

FY 2014 SERVICE CONTRACT INVENTORY ANALYSIS

FY 2015 Inventory and Analysis Plan

Reggie James, Senior Procurement Executive



*COURT
SERVICES
AND
OFFENDER
SUPERVISION
AGENCY FOR
THE DISTRICT
OF COLUMBIA*

ABOUT COURT SERVICES AND OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA

The Court Services and Offender Supervision Agency (CSOSA) was established under Section 11232 of the National Capital Revitalization and Self-Government Improvement Act of 1997 to effectuate the reorganization and transition of functions relating to pretrial services, parole, adult probation and offender supervision in the District of Columbia to a Federal Executive Branch agency. The mission of CSOSA is to increase public safety, prevent crime, reduce recidivism, and support the fair administration of justice in close collaboration with the community. CSOSA also provides treatment services to persons who have been ordered to undergo such treatment by the courts, either as part of a sentence or pre-sentence, or as a condition of probation or parole. These persons (hereinafter referred to as offenders) may be dually-diagnosed with both mental health and chemical dependency issues.

INTRODUCTION

Service Contract Inventories are prepared annually by civilian agencies that are required to submit an inventory by the Federal Activities Inventory Reform Act of 1998, in order to comply with the act and the provisions of the Fiscal Year (FY) 2010 Consolidated Appropriations Act. The service contract inventory is a tool for assisting agencies in better understanding how contracted services are being used to support agency missions and operations and whether contractors' skills are being utilized in an appropriate manner. The Office of Management and Budget (OMB), Office of Federal Procurement Policy (OFPP), issued a memorandum on November 25, 2014 providing guidance to federal agencies on preparing their inventories of service contracting for fiscal year. In its guidance, OMB directed agencies to report on their FY 2013 inventory analysis and prepare an FY 2014 inventory as previous inventories under OFPP's November 5, 2010. In addition, agencies shall include a summary and agency-reviewed inventory supplement that identifies the amount invoiced and direct labor hours, and a plan for analyzing the FY 2014 inventory.

This report documents CSOSA's findings of the data in its FY 2014 Service Contract Inventory Analysis, and includes Appendix B, a detailed FY 2015 Service Contract Inventory spreadsheet, Appendix C, the FY 2015 Summary spreadsheet, the FY 2015 Supplemental spreadsheet and proposes a plan analysis for FY 2015 Service Contract Inventory.

BACKGROUND

Section 743 of Division C of the FY 2010 Consolidated Appropriations Act, P.L. 111-117, requires civilian agencies to prepare an annual inventory of their service contracts and analyze their inventory to determine if the mix of Federal employees and contractors is effective or if rebalancing may be required. Pursuant to Section 743 and associated guidance from OMB, this report document the requirement to conduct a meaningful analysis of the data in CSOSA's FY 2013 inventory for the purpose of determining if contract labor is being used in an appropriate and effective manner.

SCOPE OF ANALYSIS:

In accordance with the OFPP guidance, CSOSA submitted a planned analysis, identifying which “special interest functions” in its FY 2014 inventory will be evaluated for analysis. The planned analysis aimed to validate the results of agency’s policies and training programs implemented in efforts to prevent contractor’s from performing inherently governmental functions, personal service contracts and ensuring accuracy and complete FPDS-NG contract action reporting.

The policies and training programs were discussed in the agency’s FY2013 Inventory Analysis referenced as” FY 2014 Planned Analysis Methodology”. In addition to the following policies and procedures were developed and/or implemented in FY2012 and FY2013, CSOSA implemented the items noted below in FY 2015:

FY 2014

- Mandatory procurement contract action review to ensure that Contract Action Reports (CAR) reports are processed for each contract action and entered into FPDS-NG correctly;
- Mandatory legal review of all personnel service contracts over \$25,000;
- Contracting writing system that provides automatic interface with FPDS-NG that is mandatory for contract award;
- Aggressive FPDS-NG training program for acquisition professionals;
- FPDS-NG User manual with agency specific information;
- Mandatory COR training and certification;
- New information technology and personnel security contract clauses for oversight of contract personnel and policies and operational instructions for acquisition processes and management.

FY 2015

- Developed a core curriculum for CSOSA Contracting Officer Representatives (CORs) and acquired in-house training for CORs that can be used for career development and COR certification or re-certification;
- Development of the Policy Statement 5609, Government Contractor Relationship Ethics (draft);
- Implementation and training on a new contract writing system;
- Completed the data call and development of the CSOSA 2015 Advance Acquisition Plan (AAP). The AAP is an important tool for managing the Procurement workload, effectively managing acquisition staff and enabling executive oversight on contractual spending.
- Continued review and certification of CORs.

