



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

Office Of The Assistant Secretary

JUL 01 2009

MEMORANDUM FOR OUSD (AT&L) DPAP

FROM: SAF/AQC
1060 Air Force Pentagon
Washington, D.C. 20330-1060

SUBJECT: Section 807 Air Force Inventory of Contracts for Services for Fiscal Year 2008

The attached Air Force inventory of contracts for services is in response to Section 807 of the Fiscal Year (FY) 2008 National Defense Authorization Act (NDAA), 10 United States Code Section 2330a, and your 26 May 2009 memo. Included with this inventory is a narrative describing the methodology of data collection and the inventory data as well as our plans for publication, review, and future submissions.

If you have any questions, please contact Laura Welsh at (703) 588-7047 or by email at laura.welsh@pentagon.af.mil.

A handwritten signature in cursive script that reads "Pamela C. Schwenke".

PAMELA C. SCHWENKE
Associate Deputy Assistant
Secretary (Contracting)
Assistant Secretary (Acquisition)

Attachments:

1. Air Force Service Contract Inventory List
2. Inventory List Narrative

cc:
PEO/CM
SAF/AQX

Narrative Regarding Section 807 Air Force Inventory of Service Contracts for FY2008

The methodology for data collection, description of unpopulated data fields, plan for future submissions, website, and the plan for review of this inventory will be presented.

METHODOLOGY: The data for this submission were obtained primarily from the Federal Procurement Data System – Next Generation (FPDS-NG). FPDS-NG is our official Department of Defense (DoD) system for reporting contract information; however, it is lacking certain data to complete our inventory to Congress. Specifically, the following data fields were pulled from FPDS-NG:

- Services Purchased (8C-Product or Service Code)
- Dollar Amount of the Purchase (3C-Action Obligation)
- Form of Contract Action (6A-Contract Type)
- Performance-Based Acquisition (6F-Performance-Based Acquisition)
- If Competed, Number of Offerors (10D-Number of Offers Received)
- Small Business (11A-Contracting Officer's Determination of Business Size)
- Small Disadvantaged Business (13P-Small Disadvantaged Business)
- Woman-Owned Small Business (13U-Woman-Owned Business)
- Functions Performed by the Contractor (8C-Product Service Code Description)
- Missions Performed by the Contractor (NAICS Code Description)
- Contracting Activity (4V-Contracting Office Code/Name)
- Requiring Activity (Funding Agency Name)
- Funding Operating Agency (Funding Office ID)

FPDS-NG was queried for all contract actions executed in FY 2008 with services Product and Service Codes (PSCs) (i.e., began with a letter and not a number) and then excluded PSCs for RDT&E (all A codes) and construction (all Y and Z codes) consistent with the definition of contract services in Section 806 of the Fiscal Year (FY) 2008 National Defense Authorization Act (NDAA). We also excluded PSCs for lease or rental of equipment and facilities (all W and X codes), and other special services enumerated below where there is not a full-time equivalent (FTE) or person closely associated with the action. A summation of the excluded Product Service Codes from the Air Force inventory appears below.

PSC	MISSION CATEGORY	Total Amount Obligated
	OTHER RESEARCH AND DEVELOPMENT	\$13,091,603,283
A	R&D	
C	ARCHITECT AND ENGINEERING SERVICES	\$64,226,241
D	AUTOMATIC DATA PROCESSING AND TELECOMMUNICATION SERVICES	\$2,332,950
F	NATURAL RESOURCES AND CONSERVATION SERVICES - SEEDLING PRODUCTION-TRANSPLANTING & WELL DRILLING/EXPLORATORY SERVICES	\$98,726
G	SOCIAL SERVICES	\$24,968,133
R	PROFESSIONAL, ADMINISTRATIVE AND MANAGEMENT SUPPORT SERVICES - ADMINISTRATIVE SUPPORT SERVICES - CREDIT REPORTING	\$88,446
S	UTILITIES AND HOUSEKEEPING SERVICES - UTILITIES	\$209,272,104
U	EDUCATION AND TRAINING SERVICES - CERT & ACCREDITATIONS FOR EDUCATION & MEMBERSHIP FEES	\$27,475,860
V	TRANSPORTATION, TRAVEL AND RELOCATION SERVICES	\$47,911,140
W	LEASE OR RENTAL OF EQUIPMENT	\$102,797,637
X	LEASE OR RENTAL OF FACILITIES	\$84,421,538
Y	CONSTRUCTION OF STRUCTURES AND FACILITIES	\$819,329,355
Z	MAINTENANCE, REPAIR, OR ALTERATION OF REAL PROPERTY	\$2,482,870,144
		\$16,957,395,557

