

Service Contractor

Summer 2017 / The Voice of the Government Services Industry



Elements of Success

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NEEDS WITH REAL RESULTS

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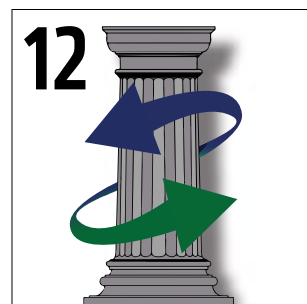
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The Voice of the Government Services Industry

Meeting Government's Needs With Real Results



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Cover illustration: Studio25/Ana Eastep

Service Contractor
is a publication of the
Professional Services Council
4401 Wilson Blvd.,
Suite 1110
Arlington, VA 22203
Phone: 703-875-8059
Fax: 703-875-8922
Web: www.pscouncil.org
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For advertising or to submit articles or items for the Member News section, contact: Ashlei Stevens

PSC STAFF

David J. Berteau
President and CEO
berteau@pscouncil.org

Alan Chvotkin
Executive Vice President
& Counsel
chvotkin@pscouncil.org

Bill Greenwalt
Senior Advisor
Research & Defense
greenwalt@pscouncil.org

Cate Benedetti
Vice President,
Government Relations
benedetti@pscouncil.org

Donald Baumgart
Manager, Vision Forecast
baumgart@pscouncil.org

Matt Busby
Director, Membership
busby@pscouncil.org

Joe Carden
Vice President,
Marketing & Membership
carden@pscouncil.org

Kevin Cummins
Vice President, Technology
cummins@pscouncil.org

Paul Foldi
Vice President,
International Development
foldi@pscouncil.org

Karen Holmes
Office Manager/Receptionist
holmes@pscouncil.org

Michelle Jobse
Director, Vision Forecast
jobse@pscouncil.org

Natalie Johnson
Associate, Digital Marketing
johnson@pscouncil.org

Cassie Katz
Director, Marketing
katz@pscouncil.org

Ashlei Stevens
Director, Media Relations
stevens@pscouncil.org

Jeremy Madson
Director, Public Policy
madson@pscouncil.org

Andrea Ostrander
Director, Events
ostrander@pscouncil.org

Melissa R. Phillips
Vice President,
Events & Operations
phillips@pscouncil.org

Robert Piening
Vice President, Finance
piening@pscouncil.org

Bradley Saull
Vice President,
Civilian Agencies
saull@pscouncil.org

Laurie Roberts
Executive Assistant
roberts@pscouncil.org

Jean Tarascio
Senior Manager, Events
tarascio@pscouncil.org

Tara Vilaychith
Associate, Membership
vilaychith@pscouncil.org



PRESIDENT'S LETTER

In this Summer 2017 issue of *Service Contractor* magazine, we face the dilemma of writing articles in June that won't be out of date by the time you read them. The pace of change in the current administration and the lengthy list of legislative agenda items serve to amplify that challenge. Still, this issue covers a wide array of relevant topics that should stand the test of time all through the summer.

In the last issue, David Wennergren outlined the PSC's 2017 strategic priorities. In this issue, we go into more depth on the first of those priorities, focusing on demonstrating the value of government contracting and contractors. Every key mission and significant activity undertaken by the federal government benefits from vital roles played by contractors. Key issues include helping the government become a smarter customer and a better buyer of services and deepening the understanding of the true cost of government, to enable a better comparison of the value of contractors. See "Contractors Meet Government Needs With Real Results for Best Value" on page 6.

No contract support can be provided unless there are funds available, and that process began for Fiscal Year 2018 with the submission of the president's budget request on May 23. "The Art of the (Budget) Deal" on page 9 examines the steps that must happen between now and the end of the current fiscal year on September 30. How far will Congress go in accepting or altering the cuts and increases proposed by President Trump? Will federal agencies begin the fiscal year with appropriations, a continuing resolution, or a government shutdown? Time will tell, but this article provides the guideposts.

Congress impacts more than the annual federal budget. For the second year in a row, House Armed Services Committee Chairman Mac Thornberry released a bill proposing acquisition reforms for the Department of Defense (DoD) and larger government interests. PSC and sister associations offered input, feedback, and suggested improvements. "How Much More Acquisition Reform Do We Need?" by Alan Chvotkin on page 12 provides the highlights of that submission. We expect to see some of our recommendations incorporated into the eventual National Defense Authorization Act that Congress plans to pass later this year.

You can get the full update on congressional action with the regular *Service Contractor* feature "Bill Tracker", beginning on page 17.

In addition to highlighting PSC's advocacy for member interests on the Hill, in the agencies, or with the media, "Member News" lets the reader catch up on news you might have missed. The photos from April's Annual PSC Conference, as well as from other meetings, help us remember that networking and social engagement continues to play such an important role for all of us.

Despite the perturbations of the daily news cycle, government program managers continue to get their work done, and service contractors continue to support them every step of the way. We know that will continue, and we bring you insights and advocacy to help. As always, I welcome your ideas on how we can improve and on solutions that will help our federal customers.

David J. Berteau

PERFECTING
YOUR TAN
SHOULD BE
THE ONLY
WORK YOU
DO ON
VACATION.

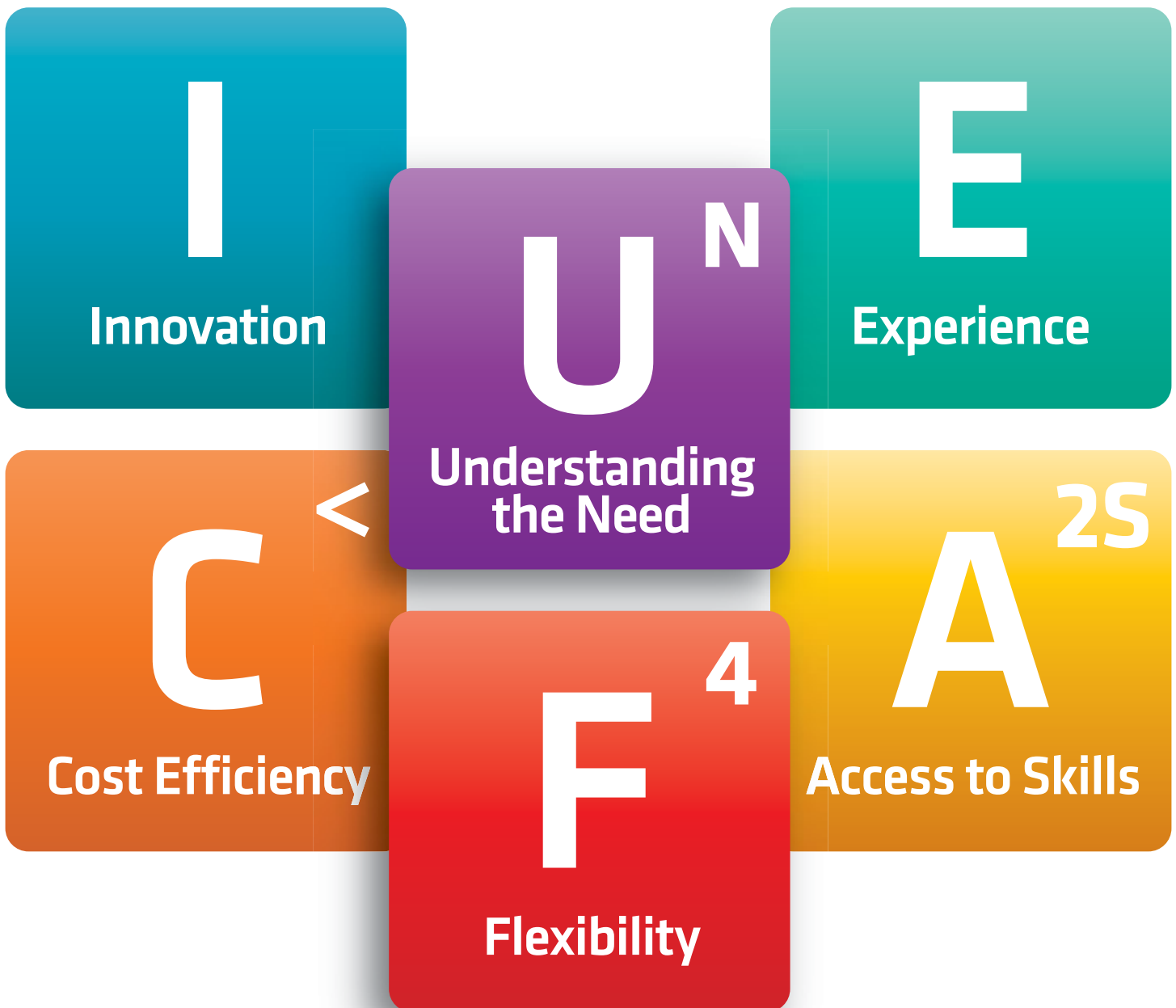


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Contractors Meet Government Needs with *Real Results for Best Value*

by **David J. Berteau**, President and CEO, Professional Services Council



The previous issue of *Service Contractor* magazine described the PSC priorities for 2017 (see “PSC Sets Association Priorities for 2017” by David M. Wennergren, Spring 2017 *Service Contractor*, p. 6). This issue examines in more depth the first strategic priority, “Demonstrate the value of government contracting and contractors”.

