

**Social Security Administration
Service Contract Inventory (SCI)**

**Fiscal Year (FY) 2020 SCI Analysis Report
FY 2021 SCI Analysis Plan**

February 2022

FY 2020 SCI Analysis Report

Background

The Consolidated Appropriations Act, 2010, Public Law 111-117, requires civilian agencies to prepare an annual inventory of their service contracts and to analyze the inventory to determine if the mix of Federal employees and contractors is effective or if rebalancing is necessary. The Office of Management and Budget’s (OMB), Office of Federal Procurement Policy, issued memorandum on [November 5, 2010](#) and [December 11, 2011](#), *Service Contract Inventories* (SCI), to provide guidance to federal agencies on preparing their inventories of service contracting. As required, we completed our fiscal year (FY) 2019 analysis and posted it on our website at <http://www.ssa.gov/sci/>.

A. Scope

Our Office of Acquisition and Grants (OAG) conducted an analysis of its SCI to determine if our agency is using service contracts in an appropriate and effective manner, and if the mix of Federal employees and contractors in the agency is effectively balanced. OMB classified contract functions by Product Service Codes (PSC) and identified several PSCs as being “Special Interest Functions” based on the nature of the work performed.

In compliance with OMB guidance and after considering multiple contract functions, we selected the following PSCs from the FY 2020 SCI.

PSC	FY 2020 Obligations	Number of Contracts
R408	\$11,083,048.27	11

Each contract selected for analysis was awarded as a result of Full and Open Competition. Under these awards, contractors make no representation as Government employees, nor do they make any fiduciary decisions concerning participation eligibility under the grants. The total value of the contracts studied under this PSC totals \$11,083,048.27 and represented approximately 0.53 percent of all agency contract expenditures for FY 2020 (\$2,074,302,402).

B. Methodology

The Office of Acquisition Support, Division of Policy and Purchase Card Administration (DPPCA) in OAG, reviewed the specific contract files under study to understand the nature of the work being performed. When necessary, a DPPCA Procurement Analyst conducted telephone interviews with assigned contracting staff to address any concerns. The review findings indicate that our agency takes appropriate steps to guard against improper reliance or overreliance on contractors, as well as ensure that contract performance is satisfactory.

In accordance with OMB's guidance, our review covered the following six items to ensure:

1. Each personal service contract in the inventory has been established, and is being performed, in accordance with applicable laws and regulations;
2. The agency provides special management attention to functions closely associated with inherently governmental functions, in accordance with Federal Acquisition Regulations 37.114;
3. The agency is not using contractor personnel to perform inherently governmental functions;
4. The agency has specific safeguards in place to ensure that work performed by contractors has not changed or expanded during performance to become an inherently governmental function;
5. 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
6. There are sufficient internal agency resources to manage and oversee contracts effectively.

To ensure compliance with the Consolidated Appropriations Act, 2010, our review also included the following questions:

- Has the function been performed by Federal employees in the last 10 years?
- Did we award the contract on a non-competitive basis?
- Has the contractor performed poorly as determined by a contracting officer?
- Is this contract cost effective?

In addition, our agency follows the following practices.

- Prior to awarding contracts, the contracting office reviewed the requirements to ensure that unauthorized personal services contracts or inherently governmental functions were not included in the purchase request.
- Our agency requires a certified contracting officer representative (COR) to be identified and assigned to each contract. Throughout the life of the contract, the COR continually monitors and evaluates performance, ensuring both that the services are completed in accordance with the terms of the contract and that the performance of service does not put the government at risk of overreliance.

C. Findings

OAG has determined that the service contract employees performing under these contracts are not performing any Inherently Governmental Functions, any Functions Closely Associated to Inherently Governmental Function, or any Critical Functions.

Furthermore, it has been determined that for each of the contracts analyzed, our agency has sufficient internal agency resources to manage and oversee each of the contracts effectively.

The chart below summarizes the input of the contracting staff and CORs on each of the specific responsibilities outlined in section 743(e)(2), which lays out the specific element's agencies are to consider in conjunction with reviewing their SCI.

§ 743(e) Review Responsibilities	Review Results
(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.	<i>None of the contracts include personal services.</i>
(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.	<i>None of the contractors are performing closely associated with inherently governmental functions.</i>
(iii) The agency is not using contractor employees to perform inherently governmental functions.	<i>Contractors are not performing inherently governmental functions.</i>
(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.	<i>Each contract is either assigned a certified COR, or technical point of contact, who continuously reviews and monitors contractor performance to ensure that mission creep does not occur.</i>
(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.	<i>While contractors do perform critical functions, our agency has concluded that it has sufficient internal expertise both to maintain control of its operations and to manage the contractors that are supporting the Federal employees.</i>
(vi) There are sufficient internal agency resources to manage and oversee contracts effectively.	<i>Our staff members have sufficient internal expertise of information technology processes and software engineering to oversee and manage these contracts.</i>

D. Actions Taken or Planned

Consistent with the findings, we determined no insourcing of work was necessary. Our agency will continue to carefully manage and monitor its contracted work in accordance with law,

regulation, and policy, including the new guidance set forth in OFPP Letter [11-01](#)¹, which addresses the performance and management of inherently governmental and critical functions to maintain the right balance between Federal employees and contractors.

