

**U.S. Department of Transportation  
Office of the Secretary of Transportation**

**FY 2012  
SERVICE CONTRACT INVENTORY  
ANALYSIS REPORT**



December 2, 2013

Submitted to  
Office of Management and Budget

## EXECUTIVE SUMMARY

The Department of Transportation (DOT) is working to improve the management of service contracts. DOT's ability to manage service contracts more effectively and to proactively find cost savings without adversely affecting the mission remains a top priority. DOT's FY2012 Service Contract Inventory (SCI) analysis focused on a subset of the OMB-selected management support services (MSS). Our FY2012 analysis efforts examined in detail cost type contracts in the six service codes with the highest obligation levels to help us understand how we can better manage these efforts for performance and cost efficiencies. The focus on high risk contracts provided information essential to identifying issues with the Operating Administrations use and management of cost-reimbursement awards. For the selected awards, our detailed analysis also identified the roles that contracted services play in achieving agency objectives.

Using data queried from the Federal Procurement Data System (FPDS) dated December 12, 2012, DOT analyzed the FY 2012 service contract inventory data concentrating more in-depth analysis on the 12 OMB-selected management support services.

In FY 2012, DOT spent \$5.6 billion on all contracts—goods and services. Eighty-one percent, or \$4.6 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 2012, DOT spent \$1.171 billion on the 12 OMB-selected management support services, which represents 21 percent of the total spending on all service contracts. In the 12 categories:

- 69 percent of spending was in R425-Engineering and Technical Services;
- 12 percent of spending was in R408-Program Management/ Support Services; and
- 6 percent of spending was in D307-Automated Information System Services.

DOT then analyzed the two top spending categories in more detail to understand: (1) changes in contract composition from FY 2011 to FY 2012; (2) type of competition among vendors and changes from FY 2011 to FY 2012; (3) place of performance; (4) how small and disadvantaged business goals were met; and (5) spending pattern for FY 2012. 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 2012, DOT selected and reviewed 248 contracts corresponding to 7.48 percent of the total service contract obligations and 29 percent of the obligations in the OMB-selected management support services in FY2012. Out of these 248 contracts:

- 80 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 better manage service contracts for performance and efficiency, in FY 2011 DOT began several important initiatives

1. Increasing awareness of service contract spending;
2. Reducing high-risk contracting; and

### 3. Implementing DOT-wide strategic sourcing.

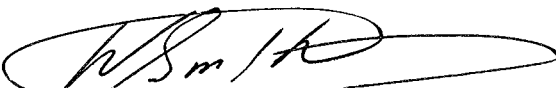

In FY 2011 and FY 2012, DOT successfully implemented phase 1 of a three phase strategic sourcing plan. Phase 1, outlined five (5) categories of near-term cost reduction opportunities. All five (5) categories in Phase 1 are currently complete. Phase 2 consists of commodities and services for wireless, furniture, software and maintenance, management support services and IT certification and accreditation. Phases 3, consists of engineering services, program management support and custodial services. Phases 2 and 3 combined are estimated to save DOT well over \$200M. As of June 30, 2013 DOT has saved \$148M from strategic sourcing..

### 4. Implementing DOT-wide Acquisition Oversight

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 2013, DOT certifications have increased substantially.

The Departmental Acquisition Strategy Review Board (ASRB) will provide a departmental-level review of the business and acquisition approaches utilized by the OAs in meeting DOT mission requirements and program objectives; ensure that Federal and departmental initiatives are being addressed; emphasize the importance of acquisition planning, source selection criteria, contract type, socioeconomic objectives, competition benefits, and award determinations; and provide a venue for OAs to raise issues that may be of concern to the Department.

The SPE will continue to leverage FPDS data analysis as a management tool to better understand and track service contract spending throughout DOT; and explore the development of a comprehensive policy on management support services contracting—as joint initiatives with the Chief Financial Officer. The SPE continues to lay the groundwork for establishing internal management controls for new service contracts, as well as identifying existing service contracts that are in high risk categories, duplicates, or candidates for renegotiation.

  
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Senior Procurement Executive  
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Chief Human Capital Officer  
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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 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. DOT's FY2012 Service Contract Inventory (SCI) analysis focused on a subset of the OMB-selected management support services (MSS). Our FY2012 analysis efforts examined in detail cost type contracts in the six service codes with the highest obligation levels to help us understand how we can better manage these efforts for performance and cost efficiencies. The focus on high risk contracts provided information essential to identifying issues with the Operating Administrations use and management of cost-reimbursement awards. For the selected awards, our detailed analysis also identified the roles that contracted services play in achieving agency objectives.

This Service Contract Inventory Analysis Report presents the analysis methodology, findings, and the resulting recommendations and actions. As this is the third year this analysis is being performed, the report will also follow up on trends from earlier analyses.

## 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 (GAO-12-1007). In their September 2012 report entitled "Civilian Service Contract Inventories, Opportunities Exist to Improve Agency reporting and Review Efforts" 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. In response to OMB's guidance and the GAO recommendations, DOT:

- Developed the FY 2012 Service Contract Inventory using service contract action obligations over \$25,000 awarded in FY 2012. This inventory was submitted to OMB by December 30, 2012.
- Conducted analysis on the FY 2012 Service Contract Inventory to determine if contract labor is being used appropriately and efficiently;
- Developed new guidance and training, updated the Service Contract Review Form and checklists for reviewing individual contracts;

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 2012 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-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 developed a detailed list of FY12 awarded contracts by contract type for the OMB-selected 12 PSCs and requested that the Operating Administrations (OAs) focus on the following six service codes with the highest spending on cost types of contracts - R425, R408, D307, R707, R414, and R421. Operating Administrations were asked to review a defined percentage of the total Cost contracts within the cited service codes and all Personal Services contracts.

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.”<sup>1</sup>

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 justification and basis for approval of a cost type contract, what specific quality assurance procedures and oversight are in place, the role of the contract in achieving agency objectives, the business status, plans to re-compete the contract, and whether or not the Operating Administration has determined if any of the services should be performed by federal employees or a mixture of federal employees and contractors. To complete the template, the OAs reviewed the contract file and, as necessary, conducted interviews with the relevant program and acquisition offices. In addition, Operating Administrations were required to complete the Annual Service Contract Inventory Review Certification Form

## 2.2 Management Support Services

In 2011, OMB identified 12 service codes as part of a Management Support Services Savings Initiative Table 2-1 provides a list of the service codes selected as management support services. DOT’s FY2012 Service Contract Inventory (SCI) analysis focused on a subset of the OMB-selected management support services (MSS). Our FY2012 analysis efforts examined in detail cost type contracts in the six service codes with the highest obligation levels to help us understand how we can better manage these efforts for performance and cost efficiencies.

**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 is aware of two areas that must be considered when using FPDS data to analyze service contract spending:

1. The FPDS data is not static and is continually changing with additions and corrections to the data.
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 approximately 1.2 percent.

**FPDS data is not static and changes over time.** The FY 2012 Service Contract Inventory Analysis was conducted using data queried from FPDS on December 12, 2012. The total action obligations above \$25,000 were \$4.6 billion.

<sup>1</sup> Service Contract Inventory Requirement. Public Law 111-117. Section 743. December 16, 2009.

On 30 January 2013, the DOT Senior Procurement Executive signed and provided OMB the Annual Procurement Data Quality report based on FPDS data as of January 23, 2013. In that report, the Department identified obligations in the amount of \$5,999,510,506.55 (as of FPDS report dated 23 January 2013) and \$479,272,100.30 of estimated Federal Aviation Administration (FAA) FY12 obligations not included in FPDS as of 23 January 2013.

The Department of Transportation's Federal Aviation Administration (FAA) indicated that the procurement actions were not reported to FPDS-NG because the data did not pass FPDS-NG validations. FAA does not use its Contract Writing System to send data, but uses GSA's Business Services. This process does not allow FAA to make corrections real time. FAA's method of correcting such errors is to modify its data transmission process and manually enter those actions into FPDS-NG. By April 2013, FAA reconciled and updated their missing data.

The Department notified OMB in August 2013, about FAA's late FY12 procurement reporting as it relates to the Department's FY12 Service Contract Inventory (SCI) Analysis. The FY12 Service Contract Inventory was prepared using FPDS data as of December 12, 2012 and as such did not include late or missing data which the Operating Administrations including FAA submitted after that date into FPDS.

**Service Contract Inventory excludes de-obligations.** In FY 2012, this query methodology overstates actual spending by approximately 1.2 percent, which does not decrease the value of the data. In some specific cases, this methodology distorts the numbers which are presented in the tables for analysis.

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

### 3.0 ANALYSIS FINDINGS

#### 3.1 Service Contract Inventory Analysis

DOT spent \$5.6 billion on contracts (action obligations) in FY 2012 (as reported in FPDS as of December 12, 2012). Eighty two percent or \$4.6 billion was spent on service contracts. Ten operating administrations (OAs) spent 80 percent or more of their contract dollars on service contracts. In FY 2012:

- Federal Highway Administration (FHWA), Federal Motor Carrier Safety Administration (FMCSA), Federal Railroad Administration (FRA), the Office of the Secretary of Transportation, the National Highway Traffic Safety Administration (NHTSA) and the Federal Transit Administration (FTA) all spent over 95 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). It's important to note that the Service Contract Inventory dollar amounts include only reported obligations greater than \$25,000 per OMB report requirements. This reporting requirement results in anomalies in the percentage calculations since the total contract obligations include all awards including those less than \$25,000 and de-obligations. In FY12, FTA issued several large dollar awards de-obligating approximately \$31,343,127.61. These de-obligations were not accounted for in the Service Contract Inventory reported obligations thereby overstating the calculated percentages.

