

**Office of the United States Trade Representative**  
**FY 2020 Service Contract Inventory Analysis**

**Background**

The Office of the United States Trade Representative (USTR) is an agency of more than 260 committed professionals with specialized experience in trade issues and regions of the world. We negotiate directly with foreign governments to create trade agreements, to resolve trade disputes, and to participate in global trade policy organizations. We also meet with state and local governments, business groups, legislators and public interest groups to gather input on trade issues and to discuss the President's trade policy positions. USTR was created in 1962 and has offices in Washington, Geneva, Beijing, Mexico, and a representative to the U.S. EU Mission in Brussels.

Our mission: American trade policy works toward opening markets throughout the world to create new opportunities and higher living standards for families, farmers, manufacturers, workers, consumers, and businesses. The United States is party to numerous trade agreements with other countries, and is participating in negotiations for new trade agreements with a number of countries of the world.

The Office of the U.S. Trade Representative (USTR) is responsible for developing and coordinating U.S. international trade, commodity, and direct investment policy, and overseeing negotiations with other countries. The head of USTR is the U.S. Trade Representative, a Cabinet member who serves as the president's principal trade advisor, negotiator, and spokesperson on trade issues.

USTR is part of the Executive Office of the President. Through an interagency structure, USTR coordinates trade policy, resolves disagreements, and frames issues for presidential decision. The U.S. Trade Representative is on the Board of Directors of the Millennium Challenge Corporation, is a non-voting member of the Export-Import Bank Board of Directors, and a member of the National Advisory Council on International Monetary and Financial Policies.

**Scope**

Section 743 of Division C of the FY 2010 Consolidated Appropriations Act, P.L. 111-117, requires civilian agencies to prepare an annual inventory of their service contracts and analyze their inventory to determine if the mix of Federal employees and contractors is effective or if rebalancing may be required. The service contract inventory is a tool for assisting agencies in better understanding how contracted services are being used to support agency missions and operations and whether contractors' skills are being utilized in an appropriate manner.

For the FY 2020 analysis, USTR identified the PSCs listed in the table below as the PSCs with the greatest percentage of spending.

<b>PSC</b>	<b>Product or Service Description</b>
B506	SPECIAL STUDIES/ANALYSIS-DATA (OTHER THAN SCIENTIFIC)
N099	INSTALLATION OF EQUIPMENT - MISCELLAENEOUS
D302	IT AND TELECOM – SYSTEMS DEVELOPMENT
D302	IT AND TELECOM – SYSTEMS DEVELOPMENT
R418	SUPPORT- PROFESSIONAL: LEGAL

### USTR's Top PSCs

### Methodology

All five PSC's analyses were conducted in the same manner. A total of five contracts were analyzed. Interviews and surveys were conducted with COR's and/or relevant managers. Interviews and surveys were conducted to determine the following: the approximate number of employee equivalents performing under each contract; if the contractor was performing inherently governmental functions; if there are sufficient government personnel for oversight of the contractor's performance; if the contractor is performing critical functions; and whether the COR communicated the SAM service contract reporting requirement to the contractors.

### Findings

The table below lists USTR's service contract inventory awarded during FY 2020 with action obligation values exceeding the Simplified Acquisition Threshold by PSC.

<b>PSC Code</b>	<b>PSC Description</b>	<b>FY 2020 Obligation</b>	<b>% of Obligations</b>
B506	SPECIAL STUDIES/ANALYSIS-DATA (OTHER THAN SCIENTIFIC)	\$ 3,769,528.42	32%
N099	INSTALLATION OF EQUIPMENT- MISCELLANEOUS	\$ 1,841,339.27	16%
D302	IT AND TELECOM – SYSTEMS DEVELOPMENT	\$ 1,023,715.31	9%
D302	IT AND TELECOM – SYSTEMS DEVELOPMENT	\$ 3,010,562.23	26%
R418	SUPPORY-PROFESSIONAL: LEGAL	\$ 2,012,785.60	17%
	<b>Total</b>	<b>\$ 11,657,930.83</b>	<b>100%</b>

**Role Contracted Services Play in Achieving Agency Objectives**

**PSC B506: Special Studies/Analysis –Data (Other than scientific) -\$3,769,528.42**

The inventory includes one contract within this PSC, representing 32% of the total reportable obligations within the inventory. Services provided under this PSC are for contracted technical analyst and Tariff Classification Experts in support of the 301 Tariff Exclusions process.

