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**U.S. Department of Justice  
Completed Analysis of FY 2014  
Service Contract Inventory**

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**Department of Justice (DOJ)**  
**FY 2014 Service Contract Analysis**

**A. Executive Summary**

Through its analysis, the Department of Justice has determined that contract labor is being used in an appropriate and effective manner and that the mix of federal employees and contractors is effectively balanced; therefore, rebalancing is not required. The Department continues to effectively award, manage, and oversee its service contracts and has the infrastructure and resources necessary to ensure contractors are not performing inherently governmental functions. The Department will continue to take actions to ensure contract labor in the Product Service Code (PSC) Special Interest Functions categories are used in an effective manner.

**B. Background:**

Section 743 of Division C of the Fiscal Year (FY) 2010 Consolidated Appropriations Act, P.L. 111-117, requires civilian agencies to prepare an annual inventory of their service contracts and complete a meaningful analysis of its inventory. The Act further requires agencies to make the inventory and the analysis publicly available. The inventory must include all service contract actions exceeding \$25,000 that were awarded in a specific fiscal year. Only actions funded by the agency are to be included in the agency inventory. Actions made on behalf of an agency using another agency's funding are to be excluded.

Initial guidelines for the development and format of the inventory were provided to agencies in the Office of Federal Procurement Policy (OFPP) Memorandum, Service Contract Inventories, dated November 5, 2010.<sup>1</sup> Those guidelines were updated on December 19, 2011<sup>2</sup>. In addition to the mandatory data reporting, the OFPP Memorandum requires that agencies conduct a meaningful analysis of the inventory data to determine whether contract labor is being used in an appropriate and effective manner. Additionally, agencies were tasked with determining whether the mix of federal employees and contractors used in the identified functional areas is effectively balanced.

Agencies were instructed to submit their inventories to the Office of Management and Budget (OMB), in accordance with the guidance in the OFPP Memorandum. Further, agencies were tasked with making the inventory available to the public via its agency homepage. Accordingly, the Department of Justice (DOJ or Department) provides its annual submission to OMB and has made its Service Contract Inventories available on the Justice Management Division's website at <http://www.justice.gov/jmd/service-contract-inventory>.

**C. Agency Mission:**

The DOJ enforces the law and defends the interests of the United States (U.S.) according to the law; ensures public safety against threats foreign and domestic; provides federal leadership in preventing and controlling crime; seeks just punishment for those guilty of unlawful behavior; and ensures fair and impartial administration of justice for all Americans. Currently, DOJ has nine (9) components with procurement offices that have missions that are closely linked to, and supportive of, the Department's core mission. Each procurement office is led by a Procurement Chief. The following is a description of each component's mission:

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<sup>1</sup> <http://www.whitehouse.gov/sites/default/files/omb/procurement/memo/service-contract-inventories-guidance-11052010.pdf>

<sup>2</sup> <http://whitehouse.gov/sites/default/files/omb/procurement/memo/service-contract-inventory-guidance.pdf>.

- The **Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)** is a unique law enforcement agency that protects our communities from violent criminal organizations, the illegal use and trafficking of firearms, the illegal use and storage of explosives, acts of arson and bombings, acts of terrorism, and the illegal diversion of alcohol and tobacco products.
- The **Federal Bureau of Prisons (BOP)** protects society by confining offenders in the controlled environments of prisons and community-based facilities that are safe, humane, cost-efficient, and appropriately secure, and that provide work and other self-improvement opportunities to assist offenders in becoming law-abiding citizens.
- The **Drug Enforcement Administration (DEA)** enforces the controlled substances laws and regulations of the U.S. and brings to the criminal and civil justice system those organizations and principal members of organizations involved in the growth, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the US; and recommends and supports non-enforcement programs aimed at reducing the availability of illicit controlled substances on domestic and international markets.
- The **Federal Bureau of Investigation (FBI)** protects and defends the United States against terrorist and foreign intelligence threats; upholds and enforces the criminal laws of the U.S.; and provides leadership and criminal justice services to federal, state, municipal, and international agencies and partners.
- The **Federal Prison Industries (FPI)** employs and provides job skills training to the greatest practicable number of inmates confined within the Federal Bureau of Prisons; contributes to the safety and security of our Nation's federal correctional facilities by keeping inmates constructively occupied; provides market-quality products and services to government agencies; operates in a self-sustaining manner; and minimizes FPI's impact on private business and labor.
- The **Justice Management Division (JMD)** provides advice to senior management officials relating to basic Department policy for budget and financial management, personnel management and training, procurement, equal employment opportunity, information processing, telecommunications, security, and all matters pertaining to organization, management, and administration. Procurement Services Staff (PSS) is an office within the JMD that primarily supports the Department's litigating components, but will also assist other DOJ components as needed.
- The **Office of Justice Programs (OJP)** increases public safety and improves the fair administration of Justice across America through innovative leadership and grant programs.
- The **Office of the Inspector General (OIG)** reviews and investigates the programs and personnel of the Federal Bureau of Investigation, the Drug Enforcement Administration, the Federal Bureau of Prisons, the U.S. Marshals Service, the Bureau of Alcohol, Tobacco, Firearms and Explosives, the U.S. Attorneys, and all other organizations in the Department.
- The **United States Marshals Service (USMS)** protects the judiciary, witnesses, and court officers; detains and transports prisoners; apprehends fugitives; and manages the asset forfeiture program.

