Federal Aviation Administration

Memorandum

Date: JAN - 3 2006

To: Distribution

From: Vice President, Acquisition and Business Services

Subject: Personnel Qualifications for Support Services

The FAA spends more than $1.3 billion each year on contracts for services, making this an important area in which to focus our efforts to ensure that the agency's purchases are cost effective and technically sound.

Many of these purchases are made on a time and materials (T&M) or labor hour basis and, while these contracts can be very useful in providing needed expertise and other support that is critical to agency operations, the FAA needs to do a better job of ensuring that contractor personnel have the appropriate education, experience and training to provide the required services.

For example, recent experience has taught us that T&M and labor hour contracts need to define the educational and experience requirements for the labor categories required under the contract, even when those positions have not been designated as key. In addition, the contracts need to require contractors to propose specific personnel for these positions, and to provide resumes for their proposed personnel. Other actions also are required to tighten up FAA's monitoring of these types of contracts in order to ensure that the agency buys only the services it needs and gets the services it pays for. For new awards in which positions have not yet been filled, the contract should require the contractor to provide employee resumes for FAA's review and approval as positions are filled.

Therefore, I am directing the following:

For all new FAA support services contracts, or tasks under those contracts, awarded on a time and materials or labor hour basis:

- The statement of work will clearly define the expected outputs or objectives of the contract or task.

- The contract or task will include only those labor categories necessary to achieve those outputs, and the basis for selection of the categories will be documented in the contract file.

- The contract will identify specific education, experience, and other appropriate requirements for each labor category.

- The solicitation will require the offeror to propose specific personnel for these positions, and to provide a resume for each proposed person. For small businesses, the solicitation may include a provision for submitting resumes within a reasonable time after contract award, subject to Contracting Officer's approval of each proposed person. The provision should specify any costs incurred before approval of resumes may be disallowed if the Contracting Officer determines a person's qualifications do not meet the terms and conditions of the contract.

- The evaluation team will review the offeror's proposed personnel to ensure that these persons meet the position requirements for the labor category.

- In reviewing the invoices submitted by the contractor, the Contracting Officer or his/her designee will compare the labor categories, rates and hours charged to the contract with the work actually performed.

- For any personnel changes after contract award, the contractor will submit employee resumes and obtain Contracting Officer's approval. No change may be made by the contractor without the written approval of the Contracting Officer. The contract file must contain appropriate documentation of approval of the personnel changes.

This direction includes tasks awarded under FAA or other federal agency multiple award contracts, including schedule-type contracts administered by the General Services Administration. However, to the extent the contracts already are requiring these actions, such as the resume review required under FAA's Broad Information Technology Services (BITS) contracts, there is no need to duplicate ongoing efforts.

In addition, for existing services contracts with time and materials or labor hour provisions with an estimated value, over the life of the contract, of more than $1 million, and that specify minimum qualifications for labor categories, Contracting Officers will:

- Select a random sample of at least 20% of contracts and tasks, and from this sample conduct spot reviews of at least 20% of resumes. If the review reveals any discrepancies, examine a sufficient number of additional resumes to determine the extent of irregularities in employee qualifications.

- Report discrepancies found in the spot reviews to the Chief of the Contracting Office so that he or she may direct any additional activities, such as requiring all contracts and tasks with a particular contractor to be reviewed.

- As appropriate, review prior invoices to determine whether any employee identified as having insufficient qualifications has been billed.

- For each new person invoiced under the contract in the future, require the contractor to submit a resume for that person, and review the resume to ensure that the individual meets the position requirements for the invoiced labor category or, if none exist, is otherwise qualified to perform the services.

I expect the above actions for existing support services contracts to be an on-going activity until further notice. Again, to the extent these actions are already required as part of administrative changes being implemented under other contracts, there is no need to duplicate any on-going efforts.

Finally, I am initiating a series of on-going reviews of current services contracts that will be conducted by my office and will be more extensive than the spot checks required above. These reviews will begin shortly, and will continue indefinitely.

Should you have any questions, please contact David Lankford, Acquisition and Procurement Policy, at (202) 267-8407.

Dennis DeGaetano

Distribution:

ATO-A
ATO-T
ATO-E
ATO-W
ATO-D
ATO-F
ATO-S
ATO-R
ARC-1
AVS-1
AIO-1
ABA-1
AHR-1
ARP-1