For PSC and our members, this priority is our greatest challenge and our most important advocacy goal. There is bipartisan agreement in Congress and the executive branch that government operations and services need improvement. There is less agreement, however, on how to foster that improvement, including the best use of contractors in that process.

Federal agencies rely on contractors to support every mission and to undertake every major activity. The **elements of contractor success** are based on

- A deep understanding of the customer’s needs and objectives
- Years of experience in meeting those needs
- Access to skills in the workforce that the government does not (and in some cases cannot) have in sufficient quantities
- Flexibility to respond rapidly to changes in workload, location, intensity, and other key attributes
- A track record of finding outside innovation and bringing it into government use

Not everyone in Congress or the agencies recognize and value these benefits, which can undermine contractors’ ability to deliver needed support. PSC’s mission as the voice of the industry mandates our priority to promote the value of contractors to the government, the media, and the public.

Government contractors face challenges beyond being undervalued. Contracts take too long to get in place and operating, often a year or more. Poorly written contracts, with burdensome or conflicting terms and conditions, can discourage good firms from bidding.

Cost of Government

Perhaps most challenging, many in government believe incorrectly that contractor costs of performance are higher than performance by government employees.

In my experience, much of what contractors do simply cannot be done by the government. Even where the work could be performed by either actor, there is no viable or comprehensive basis for a cost comparison.

Contractors track all of their costs and allocate them to each unit of labor, following complex rules of cost accounting and time charging. This accurate, audited cost structure makes sure

all allowable costs are allocated into a fully-burdened cost of contractors.

The same is not true of the government. Government attempts to determine their internal costs, focused largely on labor costs alone, sometimes with direct benefits added. Much is missing from these calculations, including the cost of capital investments, since the federal government has no overall capital budget for amortization and depreciation of the billions spent each year on capital investments. Similarly, there is no tracking and allocating of overhead costs.

Further, in some cases, the government is completely unaware of its costs. The imputed costs of insurance, foregone taxes, and centrally managed disbursements for expenditures such as worker compensation payments are ignored in any internal calculation of the cost of government operations.

These missing costs can be known and allocated, but the government has little incentive to do so. PSC is developing a methodology for better estimating the true cost of government and will undertake research to populate that methodology with real data.

Perhaps most challenging, many in government believe incorrectly that contractor costs of performance are higher than performance by government employees.

Promoting the Value of Contractors

With success stories from our members and their government customers, PSC can work vigorously to promote the value to the government of contracting for services, across all agencies and missions.

We are informing Congress about the vital roles contractors play in delivering services to the relevant agencies and departments. We are starting a media campaign to spread the narrative of the value of contractors.

Our advocacy work both on the Hill and in the agencies promotes increasing government reliance on the private sector for all work that is not inherently governmental. For example, the best way for the Department of Defense (DoD) to restore readiness rapidly is by calling on contractors to assemble and apply its workforce on reducing the backlog of maintenance at all levels, from the field through the central repair depots.

PSC also advocates replacing statutory requirements for DoD to insource “closely associated with inherently government functions to the maximum extent practicable” with the more-appropriate existing civilian agency requirements to ensure that contracts for such functions are cost effective, with appropriate oversight and management attention, rather than arbitrarily mandating that all such functions must be insourced to government employees.

We need two things from you: **success stories** that we can use, and **funding for research** by the PSC Foundation to show that contractors are not more expensive. This is ongoing advocacy and research work of the highest strategic value. ■



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The Art of the (Budget) Deal

by David J. Berteau, President and CEO, Professional Services Council

Federal services contractors who are members of the Professional Services Council know that before any contracting happens, government buying activities must first obtain funding. Resources drive policies as much as policies drive resources. With the discretionary spending caps still in force under the Budget Control Act of 2011 (the BCA), this article focuses on the prospects for the federal budget to provide funding for services contracts beginning in federal (FY18) by asking two questions:

1. Where are we today with respect to the federal budget?
2. Where are we going?

In the end, what will this mean for contracts, contracting, and contractors?

Where Are We?

In April, Congress passed a full-year appropriations bill covering the last five months of (FY17). Agencies are working hard to obligate those funds as we approach fiscal year-end in September.

In addition, the federal debt ceiling reset on March 15; Treasury's use of "extraordinary measures" to stay under the ceiling is estimated to suffice at least until August, maybe longer. Congress may need to address the ceiling before the next fiscal year starts on October 1. That is not much time for legislative action.

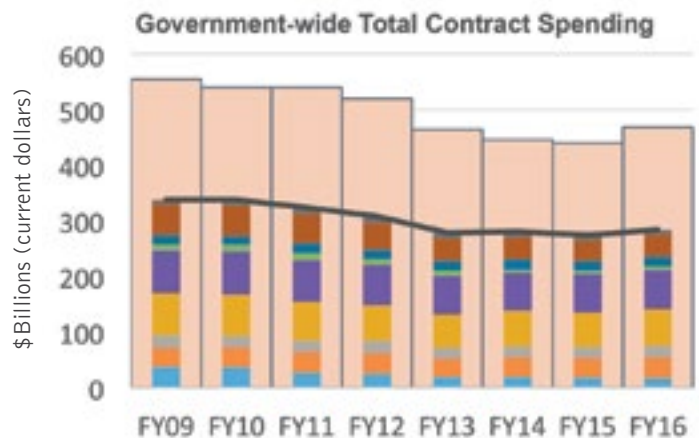
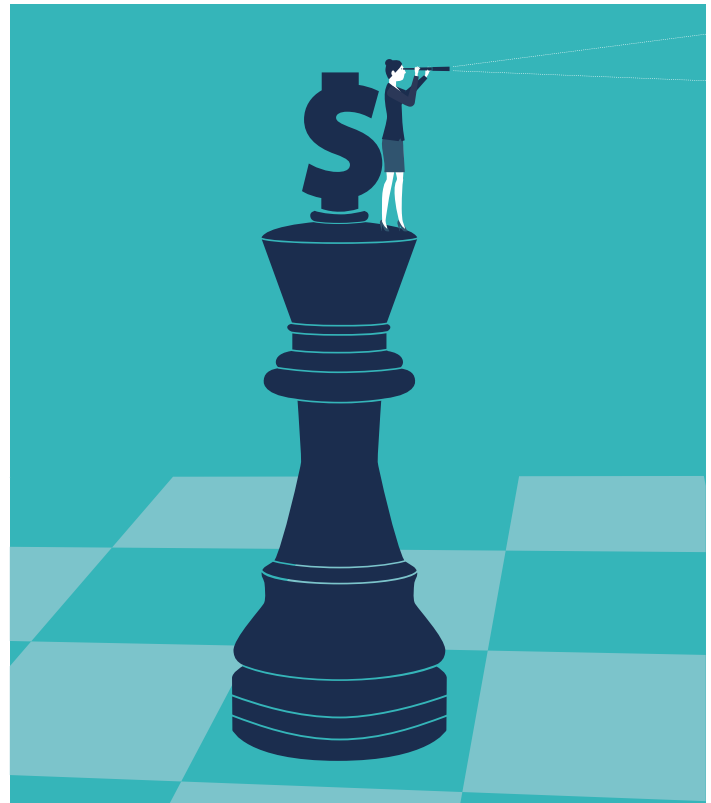
Budget Control Act Cap Impacts

The Budget Control Act, in place since 2011 and fixed for four more years through (FY21), imposes a top-line cap on government-wide discretionary spending; it also caps discretionary spending separately for the defense and the non-defense (i.e. domestic) agencies. These caps have always been linked by a political concept called "parity," under which defense spending goes up only if civilian agency spending also goes up, by an equal amount.

As shown in the graph to the right, federal contract spending declined steeply in the early BCA years of 2011-2013, with relatively flat spending from 2013-2015. There was a slight bump in 2016, due mainly to more spending on products in the Department of Defense (DoD) and on services in the civilian agencies.

Where Are We Going?

On May 23, the President submitted his (FY18) budget to Congress (PB18), with increases for some agencies and cuts for others. However, his budget does not comply with the BCA caps, and it did not directly propose a statutory change to those caps. While the overall top-line discretionary spending level is within the statutory cap, DoD spending would go up by \$52 billion over the FY17 appropriations levels, exceeding the (FY18) BCA cap for defense by \$54B (not including



The colored bars show specific spending in each of 9 categories of services contracts, where the general distribution has been roughly the same for all eight years, except for the bottom (blue) area of construction services.

spending in the Overseas Contingency Operations account, or OCO). PB18 proposes offsetting that increase, by having net spending by civilian agencies go down by an equal \$54B.

continued next page

This is far below the FY18 BCA cap for non-defense agencies, with the cuts distributed along the lines reflected in the OMB March 2017 “skinny” budget (Page 6 of spring 2017 *Service Contractor*). PB18 also breaks the practice of parity, by proposing that defense discretionary spending goes up while domestic agency discretionary spending goes down.

