

Railroad Retirement Board

Report on Analysis of Special Interest Areas from the FY2011 Service Contract Inventory

This is in response to the Office of Federal Procurement Policy Memorandum dated November 5, 2010, and updated OFPP Memorandum dated December 21, 2012, regarding Service Contract Inventories. After a careful review of our Fiscal Year 2011 Service Contracts Inventory, the Railroad Retirement Board (RRB) elected to study special interest functions R413 – Specification Development Services, and 307 – Automated Information Systems Services, identified on its referenced inventory.

This report has been prepared in consultation with the agency's Chief Information Officer.

The RRB has conducted its analysis of contracts awarded in Fiscal Year 2011 for the two (2) special interest functions. The RRB has, in this analysis, reviewed and considered OMB Memorandum M-09-26, dated July 29, 2009, as well as OFPP's proposed policy letter "Work Reserved for Performance by Federal Government Employees" (75 Fed. Reg. 16188; March 31, 2010).

The RRB's analysis including reviews of all contracts in these categories, which was one awarded contract in each category. The RRB reviewed its acquisitions plans, and interviewed RRB's Acquisition, IT, and other senior managers or executives in the organizations impacted by these acquisitions and the outcomes of the acquired service. The findings and actions taken or planned are indicated below.

The RRB's analysis revealed that these two information support services functions are neither inherently Governmental nor are they critical to agency mission accomplishment. Neither of the RRB's services in this report are personal services contracts as defined in FAR Subpart 37.104.

The Product or Service Code (PSC) R413 – Specification Development Services contract was for contractor provision of assistance to RRB staff in development of specifications and a solicitation for a new cloud-based or hosted services providing the RRB a replacement for its 27 year old legacy in-house mainframe-hosted financial management system (FMS). Although the RRB has expertise in use and management of a FMS as well as in working with cloud based or hosted systems, this statement of work for acquisition of the Agency's Enterprise Resource Program (ERP) System would impact all agency organizations and potentially many of its operations. To mitigate risk of omitting any considerations, the Agency competitively awarded a combined fixed priced and time and materials contract. The FMIS Acquisition Pre-award task and deliverables were all fixed price, while post award Contractor efforts were determined, at time of award, to be not well defined enough and therefore best suited to performance under time and materials basis. The RRB Contracting staff was integrally involved with the SOW and RFP developments and managed the acquisition process throughout to a successful award of an Contract during FY2012.

D307 – Automated Information Systems Services - RRB competitively awarded a Blanket Purchase Agreement an Indefinite Quantity, Indefinite Delivery vehicle) in fiscal year 2011 to a contractor to provide task order based assistance services in analysis, requirements definition,

programming, testing, validation and documentation activities related to an automation projects' system development lifecycle (SDLC). The contract's first task order, under this agreement, also issued in FY2011, required the contractor project staff to work with RRB Federal staff on a project to combine all Railroad Retirement Act benefit calculation programs under one programming platform, allowing for the retirement of calculation programs written in a no-longer supported programming language. The contractor's project staff worked side-by-side with RRB Federal staff enabling a more rapid completion of the project's milestones. The Contractor's staff had specified milestones, assignments and deliverables assigned to their staff and also provided project coordination and task management and tracking to the combined project staff. This contracted effort thereby freed other RRB IT Development staff and Business unit Program Analysts to work on other high priority, high results projects. The RRB provides special management attention, per FAR Subpart 37.114, to all contracted functions and these particular contracted special interest functions, D307 and R413. The RRB has trained professional IT staff, proficient in these functions that are trained, certified, and appointed as Contracting Officer Representatives (CORs) to provide technical oversight on these contracted services. The CORs' supervisors act as a second level of management oversight on these contracted services. Additionally, each contract has a Contract Specialist or Contract Administrator and a Contracting Officer to review contractor efforts and submissions and ensure contract compliance. These four levels of oversight ensure prevention of contractor performance of inherently governmental functions; ensure prevention of contractor work changes or expansion to become inherently Governmental functions; and prevent agency use of contractor efforts to perform critical functions that could affect agency ability to maintain control of its mission. These four levels of agency resources provide sufficient oversight and control of contracts for such services.

In summary, the RRB's use of the referenced contracted special interest functions in Fiscal Year 2011 included IT Support Services and Acquisition Assistance services; did not include any personal services; did not contract out critical functions or affect the ability of the agency to maintain control of its mission and operations; did not contract out any inherently governmental functions; was employed by the RRB with sufficient safeguards and management oversight of contractor work to ensure contractor performance and ensure no changes of scope into inherently Governmental functions. The mix of contractor resources and Government workforce was balanced to ensure continued, effective agency mission performance, risk management, and the best results to railroad beneficiaries and other taxpayers.

The RRB contact for this report is Chief of Acquisition Management, Mr. Paul Ahern. He can be reached at 312-751-7130 or paul.ahern@rrb.gov.

Keith B. Earley
Senior Procurement Executive
/ Chief Human Capital Officer

CC: RRB SEO
RRB CIO