

## Why GAO Did This Study

The Department of Energy's NNSA relies on federal employees and contractor personnel to carry out its mission. SSCs fill essential needs, and their use requires special diligence to ensure applicable statutes, regulations, and management practices are followed.

The House report on the National Defense Authorization Act for Fiscal Year 2018 included a provision for GAO to report on NNSA's use of SSCs. This report examines the extent to which: (1) NNSA used SSCs for professional support in fiscal years 2010 through 2018; (2) the information about SSCs in NNSA's annual congressional budget justification materials for fiscal years 2017 through 2020 is complete and useful to support congressional decision-making; and (3) NNSA manages the potential risks of SSCs that it determines are at high risk for providing inherently governmental functions. GAO analyzed agency data; reviewed documentation; and interviewed federal and contractor officials representing a non-generalizable sample of 12 SSCs out of 407, selected to represent a range of years and contract obligations.

## What GAO Recommends

GAO is making six recommendations to NNSA, including that NNSA: (1) report information on all professional SSCs to which funds were obligated during the fiscal year; (2) document plans to oversee SSCs that have a high risk of including inherently governmental functions, and (3) verify that the planned oversight occurs. NNSA generally agreed with the recommendations.

View [GAO-19-608](#). For more information, contact Allison Bawden at (202) 512-3841 or [bawdena@gao.gov](mailto:bawdena@gao.gov).

## SUPPORT SERVICE CONTRACTS

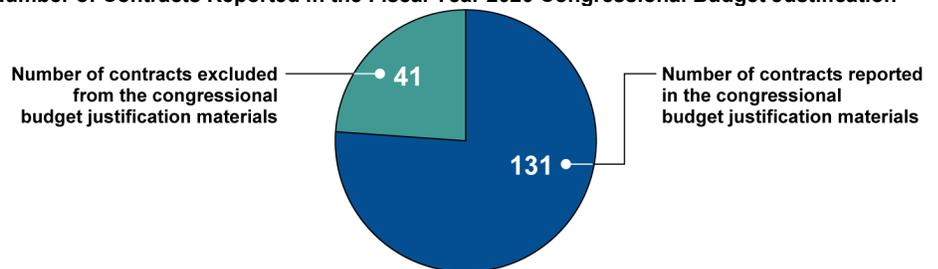
# NNSA Could Better Manage Potential Risks of Contractors Performing Inherently Governmental Functions

## What GAO Found

The National Nuclear Security Administration (NNSA) obligated about \$193 million in fiscal year 2018 for support service contracts (SSC), an increase of nearly 40 percent since 2010. These contracts provide a variety of professional support services, such as program management support. Officials attribute the increased use of SSCs to increases in appropriations and workload for the modernization of nuclear weapons and related infrastructure and decreases in the number of authorized federal staff due to the decrease in the statutory cap from fiscal year 2014 to 2015.

Information on SSCs in NNSA's congressional budget justification materials is not complete or fully useful for congressional decision-making because, among other things, NNSA did not include information on all of its professional SSCs. NNSA is required to report annually certain information about SSCs, including the number and cost of SSCs, in its materials. NNSA reported information on its SSCs in its materials for fiscal years 2017 through 2020. However, NNSA's reporting was not complete because NNSA excluded information on 31 to 42 contracts each year (see fig. for fiscal year 2020). According to officials, they excluded contracts that expired during the fiscal year. By reporting information on all professional SSCs to which funds were obligated during the fiscal year, NNSA could provide more complete information to Congress that it could use to make better informed decisions about NNSA's annual appropriations levels.

Number of Contracts Reported in the Fiscal Year 2020 Congressional Budget Justification



Source: GAO analysis of National Nuclear Security Administration and Federal Procurement Data System – Next Generation data. GAO-19-608

NNSA may not be effectively managing the potential risks of contractors performing inherently governmental functions—those that must be performed by a government employee—for contracts NNSA identifies as having the potential for providing such functions. NNSA identifies such SSCs through required assessments. However, contracting officers are not required to document planned steps to oversee these contracts, and the agency does not verify that planned oversight is performed. Contracting officers who oversee SSCs can change during the life of a contract. By documenting steps that contracting officers plan to take to oversee contracts with a high risk of including inherently governmental functions—and verifying that the planned oversight occurs—NNSA can better ensure over the life of the contract that the functions contractors are performing do not evolve into inherently governmental functions and that planned oversight is completed.