U.S. Department of Transportation

Office of the Secretary of Transportation

FY 2011
SERVICE CONTRACT INVENTORY
ANALYSIS REPORT

December 17, 2012

Submitted to

Office of Management and Budget

EXECUTIVE SUMMARY

The Department of Transportation (DOT) is working to improve the management of service contracts. Recognizing tough current and future federal budget constraints, DOT's ability to manage service contracts more effectively and to proactively find cost savings without adversely affecting the mission remains a top priority. In 2011, the Office of Management and Budget (OMB) identified 12 service codes as part of a Management Support Services Savings Initiative and asked all agencies to cut spending in these service codes by 15 percent from FY 2010 to the end of FY 2012. Using data queried from the Federal Procurement Data System (FPDS) dated October 9, 2012, DOT analyzed the FY 2011 service contract inventory data concentrating more in-depth analysis on the 12 OMB-selected management support services.

In FY 2011, DOT spent $5.8 billion on all contracts—goods and services. Eighty-one percent, or $4.7 billion, was spent on service contracts. Nine of 11 Operating Administrations (OAs) spent more than 80 percent of their contract dollars on service contracts.

In FY 2011, DOT spent $1.3 billion on the 12 OMB-selected management support services, which represents 22 percent of the total spending on all service contracts. In the 12 categories:

- 61 percent of spending was in R425-Engineering and Technical Services;
- 20 percent of spending was in R408-Program Management/ Support Services; and
- 6 percent of spending was in R421-Technical Assistance.

DOT then analyzed these three top spending categories in more detail to understand: (1) changes in contract composition from FY 2010 to FY 2011; (2) span and median value of action obligations; (3) type of competition among vendors and changes from FY 2010 to FY 2011; (4) place of performance; (5) how well small and disadvantaged business goals were meet; and (6) spending pattern for FY 2011. This analysis provides an important foundation for identifying specific areas for further examination to ensure that contract labor is used appropriately and efficiently.

For FY 2011 DOT selected and reviewed 41 contracts, representing 20 percent of the total spending in the OMB-selected management support services. Out of these 41 contracts:

- 19 contracts involved critical work;
- All contracts reviewed had adequate supervision; and
- No insourcing was recommended. The OAs cited either no available FTEs, lack of government expertise, or they valued the flexibility of a contractor workforce.

To meet OMB's goal to reduce spending in management support services by 15 percent, DOT must reduce spending by nearly $193 million by the end of FY2012. In FY 2011, DOT began three important initiatives to reduce overall contract spending and to specifically meet the OMB 15 percent reduction goal:

1. Increasing awareness;
2. Reducing high-risk contracting; and
3. Implementing DOT-wide strategic sourcing.

The Senior Procurement Executive (SPE) continues to brief the CAO, SAC, CFO, AMC, and CIO on reducing the use of high-risk contract types. In those instances where it is best to use a higher risk contract type, the SPE continues to stress effective oversight. The SPE recognizes that certification of

the acquisition workforce—including contracting staff, Contracting Officer's Representatives (CORs), and program managers—is essential to effective oversight of all contracts. From FY 2009 to FY 2012, DOT certifications have increased substantially.

In FY 2011 and FY 2012, DOT successfully implemented phase 1 of a three phase strategic sourcing plan. In FY 2012, DOT saved $201M in management support services, IT servers/storage devices, office supplies, printing, personal computing devices, and IT peripherals.

In addition to continuing with these initiatives, in FY 2012, the SPE began two additional important initiatives.

1. FPDS data analysis—using data analysis as a management tool to better understand and track service contract spending throughout DOT; and
2. Developing a comprehensive policy on management support services contracting—this effort is a joint initiative with the Chief Financial Officer.

DOT continues to work collaboratively with program, acquisition, finance, and information technology offices to develop recommendations and to take action. The SPE continues to lay the groundwork for establishing internal management controls for new service contracts, as well as identifying existing FY 2011 service contracts that are in high risk categories, duplicates, or candidates for renegotiation.

12/12/12
Senior Procurement Executive

for 12/27/12
Chief Human Capital Officer

19 DEC 2012
Chief Information Officer

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1.0 INTRODUCTION

The Office of Management and Budget (OMB) is asking agencies to improve the management of service contracts to ensure that contract labor is used appropriately and efficiently. This improved management includes:

- Understanding the functions that contract labor performs to ensure that contractors are not performing inherently governmental or critical functions;
- Using a multi-sector workforce approach to avoid overreliance on contractors and to ensure the right mix of federal employees and contractors; and
- Using acquisition processes and contract management to reduce contract costs.

The Department of Transportation (DOT) is working to improve the management of service contracts. Recognizing tough current and future budget constraints, DOT's ability to manage service contracts more effectively and to proactively find cost savings without adversely affecting the mission remains a top priority. During FY 2011, DOT analyzed the service contract inventory concentrating on management support services and identifying ways to reduce spending in these areas by 15 percent by the end of FY 2012.

This Service Contract Inventory Analysis Report presents the analysis methodology, findings, and the resulting recommendations and actions. As this is the second year this analysis is being performed, the report will also follow up on trends from the FY 2010 to FY 2011 analysis.

2.0 ANALYSIS METHODOLOGY

Section 743 of Division C of the FY 2010 Consolidated Appropriations Act, Public Law 111-117 requires civilian agencies to prepare an annual inventory of their service contracts. OMB issued a memorandum for Chief Acquisition Officers and Senior Procurement Executives, dated December 19, 2011, providing specific guidance for developing, analyzing, and reporting on the Service Contract Inventory.

During FY 2012, GAO assessed agency efforts to comply with the legislative requirements. In the September 2012 GAO report "Civilian Service Contract Inventories," GAO recommended agencies review a larger percentage of their service contracts each year, providing the dollar value of the contracts reviewed as a percentage of total service contracts. The report also recommended that agencies provide their rationale for reviewing the selected contracts, provide more contexts around the findings, and report on steps taken to resolve any issues.

On December 11, 2012, OMB issued draft guidance to ensure that agencies were aware of the recommendations made by GAO and to incorporate them in the FY 2012 Service Contract Inventory Analysis Report. The guidance was not issued for this reporting cycle. However, DOT had already begun to implement the recommendations from GAO for the FY 2011 Service Contract Inventory analysis.

In response to the 2011 guidance and the GAO recommendations, DOT:

- Developed the FY 2011 Service Contract Inventory using service contract action obligations over $25,000 awarded in FY 2011. This inventory was submitted to OMB by December 30, 2011.
- Conducted analysis on the FY 2011 Service Contract Inventory to determine if contract labor is being used appropriately and efficiently;
- Developed new guidance, a form, and checklists for reviewing individual contracts;
- Developed recommendations and took actions to improve the use of contract labor.

A list of the applicable legislation and guidance is provided in *Appendix A: Applicable Legislation and Guidance*.

2.1 Service Contract Inventory Analysis

DOT analyzed the FY 2011 Service Contract Inventory concentrating on the OMB-selected special interest functions. In the December 19, 2011, Memorandum, OMB identified 12 product and service codes (PSCs) in the areas of professional and management services and information technology support services as "special interest functions." These special interest functions were identified based on four management concerns:

1. Spending in these areas had increased four-fold in the last decade, outpacing spending in most other areas;
2. The majority of contracts in these areas are high risk type contracts; i.e., time-and-and materials, labor hour, or cost-plus;
3. Using contractors in these areas increases the risk of contracting out inherently governmental functions and potentially losing control of mission and operations; and
4. These areas are vulnerable to misuse as a means to augment federal government staff.

DOT asked each operating administration (OA) to identify specific contracts within the OMB-selected management support functions they would review. The OAs reviewed the selected contracts in accordance with the requirement in Section 743 (e) for the purpose of ensuring that:

"(i) each contract in the inventory that is a personal services contract has been entered into, and is being performed, in accordance with applicable laws and regulations;

(ii) the agency is giving special management attention, as set forth in FAR 37.114, to functions that are closely associated with inherently governmental functions;

(iii) the agency is not using contractor employees to perform inherently governmental functions;

(iv) 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;

(v) 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

(vi) there are sufficient internal agency resources to manage and oversee contracts effectively."[1]

The individual contract review process included the completion of a Service Contract Review Form to ensure that all the Section 743(e) requirements were addressed, as well as questions to address the extent of competition, the business status, plans to re-compete the contract, and whether or not this contract work should be insourced. To complete the template, the OAs reviewed the contract file and, as necessary, conducted interviews with the relevant program and acquisition offices.

2.2 Management Support Services Savings Initiative

In 2011, OMB identified 12 service codes as part of a Management Support Services Savings Initiative asking all agencies to cut spending in these areas by 15 percent from FY 2010 to the end of FY 2012. Table 2-1 provides a list of the service codes selected as management support services.

Table 2-1: OMB-Selected Management Support Services

OMB-Selected Management Support Services Service Codes			
D302	ADP Systems Development Services	R414	Systems Engineering Services
D307	Automated Information System Services	R421	Technical Assistance
D310	ADP Backup and Security Services	R423	Intelligence Services
D314	ADP Acquisition Support Services	R425	Engineering and Technical Services
R408	Program Management/Support Services	R497	Personal Services Contracts
R413	Specifications Development Services	R707	Mgt Svcs/Contract & Procurement Sup

2.3 Federal Procurement Data System Data Considerations

Since developing the FY 2010 Service Contract Inventory, DOT has become aware of three areas that must be considered when using FPDS data to analyze service contract spending:

1. The FPDS data is not static and changes periodically with corrections and additions of records.
2. The FPDS query guidance from OMB to exclude small action obligations under $25,000 also excludes de-obligations, which overstates actual overall spending overall by 1.2 percent.
3. Changes in PSC designation from the "Other" category to the appropriate PSC code may explain changes in spending from FY 2010 to FY 2011.*

*** Changes in the "Other" category.** Changes in PSC designation from the "Other" category to the appropriate PSC code may explain changes in spending from FY 2010 to FY 2011. DOT efforts to improve FPDS data quality have resulted in a shift of contract action obligations from the general "Other "category to a more specific service code. The spending in "Other" had decreased by 96 percent form FY 2010 to FY 2011. This shift may explain large differences in spending changes in PSC Codes from FY 2010 to FY 2011 that are not the result of a change in buying habits, but only a change in classification.

Appendix B: Service Contract Inventory Data Elements contains the OMB-required FPDS data elements and their description.

[1] Service Contract Inventory Requirement. Public Law 111-117. Section 743. December 16, 2009.

3.0 ANALYSIS FINDINGS

3.1 Service Contract Inventory Analysis

DOT spent $5.8 billion on contracts (action obligations) in FY 2011. Eighty one percent or $4.7 billion was spent on service contracts. Ten operating administrations (OAs) spent 80 percent or more of their contract dollars on service contracts. In FY 2011:

- Federal Aviation Administration (FAA) spent 80 percent of their total contract spending on services;
- Federal Highway Administration (FHWA) spent 99 percent of their total contract spending on services; and
- Federal Motor Carrier Safety Administration (FMCSA), Federal Railroad Administration (FRA), and the Federal Transit Administration (FTA) all spend over 90 percent of their total contract spending on services.

Table 3-1 provides a breakdown of total spending and spending for service contracts by Operating Administration (OA).

