

## **U.S. NUCLEAR REGULATORY COMMISSION**

### **FY 2017 SERVICE CONTRACT INVENTORY ANALYSIS**

#### **NRC RESPONSIBLE OFFICIALS**

Timothy Pulliam, Acting Director, Head of the Contracting activity, is the responsible official for acquisitions policy and Mary Muesle, Chief Acquisition Officer (CAO), is the responsible party for the management of the service contract inventory and analysis process.

#### **BACKGROUND**

The Nuclear Regulatory Commission (NRC) submitted to the Office of Management and Budget (OMB) Product Service Code (PSC) R431, entitled "Support-Professional Human Resources" as the special interest function selected to be analyzed during fiscal year 2017 (FY17).

This PSC (R431) was selected because it was not the subject of a previous analysis, it did not appear in the NRC's Top 10 PSCs reported in FY17, and most other top PSCs for FY17 were being evaluated as part of NRC's ongoing strategic sourcing initiatives. The selection of this code is consistent with PSC selections made for prior fiscal year service contract inventory submissions to OMB. Accordingly, NRC focused its analysis of the service contract inventory on this special interest function.

#### **SCOPE OF REVIEW**

The FY17 service contract inventory was reviewed for special interest functions that required increased management attention due to possible over-reliance on contractor support for activities that may otherwise be performed by Federal employees. The special interest function selected for review is under the "R" of the Product Service Codes. Contracts within this code include those with scientific effort and experimentation directed toward increasing knowledge and understanding in those fields of the physical, engineering, environmental, social, and life sciences related was to long-term national needs which could be considered closely associated with inherently governmental functions in accordance with [OMB Policy Letter 11.01](#) entitled: "Performance of Inherently Governmental and Critical Functions."

As required by Sections 743(e)(3) and (4) of Division C of the Consolidated Appropriations Act of 2010, and Section C of the attachment to the guidance issued by OMB, review of a representative sample (50%) of these contracts is required. In FY17, there were three contracts awarded under PSC R431. One was awarded using full and open competition and the others were not competed. The work under each of the contracts that was evaluated was reviewed to determine if it was performed satisfactorily, in terms of quality and timeliness of performance, and cost constraints. It was also analyzed to determine if the services should be considered for conversion to performance by NRC employees in accordance with insourcing guidelines.

## SUMMARY

During FY17, NRC spent approximately \$2,287,846.01 under PSC R431 to support full and open competition/non-competition contracts for Support-Professional Human Resources. Specifically, the NRC awarded three contracts under this PSC, as follows:

- NRC-HQ-84-14-C-0010.  
Advanced Computer Learning Company, LLC.  
This contract was awarded as labor hours. The obligated amount during FY17 was \$1,922.846.01.
- NRC-HQ-84-16-C-0001  
Aquila Fitness Consulting Systems, Ltd.  
This contract was awarded as labor hours. The obligated amount during FY17 was \$65,000.00.
- NRC-HQ-84-17-T-0001  
Business Management Associations, Inc.  
A task order was awarded as full and open competition under GSA Contract number GS02F156AA. The obligated amount during FY17 was \$300,000.00.

The Contracting Officers (COs) for these awards were consulted and interviewed to determine if the work under these contracts has been performed properly in terms of quality and timeliness of performance, and met budgetary constraints. According to the COs, they had no knowledge of, or information pertaining to, any negative performance matters or cost overruns for the contracts selected for this review. This suggested that there were no significant performance problems or concerns. In addition, based on the established criteria for classifying functions as inherently governmental, it was determined that the contractors were not performing inherently governmental functions.

## ANALYSIS

In accordance with Section 743 of Division C of the Consolidated Appropriations Act of 2010 and Appendix D of the OMB guidance, NRC analyzed the contracts in this category as follows (with NRC comments in bold type):

- (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. **No personal services contracts were identified during the analysis of this category of service contracts.**
- (ii) The agency is giving special management attention, as set forth in the Federal Acquisition Regulation (FAR) 37.114, to functions that are closely associated with

inherently governmental functions. ***FAR 37.114 is actively being followed during the performance of contracts awarded under this PSC R431.***

- (iii) The agency is not using contractor employees to perform inherently governmental functions. ***A review of NRC's FY17 Service Contract Inventory shows that there are no contractors being used 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. ***The contract scope is monitored by the CO to ensure that "scope creep" is not occurring, especially into inherently governmental functions through contract modifications. CORs are required to ensure that services provided and invoiced are in accordance with the scope of the contract; and that the work does not change or expand during performance to become inherently governmental.***
- (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. ***There are sufficient Agency personnel in place to ensure that contractor employees are not performing critical functions to the point of affecting NRC's ability to perform its mission and operations.***
- (vi) There are sufficient internal agency resources to manage and oversee contracts effectively. ***There are sufficient internal NRC resources to manage and oversee contracts effectively. However, the Agency continues to study ways in which to improve organizational effectiveness and contractor performance.***

## **CONCLUSION**

Based on the above analysis, the NRC has determined that it is not necessary to take any actions to convert these functions currently being performed by contractors under PSC R431 to performance by NRC employees. Additionally, there are no planned or pending actions identified in previous inventories that require follow-up.