

PSC PROFESSIONAL
SERVICES
COUNCIL

Service Contractor

December 2015 / The Voice of the Government Services Industry

The Next
President

Mission & Industry

Vision

Agendas

Priorities

Transitions

ALSO INSIDE:

8

**SOUNDING BOARD:
THE BUSINESS PRIORITIES
OF THE NEXT PRESIDENT**

12

**PSC ANNUAL
CONFERENCE**

14

**VISION FEDERAL
MARKET FORECAST**

24

**DEATH OF A SALESMAN OR
DEATH OF A COMPANY**

**DANG...
WE'RE
GOOD
AT**

\$4.27

(IF YOU DON'T MIND US TOOTING OUR OWN DANG HORNS FOR A SECOND)

LEARN MORE AT [CBIZ-SCA.COM](https://www.cbiz-sca.com).



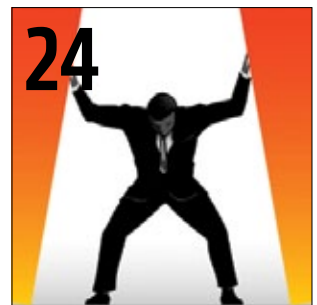
The Voice of the Government Services Industry



PSC ANNUAL CONFERENCE



**VISION FEDERAL MARKET
FORECAST**



**DEATH OF A SALESMAN OR
DEATH OF A COMPANY**

- | | |
|-----------------------------|----------------------------|
| 4 President's Letter | 29 Policy Spotlight |
| 8 Sounding Board | 32 Council Corner |
| 19 Bill Tracker | 34 Member News |
| 27 OASIS or TABSSII | |

Cover montage: Studio25

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
All Rights Reserved

*For advertising or to submit articles
or items for the Member News
section, contact: **Cassie Katz***

PSC STAFF

Stan Z. Soloway
President & CEO
soloway@pscouncil.org

Alan Chvotkin
Executive Vice President
& Counsel
chvotkin@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

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

Karen L. Holmes
Office Manager/Receptionist
holmes@pscouncil.org

Michelle Jobse
Director, Vision Forecast
jobse@pscouncil.org

Roger Jordan
Vice President,
Government Relations
jordan@pscouncil.org

Cassie Katz
Senior Manager, Marketing
katz@pscouncil.org

Jeremy Madson
Senior Manager, Public Policy
madson@pscouncil.org

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

Robert Piening
Vice President, Finance
piening@pscouncil.org

Jerome Punderson
Senior Vice President,
Defense & Intelligence
punderson@pscouncil.org

Jean Tarascio
Senior Manager, Events
tarascio@pscouncil.org

Matthew Taylor
Manager, Public Policy
taylor@pscouncil.org

Tara Vilaychith
Membership Associate
vilaychith@pscouncil.org

David Wennergren
Executive Vice President,
Operations
wennnergren@pscouncil.org



PRESIDENT'S LETTER

It's hard to believe, at least for me, that this will be the last issue of *Service Contractor* for which I write this opening piece. For several years, we toyed with the idea of starting a PSC magazine and then, in 2008, the opportunity presented itself when we integrated into PSC the former Contract Services Association, which had already launched *Service Contractor*. Since then, our goal has been to build a product that offered insights, information, and perspectives that matter; that provided our membership and our government colleagues ideas and context worth thinking about. I believe we have done just that. Our print circulation is modest—just about 5,000 readers—but it is significantly buttressed by more than 10,000 additional readers online. At some point next year, *Service Contractor* will likely transition into a mostly digital product that maintains the substantive and thoughtful content you get now with a more dynamic, “living” magazine. I trust and hope you will find the new *Service Contractor* to be even more valuable.

I suppose it is also fitting that this issue's theme is about transitions—the transition to the next president of the United States. In early 2016, PSC will deliver an “Agenda for the 45th President” to the leading candidates' campaigns. A lot of work has gone into that agenda under the leadership of our Acquisition and Business Policy Council and the Technology Council, with substantial input as well from each of PSC's three customer-facing councils. In my cover story, I outline some of the recommendations that shape that agenda, much of which was the subject of a robust conversation at the Annual Conference. This effort will come full circle when the agenda is reviewed one last time and finalized at the PSC Leadership Summit on January 31-February 1, 2016. From there, the work begins to share and discuss the

agenda with the campaigns. In addition, two members of our Board of Directors—Alion's Stacy Mendler and Oceus Networks's Randy Fuerst—offer their own suggestions on what they believe should be the business priorities of the next president.

While there is plenty to add to the plate of the 45th president, we also tackle the issues in front of the 44th. PSC Defense and Intelligence Council Chair Neil Albert of MCR explores the business implications of government's failure to recognize the value and importance of both organization and individual excellence in the performance of professional services contracts. In addition, in his summary of the Vision Federal Market Forecast findings presented at our Vision Federal Market Forecast Conference on November 18 – 19, PSC's David Wennergren explores the shifts in store for our market for the last year of the Obama administration and beyond. And PSC Vice President of Civilian Agencies Bradley Saull explores the business implications of DHS's commitment to use GSA's OASIS contract vehicle. Finally, PSC's Alan Chvotkin discusses two game-changing federal contracting court cases on which PSC has filed “friend of the court” briefs.

Thank you for all of the support, ideas, and content you have provided to *Service Contractor* over the years. It has made all the difference. I am proud to have been a part of this venture and have the fullest confidence that, with your continued involvement, it will continue to grow and add value.

Stan Soloway
President & CEO

Wishful thinking

is **NOT** a valid compliance model.



Can your government contracts stand up to the scrutiny of a DOL investigation?

Industry experts estimate that at least 50% of Contractors are currently out of compliance. Did you know that Contractors are also subject to fines and penalties if their subcontractors are out of compliance with the DOL requirements?

Not knowing your duties is not a defense against compliance deficiencies! With penalties and sanctions becoming more frequent and often substantial, now is the time to put a strategic partner to work for you and your bottom line.

GSA understands the bid implications of SCA compliance and can help you navigate the ever changing and complex compliance landscape. Let our team of compliance experts be the asset that increases your ability to submit winning proposals.



1.800.250.2741 ext. 170
Solutions@GSANational.com
www.SCACompliance.com

Government Service Administrators, your partner in...

- ✓ Service Contract Act Coaching and Training
- ✓ Davis-Bacon Act Training
- ✓ Recordkeeping, Reporting and SCA Compliance Review
- ✓ Compliance and Audit Consulting
- ✓ GSA Online: Web-Based Benefits Administration
- ✓ Premium Reserve and Trust Accounting
- ✓ COBRA, FMLA and Leave of Absence
- ✓ Legal Support

A graphic featuring a semi-circle of thirteen dark blue stars above five vertical red stripes of varying heights. Below the stripes is a dark blue horizontal band with the word 'AGENDA' in white serif capital letters. To the left of 'AGENDA' are the large, 3D gold numbers '45'. Below the blue band, the words 'FOR THE NEXT' are in small blue sans-serif capital letters, followed by the word 'President' in a large, dark blue script font. A red brushstroke underline is beneath 'President'.

45 AGENDA FOR THE NEXT *President*



by Stan Soloway

President and CEO, Professional Services Council

Where does the next administration need to move on government acquisition? And how can it get there? Those are the key questions PSC will answer for the top campaigns in 2016 as we prepare to publish our Agenda for the Next President.

Title Illustration: Ivory Smith

Driven by the work of the Acquisition and Business Policy and Technology Councils (which was additionally buttressed by inputs from our other three councils), your feedback to our online survey, and our discussion at the PSC Annual Conference in October, our agenda includes the following goals for the new president. Bear in mind that these are just broad summaries; for each area there are a slew of specific and actionable recommendations. The full document is available at www.pscouncil.org.

Build a Better Engagement Model Between Government and Industry

The top priority identified for the next administration is to focus on results, not the process, of government contracting. To build a better engagement model between government and industry, government must become outcomes focused, dump onerous compliance requirements and foster communication with industry. It can achieve this goal by standardizing and simplifying the acquisition process, which will allow for greater access to innovation. Rather than issuing solicitations with overly prescriptive specifications, it should issue statements of objectives that allow companies to submit alternative proposals that take advantage of the best commercial solutions.

Harness Technology and New Business Models to Modernize Government Service Delivery

In addition to becoming outcomes focused, agencies also need to improve “speed to outcome” if they are to obtain the benefits of a contractor’s solution. Moving to consumption-based buying, managed services and performance-based acquisitions should be a priority.

Agencies must also prioritize modernization over maintenance of outdated systems. More widespread adoption of cloud computing can assist in this effort. At the same time agencies need to manage their data better to understand what it is collecting and maintaining vs. what it needs to collect and maintain. All of this feeds into the imperative for stronger cybersecurity. Agencies must modernize to ensure that cybersecurity efforts—such as those present in FITARA and other, forthcoming legislation—are successful.

