



UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, DC 20436

MEMORANDUM

DATE: February 22, 2018

FROM: Debra M. Bridge, Director **DB**
Office of Procurement

SUBJ: Analysis of FY 2016 Service Contracts Inventory /
Planned Analysis of FY 2017 Service Contracts Inventory

This memorandum contains the United States International Trade Commission's (USITC) analysis of its FY 2016 service contracts inventory, responsive to Section 743 of Division C of the Fiscal Year 2010 Consolidated Appropriations Act, P.L. 111-117. Following the Office of Federal Procurement Policy's (OFPP) memoranda on service contracts inventories, dated November 5, 2010 and December 19, 2011, and Notice dated October 5, 2017, the USITC selected special interest functions to include in the study. USITC then evaluated the use of contractors versus government employees for those functions.

A. Scope of Special Interest Functions Studied by USITC

The USITC planned for and analyzed the following Product Service Code (PSC) functions from its FY 2016 service contracts inventory:

PSC	Description	Action Obligation	# of Contracts Reviewed	% of Obligations within PSC
R408	Support-Professional: Program Management Support	\$167,909	1	100%
R499	Support-Professional: Other	\$109,290	2	100%

USITC chose to study these special interest functions because they are areas where additional analysis and insight may be helpful in determining the appropriate contractor to government employee ratio. These functions could be considered closely associated with inherently governmental functions.

B. Methodology Used to Support USITC's Analysis of FY 2016 Service Contracts

The analysis of USITC's FY 2016 service contracts was performed by the Director of Procurement. The service contracts inventory included purchase orders, delivery orders, task orders, and contracts.

C. Agency Findings

Pursuant to OFPP's memoranda, USITC has made the following findings as a result of its analysis:

1. USITC awarded no personal services contracts in Fiscal Year 2016.
2. USITC closely monitors functions that are associated with inherently governmental functions.
3. USITC is not using contractor employees to perform inherently governmental functions. USITC's acquisition staff is properly trained and able to identify inherently governmental functions as they relate to contractor work.
4. USITC monitors contractor work to ensure that the work does not expand during performance to become inherently governmental.
5. USITC does not use contractor employees to perform critical functions in such a way that could affect the ability of USITC to maintain control of its mission and operations.
6. USITC has allocated resources to manage and oversee its contracts effectively. USITC's policies and procedures provide for oversight of contract administration. Both Contracting Officers and Contracting Officer's Representatives are properly trained and certified to manage and oversee contracts.

D. Summary / Action Taken

Overall, the USITC maintains a balance between contract and government employees. USITC's practice is to train, and keep current, its acquisition and contract administration staff to award and administer its service contracts properly. Although no actions were taken as a direct result of this review, USITC is committed to maintaining excellence in its service contracting.

E. Planned Analysis for Fiscal Year 2017

As directed by OFPP's Notice dated October 5, 2017, the USITC has selected the following Product Service Codes from its FY 2017 inventory.

PSC	Description	2017 Action Obligations	2016 Action Obligations
D319	IT and Telecom – Annual Software Maintenance Service Plans	\$2,936,476	\$2,715,612

USITC chose to evaluate this PSC because it is one of USITC's largest contract dollar obligations for contracted services in FY 2017 and has not previously been evaluated under the Service Contracts Inventory Analysis.

USITC Point of Contact

Questions regarding this analysis may be directed to Debra Bridge, Office of Procurement, at (202) 205-2004, or debra.bridge@usitc.gov.