Additional elements of PB18 impact overall spending, deficits, and the national economy. For example, PB18 proposes nearly \$1 trillion in cuts over 10 years in mandatory spending, mainly in Medicaid, food assistance, and federal retirement programs. It also projects that the U.S. economy will grow at a 3% annual rate by 2021 and that interest rates paid on U.S. debt will remain historically low.

Other than direct defense and civilian agency spending, these PB18 proposals have little impact on federal contract spending in the near term. What does have potential impact is the FY18 congressional budget resolution and how it deals with the administration’s budget proposals.

FY18 Congressional Budget Resolution

Under the 1974 Budget Reform Act, Congress is required each year to pass a Budget Resolution by April 15, though there are alternative ways for Congress to proceed. The final Budget Resolution sets the funding levels for each of the twelve regular appropriations bills, a vital next step in the budget and appropriations process. Despite that deadline, at the time this article is being published, neither the House nor the Senate appears ready to pass its version of the FY18 Congressional Budget Resolution. Nor is it clear when that will happen.

Two questions that have to be answered before the House and Senate could agree on a unified FY18 Congressional Budget Resolution:

- 1) Will the budget resolution recommend changes in the BCA caps?
- 2) Will adoption of a resolution be delayed in order to preserve the reconciliation authority that permits the Senate to pass health care reform with only 51 votes, or will that authority expire with the adoption of an FY18 budget resolution if that FY18 resolution includes new reconciliation provisions for tax reform or another topic? The answer may emerge before you read this, but it’s unknown at the time of this writing.

FY18 Appropriations

Regardless of the Congressional Budget Resolution, Congress must set funding levels for each of the 12 regular appropriations bills before being able to consider them. Either house of Congress could set spending at the level of the existing FY18 BCA caps, or at the level of PB18’s proposed increases and decreases, or at another funding level.

Regardless of funding levels, what is likely to happen next with FY18 appropriations bills? As importantly for contracting markets, will any appropriations bills be enacted by the start of FY18?

We know that Senate floor time is crowded, reducing the chances of Congress reaching a budget deal before FY18 begins. Therefore, the most likely result is that, on October 1, 2017, the government will start FY18 under a Continuing Resolution, or CR.

A CR generally means that agencies are funded at the same level as the previous fiscal year. For some agencies, an FY18

CR would provide funding at a higher level than the president’s budget asked for; for other agencies, a CR would provide lower funding levels. What would that mean for contractors?

Most recent fiscal years have begun under a CR for federal agencies. As a result, many agency officials state publicly that they have learned to manage under CRs. The reality, though, is that agency spending decisions are often delayed or deferred in the first months of a CR, impacting contract solicitations, timetables, and awards. These impacts vary widely by agency and program, but in general, CR spending is at a slower pace than spending under full-year appropriations.

The darker option, one that cannot be dismissed, is the possibility of a full or partial government shutdown. The likelihood is low, but government services contractors (and their customers) would be prudent to prepare. As the date draws nearer, PSC will update its shutdown guidance documents.

What Else Is Happening (Besides the Budget)?

The congressional calendar is crowded, particularly in the Senate. First, there are the “normal” actions that arrive on the calendar because of expiring legislation. In addition to the debt ceiling noted above, this includes legislation Congress needs to address before September 30, such as:

- Surveillance authorities under FISA Sec. 702
- Federal Aviation Administration (FAA) authorization
- Children’s Health Insurance Program (CHIP)
- Flood Insurance

There are also a number of congressional actions that are on the calendar mostly for non-recurring reasons. These actions will consume both committee and floor time. They include nominations (in the Senate), legislation for health care and possibly tax reform, work on the still-nascent “Infrastructure” initiatives, and investigations and oversight activity.

Collectively, congressional action in these areas reduces the time available to reach a budget deal, but some of these areas may offer help in actually reaching such a deal.

A Budget Deal

There seems to be broad agreement, in both Congress and the executive branch, that BCA caps need to change, especially for defense spending. The issue is whether, and to what extent, a new agreement maintains the parity that underpins the BCA (i.e., that any change in defense spending must be matched by an equal change in domestic spending, and in the same direction).

However, the BCA can’t be changed by a congressional budget resolution; the underlying statute must be amended or eliminated. Such legislation would require 60 votes in the Senate, but there are only 52 Senate Republicans. Thus, without at least 8 Democrats, BCA caps won’t change or go away this year or next.

Where will that put us on October 1, at the start of FY18? At PSC, we work every year to get full-year appropriations for the entire federal government before the start of the fiscal year, because that’s better for the agencies and for the contracting business. However, it frequently doesn’t happen. Absent an early deal to change the BCA caps, or at least raise the cap for defense, the easiest path for Congress to take is to pass a Continuing Resolution for the first two or three months of FY18. If so, we’ll be addressing that in the fall issue of *Service Contractor* magazine. ■



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Policy Spotlight

How Much More Acquisition Reform *Do We Need?*

by Alan Chvotkin, PSC Executive Vice President and Counsel

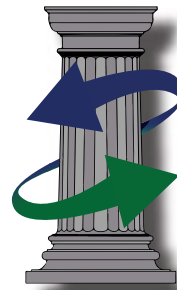
It is a fair question PSC member companies are asking: what areas of the federal acquisition system for services need more reform? Haven't the legislative and regulatory activities over the past decade been enough? The most accurate answer is that reform will never be completed.

The federal government spends more than \$280 billion annually on the purchase of services, equaling over 60 percent of all spending on goods and services. Services spending accounts for over 53 percent in Department of Defense (DoD). It remains a robust marketplace across many of the submarkets for services, such as information technology, professional services, and facilities maintenance, but not all sectors or agency programs have benefitted equally.

PSC has a number of legislative initiatives that support our policy initiatives. Several bills incorporating those initiatives have been introduced and others are in development. In addition, PSC has been a strong proponent of legislative or administrative action to modernize the government's information technology infrastructure. Legislation unanimously passed the House last year and again this May to provide clear governance standards and a streamlined way for agencies to plan for and execute IT contracts. The Trump Administration, like the Obama Administration, has endorsed the legislation; it has also recommended its own budget and management framework for IT modernization.

Numerous bills have passed the House to strengthen the acquisition system in the Department of Homeland Security (DHS). PSC has endorsed many of these proposals to ensure consistent and uniform accountability and processes within DHS. The Congress is also acting on several bills to modify the contracting ecosystem at the Department of Veterans Affairs.

Nor is Congress stopping its efforts on defense acquisition reform. On May 18, House Armed Services Committee (HASC) Chairman MacThornberry introduced H.R. 2511, the "Defense Acquisition Streamlining and Transparency Act." For the third year in a row, Rep. Thornberry has introduced a stand-alone acquisition reform bill for public comment and, if modified, it is then added to the HASC version of the annual National Defense Authorization Act. This year's bill purports to streamline DoD's bureaucracy, drive efficiency through competition, and modernize DoD's acquisition system by bringing E-Commerce to DoD, reforming the defense contract audit process, reforming the acquisition of services, and strengthening the professionalism of the acquisition workforce. PSC has submitted extensive comments to the HASC and will be engaged with the Congress on the bill's components



FEDERAL ACQUISITION REFOR(U)M

Presented by PSC

JULY 10, 2017

throughout the legislative cycle. Although the Senate Armed Services Committee (SASC) has not followed a similar path of public comment in advance of its markup, our discussions with members and staff have affirmed that there will be plenty of acquisition reform provisions in the SASC bill to evaluate.

This legislation is tracked in the chart on page 17 of this edition.

The Trump Administration will also have opportunities to shape the acquisition system through its budget recommendations, through its application of regulatory policy, and through the leadership of Senate-confirmed officials in key offices. The President's FY18 budget already includes acquisition policy initiatives on category management, modernizing information technology and infrastructure reform. Regulatory action has been slowed because of the freeze on new regulations imposed in January and the subsequent Executive Orders on regulatory reform policy, but there is a long list of pent-up actions that provide opportunities for further shaping the acquisition system. The pace of presidential nominees and Senate confirmations for key leader positions in the federal agencies is finally picking up and will eventually provide a cadre of leaders to shape the Trump Administration's acquisition policies.

At PSC's annual acquisition policy conference – Federal Acquisition Refor(u)m – to be held on July 10, PSC will explore the successes several civilian and defense agencies have had in navigating the flexibilities of the current acquisition system, and will explore the lessons learned from past acquisition initiatives. Senior government officials will be the key presenters at this session.

There is still time to influence the legislation and regulations. Attend the July 10 conference. Participate in PSC committees and task forces that discuss these issues. Share your recommendations for action with any of the PSC policy team. Help PSC advocate for a better federal system for the acquisition of services and making the government a smarter buyer. ■

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Working for You

PSC's Councils at the Center of Government and Member Company Engagements

PSC has five councils that form the basis for a deeper member company engagement in PSC's advocacy, education and networking activities.

The **Acquisition and Business Policy Council (ABPC)** and the **Technology Council** focus on cross-cutting, association-wide, policy issues. The **Defense & Intelligence Community (D&IC) Council**, the **Civilian Agencies Council (CAC)** and the **Council of International Development Companies (CIDC)** are agency-focused groups that work directly with their respective covered agencies. Often these groups partner with each other in programs and initiatives.