**Table 3-1: Service Contract Spending by Operating Administration**

Operating Administration	FY 2012 Action Obligations		Percentage Service Contract Inventory of Total Contracts
	Total Contracts	Service Contract Inventory > 25000	
FEDERAL AVIATION ADMINISTRATION	\$3,731,979,130.84	\$2,966,220,182	79%
FEDERAL HIGHWAY ADMINISTRATION	\$631,618,524.15	\$677,410,297	107%
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	\$52,656,584.11	\$49,584,071	94%
FEDERAL RAILROAD ADMINISTRATION	\$64,405,812.08	\$63,676,704	99%
FEDERAL TRANSIT ADMINISTRATION	\$38,590,704.57	\$68,195,897	177%
IMMEDIATE OFFICE OF THE SECRETARY OF TRANSPORTATION	\$271,882,394.89	\$287,422,468	106%
MARITIME ADMINISTRATION	\$416,776,493.36	\$101,922,470	24%
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	\$134,149,104.92	\$128,821,511	96%
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION	\$39,877,830.36	\$35,901,259	90%
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION	\$188,490,041.77	\$176,075,653	93%
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION	\$16,117,468.40	\$15,243,779	95%
Other*		\$31,260,692	
<b>Total</b>	<b>\$5,586,544,089.45</b>	<b>\$4,601,734,983</b>	<b>82%</b>
* Other includes the following contracting agencies DISA, DOE, Federal Acquisition, Public Building who awarded contracts on behalf of DOT. Type of Contracts: Firm Fixed & Cost			

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 64 percent of DOT total spending on service contracts at DOT;
- Federal Highway Administration (FHWA) was responsible for 15 percent of DOT total spending on service contracts at DOT; and
- The Office of the Secretary of Transportation and the Research and Innovative Technology Administration together are responsible for 10 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 2012 Action Obligations		Percentage of Total Service Contract Inventory
	Total Contracts	Service Contract Inventory > 25000	
FEDERAL AVIATION ADMINISTRATION	\$3,731,979,130.84	\$2,966,220,182	64%
FEDERAL HIGHWAY ADMINISTRATION	\$631,618,524.15	\$677,410,297	15%
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	\$52,656,584.11	\$49,584,071	1%
FEDERAL RAILROAD ADMINISTRATION	\$64,405,812.08	\$63,676,704	1%
FEDERAL TRANSIT ADMINISTRATION	\$38,590,704.57	\$68,195,897	1%
IMMEDIATE OFFICE OF THE SECRETARY OF TRANSPORTATION	\$271,882,394.89	\$287,422,468	6%
MARITIME ADMINISTRATION	\$416,776,493.36	\$101,922,470	2%
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	\$134,149,104.92	\$128,821,511	3%
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATON	\$39,877,830.36	\$35,901,259	1%
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION	\$188,490,041.77	\$176,075,653	4%
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION	\$16,117,468.40	\$15,243,779	0%
Other*		\$31,260,692	
<b>Total</b>	<b>\$5,586,544,089.45</b>	<b>\$4,601,734,983</b>	<b>99%</b>
* Other includes the following contracting agencies DISA, DOE, Federal Acquisition, Public Building who awarded contracts on behalf of DOT. Type of Contracts: Firm Fixed & Cost			

Table 3-3 presents an overview of the changes in service contract spending from FY 2011 to FY 2012. From FY 2011 to FY 2012:

- Total service contract spending has decreased two percent;
- The Office of the Secretary of Transportation (OST) and the Federal Transit Administration (FTA) have decreased their service contract spending by 33 percent and 67 percent respectively;
- The Maritime Administration's spending increased by 107 percent;
- Spending in category "Other" continues to decrease and from 2011 to 2012 decreasing by 23 percent in FY12. "Other" consists spending of obligations of DOT funding by other contracting agencies.

**Table 3-3: Service Contract Inventory – Change from FY 2011**

	Service Contract Inventory FY 2010	Service Contract Inventory FY 2011	Service Contract Inventory FY 2012	SCI Percentage Change from FY 2011 to FY 2012
Operating Administration				
MARITIME ADMINISTRATION	\$48,330,619	\$49,264,716	\$101,922,470	107%
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	\$39,671,432	\$105,883,198	\$128,821,511	22%
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	\$46,059,204	\$40,868,070	\$49,584,071	21%
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION	\$31,580,004	\$32,440,899	\$35,901,259	11%
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION	\$7,542,613	\$13,830,098	\$15,243,779	10%
FEDERAL HIGHWAY ADMINISTRATION	\$658,064,832	\$654,871,551	\$677,410,297	3%
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION	\$87,986,926	\$170,420,097	\$176,075,653	3%
FEDERAL AVIATION ADMINISTRATION	\$2,387,490,687	\$2,887,456,220	\$2,966,220,182	3%
FEDERAL RAILROAD ADMINISTRATION	\$49,108,072	\$64,050,466	\$63,676,704	-1%
Other*	\$1,141,508,114	\$40,548,080	\$31,260,692	-23%
IMMEDIATE OFFICE OF THE SECRETARY OF TRANSPORTATION	\$271,369,182	\$428,663,290	\$287,422,468	-33%
FEDERAL TRANSIT ADMINISTRATION	\$89,002,665	\$209,389,043	\$68,195,897	-67%
<b>Total</b>	<b>\$4,857,714,350</b>	<b>\$4,697,685,728</b>	<b>\$4,601,734,983</b>	<b>-2%</b>
* Other includes the following contracting agencies DISA, DOE, Federal Acquisition, Public Building who awarded contracts on behalf of DOT. Type of Contracts: Firm Fixed & Cost				

DOT reviewed the service contract spending by service code categories:

- 32.7 percent of spending was in category R—Support (Professional/Administrative/Management);
- 20.4 percent of spending was in category A—Research and Development;
- 64.9 percent of spending was within the three top spending categories; and
- 88.9 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 2012 Action Obligations	Percentage of Total
R	Support(Professional/Administrative/Management)	\$1,505,675,001	32.72%
A	Research and Development	\$939,279,193	20.41%
Y	Construction of Structures/Facilities	\$544,172,404	11.83%
S	Utilities and Housekeeping	\$486,254,860	10.57%
D	Information Technology and Telecommunication	\$439,826,908	9.56%
V	Transportation/Travel/Relocation	\$178,781,821	3.89%
U	Education/Training	\$114,769,329	2.49%
B	Special Studies/Analysis	\$111,199,632	2.42%
Z	Maintenance, Repair, Alteration of Structures/Facilities	\$92,053,816	2.00%
C	Architect and Engineering Services	\$63,496,633	1.38%
J	Maintenance, Repair, and Rebuilding of Equipment	\$28,896,447	0.63%
H	Quality Control, Testing, and Inspection	\$24,082,714	0.52%
N	Installation of Equipment	\$23,245,874	0.51%
M	Operation of Structures/Facilities	\$21,749,606	0.47%
X	Lease/Rental of Structure/Facilities	\$10,468,527	0.23%
T	Photo/Map/Print/Publication	\$5,427,063	0.12%
L	Technical Representative	\$3,937,640	0.09%
W	Lease/Rental of Equipment	\$2,907,142	0.06%
Q	Medical	\$2,825,143	0.06%
F	Natural Resources Management	\$2,275,060	0.05%
K	Modification of Equipment	\$303,622	0.01%
E	Purchase of Structures/Facilities	\$41,200	0.00%
P	Salvage	\$35,848	0.00%
G	Social	\$29,500	0.00%
Total		\$4,601,734,983	100.00%

Table 3-5 presents the change in DOT spending by service code. From FY 2011 to FY 2012:

- Category (R) Support (Professional/Administrative/Management) the largest category by dollar value, decreased 9.51 percent; and
- Category (A) Support (Research and Development) the second largest category by dollar value, increased by 7.67 percent.

**Table 3-5: DOT Spending by Service Code – Change from 2011**

	Service Code Category	FY 2011 Action Obligations	FY 2012 Action Obligations	Change from FY 2011 to FY 2012
W	Lease/Rental of Equipment	\$937,059	\$2,907,142	210.24%
J	Maintenance, Repair, and Rebuilding of Equipment	\$18,848,659	\$28,896,447	53.31%
M	Operation of Structures/Facilities	\$14,376,713	\$21,749,606	51.28%
Z	Maintenance, Repair, Alteration of Structures/Facilities	\$66,355,421	\$92,053,816	38.73%
D	Information Technology and Telecommunication	\$330,564,332	\$439,826,908	33.05%
B	Special Studies/Analysis	\$85,341,590	\$111,199,632	30.30%
K	Modification of Equipment	\$238,000	\$303,622	27.57%
Y	Construction of Structures/Facilities	\$450,976,064	\$544,172,404	20.67%
L	Technical Representative	\$3,289,065	\$3,937,640	19.72%
H	Quality Control, Testing, and Inspection	\$20,667,069	\$24,082,714	16.53%
A	Research and Development	\$872,387,607	\$939,279,193	7.67%
S	Utilities and Housekeeping	\$493,182,833	\$486,254,860	-1.40%
R	Support(Professional/Administrative/Management)	\$1,663,956,067	\$1,505,675,001	-9.51%
N	Installation of Equipment	\$26,561,460	\$23,245,874	-12.48%
U	Education/Training	\$133,333,980	\$114,769,329	-13.92%
V	Transportation/Travel/Relocation	\$315,403,045	\$178,781,821	-43.32%
Q	Medical	\$5,531,098	\$2,825,143	-48.92%
T	Photo/Map/Print/Publication	\$10,741,342	\$5,427,063	-49.48%
C	Architect and Engineering Services	\$137,346,369	\$63,496,633	-53.77%
G	Social	\$72,402	\$29,500	-59.26%
F	Natural Resources Management	\$6,979,857	\$2,275,060	-67.41%
X	Lease/Rental of Structure/Facilities	\$34,659,181	\$10,468,527	-69.80%
E	Purchase of Structures/Facilities	\$153,942	\$41,200	-73.24%
P	Salvage	\$5,782,576	\$35,848	-99.38%
Total		\$4,697,685,731	\$4,601,734,983	

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:

- 59% of total spending is on fixed price type contracts, 30.7% percent is on cost type contracts, 7.7% is on time and material type contracts; and
- Within eight of the service codes, more than 30% of the spending is on high-risk contract types.