The contractors under this PSC provided are for technical analyst and Tariff Classification Experts in support of the 301 Tariff Exclusions process.

The contractors provided expert technical analysis of industry tariff exclusion requests submitted by impacted U.S. businesses submitted to USTR and development of tariff carve outs pursuant to the President's Section 301 Investigation into China's forced technology transfer practices and assessment of tariffs on exports from China. These functions were not performed at USTR in the past and were not performed on the scale with the same duration as they are being performed now by contractors. This function supports a new USTR effort and is expected to be temporary. The function does not require in any way that contractors exercise discretion in applying government authority; it does not require the interpretation and execution of the laws of the U.S.; and does not involve the oversight of monetary transactions. This function is new and temporary. EOP Office of Administration supported USTR with the SBA approved acquisition of this contract.

USTR has determined that the function does not require the exercise of discretion in applying government authority; it does not require the interpretation and execution of the laws of the U.S.; and does not involve the oversight of monetary transactions

<b>2020 Service Contract Analysis: PSC B506</b>	
<b>Questions</b>	<b>Answers</b>
Are personal services contracts being performed in accordance with applicable laws and regulations?	Yes, PSC B506 represents an SBA approved contract for 301 Tariff Exclusion specific technical business analyst and Tariff Classification Expert contractors, is being performed in accordance with the applicable laws and regulations.
Is the agency giving special management attention to functions that are closely associated with inherently governmental functions?	Yes, USTR has a dedicated management structure in place for this contract. The functions of these contractors are very specific to the 301 Tariff Exclusions process and not associated with inherently governmental functions.

<p>The agency is not using contractor employees to perform inherently governmental functions?</p>	<p>No, USTR is not using contractor employees to perform inherently governmental functions. The contractors provide expert technical analysis of tariff exclusion requests submitted by impacted U.S. businesses submitted to USTR and development of tariff carve outs pursuant to the President's Section 301 Investigation into China's forced technology transfer practices and assessment of tariffs on exports from China. These functions were not performed at USTR in the past and were not performed on the scale with the same duration as they are being performed now by contractors. This function supports a new USTR effort and is expected to be temporary. The function does not require in any way that contractors exercise discretion in applying government authority; it does not require the interpretation and execution of the laws of the U.S.; and does not involve the oversight of monetary transactions.</p>
<p>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 an inherently governmental function?</p>	<p>Yes, USTR has a management structure, practices, and reporting mechanisms to ensure that work being performed by contractors has not expanded. This includes oral and written briefings on paralegal weekly activities and a separate computer system in which work is performed.</p>
<p>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?</p>	<p>No, USTR is not using contractor employees to perform critical functions in such a way that could affect its ability to maintain control of its mission.</p>
<p>Are there are sufficient internal agency resources to manage and oversee contracts effectively?</p>	<p>Yes, USTR provides an experienced management team to include senior staff leadership to</p>

	oversee this contract as well as, monitor and approve daily activities and reports
Identify contracts that have been poorly performed, as determined by a contracting officer, because of excessive costs or inferior quality.	N/A
Identify contracts that should be considered for conversion to performance by Federal employees or an alternative acquisition approach.	N/A

**PSC N099: Installation of Equipment-Miscellaneous-\$1,841,339.27**

The inventory includes one contract within this PSC, representing 16% of the total reportable obligations within the inventory. Services provided under this PSC included providing Identity Credentialing and Access Management (ICAM) services for physical access control systems and software for USTR. Upgrades USTR’s physical access control systems and software for future connection to the Executive Office of the President’s (EOP) security system including their Physical Access Control (PACS) system and smart card issuance system, General Services Administration (GSA) USAccess. Provides the access control software and support services required to transition, deploy, operate, and maintain the physical access control system.