In accordance with the Consolidated Appropriations Act, 2010, Division C, Title VII§ 743(e), CSOSA has ensured through its analysis that:

- The agency is not using contractor employees to perform inherently governmental functions;
- 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;

- 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.

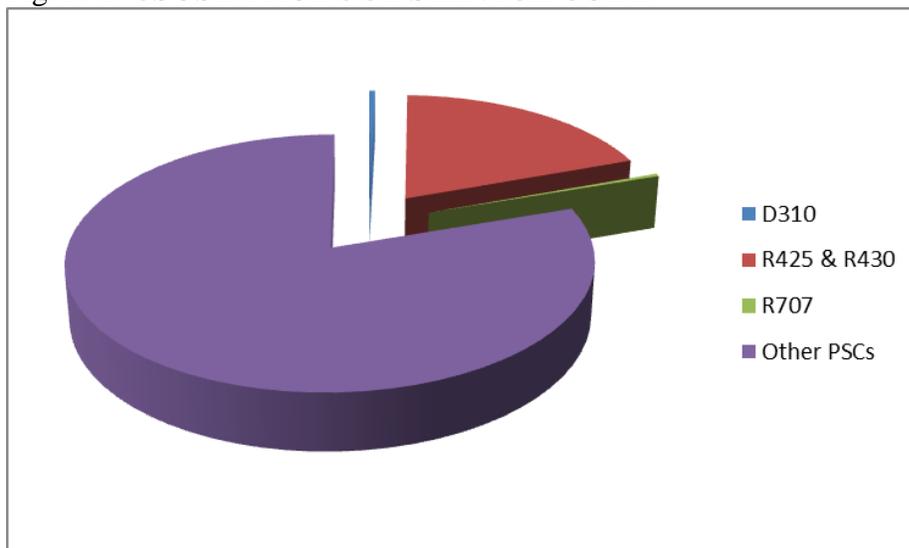
Even though the FY 2014 Analysis Plan called for the study of PSC Code D307, IT and Telecom-Strategy & Architecture; this code was categorized as “other functions” in FPDS-NG and in the FY 2014 Service Contract Inventory. We therefore selected PSC Code D310, IT and Telecom - Cyber Security and Data Backup for analysis. This code is categorized as a “critical function” and required oversight and specific safeguards to ensure that work being performed by contractors did not change or expand during performance to become inherently governmental functions.

Table 1 and figure 1 below identifies the selected Product Service Codes (PSC) studied by the agency and their obligation percentage as compared to the Agency’s entire service contract obligations. The analysis includes all services contract awards against the identified PSCs exceeding \$25,000.00 that were awarded in FY 2014.

Table 1: CSOSA Product Service Code:

Product Service Code	PSC Description	FY 2014 Obligations	Represented Contract Action	Percentage of FY 2014 Award Dollars
D310	Information Technology- Telecom IT Cyber Security & Data Backup	\$141,572.22	2	Less than 1%
R425& R430	Support-Professional- Engineering/Technical Physical Security	\$6,516,176.49	4	2%
R707	Support-Mgmt: Contract /Procurement/Acquisition Support	\$124,214,.87	1	Less than 1%

Figure 1: CSOSA PRODUCT SERVICE CODE



CSOSA chose the above PSCs because each contract action was identified as critical functions and consequently could expand into inherently governmental functions without proper oversight and contract management, despite the fact that the PSC's represent only 2 - 3% of the agency's inventory. The intent of this analysis is to reexamine its IT Cyber Security Services, Professional Engineering/Technical Support and Professional Acquisition Support service code contracts to determine the results of FY 2013 implementation of the above noted agency's policies, procurement reviews and training programs. The total obligation amount analyzed was \$6,781,963.58 which represents 7 contract actions.

In FY1, CSOSA also incurred obligations for an additional 16 of OBM-identified special interest functions (D307, R408, R699, R703, and R707). These contracts were performance-based and did not present a risk that performance may impinge on Federal officials' performance of an inherently governmental function nor present an overreliance on contractor's personnel that would critically affect the CSOSA control of its mission and operations.