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

Service Code Category		FY 2012 Action Obligations				
		Total Cost Contracts	Total T&M Contracts	Total Fixed Price Contracts	Total Other Contracts	Total Contracts
R	Support(Professional/Administrative/Management)	41.2%	13.6%	40.2%	5.0%	\$1,505,675,001
A	Research and Development	36.4%	6.8%	55.4%	1.4%	\$939,279,193
Y	Construction of Structures/Facilities	0.0%	0.0%	100.0%	0.0%	\$544,172,404
S	Utilities and Housekeeping	35.7%	0.0%	64.0%	0.3%	\$486,254,860
D	Information Technology and Telecommunication	20.2%	15.6%	61.9%	2.3%	\$439,826,908
V	Transportation/Travel/Relocation	0.1%	0.0%	99.9%	0.0%	\$178,781,821
U	Education/Training	79.8%	0.1%	19.1%	1.0%	\$114,769,329
B	Special Studies/Analysis	46.7%	7.1%	42.8%	3.4%	\$111,199,632
Z	Maintenance, Repair, Alteration of Structures/Facilities	1.3%	2.3%	96.4%	0.0%	\$92,053,816
C	Architect and Engineering Services	33.7%	2.8%	62.3%	1.3%	\$63,496,633
J	Maintenance, Repair, and Rebuilding of Equipment	0.2%	0.4%	93.4%	6.0%	\$28,896,447
H	Quality Control, Testing, and Inspection	18.5%	17.3%	41.7%	22.5%	\$24,082,714
N	Installation of Equipment	1.1%	0.2%	98.7%	0.0%	\$23,245,874
M	Operation of Structures/Facilities	63.9%	0.0%	36.1%	0.0%	\$21,749,606
X	Lease/Rental of Structure/Facilities	0.0%	0.0%	100.0%	0.0%	\$10,468,527
T	Photo/Map/Print/Publication	0.0%	29.5%	69.9%	0.6%	\$5,427,063
L	Technical Representative	0.0%	0.0%	100.0%	0.0%	\$3,937,640
W	Lease/Rental of Equipment	0.0%	0.0%	93.2%	6.8%	\$2,907,142
Q	Medical	30.0%	0.0%	64.9%	5.1%	\$2,825,143
F	Natural Resources Management	0.0%	0.0%	100.0%	0.0%	\$2,275,060
K	Modification of Equipment	0.0%	0.0%	100.0%	0.0%	\$303,622
E	Purchase of Structures/Facilities	0.0%	0.0%	100.0%	0.0%	\$41,200
P	Salvage	0.0%	0.0%	100.0%	0.0%	\$35,848
G	Social	0.0%	0.0%	100.0%	0.0%	\$29,500
Total		30.7%	7.7%	59.2%	2.5%	100.0%

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

Service Code Category		FY 2012 Action Obligations				
		Dollar value for Cost	Value for T&M	Value for FP	Value for Other	Total Contracts
R	Support(Professional/Administrative/Management)	\$620,559,576	\$204,971,468	\$604,534,960	\$75,608,996	\$1,505,675,001
A	Research and Development	\$341,840,428	\$64,237,356	\$520,452,079	\$12,749,330	\$939,279,193
Y	Construction of Structures/Facilities	\$63,175	\$0	\$544,109,229	\$0	\$544,172,404
S	Utilities and Housekeeping	\$173,394,073	\$0	\$311,220,614	\$1,640,173	\$486,254,860
D	Information Technology and Telecommunication	\$89,012,590	\$68,432,429	\$272,099,664	\$10,282,226	\$439,826,908
V	Transportation/Travel/Relocation	\$230,401	\$0	\$178,551,420	\$0	\$178,781,821
U	Education/Training	\$91,556,774	\$150,417	\$21,907,872	\$1,154,266	\$114,769,329
B	Special Studies/Analysis	\$51,915,403	\$7,847,973	\$47,617,401	\$3,818,855	\$111,199,632
Z	Maintenance, Repair, Alteration of Structures/Facilities	\$1,160,000	\$2,111,145	\$88,782,671	\$0	\$92,053,816
C	Architect and Engineering Services	\$21,379,975	\$1,757,562	\$39,554,970	\$804,127	\$63,496,633
J	Maintenance, Repair, and Rebuilding of Equipment	\$48,706	\$129,735	\$26,996,258	\$1,721,748	\$28,896,447
H	Quality Control, Testing, and Inspection	\$4,459,107	\$4,164,290	\$10,050,681	\$5,408,636	\$24,082,714
N	Installation of Equipment	\$260,667	\$38,030	\$22,947,177	\$0	\$23,245,874
M	Operation of Structures/Facilities	\$13,893,246	\$0	\$7,856,360	\$0	\$21,749,606
X	Lease/Rental of Structure/Facilities	\$0	\$0	\$10,468,527	\$0	\$10,468,527
T	Photo/Map/Print/Publication	\$0	\$1,600,000	\$3,795,063	\$32,000	\$5,427,063
L	Technical Representative	\$0	\$0	\$3,937,640	\$0	\$3,937,640
W	Lease/Rental of Equipment	\$0	\$0	\$2,708,962	\$198,180	\$2,907,142
Q	Medical	\$847,447	\$0	\$1,833,370	\$144,326	\$2,825,143
F	Natural Resources Management	\$0	\$0	\$2,275,060	\$0	\$2,275,060
K	Modification of Equipment	\$0	\$0	\$303,622	\$0	\$303,622
E	Purchase of Structures/Facilities	\$0	\$0	\$41,200	\$0	\$41,200
P	Salvage	\$0	\$0	\$35,848	\$0	\$35,848
G	Social	\$0	\$0	\$29,500	\$0	\$29,500
Total		\$1,410,621,568	\$355,440,406	\$2,722,110,147	\$113,562,862	\$4,601,734,983

### 3.2 Management Support Services Analysis

Table 3-8 provides the breakdown of contract spending on service contracts and management support services. In FY 2012, DOT spent \$1.17 billion on management support services, which is 21 percent of spending on all service contracts.

**Table 3-8: OMB Management Support Services**

Spend Category	FY2012 Action Obligations	Percentage of Total Contract Spend	FY 2011 Action Obligations > 25000	Percentage of Total Contract Spend
Total Contract	\$5,586,544,089.45		\$5,775,962,115	
Service Contract Inventory	\$4,601,734,983	82%	\$4,697,685,730	81%
OMB Selected Management Support Services	\$1,171,145,211	21%	\$1,287,323,376	22%

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 2011:

- 69 percent of spending is in engineering and technical services (R425);
- 81 percent of management support services spending is in the top two categories;
- D307 Automated Information System services increased 150 percent;
- R413 Specifications Development Services increased 461 percent; and
- Categories R421, D310, R423, and D302 have all decreased more than 50 percent since FY 2011.

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

	OMB Selected Management Support Services	FY 2011 Action Obligations > 25000	FY 2012 Obligations > 25000	Percentage of total	Percentage Change from FY 2011
R425*	Engineering and Technical Services	\$789,656,389	\$809,598,028	69%	3%
R408*	Program Management/Support Services	\$254,140,945	\$141,730,676	12%	-44%
D307*	Automated Information System Services	\$32,562,037	\$81,414,739	7%	150%
R707*	Mgt Svcs/Contract & Procurement Sup	\$35,328,835	\$39,808,413	3%	13%
R414*	Systems Engineering Services	\$38,998,720	\$29,657,542	3%	-24%
D314	ADP Acquisition Support Services	\$26,663,114	\$25,842,186	2%	-3%
R421*	Technical Assistance	\$71,779,077	\$24,053,486	2%	-66%
D302	ADP Systems Development Services	\$33,079,038	\$13,079,248	1%	-60%
R413	Specifications Development Services	\$554,096	\$3,111,028	0%	461%
R497	Personal Services Contracts	\$1,866,015	\$1,779,942	0%	-5%
D310	ADP Backup and Security Services	\$2,308,240	\$961,051	0%	-58%
R423	Intelligence Services	\$386,870	\$108,874	0%	-72%
	Total	\$1,287,323,376	\$1,171,145,211	100%	-9%

\* Cost type contracts were reviewed in these PSC codes.

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 percent and 64 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 decreased by 1.9 percent since FY 2011.