Table 3-1: Service Contract Spending by Operating Administration

Operating Administration	FY 2011 Action Obligations			Percentage Service Contract Inventory of Total Contracts (AO > 25000)
	Total Contracts	Total Contracts (AO > 25000)	Service Contract Inventory (AO > 25000)	
Federal Aviation Administration (FAA)	$ 3,607,538,261	$ 3,605,688,194	$ 2,887,456,220	80%
Federal Highway Administration (FHWA)	$ 626,916,136	$ 660,538,550	$ 654,871,551	99%
Federal Motor Carrier Safety Administration (FMCSA)	$ 45,286,204	$ 44,493,666	$ 40,868,070	92%
Federal Railroad Administration (FRA)	$ 66,796,029	$ 67,260,675	$ 64,050,466	95%
Federal Transit Administration (FTA)	$ 206,902,236	$ 208,593,219	$ 209,389,043	100%
Maritime Administration (MARAD)	$ 365,580,564	$ 378,951,133	$ 49,264,716	13%
National Highway Traffic Safety Administration (NHTSA)	$ 104,356,323	$ 110,651,575	$ 105,883,198	96%
Office of the Secretary of Transportation (OST)	$ 423,326,460	$ 436,609,761	$ 428,663,290	98%
Pipeline and Hazardous Materials Safety Administration (PHMSA)	$ 34,991,950	$ 34,095,007	$ 32,440,899	95%
Research and Innovative Technology Administration (RITA)	$ 175,694,062.10	$ 180,727,480	$ 170,420,097	94%
Saint Lawrence Seaway Development Corporation (SLSDC)	$ 16,359,662.53	$ 15,500,053	$ 13,830,098	89%
Other	$ 33,013,584.80	$ 32,852,805	$ 40,548,080	123%
Total	**$ 5,706,761,473**	**$ 5,775,962,118**	**$ 4,697,685,730**	81%

Table 3-2 provides a breakdown of service contract spending by Operating Administration (OA) and a percentage of their spending as a part of the total service contract spending.

- Federal Aviation Administration (FAA) was responsible for 61.5 percent of DOT total spending on service contracts at DOT;
- Federal Highway Administration (FHWA) was responsible for 13.9 percent of DOT total spending on service contracts at DOT; and
- Federal Motor Carrier Safety Administration (FMCSA), Federal Railroad Administration (FRA), and the Federal Transit Administration (FTA) together are responsible for 0.9 percent, 1.4 percent, and 4.5 percent of the total service contract spending at DOT.

Table 3-2: OA Service Contract Spending as a Part of Total Service Contract Spending

Operating Administration	FY 2011 Action Obligations		Percentage of Total Service Contract Inventory
	Total Contracts (AO > 25000)	Service Contract Inventory (AO > 25000)	
Federal Aviation Administration (FAA)	$3,605,688,194	$2,887,456,220	61%
Federal Highway Administration (FHWA)	$ 660,538,550	$ 654,871,551	14%
Federal Motor Carrier Safety Administration (FMCSA)	$ 44,493,666	$ 40,868,070	1%
Federal Railroad Administration (FRA)	$ 67,260,675	$ 64,050,466	1%
Federal Transit Administration (FTA)	$ 208,593,219	$ 209,389,043	4%
Maritime Administration (MARAD)	$ 378,951,133	$ 49,264,716	1%
National Highway Traffic Safety Administration (NHTSA)	$ 110,651,575	$ 105,883,198	2%
Office of the Secretary of Transportation (OST)	$ 436,609,761	$ 428,663,290	9%
Pipeline and Hazardous Materials Safety Administration (PHMSA)	$ 34,095,007	$ 32,440,899	1%
Research and Innovative Technology Administration (RITA)	$ 180,727,480	$ 170,420,097	4%
Saint Lawrence Seaway Development Corporation (SLSDC)	$ 15,500,053	$ 13,830,098	0%
Other	$ 32,852,805	$ 40,548,080	1%
Total	**$ 5,775,962,118**	**$ 4,697,685,730**	100%

Table 3-3 presents an overview of the changes in service contract spending from FY 2010 to FY 2011. From FY 2010 to FY 2011:

- Total service contract spending has decreased three percent;
- Federal Transit Administration (FTA), Research and Innovative Technology Administration (RITA) and the Saint Lawrence Seaway Development Corporation (SLSDC) have each increased their service contract spending by above 80 percent; and
- Spending in category *Other* has decreased by 96 percent. *Other* consists partly of spending where there is no information about which agency is funding the action obligation.

Table 3-3: Service Contract Inventory – Change from FY 2010

Operating Administration	Service Contract Inventory FY 2010	Service Contract Inventory FY 2011	SCI Change from FY 2010 to FY 2011
National Highway Traffic Safety Administration (NHTSA)	$ 39,671,432	$ 105,883,198	167%
Federal Transit Administration (FTA) *	$ 89,002,665	$ 209,389,043	135%
Research and Innovative Technology Administration (RITA)	$ 87,986,926	$ 170,420,097	94%
Saint Lawrence Seaway Development Corporation (SLSDC)	$ 7,542,613	$ 13,830,098	83%
Office of the Secretary of Transportation (OST)	$ 271,369,182	$ 428,663,290	58%
Federal Railroad Administration (FRA)	$ 49,108,072	$ 64,050,466	30%
Federal Aviation Administration (FAA)	$ 2,387,490,687	$ 2,887,456,220	21%
Pipeline and Hazardous Materials Safety Administration (PHMSA)	$ 31,580,004	$ 32,440,899	3%
Maritime Administration (MARAD)	$ 48,330,619	$ 49,264,716	2%
Federal Highway Administration (FHWA)	$ 658,064,832	$ 654,871,551	0%
Federal Motor Carrier Safety Administration (FMCSA)	$ 46,059,204	$ 40,868,070	-11%
Other	$ 1,141,508,114	$ 40,548,080	-96%
Total	**$ 4,857,714,350**	**$ 4,697,685,730**	-3%

DOT reviewed the service contract spending by service code categories:

- 35.4 percent of spending was in category R—Support (Professional/Administrative/Management);
- 18.6 percent of spending was in category A—Research and Development;
- 64.5 percent of spending was within the three top spending categories; and
- 87.8 percent of spending was within the top six categories.

Table 3-4 provides DOT spending by service code category rank ordered from largest to smallest amount.

Table 3-4: DOT Spending by Service Code Category

	Service Code Category	FY 2011 Action Obligations	Percentage of Total	
R	Support (Professional/ Administrative/ Management)	$ 1,663,956,067	35.42%	
A	Research and Development	$ 872,387,607	18.57%	64.49%
S	Utilities and Housekeeping	$ 493,182,833	10.50%	
Y	Construction of Structures/Facilities	$ 450,976,064	9.60%	87.84%
D	Information Technology and Telecommunications	$ 330,564,332	7.04%	
V	Transportation/Travel/Relocation	$ 315,403,045	6.71%	
C	Architect and Engineering Services	$ 137,346,369	2.92%	
U	Education/Training	$ 133,333,980	2.84%	
B	Special Studies/Analysis, Not R&D	$ 85,341,590	1.82%	
Z	Maintenance, Repair, Alteration of Structures/Facilities	$ 66,355,421	1.41%	
X	Lease/Rental of Structures/Facilities	$ 34,659,181	0.74%	
N	Installation of Equipment	$ 26,561,460	0.57%	
H	Quality Control, Testing, and Inspection	$ 20,667,069	0.44%	
J	Maintenance, Repair, and Rebuilding of Equipment	$ 18,848,659	0.40%	
M	Operation of Structures/Facilities	$ 14,376,713	0.31%	
T	Photo/Map/Print/Publication	$ 10,741,342	0.23%	
F	Natural Resources Management	$ 6,979,857	0.15%	3.17%
P	Salvage	$ 5,782,576	0.12%	
Q	Medical	$ 5,531,098	0.12%	
L	Technical Representative	$ 3,289,065	0.07%	
W	Lease/Rental of Equipment	$ 937,059	0.02%	
K	Modification of Equipment	$ 238,000	0.01%	
E	Purchase of Structures/Facilites	$ 153,942	0.00%	
G	Social	$ 72,402	0.00%	
	Total	**$ 4,697,685,730**		

Table 3-5 presents the change in DOT spending by service code. From FY 2010 to FY 2011:

- Categories Technical Representative (L), Salvage (P), and Medical (Q) each increased above 100 percent but from low dollar values; and
- Support (R) and Research and Development (S), the two largest categories by dollar values, have increased 12.6 percent and 12.2 percent respectively.

Table 3-5: DOT Spending by Service Code – Change from 2010

	Service Code Category	FY 2011 Action Obligations	Change from FY 2010 to FY 2011
L	Technical Representative	$ 3,289,065	183.67%
P	Salvage	$ 5,782,576	142.21%
Q	Medical	$ 5,531,098	132.33%
T	Photo/Map/Print/Publication	$ 10,741,342	34.65%
Y	Construction of Structures/Facilities	$ 450,976,064	17.92%
R	Support (Professional/ Administrative/ Management)	$ 1,663,956,067	12.61%
A	Research and Development	$ 872,387,607	12.17%
J	Maintenance, Repair, and Rebuilding of Equipment	$ 18,848,659	-0.02%
F	Natural Resources Management	$ 6,979,857	-8.27%
V	Transportation/Travel/Relocation	$ 315,403,045	-8.27%
M	Operation of Structures/Facilities	$ 14,376,713	-9.65%
D	Information Technology and Telecommunications	$ 330,564,332	-12.11%
W	Lease/Rental of Equipment	$ 937,059	-15.78%
U	Education/Training	$ 133,333,980	-16.05%
H	Quality Control, Testing, and Inspection	$ 20,667,069	-17.50%
B	Special Studies/Analysis, Not R&D	$ 85,341,590	-20.82%
C	Architect and Engineering Services	$ 137,346,369	-22.96%
N	Installation of Equipment	$ 26,561,460	-24.13%
Z	Maintenance, Repair, Alteration of Structures/Facilities	$ 66,355,421	-31.92%
S	Utilities and Housekeeping	$ 493,182,833	-36.56%
X	Lease/Rental of Structures/Facilities	$ 34,659,181	-43.00%
K	Modification of Equipment	$ 238,000	-71.26%
G	Social	$ 72,402	-76.08%
E	Purchase of Structures/Facilites	$ 153,942	-79.55%
	Total	**$ 4,697,685,730**	

In Table 3-6 and Table 3-7, DOT examines service contract spending by service code category and type of contract. The contract dollars shown as a percentage reveal that:

- Fifty-eight percent of total spending is on fixed price type contracts, 30.2 percent is on cost type contracts, 11.1 percent is on time and material type contracts; and
- Within some of the service codes, more than half of the spending is on high-risk contract types.