Building the Government and Industry Workforces of the Future

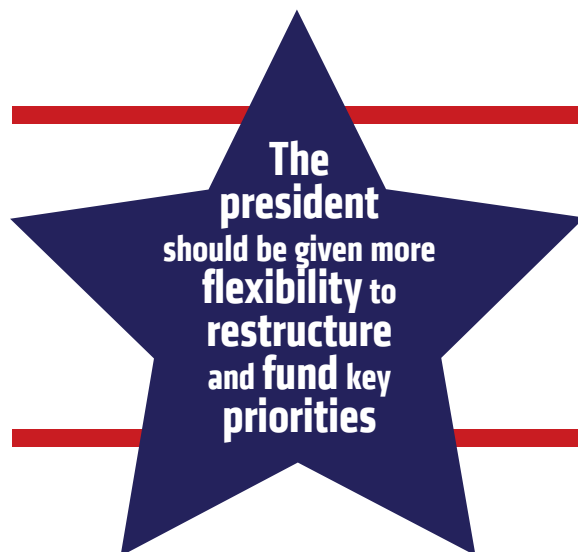
Today, the government acquisition community is focused on buying old things and needs to be retrained to buy the requirements of the future. OPM and OMB can improve acquisition workforce professionalism and competency by partnering with industry and academia to improve the tradecraft in services acquisition, as services are now over 50 percent of what the government buys. Use of special hiring authorities, professional certifications and standards, and incentives for contracting officers to focus on outcomes, will all help inject the government with the skills it needs to successfully obtain the outcomes it desires from the contracting process.

Improving Government Operations to Better Compete Globally

The broken budget process that has led to at least one government shutdown this decade and threatened several more is putting America at a disadvantage on the global stage. The government needs a new budgetary framework to fix the process; one that allows multi-year appropriations, replaces arbitrary caps, permits agencies to reprogram funds, and creates a government culture that values strong business practices in government activities. The next administration also needs a robust management agenda that is, again, focused on outcomes and holds agency heads accountable. The president should be given more flexibility to restructure and fund key priorities, allowing for agencies to focus on their core missions, while leveraging industry to deliver non-core services and support to core missions.

Your Turn...Again

This is just a small taste of what we’re recommending to the next president. Now we’re asking you to help ensure we are on the right track. To provide additional feedback on the PSC Agenda for the Next President, visit www.pscouncil.org. ■





SOUNDING BOARD: In each issue, PSC asks members of our board of directors to offer their perspectives on key challenges facing the government services industry.

The Business Priorities *of the Next President*

In the next few months, the primary process will narrow the field of candidates considerably. From a business perspective, what should be the top three priorities for the next president?



Stacy Mendler
COO, Alion Science and
Technology

A year from now, we will elect a new president. Once the nomination process gives us the final candidates, the election will ultimately come down to outlining the best direction for our country. From an economic standpoint, here are the three business-related policies that our next president should be laser-focused on.

Cybersecurity

Cybersecurity has already established itself as a critical priority, but over the next four years it will become the defining national security and global business issue of our time.

Recent large-scale breaches at major retailers such as Target and Home Depot have already lowered citizen confidence in the economic foundation of our country, as consumers are wary and fearful to share credit card information. Likewise, when businesses have their information or trade secrets stolen, it has a chilling effect on innovation while negatively impacting profitability. The U.S. Commerce Department estimates that the theft of intellectual property (IP) costs the economy \$250 billion and approximately 750,000 jobs every year.

At the federal level, the massive breach at the Office of Personnel Management (OPM) that affected more than 21 million Americans is only symptomatic of a larger problem. All organizations—including cabinet-level federal agencies—are vulnerable to hackers seeking to undermine national security. Threats from the inside—personnel stealing data from agencies

continued on page 10



Randy Fuerst
President and CEO,
Oceus Networks

As the 2016 presidential race heads into primetime, here are my top three business policy recommendations that I believe the next president should act on:

Establish a reliable budget process

The biggest impediment for companies providing solutions and services for the federal government is the ability to predict the budget cycle. As we develop our business plans for next year, we must continually insert placeholders and caveats because of the uncertainty of the budget process. This pattern of uncertainty has negatively impacted many companies in our industry. I don't think that the president or Congress realize that we aren't hiring more personnel, or launching new R&D projects, until they decide upon a budget. A reliable budget process translates into jobs for U.S. citizens, which should be the Number 1 national business priority for any administration. Budget stability also results in more efficient and effective spending of federal dollars.

Establish a clear objective in acquisition reform

Acquisition reform has been a buzz word for several administrations, but never a true initiative. It takes much too long for the government to acquire systems. The "concept" to "delivery" timeline typically runs 3 to 5 years, where commercial industry measures that solution

continued on page 10



WALL STREET CAPABILITIES. MAIN STREET SENSIBILITIES.

We created Regions Securities to provide small- to mid-cap companies with high-quality service and advice from talented, relationship-oriented bankers. That means your business gets our dedicated “A Team” every time. Our seasoned team of bankers understands your company’s desire for growth, and our capital markets experience enables you to receive creative, customized solutions tailored to meet your company’s strategic and financial objectives.

From capital raising in the debt and equity markets to mergers and acquisitions advice, our bankers can set things in motion for your company.

David Sozio | Defense & Government Services Group Head
david.sozio@regions.com



Corporate Banking | Capital Markets & Advisory Services | Dedicated Industry Experience

Investment and Insurance Products:

Are Not FDIC Insured Are Not Bank Guaranteed May Lose Value
Are Not Deposits Are Not Insured by Any Federal Government Agency
Are Not a Condition of Any Banking Activity

or organizations—have also been trending upward in the past 12 months. This is likely to continue, as a recent survey found that an astonishing 35 percent of employees would sell information for money.¹

The next president can't allow industries—particularly across critical infrastructure—to be reactive on these issues. As a country, we must bring public and private sector leaders together to define a comprehensive set of guidelines, policy and regulations that empower a proactive posture against cyber threats.

Defense Modernization

A year ago, then-Defense Secretary Chuck Hagel ordered an ambitious new defense innovation initiative to change how the Department of Defense spent its weapons modernization budget.

At the time, Hagel said the U.S. military's overwhelming technological advantage "has never been guaranteed and today it is being increasingly challenged."² Hagel's successor, Ash Carter, has expanded this initiative. But frustration remains a year later on the success—or lack thereof—so far.

This comes at an extremely critical point in history for our national security. Pentagon officials have consistently noted that countries like Russia and China have invested heavily in new technology and the United States has not kept pace. This April, a Pentagon report stated that U.S. dominance in military capability is being challenged in "ways not seen since the Cold War."³

The future investments need to encompass a wide range of emerging technologies, including robotics, autonomous systems, big data, rapid prototyping and advanced manufacturing such as 3-D printing. Furthermore, these investments need to support technology being developed within and outside the federal government. In particular, DoD should become more nimble in its purchasing methodologies to attract the interest of commercial companies, like those in Silicon Valley. It is estimated that the regulations imposed by DoD on non-commercial items adds 30 percent to a typical acquisition program's costs; often these regulations and costs are being applied to commercial buys as well, which turns off tech-savvy commercial companies.⁴

To truly spur investment in these innovative defense technologies, our next president must allow DoD to investigate new ways to leverage partnerships with industry, shorten the buying cycle to keep commercial companies engaged and move the overall initiative past the discussion stage and into the action phase.

Education

Our educational system has long been a concern in terms of being competitive with the rest of the world. Obviously, STEM skills are a focal point and critical to the economy, as evident by the nearly \$3 billion in the 2015 budget devoted to it.

But there is more to business than merely delivering technical capabilities. Companies also need to develop and produce critical thinkers who see opportunities and devise solutions beyond conventional approaches. Likewise, there will always be a need for a wide range of industries and businesses—at the local, regional, national and global levels—that depend on skills other than technology, such as food service, fashion or retail.

Many industries, particularly including the financial world, are seeking out recent graduates with a broad education, as these employees have a large world view as well as the essential elements of curiosity and desire to understand. But our recent graduates are not always showing these essential skills. Just this October, Times Higher Education declared that the United States showed "signs of decline" in its annual ranking of top universities in the world, stating that while six American universities are in the global Top 10 (down from seven last year), "America's global higher education dominance 'cannot be taken for granted.'"⁵

Our educational system must deliver the kind of learning opportunities that encourages and supports all skill sets, from scientific and technical to arts and communications. That's the key to a strong economy for the long-term. ■

¹ <http://www.tripwire.com/state-of-security/security-data-protection/cyber-security/one-third-of-employees-would-sell-corporate-information-for-the-right-price-reveals-clearswift-survey/>