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

Operating Administration	FY 2012 Action Obligations		Management Support Services Percentage of SCI FY 2011	Management Support Services Percentage of SCI FY 2012	Change in Management Support Services
	Service Contract Inventory	OMB Selected Management Support Services			
FAA	\$2,966,220,182	\$877,895,877	31.0%	30%	-1.4%
FHWA	\$677,410,297	\$39,101,182	5.3%	6%	0.5%
FMCSA	\$49,584,071	\$13,062,537	11.7%	26%	14.6%
FRA	\$63,676,704	\$12,094,928	28.0%	19%	-9.0%
FTA	\$68,195,897	\$55,393,085	81.5%	81%	-0.3%
MARAD	\$101,922,470	\$21,598,180	23.7%	21%	-2.5%
NHTSA	\$128,821,511	\$17,776,433	16.1%	14%	-2.3%
OST	\$287,422,468	\$10,857,966	1.9%	4%	1.9%
PHMSA	\$35,901,259	\$12,110,385	31.8%	34%	1.9%
RITA	\$176,075,653	\$111,254,638	64.9%	63%	-1.7%
SLSDC	\$15,243,779	\$0	2.1%	0%	-2.1%
Other*	\$31,260,692	\$0	12.1%	0%	-12.1%
Total	\$4,601,734,983	\$1,171,145,211	27.4%	25%	-1.9%
* Other includes the following contracting agencies DISA, DOE, Federal Acquisition, Public Building who awarded contracts on behalf of DOT. Type of Contracts: Firm Fixed & Cost					

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:

- 36.97 percent (\$432.9M) is in fixed price contracts;
- 50.25 percent (\$588.5M) is in cost type contracts;
- 9.22 percent (\$107.9M) is in time and material type contracts;
- For service code R425—Engineering and Technical Services (representing 69.1 percent of total spending) —57 percent of spending was on cost contracts (\$461.4M);
- For service codes D307—Automated Information System Services, and R414 – System Engineering Services, more than 50 percent of spending was on cost type contracts.
- In contrast to FY 2011, spending in FY 2012 decreased for cost type contracts from 51.16% to 50.25%, decreased from 12.81% to 9.22% for time and material, and increased slightly for fixed price contracts from 35.27% to 36.97% in FY2012.

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

OMB Selected Management Support Services		FY2012 Actions Obligations				
		Total Cost	Total T&M	Total Fixed Price	Total Other	Total Contracts
		Contracts	Contracts	Contracts	Contracts	Contracts
R425*	Engineering and Technical Services	57%	8%	32%	3%	\$809,598,028
R408*	Program Management/Support Services	26%	15%	49%	9%	\$141,730,676
D307*	Automated Information System Services	77%	11%	12%	0%	\$81,414,739
R707*	Mgt Svcs/Contract & Procurement Sup	4%	16%	78%	2%	\$39,808,413
R414*	Systems Engineering Services	67%	0%	33%	0%	\$29,657,542
D314	ADP Acquisition Support Services	0%	5%	95%	0%	\$25,842,186
R421*	Technical Assistance	21%	10%	55%	14%	\$24,053,486
D302	ADP Systems Development Services	0%	5%	91%	5%	\$13,079,248
R413	Specifications Development Services	0%	100%	0%	0%	\$3,111,028
R497	Personal Services Contracts	0%	0%	30%	70%	\$1,779,942
D310	ADP Backup and Security Services	0%	61%	30%	9%	\$961,051
R423	Intelligence Services	0%	0%	100%	0%	\$108,874
		50.25%	9.22%	36.97%	3.56%	\$1,171,145,211
* Cost type contracts were reviewed in these PSC codes.						

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

OMB Selected Management Support Services		FY 2012 Action Obligations				
		Total Cost	Total T&M	Total Fixed	Total Other	Total Contracts
		Contracts	Contracts	Contracts	Contracts	
R425*	Engineering and Technical Services	\$461,445,433	\$63,245,070	\$262,443,780	\$22,463,745	\$809,598,028
R408*	Program Management/Support Services	\$37,506,026	\$21,480,508	\$69,551,702	\$13,192,441	\$141,730,676
D307*	Automated Information System Services	\$62,825,837	\$8,962,496	\$9,626,406	\$0	\$81,414,739
R707*	Mgt Svcs/Contract & Procurement Sup	\$1,743,721	\$6,232,919	\$31,159,930	\$671,843	\$39,808,413
R414*	Systems Engineering Services	\$19,979,595	\$0	\$9,677,946	\$0	\$29,657,542
D314	ADP Acquisition Support Services	\$0	\$1,358,194	\$24,483,992	\$0	\$25,842,186
R421*	Technical Assistance	\$5,049,932	\$2,400,755	\$13,231,395	\$3,371,403	\$24,053,486
D302	ADP Systems Development Services	\$0	\$593,115	\$11,874,917	\$611,215	\$13,079,248
R413	Specifications Development Services	\$0	\$3,111,028	\$0	\$0	\$3,111,028
R497	Personal Services Contracts	\$0	\$0	\$539,180	\$1,240,762	\$1,779,942
D310	ADP Backup and Security Services	\$0	\$587,770	\$285,000	\$88,280	\$961,051
R423	Intelligence Services	\$0	\$0	\$108,874	\$0	\$108,874
		<b>\$588,550,543</b>	<b>\$107,971,856</b>	<b>\$432,983,122</b>	<b>\$41,639,689</b>	<b>\$1,171,145,211</b>
<b>Fiscal Year 2011</b>		<b>\$658,590,456</b>	<b>\$164,863,379</b>	<b>\$454,025,419</b>	<b>\$9,844,122</b>	<b>\$1,287,323,376</b>
* Cost type contracts were reviewed in these PSC codes						

Table 3-13 and 3-14 show the number of contract actions by service code and contract type. Compared to FY 2011, they have decreased in all categories except for “Other” types of contracts.

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

OMB Selected Management Support Services		FY 2012 Action Obligations				
		Total Cost Contracts	Total T&M Contracts	Total Fixed Price	Total Other	Total Contracts
				Contracts	Contracts	
R425*	Engineering and Technical Services	456	87	314	39	896
R408*	Program Management/Support Services	89	42	124	17	272
D307*	Automated Information System Services	11	18	21	0	50
R707*	Mgt Svcs/Contract & Procurement Sup	2	11	15	3	31
R414*	Systems Engineering Services	18	0	10	0	28
D314	ADP Acquisition Support Services	0	1	27	0	28
R421*	Technical Assistance	18	7	21	0	46
D302	ADP Systems Development Services	0	4	23	4	31
R413	Specifications Development Services	0	3	0	0	3
R497	Personal Services Contracts	0	0	5	8	13
D310	ADP Backup and Security Services	0	4	1	2	7
R423	Intelligence Services	0	0	1	0	1
Total		594	177	562	73	1,406
Fiscal Year 2011		606	401	846	16	1869
* Cost type contracts were reviewed in these PSC codes						

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

OMB Selected Management Support Services		FY 2012 Action Obligations				
		Total Cost	Total T&M	Total Fixed	Total Other	Total Contracts
		Contracts	Contracts	Price Contracts	Contracts	
R425*	Engineering and Technical Services	51%	10%	35%	4%	896
R408*	Program Management/Support Services	33%	15%	46%	6%	272
D307*	Automated Information System Services	22%	36%	30%	6%	50
R707*	Mgt Svcs/Contract & Procurement Sup	6%	35%	48%	10%	31
R414*	Systems Engineering Services	64%	0%	36%	0%	28
D314	ADP Acquisition Support Services	0%	4%	96%	0%	28
R421*	Technical Assistance	39%	15%	46%	0%	46
D302	ADP Systems Development Services	0%	13%	74%	13%	31
R413	Specifications Development Services	0%	100%	0%	0%	3
R497	Personal Services Contracts	0%	0%	38%	62%	13
D310	ADP Backup and Security Services	0%	57%	14%	29%	7
R423	Intelligence Services	0%	0%	100%	0%	1
Total		42%	13%	40%	5%	1,406
Fiscal Year 2011		32%	21%	45%	1%	1869
* Cost type contracts were reviewed in these PSC codes						

### 3.3 Role of the Service Contracts in Achieving Agency Objectives

Pursuant to Section 743 of Division C of the FY 2010 Consolidated Appropriations Act, Public Law 111-117, the DOT asked the Operating Administrations (OA) to specifically confirm the role of the service contract inventory in achieving agency objectives. Selected excerpts from the OA certification packages are included below.

Federal Railroad Administration stated that contract DTFR5307D00009 contributes to their agency objectives by providing objective information to target and audit railroad safety compliance, and to determine the state-of-good repairs of the Nation's railroads for the Automated Track Inspection Program (ATIP). This program is designed provide accurate, timely, and reliable information of the National Railroad Infrastructure to assure public safety. The contract provides for audit to improve railroads compliance with the FRA track safety standards; comprehensive infrastructure diagnostics to notify railroads of major safety risks; and information to determine safety trends. This effort supports FRA's specific safety and research activities.

The Federal Highway Administration (FHWA) reported that contract DTFH6107D00009T12003 is designed to support their Innovative Program Delivery Project library which maintains information on surface transportation infrastructure projects that utilize innovative finance, procurement and revenue strategies. Another service contract, DTFH6108C00005, was awarded to address Congressional direction for FHWA to initiate a program to conduct research to diagnose and manage the health of U.S. bridges. This contract helps FHWA achieve their agency objectives by reducing the risk of infrastructure failure through the effective use of inspection, maintenance, and management techniques for highway assets and helps advance the state of good repair for the National Highway System through the Long-Term Bridge Performance Program. Contract DTFH6108D00012T12004 helps FHWA achieve its agency objectives

For the Federal Aviation Administration (FAA), contract (DTFAWA-10-D-00028) supports agency objectives with the transformation of the National Air Transportation System through 2020 via the Next Generation Air Transportation System (NextGen). The contract provides for applied research directed toward data collection/reduction and concept exploration and development required to satisfy emerging demand for NAS services. Another contract, DTFAWA-12-D-00013, provides for technical support including engineering, safety management, program management, testing, implementation, facilities, logistics, training, and operations for the EnRoute and Oceanic Air Traffic Systems. Contract DTFACT-10-C-0001 supports FAA's objectives in modernizing the National Airspace System (NAS) infrastructure and provides for ISO 901 2000 certification and operations support. Service Contract DTFAWA-04-C-00045 contributes to FAA's agency objectives to modernize the Traffic Flow Management System (TFMS) by providing design, development, test, implementation support.

