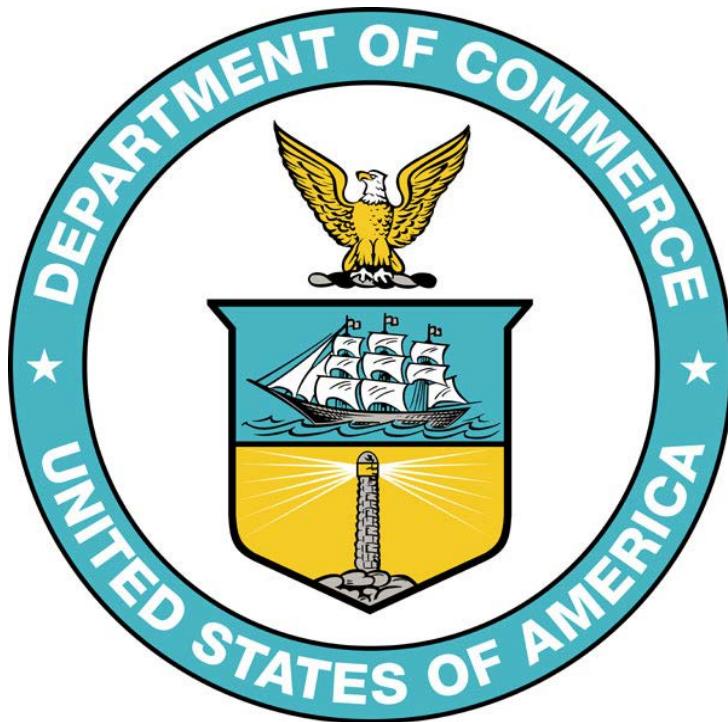


# **DEPARTMENT OF COMMERCE**



**PLANNED ANALYSIS OF  
FISCAL YEAR  
2016 SERVICE CONTRACT INVENTORY**

**Department of Commerce**  
**Planned Analysis of Service Contract Inventory for Fiscal Year 2016**



Pursuant to Section 743 of Division C of the Fiscal Year (FY) 2010 Consolidated Appropriations Act and Office of Management and Budget's (OMB) memoranda dated November 5, 2010 and December 12, 2011, agencies are required to perform a meaningful analysis of its annual service contracts in excess of \$25,000, giving priority consideration to the "special interest functions", those Product and Service Codes (PSCs) identified by OMB that require increased monitoring to ensure the Government is effectively managing risks and receiving the best results for taxpayers.

In compliance with the requirements of Section 743, the Department of Commerce (Department) prepared a Service Contract Inventory (SCI) Analysis for FY 2015, which was posted on OMB Max on March 7, 2017. Using data derived from the Federal Procurement Data System (FPDS), 5,544 service contracts totaling \$3,048,566,327 billion were identified as part of the FY 2015 inventory. Once approved by OMB, both the FY 2015 Analysis Report and Planned Analysis of FY 2016 will be available on the Department's website at: <http://www.osec.doc.gov/oam/>.

This report provides the Department's planned analysis of the SCI for FY 2016. To ensure data quality, Bureau procurement offices reviewed data elements of the FY 2016 service contract inventory and corrected any identified errors, missing data or other inaccuracies in FPDS prior to the being finalized and posted by the Integrated Award Environment to the [USASpending.gov](http://USASpending.gov) website.

In assessing the FY 2016 service contract inventory, the Department selected 12 Product and Service Codes to study in the FY2016 analysis. The selected functions include ten (10) special interest functions identified by OMB and two (2) agency-specific special interest functions. The agency-specific functions include PSC categories that are of the largest percentage of obligations for the Department and functions identified for management support service contracts that have not been previously analyzed per OMB's instructions.

The following eight (8) OMB-prescribed PSC categories are *excluded* from the planned FY 2016 analysis as the Department's FY 2016 inventory reported zero actions under those categories:

- B505 – Cost Benefit Analyses
- D314 – IT and Telecom – Systems Acquisition Support
- R406 – Policy Review/Development Services
- R407 – Program Evaluation Services
- R409 – Program Review/Development Services
- R414 – Systems Engineering Services
- R423 – Intelligence Services
- R497 – Personal Services Contracts

A sample of contract actions within the 12 identified PSCs will be assessed to determine the following, with the findings reported to OFPP in FY 2017:

- The risk of overreliance on contracted functions, particularly those services identified as special interest functions;
- If the mix of Federal employees and contractors for a given program is an effective, multi-sector workforce balance or if rebalancing is needed;
- Contracts that have been poorly performed due to excessive costs or inferior quality;
- If contracts should be considered for conversion to performance by Federal employees; and
- If an alternative acquisition approach would better enable the agency to efficiently utilize its assets and achieve its public mission.

**Figure 1: Product & Service Codes Selected for FY 2016 Analysis**

<b>PSC</b>	<b>Description of Function</b>	<b>Amount Obligated</b>	<b># of Actions</b>	<b>% of Total Obligations</b>
<b>OMB Special Interest Functions:</b>				
D302*	IT and Telecom – Systems Development	\$374,215,921	259	7.8%
D307	Automated Information Systems Services	\$68,095,471	41	3.8%
D310	ADP Backup and Security Services	\$10,408,160	41	0.2%
R408*	Program Management/Support Services	\$98,530,756	171	2.1%
R413	Specifications Development Services	\$1,516,072	4	0.0%
R707	Management Services/Contract & Procurement Support	\$30,330,906	42	0.6%
R425*	Engineering and Technical Services	\$181,118,109	514	3.8%
<b>Agency-Specific Special Interest Functions:</b>				
D318*	IT and Telecom – Integrated Hardware/Software/Services Solutions, Predominantly Service	\$233,365,663	424	4.9%
Y1EZ*	Construction of Other Industrial Building	\$79,043,175	118	1.7%

\* DOC Top Largest Percentage of Obligations