Table 3-6: DOT Spending by Service Code – Percentages

Service Code Category		FY 2011 Action Obligations				
		Total Cost Contracts	Total T&M Contracts	Total Fixed Price Contracts	Total Other Contracts	Total Contracts
R	Support (Professional/ Administrative/ Management)	42.4%	18.3%	38.5%	0.9%	$ 1,663,956,067
A	Research and Development	36.4%	12.0%	51.1%	0.5%	$ 872,387,607
S	Utilities and Housekeeping	19.0%	0.2%	80.9%	0.0%	$ 493,182,833
Y	Construction of Structures/Facilities	0.0%	0.0%	100.0%	0.0%	$ 450,976,064
D	Information Technology and Telecommunications	29.8%	23.5%	46.1%	0.6%	$ 330,564,332
V	Transportation/Travel/Relocation	0.1%	0.0%	99.9%	0.0%	$ 315,403,045
C	Architect and Engineering Services	16.0%	3.4%	80.6%	0.1%	$ 137,346,369
U	Education/Training	83.1%	1.7%	14.6%	0.7%	$ 133,333,980
B	Special Studies/Analysis, Not R&D	56.6%	14.5%	28.6%	0.2%	$ 85,341,590
Z	Maintenance, Repair, Alteration of Structures/Facilities	3.8%	5.2%	91.0%	0.0%	$ 66,355,421
X	Lease/Rental of Structures/Facilities	0.0%	0.0%	100.0%	0.0%	$ 34,659,181
N	Installation of Equipment	0.0%	0.5%	99.5%	0.0%	$ 26,561,460
H	Quality Control, Testing, and Inspection	32.5%	24.9%	41.2%	1.3%	$ 20,667,069
J	Maintenance, Repair, and Rebuilding of Equipment	0.8%	4.8%	94.4%	0.0%	$ 18,848,659
M	Operation of Structures/Facilities	84.7%	0.0%	9.8%	5.4%	$ 14,376,713
T	Photo/Map/Print/Publication	0.0%	40.9%	53.4%	5.7%	$ 10,741,342
F	Natural Resources Management	0.0%	0.0%	100.0%	0.0%	$ 6,979,857
P	Salvage	0.0%	0.0%	100.0%	0.0%	$ 5,782,576
Q	Medical	22.2%	0.0%	73.3%	4.5%	$ 5,531,098
L	Technical Representative	0.0%	6.8%	93.2%	0.0%	$ 3,289,065
W	Lease/Rental of Equipment	0.0%	2.9%	97.1%	0.0%	$ 937,059
K	Modification of Equipment	0.0%	0.0%	100.0%	0.0%	$ 238,000
E	Purchase of Structures/Facilites	0.0%	0.0%	100.0%	0.0%	$ 153,942
G	Social	0.0%	0.0%	100.0%	0.0%	$ 72,402
	Total	**30.2%**	**11.1%**	**58.2%**	**0.5%**	**100%**

Table 3-7: Service Contract Spending by Service Code – Dollar Amount

Service Code Category		FY 2011 Action Obligations				
		Total Cost Contracts	Total T&M Contracts	Total Fixed Price Contracts	Total Other Contracts	Total Contracts
R	Support (Professional/ Administrative/ Management)	$ 704,762,179	$ 304,333,988	$ 640,605,339	$ 14,254,561	$ 1,663,956,067
A	Research and Development	$ 317,413,169	$ 104,812,667	$ 445,991,379	$ 4,170,392	$ 872,387,607
S	Utilities and Housekeeping	$ 93,546,369	$ 861,714	$ 398,774,750	$ -	$ 493,182,833
Y	Construction of Structures/Facilities	$ -	$ -	$ 450,976,064	$ -	$ 450,976,064
D	Information Technology and Telecommunications	$ 98,393,197	$ 77,635,180	$ 152,495,522	$ 2,040,432	$ 330,564,332
V	Transportation/Travel/Relocation	$ 286,175	$ -	$ 315,116,870	$ -	$ 315,403,045
C	Architect and Engineering Services	$ 21,927,150	$ 4,627,184	$ 110,721,495	$ 70,540	$ 137,346,369
U	Education/Training	$ 110,743,076	$ 2,294,462	$ 19,407,004	$ 889,438	$ 133,333,980
B	Special Studies/Analysis, Not R&D	$ 48,341,075	$ 12,403,418	$ 24,433,927	$ 163,169	$ 85,341,590
Z	Maintenance, Repair, Alteration of Structures/Facilities	$ 2,538,667	$ 3,425,944	$ 60,390,802	$ -	$ 66,355,421
X	Lease/Rental of Structures/Facilities	$ -	$ -	$ 34,659,181	$ -	$ 34,659,181
N	Installation of Equipment	$ -	$ 145,744	$ 26,415,716	$ -	$ 26,561,460
H	Quality Control, Testing, and Inspection	$ 6,724,669	$ 5,149,170	$ 8,518,926	$ 274,304	$ 20,667,069
J	Maintenance, Repair, and Rebuilding of Equipment	$ 157,000	$ 898,035	$ 17,793,624	$ -	$ 18,848,659
M	Operation of Structures/Facilities	$ 12,179,854	$ -	$ 1,415,922	$ 780,937	$ 14,376,713
T	Photo/Map/Print/Publication	$ -	$ 4,395,026	$ 5,737,628	$ 608,688	$ 10,741,342
F	Natural Resources Management	$ -	$ -	$ 6,979,857	$ -	$ 6,979,857
P	Salvage	$ -	$ -	$ 5,782,576	$ -	$ 5,782,576
Q	Medical	$ 1,228,432	$ -	$ 4,053,891	$ 248,775	$ 5,531,098
L	Technical Representative	$ -	$ 224,500	$ 3,064,565	$ -	$ 3,289,065
W	Lease/Rental of Equipment	$ -	$ 27,239	$ 909,820	$ -	$ 937,059
K	Modification of Equipment	$ -	$ -	$ 238,000	$ -	$ 238,000
E	Purchase of Structures/Facilites	$ -	$ -	$ 153,942	$ -	$ 153,942
G	Social	$ -	$ -	$ 72,402	$ -	$ 72,402
	Total	**$1,418,241,014**	**$521,234,270**	**$2,734,709,201**	**$23,501,236**	**$4,697,685,721**

3.2 Management Support Services Analysis

Table 3-8 provides the breakdown of contract spending on service contracts and management support services. In FY 2011:

- DOT spent $1.29 billion on management support services, which is 22 percent of spending on all service contracts. To meet the OMB goal to reduce spending by 15 percent, DOT needs to reduce spending within these areas by nearly $193 billion in FY 2012 support services; and
- The Service Contract Inventory percentage of Total Contract Spend has increased by 5% since FY 2010.

Table 3-8: OMB Management Support Services

Spend Category	FY 2011 Action Obligations > 25000	Percentage of Total Contract Spend	FY 2010 Action Obligations > 25000	Percentage of Total Contract Spend
Total Contract	$ 5,775,962,115		$ 5,674,320,069	
Service Contract Inventory	$ 4,697,685,730	81%	$ 4,857,714,350	86%
OMB Selected Management Support Services	$ 1,287,323,376	22%	$ 1,197,622,441	21%

Management support services spending in the 12 OMB-selected codes are rank ordered from largest to smallest in Table 3-9 and then compared to values for FY 2010:

- 61 percent of spending is in engineering and technical services (R425);
- 81 percent of management support services spending is in the top two categories;
- R408 Program Management/ Support Services have increased 102 percent; and
- Categories R408, D310, R497, and R413 have all increased more than 50 percent since FY 2010.

Table 3-9: OMB-Selected Management Support Services Spend

	OMB Selected Management Support Services	FY 2011 Action Obligations > 25000	Percentage of Total	FY 2010 Action Obligations > 25000	Change from FY 2010
R425	Engineering and Technical Services	$ 789,656,389	61%	$ 745,683,277	6%
R408	Program Management/Support Services	$ 254,140,945	20%	$ 125,924,310	102%
R421	Technical Assistance	$ 71,779,077	6%	$ 92,888,628	-23%
D302	ADP Systems Development Services	$ 33,079,038	3%	$ 74,845,352	-56%
D307	Automated Information System Services	$ 32,562,037	3%	$ 63,043,517	-48%
R414	Systems Engineering Services	$ 38,998,720	3%	$ 39,768,046	-2%
R707	Mgt Svcs/Contract & Procurement Sup	$ 35,328,835	3%	$ 26,711,831	32%
D314	ADP Acquisition Support Services	$ 26,663,114	2%	$ 24,462,312	9%
D310	ADP Backup and Security Services	$ 2,308,240	0%	$ 1,504,829	53%
R423	Intelligence Services	$ 386,870	0%	$ 1,345,047	-71%
R497	Personal Services Contracts	$ 1,866,015	0%	$ 1,108,590	68%
R413	Specifications Development Services	$ 554,096	0%	$ 336,700	65%
		$ 1,287,323,376	100%	**$ 1,197,622,441**	**7%**

Table 3-10 shows management support services spend as a percentage of service contract spending.

- Federal Transit Administration and Research and Innovation Technology Administration are spending 81.5 percent and 64.0 percent of their service contracts on the OMB-Selected Management Support Services; and
- The percentage of Management Support Services out of the total Service Contracts has increased by 2.7 percent since FY 2010. Considering that the Service Contract Inventory has decreased and spending on OMB Selected Management Support Services has increased this is expected.

Table 3-10: Management Support Services Spend as a Percentage of Service Contracts

Operating Administration	FY 2011 Action Obligations		Management Support Services Percentage of SCI FY 2011	Management Support Services Percentage of SCI FY 2010	Change in Management Support Services
	Service Contract Inventory	OMB Selected Management Support Services			
FAA	$2,887,456,220	$ 896,263,380	31.0%	34.0%	-2.9%
FHWA	$ 654,871,551	$ 34,704,930	5.3%	5.9%	-0.6%
FMCSA	$ 40,868,070	$ 4,779,625	11.7%	5.5%	6.2%
FRA	$ 64,050,466	$ 17,933,415	28.0%	34.8%	-6.8%
FTA	$ 209,389,043	$ 170,687,598	81.5%	72.2%	9.3%
MARAD	$ 49,264,716	$ 11,658,190	23.7%	13.7%	9.9%
NHTSA	$ 105,883,198	$ 17,099,905	16.1%	31.4%	-15.2%
OST	$ 428,663,290	$ 8,043,328	1.9%	1.0%	0.9%
PHMSA	$ 32,440,899	$ 10,311,710	31.8%	40.3%	-8.5%
RITA	$ 170,420,097	$ 110,631,996	64.9%	68.5%	-3.6%
SLSDC	$ 13,830,098	$ 285,573	2.1%	5.5%	-3.5%
Other	$ 40,548,080	$ 4,923,728	12.1%	14.8%	-2.6%
Total	**$4,697,685,730**	**$ 1,287,323,376**	27.4%	24.7%	**2.7%**

Tables 3-11 and 3-12 show the spending for management support services by service code and contract type in two ways—Table 3-11 as percentages and Table 3-12 in dollar values. The findings were:

- 35.2 percent ($454 M) is in fixed price contracts;
- 51.2 percent ($659M) is in cost type contracts;
- 12.8 percent ($164M) is in time and material type contracts;
- For service code R425—Engineering and Technical Services (representing 61.3 percent of total spending) — 66 percent of spending was on cost contracts ($432M);
- For service codes D302—ADP Systems Development Services and D307—Automated Information System Services, more than 65 percent of spending was on cost type contracts.
- In contrast to FY 2010, spending has decreased in all categories with the exception of cost contracts where it has increased 47 percent.