² <http://www.nationaldefensemagazine.org/blog/lists/posts/post.aspx?ID=1670>

³ <http://news.yahoo.com/us-military-worries-losing-hi-tech-edge-230337583.html>

⁴ http://www.aia-aerospace.org/assets/Defense_Acquisition_System.pdf

⁵ <http://www.universityworldnews.com/article.php?story=20151001154334382>

Randy Fuerst *continued from pg. 8*

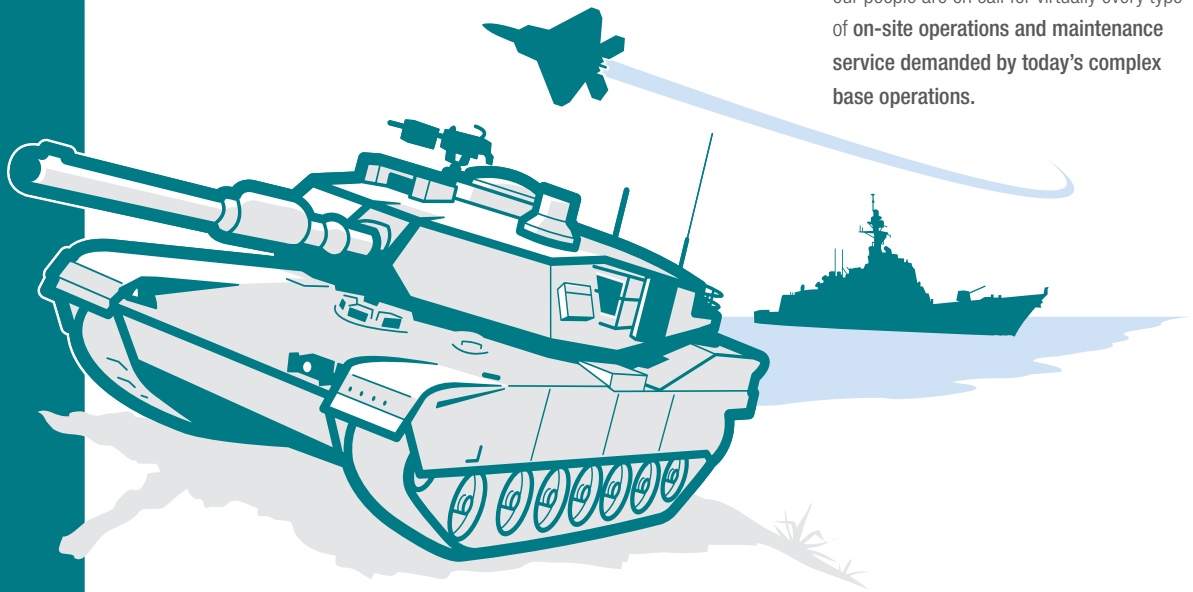
delivery in months and only occasionally in one year. The current administration is enamored with Silicon Valley. If the Obama administration provided the current government contracting companies with the same latitude it provides Silicon Valley companies, we could deliver similar innovative solutions in a similar timeframe.

Bring focus and action on reducing our nation's national debt

As we all realize, our government is still adding to its overall debt. The bill for that could come due if interest rates begin to rise from their current low levels. A scenario where interest rates suddenly rise could cause tremendous harm to our country since the increased interest payments would leave little to no room in the budget with which to address our nation's priorities. Our next president must have the political will and leadership to drive an effective balance between revenues and spending. This will require bi-partisan compromise, otherwise the future opportunities' for our children will hang in the balance. Our nation must get its fiscal house in order! ■

What *don't* we do for the US Military?

While we don't drive the armored vehicles or pilot the jet fighters, EMCOR has plenty of boots on the ground to keep our troops and their facilities safer, more efficient, and ever ready. Below is just a sample of how we help the military accomplish its missions...



It's all about support—24/7/365 our people are on call for virtually every type of on-site operations and maintenance service demanded by today's complex base operations.

EMCOR Government Services takes many forms—our people support key facilities for the Army, Navy, Air Force, Marines, U.S. Coast Guard, and U.S. Customs and Border Protection and more.

High-tech, high-performance facilities deserve a higher caliber of preventive maintenance and repair—we are proud to provide vital services and Base Operations Support nationally.

MISSIONS ACCOMPLISHED



FEDERAL AGENCIES



U.S. MILITARY



NATIONAL SECURITY



SPACE



WASHINGTON, D.C.



HEALTHCARE SUPPORT



EMCOR.
Government Services

WHAT CAN WE ACCOMPLISH FOR YOU?

emcor_info@emcor.net

866.890.7794

emcorgovservices.com

2015 PSC ANNUAL



Director of National Intelligence James Clapper gives the opening keynote speech at the 2015 PSC Annual Conference.



Panel moderator Kathleen Flanagan (left) presents a panel exploring employee engagement challenges, featuring Brad Antle of Salient Federal Solutions (left), Michele Bolos of NT Concepts (center) and Tony Smeraglinolo of Engility (right), at the PSC Annual Conference.



PSC Acquisition & Business Policy Council Chair Kymm McCabe of ASI (left) and PSC Technology Council Chair Anne Altman of IBM (right) walk the audience through PSC's proposed agenda for the 45th president, during a lunchtime panel at the PSC Annual Conference.



(From left to right) Dyson Richards of RGS, panel moderator Casey Coleman of Unisys, Soraya Correa of DHS, and Matthew Beebe of DLA explore the effects of OMB's category management initiative on the federal services market, during a PSC Annual Conference breakout session.



Moderator Mac Curtis of Vencore (left), listens to former acting DoD IG Lynne Halbrooks, along with former GSA IG Brian Miller (center), and Jeremy Wensinger (right), during the PSC Annual Conference panel "Surviving the Knock on Your Door."

CONFERENCE

OCTOBER 4 - 6
THE GREENBRIER



(From left to right) Jim Winner of Aegis Defense Services, Helle Weeke of DAI, and panel Moderator Alan Chvotkin of PSC take on the major regulatory changes stemming from President Obama's 13 executive orders, during a PSC Annual Conference breakout session.



(From left to right) Mark Day of GSA, Peter Smith of American Systems, Paul Fitzgerald of Deloitte, and panel moderator Jerry Hogge of Leidos Federal Health, discuss how "as-a-service" business models are changing federal acquisition, during a PSC Annual Conference breakout session.



Tom Linton, chief procurement and supply chain officer at Flex, discusses the impact of the Internet of Things revolution on supply chains and logistics, during his PSC Annual Conference keynote.



Air Force Secretary Deborah Lee James gives the closing keynote speech at the PSC Annual Conference.



Outlook Changeable. *The Vision Federal Market Forecast Predicts Continuing Shifts for 2016 & Beyond.*

by David Wennergren, PSC Executive Vice President, Operations

The 2017 presidential transition will do more than affect the governance of the country, it will inevitably bring change to the federal market. So the outlook offered by almost every 2015 Vision Federal Market Forecast presentation during our November 18 and 19 conference in Falls Church, Virginia was clear: CHANGE AHEAD.

So, what are some of the changes ahead our forecasters identified?

Fiscal year 2017 is the last year the Obama administration has to influence defense planning, so priorities are clearly focused on major investments and research and development (R&D). And with the passage of the two year budget deal, near-term sequestration threats have been removed, even though appropriation work continues as this magazine goes to press.

Of course, whatever the Obama administration decides can be undone by the next administration, which will have its own policy and resource priorities, though they still remain penned in by the Budget Control Act caps starting again in fiscal year 2018. Given both world events and public opinion, pressure will continue to increase the defense topline. A recent Gallup poll shows that the number of Americans who feel the government is spending too little on national defense has increased steadily over the last five years.

The federal IT market is also affected by the squeeze on the budget and on a recurring cycle of continuing resolutions (CRs) that thwart the ability to do long-term modernization planning and start new programs. The lack of a clear, consistent, long-term budget is particularly important as CIOs try to modernize IT infrastructure and bolster cybersecurity. Our forecast surveys found many departments are in "survival" mode due to continuing uncertainty about out-year funding caps and the annual cycle of short-term CRs followed by Q2 omnibus appropriations that are little better than full-year CRs.



Vision Offers a View into the Minds of Federal Officials.

These may not be the views you agree with, but they're worth recognizing. Here's what we heard from government leaders.

Biggest impediments

- The procurement process is so burdensome that it needs to be completely revisited.
- Cyber is an area where reporting requirements are so onerous that it inhibits government's ability to do the job.
- Regulations are taking staff time that should be spent on the mission, adding significant reporting requirements without corresponding funding.
- Protests harm mission performance.
- Knowledge transfer from contractors to government is increasingly important, but at the same time, the number of government employees are declining, creating an increasing reliance on contractors for mission delivery.
- Changes to acquisition rules, regulations and policies are often not vetted at the working level; slow down the procurement process and impede contracting officers from doing their jobs.

Messages to industry

- Leverage lobbying organizations and industry groups to influence and push back on policies and actions that don't make sense.
- Provide substantive arguments to help eliminate crippling bureaucracy.
- Bring capabilities to government that your own company uses.
- Acquisition debriefs provide the opportunity for better sharing of information; trust in the information provided so that everyone can improve.
- More structured acquisition environment increases the importance of participation in market surveys and industry days.
- The success of an organization is determined by its strategy—the length of time required for that success is determined by its available budget.
- We need to leverage and thank industry for providing viable and timely solutions. Your success is our success.
- CIOs expect their contractors to proactively invest in meeting their challenges and offer innovative solutions.
- Opportunities still exist despite challenges, but may require shifts in business development approach.
- After contract award, provide talented and dedicated staff, don't waste taxpayer's dollars and do the job the best you can.
- Stop protesting; understand that most companies are going to lose on any given procurement.

Ideas on procurement

- The procurement process is so burdensome that it needs to be completely revisited.
- Cyber is an area where reporting requirements are so onerous that it inhibits government's ability to do the job.
- Regulations are taking staff time that should be spent on the mission, adding significant reporting requirements without corresponding funding.
- Protests harm mission performance.

This cycle complicates transformation efforts. While Overseas Contingency Operations (OCO) budgets have been a lifeline

for State and the Defense Department, the current administration signaled a distaste for this in vetoing the initial version of the Fiscal

continued on page 16

Looking for a custom-built, ACA-compliant health plan for your SCA employees?



For nearly 30 years, FCE Benefit Administrators has helped employers meet their obligations under SCA, DBA, AbilityOne, Prevailing Wage and ACA.

As a full-service TPA specializing in plan design, implementation and administration, FCE can help you:

- Provide ACA-compliant major medical plans
- Achieve SCA fringe compliance
- Find affordable and creative fringe benefit solutions

Join the industry leader in fringe benefit design, compliance and administration for government contractors. **Talk to FCE!**

Contact: Chris Porter, National Director, Sales & Marketing
650-291-4202 • cporter@fcebenefit.com

www.fcebenefits.com

Year 2016 National Defense Authorization Act in September. In addition, the fact that OCO funding is transitory only exacerbates the inability to do long-term planning.

