



U.S. Department of Labor  
Fiscal Year 2019  
Service Contract Inventory  
Report

## Background

The Consolidated Appropriations Act, 2010, Public Law 111-117, requires civilian agencies to prepare and analyze inventories of their service contracts annually. The analysis helps inform the agency managers to determine whether contractors are being used appropriately in their workforce. The analysis also focuses on ensuring that contractors are not performing inherently governmental work. This report provides information on the Department of Labor's (DOL or Department) service contracts, in accordance with the implementing guidance contained in the Office of Management and Budget's Memorandum to the Chief Acquisition Officers and Senior Procurement Executives, dated October 5, 2017.

The Department analyzed DOL's FY 2019 service contract inventory (SCI) with goals to identify inherently governmental functions being performed by contractors (in accordance with the Office of Federal Procurement Policy (OFPP) Policy Letter 11-01, FAR 7.5), personal services (in accordance with FAR 37.1), and services closely associated with inherently governmental functions (OFPP Policy Letter 11-01, OFPP M-09-26 memo, FAR Part 7.5 and 37.1).

## Scope

The table below lists the product and service codes (PSC) studied by DOL, the number of contracts reviewed, and the percentage of obligations the contracts covered for the PSC on which the review focused.

**Table**

<b>PSC</b>	<b>PSC Description</b>	<b>FY 2019 Spend</b>	<b>Total # of Contracts</b>	<b># of Contracts Reviewed</b>	<b>% of Obligations Reviewed</b>
M1CZ	OPERATION OF OTHER EDUCATIONAL BUILDINGS	\$2,729,610,326.22	110	22	33%
R499	SUPPORT-PROFESSIONAL: OTHER	\$407,722,169.17	175	43	49%
R799	SUPPORT-MANAGEMENT: OTHER	\$30,816,009.45	16	16	100%

## **Methodology**

The Department selected PSCs that were identified in our FY 2019 SCI Plan for Analysis. We selected these PSCs based on the potential for contractors performing inherently governmental functions, the overuse of contractors for these services over Federal employees, as well as contracts that are mission-critical and other functions.

The Department reviewed work statements to ensure that contractors were not performing inherently governmental functions, to identify any personal services contracts, and to examine services that were performed that were closely associated with inherently governmental functions to ensure the proper balance of federal and contractor employees.

## **Findings**

### **Inherently Governmental Functions (IGF)**

Based on the information from the Federal Procurement Data System (FPDS) data spreadsheet of the established criteria for classifying inherently governmental functions, we determined that none of the contracts are performing inherently governmental functions.

DOL did not enter into contracts for inherently governmental work and DOL's Contracting Officer's Representatives are trained to ensure that contractors do not inadvertently assume inherently governmental functions during contract performance.

### **Functions Closely Associated with IGF**

We reviewed contracts where contractors performed functions that were closely associated with the service needs of our Department. When Governmental resources were available, the duties were retained in-house. When the level of available resources was not adequate for performance by a Federal employee, consideration was given to ensure that sufficient resources were available for proper oversight. Based on a review of these contracting activities, in conjunction with the data provided, we determined that there were no contracts closely associated with IGF.

### **Mission Critical Functions**

We reviewed contracts where contractors performed services that are critical functions and closely associated with the Department's mission and operations. These "mission critical" functions included assessments of educational progress, program management oversight, student aid loan servicing, and loan collections. We found that there were enough resources in place to manage and oversee these contracts. The Department will continue to pay close attention to contracts where contractors perform these types of services in order to maintain sufficient internal control processes, as it relates to inherently governmental activities.

### **Accountable Official**

Carl V. Campbell, Senior Procurement Executive