

# Are Some Civilian Agencies Moving Away From Contracts?

by **Bradley Saull**, PSC Vice President for Civilian Agencies

**W**hile some agencies and contracting offices are scrambling to spend more money in half the time than they typically have, other agencies — specifically at two civilian agencies — are looking to reduce their contract spend and potentially fundamentally change their relationship with their professional services contractors.

## Substance Abuse and Mental Health Services Administration (SAMHSA)

PSC has received a few inquiries from member companies in recent months that the SAMHSA within the Department of Health and Human Services (HHS) is moving away from contracts toward grants. Early indications were that SAMHSA has acted on this preference in two ways: 1) Released a \$12.5M, two-year opioid Technical Assistance grant to a consortium of medical professional associations; 2) Stipulated in recent Requests for Assurances that each successful grantee will be given \$25,000 to purchase their own Technical Assistance (as a way of letting grantees decide how to spend Technical Assistance funds).

On March 22, 2018, SAMHSA Assistant Secretary, Dr. Elinore McCance-Katz published a blog post entitled “SAMHSA Revamping TA-Contractors Model to Deliver More Support to American Communities.” The post notes a negative experience McCance-Katz had with a SAMHSA contractor while she was a grantee, how she views contractors as a waste of resources, and how she is changing the business model for accomplishing training and technical assistance at her agency. Later that day, and in the days following, numerous SAMHSA contractors received stop-work orders on current contracts, or notices of intent that future contract option years would not be exercised. On April 5, PSC sent a letter to SAMHSA requesting a meeting with Dr. McCance-Katz, to include several of our member companies who have a record of achievement working with SAMHSA—some spanning three decades. PSC aims to discuss these actions along with the potential of improving the delivery of technical assistance and professional services contracts within current contract mechanisms.

## Environmental Protection Agency (EPA) too?

We have heard reports that the EPA's Office of Research and Development (ORD) has put a mandate to reduce contractor support significantly. In fact, ORD is being held to performance



goals that include a goal about reducing contractor support. Even with the higher budget for EPA at omnibus level funding, there is reason to believe that any expenditures on contractors (at least in ORD) will be highly scrutinized.

## What's in store for the future?

PSC's top priority is demonstrating the value of government contracting and contractors. We will continue to engage with these agencies and consider the use of various advocacy tools at our disposal. PSC strongly encourages these agencies to share as much information publicly as possible, so that those companies who are dedicated to delivering high-quality capabilities can best understand the dynamics of the government's actions, and plan for any disruption on their workers.

If you have similar concerns about these agencies or experiencing dynamics that devalue the critical role government contractors play in helping the government achieve its mission, please let us know. ■