The Department also includes various **Offices, Boards and Divisions (OBDs)** which consist of the litigation components of the Department (Antitrust Division, Civil Division, Civil Rights Division, Criminal Division, Environment and Natural Resources Division, Tax Division and the U.S. Attorneys), along with other components that support the Attorney General. The PSS office, within JMD, provides acquisition support to the OBDs.

**D. Purpose:**

The purpose of this report is to submit the DOJ analysis of its FY 2014 Service Contract Inventory Special Interest Functions, which were selected for study. This report summarizes:

- a) The special interest functions studied, the dollars obligated to those specific product service codes (PSCs) in FY 2014, and the rationale for focusing on the identified functions;
- b) The methodology used by the agency to support the analysis;
- c) Agency findings; and
- d) Actions taken or planned.

**E. Inventory:**

The DOJ's required inventory data elements are provided as attachments to this report. The attachments are structured in accordance with Appendix B and Appendix C to the OFPP Memorandum.

**F. Analysis:**

In accordance with the OFPP Memorandum, the DOJ conducted analysis of the data in its inventory for priority special interest functions. Special interest functions are considered functions that require increased management attention due to heightened risk of workforce imbalance.

**1. Scope of analysis:**

Appendix D to the OFPP Memorandum directed agencies to include in its analyses a review of the contracts and information in the inventory for the purpose of ensuring that –

- (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;
- (ii) The agency is giving special management attention, as set forth in FAR 37.114, to function that are closely associated with inherently governmental functions;
- (iii) The agency is not using contractor employees to perform inherently governmental functions;
- (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 inherently governmental functions;
- (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; and
- (vi) There are sufficient internal agency resources to manage and oversee contracts effectively.

2. **Special Interest Functions studied:**

The DOJ chose four special interest Product Service Code (PSC) functions from its FY 2014 Service Contract Inventory for further analysis:

- Support – Professional: Other (R499)
- IT and Telecom – Other IT and Telecommunications (D399)
- Support – Management: Other (R799)
- IT and Telecom – Systems Development (D302)

The four PSCs were selected because they are the top four special interest functions listed on the FY 2014 Service Contract Inventory. The aforementioned PSCs have the biggest percentage of obligations for services with the exception of PSC G004 “Social – Social Rehabilitation” and PSC Q201 “Medical – General Health Care,” which are very specific services relevant to the Department’s law enforcement mission. The selected PSCs accounted for approximately 23.50% of the DOJ service contract spend total reported in the Federal Procurement Data System (FPDS). Additionally, PSC R499 “Support – Professional: Other” and R799 “Support – Management: Other” are functions where the government-wide potential for inappropriate use of high risk awards and the mix of contract labor and federal employees is a major concern.

**Table 1 – Special Interest PSCs Studied as Obligations per PSC  
and as a Percentage of DOJ Total FY 2014 Contract Awards**

PSC	Product and Service Code Descriptions	Total FY 2014 Obligations Per PSC	As a Percentage of Total FY 2014 Awards
R499	Support – Professional: Other	\$671,416,776.65	9.83%
D399	IT and Telecom – Other IT and Telecommunications	\$365,925,277.94	5.35%
R799	Support – Management: Other	\$311,498,843.11	4.56%
D302	IT and Telecom – Systems Development	\$256,614,358.60	3.76%
<b>TOTAL</b>		<b>\$1,605,455,256.30</b>	<b>23.50%</b>

3. **The methodology used by the agency to support the analysis:**

The DOJ utilized a methodology leveraged for previously completed procurement related assessments. Specifically, the Department sampled contracts and ran FPDS reports to establish baseline data for FY 2014. For the purposes of the sample, the Department identified all contracts for the selected PSCs. From this list, contracts were selected representing a mixture of Bureaus and dollar values. A strict random sample was not utilized to ensure greater contract size and scope diversity. For the identified contracts, the Department reviewed the statement of work and ran a FPDS report for total FY 2014 obligations. Based on the information derived from the sample, the Department performed a final data review and prepared its report.