METHODOLOGY

The agency's scope of the analysis was assessed by a qualitative case evaluation approach including 100% review for every contract action for the PSCs identified in the table. The analysis was aimed at determining the following areas:

1. Determine if the agency's procedures and policies aimed towards addressing deficiencies and concerns regarding personal services and closely associated inherently governmental contracts were successful.
2. Determine if Contracting Officer Representative (COR) training programs, contractor's personal security and informational technology provisions prevented personal services and reduced those functions which were deemed closely associated inherently governmental.
3. Identify necessary improvements to service related acquisition FPDS-NG reporting.

The analysis technique involved the following review and data collection:

- Contract monitoring practices and mechanism
- COR questionnaires
- Contract files, including scope of work
- CAR in FPDS-NG

The resultant seven (7) contract actions under study represent one (1) contract awarded in FY 2009 for Knowledge Information Solutions Inc.; one (1) contract awarded in FY 2013 for Omniplex World Services Corporation, two (2) contracts awarded in FY 2014 to Secom LLC and Aligned Development Strategies. The Knowledge Information Solutions Inc. (KIS) contract provides agency-wide communication systems and support, Omniplex and Secom provide physical security personnel, systems and technology and Aligned Development Strategies provide acquisition support services. All four contracts require contractor personnel however KIS and Omniplex contracts required a higher level of government employee oversight due to the contract type, the performance of "critical functions", and number of contractor personnel. The contracts ranged in obligation with differences in administration, reporting and performance terms and conditions.

AGENCY FINDINGS

Overall, the Agency's practices were increasingly consistent with the desired outcomes described in Consolidated Appropriations Act, 2010, Division C, Title VII§ 743(e). The analysis specific outcomes found:

PSC D310 and R430 Contract Monitoring Practices and Mechanism Specific Findings:

Based on the review, it was determined that CSOSA's implemented policies and training programs resulted in a significant increase in COR certification, experience and the COR's ability to properly monitor and oversee contracts ensuring work being performed by contractors has not changed or expanded during performance to become inherently governmental functions. In regards to PSC D310 and R430 contracts, the oversight provided by the respective CORs and the procurement office was found sufficiently comprehensive. The CORs required weekly status reports for contract monitoring and the COR evaluation of the contractor's performance covered quality of services and timelines of performance. While, each specific contract provided planning and management of critical operation functions, final authority always remained with government personal. Overall, in each case, there were processes in place for adequate government oversight.

PSC D310 and R430 - COR Questionnaires Specific Findings:

The below questionnaire gathered information in support of the agency's conclusion:

- (1) Are there 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?
- (2) Are any functions restricted by the contract (i.e.; approval of documents, attendance at meetings, firewalled activities, etc.? How is it monitored? How effective is the monitoring?
- (3) Are contractor employees performing critical functions in such a way that could affect the ability of the agency to maintain control of its mission and operations?
- (4) Does the contract include a Performance Work Statement (PWS) that clearly outlines the Non-Personal service tasks to be performed by the contractor?

Based on responses from a sample of CORs, to the above questionnaire, the overall consensus revealed that the agency is not using contractor employees to perform inherently governmental functions, proper safeguards and monitoring systems were in place and the PWS did not include tasks which were considered personal services. The agency has continued the practice of restricting contractor's tasks to ensure that the contractor personnel are not making any final decisions that are reserved for government personnel. Daily monitoring and a submission of the contractor personnel's weekly activity report support the oversight documentation. All respondent provided evidence reflects that safeguards and monitoring systems were in place to minimize the risk of contractor's performing inherently governmental functions.

PSC D310 and R430-Contract files (including scope of work) Specific findings:

CSOSA performed a comprehensive review of the two (2) contracts for the studied PSCs with special focus on the scope of work. The review revealed that both were found to include clear defined work to be performed by the contractor. However, the work was deemed as “critical functions, “necessary to the agency being able to effectively perform and maintain control of its mission and operations.” The review revealed that both KIS and Omniplex program areas have an adequate number of federal employees with appropriate training, experience, and expertise to understand the agency’s requirements and monitor any contractors used to support the Federal workforce; providing the internal capacity needed to maintain control over their operations and the ability to mitigate any impact on mission performance if contractors were to default on their obligations.