All of the councils have been extremely active in the first half of this year. Already this year, the councils have convened over 35 meetings and hosted more than 40 federal officials at these PSC events.

PSC has been a leader in working across the councils and with the agencies to improve communications between government and industry, including helping to organize and lead a number of "reverse industry days" where PSC members are the speakers and government officials are the audience members. In addition to its early work on understanding the government and industry dynamics on

debriefings, the Department of Homeland Security was one of the early adopters of this "reverse industry day" initiative in 2016 and has now held four different sessions on a wide range of topics, with more already organized for the coming weeks. PSC was also the exclusive presenter at two reverse industry day sessions conducted by the Veterans Administration for the hundreds of contracting and program management staff during VA training sessions in Minneapolis and Nashville. Not to be outdone, the merits of these reverse industry day initiatives has been adopted by DoD where PSC presented at DoD's contracting training conference, and by GSA with an event planned for July.

In February, the **CIDC** held its first ever "Day on the Hill". Seventeen PSC member companies participated in a marketplace showcase. We were honored that twelve members of Congress and more than 200 congressional staff members from six major congressional committees attended the half-day event. A similar activity is being considered for the Senators. The CIDC's monthly meetings have also focused on key issues affecting the international development marketplace and the partner community, with both the USAID Inspector General and the acting senior procurement executive headlining council sessions.



TECHTRENDS
CONFERENCE

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Gathering thought leaders in the federal technology space

Earlier this year, the **Civilian Agency Council** launched a new task force covering the Department of Energy and Natural Resources agencies and we were thrilled to have the Chief of Staff for the Department of Energy, Brian McCormack, as a keynote speaker at the task force's May meeting. Senior officials from DHS and VA have also participated in the respective PSC task force meetings covering those agencies.

The **Defense & Intelligence Community Council** has hosted meetings with the Department of Navy and partnered with the Acquisition and Business Council on several contract reviews and policy comments. Already planned are further engagements with the Naval Facilities Command and NAVSEA on future policy and business opportunities.

At the **Acquisition and Business Policy Council**, its "Smart Contracting" working group has been at the forefront of PSC's engagement with GSA on the evolution of the Professional Services Schedule and in category management. It had the lead for developing the PSC white paper on "enhanced market research" techniques for federal agencies. It is also continuing to identify opportunities for improving government and contractor past performance reporting, and hosted an in-depth discussion with the government's team leads for this area in the Department of Health and Human Services. In addition, the monthly PSC Government Affairs Committee (GAC) continued as the leading information exchange source for member companies and this year hosted key congressional staff, along with representatives from GAO and agency officials who are on the front-line of acquisition policy development.

We already have well underway the work on the 53rd annual **PSC Vision Forecast and Conference**. With more than 25 teams comprised of more than 300 PSC member company participants, these teams are fanning out across government with interviews of government officials, leading to the development and presentation at the November 1-2 Vision Federal Market Forecast Conference – of our analysis, insight and forecast of where federal agencies are heading in the next 24 months in key areas of acquisition, information technology and major program and policy initiatives affecting the technology and professional services federal market. More than 160 government officials have already been interviewed, with dozens more already scheduled.

In addition, the Councils have been at the forefront of conducting specialized programs on labor law, budgets and the Service Contract Act, with more programming already being planned for the balance of the calendar year.

Finally, the Councils will be presenting three major conferences over the next several months. On July 10, the **ABPC** will be hosting the Federal Acquisition Refor(u)m conference, on July 19 the **Civilian Agencies Council** will be conducting PSC's first-even Federal Health conference, and the **CIDC** will hold its fifth annual development conference in December.

Each of the five councils provides multiple opportunities for member company engagement and involvement. Take advantage of the information, the network and the advocacy PSC is offering. ■

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Bill Tracker: 115th Congress - First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

H.J. Res. 37 **Disapproving the 8/25/16 FAR rule relating to Fair Pay and Safe Workplaces, Foxx (R-NC)**

STATUS Signed into law 3/27/17; P.L. 115-11.



H.J. Res. 40 **Disapproving the 12/16/16 rule submitted by the Social Security Administration relating to implementation of the National Instant Criminal Background Check System for firearms sale or transfer, Johnson (R-TX)**

STATUS Signed into law 2/28/17; P.L. 115-8.



H.R. 5 **Regulatory Accountability Act, Goodlatte (R-VA)**

SUMMARY

Would reform the process by which federal agencies analyze and formulate new regulations, clarify the nature of judicial review and ensure complete analysis of potential impacts on small business. Would specifically repeal the so-called "Chevron deference" standard, require mandatory litigation stays for new rules, and strengthen the Regulatory Flexibility Act.

STATUS Passed the House (238-183) on 1/11/17. Related bill: S. 951.



H.R. 26 **Regulations from the Executive In Need of Scrutiny (REINS) Act, Collins (R-GA)**

SUMMARY

Provides that major executive branch rules shall have no force or effect unless a joint resolution of approval is enacted into law.

STATUS Passed the House (237-187) on 1/5/17. Related bill: S.21.

H.R. 39 **Tested Ability to Leverage Exceptional National Talent (TALENT) Act, McCarthy (R-CA)**

SUMMARY

Would codify the Presidential Innovation Fellows Program.

STATUS Signed into law 1/20/17; P.L. 115-1.



H.R. 71 **Taxpayers Right-To-Know Act, Walberg (R-MI)**

SUMMARY

Would require OMB, beginning by 6/30/19, to provide an annual report disclosing the cost and performance of Government programs with budget authority greater than \$1 million and areas of duplication among them.

STATUS Passed the House (voice vote) on 1/4/17. Related bill: S. 317.

H.R. 72 **GAO Access and Oversight Act, Carter (R-GA)**

SUMMARY

Would ensure the Government Accountability Office (GAO) has adequate access to information.

STATUS Signed into law 1/31/17; P.L. 115-3.



H.R. 239 **Support for Rapid Innovation Act, Ratcliffe (R-TX)**

SUMMARY

Would require DHS to provide for innovative research and development.

STATUS Passed the House (voice vote) on 1/10/17. Related bill: S. 278.

H.R. 240 **Leveraging Emerging Technologies Act, Ratcliffe (R-TX)**

SUMMARY

Would encourage engagement between DHS and technology innovators.

STATUS Passed the House (voice vote) on 1/10/17.

Bill Tracker: 115th Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

H.R. 244 Consolidated Appropriations Act, Cook (R-CA)

SUMMARY Provides funding for federal agency operation through fiscal year 2017 and includes provisions of the FY17 Intelligence Authorization Act.

STATUS Signed into law on 5/5/17; P.L. 115-31.



H.R. 321 Inspiring the Next Space Pioneers, Innovators, Researchers, and Explorers (INSPIRE) Women Act, Comstock (R-VA)

SUMMARY Requires the NASA Administrator to support women's involvement in the fields of aerospace and space exploration and to develop a plan to best facilitate and support K-12 female STEM students to inspire the next generation of women.

STATUS Signed into law 2/28/17; P.L. 115-7.



H.R. 347 DHS Acquisition Documentation Integrity Act, Watson Coleman (D-NJ)

SUMMARY Would require DHS to maintain acquisition documentation that is complete, accurate, timely and valid for each major acquisition program (defined as having total expenditures of at least \$300 million over its life-cycle costs).

STATUS Passed the House (voice vote) on 1/31/17.

H.R. 505 Border Security Technology Accountability Act, McSally (R-AZ)

SUMMARY Would strengthen accountability for the acquisition of border security technology at the Department of Homeland Security by requiring major acquisition programs to have an approved baseline; requiring additional documentation of the cost, schedule, and performance thresholds; and requiring agencies to have a documented plan for implementation objectives.

STATUS Passed the House (voice vote) on 1/31/17. Related bill: S. 146.



H.R. 601 Reinforcing Education Accountability in Development (READ) Act, Lowey (D-NY)

SUMMARY Would enhance transparency and accelerate the impact of assistance under the Foreign Assistance Act, to promote quality basic education in developing countries and to eliminate duplication and waste.

STATUS Passed the House (voice vote) on 1/24/17. Ordered reported by the Senate Committee on Foreign Relations on 6/5/17.

H.R. 666 DHS Insider Threat and Mitigation Act, King (R-NY)

SUMMARY Would create a program at DHS to protect the department from threats by insiders.

STATUS Passed the House (voice vote) on 1/31/17.



H.R. 679 Construction Consensus Procurement Improvement Act, Meadows (R-NC)

SUMMARY Would modify the design-build selection procedures for the design and construction of a public building, facility, or work by requiring two-phase selection procedures for projects over \$3 million.

STATUS Reported by the House Committee on Oversight and Government Reform on 3/29/17.



H.R. 697 DHS Security Clearance Management and Administration Act, Thompson (D-MS)

SUMMARY Would require DHS to identify positions that warrant security clearances, how DHS investigates candidates for clearance, and how DHS administers adjudications, suspensions, revocations and appeals.