Table 3-11: Management Support Services Spend by Service Code and Contract Type (Percentages)

OMB Selected Management Support Services		FY 2011 Action Obligations				
		Total Cost Contracts	Total T&M Contracts	Total Fixed Price Contracts	Total Other Contracts	Total Contracts
R425	Engineering and Technical Services	54.76%	14.08%	30.55%	0.60%	$ 789,656,389
R408	Program Management/Support Services	59.11%	10.65%	29.99%	0.25%	$ 254,140,945
R421	Technical Assistance	6.79%	13.13%	74.21%	5.88%	$ 71,779,077
D302	ADP Systems Development Services	68.28%	2.04%	28.84%	0.83%	$ 33,079,038
D307	Automated Information System Services	67.77%	5.64%	26.59%	0.00%	$ 32,562,037
R414	Systems Engineering Services	63.82%	1.66%	34.52%	0.00%	$ 38,998,720
R707	Mgt Svcs/Contract & Procurement Sup	4.25%	21.24%	74.51%	0.00%	$ 35,328,835
D314	ADP Acquisition Support Services	0.00%	17.77%	82.23%	0.00%	$ 26,663,114
D310	ADP Backup and Security Services	0.00%	60.63%	39.37%	0.00%	$ 2,308,240
R423	Intelligence Services	0.00%	0.00%	100.00%	0.00%	$ 386,870
R497	Personal Services Contracts	0.00%	0.00%	100.00%	0.00%	$ 1,866,015
R413	Specifications Development Services	0.00%	66.21%	33.79%	0.00%	$ 554,096
		51.16%	12.81%	35.27%	0.76%	**$ 1,287,323,376**
	Change from Fiscal Year 2010	**47%**	**-12%**	**-16%**	**-59%**	

Table 3-12: Management Support Services Spend by Service Code and Contract Type (Dollar Values)

OMB Selected Management Support Services		FY 2011 Action Obligations				
		Total Cost Contracts	Total T&M Contracts	Total Fixed Price Contracts	Total Other Contracts	Total Contracts
R425	Engineering and Technical Services	$ 432,454,236	$ 111,213,289	$ 241,273,376	$ 4,715,489	$ 789,656,389
R408	Program Management/Support Services	$ 150,219,071	$ 27,062,145	$ 76,223,728	$ 636,000	$ 254,140,945
R421	Technical Assistance	$ 4,872,923	$ 9,422,169	$ 53,266,931	$ 4,217,053	$ 71,779,077
D302	ADP Systems Development Services	$ 22,587,750	$ 675,953	$ 9,539,755	$ 275,580	$ 33,079,038
D307	Automated Information System Services	$ 22,067,240	$ 1,834,937	$ 8,659,861	$ -	$ 32,562,037
R414	Systems Engineering Services	$ 24,889,236	$ 646,323	$ 13,463,162	$ -	$ 38,998,720
R707	Mgt Svcs/Contract & Procurement Sup	$ 1,500,000	$ 7,505,053	$ 26,323,781	$ -	$ 35,328,835
D314	ADP Acquisition Support Services	$ -	$ 4,737,183	$ 21,925,930	$ -	$ 26,663,114
D310	ADP Backup and Security Services	$ -	$ 1,399,476	$ 908,764	$ -	$ 2,308,240
R423	Intelligence Services	$ -	$ -	$ 386,870	$ -	$ 386,870
R497	Personal Services Contracts	$ -	$ -	$ 1,866,015	$ -	$ 1,866,015
R413	Specifications Development Services	$ -	$ 366,850	$ 187,246	$ -	$ 554,096
		$ 658,590,456	**$ 164,863,379**	**$ 454,025,419**	**$ 9,844,122**	**$ 1,287,323,376**
	Fiscal Year 2010	**$ 446,871,813**	**$ 186,633,007**	**$ 540,384,399**	**$23,733,222**	

Table 3-13 and 3-14 shows the number of contract actions by service code and contract type. Compared to FY 2010, they have increased in all categories expect for *Other* types of contracts.

Table 3-13: Number of Action Obligations by Service Code and Contract Type

OMB Selected Management Support Services		FY 2011 Action Obligations				
		Cost Contract Actions	T&M Contract Actions	Fixed Price Contract Actions	Other Contract Actions	Total Contract Actions
R425	Engineering and Technical Services	415	258	458	4	1135
R408	Program Management/Support Services	116	53	156	6	331
R421	Technical Assistance	10	32	48	5	95
D302	ADP Systems Development Services	1	7	26	1	35
D314	ADP Acquisition Support Services	0	13	56	0	69
R414	Systems Engineering Services	43	2	40	0	85
D307	Automated Information System Services	16	9	17	0	42
R707	Mgt Svcs/Contract & Procurement Sup	5	21	16	0	42
D310	ADP Backup and Security Services	0	5	11	0	16
R497	Personal Services Contracts	0	0	10	0	10
R413	Specifications Development Services	0	1	4	0	5
R423	Intelligence Services	0	0	4	0	4
		606	**401**	**846**	**16**	**1869**
	Fiscal Year 2010	515	334	756	46	

Table 3-14: Percentage of Action Obligations by Service Code and Contract Type

OMB Selected Management Support Services		FY 2011 Action Obligations				
		Cost Contract Actions	T&M Contract Actions	Fixed Price Contract Actions	Other Contract Actions	Total Contract Actions
R425	Engineering and Technical Services	37%	23%	40%	0%	1135
R408	Program Management/Support Services	35%	16%	47%	2%	331
R421	Technical Assistance	11%	34%	51%	5%	95
D302	ADP Systems Development Services	3%	20%	74%	3%	35
D314	ADP Acquisition Support Services	0%	19%	81%	0%	69
R414	Systems Engineering Services	51%	2%	47%	0%	85
D307	Automated Information System Services	38%	21%	40%	0%	42
R707	Mgt Svcs/Contract & Procurement Sup	12%	50%	38%	0%	42
D310	ADP Backup and Security Services	0%	31%	69%	0%	16
R497	Personal Services Contracts	0%	0%	100%	0%	10
R413	Specifications Development Services	0%	20%	80%	0%	5
R423	Intelligence Services	0%	0%	100%	0%	4
		32%	**21%**	**45%**	**1%**	**1869**
	Change from Fiscal Year 2010	**18%**	**20%**	**12%**	**-65%**	

3.3 Management Support Services Detailed Analysis for R425, R408, and R421

Within the 12 management support services, the three service codes with the highest spend were looked at in more detail:

1. Engineering and Technical Services (R425);
2. Program Management/ Support Services (R408); and
3. Technical Assistance (R421).

R425 Engineering and Technical Services

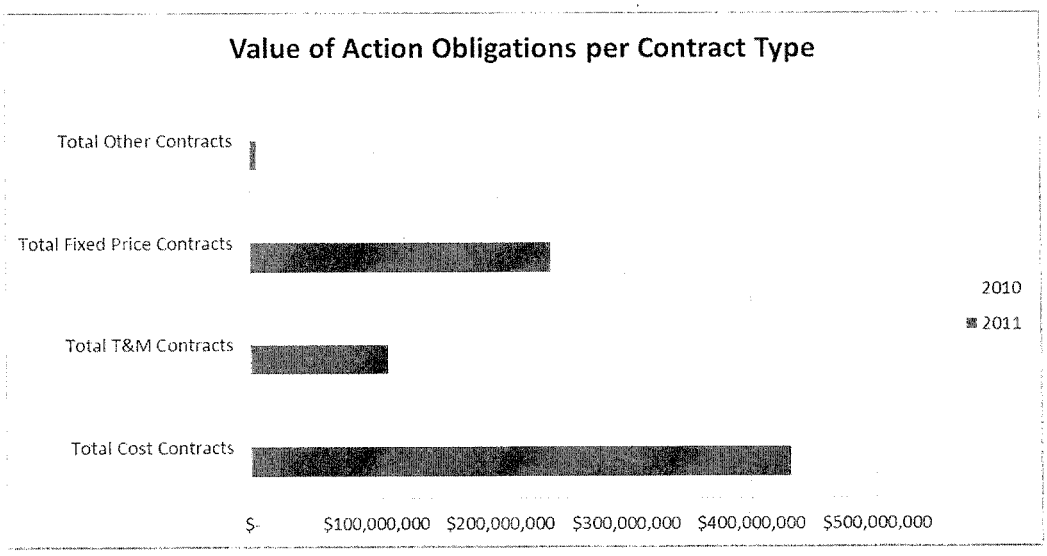
A. Type of Contract

From FY 2010 to FY 2011:

- There has been a six percent increase in the total dollar value for action obligation in the R425 category.
- This increase can be traced back to Total Cost Contracts that has increased by 83 percent while other types of contracts have decreased. In summary, there has been both an increase in total value and a change of contract type composition.

Fiscal Year	Total Cost Contracts	Total T&M Contracts	Total Fixed Price Contracts	Total Other Contracts	Total Contracts
2011	$ 432,454,236	$ 111,213,289	$ 241,273,376	$ 4,715,489	$ 789,656,389
2010	$ 236,059,298	$ 139,132,300	$ 357,755,346	$ 12,736,333	$ 745,683,277
	83%	-20%	-33%	-63%	6%

Fiscal Year	Cost no Fee	Cost Plus Award Fee	Cost plus Fixed	Cost plus incentive fee	Cost sharing	Total
2011	$ 4,245,572	$ 21,254,051	$ 405,286,730	$ 165,019	$ 1,502,863	$ 432,454,236
2010	$ 630,000	$ 20,678,108	$ 213,576,592	$ 1,124,598	$ 50,000	$ 236,059,298



B. Average Action Obligation Value

Average values per action obligation varied between $242,824 for fixed price contracts and $1,178,872 for other types of contracts with a median action obligation value of $125,000.

	Total Cost Contracts	Total T&M Contracts	Total Fixed Price Contracts	Total Other Contracts	Total Contracts
Number of AO:s	415	258	458	4	1135
Total Value	$ 432,454,236	$ 241,273,376	$ 111,213,289	$ 4,715,489	$ 789,656,389
Average Value	$ 1,042,058	$ 935,168	$ 242,824	$ 1,178,872	$ 695,733
	Median:	$ 125,000			

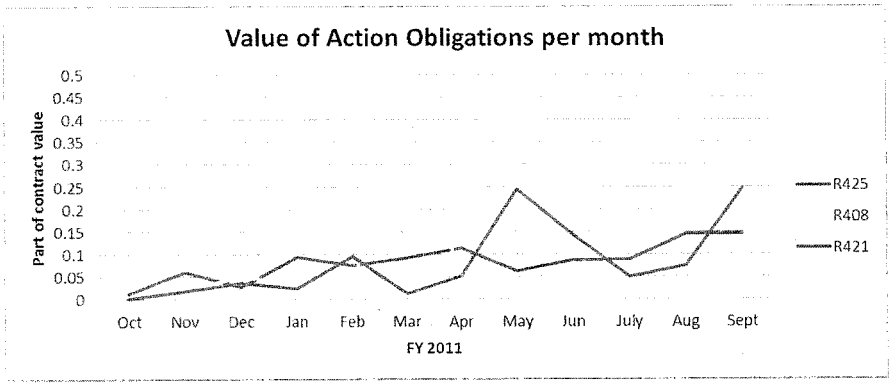
C. Level of Competition

The percentage of contracts awarded under full and open competition has decreased from 77 percent to 60 percent and at the same time contracts that were not competed increased from seven percent to 27 percent.

Fiscal Year	2011		2010	
FULL AND OPEN COMPETITION	$ 471,170,675	**60%**	$ 573,128,386	**77%**
FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES	$ 21,752,429	3%	$ 16,035,269	2%
COMPETED UNDER SAP	$ 46,020,962	6%	$ 29,923,284	4%
NOT COMPETED UNDER SAP	$ 2,454,498	0%	$ 2,660,786	0%
NON-COMPETITIVE DELIVERY ORDER	$ 230,489	3%	$ 794,526	2%
FOLLOW ON TO COMPETED ACTION	$ 649,056	0%	$ 2,303,189	0%
COMPETITIVE DELIVERY ORDER	$ 12,397,326	2%	$ 32,302,402	4%
NOT AVAILABLE FOR COMPETITION	$ 6,815,325	1%	$ 7,112,086	1%
NOT COMPETED	$ 210,762,913	**27%**	$ 55,305,492	**7%**
(blank)	$ 17,402,716	2%	$ 26,117,857	4%
Grand Total	$ 789,656,389	100%	$ 745,683,277	100%

D. Date Signed

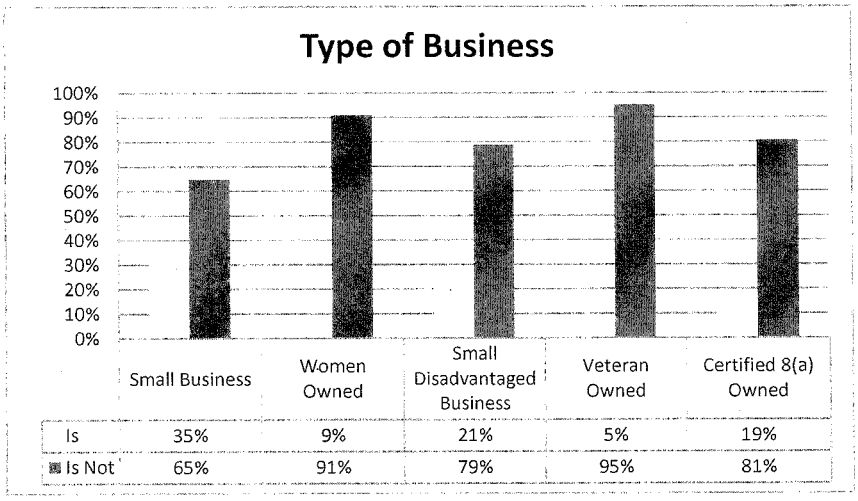
This chart shows the level of spending over time, or when action obligations are signed. This chart shows the three highest spend categories for comparison. The value of contracts signed increased as the year progressed, with 68 percent of contract value signed for in the second half of the year and 38 percent in the fourth quarter.