Service contracts play an important role in helping the National Highway Traffic Safety Administration (NHTSA) achieve their agency objectives. Contracts DTNH22-C-00207 and DTNH22-C-00208 support NHTSA's National Automobile Sampling System (NASS) with national data collection efforts related to highway vehicle crashes. The contractors are responsible for collecting data which is then analyzed and used by NHTSA to detect patterns or trends that may affect the safety of highway vehicles. This information is used extensively by NHTSA in performing research and in preparing national reports.

### 3.4 Detailed Assessment of Service Codes with the Highest Spending on Cost Type Contracts:

Within the 12 management support services, the two service codes with the highest spending on cost type contracts were assessed in greater detail:

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

#### R425 Engineering and Technical Services

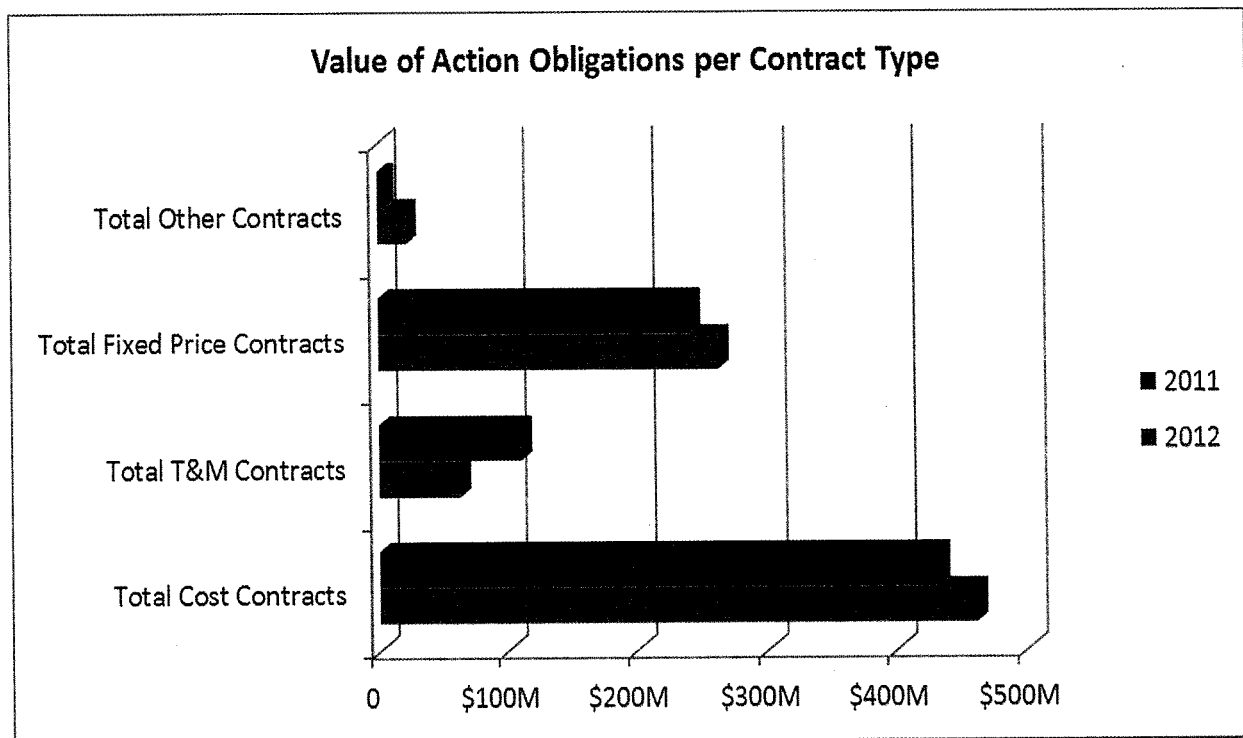
##### A. Type of Contract

From FY 2011 to FY 2012:

- There has been a three percent increase in the total dollar value for action obligation in the R425 category.
- This increase can be traced back to Total Time & Material Contracts that has decreased by 43 percent while other types of contracts have increased. 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
2012	\$461,445,433	\$63,245,070	\$262,443,780	\$22,463,745	\$809,598,028
2011	\$432,454,236	\$111,213,289	\$241,273,376	\$4,715,489	\$789,656,389
	7%	-43%	9%	376%	3%

Fiscal Year	Cost no fee	Cost Plus Award Fee	Cost plus Fixed	Cost plus incentive fee	Cost sharing	Total
2012	\$5,271,991	\$29,823,976	\$426,349,466	\$0	\$0	\$461,445,433
2011	\$4,245,572	\$21,254,051	\$405,286,730	\$165,019	\$1,502,863	\$432,454,236



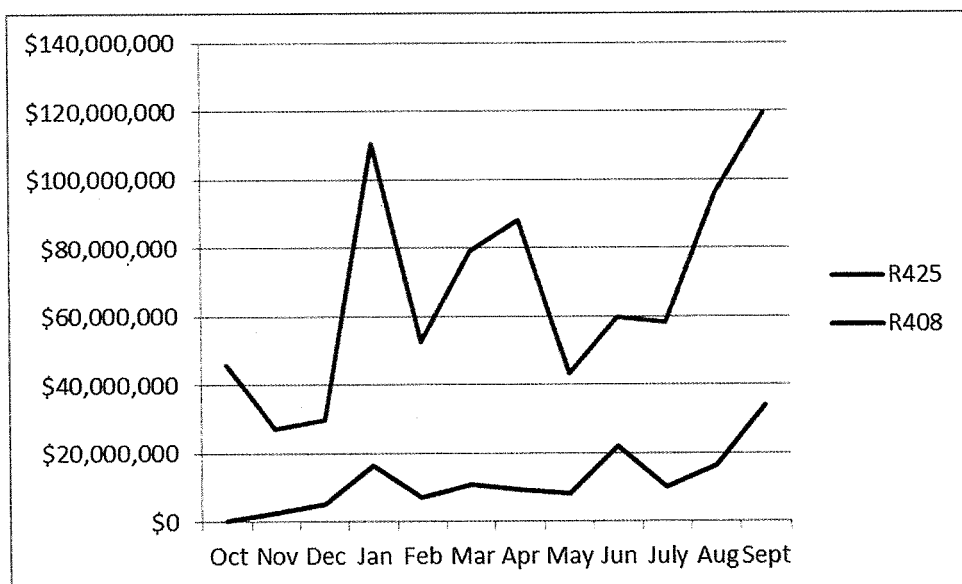
### C: Level of Competition

The percentage of contracts awarded under full and open competition has increased from 60 percent to 65 percent and at the same time contracts that were not competed decreased from 27 percent to 20 percent.

Fiscal Year	2012	%	2011	%
FULL AND OPEN COMPETITION	\$529,881,445	65%	\$471,170,675	60%
FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES	\$18,513,999	2%	\$21,752,429	3%
COMPETED UNDER SAP	\$87,089,706	11%	\$46,020,962	6%
NOT COMPETED UNDER SAP	\$961,518	0%	\$2,454,498	0%
NON-COMPETITIVE DELIVERY ORDER	\$251,620	0%	\$230,489	0%
FOLLOW ON TO COMPETED ACTION	\$0	0%	\$649,056	0%
COMPETITIVE DELIVERY ORDER	\$2,987,977	0%	\$12,397,326	2%
NOT AVAILABLE FOR COMPETITION	\$8,533,693	1%	\$6,815,325	1%
NOT COMPETED	\$160,293,816	20%	\$210,762,913	27%
(blank)	\$1,084,254	0%	\$17,402,716	2%
Grand Total	\$809,598,028	100%	\$789,656,389	100%

#### D. Date Signed

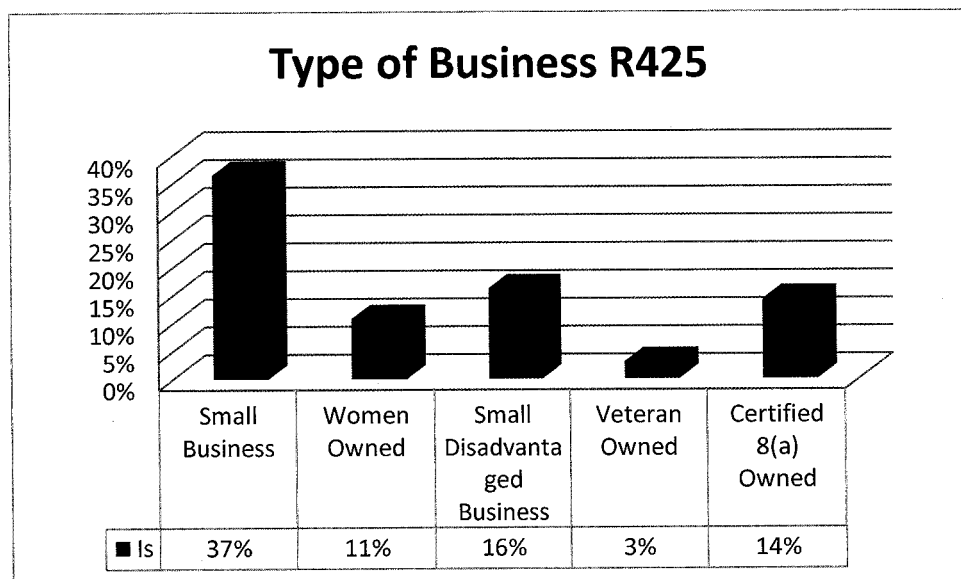
This chart shows the level of spending over time, or when action obligations are signed. This chart shows the two highest spend categories for comparison. The value of contracts signed increased as the year progressed, with significant increases in the second and fourth quarters.