STATUS Passed the House (voice vote) on 1/31/17.

Bill Tracker: 115th Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

H.R. 720 **Lawsuit Abuse Reduction Act, Smith (R-TX)**

SUMMARY Would change Rule 11 of the Federal Rules of Civil Procedures to remove judicial discretion from the decision to impose sanctions when a party makes a frivolous claim in court.

STATUS *Passed the House (230-188) on 3/10/17. Related bill: S.237.*

H.R. 904 **Buy American Improvement Act, Lipinski (D-IL)**

SUMMARY Would increase the requirement for American-made content and require federal agencies to publicly disclose “Buy American” waivers in the Federal Register.

STATUS *Introduced on 2/24/17 and referred to seven House committees.*

H.R. 970 **Improving Corporate Governance Through Diversity Act, Meeks (D-NY)**



SUMMARY Would require contractors receiving an award of more than \$5 million to collect and report on: the racial, ethnic, and gender composition of the board of directors and C-level executives, and have a plan to improve the diversity of the board and executives. This information will be included in publicly released report to Congress by GSA.

STATUS *Referred to House Financial Services and Oversight and Government Reform Committees on 2/7/17.*

H.R. 974 **Boosting Rates of American Veteran Employment (BRAVE) Act, Rice (D-NY)**

SUMMARY Would allow the VA Secretary when awarding contracts to give preference to companies that employ veterans on a full-time basis. Any misrepresentation of status may result in debarment from VA contracting for not less than five years.

STATUS *Passed the House (407-0) on 2/13/17. Related bill: S. 369.*

H.R. 998 **Searching for and Cutting Regulations that are Unnecessarily Burdensome (SCRUB) Act, Smith (R-MO)**

SUMMARY Would establish a Retrospective Regulatory Review Commission to identify rules, or sets of rules, that should be repealed to lower the cost of regulations on the economy. The Commission would have a goal of reducing the cumulative cost of regulations by 15%.

STATUS *Passed the House (240-185) on 3/1/17.*

H.R. 1004 **Regulatory Integrity Act, Walberg (R-MI)**

SUMMARY Would require federal agencies to post in a central location all public comments the agency makes about a proposed rule during the proposed rule stage.

STATUS *Passed the House (246-176) on 3/2/17.*

H.R. 1009 **OIRA Insight, Reform, and Accountability Act, Mitchell (R-MI)**

SUMMARY Would codify current practices at the Office of Information and Regulatory Affairs for centralized review of regulations, seeks to increase transparency and expands OIRA reviews to previously excluded agencies.

STATUS *Passed the House (241-184) on 3/1/17. Related bill: S. 676.*

H.R. 1185 **Retain Act, Ryan (D-OH)**

SUMMARY Would provide a contracting preference for an offeror that certifies to retain jobs performed in the U.S. and uses products substantially manufactured in the U.S.

STATUS *Referred to House Armed Services and Oversight and Government Reform Committees on 2/16/17.*

Bill Tracker: 115th Congress - First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

H.R. 1249 DHS Multiyear Acquisition Strategy Act, Fitzpatrick (R-PA)

SUMMARY

Would require the Department of Homeland Security to develop a Multiyear Acquisition Strategy as part of each Future Years Homeland Security Program that addresses future priorities, capabilities, and funding.

STATUS Passed the House (409-0) on 3/20/17. Related bill: S. 887.

H.R. 1252 DHS Acquisition Authorities Act, Higgins (R-LA)

SUMMARY

Would establish the Under Secretary for Management as the Department's Chief Acquisition Officer to oversee the Department's major programs to ensure they are affordable, or can be adequately funded, over the life cycle.

STATUS Passed the House (407-1) on 3/20/17. Related bill: S. 902.

H.R. 1282 DHS Acquisition Review Board Act, Garrett (R-VA)

SUMMARY

Would require the Secretary of Homeland Security to establish an Acquisition Review Board to strengthen accountability and uniformity within the acquisition review process.

STATUS Passed the House Committee on Homeland Security on 3/23/17. Related bill: S. 886.

H.R. 1294 Reducing DHS Acquisition Cost Growth Act, Rutherford (R-FL)

SUMMARY

Would subject major acquisition programs at the Department of Homeland Security that do not meet cost, schedule, or performance metrics to additional reporting requirements, and require the agency to establish remedial action plans.

STATUS Passed the House (408-0) on 3/20/17. Related bill: S. 906.

H.R. 1365 Department of Homeland Security Acquisition Innovation Act, Correa (D-CA)

SUMMARY

Would authorize the Under Secretary for Management to designate an official to manage acquisition innovation activities and develop and distribute best practices throughout the Department.

STATUS Passed the House (424-0) on 3/24/17.

H.R. 1339 Freedom from Government Competition Act, Duncan (R-TN)

SUMMARY

Establishes a policy that the Government should refrain from providing a product or service if it can be procured more economically from a commercial source.

STATUS Referred to the House Committee on Oversight and Government Reform on 3/2/17. Related bill: S. 506.

H.R. 1597 The Commercial Market Representatives Clarification Act, Brat (R-VA)

SUMMARY

Would codify and define the role of Commercial Marketing Representatives at the Small Business Administration with the intent of helping small businesses better compete for subcontracts.

STATUS Referred to the House Committee on Small Business on 3/17/17.

Bill Tracker: 115th Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

H.R. 1640 **To amend the Small Business Act to ensure uniformity in procurement terminology, Velazquez (D-NY)**



SUMMARY Would standardize definitions pertaining to contracting under the Small Business Act.

STATUS *Referred to the House Committee on Small Business on 3/20/17*

H.R. 1641 **To amend the Small Business Act to clarify the responsibilities of Business Opportunity Specialists, Waters (D-CA)**



SUMMARY Would require Business Opportunity Specialists to provide certain guidance, counseling, and assistance to small businesses and represent the interests of the SBA Administrator and small business in the contracting process.

STATUS *Referred to the House Committee on Small Business on 3/20/17.*

H.R. 1680 **Women's Business Centers Improvements Act, Knight (R-CA)**



SUMMARY Amends the roles and duties of the Office of Women's Business Ownership and clarifies its oversight responsibilities and the accreditation process.

STATUS *Referred to the House Committee on Small Business on 3/22/17.*

H.R. 1693 **Improving Contract Procurement for Small Businesses through More Accurate Reporting Act, Clarke (D-NY)**



SUMMARY Requires the Small Business Administration to include additional information in the annual report to the President and Congress, including the amount of contracts awarded to small businesses that were purchased by another entity after the award and, as a result, would no longer be deemed to be small business.

STATUS *Referred to the House Committee on Small Business on 3/20/17.*

H.R. 1700 **SCORE for Small Business Act, Adams (D-NC)**



SUMMARY Would reauthorize the Small Business Administration's SCORE program.

STATUS *Referred to the House Committee on Small Business on 3/22/17.*

H.R. 1773 **Clarity for America's Small Contractors Act, Chabot (R-OH)**



SUMMARY An omnibus small business contracting bill that include provisions of H.R. 1597, H.R. 1640, H.R. 1641, and H.R. 1693.

STATUS *Referred to the House Committee on Small Business on 3/29/17.*

H.R. 1774 **Developing the Next Generation of Small Businesses Act, Velazquez (D-NY)**



SUMMARY An omnibus small business package that includes H.R. 1680, and H.R. 1700, among other provisions.

STATUS *Referred to the House Committee on Small Business on 3/29/17.*

H.R. 1905 **Fair Chance Act, Cummings (D-MD)**



SUMMARY Would prohibit Federal agencies and Federal contractors from requesting that an applicant for employment disclose criminal history record information before the applicant has received a conditional offer.

STATUS *Introduced on 4/5/17 and referred to four House Committees of jurisdiction. Related bill: S. 842.*

Bill Tracker: 115th Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

H.R. 2006

VA Procurement Efficiency and Transparency Act, Coffman (R-CO)



SUMMARY

Requires the Department of Veterans Affairs to record the amount of any cost or price savings realized by using competitive procedures in awarding such contract.

STATUS Referred to the House Committee on Veterans' Affairs on 4/6/17.

H.R. 2013

Growing and Reviving Rural Economies Through Transitioning HUBZone Redesignation Act, Delaney (D-MD)



SUMMARY

Would extend the eligibility of redesignated areas as HUBZones from 3 years to 7 years.

STATUS Referred to the House Committee on Small Business on 4/6/17. Related bill: S. 690.

H.R. 2227

The Modernizing Government Technology Act, Hurd (R-TX)



SUMMARY

Would create funds for agencies to invest in new, innovative information technology solutions that reduce costs and increase network security.

STATUS Passed the House (voice vote) on 5/17/17. Related bill: S. 990.

H.R. 2362

Assuring Contracting Equity Act, Bonamici (D-OR)



SUMMARY

Would raise the Small Business set-aside requirements from 23 percent to 25 percent and increase the contracting goal to 10 percent (from 5 percent) for businesses owned by veterans, women and economically disadvantaged individuals.

STATUS Referred to the House Committee on Small Business 5/4/17. Related bill: S. 1061.