Specific PSCs excluded:

RDT&E	All A Codes
Lease or Rental of Facilities	All W Codes
Lease or Rental of Equipment	All X Codes
Construction	All Y Codes
Maintenance/Repair/Alteration of Real Property	All Z Codes
AIR CHARTER FOR THINGS	V121
AIR FREIGHT	V111
AIR PASSENGER SERVICE	V211
AMBULANCE SERVICE	V225
AUTO NEWS, DATA & OTHER SVCS	D317
BLDGS & FAC / ADMIN & SVC BLDGS	C111

BLDGS & FAC / AIRFIELD, COM & MSL F	C112
CERT & ACCREDIATIONS FOR EDUCATIONA	U010
CONSERVATION AND DEVELOPMENT	C121
CREDIT REPORTING SERVICES	R611
ELECTRIC POWER GENERATION (EPG)	C123
GOVT HEALTH INS PROGRAMS	G007
HIGHWAY, ROADS, STREETS, BRIDGES, A	C122
HOSPITAL BUILDINGS	C114
INDUSTRIAL BUILDINGS	C115
LODGING - HOTEL/MOTEL	V231
MARINE CHARTER FOR THINGS	V124
MARINE PASSENGER SERVICE	V214
MOTOR CHARTER FOR THINGS	V122
MOTOR FREIGHT	V112
MOTOR PASSENGER SERVICES	V212
NAVIGATIONAL AID & PILOTAGE SVCS	V227
NON-GOVT INSURANCE PROGRAMS	G009
OTHER BUILDINGS	C119
OTHER CARGO AND FREIGHT SERVICES	V119
OTHER GOVT INSURANCE PROGRAMS	G008
OTHER NON-BUILDING STRUCTURES	C129
OTHER SOCIAL SERVICES	G099
OTHER VEHICLE CHARTER FOR THINGS	V129
PASSENGER AIR CHARTER SERVICE	V221
PASSENGER MOTOR CHARTER SERVICE	V222
RESEARCH AND DEVELOPMENT FACILITIES	C118
RESIDENTIAL BUILDINGS	C116
RESTORATION	C130
SECURITY VEHICLE SERVICES	V127
SEEDLING PRODUCTION-TRANSPLANTING	F010
SPACE TRANSP & LAUNCH	V126
STEVEDORING	V114
TUITION/REG/MEMB FEES	U005
VESSEL FREIGHT	V115
VESSEL TOWING SERVICE	V125
WELL DRILLING/EXPLORATORY SERVICES	F015

In FPDS-NG, we queried where the Air Force was the Contracting Agency (i.e., 5700). This inventory does not include where the Air Force was the Funding Agency but not the Contracting Agency (i.e., where the Air Force sent money via a Military Interdepartmental Purchase Order (MIPR) to another Government agency to procure services on behalf of the Air Force). There is extremely limited ability to capture and report data on purchases where the Air Force was not the Contracting Agency. The Air Force will work with the Office of the Secretary of Defense (OSD) and the other defense agencies to resolve data collection for MIPRs and other interagency agreements. This inventory does not include data on classified service contracts.

The Air Force will work with OSD to resolve the requirements for data on classified service contracts for future submissions.

The data field of Funding Appropriation was manually entered for contracts valued greater than or equal to \$10 Million dollars based on a manual pull of all contract actions awarded during FY 2008 obtained in the FPDS-NG pull spreadsheet. For all actions below \$10 Million, the entry is blank because it is unknown. For the data field of FY Activity First on Inventory, 2008 was manually input for all contracts on the inventory as this is the first inventory submission for the Air Force.

We employed a two-tiered approach to capture the estimated number of contractor full-time equivalents:

- Contracts greater than or equal to \$10 Million – The owning contracting office manually entered the estimated amount based on a variety of rational approaches, including contacting the base security offices to find out how many contractor badges were issued under the contract, how many contractors were issued CAC cards under the contract, an estimate provided by the Quality Assurance Personnel (QAP) based on their periodic inspections of work performed under the contract, or even asking the contractor how many employees were working under contract.