The reviewed contracts for PSC R499 are summarized as follows:

**Table 2 – PSC R499 Support – Professional: Other**

Contracting Bureau	Vendor Name	Contract No.	Description	Total FY14 Obligations
DEA	MVM Inc.	DJD12C0008	The purpose of this contract is to provide Linguists for the Special Operations Division.	\$4,097,631.23
DEA	Deloitte Consulting LP	DJJ08C1657	The purpose of this contract is to provide long term professional support to the Organized Crime Drug Enforcement Task Force (OCDETF) and its participating agencies through the Financial Investigation Contractor (FIC) Program. The OCDETF FIC Program is administratively supported through the DEA and it's Financial Investigation Teams (FITs).	\$6,579,012.95
OBDs	Corrections Corp of America	DJJODT5C0003	The purpose of this contract is to support the Prisoner Operations Division (POD) at USMS. Services include providing management and operation of a Contractor-Owned/Contractor-Operated detention facility for federal detainees.	\$16,894,169.25
OBDs	The GEO Group Inc.	DJJODT8C0005	The purpose of this contract is to support the POD at USMS. Services include providing management and operation of a Contractor-Owned/Contractor-Operated detention facility for federal detainees.	\$25,731,635
OBDs	The GEO Group Inc.	DJJODT6C0002	The purpose of this contract is to support the POD at USMS. Services include providing management and operation of a Contractor-Owned/Contractor-Operated detention facility for federal detainees.	\$41,065,634.76
OBDs	The GEO Group Inc.	DJJODT7C0003	The purpose of this contract is to support the POD at USMS. Services include providing management and operation of a Contractor-owned/Contractor-Operated detention facility for federal detainees.	\$36,471,537.67
FBI	DHA Group Inc.	GS00F0003W	The purpose of this contract is to provide administrative and professional services. Services include polygraph support IT services, performing routine database maintenance and administration, implementing database changes, and supporting the International Biosecurity and Prevention Forum website launch.	\$2,723,990.40

The reviewed contracts for PSC D399 are summarized as follows:

**Table 3 – PSC D399 IT and Telecom – Other IT and Telecommunications**

<b>Contracting Bureau</b>	<b>Vendor Name</b>	<b>Contract No.</b>	<b>Description</b>	<b>Total FY14 Obligations</b>
OBDs	ManTech Information Systems & Technology Corp	DJJ11C2160/0002	The purpose of this contract is to provide operations and maintenance support for the Executive Office for Immigration Review's (EOIR) technical infrastructure. Services include network and systems operation, help desk and trouble ticket management, asset management, and system design and engineering.	\$6,252,884
OBDs	International Business Machines Corp	DJJ06F1338	The purpose of this contract is to provide Integration and Implementation services for the Department of Justice Unified Financial Management System (UFMS). Services include business process re-engineering and change management support, problem analysis and resolution, system integration, training, design and configuration, data conversion, testing, cutover operations, and operation and maintenance functions.	\$29,602,007
ATF	Technologies Forensic Wai Inc. Les	DJA14AHDQK0036	The purpose of this contract is to support the routine continued operations and activities for the National Integrated Ballistic Information Network (NIBIN) Program. Services include daily operations, hardware and software support, security, training and project management services.	\$20,246,506
OBDs	ManTech Information Systems & Technology Corp	DJJ11C2160/0003	The purpose of this contract is to provide support for all major activities associated with the Justice Consolidated Office Network (JCON) operations within the Civil Division. Services include help desk, IT operations management, program support, IT security support, software development, and JCON training services.	\$3,738,781

The reviewed contracts for PSC D799 are summarized as follows:

