

FEDERAL MARITIME COMMISSION
SERVICE CONTRACT INVENTORY ANALYSIS

FY 2011

As provided in the Office of Management and Budget (OMB) Memorandum on November 5, 2010, and December 19, 2011, Service Contract Inventories (SCI), (<http://www.whitehouse.gov/omb/procurement-service-contract-inventories>), agencies were tasked to conduct a meaningful analysis of the data in their 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 in the agency is effectively balanced. The Federal Maritime Commission’s (FMC) contracting staff reviewed each of these contracts. The results of this review are summarized below.

As prescribed in the memorandum, the team reviewed the Product Service Codes (PSCs) and Special Interest Functions (SIFs) provided by OMB, as well as the highest dollar volume PSCs included in the Federal Procurement Data System – Next Generation (FPDS-NG). The following PSCs were reported to OMB as FMC Special Interest Functions:

PSC	PSC Description	Number of Contracts FY 2011 for PSC	Total Contracting Dollars FY 2011 for PSC
D307	Automated Information Systems Services	1	\$184,549.00

AGENCY ANALYSIS

FMC utilized the services of the Bureau of Public Debt for contracting during the first and second quarters of FY 2011 for complex procurements or acquisitions above the micro-purchase threshold. Seven (7) of the ten (10) Service Contracts on this inventory were administered by BPD.

All service contracts were reviewed. FMC has issued no contracts for personal services, and the agency is giving attention, as set forth in FAR 37.114, to avoid contracting for functions that are closely associated with inherently governmental functions. The following characteristics were adhered to for each of the contracts reviewed:

- i. the agency is not using contractor employees to perform inherently governmental functions;
- ii. the agency has 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;
- iii. the agency is 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 operations; and
- iv. there are sufficient internal agency resources to manage and oversee contracts effectively.

One contract represented greater than 1% of the FY 2011 obligations. The remaining service contracts represent less than 1% of the fiscal year obligations.

AGENCY FINDINGS

Due to the lack of procurement staff on site, FMC previously had contracted with BPD for procurement services. BPD also had reported procurements to the FPDS-NG System.

Currently, FMC needs to more consistently identify Product Service Codes on all acquisitions handled, as some contracts were identified with miscoding and/or missing data elements.

The FMC will improve the data input process to FPDS-NG for the next submission to ensure the complete and accurate retention of contracting data.

FMC has placed emphasis on awarding contracts to 8(a) firms where feasible and will continue to do so. Also, contractors will not be utilized to perform inherently governmental functions, but to meet agency needs for skills and services not available through staff.