## E. Type of Business

For the R425 category:

- Thirty-seven percent of the contracts were awarded to small businesses, 11 percent to women owned, 16 percent to small disadvantaged businesses, 3 percent to veteran owned, and 14 percent to certified 8(a) owned.
- This should be compared to the overall Departmental goals that are 38 percent for Small businesses, 5 percent for Women-owned and Disadvantaged Businesses, and 5 percent for Veteran Owned businesses.
- It's important to note that In FPDS, this data is entered as an answer to a yes and no question for every type of disadvantaged business. 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 2012, there were 161 different vendors in the R425 category with five vendors having contracts with more than one OA.
- Even though there were 161 different vendors, 56 percent of the contract value went to the top 10 contractors, with The Mitre Corporation accounting for 17 percent of total spending or \$139,734,993.

Vendor	FAA	FMA	FMCSA	FRA	OST	MARAD	NHISA	PHVSA	RTTA/Volpe	Grand Total	%
<b>Grand Total</b>	<b>\$653,273,836</b>	<b>\$22,666,341</b>	<b>\$251,620</b>	<b>\$6,530,552</b>	<b>\$349,459</b>	<b>\$791,029</b>	<b>\$14,210,239</b>	<b>\$299,525</b>	<b>\$111,225,427</b>	<b>\$809,598,028</b>	<b>100%</b>
THE MITRE CORPORATION	\$139,734,993									\$139,734,993	17%
LOCKHEED MARTIN CORPORATION	\$45,772,209								\$500,000	\$46,272,209	6%
RAYTHEON COMPANY	\$30,174,900								\$4,230,900	\$34,405,800	4%
ENGILITY CORP.									\$34,393,765	\$34,393,765	4%
ASRC MANAGEMENT SERVICES INCORPORATED	\$32,300,931									\$32,300,931	4%
SAAB SENSIS CORPORATION	\$32,131,152									\$32,131,152	4%
ITT CORPORATION	\$31,778,256									\$31,778,256	4%
ACTIONET, INC.	\$30,521,133									\$30,521,133	4%
MEIRONAVIATION INC.	\$29,139,120									\$29,139,120	4%
SGT, INC.									\$28,929,306	\$28,929,306	4%
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	\$21,760,498	\$180,410							\$6,235,000	\$28,175,908	3%
CSSI, INC.	\$24,036,408									\$24,036,408	3%
HARRIS CORPORATION	\$23,064,632									\$23,064,632	3%
COMPUTER SCIENCES CORPORATION	\$4,172,851								\$17,428,643	\$21,601,494	3%
CONCEPT SOLUTIONS, LLC	\$12,792,863									\$12,792,863	2%
SYSTEMS RESEARCH AND APPLICATIONS CORPORATION	\$10,720,239									\$10,720,239	1%
NORTH STAR GROUP LLC	\$9,092,067									\$9,092,067	1%
ASRC RESEARCH AND TECHNOLOGY SOLUTIONS, LLC	\$8,605,335									\$8,605,335	1%
TASC, INC.	\$8,511,299									\$8,511,299	1%
BOOZ ALLEN HAMILTON INC.	\$3,508,531								\$4,692,457	\$8,200,988	1%
NORTHROP GRUMMAN INFORMATION TECHNOLOGY, INC.	\$8,140,312									\$8,140,312	1%
JOSEPH SHEAFER ASSOCIATES INCORPORATED	\$8,015,704									\$8,015,704	1%
MCR FEDERAL, LLC	\$7,599,332									\$7,599,332	1%
APPTIS, INC.	\$7,336,734									\$7,336,734	1%
ATAC	\$7,282,418									\$7,282,418	1%
CALSPAN CORPORATION									\$6,941,571	\$6,941,571	1%
JACOBS ENGINEERING GROUP INC.	\$6,868,548									\$6,868,548	1%

**D. Place of Performance**

- The primary places of performance for the contracts in R425 were Virginia (29%), Massachusetts (24%) and Maryland (11%), and together accounting 64% of number of action obligations.

Contracting Agency	AK	CA	CO	CT	DC	DE	FL	GA	IL	IN	IA	MD	MI	MS	MT	NC	NH	NJ	NY	OH	OK	PA	TN	TX	VA	VT	WA	(blank)	Grand Total
FEDERAL AVIATION ADMINISTRATION	2	9	7	51	1	11	1	1	59	94	1	1	1	1	1	65	4	27	3	2	196	1	8	543					
FEDERAL HIGHWAY ADMINISTRATION		17	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	26	2	4	56					
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION					1																							1	
FEDERAL RAILROAD ADMINISTRATION																								11					11
IMMEDIATE OFFICE OF THE SECRETARY OF TRANSPORTATION					1																							1	
MARITIME ADMINISTRATION																												4	4
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION					3													1										15	19
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION					2																							2	
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION		9	2	2	27				1	156				1			24		3	1					27	6			259
Grand Total	2	18	26	2	86	1	11	1	2	215	95	1	1	1	1	1	24	66	1	8	28	3	1	2	260	2	7	31	896
	0%	2%	3%	0%	10%	0%	1%	0%	0%	24%	11%	0%	0%	0%	0%	0%	3%	7%	0%	1%	3%	0%	0%	0%	29%	0%	1%	3%	100%

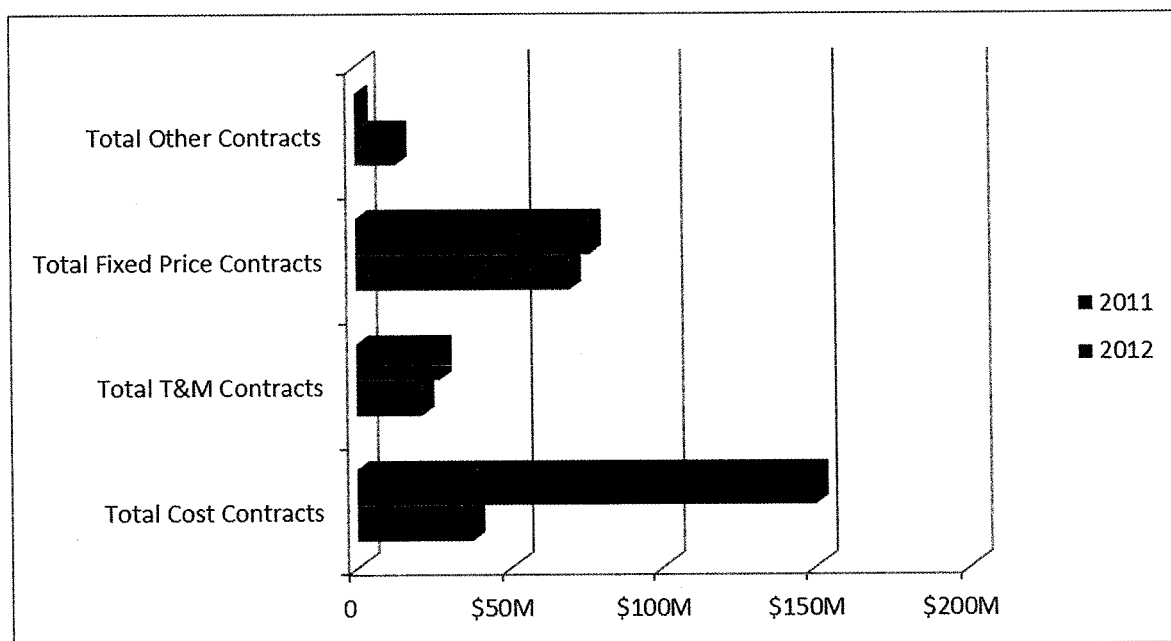
## **R408 Program Management/ Support Services**

### **A. Type of Contract**

From FY 2011 to FY 2012, there has been a 44 percent decrease in the total contract value for category R408.

Cost contracts, Fixed Price Contracts, and T&M Contracts all decreased over the time period. However, since Cost contracts decreased more than the average from the group a change in contract composition and a decrease in contract risk has also taken place. The "Other" contracts category increased by 1974 percent and represents the contract types that did not fall in one of the contract type categories listed on the chart for example: Combination, Labor Hour, Order Dependent and Other.

