

Federal Trade Commission (FTC)
ANALYSIS OF FY2010 SERVICES CONTRACT INVENTORY

December 30, 2011

This memorandum serves as the report on the Federal Trade Commission (FTC) analysis of the FY 2010 service contract inventory and the use of contractors for the special interest functions that we selected to study, as required by the OFPP memorandum dated November 5, 2010, subject Service Contract Inventories, and the follow-on OFPP memorandum dated December 19, 2011, same subject.

A. Special Interest Functions studied by the FTC

The FTC chose two special interest functions to study:

- a) R408 – Program Management Support Services - \$1,496,734.75 obligated.
- b) D302 – ADP System Development Services - \$721,919.66 obligated.

The FTC chose these two specific PSC activities because they relate well to the small-agency services purchased by the FTC while providing a good starting point to gain insight into the effectiveness of using contract labor to support the agency's activities. These services also are allied to functions being performed by in-house resources, thus giving us the opportunity to analyze the mix to see if it is appropriate and not compromising the inherently governmental/critical functions.

B. Methodology used to support the analysis

The FTC analyzed the contracts for these two PSC's by reviewing 100% of the contract actions awarded during FY 2010 against these codes. An initial analysis was performed by the Contracting Officer of record with a second, independent analysis being performed by the Contracting Officer's Representative (COR) with coordination with the Program Manager. The Chief, Human Capital Officer's representative was also given an opportunity to coordinate and make comments/recommendations on the analysis and report.

C. Findings

The following specific findings are noted as a result of the FTC analysis:

- a) no personal contract actions were awarded by the FTC during FY 2010.

b) no work being performed under the reviewed contracts is considered inherently governmental work, and no work is closely associated with inherently governmental work. We noticed that all of the work in these categories is specifically insulated from inherently governmental work by procedures designed to accomplish and maintain that separation.

c) none of the work being performed in the contracts reviewed is consider critical to the success of the FTC mission. We have noted that these contract services are being used to supplement the government resources to enhance support services for the mission as opposed to performing critical functions necessary to accomplish the mission.

d) the FTC has gone to great lengths to properly train the agency CORs in their duties to monitor contractor performance to ensure the contractors do not stray from the requirements of the contract documents, and to ensure the processes necessary to segregate the contractors from inherently governmental functions remain in place and are effective. Additionally, the FTC requires post-award changes to contracts be reviewed by the Program Managers, CORs, and Contracting Officers to identify, among other things, potential encroachments into inherently governmental areas, before acquisition action is initiated.

e) during this review, the FTC found that sufficient internal agency resources are being employed to manage and oversee these contracts effectively.

D. Actions taken or planned

Although the FTC has identified no weaknesses or challenges during this analysis, it has been a good reminder to the CORs affected to renew their vigilance in these areas. As a result, the FTC Chief Acquisition Officer will be issuing an appropriate memorandum to all agency CORs and Contracting Officers to remind them of the importance of these issues and proper management of their contracts.