CRs make it difficult for agencies to launch new projects, so despite the real need to transition to modern systems and infrastructure, there is continued reliance on legacy IT that inhibits transformation goals. Further, our survey respondents indicated that a return to sequestration will result in technology budgets being hit hard, potentially affecting large primes first. OMB has already asked for fiscal year 2017 budget plans that are 5 percent lower than agencies' fiscal year 2016 submissions, and IT will continue to be viewed as a bill payer by many.

On the other hand, the imperative to address longstanding cybersecurity vulnerabilities bodes well for additional funding to prevent recurrence of the disastrous 2015 federal cyber breaches. Cybersecurity is a clear near-term opportunity identified by the forecast. In addition to cyber, the urgent need for IT modernization and the replacement of legacy systems is also making a compelling case for the re-purposing of IT funds, as agencies must move away from the current drain on funds imposed by an aging computing infrastructure no longer supported or secure.

In addition, the continued politicization of the acquisition system is creating onerous compliance regimes and thwarting government's ability to take advantage of industry innovations and best practices. The Obama administration has issued 13 executive orders since 2009 pertaining to government contracting, resulting in 16 new regulations. These orders and regulations have created a significant regulatory burden on contractors, requiring substantial

investments in time and systems and increasing the cost of doing business with government. The orders are focused on implementing social policy rather than strengthening acquisition outcomes. Further, with so many government-unique rules and regulations that do not hamstring other U.S. corporations, some companies may opt out of the federal market.

This compliance burden will inhibit government's ability to achieve its own stated goal of obtaining new and innovative solutions from non-traditional players. Adding to that blockade is the fact that the government does not know how to acquire emerging technology. Where there is demand for such solutions, entrenched acquisition practices remain in place, hampering the acquisition of new approaches and products.

However, with a new administration—with accompanying new policies and priorities—on the horizon, the long-term impacts of this regulatory influx are unknowable. All of these orders could be overturned on January 20, 2017.

All is not bleak in the market forecast though. The relative stability of the technology and professional services market in the face of enormous budget challenges is encouraging. And, the individual agency forecasts included in the 2015 PSC Vision Market Forecast identify a number of near-term opportunities for government contractors. All in all, there is still a large addressable market for companies willing to weather the storms and volatility of the federal marketplace. If you'd like to learn more about the entire market forecast presented at the November Vision Federal Market Forecast conference, including the full Vision briefing and transcript of the conference presentations, contact membership@pscouncil.org. ■



Attend our **FREE** webinar to learn about how you can protect your assets in the evolving regulatory environment. Register today at: therailgroupllc.com/compliance

With over **32 years of experience** in international project implementation and oversight, Michael Carroll is a renowned and **nationally-recognized leader** at TRG. As the former Acting Inspector General at the U.S. Agency for International Development, Michael can provide you with **independent advice** on complying with government regulations **across the federal spectrum**.

|| GET INSIGHT

Know which compliance requirements apply to you

|| GET GUIDANCE

Learn how to mitigate fraud, waste and abuse

|| GET AHEAD

Save time with a plan that allows you to focus on the future

✉ solutions@therailgroupllc.com

🖥 www.therailgroupllc.com

HAVE COMPLEX PROJECTS ON TIGHT SCHEDULES?

CHALLENGE
ACCEPTED.™

**When confronted with difficult assignments,
wise leaders call SOSi.**

**We deliver innovative program
management solutions.**

Since 1989, SOSi has solved complex problems in over 30 countries. Whether building an airfield in a remote location or performing sophisticated, data analysis for the intelligence community, SOSi leads the government contracting industry. We provide complete, turnkey solutions to our clients' toughest problems.

Entrust your next critical job to SOSi.
For more information, email marketing@sosi.com.



sosi.com



See the forest **and** the trees.

Gain big picture insights while you manage details at every level with Unanet: the **one** software for managing projects, people and financials.

Operating in compliance and reducing overhead rates, professional services firms of all sizes can grow with confidence by knowing where they stand, with immediate insights from one single source of truth.

For more information, visit unanet.com/one or call 703-689-9440.



Bill Tracker: 114th Congress-First Session (2015)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

H.R. 234

SUMMARY

Cyber Intelligence Sharing and Protection Act, Ruppersberger (D-MD)

Would establish cyber threat intelligence sharing procedures between the intelligence community and certain private sector entities.

STATUS Referred to Armed Services, Homeland Security, Intelligence, and Judiciary committees on 1/8/2015.

H.R. 479

SUMMARY

American Jobs Matter Act of 2015, Etsy (D-CT)

Would require contracting officers to consider information regarding domestic employment before awarding certain federal contracts.

STATUS Referred to Armed Services Committee on 1/22/2015.

H.R. 490

SUMMARY

Security Clearance Reform Act of 2015, Lynch (D-MA)

Would prohibit the Director of the Office of Personnel Management (OPM) from awarding a contract to any entity for investigative support services or background investigation fieldwork services if such entity has another contract in effect with the federal government to provide such services.

*STATUS Referred to the Judiciary and Oversight and Government Reform committees on 2/19/2015.
Related bill: S. 434.*

H.R. 1382

SUMMARY

Boosting Rates of American Veterans Employment Act of 2015, Rice (D-NY)

Would permit the Department of Veterans Affairs to provide a preference in the evaluation of offers to contractors that have a higher percentage of veterans within their workforce than other offerors.

STATUS Passed the House (404-0) on 4/18/2015.

H.R. 1560

SUMMARY

Protecting Cyber Networks Act, Nunes (R-CA)

Seeks to promote the timely sharing of cyber threat indicators between the private sector and government entities. Provides liability protections for entities that share cyber threat indicators.

STATUS Passed the House (307-116) on 4/22/2015. Related bills: S. 754 and H.R. 1731.

H.R. 1562

SUMMARY

Contracting and Tax Accountability Act of 2015, Chaffetz (R-UT)

Would propose for debarment any contractor with an unpaid, seriously delinquent tax debt. Would require prospective contractors to certify that the contractor has no unpaid, seriously delinquent tax debt.

STATUS Passed the House (424-0) on 4/15/2015.

H.R. 1731

SUMMARY

National Cybersecurity Protection Act of 2015, McCaul (R-TX)

Seeks to enhance voluntary cybersecurity information sharing among private sector entities and the federal government and establishes the DHS National Cybersecurity and Communication Integration Center as the primary cybersecurity reporting portal.

STATUS Passed the House (355-63) on 4/23/2015. Related bills: S. 754 and H.R. 1560.

H.R. 1760

SUMMARY

Buy Smarter and Save Act of 2015, Reed (R-NY)

Would require the administration to establish an annual government-wide goal to procure goods and services using strategic sourcing, along with an annual government-wide goal for savings from the use of strategic sourcing.

STATUS Referred to the Oversight and Government Reform Committee on 4/13/2015.

Bill Tracker: 114th Congress-First Session (2015)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

H.R. 1764

SUMMARY

U.S. Chief Technology Officer Act of 2015, Loudermilk (R-GA)

Would codify the roles and responsibilities of the U.S. Chief Technology Officer.

STATUS *Referred to the Oversight and Government Reform and Science, Space, and Technology committees on 4/14/2015.*

H.R. 2039

SUMMARY

National Aeronautics and Space Administration Authorization Act of 2015, Palazzo (R-MS)

Would require NASA to revise the NASA Supplement to the Federal Acquisition Regulation to provide uniform guidance and recommend revised requirements for organizational conflicts of interest by contractors in major acquisition programs. Would also imposed new requirements on contractors to identify and avoid the use of counterfeit electronic parts; and would establish a "de facto" debarment of any contractor that is criminally or civilly charged by a government entity for a myriad of enumerated offenses.

STATUS *Reported by the House Science, Space, and Technology Committee on 4/30/2015.*

H.R. 2144

SUMMARY

Program Management Improvement and Accountability Act of 2015, Young (R-IN)

Requires civilian agencies to create a new position titled "Program Management Improvement Officer" to implement agency program management policies and develop a written strategy for enhancing the role of program managers within the agency.

STATUS *Referred to the Oversight and Government Reform Committee on 4/30/2015. Related bill: S. 1550.*

H.R. 3305

SUMMARY

EINSTEIN Act of 2015, Hurd (R-TX)

Seeks to broaden DHS authorities to assist federal civilian agencies with deploying technologies to diagnose, detect, prevent and mitigate cybersecurity risks. Provides liability protections for contractors assisting DHS with such efforts.

STATUS *Referred to the Oversight and Government Reform and Homeland Security committees on 7/29/2015.*

H.R. 3313

SUMMARY

Cyber Defense of Federal Networks Act of 2015, McCaul (R-TX)

Seeks to generate greater use at civilian agencies of continuous diagnostics and mitigation tools, better intrusion detection and response plans and greater transparency into agency cybersecurity postures.

STATUS *Referred to the Oversight and Government Reform and Homeland Security committees on 7/29/2015.*

H.R. 3470

SUMMARY

Fair Chance Act, Cummings (D-MD)

Would prohibit federal agencies and federal contractors from asking job applicants about their criminal record history until the agency or contractor extends a conditional offer of employment to the applicant. The bill provides broad exemptions for positions that require a security clearance.

