service Contracts Inventory:

1. R425 – Engineering and Technical Services - \$57,760.00 obligated in FY 2010

In addition, USITC chose the following additional functions to study:

2. R710 – Financial Services - \$580,092.09 obligated in FY 2010
3. D308 – Technical Support - \$363,475.00 obligated in FY 2010
4. R605 – Library Services - \$58,026.56 obligated in FY 2010

USITC determined to study these additional functions because, although they are not included in the list of special interest function product service codes specified by the OFPP memoranda, the functions performed by the contractors are closely related to the special interest functions on the list. These contracts represent a cross section of the types of service contracts routinely utilized by USITC.

B. Methodology Used to Support USITC's Analysis of FY 2010 Service Contracts

The analysis of USITC's FY 2010 service contracts was performed by the Chief Administrative Officer in conjunction with the Director of Procurement, interested cost center managers, and the Contracting

Officer's Representatives (COR) associated with each contract. USITC's Director of Procurement, Chief Human Capital Officer, and Chief Information Officer were provided an opportunity to comment on the analysis and report.

C. Findings

Pursuant to OFPP's memoranda, USITC made the following findings as a result of its analysis:

1. USITC awarded no personal services contracts in FY 2010.
2. USITC closely monitors functions that are closely associated with inherently governmental functions.
3. USITC is not using contractor employees to perform inherently governmental functions under the studied contracts. USITC acquisition staff are properly trained and able to identify inherently governmental functions as they relate to contractor work.
4. USITC monitors contractor work to ensure that the work does not expand during performance to become inherently governmental.
5. USITC does not use contract employees to perform critical functions in such a way that could affect the ability of USITC to maintain control of its mission and operations.
6. USITC has allocated resources to manage and oversee its contracts effectively. USITC's policies and procedures provide for oversight of contract administration.

D. Actions Taken

Overall, USITC maintains a balance between contract and government employees. USITC's policy is to properly train its acquisition and contract administration staff are properly trained and to award and administer its service contracts properly. Although no actions were taken as a direct result of this review, USITC is committed to maintaining excellence in its service contracting.