

**National Science Foundation FY 2017
Service Contract Inventory Analysis Report**

National Science Foundation

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Executive Summary

This National Science Foundation (NSF) report responds to the request by the Office of Management and Budget's Office of Federal Procurement Policy (OFPP) to analyze NSF's FY 2017 inventory of service contracts to determine if the mix of Federal employees and contractors is effective or if rebalancing may be required. It includes the following information:

- a) The special interest functions studied by the NSF, the dollars obligated to those specific product and service codes (PSCs) in FY 2017, and the rationale for focusing on the identified functions;
- b) The methodology used by the NSF to support its analysis;
- c) NSF findings, including a brief discussion of the extent to which the desired outcomes described in Section 743(e)(2) are being met. Where workforce issues are identified, the estimated number of contractor personnel and/or labor resources involved;
- d) Actions taken or planned by the NSF to address any identified weaknesses or challenges. In addition, description of follow up steps on actions in previous inventories that were identified as pending or planned;
- e) The analysis planned for FY 2018.

Scope

In accordance with NSF's SCI Analysis Report dated February 21, 2018, which included NSF's Planned FY 2017 Analysis, NSF analyzed the functions under PSC D399 (IT and Telecom- Other IT and Telecommunications) and R799 (Support-Management: Other). NSF chose PSC D399 and PSC R799 because they were the 5th and 8th largest PSCs, respectively, in terms of percentage of obligations in FY 2017 that were not under a special interest function at NSF and had contracts being performed.

In NSF's FY 2017 analysis, three (3) of seven (7) contracts totaling \$33,657,000 were reviewed covering 92% of the total obligations under PSC D399 which totaled \$36,545,220 in obligations under this PSC in FY 2017. Also, six (6) of sixteen (16) contracts totaling \$5,038,110 were reviewed covering 58% of the total obligations under PSC R799 which totaled \$8,738,136 in obligations in FY 2017. These contracts were chosen for review based on (1) their dollar value and (2) the fact they involved ongoing support as opposed to a one-time service need.

Methodology

The primary methodologies used to support the analysis of the chosen contracts studied consisted of interviews with the CORs and Contracting Officers (COs) of the contracts chosen and a review of the contracts.

Findings

1. NSF has no personal services contract obligations.
2. A review of the selected contracts under PSC D399 and PSC R799 indicated that they:
 - (a) were not contracts that were closely associated with inherently governmental functions;
 - (b) were not using contractor employees to perform inherently governmental functions;
 - (c) have 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;
 - (d) are not using contractor employees to perform critical functions in such a way that could affect the ability of the agency to maintain control of its mission and operation; and

- (e) have sufficient agency resources to manage and oversee contracts effectively.

3. No workforce issues were identified as a result of this review.

Actions Taken or Planned

Based on the preceding analysis, there are no actions taken or planned concerning the contracts under PSC D399 and PSC R799. None of the contracts reviewed are for personal services and none were found to be inherently governmental in nature. The mix of federal employees and contractors were considered to be effectively balanced for the contracts reviewed.

There are no remaining follow-up steps on actions from previous inventory analyses that were identified as pending or planned as all issues have been resolved and explained in previous inventory reports.

Accountable Officials

The senior agency management official who is (1) accountable for the development of agency policies, procedures, and training associated with OFPP Policy Letter 11-01, and (2) responsible for ensuring appropriate internal management attention is given to the development and Analysis of service contract inventories is Mr. Patrick K. Breen, NSF Senior Procurement Executive.

Planned FY 2018 Analysis

This portion of the report responds to the Office of Management and Budget's Office of Federal Procurement Policy (OFPP) request to submit to OFPP a planned analysis identifying which special interest functions in its FY 2018 inventory will be evaluated for analysis. This submission provides the list of PSCs, dollars obligated for those PSCs in FY 2018, and a brief description of the rationale for selection.

NSF plans to analyze the functions under R699 (Support – Administrative: Other) and R426 (Support- Professional: Communications). NSF Obligations in FY 2018 under PSC R699 totaled \$3,455,649. NSF Obligations in FY 2018 under PSC R426 totaled \$6,157,927.19. NSF is choosing PSC R699 because it was one of the PSCs encouraged to be analyzed in the 09/07/2018 OMB document entitled "FY 2018 Service Contract Inventory Checklist". PSC R426 was chosen because it is the 8th largest PSCs in terms of percentage of obligations in FY 2018 that are not under a special interest function at NSF and have contracts being performed. These functions have not been previously the subject of a focused review by NSF.