STATUS *Referred to multiple committees on 9/10/2015. Related bill: S. 2021.*



H.R. 3572

SUMMARY

DHS Headquarters Reform and Improvement Act of 2015, McCaul (R-TX)

Would enhance a number of acquisition management and policy changes implemented by DHS's Management Directorate over the past several years, including the codification of the existing Program Accountability and Risk Management (PARM) Office. Would also require DHS to develop a multiyear acquisition strategy and would require DHS to appropriately report and take corrective actions for any programs that experience significant cost overruns or schedule delays.

STATUS *Passed by the House (voice vote) on 10/20/2015.*



Bill Tracker: 114th Congress-First Session (2015)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

H.R. 4127

SUMMARY

Intelligence Reauthorization Act for 2016, Nunes (R-CA)

Would require the DNI to report to Congress regarding the representation of certain minority-owned, women-owned, small disadvantaged, service-disabled veteran-owned, or veteran-owned businesses among the contractors awarded contracts by elements of the intelligence community.

STATUS *Passed by the House voice vote on 12/1/2015.*



S. 103

SUMMARY

Ensuring Pay for Our Military Act, Heller (R-NV)

Would require the government to continue to provide pay and allowances to members of the armed services, DoD civilians and contractors providing direct support to the armed services who perform active service during a government shutdown.

STATUS *Referred to the Appropriations Committee on 1/7/2015.*

S. 434

SUMMARY

Security Clearance Reform Act of 2015, Tester (D-MT).

Seeks to strengthen the accountability of individuals involved in misconduct affecting the integrity of background investigations, to update guidelines for security clearances, and to prevent conflicts of interest relating to contractors providing background investigation fieldwork services and investigative support services.

STATUS *Referred to the Homeland Security and Governmental Affairs Committee on 2/10/2015. Related bill: H.R. 490 and S. 1356 as passed by the Senate.*

S. 456

SUMMARY

Cyber Threat Sharing Act of 2015, Carper (D-DE)

Seeks to enable better sharing of cybersecurity threat indicators both within the private sector and between private and government entities.

STATUS *Referred to the Homeland Security and Governmental Affairs Committee on 2/11/2015.*

S. 754

SUMMARY

Cybersecurity Information Sharing Act of 2015, Burr (R-NC)

Would require DHS, DNI, DoD and DoJ to establish procedures that promote the sharing of cyber threat indicator information among federal and non-federal entities, including the private sector. Would also provide liability protections to private sector entities that share such information with a federal entity.

STATUS *Reported by the Select Committee on Intelligence on 4/15/2015. Related bill: H.R. 1731.*



S. 958

SUMMARY

Small Business Fairness Act, Enzi (R-WY)

Would require federal agencies to consider the capabilities and past performance of each member of a joint venture as the capabilities and past performance of the joint venture even if the joint venture does not have a combined record of past performance.

STATUS *Reported by the Small Business and Entrepreneurship Committee on 4/23/2015. Related bill: H.R. 1481.*

S. 975

SUMMARY

American Business for American Companies Act, Durbin (D-IL)

Prohibits federal agencies from awarding a contract for the procurement of property or services to any foreign incorporated entity determined to be an inverted domestic corporation or any subsidiary of such entity.

STATUS *Referred to the Homeland Security and Governmental Affairs Committee on 4/16/2015.*

Bill Tracker: 114th Congress-First Session (2015)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

S. 1356 National Defense Authorization Act of 2016, McCain (R-AZ)



SUMMARY

Would enact a myriad of defense acquisition reforms focused on areas such as commercial item procurements, streamlining of requirements development, acquisition workforce, and small business contracting.

STATUS *Became Public Law (P.L. 114-92) on 11/25/2015.*

S. 1550 Program Management Improvement Accountability Act, Ernst (R-IA)



SUMMARY

Requires civilian agencies to create a new position titled "Program Management Improvement Officer" to implement agency program management policies and develop a written strategy for enhancing the role of program managers within the agency.

STATUS *Passed the Senate (unanimous consent) on 11/19/2015. Related bill: H.R. 2144.*

S. 1828 Federal Information Security Management Reform Act of 2015, Collins (R-ME)

SUMMARY

Would provide DHS with the authority to conduct targeted cyber security risk assessments and operational evaluations for other agencies' information and information systems and private entities that own or operate such systems

STATUS *Referred to the Homeland Security and Governmental Affairs Committee on 7/22/2015.*

S. 1859 Assuring Contracting Equity Act of 2015, Udall (D-NM)

SUMMARY

Would raise the government-wide small business prime contracting goal from 23 percent to 25 percent and would make increases to the prime contracting goals for the other socio-economic small business categories.

STATUS *Referred to the Small Business and Entrepreneurship Committee on 7/23/2015.*

S. 1869 Federal Cybersecurity Enhancement Act of 2015, Carper (D-DE)

SUMMARY

Would formally authorize the DHS-run Einstein intrusion detection system and the Continuous Diagnostics and Mitigation program. Would also authorize DHS to issue a directive to an agency to take any lawful action with respect to the operation of an information system (including a system owned or operated by another entity on behalf of the agency) for the purposes of protecting or mitigating against a security threat.

STATUS *Reported by the Homeland Security and Governmental Affairs Committee on 7/29/2015.*


S. 2021 Fair Chance Act, Booker (D-NJ)



SUMMARY

Would prohibit federal agencies and federal contractors for asking job applicants about their criminal record history until the agency or contractor extends a conditional offer of employment to the applicant. The bill provides broad exemptions for positions that require a security clearance.

STATUS *Ordered to be reported by the Homeland Security and Governmental Affairs Committee on 10/7/2015. Related bill: H.R. 3470.*



*“We need a lender who
understands that coming in
second isn’t an option.”*

WELLS FARGO
CAPITAL FINANCE

*Our Government Services team
provides financing to support:*

Working capital

Recapitalization

Refinancing

Growth

Turnaround situations

Government contracts are unique. And so is your business. Knowing this, we strive to provide solutions that meet the one-of-a-kind challenges you face at every stage. That’s why it’s smart to put the experience, resources, and knowledge of the Government Services Group at Wells Fargo Capital Finance to work for you. We offer different financing options so we can craft a solution that best fits your needs. To give your business the competitive advantage it needs to succeed, let’s start a conversation today.

**Learn more at wellsfargocapitalfinance.com/government or
call 1-866-703-4932.**

Together we’ll go far





by **Neil F. Albert**, Vice Chairman, MCR, LLC

Is it the Death of a Salesman, *or The Death of a Company?*



Illustration: istockphoto.com / draco77

have been having conversations with numerous employees and other company leadership about the meaning of individual excellence vs. organizational excellence. The reason is because when I was growing up, it was not uncommon for our parents to work for one company for most of their lives. In those days, the company was considered a part of the family, where people stayed and continued to support because the company cared about them, and took responsibility for them by providing benefits, job security, training, commitment, and promotional growth. Ultimately our parents stayed because they were providing their customers the same thing the company was giving to them, good feelings and sense of ownership. Unless something significantly changed, the company was rewarded by customer loyalty because of the outstanding service they received and the good feelings inspired by the attention of the employees—attention that arose from the organizational and individual excellence provided.

Times have changed, particularly in the government services market. Loyalty to the company is all but gone. The customer no longer sees the company for what it was and is, a key part of the service its employees provide, which includes an understanding of customer needs, corporate knowledge, and uninterrupted support. Instead, the company has become a warehouse, where people who meet minimal expectations, who possess minimal qualifications, and work for minimal dollars are waiting for the next company to win their customer's work. The customer has set the standard, but in so doing, they have destroyed the company as we once knew it, as well as the reason a company exists—to hire and attract people who can dedicate their time to the goals of the company and create individual excellence, and ultimately, organizational excellence.

For years federal government customers awarded contracts based on a firm's past performance or what the organization (people, management, historical performance, innovation, etc.) brought to meet their goals and expectations, assuming a reasonable price. In today's environment, the customer does not value what the company brings. Instead, it values the incumbent workforce, regardless of how they will be treated once they are forced to switch companies (i.e., reduction of salary, benefits, tenure and no promotional opportunity). What happened to the meaning and importance of organizational excellence vs. individual excellence in the federal market?

In his best-selling book, *In Search of Excellence*, Tom Peters states that “there is no such thing as excellent organizations, only those that believe in continuous improvement.” In my view, excellence starts with the organization, but it must include individual excellence, which is a culture that is built from the top down in an atmosphere where continuous improvement and the quality of performance are the cornerstones of the organization. Peters states that:

The pursuit of excellence, in any form can be considered an ambitious and often challenging undertaking. It implies the ability to perform at a consistently high level, which must depend on the ability to master the fundamental tasks you are doing, provide

quality solutions using best practices, and measure performance. This accentuates the importance and value of a culture of continuous improvement in people, processes and the organization.

Companies recognize that organizational excellence is challenging because of the consistent level of commitment, cooperation, and alignment required of so many people. But to get organizational excellence, you need individuals who are dedicated to the company and have a shared vision that provides the focus required to help “make it happen”. Without a strong individual commitment to this shared vision, there is little hope for a company to create a strong and prosperous future that contributes to the organizational success. At the same time, Peters recognizes that:

The pursuit of individual excellence without regard for its impact on team or organizational performance and other parts of the organization should be discouraged. This is one of the tradeoffs employees make when they join a company. They give up some of their freedom to do exactly what they wish, and the company agrees to cooperate with them in the pursuit of shared goals. This does not rule out the pursuit of individual excellence, but it does mean we must define individual excellence in the context of organizational performance.