The United States Trade Representative (USTR) Office of Security (OSY) is continuing to pursue the acquisition of Identity Credentialing and Access Management (ICAM) services from a certified commercial provider to centralize and modernize USTR’s Security Management System (SMS) comprised of Physical Access Control System (PACS), Closed Circuit Television (CCTV) cameras, Visitor Management, Intrusion Detection System (IDS), and Duress Alarms. Additionally, to ensure compliance with existing federal government standards for the use of smart cards the PACS is configured to support the GSA approved 200-bit smart card format as described in FIPS 201 and NIST 800-116. The modernization of PACS will streamline processes and ensure the safety and security of USTR employees and contractors across three separate facilities. USTR Security has one contract to provide operation and maintenance (O&M) for SMS. (UST-GEN-P17-0012; Prism International, LLC) PSC code N099, Installation of Equipment – Miscellaneous valued at \$1,841,339.27. This is the last option year for the SMS contract and our goal is to onboard an FTE to provide O&M for SMS which could save the agency an excess of \$800K per year.

The USTR OSY reviewed multiple contracts and contractor capabilities to include their certifications to manage GSA compliant hardware and software, in cooperation with colleagues at different agencies to include EOP/Office of Administration (OA). USTR has one contract to provide operational and maintenance services for SMS.

The USTR OSY determined through extensive research contractor expertise for implementing and maintaining SMS required a new strategy to manage the lifecycle in lieu of conducting intermittent upgrades and patches. The USTR PACS was configured as a standalone solution with no consideration

for federal mandates such as OMB M-11-11 and specific ICAM requirements. The current National Institute of Standards (NIST) special publications that govern the use of PACS require the system to be centralized and modernized to incorporate evolving technologies using the Personal Identity Verification (PIV) card. Federal oversight is required to be successful with implementing these federal mandates and do not afford contractors to perform critical functions that affect USTR’s ability to keep USTR employees secure and safe at any of the three facilities. Three contractors are on contract to provide O&M for SMS and two FTEs are committed to overseeing their daily responsibilities.

The USTR OSY utilized market research by working with partner agencies and OA to identify qualified vendors to implement and maintain SMS while complying with federal and agency specific requirements. Additionally, USTR OSY gathered independent cost estimates to develop performance objectives based on NIST and ICAM requirements to manage SMS. This FY the agency upgraded, installed and consolidated multiple CCTV monitoring systems, replaced obsolete card readers, upgraded IDS systems and programming, and improved software capabilities for PACS by over 40%. Implemented over three separate security countermeasures for 100% of USTR operated SCIFs.

Future plans include upgrades, removal of redundant systems, and installation of new security countermeasures for three separate facilities. This includes adding five SECRET-level rooms and an additional SCIF all which require CCTV, PACS, and IDS capabilities. Additionally, upgrade new visitor management system that include peripherals to validate REAL ID requirements and official passports. Lastly, replace antiquated duress buttons with modern technology compatible with SMS for USTR headquarters.

<b>2020 Service Contract Analysis: PSC N099</b>	
<b>Questions</b>	<b>Answers</b>
Are personal services contracts being performed in accordance with applicable laws and regulations?	Yes, USTR has acquired and is implementing Identity Credentialing and Access Management (ICAM) requirements from a certified contractor for USTR's Security Management System (SMS) comprised of Physical Access Control System, Visitor Management, CCTV, Intrusion Detection System, and Duress Alarms.
Is the agency is giving special management attention to functions that are closely associated with inherently governmental functions?	Yes, the COR, Office of Security (OSY) System Owner, USTR IT professionals, and the certified contractor work very closely to ensure compliance with IT requirements and Security policies to include restricted spaces.
The agency is not using contractor employees to perform inherently governmental functions?	Confirmed, when new policies/ processes are initiated the certified contractor makes the necessary