- Contracts less than \$10 Million – We utilized the contract value and average factor costs per Product or Service Code to estimate the number of FTEs. The factors are found in the table below:

FSC	Average Rate
A - RDT&E	221,290
B - Special Studies	212,616
C - Architect and Engineering Services	139,515
D - ADP and Telephone Services	159,249
E - Purchase of Structures and Facilities	132,075
F - Natural Resources and Conservation Services	243,444
G - Social Services	62,394
H - Quality Control, Testing, and Inspection Services	185,588
J - Maintenance, Repair, and Rebuilding of Equipment	122,292
K - Modification of Equipment	164,573
L - Technical Representative Services	129,544
M - Operation of Government-Owned Facilities	153,870
N - Installation of Equipment	207,800
P - Salvage Services	153,738
Q - Medical Services	83,159
R - Professional, Admin, and Management Support Services	160,000
S - Utilities and Housekeeping Services	816,331
T - Photographic, Mapping, Printing and Publication	99,423
U - Education and Training Services	112,682
V - Transportation, Travel, and Relocation Services	232,354
W - Lease or Rental of Equipment	
X - Lease or Rental of Facilities	
Y - Construction of Structures and Facilities	261,259
Z - Maintenance, Repair, or Alteration of Real Property	229,444

For the data field of Personal Services Contracts, a manual request for all personal services contracts was sent to our Air Force Contracting Offices. A list was compiled and these identified contracts were marked on the spreadsheet from FPDS-NG. For the Contract Number, all contract actions were sequentially numbered starting with 1 to protect contractor-sensitive information regarding the numbers of employees working on specific contracts.

DESCRIPTION AND EXPLANATION FOR ALL UNPOPULATED DATA FIELDS: For the data field of Non-DoD Purchasing Agency, there are missing data because this inventory does not address where the Air Force was not the contracting agency as we have insufficient ability to track MIPRs sent outside the Air Force. For the data field of DoD Administering, there are missing data because it is unknown whether the Contracting Agency retained administration of the contract or if it was assigned to another agency (e.g., to the Defense Contract Management Agency (DCMA)).

For the data field of Funding Appropriation, entries were manually entered at the contracting office level for all contracts valued greater than or equal to \$10 Million dollars based on executed contract actions that occurred during FY 2008 pulled from FPDS-NG. For all actions below \$10 Million, the entry is blank because it is unknown. The contracting offices had insufficient manpower and time to manually find the long line of accounting for every contract action contained in this inventory so we concentrated on the largest actions.

PLAN TO POPULATE INCOMPLETE/BLANK DATA FIELDS IN FUTURE SUBMISSIONS: The Air Force is trying to find a way to import the financial information into FPDS-NG. For personal services contracts, the Air Force is contemplating issuing a policy letter requiring all personal services contracts to use the PSC "R497" to avoid the need for a manual data pull to identify all personal services contracts in the future. To prevent incomplete data fields and to prevent manual data pulls for subsequent inventories, the Air Force intends to implement the Army clauses into our contracts requiring contractors to gather and report data pertaining to their service contracts with the Air Force. A web-enabled database is envisioned that will feed data from FPDS-NG and allow the contractor to complete the missing information. Efforts are underway to obtain all data from a single system electronically augmented by direct input from the contractor which will improve the accuracy and reliability of the data for future submissions.

WEBSITE FOR PUBLICIZING THE INVENTORY LIST: The Air Force will comply with the publication requirements set forth in Section 807 of FY 2008 NDAA. The inventory will be publicized on the following website: <http://ww3.safaq.hq.af.mil/contracting/> The inventory will not include contract numbers, contractor identification, or other contractor proprietary or sensitive information.

PLAN FOR PERFORMING THE REQUIRED REVIEWS 90 DAYS AFTER SUBMISSION OF INVENTORY TO CONGRESS: The Air Force will continue to review this inventory for in-sourcing candidates as directed by the Deputy Secretary of Defense and provide to the Office of the Secretary of Defense (OSD) the Air Force's in-sourcing plan. The Air Force will use our Inherently Governmental Commercial Activity (IGCA) report to identify inherently governmental functions and functions closely associated with inherently governmental

functions as well as any inappropriate personal services from this inventory for possible in-sourcing. Other services that were converted to contractor performance as a result of an Office of Management and Budget (OMB) Circular A-76 Study will also be analyzed for possible in-sourcing. All services will be reviewed as part of the in-sourcing initiative currently underway throughout DoD to ensure that all service contracts reflect bona fide requirements that are executed in accordance with federally proscribed statutes and regulations.