H.R. 2511

Defense Acquisition Streamlining and Transparency Act, Thornberry (R-TX)



SUMMARY

Would amend DoD's acquisition processes by building an online marketplace for commercial items; addressing DCAA's incurred cost audit backlog; requiring DoD to provide more detail accounts of service contracts; creating a centralized intellectual property office in DoD; and reforming DoD's acquisition workforce.

STATUS Referred to House Armed Services and Oversight and Government Reform Committees on 5/18/17.

H.R. 2594

The Small Business Pay for Performance Act, Fitzpatrick (R-PA)



SUMMARY

Would permit contractors to submit an invoice after a federal agency issues a unilateral change order on a construction projects and request the agency pay 50 percent of the billed costs when the change order is complete.

STATUS Ordered to be reported by the House Committee on Small Business on 6/15/17.

H.R. 2763

Small Business Innovation Research and Small Business Technology Transfer Improvements Act, Knight (R-CA)



SUMMARY

Would establish a Civilian Agency Commercialization Readiness Program and require DoD to include more SBIR and STTR developed technology in larger programs of record.

STATUS Ordered to be reported by the House Committee on Small Business on 6/15/17.

H.R. 3019

Promoting Value Based Procurement Act, Meadows (R-NC)



SUMMARY

Would limit the use of lowest-price technically-acceptable (LPTA) evaluation factors for certain services contracts above \$2 million awarded by civilian federal agencies.

STATUS Referred to the House Committee on Oversight and Government Reform on 6/22/17.

Bill Tracker: 115th Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

S.J. Res. 12 **Disapproving the FAR rule relating to Fair Pay and Safe Workplaces, Johnson (R-WI)**

STATUS Referred to the Senate Committee on Homeland Security and Governmental Affairs Committee.
Related bill: H. J. Res. 37, signed into law 3/27/17; P.L. 115-11.

S. 21 **Regulations from the Executive In Need of Scrutiny (REINS) Act, Paul (R-KY)**



SUMMARY Provides that major executive branch rules shall have no force or effect unless a joint resolution of approval is enacted into law.

STATUS Reported by the Senate Committee on Homeland Security and Governmental Affairs on 5/17/17.
Related bill: H.R. 26.

S. 84 **Providing an exception to a limitation against appointment of a person as Secretary of Defense, McCain (R-AZ)**



SUMMARY Changed the requirements that an individual must be retired from active duty, from seven years to three years, to serve as Secretary of Defense. Applies to Secretary Mattis only.

STATUS Signed into law 1/20/17; P.L. 115-2.

S. 146 **Border Security Technology Accountability Act. McCain (R-AZ)**



SUMMARY Would strengthen accountability for the acquisition of border security technology at the Department of Homeland Security by requiring major acquisition programs to have an approved baseline; requiring additional documentation of the cost, schedule, and performance thresholds; and requiring agencies to have a documented plan for implementation objectives.

STATUS Referred to the Senate Committee on Homeland Security and Governmental Affairs on 1/12/17.
Related bill: H.R. 505.

S. 237 **Lawsuit Abuse Reduction Act, Grassley (R-IA)**

SUMMARY Would change Rule 11 of the Federal Rules of Civil Procedures to remove judicial discretion from the decision to impose sanctions when a party makes a frivolous claim in court.

STATUS Referred to the Senate Committee on the Judiciary on 1/30/17. Related bill: H.R. 720.

S. 278 **Support for Rapid Innovation Act, Daines (R-MT)**



SUMMARY Would require DHS to provide for innovative research and development.

STATUS Referred to the Senate Committee on Homeland Security and Governmental Affairs on 2/2/17.
Related bill: H.R. 239.

S. 317 **Taxpayers Right-To-Know Act, Lankford (R-OK)**



SUMMARY Would require OMB, beginning by 6/30/19, to provide an annual report disclosing the cost and performance of Government programs with budget authority greater than \$1 million and areas of duplication among them.

STATUS Reported by the Senate Committee on Homeland Security and Governmental Affairs on 5/1/17.
Related bill: H.R. 71.

Bill Tracker: 115th Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

S. 369 **Boosting Rates of American Veteran Employment (BRAVE) Act, Baldwin (D-WI)**

SUMMARY Would allow the VA Secretary, when awarding contracts, to give preference to companies that employ veterans on a full-time basis. Any misrepresentation of status may result in debarment from VA contracting for not less than five years.

STATUS *Referred to the Senate Committee on Veterans Affairs on 2/14/17. Related bill: H.R. 974.*

S. 442 **National Aeronautics and Space Administration Transition Authorization Act of 2017, Cruz (R-TX)**

SUMMARY Authorizes \$19.5 billion for NASA for fiscal year 2017.

STATUS *Signed into law on 3/21/2017; P.L. 115-10.*

S. 506 **Freedom from Government Competition Act, Thune (R-SD)**

SUMMARY Establishes a policy that the Government should refrain from providing a product or service if it can be procured more economically from a commercial source.

STATUS *Referred to the Senate Committee on Homeland Security and Governmental Affairs on 3/2/17. Related bill: H.R. 1339.*

S. 543 **Performance Accountability and Contractor Transparency Act, Tester (D-MT)**

SUMMARY Would require the VA to disclose additional information on contracts over \$100 million, and include performance metrics in those contracts.

STATUS *Referred to the Senate Committee on Veterans' Affairs on 3/7/17.*

S. 623 **Reinforcing Education Accountability in Development (READ) Act, Rubio (R-FL)**

SUMMARY Would enhance transparency and accelerate the impact of assistance under the Foreign Assistance Act, to promote quality basic education in developing countries and to eliminate duplication and waste.

STATUS *Referred to the Senate Committee on Foreign Relations on 3/14/17. Related bill; H.R. 601.*

S. 651 **Contractor Accountability and Transparency Act, McCaskill (D-MO)**

SUMMARY Would require the Government to post any contracts, subcontracts, purchase orders, task orders, or delivery orders for the procurement of property or services over \$150,000 on USAspending.gov.

STATUS *Referred to the Senate Committee on Homeland Security and Governmental Affairs on 3/15/17.*

S. 676 **OIRA Insight, Reform, and Accountability Act, Rounds (R-SD)**

SUMMARY Would codify current practices at the Office of Information and Regulatory Affairs (OIRA) for centralized review of regulations, seeks to increase transparency and expands OIRA reviews to previously excluded agencies.

STATUS *Referred to the Senate Committee on Homeland Security and Governmental Affairs on 3/21/17. Related bill: H.R. 1009.*

Bill Tracker: 115th Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

S. 690 HUBZone Investment Protection Act, Cardin (D-MD)



SUMMARY Would extend the eligibility of redesignated areas as HUBZones from three years to seven years.

STATUS *Referred to the Senate Committee on Small Business and Entrepreneurship on 3/21/17.*

Related bill: H.R. 2013

S. 842 Fair Chance Act



SUMMARY Would prohibit Federal agencies and contractors from requesting that an applicant for employment disclose criminal history record information before the applicant has received a conditional offer.

STATUS *Ordered to be reported by the Senate Committee on Homeland Security and Governmental Affairs on 5/17/17. Related bill: H.R. 1905.*

S. 866 DHS Acquisition Review Board Act of 2017, Daines (R-MT)



SUMMARY Would require the Secretary of Homeland Security to establish an Acquisition Review Board to strengthen accountability and uniformity within the acquisition review process.

STATUS *Referred to the Senate Committee on Homeland Security and Governmental Affairs on 4/6/17.*

Related bill: H.R. 1282

S. 887 DHS Multiyear Acquisition Strategy Act, Daines (R-MT)



SUMMARY Would require the Department of Homeland Security to develop a Multiyear Acquisition Strategy as part of each Future Years Homeland Security Program that addresses future priorities, capabilities and funding.

STATUS *Referred to the Senate Committee on Homeland Security and Governmental Affairs on 4/6/17.*

Related bill: H.R. 1249.

S. 902 DHS Acquisition Authorities Act of 2017, McCaskill (D-MO)



SUMMARY Would establish the Under Secretary for Management as the Department's Chief Acquisition Officer to oversee the Department's major programs to ensure they are affordable, or can be adequately funded, over the life cycle.

STATUS *Referred to the Senate Committee on Homeland Security and Governmental Affairs on 4/7/17.*

Related bill: H.R. 1252.

S. 906 Reducing DHS Acquisition Cost Growth Act, McCaskill (D-MO)



SUMMARY Would subject major acquisition programs at the Department of Homeland Security that do not meet cost, schedule, or performance metrics to additional reporting requirements and require the agency to establish remedial action plans.

STATUS *Referred to the Senate Committee on Homeland Security and Governmental Affairs on 4/7/17.*

Related bill: H.R. 1294.

Bill Tracker: 115th Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

S. 951 Regulatory Accountability Act, Portman (R-OH)



SUMMARY

Would reform the process by which Federal agencies analyze and formulate new regulations, require effective cost-benefit analysis and allows courts to review agencies' compliance with rule writing procedural requirements, while allowing courts to remand rules to agencies where appropriate.