In our previous reviews, we have not identified contract issues requiring corrective actions.

E. Accountable Officials

Senior agency management official accountable for the development of agency policies, procedures, and training associated with OFPP Policy Letter 11-01 addressing the performance of inherently governmental and critical functions.	Michelle King Deputy Commissioner, Office of Budget, Finance, and Management
Official responsible for ensuring appropriate internal management attention is given to the development and analysis of service contract inventories.	Adam Goldstein Acting Associate Commissioner, Office of Acquisition and Grants

¹ OFPP Policy Letter 11-01, Performance of Inherently Governmental and Critical Functions, is available at <https://www.govinfo.gov/content/pkg/FR-2011-09-12/pdf/2011-23165.pdf>

FY 2021 SCI Analysis Plan

Our agency has selected the following PSC from its FY 2021 SCI for analysis as required by OMB memorandum entitled SCI, dated December 19, 2011.

PSC	FY 2021 Obligations	Number of Contracts	Percentage of FY 2021 Agency SCI Obligations
D399	\$1,008,803,345	53: . 28321317D00060005 28321320FDS030052 . 28321318D00060018 28321320FDS030160 . 28321318A00040005 28321320FA0010002 . 28321318A00040005 28321320FA0010023 . 28321318A00040005 28321320FA0010024 . 28321318A00040005 28321321FA0010011 . 28321318D00060018 28321320FDS030013 . 28321318D00060018 28321320FDS030163 . 28321318D00060018 28321321FDS030007 . 28321319A00040002 28321319FA0010502 . 28321319A00040002 28321320FA0010290 . 28321319A00040002 28321320FA0010317 . 28321319A00040003 28321320FA0010089 . 28321319A00040003 28321320FA0010173 . 28321319A00040003 28321320FA0010189 . 28321319A00040003 28321320FA0010300 . 28321319A00040003 28321320FA0010352 . 28321319A00040004 28321319FA0010487 . 28321319A00040004 28321320FA0010150 . 28321319A00040004 28321320FA0010180 . 28321319A00040005 28321320FA0010028 . GS00Q17GWD2192 28321320FDX030094 . GS35F0119Y 28321319FDX030387 . GS35F0170K SS001530931 . GS35F080CA 28321318FDX030264 . HHSN316201200028W SS001630287 . NNG15SC15B 28321320FDX030181 . NNG15SC59B 28321318FDX030292 . NNG15SC71B 28321318FDX030583 . NNG15SE11B 28321317FDX030179 . SS001440019 001 . SS001440019 28321318FA0010388 . SS001440019 28321318FA0011252	65.0

PSC	FY 2021 Obligations	Number of Contracts	Percentage of FY 2021 Agency SCI Obligations
		<ul style="list-style-type: none"> . SS001640002 002 . SS001640002 28321320FA0010010 . SS001640002 28321321FA0010017 . SS001640009 28321320FA0010070 . SS001640009 28321320FA0010084 . SS001640009 28321320FA0010088 . SS001640009 28321320FA0010100 . SS001640009 28321320FA0010122 . SS001640009 28321320FA0010253 . SS001640009 28321320FA0010275 . SS001640009 28321320FA0010276 . SS001640009 28321320FA0010291 . SS001640009 28321320FA0010293 . SS001640037 28321318FA0011256 . SS001740002 28321321FA0010015 . SS001760017 28321318FDS030230 . SS001760017 28321318FDS030232 . SS001760017 28321318FDS030243 . SS001760017 28321318FDS030244 . SS001760017 28321318FDS030248 	

We selected the PSC R408-Program Management/Support Services, for analysis based on the criteria below:

- We considered PSCs within the OMB identified special interest functions;
- The cumulative dollar value of obligations within these special interest functions;
- The percentage of the total obligated amount for considered PSCs within the OMB identified special interest functions compared to the FY agency overall SCI obligations; and
- Frequency of considered PSC contract actions.

In addition, we have chosen the PSCs below, because within our FY 21 SCI, although there are six (6) PSCs that appear on OMB’s Special Interest Functions List, several have been recently reviewed (e.g.D399, R499, R699), or resulted in fewer actions. Those PSCs (and their respective cumulative FY 2021 obligations) are as follows:

PSC	FY 2021 Obligations	Number of Contracts	Percentage of FY 2021 Agency Obligations
B599	\$116,580,855.00	17	7.5
D305	\$30,822,949.21	1	2.0
R499	27,158,234.68	30	1.8
R699	\$49,259,121.48	4	3.2
R701	\$39,689,392.26	8	2.5
R799	\$9,108,731.35	1	0.5

Note: Our agency's FY 2021 obligations, under all Product Service Codes listed in the SCI, totaled: \$1,536,969,314.00.