



GAO: Agencies Didn't Consider Risks with Support Services

By Matthew Weigelt Jan 09, 2012

In a time when a dependence on contractors worries the government, auditors found that agency officials generally have not considered the risks of over-reliance when they need management support services.

In the Government Accountability Office report, auditors found agency officials generally did not consider the risks of buying professional and management support services, even when contractors do work that could unduly influence the agency in one direction or another.

“For the contracts we reviewed, few of the contracting or program officials said they considered whether the services they were contracting for closely supported inherently governmental functions or took steps to address the related risks before award,” GAO wrote in its report.

Still, officials told GAO that they follow what the Federal Acquisition Regulation requires to determine if the service would be an inherently governmental function.

But no officials said their reviews specifically determined whether services might be closely associated with inherently governmental functions, which would require greater management oversight.

More importantly, four of the five agencies that issued more than half of the work statements for services—the departments of Housing and Urban Development and Transportation, U.S. Agency for International Development, and the National Science Foundation—did not have guidance to help identify risks prior to award and then ensure officials provide more oversight when services closely support inherently governmental functions.

In fiscal 2010, civilian agencies spent \$136 billion on service contracts overall. The professional and management support services specifically have grown among civilian agencies alone by 44 percent in five years. From fiscal 2005 through 2010, civilian agencies’ spending on contracts for the services increased from \$22 billion to \$32 billion. It’s more than twice the rate of increase for other services.

The contracts were for services, such as program evaluation and acquisition support, and many of them increase the risk that contractors may inappropriately influence the government’s authority and control of inherently governmental decisions.

GAO analyzed contract data from the Federal Procurement Data System and selected for review 230 statements of work for professional and management services. From them, they looked in more depth at 12 contracts and task orders.

Officials said they relied on routine procedures for oversight, such as assigning contracting officer’s representatives, reviewing contractors’ work products, and reviewing contractor invoices and status reports. In cases where officials had additional oversight in place, they didn’t link what they did to concerns associated with risks from buying professional and management support services, GAO wrote.

At least six of the 12 contracts GAO reviewed have been recently recompleted or will be in the coming year, officials told auditors. They identified various changes to the contracts, but only a few said the changes were due to concerns with contractors providing professional and management support services.

The Office of Federal Procurement Policy has hammered on the issue of contractor oversight. OFPP has given agencies a policy letter that lays out how to determine whether contractors are getting too close to inherently governmental functions or when government employees lack sufficient expertise to oversee the contractors' work.



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