Fiscal Year	Total Cost Contracts	Total T&M Contracts	Total Fixed Price Contracts	Total Other Contracts	Total Contracts
2012	37,506,026	21,480,508	69,551,702	13,192,441	141,730,676
2011	\$150,219,071	\$27,062,145	\$76,223,728	\$636,000	\$254,140,944
	-75%	-21%	-9%	1974%	-44%



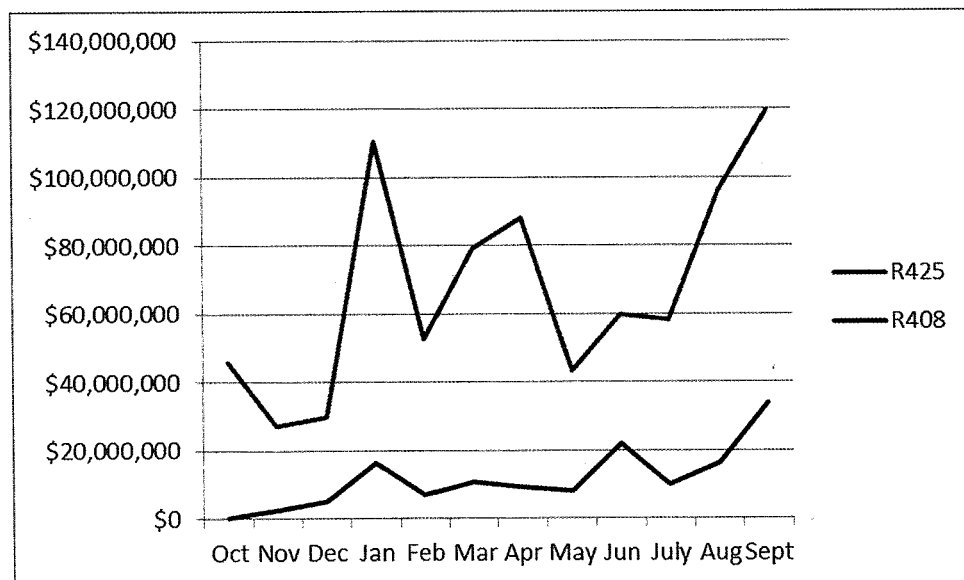
## B. Level of Competition

The value of contracts awarded after full and open competition decreased from 78 percent in FY 2011 to 63 percent in FY 2012. The value of contracts under full and open competition after exclusion of sources increased from eight percent to thirteen percent.

Fiscal Year	2012	%	2011	%
FULL AND OPEN COMPETITION	\$89,551,130	63%	\$189,004,426	78%
FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES	\$19,119,693	13%	\$20,413,781	8%
COMPETED UNDER SAP	\$12,314,309	9%	\$4,296,833	2%
NOT COMPETED UNDER SAP	\$3,946,600	3%	\$453,643	0%
NON-COMPETITIVE DELIVERY ORDER	\$2,397,579	2%	\$12,417,920	5%
FOLLOW ON TO COMPETED ACTION	\$0	0%	\$141,666	0%
COMPETITIVE DELIVERY ORDER	\$5,663,120	4%	\$9,737,969	4%
NOT AVAILABLE FOR COMPETITION	\$6,125,145	4%	\$4,745,024	2%
NOT COMPETED	\$1,825,510	1%	\$453,643	0%
(blank)	\$787,590	1%	\$948,724	0%
Grand Total	\$141,730,676	100%	\$242,613,629	100%

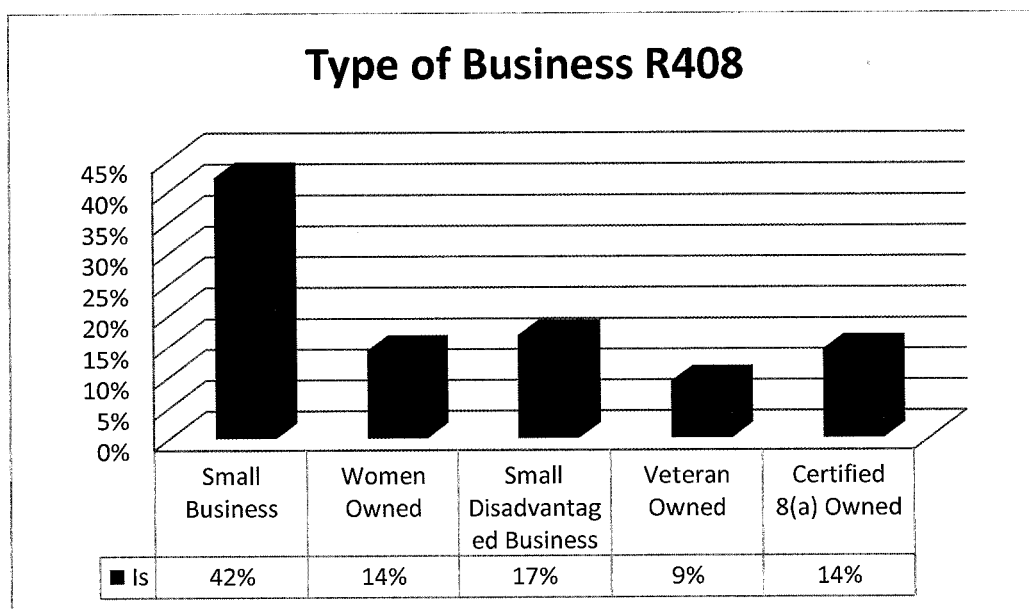
## C. Date Signed

This chart shows the level of spending over time, or when action obligations are signed. This chart shows the two highest spend categories for comparison. The value of contracts signed increased as the year progressed, with significant increases in the second and fourth quarters.



#### D. Type of Business

- Of the contract value in category R408, 42 percent was awarded to small business, 14 percent to women-owned businesses, 17 percent to small disadvantaged business, 9 percent to veteran-owned business, 14 percent to certified 8(a) owned companies.
- This should be compared to the goals that are 38 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. 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.



### E. 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 Nice Systems, Raytheon, and Science Applications International Corporation accounting for 13 percent, 10 percent, and 6 percent respectively.

Vendor	FAA	FHWA	FMCSA	FRA	FTA	OST	MARAD	NHTSA	PHMSA	RTA/Volpe	Grand Total	%
<b>Grand Total</b>	<b>\$50,975,084</b>	<b>\$5,313,331</b>	<b>\$11,572,435</b>	<b>\$4,410,967</b>	<b>\$51,418,725</b>	<b>\$7,134,654</b>	<b>\$6,703,035</b>	<b>\$2,202,921</b>	<b>\$1,970,364</b>	<b>\$29,211</b>	<b>\$141,730,676</b>	<b>100%</b>
NICE SYSTEMS INCORPORATED	\$19,105,600										\$19,105,600	13%
RAYTHEON COMPANY	\$14,116,846										\$14,116,846	10%
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION			\$7,805,065								\$7,805,065	6%
JOINT VENTURE ASSOCIATES (JVS)	\$5,677,616										\$5,677,616	4%
URBAN ENGINEERS, INC.				\$5,408,533							\$5,408,533	4%
PHASE ONE CONSULTING GROUP, INC.				\$144,346		\$4,976,725					\$5,121,070	4%
PMO PARTNERSHIP JV, LLC					\$4,742,402						\$4,742,402	3%
CONCEPT SOLUTIONS, L.L.C.	\$4,036,097										\$4,036,097	3%
BOYD, CATON AND GRANT TRANSPORTATION GROUP, INC					\$3,730,197						\$3,730,197	3%
DELOITTE CONSULTING LLP				\$3,472,344							\$3,472,344	2%
PROLOG, INC.							\$3,286,245				\$3,286,245	2%
GANNETT FLEMING INC					\$3,271,775						\$3,271,775	2%
JACOBS ENGINEERING GROUP INC.					\$3,111,654						\$3,111,654	2%
SAMLIN MILLIGAN					\$2,245,736						\$2,245,736	2%
HILL INTERNATIONAL, INC.					\$2,220,000						\$2,220,000	2%
ECONOMETRICA INC			\$2,151,564								\$2,151,564	2%
REID CONSULTING LLC					\$2,088,043						\$2,088,043	1%
ACTIONET, INC.					\$2,086,418						\$2,086,418	1%
KIMLEY-HORN AND ASSOCIATES, INC.					\$1,969,000						\$1,969,000	1%
EA ENGINEERING, SCIENCE, AND TECHNOLOGY, INC.							\$1,893,246				\$1,893,246	1%

### F. Place of Performance

A majority of the contracts are performed in DC (41%), Maryland (8%), New Jersey (6%), and Virginia (18%). All other states had less than five percent of contract value.

Contracting Agency	CA	CO	DC	IL	MA	MD	MD	NC	NJ	NY	OH	PA	TX	VA	(blank)	Grand Total
FEDERAL AVIATION ADMINISTRATION			14	1	8	4			9					16		52
FEDERAL HIGHWAY ADMINISTRATION			12		1	2					6	1	1	3	1	27
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION			16													16
FEDERAL RAILROAD ADMINISTRATION			3											4		7
FEDERAL TRANSIT ADMINISTRATION	11	2	7			5	5	3	8	6		12		20		79
INMEDIATE OFFICE OF THE SECRETARY OF TRANSPORTATION			18												7	25
MARITIME ADMINISTRATION			35			9								5	4	53
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION			2			3				2						7
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION			5													5
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION					1											1
<b>Grand Total</b>	<b>11</b>	<b>2</b>	<b>112</b>	<b>1</b>	<b>10</b>	<b>23</b>	<b>5</b>	<b>3</b>	<b>17</b>	<b>6</b>	<b>8</b>	<b>13</b>	<b>1</b>	<b>48</b>	<b>12</b>	<b>272</b>
	4%	1%	41%	0%	4%	8%	2%	1%	6%	2%	3%	5%	0%	18%	4%	100%

### 3.2 Selected Individual Contract Review

Eight of the Operating Administrations identified and reviewed cost type contracts within the 12 OMB-selected management support services. The OAs also reviewed all contracts coded as “Personal Services” the results of which are summarized below. The total number of contracts reviewed is 248 corresponding to 7.48 percent of the total service contract spend and 29 percent of the FY2012 spend in the OMB select services. The review process included the completion of a Service Contract Review Form to ensure that all the Section 743(e) requirements and GAO recommendations were addressed, as well as additional questions to address the justification for use of a type contract, specific quality assurance procedures in place, whether or not there have been any performance issues because of excessive cost or inferior quality, and whether or not contractor past performance information was entered into CPARS, plans to re-compete the contract, and whether or not there are opportunities for reducing the cost and/or improving the contract.