Moving people to the next company does not guarantee organizational excellence. Most employees want a career where they have consistency in employment, the opportunity to provide quality results, growth in responsibility, and a culture of organizational commitment. Instead, in today's environment, individuals are continually starting over, resulting in indifference and despondent attitudes due to lack of consistency and future growth.

Our federal customers' measure of success is the number of incumbent employees placed on the contract, not the commitment, knowledge, loyalty and excellence these employee obtained because they were a part of a company who has proven organizational excellence. But to destroy the excellence our companies have built for years diminishes the value the individual brings and ultimately, what the company brings. The bottom line is that our customers' disregard for the organizational aspect the company brings will limit the level of commitment and excellence the individual needs. Worse yet, the company will have no purpose, no vision, and no incentive to continue, since personal and organizational growth is not an option.

We have come a long way from where are parents were, but, unfortunately, it is the wrong way. Without the dedication of the company to the individual, individual excellence will not be achieved. Without the dedication of the employee to the company, organizational excellence will not be achieved and the company may not survive. By changing our customers' view and bringing to their attention that individual excellence alone will not meet their needs, companies can succeed. Aristotle is quoted as saying: “We are what we repeatedly do. Excellence then is not an act but a habit.” It's that simple, clear, concise, and applicable at all levels of excellent organizations. Our customers need to understand this. ■



Executive Education

BUILDING GOVERNMENT ACUMEN

COMPETING FOR THE FUTURE 2016

"In a race to the top, you need someone with a proven track record to hand you the baton. This seminar provides access to true champions."

–L. Gill-Brassfield '14 Participant

"Competing for the Future" is designed to prepare mid-level and rising executives to lead their companies into the future. This high-intensity program will provide participants with the leadership skills, expertise, and tools they need to succeed in this new environment. Participants will benefit from practitioner-led discussions featuring senior executives from leading companies in the industry, a hallmark of George Mason University Executive Education.

Participants Will Gain:

- An understanding of what it will take to successfully compete and what you can do today to get started
- A powerful network of established leaders and industry peers
- Insight into individual leadership strengths and how to leverage them
- Experience with applying entrepreneurial "lean start up" approaches and frameworks to growth

Program Includes:

- Welcome reception, coffee breaks and lunches
- Networking opportunities
- The chance to earn up to 24 CPE credits



Program Details:

Dates: April 11-14, April 28 and May 12, 2016

Time: 9 a.m. to 4:30 p.m.

Location: George Mason University
Founders Hall, Arlington Campus

LIMITED SPACE, REGISTER EARLY!

Limited to first 25 registrants.

Early Bird Discount: \$500 off regular price, ends March 11

PSC Member Discount: \$1,000 off of regular price; check PSC emails for promo code

business.gmu.edu/bga

OASIS or TABSS II: *Understanding the Implications on Mission and Industry*



by **Bradley Saull**, Vice President of Civilian Agencies, PSC
and **Matthew Taylor**, Manager of Public Policy, PSC

In June 2015, Department of Homeland Security (DHS) and General Services Administration (GSA) announced a Memorandum of Understanding (MOU) securing DHS's commitment that future professional services will be purchased through GSA's One Acquisition Solution for Integrated Services (OASIS) Government-wide Acquisition Contract (GWAC). The decision will have an impact on government buying habits and service providers that make up the homeland security industrial base.

In 2010, the U.S. Coast Guard (USCG) took the lead in creating a DHS-wide indefinite delivery-indefinite quantity (IDIQ) multiple award contract (MAC) vehicle to provide technical, acquisition, and business support services—collectively referred to as TABSS (Technical, Acquisition and Business Support Services). The services acquired were categorized into three domains: (1) program management, engineering and technology support services, (2) business, financial management and audit support services and (3) contract management support services. TABSS replaced three previous smaller disparate USCG contracts, as well as three multiple-award blanket purchase agreements (BPAs) awarded by the DHS Strategic Sourcing Program Office. After two years of deliberation, the first awards were made, then protested, and eventually orders to some of the 45 awardees began to trickle out. Among the winners were several small, 8(a) and Service-Disabled Veteran Owned (SDVO) companies.

Meanwhile, the GSA went to work on a larger GWAC called OASIS, issuing a solicitation in July 2013. The core disciplines of the OASIS contract include program management services, management consulting services, logistics services,



engineering services, scientific services, and financial services. Sound familiar? DHS thought so too. With more than two years left on the TABSS period of performance, DHS leaders began discussing what to do after TABSS expires. According to DHS leaders, procurement executives performed an analysis of future services activities and found in OASIS capabilities very similar to the DHS plan in a "TABSS II." The June MOU secures DHS's commitment that future professional services will be purchased through GSA's OASIS GWAC and that there would not be a TABSS II MAC.

DHS believes they made a sound business decision based on what is known today, but will not rule out supplementing OASIS if necessary. Because of the size of DHS and the volume of work expected to flow through OASIS, DHS was able to negotiate lower contract management fees with GSA. Accord-

continued on page 28

ing to the July 2015 OASIS dashboard, a paltry share of work is being procured by civilian agencies on OASIS so GSA was motivated to increase civilian buying activity. GSA establishes GWACs so that departments like DHS do not have to spend the time and resources creating vehicles on their own. After all, DHS does not have a great track record of awarding MACs fairly and timely. The most recent example is illustrated by how the EAGLE II (Enterprise Acquisition Gateway for Leading Edge Solutions II) contract took three plus years to award, nearly everyone who bid on functional category (FC) one got on the vehicle after multiple protests. And in response to further litigation, on June 26 DHS announced that all EAGLE II prime contractors along with their core team members, may cross FCs to perform as subcontractors in other FCs.

Most in industry are pleased with the OASIS decision so that companies do not have to spend limited bid and proposal (B&P) resources chasing another DHS-specific contract vehicle. Thankfully, DHS announced the OASIS decision two years before TABSS runs out to give program offices and industry some time to plan—knowing that some companies would be happy and some would not. Many larger companies are already on the OASIS contract vehicle and can compete for DHS task orders. However, companies who won TABSS originally, but who are not on OASIS, are trying to figure out how to keep doing business with DHS if much of their professional services work is moving to OASIS.

Only about one-quarter of TABSS holders are also currently on OASIS, and the majority of this overlap is in companies with more than \$1 billion in annual government revenue. In short, the big players may be on both contracts, but very few small or mid-sized companies are. For smaller companies who made the strategic decision to orient their focus and capabilities around providing excellent professional services to DHS, this move to OASIS may lock them out of their prime customer's vehicle of choice for professional services. When OASIS was competed, DHS gave no signal that they would be moving from TABSS to OASIS. Small companies focusing on DHS had no hint that to keep doing business with their prime customer, they needed to spend scarce B&P funding competing for a spot on OASIS. As OASIS is not a Schedule contract, there is no continuously open application process, so companies can only compete to get on OASIS if GSA decides to conduct an on-ramping process (or by teaming with other companies).

Ultimately, this move to OASIS may cause DHS to lose access to some valuable vendors that have performed under TABSS; just as there is a defense industrial base, there is also a homeland security industrial base dedicated to providing the mission capabilities DHS needs to protect the homeland. DHS spent \$306.3 million through the TABSS vehicle in fiscal year 2015. By moving to OASIS, DHS seems to be excluding some of their dedicated partners. DHS appears to be wisely retaining the discretion to issue professional services contracts outside of OASIS; a caveat that could allow it to continue to access TABSS vendors that have exemplary performance but may not have a seat on OASIS. Key open questions include whether DHS will exercise this discretion and if they do, how will this discretion be applied consistently?

Industry is wondering if the OASIS decision foreshadows that DHS will forgo creating a follow on EAGLE III vehicle when the current EAGLE II contract base periods of performance begin to expire in 2018 in favor of GSA vehicles such as Aliant II, NS2020, or other cloud BPAs or even other agency-led GWACs, such as SEWP V. In the next few years, DHS will be doing an analysis of future IT services and the available IT contract vehicles to determine what is best for DHS. Whether DHS relies on GSA or others for EAGLE or its other requirements will depend on how GSA executes contract actions on behalf of DHS. GSA needs to prove they can provide the necessary level of customer service while supporting the nuances among various agencies. If DHS agencies get frustrated working with GSA, they will go back to believing their own contract vehicle is needed.

Agency mission, a detailed business case, and sound requirements should determine contract vehicle selection. Overall, the DHS decision to use GSA's OASIS and announcing it with two years remaining on current contract vehicles appears to be a positive outcome. By resolving the remaining open questions, there is a potential for DHS to facilitate a more efficient and effective government industry relationship. ■

PILIERO MAZZA PLLC ATTORNEYS AT LAW

*PROVIDING RESPONSIVE LEGAL COUNSEL WITH A
STRONG FOCUS ON ALL ASPECTS OF GOVERNMENT
CONTRACTING, SMALL BUSINESS PROGRAMS,
LITIGATION, EMPLOYMENT, AND CORPORATE ISSUES*

PRINCIPAL PRACTICE GROUPS

Government Contracts Law
Business and Corporate Law
Small Business Programs
Labor and Employment Law
Litigation
Intellectual Property Law

HIGHLIGHTING: LITIGATION

- General Civil Litigation
- Contract Disputes
- Shareholder/Owner Disputes
- Defending Employee Claims
- Mediation
- Alternative Dispute Resolution



Guiding growth. Securing success.