STATUS Ordered to be reported from the Senate Committee on Homeland Security and Governmental Affairs on 5/17/17. Related bill: H.R. 5.

S. 990 The Modernizing Government Technology Act, Moran (R-KS)



SUMMARY

Would create funds for agencies to invest in new, innovative information technology solutions that reduce costs and increase network security.

STATUS Referred to the Senate Committee on Homeland Security and Governmental Affairs on 4/28/17. Related bill: H.R. 2227.

S. 1061 Assuring Contracting Equity Act, Udall (D-NM)



SUMMARY

Would raise the Small Business set-aside requirements from 23 percent to 25 percent and increase the contracting goal to 10 percent, up from 5 percent, for businesses owned by veterans, women and economically disadvantaged individuals.

STATUS Referred to the Senate Committee on Small Business and Entrepreneurship on 5/4/17. Related bill: H.R. 2362.

S. 1038 A bill to require the Administrator of the Small Business Administration to submit to Congress a report on the utilization of small businesses with respect to certain Federal contracts, Ernst (R-IA)



SUMMARY

Would require the SBA Administrator to submit a report to Congress that includes a determination as to whether small business concerns are being utilized in a significant portion on multiple award contracts.

STATUS Referred to the Senate Committee on Small Business and Entrepreneurship on 5/4/17.

S. 1228 A bill to require a National Diplomacy and Development Strategy, Young (R-IN)



SUMMARY

Would require the State Department report to Congress on a new strategy to guide U.S. diplomacy and development efforts.

STATUS Referred to the Senate Committee on Foreign Relations on 5/24/17.

MEMBER NEWS

DLH CORP

DLH Corporation Selected as 2017 Innovation Award Winner
FedHealthIT magazine selected DLH Corporation (NASDAQ: DLHC) and its Government customer as one of its 2017 Innovation Award winners. *FedHealthIT*, a print and digital magazine dedicated to providing federal health technology news and insights to key Government and industry decision-makers, recently honored companies, agencies, and programs providing effective innovations within the Government healthcare services industry. With this award, *FedHealthIT* recognized DLH for its Aligned Monitoring System 2.0 for programs managed within the U.S. Department of Health and Human Services' (HHS's) Administration for Children and Families.

"Creating such positive change to Government technology through innovation architected by our talented IT professionals is consistent with both our DLH values and strategic vision," said DLH Corporation President and Chief Executive Officer Zach Parker. "We are truly honored to have been recognized by this prestigious award."

Abt ASSOCIATES

Abt Associates Names Jorge Elguera As New Cio

Abt Associates has named Jorge Elguera as the company's Chief Information Officer. Elguera has more than 20 years of experience building high-performing technology teams in the U.S. and internationally. Early in his career, Elguera helped launch the first wireless messaging company in South America, Skytel Argentina. He also led a consulting practice focused on telecommunications for Oracle Corporation. Most recently, he served as a CIO and managing director at Hartman Executive Advisors, a technology advisory firm. Elguera also spent a decade at a global higher education company, Laureate Education, where he was CIO and led all global technology and business integration, and helped grow the company's online business to \$1 billion.

"As our clients embrace more technology-based, complex data solutions and our global workforce becomes increasingly mobile, Jorge's leadership and experience leveraging technology platforms around the world will help us better collaborate and drive business results," said Abt President and CEO Kathleen Flanagan.

Abt Associates Launches Cutting-Edge Data Science Practice

Governments and businesses are awash in data, but need help making sense of it to see the big picture and take action. In response, Abt Associates has launched comprehensive new data science and technology capabilities for its clients to harness the power of data and drive social impact around the globe.

As a full-service technology, data, and innovation partner, Abt will offer expertise across the entire spectrum of data — from the initial capture, to data wrangling and analytics, and data visualiza-

tion and dissemination. Abt will combine its deep experience in developing, conducting and capturing high-quality data via complex surveys with its ability to normalize, analyze and transform data into actionable insights.

PARSONS

Parsons' Smith Presented Keynote for Groundbreaking Women in Construction Conference



Carey Smith, President of Parsons' Federal business unit, delivered the industry keynote address at the 14th Annual Groundbreaking Women in Construction (GWIC) conference in San Francisco, CA, on May 2, 2017. In her presentation entitled "Challenges & Opportunities for Women...in a Changing Government Environment," Ms. Smith discussed specific recommendations on how to attract, develop, and retain women in construction at a critical time for the industry due to the pending labor shortage.



"There's never been more opportunity for women in the construction industry," said Smith. "I'm honored to have presented the industry keynote address at GWIC and represent Parsons, which recognizes the value of employing a diverse workforce."

The GWIC conference attracts leading women from the executive, managerial, and craft areas and provides professional development, networking, and self-development to help industry professionals further their career goals, career performance, and personal growth. For more information visit www.gwicconf.com.

CDM SMITH

Cdm Smith Moves Up On *Forbes*' 2017 List Of Best Employers

CDM Smith has been ranked number nine on *Forbes* magazine's 2017 list of the top midsize employers in the U.S. Each year, *Forbes* seeks to discover which U.S. companies are best at making

MEMBER NEWS

their employees feel happy, inspired, and well-compensated. With the help of research partner Statista, *Forbes* surveyed 30,000 employees from both large and midsize companies via anonymous online panels. This year, 300 companies were considered as midsize, which employ between 1,000 and 5,000 workers. The firm is listed near the top of the list this year, rising from 22nd place on the 2016 list. CDM Smith is a full-service engineering and construction firm that provides lasting and integrated solutions in water, environment, transportation, energy and facilities to public and private clients worldwide.

SOSi

SOSi Awarded ISOA Corporate Achievement Award

SOSi's Mission Solutions Group team was awarded the 2017 Corporate Achievement Award for excellence in the field of stability operations by the industry association ISOA at its first annual achievement awards benefit. ISOA is a global partnership of private sector and nongovernmental organizations providing critical services in fragile environments worldwide.

The ISOA 2017 Stability Operations Awards recognized small, medium, and large companies who consistently demonstrate commitment to accountability, transparency, and ethics in the stability operations field. ISOA seeks to promote ethical standards in operational contractor support, to build key relationships across sectors in the stability operations space and to advocate for the effective utilization of private sector services in fragile environments.

Led by Frank Helmick, Vice President for Mission Solutions Group, SOSi was honored for its bold vision for the government-contracting industry that prioritizes innovation and value in services and contract structure.

PAE

PAE Completes Acquisition of FCi Federal

On June 13, PAE completed its acquisition of FCi Federal, a leading provider of adjudication support and process management services for the federal government. Founded over 25 years ago and recently named one of the fastest growing government services support firms, FCi's workforce includes approximately 5,000 employees and subcontractors. With the addition of FCi, PAE gains significant additional abilities to enable critical government missions in national security, law enforcement and immigration by providing efficient information and process management services.

PAE Welcomes Chico Moline as President of PAE ISR

On June 5, PAE appointed Chico Moline as President of PAE ISR, a joint venture between PAE and AOC specializing in intelligence, surveillance, and reconnaissance (ISR) through unmanned

aerial systems. Chico is a proven growth leader with over 20 years of experience working in the government services industry. Chico's previous experience will serve him well as he takes command of the PAE ISR organization and executes the growth strategy for its signature platform, the Resolute Eagle, and associated services.

LITTLER

Littler Adds Shareholder Renea Saade in Anchorage

Littler, the world's largest employment and labor law practice representing management, has added Renea I. Saade as a shareholder in the Anchorage office. Saade was previously a partner in the labor and employment group at Stoel Rives LLP and has been named one of "America's Leading Lawyers for Business" in Alaska by Chambers USA each year since 2014. She received her J.D. from Northeastern University School of Law and her B.A. from the University of Washington.

Saade counsels employers on a wide range of issues that arise in the workplace, including accommodation and leave requests, wage and hour compliance, enforcement and defense of non-competition and non-solicitation agreements, workplace investigations, discipline and terminations. She regularly advises employers on developing, updating and enforcing employee contracts and policies and has particular experience advising government contractors on the complex requirements and unique risks they face in managing their workforces. Saade often serves as an independent workplace investigator and trainer on various employment law issues, including the prevention of discrimination and harassment in the workplace. She also represents employers before governmental agencies and local courts.

"Renea has an impressive background counseling employers in Alaska as well as throughout the Pacific Northwest, and is a great addition to our Anchorage office," said Doug Parker, office managing shareholder in Anchorage and Portland. "She serves as a trusted adviser to her clients and her depth of experience, especially in the energy, construction and government contracting industries, will be a significant benefit to the firm."

**Have a story for *Service Contractor's*
Member News section?
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2017 PSC ANNUAL CONFERENCE INTELLIGENCE REPORT



Day One: Monday, April 24, 2017

Opening and Welcome: John Goodman, COO, Accenture Federal Services, PSC Chair

PSC Chairman John Goodman officially opened the conference with his observations on how PSC, the federal marketplace, and the nation have transformed over the past year. Thanks to the efforts of PSC members, the association is well-positioned to respond to the challenges, uncertainty and opportunities PSC and its members are presented with as PSC celebrates its 45th anniversary.