E. Type of Business

For the R425 category:

- Thirty-five percent of the contracts were awarded to small businesses, nine percent to women owned, 21 percent to small disadvantaged businesses, five percent to veteran owned, and 19 percent to certified 8(a) owned.
- This should be compared to the goals that are 39 percent for Small businesses, five percent for Women-owned and Disadvantaged Businesses, and five percent for Veteran Owned businesses.
- In FPDS this data is entered as an answer to a yes and no question for every type of disadvantaged business. As a vendor can belong to multiple categories (e.g., small business, women owned, and veteran owned) the same action obligation can result in a yes in several categories.



G. Information about Vendors

- In FY 2011, there were 199 different vendors in the R425 category with six vendors having contracts with more than one OA.
- Even though there were 199 different vendors, 56 percent of the contract value went to the top 10 contractors, with The Mitre Corporation accounting for 20.9 percent of total spending or $165,000,000.

Funding Agency	NOT SMALL BUSINESS	SMALL BUSINESS	FAA	FHWA	FMCSA	FRA	MARAD	NHTSA	RITA	SLSDC	(blank)	Grand Total	Percent
Grand Total	530	605	$ 667,171,635	$ 14,835,456	$ 230,489	$ 8,345,482	$ 697,823	$ 11,238,747	$ 85,419,068	$ 257,963	$ 1,459,726	$ 789,656,389	100%
THE MITRE CORPORATION	20		$ 164,999,846									$ 164,999,846	21%
ASRC MANAGEMENT SERVICES INCORPORATED		90	$ 57,145,173									$ 57,145,173	7%
ACTIONET, INC.		9	$ 39,131,293									$ 39,131,293	5%
LOCKHEED MARTIN, INC	25		$ 35,996,842	$ 553,339					$ 606,035			$ 37,156,216	5%
ENGILITY CORP.	42		$ 2,565,800						$ 28,006,733			$ 30,572,533	4%
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	21		$ 28,432,904						$ 1,518,000			$ 29,950,904	4%
RAYTHEON COMPANY	65		$ 18,883,200						$ 7,115,019			$ 25,998,219	3%
ITT CORPORATION	18		$ 25,387,330									$ 25,387,330	3%
METRON AVIATION, INC.		42	$ 23,095,434									$ 23,095,434	3%
SGT, INC.	2								$ 18,478,813			$ 18,478,813	2%
ASRC RESEARCH AND TECHNOLOGY SOLUTIONS, LLC		86	$ 16,697,510									$ 16,697,510	2%
CONCEPT SOLUTIONS, L.L.C.		54	$ 16,686,148									$ 16,686,148	2%
NORTHROP GRUMMAN, INC	13		$ 14,520,927									$ 14,520,927	2%
BASIC COMMERCE & INDUSTRIES INC	14	1	$ 13,650,742									$ 13,650,742	2%
CSSI, INC.		11	$ 13,610,903									$ 13,610,903	2%
NORTH STAR GROUP LLC		5	$ 12,354,899									$ 12,354,899	2%
CEXEC INC	3	1	$ 11,551,927									$ 11,551,927	1%
MCR FEDERAL, LLC	5		$ 11,541,450									$ 11,541,450	1%
JACOBS ENGINEERING GROUP INC.	21		$ 10,015,008	$ 97,682								$ 10,112,690	1%
COMPUTER SCIENCES CORPORATION	44								$ 9,892,348			$ 9,892,348	1%
SYSTEMS RESEARCH AND APPLICATIONS CORPORATION	18		$ 8,698,863									$ 8,698,863	1%

D. Place of Performance

- The primary places of performance for the contracts in R425 were Virginia (30%), Maryland (20%), and Massachusetts (18%) together accounting 68% of number of action obligations.

	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA	IL	MA	MD	MI	MN	NC	NH	NJ	NY	OH	OK	OR	PA	TN	TX	UT	VA	WA	WI	WV	(blank)	Grand Total
FEDERAL AVIATION ADMINISTRATION	1	2	1	23	9		41	1	9	4	1	1	2	90	227	1	1	2	2	66	4	14	41	1	6	1	5	2	295	3	1	1	9	867
FEDERAL HIGHWAY ADMINISTRATION					19		2						4			2				3					1		1		10				3	45
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION							1																											1
FEDERAL RAILROAD ADMINISTRATION							2																						14					16
MARITIME ADMINISTRATION							1								2																			3
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION							3														5												6	14
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION				4	2	1	1		3					112	3				23			1							26	10				186
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION																					2													2
(blank)																																	1	1
Grand Total	1	2	1	27	30	1	51	1	12	4	1	1	6	**202**	**232**	3	1	2	25	69	11	15	41	1	7	1	6	2	**345**	13	1	1	19	1135
	0%	0%	0%	2%	3%	0%	4%	0%	1%	0%	0%	0%	1%	**18%**	**20%**	0%	0%	0%	2%	6%	1%	1%	4%	0%	1%	0%	1%	0%	**30%**	1%	0%	0%	2%	100%

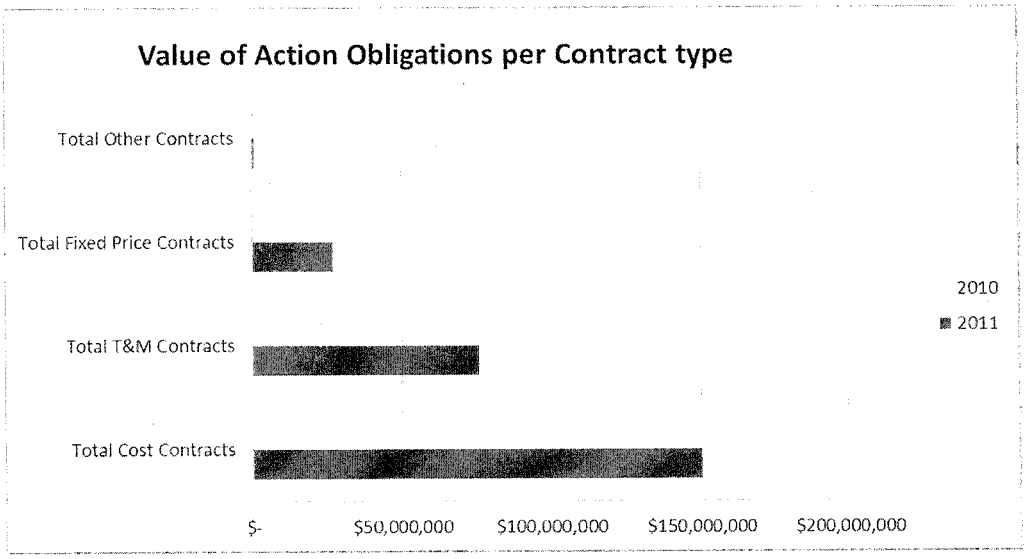
R408 Program Management/ Support Services

A. Type of Contract

From FY 2010 to FY 2011, there has been a 102 percent increase in the total contract value for category R408. This can mainly be traced back to a few large contracts in March of 2011.

Cost contracts, Fixed Price Contracts, and T&M Contracts all increased over the time period. However, since Cost contracts were the only category that increased more than the average from the group a change in contract composition and an increase in contract risk has also taken place.

Fiscal Year	Total Cost Contracts	Total Fixed Price Contracts	Total T&M Contracts	Total Other Contracts	Total Contracts
2011	$ 150,219,071	$ 76,223,728	$ 27,062,145	$ 636,000	$ 254,140,945
2010	$ 68,771,696	$ 41,082,850	$ 14,553,426	$ 1,516,338	$ 125,924,310
	118%	86%	86%	-58%	102%



B. Average Action Obligation

The average action obligation varied from $106,000 for *other* types of contracts and $1,438,184 for Time and Management contracts with a total median action obligation value of $230,000.

	Total Cost Contracts	Total T&M Contracts	Total Fixed Price Contracts	Total Other Contracts	Total Contracts
Number of AO:s	116	53	156	6	331
Total Value	$ 150,219,071	$ 76,223,728	$ 27,062,145	$ 636,000	$ 254,140,945
Average Value	$ 1,294,992	$ 1,438,184	$ 173,475	$ 106,000	$ 767,797
	Median	$ 230,000			

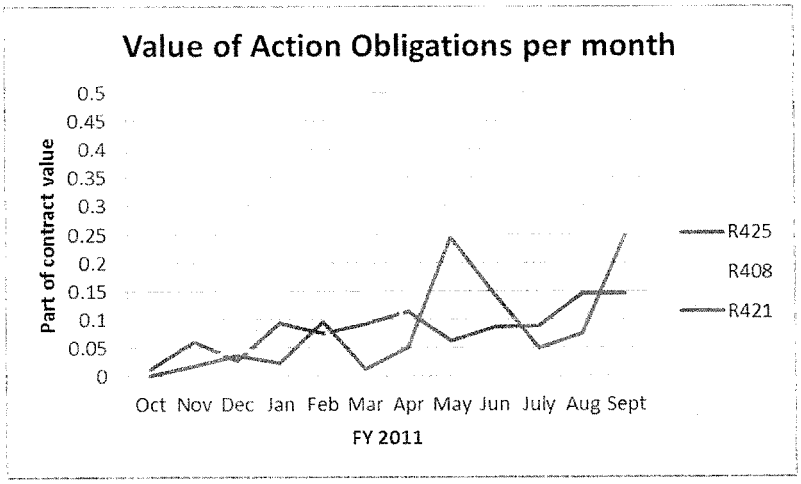
C. Level of Competition

The value of contracts awarded after full and open competition increased from 60.9 percent in FY 2010 to 74.4 percent in FY 2011. Likewise the value of contracts under full and open competition after exclusion of sources increased from five percent to eight percent.

