

**National Science Foundation FY 2016
Service Contract Inventory Analysis Report**

National Science Foundation

February 21, 2018

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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 2016 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 2016, 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 2017.

Scope

In accordance with NSF's SCI Planned Analysis Report dated February 17, 2017, NSF analyzed the functions under PSC R410 (Support – Professional: Program Evaluation/Review/Development) and D321 (IT and Telecom – Help Desk). NSF Obligations in FY 2016 under PSC R410 totaled \$10,333,800. NSF Obligations in FY 2016 under PSC D321 totaled \$6,272,830. NSF chose PSC R410 and PSC D321 for the following reasons:

- In our FY 2011 and FY 2012 analyses, NSF already examined the PSC codes in the OMB/OFPP designated special interest functions for which we had obligations. Our FY 2011 analysis looked at PSC Code R408 (Program Management/Support Services), while the FY 2012 NSF analysis examined PSC Codes R707 (Management Services/Contract and Procurement Support) and D307 (Automated Information System Services).
- NSF's has also analyzed the three largest NSF PSCs in terms of percentage of obligations that are not under special interest functions. These PSCs are M1HA (Operation of Government-Owned Contractor-Operated (GOCO) R&D Facilities), R499 (Support – Professional: Other), and D318 (IT and Telecom – Integrated Hardware/Software/Services Solutions, Predominately Services).
- The FY 2015 analysis report addressed PSC B599 (Special Studies/Analysis –Other) and AJ96 (R&D – General Science/Technology: Other (Management/Support) since they were amongst the top ten largest PSCs in terms of percentage of obligation.
- PSC R410 (Support – Professional: Program Evaluation/Review/Development) and D321 (IT and Telecom – Help Desk) are being examined in this FY 2016 analysis since they are included among the top ten largest PSCs in terms of percentage of obligation that has not been analyzed.

In NSF's FY 2016 analysis, six (6) contracts were reviewed under PSC D321 totaling \$6,272,830 which consisted of 100% of the total obligations under this PSC in FY 2016. Also, sixteen (16) of twenty-three (23) contracts totaling \$4,272,459 were reviewed covering 41% of the total obligations under PSC R410 which totaled \$10,333,800 in obligations in FY 2016. 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 D321 and PSC R410 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 D321 and PSC R410. 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. Jeffery M. Lupis, NSF Senior Procurement Executive.

Planned FY 2017 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 2017 inventory will be evaluated for analysis. This submission provides the list of PSCs, dollars obligated for those PSCs in FY 2017, and a brief description of the rationale for selection.

NSF plans to analyze the functions under PSC D399 (IT and Telecom- Other IT and Telecommunications) and R799 (Support-Management: Other). NSF Obligations in FY 2017 under PSC D399 totaled \$18,454,138. NSF Obligations in FY 2017 under PSC R799 totaled \$5,773,035. NSF is choosing PSC D399 and PSC R799 because they are the 5th and 8th largest PSCs, respectively, in terms of percentage of obligations in FY 2017 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.