	modifications in the system and provides instruction to Government employees on how to execute those new or revised functions.
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 an inherently governmental function?	The work being performed is conducted within the scope of work and within the specified period of performance. Any additional work required is processed through a contract modification document. This contract has had a number of modifications based upon new scope of work requirements, and modification upgrades for end of life equipment upgrades.
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?	Confirmed, all work performed by the contractor is directed by the Government appointed COR and monitored for performance, deliverables and completion.
Are there are sufficient internal agency resources to manage and oversee contracts effectively?	Yes, USTR IT Specialist and Security Team assist the COR with managing the lifecycle of SMS, and associated scope of work performance.
Identify contracts that have been poorly performed, as determined by a contracting officer, because of excessive costs or inferior quality.	N/A
Identify contracts that should be considered for conversion to performance by Federal employees or an alternative acquisition approach.	N/A

**PSC D302: IT and Telecom-Systems Development -\$1,023,715.31 + \$3,010,562.23 = \$4,034,277.54**

The inventory includes one contract within this PSC, representing 9% + 26% for a total of 35% of the total reportable obligations within the inventory. Services within this PSC provides supports the application development needs of USTR and addresses specific rapid development requests to meet USTR policy objectives, i.e. the processing of China Tariff exclusion requests.

The Executive Office of the President (EOP), Office of United States Trade Representative (USTR), seeks expertise, knowledge, and implementation support for the deployment, administration, and enhancement of all Salesforce applications across USTR. These operational needs and enhancements may range in size. The scope of this PWS refers to the following AppDev ID/IQ CLINs: CLIN 3 (Application Administration, Operations, and Support – Severable), CLIN 4 (Quality Assurance and Testing – Severable), CLIN 5 (Quality Assurance and Testing – Non-Severable), CLIN 6 (Application Licenses and Subscription – Non-Severable).The contractor is responsible for ensuring that the Salesforce application is fully supported, administered, patched, maintained, evaluated, documented, tested, and enhanced as necessary to meet the government’s operational requirements.

The USTR reviewed multiple contracts and contractor capabilities to include their certifications to manage GSA compliant hardware and software, in cooperation with colleagues at different agencies to include EOP/Office of Administration (OA). USTR has one contract to provide operational and maintenance services for Salesforce.

The contractor has performed well and, in some cases, exceeding expectations. All the work was performed by its own staff with no assistance by USTR’s staff or other contractor employees. It has been determined that no actions are needed at this time.

<b>2020 Service Contract Analysis: PSC D302</b>	
<b>Questions</b>	<b>Answers</b>
Are personal services contracts being performed in accordance with applicable laws and regulations?	Yes, personal services contracts are being performed in accordance with applicable laws and regulations.
Is the agency is giving special management attention to functions that are closely associated with inherently governmental functions?	Yes, the agency is giving special management attention to functions that are closely associated with inherently governmental functions. USTR has an experienced management team in place to monitor Acumen's work.
The agency is not using contractor employees to perform	No, the agency is not using contractor employees to perform inherently governmental functions. Work performed by Acumen has not been tasked with inherent governmental functions.



inherently governmental functions?	
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 an inherently governmental function?	Yes
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?	Yes
Are there are sufficient internal agency resources to manage and oversee contracts effectively?	Yes
Identify contracts that have been poorly performed, as determined by a contracting officer, because of excessive costs or inferior quality.	N/A
Identify contracts that should be considered for conversion to performance by Federal employees or an alternative acquisition approach.	N/A

**PSC R418: Support – Professional: Legal -\$2,012,785.60**

The inventory includes two contracts within this PSC, representing 17% of the total reportable obligations within the inventory. Services provided under this PSC is for paralegal contractors. Services provided under this PSC included providing paralegal support services for paralegals with the following:

- Undergraduate Degree, and the ability to read and conduct research in English and Mandarin.