Fiscal Year	2011	%	2010	%
FULL AND OPEN COMPETITION	$ 189,004,426	**74.4%**	$ 76,711,998	**60.9%**
FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES	$ 20,413,781	8.0%	$ 6,625,724	5.3%
COMPETED UNDER SAP	$ 4,296,833	1.7%	$ 1,646,496	1.3%
NOT COMPETED UNDER SAP	$ 453,643	0.2%	$ 979,885	0.8%
NON-COMPETITIVE DELIVERY ORDER	$ 12,417,920	4.9%	$ 9,823,932	7.8%
FOLLOW ON TO COMPETED ACTION	$ 141,666	0.1%	$ 283,332	0.2%
COMPETITIVE DELIVERY ORDER	$ 9,737,969	3.8%	$ 22,916,752	18.2%
NOT AVAILABLE FOR COMPETITION	$ 4,745,024	1.9%	$ 3,390,560	2.7%
NOT COMPETED UNDER SAP	$ 453,643	0.2%	$ 979,885	0.8%
(blank)	$ 948,724	0.4%	$ 2,146,715	1.7%
Grand Total	$ 254,140,945	100%	$ 125,505,280	100.0%

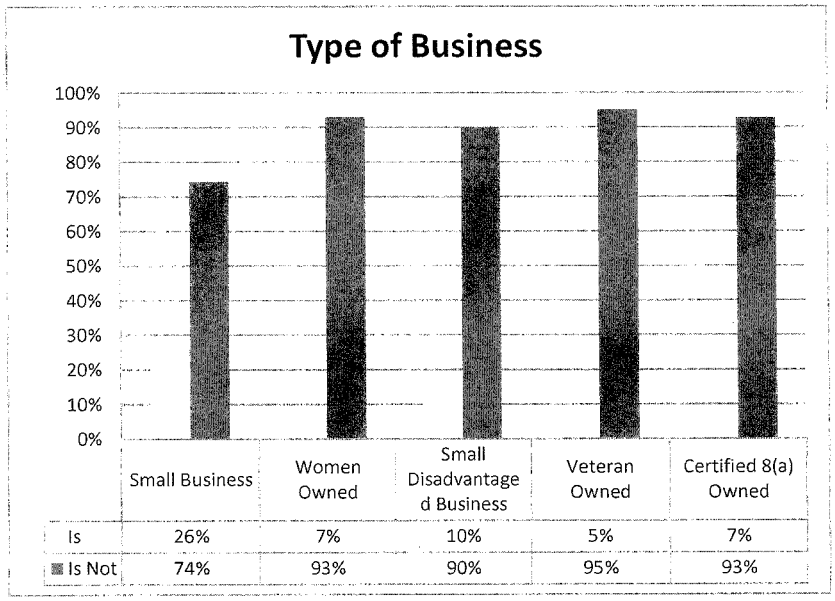
D. Date Signed

This chart shows the level of spending over time, or when action obligations are signed. This chart shows the three highest spend categories for comparison. Forty-four percent of the contract value for R408 was signed in March of 2011. However, in the other 11 months there is a similar patter as for R425 and R421 with 14 percent of contract value signed for in the first five months and 42 percent of the value signed for in the second half.



E. Type of Business

- Of the contract value in category R408, 26 percent was awarded to small business, seven percent to women-owned businesses, 10 percent to Small disadvantaged business, five percent to veteran-owned business, seven percent to Certified 8(a) Owned. Interesting to note is that the percentage awarded to Women owned business is lower than for R425 Engineering and Technical Assistance that traditionally is a male-dominated category.
- This should be compared to the goals that are 39 percent for small businesses, five percent for women-owned and disadvantaged businesses, and five percent for veteran-owned businesses.
- In FPDS this data is entered as an answer to a yes and no question for every type of disadvantaged business. As a vendor can belong to multiple categories (e.g., small business, women owned, and veteran owned) the same action obligation can result in a yes in several categories.



	Small Business	Women Owned	Small Disadvantaged Business	Veteran Owned	Certified 8(a) Owned
Is	26%	7%	10%	5%	7%
Is Not	74%	93%	90%	95%	93%

F. Information about Vendors

There were 109 different vendors in category R408 with three vendors having contracts with more than one OA. Sixty-five percent of the value went to the top 10 vendors, with Booz Allen Hamilton and Halcrow, Inc accounting for 17 percent each.

Row Labels	OTHER THAN SMALL BUSINESS	SMALL BUSINESS	FAA	FHWA	FMCSA	FRA	FTA	OST	MARAD	NHTSA	PHMSA	RITA	DOT	(blank)	Grand Total	Percentage of
Grand Total	152	179	$ 57,614,282	$ 6,788,054	$ 3,829,777	$ 7,540,356	$ 165,812,346	$ 544,325	$ 4,926,272	$ 1,463,952	$ 2,140,660	$ 1,029,956	$ 2,309,300	$ 141,666	$ 254,140,945	100%
BOOZ ALLEN HAMILTON INC.	10		$ 2,800,000				$ 41,478,835								$ 44,278,835	17%
HALCROW, INC.	5						$ 42,326,546								$ 42,326,546	17%
RAYTHEON COMPANY	7		$ 18,970,738												$ 18,970,738	7%
NICE SYSTEMS INCORPORATED	9		$ 12,942,055												$ 12,942,055	5%
ANIL VERMA ASSOCIATES, INC.		2					$ 12,881,019								$ 12,881,019	5%
BURNS ENGINEERING INC	8						$ 7,670,000								$ 7,670,000	3%
URBAN ENGINEERS, INC.	2						$ 7,200,000								$ 7,200,000	3%
CNA CORPORATION	5		$ 7,132,364												$ 7,132,364	3%
HILL INTERNATIONAL, INC.	7						$ 5,832,040								$ 5,832,040	2%
DELOITTE CONSULTING LLP	3					$ 5,803,210									$ 5,803,210	2%
REID CONSULTING, LLC		5					$ 4,551,749								$ 4,551,749	2%
SHAW ENVIRONMENTAL & INFRASTRUCTURE, INC.	4						$ 4,116,744								$ 4,116,744	2%
POST BUCKLEY SCHUH & JERNIGAN INC	5						$ 2,970,000								$ 2,970,000	1%
ACTIONET, INC.		5					$ 2,955,124								$ 2,955,124	1%
KIMLEY-HORN AND ASSOCIATES, INC.	3						$ 2,900,000								$ 2,900,000	1%
KAL KRISHNAN CONSULTING SERVICES INC		3					$ 2,851,944								$ 2,851,944	1%
JACOBS ENGINEERING GROUP INC.	3						$ 2,767,391								$ 2,767,391	1%
ENTERPRISE INFORMATION SERVICES, INCORPORATED		9	$ 2,502,510												$ 2,502,510	1%
CONCEPT SOLUTIONS, L.L.C.		4	$ 2,205,000												$ 2,205,000	1%
MILLIGAN & COMPANY, LLC		7					$ 2,112,956								$ 2,112,956	1%

G. Place of Performance

A majority of the contracts are performed in DC (31%), Maryland (8%), New Jersey (8%), and Virginia (22%). All other states had less than four percent of contract value.

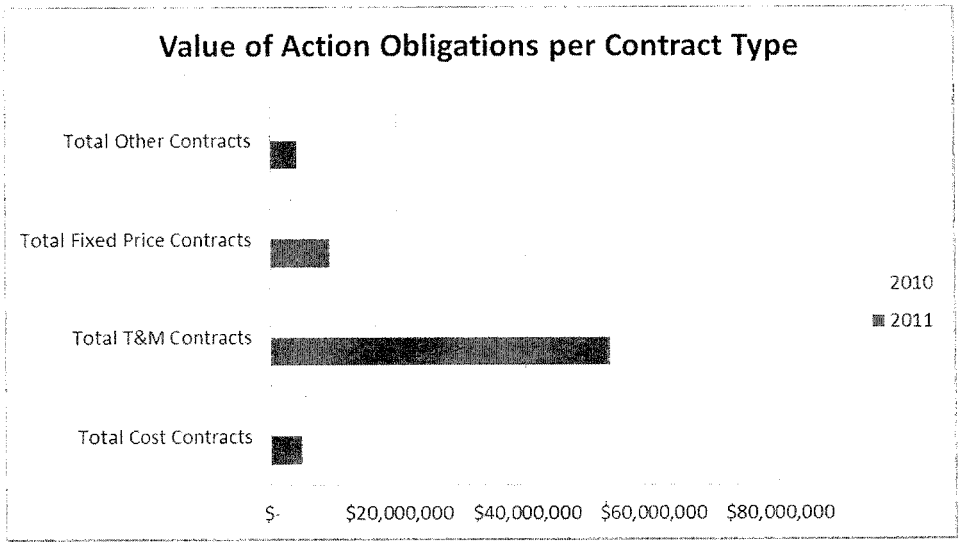
	AK	AZ	CA	CO	DC	FL	IL	MA	MD	MO	NC	NJ	NY	OH	OR	PA	TX	VA	VT	WA	(blank)	Grand Total
FEDERAL AVIATION ADMINISTRATION	1		5		18		6	2	8			18						23		1		82
FEDERAL HIGHWAY ADMINISTRATION			1		32	1			4					2			1	4			1	46
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION					7											1					1	9
FEDERAL RAILROAD ADMINISTRATION					3													4			1	8
FEDERAL TRANSIT ADMINISTRATION		2	8	2	12	4		2	13	3	3	10	8		1	20		20	1		3	112
IMMEDIATE OFFICE OF THE SECRETARY OF TRANSPORTATION					6																	6
MARITIME ADMINISTRATION					7												4	23			5	39
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION					2				3													5
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATON					9																	9
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION					3																1	4
TRANSPORTATION, DEPARTMENT OF		1			3									2			1				3	10
(blank)																					1	1
Grand Total	1	3	14	2	102	5	6	4	28	3	3	28	8	4	1	21	6	74	1	1	16	331
	0%	1%	4%	1%	31%	2%	2%	1%	8%	1%	1%	8%	2%	1%	0%	6%	2%	22%	0%	0%	5%	100%

R421 Technical Assistance

A. Type of Contract

From FY 2010 to FY 2011, contract value for Technical Assistance decreased 23 percent. Broken down on the different type of contracts there is, similar to R425 and R408, a movement towards increased reliance on cost contracts.

Fiscal Year	Total Cost Contracts	Total Fixed Price Contracts	Total T&M Contracts	Total Other Contracts	Total Contracts
2011	$ 4,872,923	$53,266,931	$ 9,422,169	$4,217,053	$ 71,779,077
2010	$ 4,195,246	$67,395,135	$16,328,842	$4,969,406	$ 92,888,628
	16%	-21%	-42%	-15%	-23%



B. Average Action Obligation

The average action obligation varied from $294,442 for fixed-price contracts and $1,133,338 for time-and-material contracts with a total median action obligation value of $125,165.

	Total Cost Contracts	Total T&M Contracts	Total Fixed Price Contracts	Total Other Contracts	Total Contracts
Number of AO:s	11	47	32	5	95
Total Value	$ 4,872,923	$ 53,266,931	$ 9,422,169	$ 4,217,053	$ 71,779,077
Average Value	$ 442,993	$ 1,133,339	$ 294,443	$ 843,411	$ 755,569
	Median	$ 125,165			

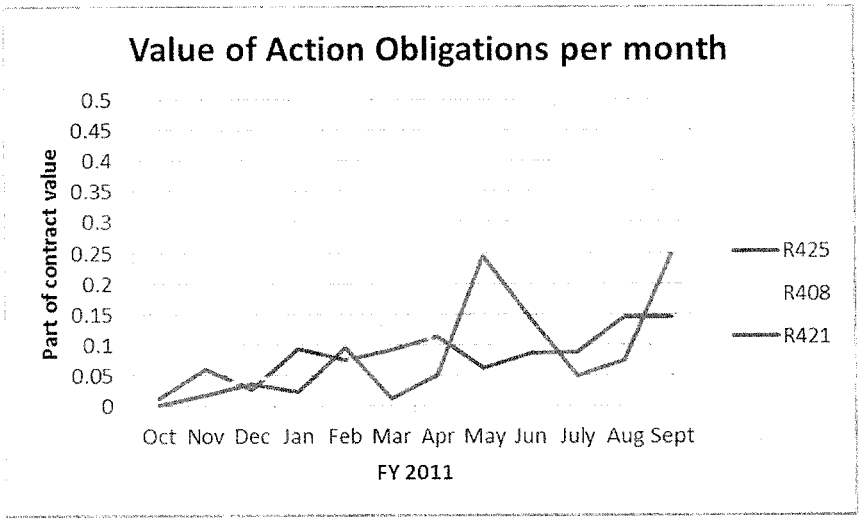
C. Level of Competition

In FY 2011, 83 percent of contracts were awarded after full and open competition, a minor change from 84 percent in FY 2010. In a similar manner contracts awarded after full and open competition after exclusion of sources increased from six percent to eight percent.