**Table 4 – PSC D799 Support – Management: Other**

<b>Contracting Bureau</b>	<b>Vendor Name</b>	<b>Contract No.</b>	<b>Description</b>	<b>Total FY14 Obligations</b>
OBDs	Labat-Anderson Inc.	DJJ13C2442/0053	The purpose of this contract is to provide automated litigation support services for the Civil Division's 9-11 Victim Compensation Program. Services include assembling claim files and claim attachments; assisting with the management and adjudication of claims; assisting with the development of standard procedures for processing claims; coordinating and scheduling logistics of claimant hearings; and assisting with the coordination of payment processes.	\$2,195,500
OBDs	CACI Inc. - Commercial	DJJ13C2439/0076	The purpose of this contract is to provide automated litigation support services to support the Civil Division's investigation and litigation of the Deepwater Horizon explosion and subsequent oil spill. Services include document collection, acquisition, processing, review, production, general discovery support, IT support, support for the pleadings and motions practice, deposition support, expert and consultant support, research support, program administration support, and pre-trial, trial, and appellate support.	\$8,363,701
FBI	Computer Sciences Corp	GS35F4381G	The purpose of this contract is to provide help desk services, call center services, and help desk systems design support.	\$23,485,337
OBDs	Lockheed Martin Corp	DJJ13C2441/0040	The purpose of this contract is to provide automated litigation support services on fraud cases in the Civil Division's Commercial Litigation Branch. Services include document collection, discovery, imaging, optical character recognition, data conversion, database creation/data load, paralegal support, database research/analysis, exhibit preparation, trial support, database hosting, and E-Discovery consulting services.	\$1,276,000
OBDs	Labat-Anderson Inc.	DJJ13C2442/0058	The purpose of this contract is to provide automated litigation support services on fraud cases in the Civil Division's Commercial Litigation Branch. Services include document collection, discovery, imaging, optical character recognition, data conversion, database creation/data load, paralegal support, database research/analysis, exhibit preparation, trial support, database hosting, and E-Discovery consulting services.	\$3,440,000



The reviewed contracts for PSC D302 are summarized as follows:

**Table 5 – PSC D302 IT and Telecom – Systems Development**

Contracting Bureau	Vendor Name	Contract No.	Description	Total FY14 Obligations
OBDs	Manning Service Inc.	DJJODT11C0002	The purpose of this contract is to support the POD at USMS. Services include providing information security services.	\$2,625,299
FBI	Sotera Defense Solutions Inc.	GS35F0344L	The purpose of this contract is to provide logistical and management services. Services include installation, IT integration and configuration, scientific instruments, LABNET operations and maintenance, and acquisition document maintenance.	\$2,693,191
OBDs	RGS Associates Inc.	GS35F5862H	The purpose of this contract is to provide software development support to DOJ's National Security Division. Services include project management, on-going development of existing applications, development of new applications, documenting development efforts, and training.	\$2,055,612
DEA	Synteras LLC	DJD10C0041	The purpose of this contract is to provide full system life cycle support for all current and new Concorde applications in accordance with the Office of Information Systems policies and procedures. Services include technology and software application support for the operation, maintenance, and enhancement of Oracle applications.	\$13,952,023.51
FBI	Northrop Grumman Information Technology Inc.	GS35F4506G	The purpose of this contract is to provide support in enhancing the operational effectiveness of the PKI infrastructure and performing hardware and software system maintenance.	\$9,122,157.56

#### 4. **Analysis Summary**

Under *PSC R499 Support – Professional: Other*, the scope of work to be performed under the selected contracts included services for linguistic support, financial investigation support, professional support, and prisoner operations support at federal institutions.

Under *PSC D399 IT and Telecom – Other IT and Telecommunications*, the scope of work to be performed under the selected contracts included services for IT infrastructure support, UFMS integration and implementation, routine program support, and JCON operations support.

Under *PSC R799 Support – Management: Other*, the scope of work to be performed under the selected contracts included automated litigation support services for the Department's litigating divisions and help desk support services.

Under *PSC D302 IT and Telecom – Systems Development*, the scope of work to be performed under the selected contracts included services for information security, integration support, software development support, IT infrastructure, and application life-cycle support.

Analysis of the scope of work for each contract selected as part of the sample confirms that 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.

5. **Agency findings and actions taken or planned:**

Below are the resulting findings and actions taken or planned for each topic presented in Appendix D of the OFPP Service Contract Inventories Memorandum:

**Topic (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.*

There are instances when the DOJ enters into personal services contracts. Typically, these contracts are used to procure security guards services and services in support of summons on complaints, subpoenas, and notices in lieu of services by U.S. Marshals and Deputy Marshals. Individuals engaged under personal services contracts are not employees of the DOJ or any of its components. The DOJ awards personal service contracts under the authority at 28 U.S.C. Section 565(g). These contracts are being performed in accordance with applicable laws and procedures.

**Topic (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.*

The DOJ is cognizant of the fact that government-wide, the line between inherently governmental functions and commercial activities that may be contracted for has been blurred, and that a large portion of contract obligations made by civilian agencies are for services. The DOJ will continue to monitor this area in an effort to minimize when necessary, or eliminate when possible, awarding contracts that are closely associated with inherently governmental functions.

The DOJ is following the guidance provided by OFPP and the General Services Administration (GSA) for the collection of additional data in FPDS to report whether an action is closely associated with inherently governmental functions. This activity is being monitored at the Department level and DOJ Procurement Offices are made aware of changes to the FPDS reporting requirements as they occur. The DOJ will continue to direct its procurement offices to maintain a clear separation between inherently governmental functions and contractor performed services. This issue has and will continue to be addressed at future DOJ Justice Acquisition Council meetings.