***Our lawyers pursue each
case with tenacity in a cost
effective way. We litigate
cases nationwide.***

888 17th Street, NW 11th Floor | Washington, D.C. 20006
202-857-1000 | www.pilieromazza.com
pmpllc@pilieromazza.com



Policy Spotlight

Friending the Federal Courts

by Alan Chvotkin, PSC Executive Vice President and Counsel

PSC is well known for its advocacy work on Capitol Hill and in the regulatory arena. What is less well known to our membership is how PSC has been engaged in the federal courts through the filing of “friend of the court,” or “amicus” briefs, to ensure that court decisions reflect the importance of the professional and technology services industry to the federal government and understand the impact favorable or unfavorable decisions could have on our sector.

The Supreme Court even has a procedural rule addressing such “friend of the court” briefs, noting that an amicus brief “that brings to the attention of the Court relevant matter not already brought to its attention by the parties may be of considerable help to the Court.” The lower courts have similar statements in their rules.

Drawing on the advice and guidance from a special amicus subcommittee of the PSC General Counsels Committee within the Acquisition and Business Policy Council, PSC evaluates three primary questions when determining whether to file an amicus brief in the federal courts: (1) Does the issue in the case have a significant effect on the professional and technology services industry distinct from its general impact on all government contractors or on all businesses? (2) Does PSC have a special perspective that we can bring to the courts’ attention that is not already being addressed by the principal parties or other amicus briefs? (3) Is the case at the right procedural stage where PSC’s involvement can have an impact on the resolution of the issue?

In October, we answered all three questions favorably in two key government contracting cases that the federal courts will be ruling on in the coming months. They are so pivotal to how our members do business that PSC filed amicus briefs in each case to ensure that the courts rule correctly in these significant appeals.

PSC Urges SCOTUS to Enforce False Claims Pleading Requirements

On October 22, PSC urged the U.S. Supreme Court to fight predatory False Claims Act suits by taking up a case regarding pleading rules. In our brief, we assert that a lower court so weakened the pleading rules governing false claims cases when it allowed a case to continue despite a lack of evidence so severe that the Justice Department decided not to join the case.



Under the pleading rules, False Claims Act cases brought by individuals, known as *qui tam* suits, must make specific allegations regarding the fraud alleged to have occurred. Yet, one lower court has allowed a case to move forward when it did not specify even one of the false claims alleged to have occurred.

Unsupported *qui tam* suits are on the rise as private-party relators are lured by the prospect of lucrative bounties—sometimes up to 30 percent of a settlement or court finding. A contractor could owe the government up to triple the alleged damages if found guilty, making the False Claims Act an attractive vehicle for predators.

With so much at stake, lax enforcement of the pleading rules governing these cases would hurt the federal procurement system. Companies would be unwilling to take the risk of contracting with the government if an opportunist’s unfounded, unproven and unspecified allegations are enough to move costly court cases forward.

continued on page 30

In our brief, we told the Supreme Court that it should take this case to prevent the lower courts from judicially exorcising the key requirements of the fraud pleading rule that allegations be made “with particularity.”

The amicus brief supports a petition filed by PSC member AT&T in the case of *AT&T Inc., et al v. United States of America*. The Coalition for Government Procurement joined in the brief. Attorneys at Dentons LLP served as counsel for the PSC and CGP in this case.

PSC Urges Fourth Circuit to “Stay the Course” on Battlefield Contractor Protection

The second amicus brief was filed on October 29 with the Fourth U.S. Circuit Court of Appeals. In it, we urged that court to reaffirm the scope of federal battlefield contractors’ exemption from private tort suits because of the “political question” raised by such litigation.

The federal courts have been consistent and very clear—and properly so—in rejecting these private tort suits against federal contractors who are carrying out contractual duties that are under the control of the military. Our brief highlights that vital federal interests are at stake in these cases and that the Supreme

Court and the U.S. Solicitor General have consistently and uniformly recognized that the military’s effectiveness would be degraded if its contractors were subject to the tort law of multiple states.

It was important for PSC to join this case to urge the Fourth Circuit to reaffirm that the district court’s dismissal of the case was the right decision for the right reasons.

The case is *Al Shamiri v CACI*, referred to as “Al Shamari III” because it is the third time that decisions have been issued by the district court and the Fourth Circuit. This time the case is on appeal from a decision by the U.S. District Court for the Eastern District of Virginia in Alexandria that dismissed the plaintiff’s claim. The Coalition for Government Procurement also joined in the amicus filing and attorneys at Dentons, LLP also served as counsel to us in this case.

Next Steps

PSC will keep members up to date on the status of these two important cases, which will be decided in 2016. If you have any questions, please reach out to any member of the PSC Policy Team. ■



A Government Contracting & Acquisition Education For Those Who Expect More

American Public University can help you maximize full contract performance and your workforce. APU offers 190+ career-relevant online degree and certificate programs including the:

- B.A., Government Contracting and Acquisition*
- MBA with Government Contracting & Acquisition concentration

Learn from a nationally recognized leader in online education.

Get started today at StudyatAPU.com/service

*This program takes advantage of the Contract Management Body of Knowledge (CMBOK) as defined by the National Contract Management Association (NCMA).

We want you to make an informed decision about the university that's right for you. For more about our graduation rates, the median debt of students who completed each program, and other important information, visit www.apu.edu/disclosure.

BEST
ONLINE PROGRAMS
USNEWS
BACHELORS
2015

APU American Public University
Ready when you are.™

Ready for anything.



ConsultWithIntegrity.com
703.349.3394

Acquisition and program management challenges come in different shapes and sizes. There is no one-size-fits-all solution. That's why Integrity offers flexible tools and a spectrum of support services. Our experienced and versatile teams are committed to your mission. Rely on a trusted partner for the exact support you need, when you work ... with **INTEGRITY**.



INTEGRITY

MANAGEMENT CONSULTING

Trusted Partners. Higher Standards. Solid Results.

ACQUISITION AND PROGRAM MANAGEMENT

© 2014 Integrity Management Consulting, Inc. All rights reserved.



Council Corner



Tech Council

Federal CIO Calls for Continued Collaboration to Address IT Challenges

Federal CIO Tony Scott commended industry for its critical contributions to creating a robust federal IT space, while stressing the need for ongoing collaboration between the public and private sectors, at the September 15 meeting of PSC's Technology Council. Scott outlined his top priorities, including driving value; providing world-class digital services, information and IT protection; and improving workforce development. While noting that federal IT workforce issues are "bigger than Y2K," Scott said his greatest concern may be the growing imbalance between spending on development of new applications and capabilities versus ongoing operations and maintenance.



CIA CIO Discusses Top Priorities at PSC Dialogue Breakfast

CIA CIO Doug Wolfe discussed the challenges cyber threats, cloud computing and data analytics present to the intelligence community, at an October 20 PSC Dialogue Series Breakfast hosted by the Defense and Intelligence Council and the Technology Council. During the dialogue, Wolfe outlined the CIA's plan for a new Digital Directorate to better position the agency to meet the growing cyber threats and other technology challenges. He also explained how the CIA's Amazon-furnished cloud is enabling agile development within the agency and the intelligence community at large.



PSC, NVTC and TandemNSI Explore the Intersection of Government and Innovation

PSC, NVTC and TandemNSI explored how government can access and enable innovative solutions, during a special program on October 29. The panel discussion on "The Intersection of Government and Innovation," highlighted the challenges agencies face in obtaining solutions from industry and the challenges industry faces with delivering solutions given how the government approaches the market. The panel featured Adam Tarsi, chief of staff to DoD's Combatting Terrorism Technical Support Office; Jonathan Aberman, managing director and founder of TandemNSI; Matthew Strottman, COO of In-Q-Tel; and Sherry Altman, vice president at Booz Allen Hamilton. PSC President and CEO Stan Soloway moderated the discussion.



Defense and Intelligence Council & Acquisition and Business Policy Council

Frank Kendall Addresses Joint APBC/ Defense & Intelligence Council Dialogue Series Lunch

Under Secretary of Defense for Acquisition, Technology and Logistics Frank Kendall discussed the impacts of sequestration, the need for cutting edge innovation, and the implementation of Better Buying Power 3.0, at a September 2 PSC Acquisition and Business Policy Council and Defense and Intelligence Council Dialogue Series Lunch. Kendall also highlighted the upcoming DoD Instruction for services acquisition, the department's Silicon Valley outreach, and DoD's attempt to balance buying commercial with demands for cost control.



Navy Procurement Leaders Address Two PSC Councils

At a joint meeting of PSC's Defense and Intelligence Council and Acquisition and Business Policy Council on October 16, Navy Assistant Secretary (RD&A) Sean Stackley led a discussion of Navy service contracting. Stackley's Principal Civilian Deputy Allison Stiller, and the Navy's head of contracting, Elliot Branch, also participated in the joint meeting. They discussed budget pressures, requirements development, PALT, LPTA, acquisition workforce and other key issues affecting PSC members.



PSC Hosts Roundtable with Rep. Mark Takai

PSC hosted a roundtable discussion with Rep. Mark Takai, D-Hawaii, on October 23. During the roundtable, PSC member company attendees and PSC staff discussed a myriad of industry-related issues ranging from Department of Defense total workforce planning, small business contracting, services contracting challenges, and long-term defense strategic planning. Takai currently serves on the House Armed Services Committee and the Small Business Committee, where he is also the Ranking Member on the Contracting and Workforce Subcommittee. Takai's district also executes nearly a billion dollars annually in federal contracting work, making it among the top ranking contracting districts in the country. PSC looks forward to a continuing dialogue with the congressman.