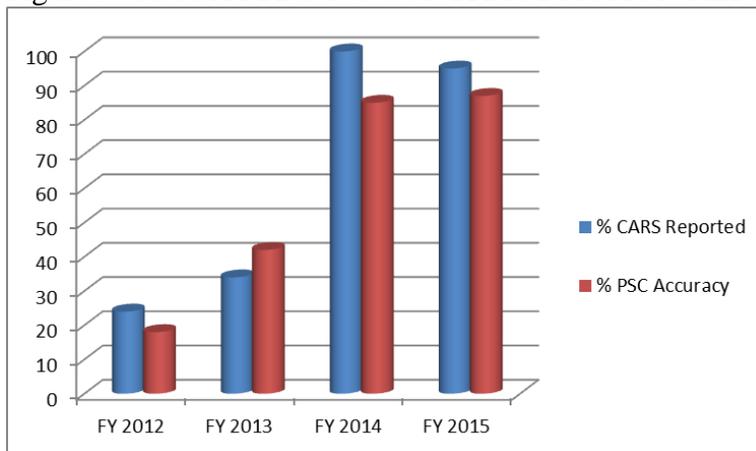
Both contract’s Statement of Work required sufficient reporting and provided oversight for contractor performance to ensure performance does not expand into inherently governmental functions. For example: KIS’s contract included specific language requiring the contractor to conduct weekly status meetings and provide monthly status reports to report progress and address any issues of performance. Omniplex, because of the nature of the activities, requires daily reports where a daily log of activities are recorded and collated into a monthly report to the COR.

Contract Action Reports (CAR) in FPDS-NG Specific Finding:

CSOSA reported in its FY12 analysis that 67% of service CARs were entered in FPDS-NG in FY13 and forty-five (45) of the special interest PSC codes were entered incorrectly and needed corrections. Subsequently, corrected data was captured from CSOSA’s Financial Management System (Oracle) combined with FPDS-NG and reported to OMB for CSOSA’s FY 2013 Service Contract Inventory. In FY 2014, 100% of contract actions were reported in FPDS-NG with an increase of PSC’s errors as a result of the implementation of mandatory interface with FPDS-NG contracting writing system, aggressive FPDS-NG training, new policies and quarterly CAR reporting reviews.

In FY 2015, as the agency transitioned to a new contract writing system there was a slight loss in the percentage of contract actions reported and an increase in errors. Figure 3 below illustrates the agency’s overall reporting improvements from FY2012 to FY2015.

Figure 3: CSOSA FPDS-NG CONTRACT ACTION REPORTING BY FISCAL YEAR



Even with the slight loss for reporting in FY 2015, the overall findings from the FY2014 analysis demonstrated that the agency's implemented practices and procedures were proven successful resulting in 100% reporting of data into FPDS-NG for FY2014 and a more effective mix of federal employees and contractors with a significant reduction in the risk associated with contractor's performance expanding into inherently governmental functions.

SYSTEM FOR AWARD MANAGEMENT OF SERVICE CONTRACT REPORTING

OFPP issued guidance requiring Agency's to include a comprehensive summary and reviewed inventory supplement that identifies the amount of invoiced and direct labor from contractor's reported data in the System for Award Management (SAM). In accordance with the Federal Acquisition Regulation (FAR) Subpart 4.17, CSOSA identified twenty-six (26) contractors totaling 69% of its FY15 service contract inventory requiring invoiced and direct labor reporting in SAM. The table below lists the contractors and the total obligations for the contracts requiring invoice and labor hours reporting in accordance with FAR 4.1703:

The Service Contract Report (SCR) excerpts of each twenty-six (26) contracts were reviewed as directed by OMB. Admittedly, the results of this review found that only two contractors reported the amount invoiced or labor hours in SAM.

CSOSA has recognized that additional emphasis needs to be focused in this area therefore all the identified contractors were notified for this requirement and a process to monitor compliance will be implemented. CSOSA was unable to improve the reporting this year because of staff turnovers and multiple reassignments of tasks. However, reporting guidance was distributed to all acquisition personnel to ensure the reporting clauses are included in new contracts, incorporated by modification if necessary and contractors are independently notified of this requirement.