**Topic (iii):** *The agency is not using contractor employees to perform inherently governmental functions.*

None of the reviewed contracts awarded under the Special Interest Function PSCs were found to have been using contractor employees to perform inherently governmental functions.

**Topic (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 inherently governmental functions.*

The DOJ has a capable acquisition workforce that has been trained to implement leading practices, monitoring systems, and safeguards to ensure that work being performed by contractors has not changed or expanded during performance to become inherently governmental functions. Oversight roles and responsibilities are clearly defined and the individuals responsible for monitoring are knowledgeable and properly trained. Review activities vary due to the decentralized nature of the Department's procurement operation. Each component has identified the appropriate level of management required to review contract actions. For example, some components require a review by the management level above the contracting officer for all contracting actions that exceed a certain threshold. While they are not uniform in their application, a range of controls have been implemented at DOJ components to maintain the separation between inherently governmental functions and contractor performed services.

**Topic (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.*

The DOJ is a large, complex, and multifaceted organization comprised of over 40 separate components located both domestically and abroad. The DOJ has a long history of protecting American citizens which is reflected in the first goal of its Strategic Plan: "Prevent terrorism and promote the nation's security." In addition to fighting terrorism, DOJ focuses on the following five areas: violent crime, drug trafficking, civil rights, public and corporate corruption, and cybercrime. DOJ components have sufficient safeguards in place and resources available to ensure that use of contractor employees in support of critical functions does not negatively affect its ability to maintain control of its mission and operations in regards to its service contracts.

**Topic (vi):** *There are sufficient internal agency resources to manage and oversee contracts effectively.*

The DOJ defines its acquisition workforce in accordance with the OFPP Policy Letter 05-01, *Developing and Managing the Acquisition Workforce*, dated April 15, 2005. This definition includes all Contract Specialists and Procurement Analysts (General Schedule (GS) 1102s); all Program and Project Managers assigned to exhibit 300 projects; and, all Contracting Officer's Representatives, whether serving in that role as a collateral or full-time duty. The DOJ acquisition function is decentralized. In FY 2014, DOJ procurement offices were comprised of 2,839 acquisition professionals.

**Table 6 – FY 2014 Breakout of DOJ Acquisition Professionals**

Profession	Count
GS 1102 Contract Specialists	603
Contracting Officer's Representatives	2,163
Program and Project Managers (P/PM)	73
<b>TOTAL</b>	<b>2,839</b>

In the past due to staffing shortages, some DOJ Bureaus hired contractors to support their procurement activities. Now, procurement offices have begun to rebuild their professional acquisition staff to reduce reliance on contractors in favor of developing DOJ in-house procurement expertise. The DOJ Chief Acquisition Officer (CAO) and Senior Procurement Executive (SPE) strongly support the initiatives that Bureaus undertake to manage and strengthen their acquisition workforce. Each Bureau is authorized to implement the techniques best suited to meet their needs and mission.

Each DOJ procurement office is responsible for the training and development of its acquisition workforce. Some of the most critical challenges experienced by DOJ in managing its acquisition workforce include:

- Limited 1102 population; shortage of qualified contracting professionals in the labor force; and retention of existing acquisition workforce.
- Resource constraints, which impact the Department's ability to respond to data calls.
- Transfer of knowledge and skills from one generation of contracting professionals to the next generation.
- A hiring freeze that inhibited the ability of components to hire qualified staff to fill critical resource gaps in mid and senior-level 1102 series positions.
- Customers are stretched thin which, in turn, placed more demands on the acquisition workforce.

Due to recent budget constraints, some offices reported that their training budgets have been significantly reduced. All DOJ acquisition professionals continue to participate in free online courses and "low-fill" Department of Homeland Security, and Department of Treasury course offerings. The DOJ procurement offices also conduct in-house training that covers basic to advanced procurement utilizing no-cost training, seminars, and round table discussions.

**G. Conclusion:**

Through its analysis, the DOJ has determined that contract labor is being used in an appropriate and effective manner and that the mix of federal employees and contractors is effectively balanced; therefore, rebalancing is not required. The DOJ continues to effectively award, manage, and oversee its service contracts and has the infrastructure and resources necessary to ensure contractors are not performing inherently governmental functions. The DOJ will continue to take actions to ensure contract labor in the PSC Special Functions categories of contracts is used in an effective manner.

**H. Accountable Officials:**

Michael H. Allen, Senior Procurement Executive

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