Civilian Agencies Council

Greg Giddens Meets with VA Task Force

The Civilian Agencies Council's Veterans Affairs Task Force met with Greg Giddens, executive director of VA's Office of Acquisition, Logistics, and Construction on August 27 to discuss VA reforms and how industry can help. Giddens discussed the five pillars of the "MyVA" initiative to realign the department to better serve veterans and

shared his ideas to improve the vendor experience. Members indicated that it is important, as "MyVA" priorities are implemented, that there is some type of public dashboard with interim milestones so that industry, the public, and veterans can understand progress and forthcoming changes. Giddens said

he is also planning to announce Veterans Affairs Procurement Principles and a Myth Busters document this fall.



DHS National Protection and Programs Directorate at PSC's Cybersecurity Committee

Gregory Touhill, the Deputy Assistant Secretary for Cybersecurity Operations and Programs at DHS's National Protection and Programs Directorate (NPPD), discussed his office's efforts to protect the .gov domain at PSC's Cybersecurity Committee meeting on October 23. Touhill, who is responsible for the development and implementation of programs to protect government networks and other critical infrastructure, focused his presentation on the present and future of the Einstein and Continuous Diagnostics and Mitigation (CDM) programs, which are two of the largest and most comprehensive cybersecurity programs currently protecting federal networks. He also discussed efforts underway to utilize the vast amount of data collected about attacks on the .gov domain to help predict and defend against future attacks.



Civilian Agencies Council Explores Agency Trends, Responsible Contracting with OFPP & DCAA

PSC's Civilian Agencies Council hosted a panel discussion examining contracting and compliance issues among federal civilian agencies on October 23. OFPP Assistant Administrator Lesley Field and DCAA Assistant Director for Policy and Plans Don McKenzie headlined the panel,

which was moderated by MAXIMUS Federal President Tom Romeo, along with PSC Executive Vice President and Counsel Alan Chvotkin. According to Field, while overall spending is going down, cost-type contracting has increased, while fixed-price contracting has declined slightly. OFPP's top priorities

include category management, strengthening vendor relationships, and building the acquisition workforce—particularly program management and IT acquisition workforce capabilities. Field noted that OFPP is beginning to receive aggregate data from agencies about industry's responses to "Acquisition 360" surveys, and that they are having an impact. McKenzie discussed DCAA's role as an audit resource to civilian agencies on a reimbursable basis due to DoD's primacy in federal contracting, and cost savings for agencies vs. third party firms.



CIDC

USAID's Xavier Addresses CIDC

Sunil Xavier, USAID's deputy director for foreign operations in the Office of Acquisition and Assistance, provided an overview of the office's strategic vision and leadership helping to meet agency priorities through efforts such as global workforce planning, new hire coordination, solutions-oriented contracting, and special projects, at an August 20 Council of International Development Companies (CIDC) meeting.



USAID Assistant Administrator Crumbly Addresses Key Issues at CIDC

USAID's Assistant Administrator for Management Angelique Crumbly addressed procurement lead times, data transparency and other key issues concerning the Council of International Development Companies at the council's monthly meeting on September 17. At the meeting Crumbly announced USAID is updating their IT systems so that by October 1, 2016 all contract and grant submissions will be done entirely online, as opposed to the paper process most USAID missions still require. The hope is that these efficiencies would also contribute to a PALT reduction. In addition, USAID's Chief Data Officer Brandon Pustejovsky presented information to illustrate how CIDC-supplied project data was being used by U.S. officials to address drought issues in the Middle East, Ebola in West Africa and earthquake relief in Nepal.



CIDC Meets with USAID OIG Official

PSC's Council of International Development Companies hosted Dan Altman, special agent in charge for USAID's Office of the Inspector General, at its monthly meeting on October 15. In response to members' desires to understand better at what point in an internal fraud investigation they needed to notify the OIG, Altman stressed several key themes:

- If a company is prepared to take action against an individual or subcontractor, there is clearly an issue that needs to be brought to the OIG's attention before that action is taken.
- Not awarding a procurement because a company has discovered malfeasance is not a reason to avoid contacting the OIG, neither is firing a "bad apple." Both types of cases will simply allow the malefactors to move on to their next victim. The OIG needs to be made aware of the situation in order to investigate and prosecute, as appropriate, to avoid the proverbial "kicking the can down the road."
- Firms need to ensure their internal fraud hotlines/reporting processes are functioning as intended and that any subcontractors they work with are aware of them as well.



MEMBER NEWS

Fairfax Chamber, PSC Name 2015 Greater Washington Government Contractor Awards™ Winners

On November 5, PSC and the Fairfax County Chamber of Commerce announced the winners of the 13th Annual Greater Washington Government Contractor Awards™ during a gala at the Ritz Carlton in Tysons Corner, Va.

At the ceremony Paul Lombardi, former CEO of DynCorp was honored with induction into the Greater Washington Government Contractor Awards™ Hall of Fame for his extraordinary contributions to the industry and Anne Rung, administrator of the OMB Office of Federal Procurement Policy was recognized as the 2015 Public Sector Partner of the Year.

Additionally, PSC's own Stan Soloway was honored with a surprise induction into the Greater Washington Government Contractor Awards™ Hall of Fame for his years of dedicated service to and support of the event.

Four Contractor of the Year awards and three Executive of the Year awards were presented.

This year's winners are (*denotes PSC member):

Contractor of the Year (up to \$25 million)

Atlas Research

Contractor of the Year (\$25-75 million)

OGSystems

Contractor of the Year (\$75-300 million)

CALIBRE Systems, Inc.*

Contractor of the Year (greater than \$300 million)

Accenture Federal Services*

Executive of the Year (up to \$75 million)

Ben Edson, Founder & CEO, VariQ

Executive of the Year (\$75-300 million)

Y. Michele Kang, CEO, Cognosante

Executive of the Year (greater than \$300 million)

John Heller, CEO, PAE*

Program of the Year

PAE*

Clinical and Non-Clinical Management of

Ebola Treatment Units

United States Agency for International Development

Hall of Fame Inductees

Paul Lombardi, Former CEO, DynCorp, International
Stan Soloway, President & CEO, Professional Services Council

Public Sector Partner of the Year

Anne Rung, Administrator, Office of Federal Procurement
Policy at Office of Management and Budget

The nominations period for the 14th Annual Awards will open in early 2016. More information will be posted to www.fairfaxchamber.org.

HeiTech Services Names Jonathan (Jim) Grimm as President

HeiTech Services, Inc. announced the appointment of Jonathan (Jim) Grimm as president. Grimm will be responsible for HeiTech Services' performance and development of the organization's vision; the policies and procedures necessary to achieve that vision; and the long- and short-term strategies surrounding the marketing of products and services, as well as the research and development of current and new offerings. Grimm will report to HeiTech Service's CEO Heidi Gerding.

IAP Worldwide Services, Inc. announces the acquisition of two business units from DRS Technologies, Inc.

IAP Worldwide Services, Inc. (IAP) has acquired DRS Technologies, Inc.'s (DRS) Aviation and Logistics (A&L) business located in Oklahoma City, Okla., and the Tactical Communications & Network Solutions business (TCNS) located in Aberdeen Proving Ground, Md., the company announced November 5. A&L provides aircraft repair management, logistics and mission support services. TCNS provides engineering, information technology, and communications support solutions to the U.S. Department of Defense and other agencies. IAP will integrate the unique capabilities and talent of the acquired A&L and TCNS businesses as part of its long-term growth strategy. The acquisition will increase the capabilities that IAP delivers to customers worldwide and will more than double the size of IAP's addressable market. The acquired businesses are being integrated into a new unit – Aviation & Engineering Solutions – and IAP's existing National Security Programs unit.

Have a story for *Service Contractor's* Member News section?

E-mail Cassie Katz at katz@pscouncil.org



Compliance have you biting your nails?

If you have SCA employees,
you know that compliance
with federal labor laws is a
complex and important
part of your business.

*Are you asking your
TPA compliance-
specific questions?*

- *Do you carry an SSAE-16 audit?*
- *Are you up-to-date on the
new Executive Order?*
- *Is your compliance team trained
on ERISA and ACA?*
- *Who responds to Medicare
Secondary Payor inquiries?*

**The Boon Group has been designing
client-tailored, compliant fringe benefit
plans for government contractors for
more than 30 years.**

Come visit us in Austin, Texas.
*Surprise us. Always ready —
guaranteed, or we pay
your travel expenses.**

*We guarantee to always be ready for visitors. We will provide an office tour, presentation on Boon history and focus, and meeting time with acquisition and retention team members to discuss opportunities. Travel expenses cover two airline tickets up to \$500 each and two rooms for one night stay.

866 831 0847

Professional Services Council
4401 Wilson Blvd., Suite 1110
Arlington, VA 22203



You're audit ready.

Understanding what to expect during a government contract audit is the first step to success. That's why Baker Tilly works with you to proactively address audit risk before it becomes a nightmare. Sleep easy, Baker Tilly has you covered.

Connect with us:

bakertilly.com/governmentcontractors

Tony Fuller, GovCon practice lead
703 923 8688 | tony.fuller@bakertilly.com



© 2015 Baker Tilly Virchow Krause, LLP.

Baker Tilly refers to Baker Tilly Virchow Krause, LLP, an independently owned and managed member of Baker Tilly International.

Accountants and Advisors