Opening Keynote: Admiral Phil Davidson, Commander, U.S. Fleet Forces

Drawing on his 35 years of experience serving in the **U.S. Navy**, **Admiral Phil Davidson** discussed the ever-changing landscape the U.S. Navy must navigate to address current, emerging and long-term threats.

- Detailing the service's transition from a deterrence force during the Cold War to the "4 + 1 framework" now guiding military decision-making, Admiral Davidson spoke about the Navy's consistent effort to evolve and "make the Navy what the nation needs it to be at the time and place they need it."
- The key challenges in the new "4 + 1" operational environment include a hybridized, highly informationalized battlefield; the threat of nuclear weapons from multiple, capable adversaries; and tests to the Navy's sea control and superiority.
- Admiral Davidson wrapped up his keynote by listing a number of key advantages the Navy retains including modularity; the force's strategic, operational and tactical networks; and the sailors who facilitate mission outcomes.



Day One: Monday, April 24, 2017

President's Message: David Berteau, PSC President & CEO

PSC President & CEO David Berteau provided context for the conference sessions with an overview of the major issues facing our industry and how PSC is addressing them.

- PSC's number one goal is to be an advocate, and the addition of Bill Greenwalt and Cate Benedetti to our staff will greatly enhance our effectiveness.
- The current budget state of Continuing Resolutions creates uncertainty, but PSC's priority has been to push for budget stability through full-year appropriations.
- The second and perhaps biggest focus has been on closing the disconnect between programs and contracts staff. Putting PMs back in charge of their own programs will be a primary, long-term advocacy priority going forward. It's not a matter of changing statute, but behavior, culture, and training—which may be even harder to do.
- PSC's third effort is demonstrating the value of government contractors. Every agency depends on our support, but they don't like to recognize it.
- The last piece is innovation—the government wants to find non-traditional companies and bring them into government, and has many such efforts underway, including 13 Silicon Valley offices. But the biggest source of process innovation is the traditional industrial base.



- Despite the many challenges and uncertainties faced by agencies and contractors, we are getting the job done. Contracts and awards are proceeding, if slowly.
- David's advice to members through any federal re-organization, hiring freezes, budget cuts, and all types of uncertainty is to remain as close to key customers as you can. They need more than they will admit, and you can help them more than they know.

Finding A Champion for Good: Scott Gould, former Deputy Secretary at Veterans Affairs

Scott Gould, former Deputy Secretary at Veterans Affairs, discussed ideas on reforming government's approach to acquisition and finding a champion in government for transformative change.

- Procurement is a place where government confidence has been shaken or broken. Employees lack the judgment and business sense to make decisions, there's a poor understanding of industry capabilities, and too few government employees can effectively "hit the tennis ball back to industry."
- Government needs a strategy to win the challenges of the future instead of trying to solve the problems of the past.
- Over-regulation has paralyzed the process in a quest to drive risk to zero. Regulations are an accumulation of all the things that went wrong over the years.
- Gould's recommendations for government reform include: Form partnerships and build trust with industry; shape legislation and oversight; train acquisition professionals to understand the flexibilities within the FAR; share acquisition assets— "find islands of competence and swim to them"; find a neutral forum—such as PSC—to meaningfully convene buyers and sellers; set a new best value target in government; and change incentives.



Day One: Monday, April 24, 2017

Innovation & Business Challenges

Following Gould's presentation, he moderated a panel of current and former government officials and industry executives exploring how federal agencies approach acquiring innovation and how they could drive innovation in their acquisition processes.

- **Mark Borkowski, Assistant Commissioner, U.S. Customs and Border Protection**, asserted that innovation is really a tool to enable something and is not a means to an end.
- **Stephanie O'Sullivan, former Principal Deputy Director of National Intelligence**, said that while change is inevitable—and imperative for the intelligence community—innovation provides the chance to choose the changes that happen. She also discussed the importance of joint duty assignments and job rotations to innovation.
- **Jill Vaughan, former TSA CTO**, discussed her work on the Innovation Taskforce, and how she worked with airlines to innovatively procure technologies to help upgrade TSA security capabilities.
- **Rick White, CTO, Sotera, a KeyW Company**, said the private sector values Deming's principles of continuous process improvement, and that Firm-Fixed-Price contracts allow industry to innovatively distribute work.

Luncheon Keynote: Marcel Lettre, former Under Secretary of Defense for Intelligence

After reflecting on his transition from high-ranking government official to private citizen, **Former Under Secretary of Defense for Intelligence Marcel Lettre** predicted key trends that will impact the government and industry's security efforts in the future.

- Key trends include: IT modernization and the budgetary implications; how advances in artificial intelligence and data science will increasingly drive the government and economic growth; and what lessons the U.S. can and should learn from the 2016 election on the accuracy of information over the internet.
- After briefly discussing DoD's concerted effort to keep insider threats a priority among senior leadership since the Navy Yard shooting and the difficulties stemming from the oversight jurisdiction of Congressional committees, Lettre urged attendees to continue to work on improving communications between industry and the defense and intelligence communities to advance the national interest.

continued next page



Day One: Monday, April 24, 2017

Insider Threat

A panel of government and corporate security experts discussed how leaders can understand the motivation behind insider threats, the consequences of uncovering threats too late, and what a successful insider threat program entails. The panel challenged companies and agencies to think through what is valuable to you. What are assets that need protecting? It's more than just classified information.

Cybersecurity

The **President's Commission on Enhancing National Cybersecurity** issued its final report in December 2016. **Kiersten Todt** served as executive director for the commission, and **Unisys Federal President PV Puvvada** engaged her in a "fireside chat" about the commission's key recommendations and how these cybersecurity proposals will impact the government contracting market. The bi-partisan independent commission was tasked by President Obama with providing recommendations for the next administration focusing not just on government, but on the digital economy at large.

International Business:

Moderator Jeff Jorge of Baker Tilly opened the final panel of the day with a discussion on recent developments impacting international businesses opportunities and how business can prepare to operate across markets and borders. Panelists volunteered growth opportunities and challenges for firms operating or expanding into overseas markets.



Day Two: Tuesday, April 25, 2017

Welcome and Opening Remarks

Annual Conference Committee Chair Babs Doherty, President & CEO of Eagle Ray, Inc., opened Tuesday's sessions by recognizing the hard work of Annual Conference Committee members in planning and organizing the event. **PSC President & CEO David Berteau** then set the stage for the day's discussions.

First 100 Days Review

A panel of journalists and former hill staff, moderated by **Parsons Chief of Staff Virginia Grebbien** and featuring **PSC VP of Government Relations Cate Benedetti**, discussed the insights they have gleaned from a front row seat to the Trump Administration's first 100 days in office.

- **Eric Schmitt from *The New York Times*** discussed foreign policy implications of President Trump's policies, asserting that the only thing that is certain is uncertainty. Trump has been chest thumping on military issues, but he had no solid military plan and is quite willing to change his positions. The

President has given the Pentagon more latitude to make decisions as exhibited by the use of the MOAB in Afghanistan.

- **Dave Boyer from *The Washington Times*** said that Trump is proud to have "a different kind of Presidency" and has little use for the way things have been done before. Boyer said after a recent meeting with corporate CEOs many attendees said that they were "thankful to have a President who speaks the language of business."
- Panelists said that Jared Kushner is very much an influencer inside the White House that has the President's ear.
- Stakeholders and companies still need to be prepared for the potential Trump tweet about them.

Day Two: Tuesday, April 25, 2017



2017-2018 Budget Environment

With less than a week to go before a possible government shut-down, panelists discussed the latest information on funding the government for the remainder of FY17; what the FY18 President’s Budget Request and future budgets under the Trump Administration might include; and the national debt.

Closing Remarks and Adjournment

With the conclusion of the panel, **Babs Doherty** returned to the stage to thank everyone for their participation and officially bring the conference to a close. The next annual conference is now less than a year away, but PSC offers many opportunities for action and engagement throughout the year!



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Event Happenings



(1) The Honorable John Conger, Former Principal Deputy Under Secretary of Defense (Comptroller), PSC President and CEO David Berteau, and Kathleen M. Turco, Director, Consulting, CGI Federal, analyzed and discussed the challenges and opportunities facing PSC members in the president's proposed FY2018 Federal budget. **(2)** The PSC Technology Council and Veterans Affairs Task Force met with Bill James, ePMO Deputy Assistant Secretary,


Office of Information Technology, U.S. Department of Veterans Affairs. **(3)** Senator Tim Kaine met with PSC leadership. **(4)** Josh Holly and David Adams of the Podesta Group presented to PSC's Council of International Development Companies. **(5)** The PSC Communications Network met with Kristin duBois, External Relations Chair of the Federal Communications Network (FCN).

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Dillon Bowles
Managing Director
Government Services Corporate Finance
704.496.5812
dillon.bowles@citizensbank.com

Jeff Harrick
Managing Director
Aerospace & Defense Corporate Finance
704.496.5810
jeff.p.harrick@citizensbank.com

Dan Darnell, Jr.
Director
Aerospace, Defense &
Government Services Banking
703.245.7033
daniel.darnell@citizensbank.com

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