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UNITED STATES INTERNATIONAL TRADE COMMISSION

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WASHINGTON, DC 20436

January 4, 2013

MEMORANDUM

FROM: Celeste H. Rueffert, Director   
Office of Procurement

SUBJECT: Analysis of FY 2011 Service Contracts Inventory / Planned Analysis of FY 2012 Service Contracts Inventory

This memorandum contains the United States International Trade Commission's (USITC) analysis of its FY 2011 service contract 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 contract inventories, dated November 5, 2010 and December 19, 2011, USITC selected special interest and other 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 analyzed the following Product Service Code functions from its FY 2011 Service Contracts Inventory:

PSC	Description	Amt. Obligated	Percent of total obligations FY2011
D302	ADP SYSTEMS DEVELOPMENT SERVICES	\$1,531,063.00	17%
D307	AUTOMATED INFORMATION SYSTEM SVCS	\$1,121,442.90	13%
R707	MGT SVCS/CONTRACT & PROCUREMENT SUPPORT	\$1,760,740.28	20%
R408	PROGRAM MANAGEMENT/ SUPPORT SERVICES	\$778,822.04	9%

**B. Methodology Used to Support USITC's Analysis of FY 2011 Service Contracts**

The analysis of USITC's FY 2011 service contracts was performed by the Chief Financial Officer in conjunction with the Director of Procurement, and the Contracting Officer's Representatives (COR) associated with each contract. USITC's Director of Procurement, Chief Administrative Officer, and

Chief Information Officer were provided an opportunity to comment on the analysis and report.

### **C. Findings**

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

1. USITC awarded no personal services contracts in FY 2011.
2. USITC closely monitors functions that are closely associated with inherently governmental functions.
3. USITC is not using contractor employees to perform inherently governmental functions under the studied contracts. USITC 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 contract 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.

### **D. Actions Taken**

Overall, USITC maintains a balance between contract and government employees. USITC's policy is to train 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 FY2012**

As requested by the Office of Federal Procurement Policy (OFPP) memorandum dated December 19, 2011, the USITC has selected the following Product Service Codes from its FY 2012 Inventory.

PSC	Description	Amt. Obligated
D302	ADP SYSTEMS DEVELOPMENT SERVICES	\$1,538,592.00
D308	PROGRAMMING SERVICES	\$610,000.00
D399	OTHER ADP AND TELECOMMUNICATIONS SVCS.	\$543,766.94
R425	SUPPORT- PROFESSIONAL: ENGINEERING/TECHNICAL	\$623,115.28

The USITC determined to study D399 because the functions performed by the contractor are closely related to the special interest functions on the list. This contract is representative of the types of service contracts routinely utilized by USITC. This contract also represents a significant portion of the USITC's total obligations for FY 2012.