To complete the template, the OAs reviewed the contract file and, as necessary, conducted interviews with the relevant program and acquisition offices. The OAs selected which contracts to review at their discretion and randomly selected contracts from the following six service codes with the highest spending on cost types of contracts - R425, R408, D307, R707, R414, and R421. Operating Administrations were asked to review a defined percentage the total Cost type contracts within the cited service codes and all Personal Services contracts. For the reviewed contracts, the findings were:

Operating Administration	FY2012 Action Obligations Reviewed	Number of Contracts Reviewed	Percentage of OMB Selected Services	Personal Services	Critical or Inherently Governmental	Adequate Supervision	Estimated Number of Contractor FTE
<b>FAA</b>	\$192,532,555.25	174	22%	Yes	51 contracts involved critical functions	Yes	824
<b>FHWA</b>	\$25,488,927.32	31	65%	Yes	1 contract involved critical functions	Yes	115
<b>FRA</b>	\$10,408,451	2	86%	No	No	Yes	N/A
<b>FTA</b>	\$32,548,940	20	59%	No	22 contracts involved critical functions	Yes	277
<b>MARAD</b>	\$1,383,070	1	6%	No	No	Yes	39
<b>NHTSA</b>	\$11,995,863	11	67%	No	2 contracts involved critical functions	Yes	113
<b>OST</b>	\$15,356	1	0%	Yes	No	Yes	10
<b>RITA</b>	\$70,264,003	8	63%	No	4 contracts involved critical functions	Yes	371
<b>Total</b>	<b>\$344,637,165.57</b>	<b>248</b>	<b>29%</b>				<b>1749</b>

- Eighty of the 248 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 Government staff, lack of government expertise, or they valued the flexibility of a contractor workforce. No insourcing was recommended.
- FAA's review included 1 personal services Indefinite Delivery/Indefinite Quantity (ID/IQ) contract, DTFAC122-D-00003 with 14 task orders and total obligations of \$2,377,969.80. This contract provided secretarial support services to all organizations located at the William J. Hughes Technical Center. FAA determined that the contractor personnel were performing personal services and that FAA employees exercised relatively continuous supervision and control over the contractor employees. The services were performed in accordance with applicable laws and regulations. Award of this contract was approved by the Vice President of the relevant service organization consistent with FAA Acquisition Management System (AMS) guidance. FAA also determined that some of the contractor personnel perform closely associated to inherently governmental services such as preparing procurement requests or travel authorizations. The FAA has final approval over all such work performed.

- FHWA's review included 1 firm fixed price personal services order DTFH6112F000071 against contract GS23F0022J in the amount of \$33,102.14. This order provides for audit support services/cost accounting system audits for three FHWA vendors.
- OST's review included 2 task orders with DMI, Inc. totaling \$271,842.16 for certification and accreditation support services which were incorrectly coded as personal services contracts. One contract, DTOS59-11-C-00401, in the amount of \$15,356.00, was for personal services and provided personal assistant support services for DOT and Coast Guard employees with disabilities identified by the Disability Resource Center.

## 4.0 RECOMMENDATIONS AND ACTIONS

Throughout FY 2012, DOT remained focused on improving the management of service contracts. DOT's ability to manage service contracts more effectively and to proactively find cost savings without adversely affecting the mission remains a top priority. DOT wants to understand how we can better manage these efforts for performance and cost efficiencies. The focus on high risk contracts provided information essential to identifying issues with the Operating Administrations use and management of cost-reimbursement awards. For the selected awards, our detailed analysis also identified the roles that contracted services play in achieving agency objectives. DOT continued initiatives to reduce overall contract spending and risks by increasing awareness and improving governance; implementing DOT-wide strategic sourcing; and reducing high-risk contracting. The Office of the Senior Procurement Executive continues to use FPDS data analysis to better understand service contracts.

This section will look into how these initiatives are currently being implemented at DOT and will continue to positively impact the Department's oversight of its service contract inventory.

### 4.1 Increasing Awareness and Improving Governance

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 (SPE) established and chairs the Strategic Acquisition Council (SAC), which is made up of the Directors of Acquisition from each Operating Administration. They meet monthly to share ideas and information, establish 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. The Senior Procurement Executive is actively engaged with the SAC to improve the quality of all data reported in FPDS with a particular focus on accurate and timely data; proper coding of the service contract inventory with the knowledge that proper use of Produce Service Codes facilitates business intelligence for appropriate oversight, strategic sourcing and spend analysis.

On September 30, 2013, the Deputy Secretary of Transportation issued updated Department Acquisition Oversight and Risk Management Policy. This policy strengthens the Department's focus on the acquisition workforce, and the important role contracting officer's representatives (CORs) and program/project managers (P/PM's) play in the full life cycle of an acquisition. In addition, the updated policy makes adjustments to the process and dollar thresholds associated with the review and approval of acquisition strategy planning documents. For procurements meeting specific criteria, the SPE, supported by an Acquisition Strategy Review Board (ASRB), will review and approve acquisition plans prior to issuance of a solicitation. Two specific review thresholds are described for the purposes of this analysis. Contracts and/or individual procurements with an estimated value (including all option periods, quantities, and items) greater than \$20 million over the life of the contract are subject to review and approval of the ASRB. In addition, high risk type contracts (all cost type, labor hour/time & materials and incentive contracts) and covered orders with an estimated value over the life of the contract, including all options periods, over \$10 million are also subject to review and approval. The Department's Acquisition Strategy Review Board includes senior executives from the offices of the Chief Information Officer and the Chief Financial Officer who with the Senior Procurement Executive are positioned to consider the insight provided by

the Service Contract Inventory analysis in the review and approval of proposed strategies for new contract awards.

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 SSESC meets quarterly or as needed, and is supported by spend analysis teams who are researching, analyzing, and developing recommendations for SSESC consideration. The accomplishments of the Department's Strategic Sourcing program in relationship to service contracts are described below in section 4.3.

In response to the Administration's 21st Century Government Initiative, DOT approved several 3E (Efficiency, Effective, and Economic) efforts designed to deliver better, faster smarter service to citizens and saving money by reducing duplicative programs and services. The efforts encompass recommendations and ideas generated by both career and political staff across the Department to re-envision how DOT can and should operate in the 21<sup>st</sup> Century. One of the approved 3E efforts, the Smarter Information Technology Purchasing Initiatives selected four information technology commodities as candidates for strategic sourcing.

1. Wireless Services
2. Certification & Accreditation (C&A) Security Support Services
3. Oracle Database Software
4. Cloud Services

A spend analysis/business value assessment for the above commodities/services will be completed to determine benefits of moving forward on a Department-wide contract vehicle. This effort has the potential to reduce overall Department costs for these types of services and positively impact the service contract inventory. Most importantly, the Smarter IT Purchasing Initiative plans to operationalize the strategic sourcing process for IT procurements; increase awareness and use of existing DOT/multi-modal IT contracts; and establish a repeatable process for driving future IT Strategic Sourcing Initiatives. That repeatable process will include key decision points for CIO Core and Acquisition Strategy Review Board review and approval.

## **4.2 Reducing High-Risk Contracting**

DOT recognizes the importance of effectively managing program risk. 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 2013, 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 and published the DOT DASH 2012-10, on FAR Case 2009-043, *Time and Materials and Labor-Hour Contracts for Commercial Items*. In addition, the OSPE issued DOT DASH 2013-006, *Reminder – Documentation and Proper Use/Management of Cost Reimbursement Contracts*.

The analysis of the FY12 Service Contract Inventory reveals that for the OMB Selected Management Support Services, spending decreased for cost type contracts from 51.16% to 50.25% and decreased from 12.81% to 9.22% for time and material contracts. The Department will continue its focus on reducing high risk type contracts and use the governance provided by the Acquisition Strategy Review Board to ensure the proposed contract strategies and types mitigate program risk.

#### 4.3 Strategic Sourcing

In FY 2011, DOT 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. During their first meeting on October 26, 2011, the SSESC defined the structure, content, and direction of the SSESC. Three (3) phases of strategically sourced commodities and services were approved by the SSESC. All five (5) categories in Phase 1, are complete. The SSESC in conjunction with the President’s Management Agenda for Economic Growth, Effectiveness, and Efficiency, and the Acquisition Review Board (ASRB) will continue with the implementing the SSESC Phase 2, of commodities and services for wireless, office furniture, software and maintenance, management support services, and IT certification & accreditation.

DOT Strategic Sourcing/Buying Smarter Strategy leverages key several solutions including FAA’s Strategic Sourcing for the Acquisition of Various Equipment and Supplies (SAVES) Program which provides mandatory contracts for FAA with a simplified process for obtaining commonly used products and services at prices associated with volume buying, while maintaining or improving the quality of purchases and vendors’ service levels. In addition, this process helps DOT optimize performance, minimize price, increase achievement of socio-economic acquisition goals, evaluate total life cycle management cost, improve vendor access to business opportunities, and otherwise increase the value of each dollar spent. From 2006 -2013, FAA SAVES estimated savings are \$148M.

In addition, DOT’s Strategic Sourcing/Buying Smarter Strategy includes use of GSA’s Federal Strategic Sourcing Initiatives (FSSI). FSSI has proven results that include cost savings, improved management visibility and adoption of industry and government agency best practices. FSSI commodities contracts provide for domestic delivery, office supplies, print management, wireless, and telecommunications management services.

## 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.