



Highlights of [GAO-08-319](#), a report to congressional committees

## Why GAO Did This Study

Since 1994, the Office of Management and Budget (OMB) has been required by law to collect and report obligations for advisory and assistance services (A&AS) in the President's budget. The initial intent for this requirement is not clear, however. The statutory definition of A&AS covers three broad categories of management and professional support services. For many years, GAO and others have reported on inaccuracies in agencies' reporting of A&AS obligations. This report follows up on GAO's past work, pursuant to the fiscal year 2007 Defense Authorization Act. GAO assessed (1) whether reported A&AS obligations are accurate or used for management purposes and (2) the extent to which A&AS contracts are used for recurring services and for longer than 5 years and the contract types and vehicles used. GAO analyzed legislative history and reviewed 334 randomly selected contract files across 10 agencies, the results of which are generalizable to locations visited.

## What GAO Recommends

To address long-standing problems with reporting of A&AS obligations, Congress should consider re-evaluating the need for separate budget reporting of A&AS. If more insight is desired, Congress should consider clarifying the statutory definition and requiring OMB's Office of Federal Procurement Policy to reinstate data collection for A&AS in the Federal Procurement Data System-Next Generation. Several agencies in GAO's review offered technical comments, which GAO incorporated as appropriate.

To view the full product, including the scope and methodology, click on [GAO-08-319](#). For more information, contact John Hutton at (202) 512-4841 or [huttonj@gao.gov](mailto:huttonj@gao.gov).

# FEDERAL CONTRACTING

## Congressional Action Needed to Address Long-standing Problems with Reporting of Advisory and Assistance Services

### What GAO Found

Agencies' reported A&AS obligations are inaccurate to the point of being meaningless and are not used for management purposes. GAO found a range of factors that contribute to significant inaccuracies in these data.

#### Factors Contributing to Inaccuracies in Agencies' Reported A&AS Obligations

Different interpretations of broad A&AS definition	Inconsistent reporting methods	Insufficient procurement and budget system integration
<p>Agency procurement and budget officials exercise significant judgment when deciding whether to code contracts as A&amp;AS for budget reporting.</p> <ul style="list-style-type: none"> <li>Varying DOD and civilian exclusions to A&amp;AS reporting further complicate agencies' ability to make accurate interpretations.</li> </ul>	<p>Agencies' approaches for reporting obligations to OMB have little consistency. For example, agencies</p> <ul style="list-style-type: none"> <li>partially reported obligations under specific A&amp;AS contracts,</li> <li>misreported agency-wide obligations using prior year data, and</li> <li>failed to separate A&amp;AS obligations from overall agency total contract costs.</li> </ul>	<p>Agency information systems used to manage procurement and budget functions are not sufficiently integrated to identify contracts for A&amp;AS.</p>

Source: GAO.

Almost 20 percent of the 334 contract actions GAO reviewed were erroneously identified as A&AS, including services such as fitness center maintenance and telecommunications cabling installation. Agency officials frequently cited the broad nature of the A&AS definition as a problem. Agencies GAO reviewed generally encountered challenges in tying reported A&AS obligations to their corresponding contracts because of the lack of integration of procurement and budget data systems. Agency and OMB officials unanimously told GAO they do not use reported A&AS obligations for management or other purposes. Acquisition officials said they oversee their A&AS contracts, as they do their other professional services contracts, with established contract management procedures. Reflecting the lack of a clear distinction between A&AS and general professional services contracts, DOD retracted its A&AS directive and replaced it with general service contracting guidance in 2004. Even as far back as 1996, a code to specifically designate A&AS contracts was removed from the Federal Procurement Data System, the government's procurement information system.

Agencies frequently awarded contracts for A&AS on a recurring basis and to the same contractor. Overall 63 percent of the A&AS contract actions were issued on other than a sole-source basis. Most task order contracts reviewed met the A&AS statutory period of performance limit of 5 years; but 2 exceeded and 10 had the potential (if options were exercised) to exceed this limit. Agencies used various contract types and vehicles to procure A&AS. Almost half of the actions GAO reviewed were time-and-materials, and over 40 percent were under interagency vehicles, primarily orders under the General Services Administration's schedule contracts.