



## OFPP Says Agencies Must Review Contractors by June

By Jack Moore      Nov 15, 2010

Federal agencies must review their service contractors by June 2011 to determine if federal workers and contractors are “effectively balanced.”

Administrator of the Office of Federal Procurement Policy Daniel I. Gordon released a memo last week detailing the guidelines civilian agencies should follow to conduct reviews of their service contractors.

“A service contract inventory is a tool for assisting an agency in better understanding how contracted services are being used to support mission and operations,” Gordon wrote in the memo, as well as determining whether contractor’s skills are being properly used.

The inventories can also “help an agency determine if its practices are creating an over-reliance that requires increased contract management or rebalancing to ensure the government is effectively managing risks and getting the best results for the taxpayer,” he added.

According to the memo, agencies should conduct inventories of all contractors on actions exceeding \$25,000, starting with contractors in professional and management services and IT support services.

By Jan. 30, 2011, agencies must publish their inventories, and by June 30, 2011, agencies must conduct analyses to determine whether “contract labor is being used in an appropriate and effective manner and if the mix of federal employees and contractors in the agency is effectively balanced.”

The analysis is designed to ensure that:

- Each contract that is a personal services contract has been entered into, and is being performed, in accordance with applicable laws and regulations
- The agency is giving special attention to functions that are closely inherently governmental
- The agency is not using contractor employees to perform inherently governmental functions
- The agency has specific safeguards in place to ensure that work being performed by contractors has not changed to become inherently governmental
- The agency is not using contractor employees to perform critical functions that could affect the ability of the agency to maintain control of its mission and operations
- There are sufficient internal agency resources to manage contracts effectively