Product or Service Code	Product or Service Description	Type of Contract	Vendor Name	Action Obligation
C219	ARCHITECT AND ENGINEERING- GENERAL: OTHER	LABOR HOURS	LITTLE DIVERSIFIED ARCHITECTURAL CONSULTING, INC.	\$77,608.72
D301	IT AND TELECOM- FACILITY OPERATION AND MAINTENANCE	FIRM FIXED PRICE	NEW TECH SOLUTIONS INCORPORATED	\$110,854.16
D318	IT AND TELECOM- INTEGRATED HARDWARE/SOFTWARE/SERVICES SOLUTIONS, PREDOMINANTLY SERVICES	LABOR HOURS	LINTECH GLOBAL, INC.	\$1,588,960.00
G004	SOCIAL- SOCIAL REHABILITATION	FIRM FIXED PRICE	WISCONSIN AVENUE PSYCHIATRIC CENTER INC	\$120,745.00
G004	SOCIAL- SOCIAL REHABILITATION	FIRM FIXED PRICE	SAFE HAVEN OUTREACH MINISTRY INC	\$1,812,490.74
G004	SOCIAL- SOCIAL REHABILITATION	FIRM FIXED PRICE	HOLY COMFORTER-ST CYPRIAN COMMUNITY ACTION GROUP INC	\$1,045,139.40
G004	SOCIAL- SOCIAL REHABILITATION	FIRM FIXED PRICE	COALITION FOR THE HOMELESS INC, THE	\$1,385,136.60
G004	SOCIAL- SOCIAL REHABILITATION	FIRM FIXED PRICE	SALVATION ARMY (GA), THE (INC)	\$1,083,252.62
H141	QUALITY CONTROL- REFRIGERATION, AIR CONDITIONING, AND AIR CIRCULATING EQUIPMENT	FIRM FIXED PRICE	COMPU DYNAMICS, LLC	\$55,538.49
J063	MAINT/REPAIR/REBUILD OF EQUIPMENT- ALARM, SIGNAL, AND SECURITY DETECTION SYSTEMS	FIRM FIXED PRICE	COMMUNICATIONS RESOURCE INCORPORATED	\$89,640.52
N060	INSTALLATION OF EQUIPMENT- FIBER OPTICS MATERIALS, COMPONENTS, ASSEMBLIES, AND ACCESSORIES	FIRM FIXED PRICE	MAGADIA CONSULTING, INC.	\$65,000.00
Q518	MEDICAL- PHYSICAL MEDICINE/REHABILITATION	LABOR HOURS	TASHKA INC	\$87,220.00
Q519	MEDICAL- PSYCHIATRY	LABOR HOURS	ALTOS FEDERAL GROUP, INC.	\$1,652,229.18
Q526	MEDICAL- MEDICAL/PSYCHIATRIC CONSULTATION	FIRM FIXED PRICE	COMPREHENSIVE COMMUNITY HEALTH & PSYCHOLOGICAL SERVICES, LLC	\$259,439.00
Q526	MEDICAL- MEDICAL/PSYCHIATRIC CONSULTATION	FIRM FIXED PRICE	HAMPTON GROUP LLC	\$87,360.00
Q999	MEDICAL- OTHER	FIRM FIXED PRICE	FOUNDATION FOR CONTEMPORARY MENTAL HEALTH	\$1,153,918.68
Q999	MEDICAL- OTHER	FIRM FIXED PRICE	PHOENIX HOUSES OF THE MID-ATLANTIC, INC.	\$100,194.96
R408	SUPPORT- PROFESSIONAL: PROGRAM MANAGEMENT/SUPPORT	LABOR HOURS	HANKS, HANKS & ASSOCIATES LLC	\$923,839.00
R408	SUPPORT- PROFESSIONAL: PROGRAM MANAGEMENT/SUPPORT	FIRM FIXED PRICE	LAUREL AND ASSOCIATES, LTD.	\$62,250.00
R408	SUPPORT- PROFESSIONAL: PROGRAM MANAGEMENT/SUPPORT	FIRM FIXED PRICE	IT FEDERAL SALES LIMITED LIABILITY COMPANY	\$99,000.00
R410	SUPPORT- PROFESSIONAL: PROGRAM EVALUATION/REVIEW/DEVELOPMENT	FIRM FIXED PRICE	KELLY, ANDERSON & ASSOCIATES, INC	\$128,351.76
R430	SUPPORT- PROFESSIONAL: PHYSICAL SECURITY AND BADGING	FIRM FIXED PRICE	OMNIPLEX WORLD SERVICES CORPOR	\$5,053,992.98
R431	SUPPORT- PROFESSIONAL: HUMAN RESOURCES	LABOR HOURS	CONCORD PERSONNEL SERVICES INC	\$205,563.20
R431	SUPPORT- PROFESSIONAL: HUMAN RESOURCES	FIRM FIXED PRICE	OPPORTUNITIES INDUSTRIALIZATION CENTER OF DC	\$270,870.00
R707	SUPPORT- MANAGEMENT: CONTRACT/PROCUREMENT/ACQUISITION SUPPORT	FIRM FIXED PRICE	ACQUISITION SOLUTIONS INC	\$30,203.85
U009	EDUCATION/TRAINING- GENERAL	FIRM FIXED PRICE	TAKE CHARGE CONSULTANTS INCORPORATED	\$158,935.00
Total				\$17,707,733.86

