

BROADCASTING BOARD OF GOVERNORS

FY-2014 SERVICE CONTRACT INVENTORIES ANALYSIS



Office of Contracts
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Broadcasting Board of Governors FY-2014 Service Contract Inventories Analysis

Background: On October 1, 1999, the Broadcasting Board of Governors (BBG) was established as an independent Federal Agency responsible for all U.S. Government and government-sponsored, non-military, international broadcasting. With enactment of the 1998 Foreign Affairs Reform and Restructuring Act (Public Law 105-277), the BBG assumed authority for the International Broadcasting Bureau (IBB) and its broadcasting services – the Voice of America (VOA) and the Office of Cuba Broadcasting (OCB). The Board also oversees three grantee organizations, Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and the Middle East Broadcasting Networks (MBN).

Scope: Pursuant to Section 743 of Division C of the Fiscal Year 2010 Consolidated Appropriations Act, P.L. 111-17, the BBG performed a study on the three special interest functions for FY-2014 Service Contract Inventory. The table below includes the Product and Service Codes (PSCs) of the special interest functions studied by the BBG and their corresponding FY-2014 obligations as reported in the Federal Procurement Data System-Next Generation (FPDS-NG) by January 2015.

PSCs	Special Interest Function	FY-2014 Obligation
R499	Other Professional Services	\$46,143,765
R425	Engineering and Technical Services	\$ 5,626,521
R497	Personal Services Contracts	\$ 1,270,557

The rationale for selecting and focusing on these special interest functions were based on heightened risk of losing control of mission/operations and the largest percentage of dollars obligated to those PSCs in FY-2014.

BBG selected 25 of the 481 or 5% of contract awards under Special Interest Function PSCs R425 for Engineering and Technical Services, R499 for Other Professional Services and R497 for Personal Services Contracts as a representative sample of the total inventory of special interest contracts. Systematic sampling was used to randomly select the percentage of the total contract awards in those categories.

Methodology: The BBG Contracting Officers performed the analysis of the selected service contracts using the contract files, questionnaire, and collaborating with Contracting Officer's Representatives (CORs) and Program Managers responsible for contract management and oversight. The questionnaire specifically addresses the desired outcomes in Section 743 (e) of Division C of the Consolidated Appropriation Act (PL 111-117). In reviewing the contract files and receiving input from CORs and Program Managers, the contract awards requirements were analyzed for their relation to inherently governmental and critical functions. The requirements were also analyzed to determine whether the services are used appropriately and efficiently and if the mix of Federal employees and contractors in the BBG is effectively balanced.

BBG Findings: Analysis of the 25 sampled contracts resulted in the following findings:

- The BBG did not identify any contracts as part of this review that are personal services contracts.
- The BBG is not giving special management attention, as set forth in FAR Subpart Special Acquisition Requirements - 37.114; to functions that are closely associated with inherently Governmental functions.
- The analysis did not reveal any instances of contractor employees performing inherently government functions.
- The BBG has specific safeguards and monitoring system in place to ensure that work being performed by contractors has not changed or expanded during performance to become inherently governmental functions.
- The analysis of contract files and questionnaires revealed no indication of contractor employees being used to perform critical functions in such a way could affect the BBG's ability to maintain control of its mission and operation.
- There are sufficient internal agency resources to manage and oversee contracts effectively.

Actions taken or planned. Based on this analysis, it was determined that the BBG has a balanced mix of contractors to employees and has the resources necessary to monitor contracts effectively and efficiently. Effective monitoring will reduce the risks of BBG performing personal or inherently governmental functions. BBG is taking steps to remedy the minor concerns identified during the course of this review. These include:

- Continue to reinforce the need of quality data (i.e. assigning the correct PSCs and providing clear, concise service descriptions).
- Improve and formally implement oversight of contract awards.
- Continue the transition from individual talent services contracts to contracting through multiple staffing agencies. This effort should eliminate the appearance of inherently governmental functions.
- Designate additional Contracting Officers Representatives to monitor large formal contracts when necessary to ensure sufficient oversight of contracts.

Responsible Officials: The senior agency management official who is 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 is April Cabral, Senior Policy Advisor, International Broadcasting Bureau (IBB).

The official who is responsible for ensuring appropriate internal management attention is given to the development and analysis of service contract inventories is James McGuirk, Senior Procurement Analyst, Office of Contracts.

The individual who can serve on the working group is Daniel Rosenholtz, Policy Officer, IBB (drosenholtz@bbg.gov, (202-382-4811)).