- Undergraduate Degree, and the ability to read and conduct research in English and Korean.
- Undergraduate Degree, and the ability to read and conduct research in English and Russian.
- Undergraduate Degree, and the ability to read and conduct research in English and Turkish.
- Undergraduate Degree, in Accounting, Economics, or Finance, plus 1+ year International Trade experience.

The contractor’s paralegals provided for the Interagency Center on Trade Implementation, Monitoring, and Enforcement legal research and analysis with the specific abilities to research in English and potentially other languages as needed, such as, but not limited to Korean, Mandarin and Russian. Contractors are also processing public comments and exclusion requests submitted to USTR in the course of the President’s Section 301 Investigation into China’s forced technology transfer practices.

USTR has determined that the function does not require the exercise of discretion in applying government authority; it does not require the interpretation and execution of the laws of the U.S.; and does not involve the oversight of monetary transactions. The contractors have performed well. Contract was continued and option year was exercised. No weaknesses or challenges identified during this period of performance.

April FY20 Proxy contract ended and started to sub-contract through AES.

<b>2020 Service Contract Analysis: PSC R418</b>	
<b>Questions</b>	<b>Answers</b>
Are personal services contracts being performed in accordance with applicable laws and regulations?	Yes, PSC R418, a personal services contract for paralegal contractors, is being performed in accordance with the applicable laws and regulations.
Is the agency is giving special management attention to functions that are closely associated with inherently governmental functions?	Yes, USTR has a management structure in place for PSC R418. However, the functions of the paralegal contractors are not associated with inherently governmental functions
The agency is not using contractor employees to perform inherently governmental functions?	No, USTR is not using contractor employees to perform inherently governmental functions. The contractor employees provide for the Interagency Center on Trade Implementation, Monitoring, and Enforcement legal research and analysis with the specific abilities to research in English and potentially other languages as needed, such as,

	<p>but not limited to Korean, Mandarin and Russian. Contractors also are processing public comments submitted to USTR in the course of the President's Section 301 Investigation into China's forced technology transfer practices. These functions were not performed at USTR in the past and were not performed on the scale and with the same duration as they are being formed now by contractors. This function is a new and temporary. The function does not require the exercise of discretion in applying government authority; it does not require the interpretation and execution of the laws of the U.S.; and does not involve the oversight of monetary transactions.</p>
<p>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 an inherently governmental function?</p>	<p>Yes, USTR has a management structure, practices, and reporting mechanisms to ensure that work being performed by contractors has not expanded. This includes oral and written briefings on paralegal weekly activities and a separate computer system in which work is performed</p>
<p>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?</p>	<p>No, USTR is not using contractor employees to perform critical functions in such a way that could affect its ability to maintain control of its mission.</p>
<p>Are there are sufficient internal agency resources to manage and oversee contracts effectively?</p>	<p>Yes, USTR provides an experienced management team to include senior staff leadership to oversee this contract as well as, monitor and approve daily activities and reports.</p>
<p>Identify contracts that have been poorly performed, as determined by a contracting officer, because of excessive costs or inferior quality.</p>	<p>N/A</p>
<p>Identify contracts that should be considered for conversion to performance by Federal employees or an alternative acquisition approach.</p>	<p>N/A</p>

## **Accountable Officials**

The USTR's senior management official who is accountable for development of agency policies, procedures, and training associated with OFPP Policy Letter 11-01 addressing the performance of inherently governmental and critical functions is:

Fred Ames, Assistant U.S. Trade Representative for Administration and Linda Chambers, CFO

The officials that are responsible for ensuring appropriate internal management attention is given to the development and analysis of service contract inventories are listed below:

B506: Zonda Fuller, Accountant and Earl Gladney, Senior Finance and Accounting Analyst

N099: Thomas Horrigan, Security Program Specialist and Victor Aqueche, Director of Security

D302: Celestine Pressley, Chief Information Officer

R418: Zonda Fuller, Accountant and Earl Gladney, Senior Finance and Accounting Analyst