ON-GOING PROCESS IMPROVEMENT OF ENFORCEMENT - ACTIONS TO BE TAKEN

The Agency recognizes the need to continue training programs for acquisition professionals while implementing and enforcing polices aimed to minimize personal services and inherently government functions. CSOSA recognized these challenges and in response intents to focus resources to continue improvement to reduce contractor tasking of inherently governmental functions.

Given CSOSA’s commitment to improving the Agency’s use of contractors, there have been several support actions and programs already underway Agency-wide to ensure appropriate contracted functions. Key requirements which provide increased oversight and scrutiny for contract activities have been incorporated in the Agency’s COR training and policies. CSOSA will continue with aggressive training programs for CORs and ensure service contract reporting requirements are met and performance by Contractor’s are monitored to minimize the risk of closely associated with inherently governmental functions.

Going forward to ensure SAM reporting requirement are met, CSOSA intends by provide “instructional guides for service contractor reporting to COR and Contractor’s and conduct Quarterly Review of contractor’s SAM Service Contract reports.

FY 2015 SPECIAL INTEREST FUNCTIONS

The table below shows the special interest functions studied by the agency and the dollars obligated to those specific PSCs in FY 2015. The below three (3) functions were selected because they were identified by OMB for reducing spending on management support service contracts.

PSC Code	Product of Service Description	Obligations	% of Obligations
D302	IT AND TELECOM- SYSTEMS DEVELOPMENT	\$429,283.89	2%
D318	IT AND TELECOM- INTEGRATED HARDWARE/SOFTWARE/SERVICES SOLUTIONS, PREDOMINANTLY SERVICES	\$1,770,754.88	7%
R408	SUPPORT- PROFESSIONAL: PROGRAM MANAGEMENT/SUPPORT	\$1,042,820.20	4%
	Total	\$3,242,858.97	13%

FY 2015 ANALYSIS PLAN

The FY 2015 planned analysis will focus on the below Professional Program Management Support and Information Technology Hardware/Software/Services” PSC (R408 and D318) categories. The

below table identifies the special interest functions which will be the subject of CSOSA FY2015 planned analysis.

Product Service Codes	Description	Vendor Name
R408	SUPPORT- PROFESSIONAL: PROGRAM MANAGEMENT/SUPPORT	Hanks, Hanks & Associates, LLC
D318	IT AND TELECOM- INTEGRATED HARDWARE/SOFTWARE/SERVICES SOLUTIONS, PREDOMINANTLY SERVICES	Lintech Global, Inc.

The above product service codes were chosen to ensure enforceability and compliance with FAR 4.1703 reporting requirements and because the PSCs are OMB identified specialist interest functions. CSOSA intends to examine the above PSCs to determine:

- (1) Proper reporting requirements has been implemented and enforced by the acquisition staff and contractors.
- (2) Identified if continued process improvement through COR and Contracting Officer training has further reduced contractor tasking of inherently governmental functions and performance personal services.

FY 2015 Planned Analysis Methodology

The methodology to be used for the FY 2015 planned analysis shall include:

- (1) A comprehensive review of the proposed PSC actions that meet specific criteria service contract reporting under FAR 4.1703.
- (2) Review of contractor’s SAM Service Contract reports
- (3) Interview CORs and Contracting Office (CO) of the respective special interest contracts to identify whether or not:
 - (1) Safeguards and monitoring systems are place to ensure that work being performed by contractors has not changed or expanded during performance to become an inherently governmental function
 - (2) The contractor to government work is balanced with no over-reliance on contractor support to performance critical mission operations.

The results and findings from of the above analysis will be submitted with the FY 2016 Service Contract Inventory Report, January, 2017.

Any questions related to this report should be sent to Crandell McDonald, Director, Office of Procurement and/or Arla Scott, Management Analyst, at crandell.mcdonald@csosa.gov and arla.scott@csosa.gov. They can also be reached at 202.220.5795 and 202.220.5433, respectively.

Attachments:

- Appendix B, FY 2015 Service Contract Inventory
- Appendix C, Special Interest Functions
- SAM New Supplement