Fiscal Year	2011	%	2010	%
FULL AND OPEN COMPETITION	$ 59,910,502	83%	$ 78,121,966	84%
FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES	$ 5,814,454	8%	$ 5,946,142	6%
COMPETED UNDER SAP	$ 1,593,422	2%	$ 996,462	1%
NOT COMPETED UNDER SAP	$ 82,000	0%	$ 70,000	0%
NOT AVAILABLE FOR COMPETITION	$ 2,586,189	4%	$ 4,437,587	5%
FOLLOW ON TO COMPETED ACTION	$ -	0%	$ 399,924	0%
COMPETITIVE DELIVERY ORDER	$ 761,717	1%	$ 2,122,082	2%
NOT COMPETED	$ 797,687	1%	$ 339,600	0%
(blank)	$ 233,105	0%	$ 454,864	0%
Grand Total	$ 71,779,077	100%	$ 92,888,628	100%

D. Date Signed

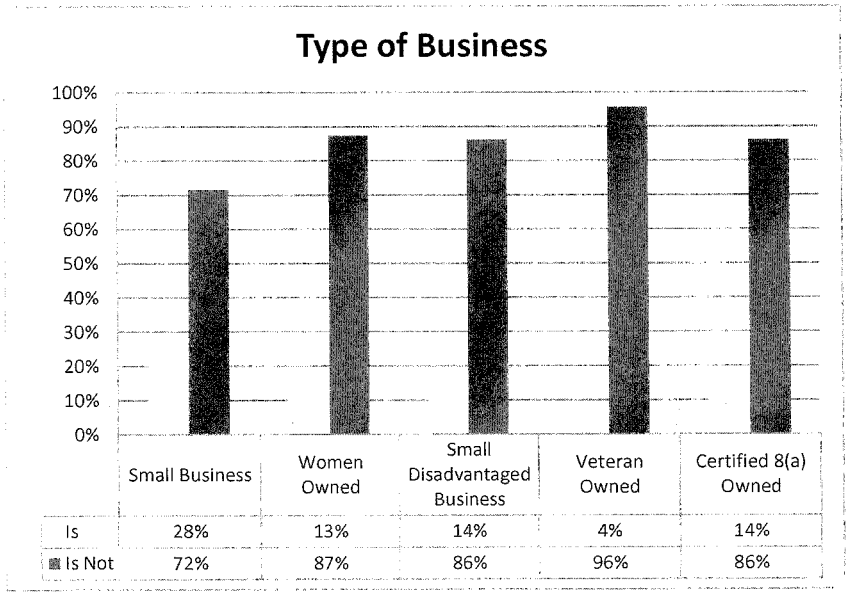
This chart shows the level of spending over time, or when action obligations are signed. R421 shows a similar pattern as R408 and R421 with the increases in spending as the year progresses. Nineteen percent of contract value was signed for in the first half and 81 percent in the second half.



E. Type of Business

For R421, the vendors were:

- 28 percent small business, 13 percent women owned, 14 percent small disadvantaged, four percent veteran owned, and 14 percent certified 8(a) owned.
- This should be compared to the goals that are 39 percent for small businesses, five percent for women-owned businesses, and five percent for veteran-owned businesses.
- In FPDS this data is entered as an answer to a yes and no question for every type of disadvantaged business. As a vendor can belong to multiple categories (e.g., small business, women owned, and veteran owned) the same action obligation can result in a yes in several categories.



F. Information about Vendors

In FY 2011, there were 33 different vendors in category R421 with two vendors having contracts with more than one OA. Ninety-two percent of the value went to the top 10 vendors, with Northrop Grumman Space and Mission Systems Corporation accounting for 62 percent.

Row Labels	OTHER THAN SMALL BUSINESS	SMALL BUSINESS	FAA	FHWA	FMCSA	FTA	OST	NHTSA	PHMSA	DOT	Grand Total	Percent
Grand Total	41	54	$ 55,996,466	$ 5,706,145	$ 719,359	$ 4,875,252	$ 151,503	$ 3,023,647	$ 600,000	$ 706,704	$ 71,779,077	100%
NORTHROP GRUMMAN SPACE AND MISSION SYSTEMS CORPORATION	15		$ 44,409,683								$ 44,409,683	62%
BOOZ ALLEN HAMILTON INCORPORATED (3626)	17		$ 1,320,186	$ 2,886,060					$ 450,000		$ 4,656,246	6%
CNI AVIATION LLC		2	$ 4,183,010								$ 4,183,010	6%
SAVANTAGE FINANCIAL SERVICES, INC.		4				$ 4,174,696					$ 4,174,696	6%
INNOVATIVE SOLUTIONS INTERNATIONAL, INC		2	$ 3,006,613								$ 3,006,613	4%
NOBLIS, INC.	4			$ 1,549,597							$ 1,549,597	2%
CITIZANT INC.		1		$ 1,210,488							$ 1,210,488	2%
BELLAMY MANAGEMENT SERVICES, LLC		3	$ 996,609								$ 996,609	1%
ALPHA TECHNOLOGY ASSOCIATE INC.		6						$ 894,160			$ 894,160	1%
PHOENIX SYSTEMS, INC.		5						$ 734,344			$ 734,344	1%
INTERACTIVE TECHNOLOGIES GROUP		7			$ 719,359						$ 719,359	1%
COLEMAN GROUP, INC., THE		1				$ 700,556					$ 700,556	1%
PATRIOT TAXIWAY INDUSTRIES INC.		1	$ 638,524								$ 638,524	1%
JOINT VENTURE ASSOCIATES (JVS)		3	$ 593,410								$ 593,410	1%
MILLENNIUM SERVICES 2000+ INCORPORATED		1						$ 451,839			$ 451,839	1%
SCHULMAN RONCA AND BUCUVALAS INCORPORATED	1									$ 400,000	$ 400,000	1%
CROWN CONSULTING, INC.		1	$ 371,286								$ 371,286	1%
WOOD CONSULTING SERVICES INCORPORATED		4	$ 354,259								$ 354,259	0%
TRANSANALYTICS, LLC		1						$ 338,139			$ 338,139	0%
ACCLARO RESEARCH SOLUTIONS, INC.		2						$ 88,809		$ 164,432	$ 253,241	0%

G. Place of Performance

The majority of the contracts were performed in DC (20%), Virginia (23%), Maryland (16%), and Massachusetts (16%)

	AL	CO	DC	MA	MD	MO	OK	PA	TX	VA	WI	(blank)	Grand Total
FEDERAL AVIATION ADMINISTRATION		1	3	15	7	1	2			5	1		35
FEDERAL HIGHWAY ADMINISTRATION										11		6	17
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION			7										7
FEDERAL TRANSIT ADMINISTRATION					5								5
IMMEDIATE OFFICE OF THE SECRETARY OF TRANSPORTATION			2									1	3
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION			2		1			1	1	6		9	20
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATON			5										5
TRANSPORTATION, DEPARTMENT OF	1				2								3
Grand Total	1	1	19	15	15	1	2	1	1	22	1	16	95
	1%	1%	20%	16%	16%	1%	2%	1%	1%	23%	1%	17%	100%

3.4 Selected Individual Contract Review

Seven of the OAs identified and reviewed 41 contracts within the 12 OMB-selected management support services, corresponding to 20.0 percent of the total spend in FY 2011 Action Obligations. The review process included the completion of a form to ensure that all the Section 743(e) requirements and GAO recommendations were addressed, as well as questions to address the extent of competition, the business status, plans to recompete the contract, and whether or not this contract work should be insourced.

To complete the template, the OAs reviewed the contract file and, as necessary, conducted interviews with the relevant program and acquisition offices. The OAs chose which contracts to review at their discretion and have randomly selected contracts that accounted for 20 percent or more of their total contract spend in the 12 OMB-selected management support services. For the reviewed contracts, the findings were:

Operating Administration	FY 2011 Action Obligations	Number of Contracts Reviewed	Percentage of OMB Selected Services	Personal Services ?	Critical or Inherently Governmental ?	Adequate Supervision ?	Action Obligations per Contractor FTE	Estimated Number of Contractor FTE
FAA	$ 180,823,871	14	20%	No	11 contracts involved critical functions 1 contract closely associated with inherently governmental.	Yes	Unknown	Unknown
FHWA	$ 8,950,193	5	26%	No	1 contract closely related to inherently governmental	Yes	$421,186	21
FRA	$ 11,481,589	7	64%	No	5 contracst involved critical functions	Yes	$182,247	63
NHTSA	$ 3,878,541	1	22%	No	Critical	Yes	$30,301	128
PHMSA	$ 3,256,555	6	32%	No	3 contracts involved critical functions	Yes	$167,003	20
RITA	$ 48,848,566	5	44%	No	No	Yes	$102,408	477
SLSDC	$ 285,573	3	100%	No	No	Yes	$28,557	10
Total	$ 257,524,887	41	20%				$106,714	719

- Nineteen of the 41 contracts involved contractors performing critical work.
- One of the contracts involved work closely associated with inherently governmental work.
- Contractor employees are performing critical work; while the OAs agreed that these functions could be insourced, the OAs either cited no available FTEs, lack of government expertise, or they valued the flexibility of a contractor workforce. No insourcing was recommended;
- Out of the contracts reviewed 18 percent were cost type contracts, 28 percent fixed-price type contracts, and 40 percent time- and-materials type contracts.
- The average action obligation per FTE was $106,714.

4.0 RECOMMENDATIONS AND ACTIONS

Throughout FY 2011 and FY 2012, DOT remained focused on improving the management of service contracts. In early FY 2011, DOT began three important initiatives to reduce overall contract spending and to specifically to meet the OMB goal to reduce spending in management support services by 15 percent from FY 2010 to FY 2012:

1. Increasing awareness;
2. Reducing high-risk contracting; and
3. Implementing DOT-wide strategic sourcing.

In addition to continuing with these initiatives, in FY 2012, the Senior Procurement Executive (SPE) began two additional important initiatives.

4. Using FPDS data analysis to better understand service contracts; and
5. Developing a comprehensive policy on Management Support Services Contracting.

This section will look into how these at how these initiatives are being implemented at DOT.

4.1 Increasing Awareness

The Office of the Senior Procurement Executive (OSPE) has taken the lead role to increase awareness of the need for more effective service contract management throughout DOT. At the acquisition level, the Senior Procurement Executive established and chairs the Strategic Acquisition Council (SAC), which is made up of the Directors of Acquisition from each OA. They meet monthly to share ideas and information, establishes priorities and goals, and report on progress toward goals. The SAC has become an important organization for understanding acquisition issues and for launching new initiatives.

In FY 2011 and 2012, the approaches to reducing spending were:

- Finding duplication in contracting services and eliminating redundancies;
- Negotiating labor rates in a more focused and consistent manner;
- Negotiating labor mixes; and
- Cutting services.

In April 2012, the Office of the Senior Procurement Executive conducted its first DOT Acquisition Conference. The conference included a session on "Use of Strategic Sourcing" presented by the Office of Federal Procurement Policy.

Based on the findings from the FY 2011 SCI analysis, the OSPE recommends that the SAC continue its focus on the OMB-selected management support services, with a more in-depth look in two areas:

- Level of Competition—In some of the OMB-selected management support services the level of competition has decreased from FY 2010 to FY 2011. This trend is something that should be looked at more carefully to understand if this is significant.

- Spending Patterns—The distribution of spending throughout the year is uneven with significant spending increasing as the fiscal year progresses, and with large parts of spending taking place in the last quarter. Although the current practice of using a continuing resolution with budget approval coming much later in the fiscal year makes acquisition planning harder, a more even distribution of spending could be beneficial.

At the administrative level, the Senior Procurement Executive is using the Administrative Management Council (AMC) as a key forum for making more effective service contract management a priority. The AMC meets quarterly and is comprised of the Associate Administrators for Administration for each OA, which provides an important liaison to bring these issues to the attention of the legal, budget and finance, human capital, information technology, and facilities offices.

At the program executive level, in FY 2011, the Senior Procurement Executive worked to establish the Strategic Sourcing Executive Steering Committee (SSESC). The SSESC is chaired by the Deputy Secretary and is an executive-level, decision-making body made of the Administrators from each OA or their designated representative. The purpose of the SSESC is to ensure executive level support and buy-in to DOT-wide cost reduction strategies. The SSEESC meets quarterly or as needed, and is supported by spend analysis teams who are researching, analyzing, and developing recommendations for SSESC consideration.

4.2 High-Risk Contracting

DOT has taken a two-pronged approach to high-risk contracting.

1. Reducing high-risk contacts; and
2. Managing risk effectively in high-risk contracts

Through increased awareness and education, DOT is working to reduce high risk contracting. In those instances where it is best to use a higher risk contract type, the SPE continues to stress effective oversight. The SPE recognizes that certification of the acquisition workforce—including contracting staff, Contracting Officer's Representatives (CORs), and program managers—is essential to effective oversight of all contracts. From FY 2009 to FY 2012, DOT certifications have increased substantially.

Understanding that in some cases, a cost reimbursement type contract is more appropriate, the DOT Office of the Senior Procurement Executive developed and issued a "Cost Plus Award Fee Contracting Guide" July 1, 2011. The guide provided information on effectively managing the risk in these types of contracts through the (1) proper selection of cost reimbursement contract types, (2) elements of the award fee contract, and (3) organization and administration. DOT also developed the DOT DASH 2012-10, on FAR Case 2009-043, *Time and Materials and Labor-Hour Contracts for Commercial Items*.

4.3 Strategic Sourcing

In FY 2011, DOT also initiated a DOT-wide strategic sourcing initiative as proven method to reduce the cost of commodities and services. DOT defined strategic sourcing broadly as the collaborative and structured process of critically analyzing current spending to develop future buying strategies that are more effective and efficient. This definition encompasses more than just sourcing opportunities and also includes analysis of the usage patterns and need.

To ensure the success of the DOT-wide initiative, the Strategic Sourcing Executive Steering Committee (SSESC) provides active and visible oversight of the initiative.

The strategic sourcing initiative implementation is occurring in three phases. As of December 2012, DOT has completed implementation of Phase 1, with savings of $201M in FY 2012. DOT is now beginning Phase 2 and 3.

Phase 1 – Completed –This phase focused on near-term cost reduction opportunities. During this phase, DOT leveraged the success of the FAA's strategic sourcing program across all the OAs. The FAA has been using strategic sourcing to achieve significant savings since 2005. They have awarded an FAA-wide set of contracts, known as the SAVES contracts, for office supplies, printers, courier services, IT hardware and software. Phase I focused on cost reduction opportunities for:

- Printers and managed printing;
- Personal computing devices--workstations, laptops, tablets, notebooks;
- Peripherals and office equipment—cables, memory devices, power devices;
- Servers, storage, network devices; and
- Enterprise postage solutions (in final approval stage).

In 2013, DOT is going to begin Phase 2. This phase will have a bigger impact on service contracts. The OSPE recommends using the FY 2011 SCI analysis findings on management support services to help DOT understand the best approach to more effectively manage these services and to identify opportunities for cost reduction.

Phase 2 will focus on areas that will require more time for analysis and implementation of cost reduction strategies. During this phase, DOT will focus on cost reduction opportunities for:

- Management support services;
- Furniture;
- Cellular services; and
- Software and maintenance.

Phase 3 addresses more complex categories and will require a long-term approach. During this phase, DOT will focus on cost reduction opportunities for:

- Engineering services;
- Program management support services;
- Administrative support services; and
- Custodial services.

4.4 Federal Procurement Data System Data Analysis

In FY 2011, OSPE began using Federal Procurement Data System (FPDS) data analysis as a management tool to better understand and track service contract spending throughout DOT. The initial review of the data for the FY 2010 Service Contract Inventory Analysis (conducted in FY 2011) identified some data inconsistencies and data quality issues.

During FY 2012, OSPE worked to understand and remedy those inconsistencies. In addition, the Senior Procurement Executive is actively engaged with the SAC to improve the quality of the data in FPDS.

In February 2012, the OSPE issued new acquisition policy, DOT DASH 2012-08, *Service Contract Inventory and Contract Reporting in FPDS,* to implement the OMB requirement to track additional data in FPDS to identify the type of service function as either "Closely Associated," Critical," or "Other." The Senior Procurement Executive tracked and reported on this requirement to the SAC to ensure that the OAs were including this information for new contracts beginning in March 2012.

4.5 Management Support Services Contracting Policy

DOT recognized that managing contract services more effectively requires a collaborative approach; therefore OSPE has worked closely with the program, finance, and information technology offices to develop recommendations and take action. The Senior Procurement Executives continues to brief the CAO, SAC, CFO, AMC, and CIO on the 15% reduction in management support services. The SPE continues to lay the groundwork for establishing internal management controls for new starts in these categories, as well as identifying existing FY 2011 contracts that are in high risk categories, duplicates, or candidates for renegotiation.

In FY 2012, the Senior Procurement Executive began working with the CFO to develop a comprehensive policy on contracting for management support services.

APPENDIX A: APPLICABLE LEGISLATION AND GUIDANCE

This appendix provides the applicable legislation and guidance in chronological order beginning with the most recent.

Legislation

December 16, 2009
Public Law 111-117
Section 743. Service Contract Inventory Requirement

October 19, 1998
Public Law 105-270
Federal Activities Inventory Reform Act of 1998
(Inherently Governmental)

Office of Management and Budget Policy Memoranda

November 8, 2011
Discussion Draft
For: Chief Acquisition Officers and Senior Procurement Executives
Subject: Service Contract Inventories

November 7, 2011
For: Chief Financial Officers, Chief Acquisition Officers, and Senior Procurement Executives
Subject: Reduced contract spending for management support services

November 5, 2010
For: Chief Acquisition Officers and Senior Procurement Executives
Subject: Service Contract Inventories

Office of Management and Budget Policy Letters

September 12, 2011
Policy Letter 11-01
Performance of Inherently Governmental and Critical Functions

APPENDIX B: SERVICE CONTRACT INVENTORY DATA ELEMENTS

The FY 2011 Service Contract Inventory was developed by querying the Federal Procurement Data System (FPDS) for all service contract actions over $25,000 awarded in FY 2011. The query was run in accordance with the December 19, 2011, OMB Memorandum, which specified the FPDS data elements and format for the inventory. The FPDS data elements and descriptions are shown in Table 2-1.

Table 2-1: Service Contract Inventory FPDS Data Elements

	OMB Required FPDS Data Element	FPDS Data Element Description
1	PSC	The code that best identifies the product or service procured. Codes are defined in the Product and Service Codes Manual.
2	Product or Service Code (PSC) Description	A description of the product or service designated by the product code.
3	Contracting Agency	The code for the agency of the contracting office that executed or is otherwise responsible for the transaction.
4	Contracting Department	The code for the Department of the contracting office that executed or is otherwise responsible for the transactions
5	Funding Agency	The code for the agency that provided the preponderance of the funds obligated by this transaction.
6	Place of Performance City	This is the location of the principal plant or place of business where the items will be produced, supplied from stock, or where the service will be performed.
7	State	
8	Country	
9	Date Signed	The date that a mutually binding agreement was reached. The date signed by the Contracting Officer or the Contractor, whichever is later.
10	Extent Competed	A code that represents the competitive nature of the contract.
11	Fair Opportunity/ Limited Sources	The type of statutory exception to Fair Opportunity.
12	Type of Contract	The type of contract as defined in FAR Part 16 that applies to this procurement.
13	Description of Requirement	A brief description of the contract or award.
14	Vendor Name	The name of the vendor supplying the product or service as it appears in CCR or as entered by the user if CCR exception is selected.
15	Action Obligation	The amount that is obligated or de-obligated by this transaction.
16	PIID	The unique identifier for each contract, agreement or order.
17	Referenced IDV PIID	When reporting orders under Indefinite Delivery Vehicles (IDV) such as a GWAC, IDC, FSS, BOA, or BPA, report the Procurement Instrument Identifier (Contract Number or Agreement Number) of the IDV. For the initial load of a BPA under a FSS, this is the FSS contract number.
18	DUNS Number	The DUNS number of the contractor. Used as a key to CCR. Maps to the DUNS Number in CCR.

APPENDIX B: SERVICE CONTRACT INVENTORY DATA ELEMENTS

The FY 2011 Service Contract Inventory was developed by querying the Federal Procurement Data System (FPDS) for all service contract actions over $25,000 awarded in FY 2011. The query was run in accordance with the December 19, 2011, OMB Memorandum, which specified the FPDS data elements and format for the inventory. The FPDS data elements and descriptions are shown in Table 2-1.

Table 2-1: Service Contract Inventory FPDS Data Elements

	OMB Required FPDS Data Element	FPDS Data Element Description
1	PSC	The code that best identifies the product or service procured. Codes are defined in the Product and Service Codes Manual.
2	Product or Service Code (PSC) Description	A description of the product or service designated by the product code.
3	Contracting Agency	The code for the agency of the contracting office that executed or is otherwise responsible for the transaction.
4	Contracting Department	The code for the Department of the contracting office that executed or is otherwise responsible for the transactions
5	Funding Agency	The code for the agency that provided the preponderance of the funds obligated by this transaction.
6	Place of Performance City	This is the location of the principal plant or place of business where the items will be produced, supplied from stock, or where the service will be performed.
7	State	
8	Country	
9	Date Signed	The date that a mutually binding agreement was reached. The date signed by the Contracting Officer or the Contractor, whichever is later.
10	Extent Competed	A code that represents the competitive nature of the contract.
11	Fair Opportunity/ Limited Sources	The type of statutory exception to Fair Opportunity.
12	Type of Contract	The type of contract as defined in FAR Part 16 that applies to this procurement.
13	Description of Requirement	A brief description of the contract or award.
14	Vendor Name	The name of the vendor supplying the product or service as it appears in CCR or as entered by the user if CCR exception is selected.
15	Action Obligation	The amount that is obligated or de-obligated by this transaction.
16	PIID	The unique identifier for each contract, agreement or order.
17	Referenced IDV PIID	When reporting orders under Indefinite Delivery Vehicles (IDV) such as a GWAC, IDC, FSS, BOA, or BPA, report the Procurement Instrument Identifier (Contract Number or Agreement Number) of the IDV. For the initial load of a BPA under a FSS, this is the FSS contract number.
18	DUNS Number	The DUNS number of the contractor. Used as a key to CCR. Maps to the DUNS Number in CCR.