

# Service Contractor

*December 2016 / The Voice of the Government Services Industry*



## ALSO INSIDE:

**11**  
OTHER TRANSACTION  
AGREEMENTS

**14**  
PROMOTING EFFECTIVE  
FEDERAL CTO

**16**  
ACQUISITION  
POLICY SURVEY

**24**  
IN THE MIDST OF  
THE TRANSITION



### **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.

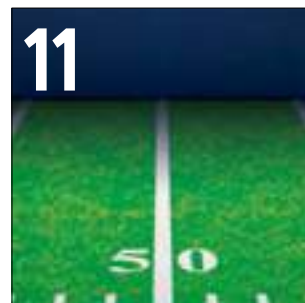


1.800.250.2741 ext. 170  
Solutions@GSANational.com  
www.SCACompliance.com

#### **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

**Navigating the Government Contract Compliance Landscape Since 1991**



## OTHER TRANSACTION AGREEMENTS



## SURVEY REVEALS ACQUISITION SUCCESS



## ANNUAL CONFERENCE

- |  |                            |                                     |
|--|----------------------------|-------------------------------------|
| <b>4</b> President's Letter                    | <b>14</b> CTO Report       | <b>27</b> Tech Trends               |
| <b>7</b> Navigating Federal Security Clearance | <b>18</b> Policy Spotlight | <b>29</b> Bill Tracker              |
| <b>8</b> One Step Forward Two Steps Back       | <b>20</b> Council Corner   | <b>34</b> Member News               |
|  | <b>23</b> ACQUIRE 2016     | <b>38</b> Vision Federal Conference |
|  | <b>24</b> Transition       |                                     |

Cover illustration: shutterstock.com/madpixblue with minor modification by 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](http://www.pscouncil.org)  
*All Rights Reserved*

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

### PSC STAFF

**David J. Berteau**  
President and CEO  
[berteaud@pscouncil.org](mailto:berteaud@pscouncil.org)

**Alan Chvotkin**  
Executive Vice President  
& Counsel  
[chvotkin@pscouncil.org](mailto:chvotkin@pscouncil.org)

**David Wennergren**  
Executive Vice President,  
Operations and Technology  
[wennergren@pscouncil.org](mailto:wennergren@pscouncil.org)

**Donald Baumgart**  
Manager, Vision Forecast  
[baumgart@pscouncil.org](mailto:baumgart@pscouncil.org)

**Matt Busby**  
Director, Membership  
[busby@pscouncil.org](mailto:busby@pscouncil.org)

**Joe Carden**  
Vice President,  
Marketing & Membership  
[carden@pscouncil.org](mailto:carden@pscouncil.org)

**Austin Faganel**  
Executive Assistant  
[faganel@pscouncil.org](mailto:faganel@pscouncil.org)

**Paul Foldi**  
Vice President,  
International Development  
[foldi@pscouncil.org](mailto:foldi@pscouncil.org)

**Karen Holmes**  
Office Manager/Receptionist  
[holmes@pscouncil.org](mailto:holmes@pscouncil.org)

**Michelle Jobse**  
Director, Vision Forecast  
[jobse@pscouncil.org](mailto:jobse@pscouncil.org)

**Natalie Johnson**  
Digital Marketing Associate  
[johnson@pscouncil.org](mailto:johnson@pscouncil.org)

**Cassie Katz**  
Senior Manager, Marketing  
[katz@pscouncil.org](mailto:katz@pscouncil.org)

**Jeremy Madson**  
Senior Manager, Public Policy  
[madson@pscouncil.org](mailto:madson@pscouncil.org)

**Andrea Ostrander**  
Director, Events  
[ostrander@pscouncil.org](mailto:ostrander@pscouncil.org)

**Melissa R. Phillips**  
Vice President,  
Events & Operations  
[phillips@pscouncil.org](mailto:phillips@pscouncil.org)

**Robert Piening**  
Vice President, Finance  
[piening@pscouncil.org](mailto:piening@pscouncil.org)

**Jerome Punderson**  
Senior Vice President,  
Defense & Intelligence  
[punderson@pscouncil.org](mailto:punderson@pscouncil.org)

**Bradley Saull**  
Vice President,  
Civilian Agencies  
[saull@pscouncil.org](mailto:saull@pscouncil.org)

**Jean Tarascio**  
Senior Manager, Events  
[tarascio@pscouncil.org](mailto:tarascio@pscouncil.org)

**Matthew Taylor**  
Manager, Public Policy  
[taylor@pscouncil.org](mailto:taylor@pscouncil.org)

**Tara Vilaychith**  
Membership Associate  
[vilaychith@pscouncil.org](mailto:vilaychith@pscouncil.org)





## PRESIDENT'S LETTER

**W**elcome to this latest edition of *Service Contractor* magazine, the publication of the Professional Services Council. This issue comes at a time of transition from the Obama to the Trump administration. As a result of that uncertainty, we focused on topics that will be important to both the next administration and the 115th Congress.

Problems with security clearances is one such topic. Many PSC members, as well as other government contractors, face a serious challenge from the increased backlog in and processing time for security clearances, both for new clearances and for periodic reinvestigations. Reports indicate that the security clearance backlog has doubled in the past year, with more than 400,000 forms in the queue and growing. This puts firms at risk of being unable to hire necessary cleared personnel, falling behind in their performance on tasks and missions, and being put at risk of penalties from their customers (in some cases the very customers that are unable to process clearance requests quickly enough).

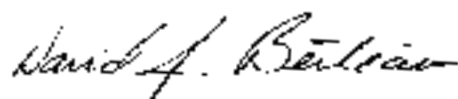
Competition for cleared workers drives up costs, often for work on contracts with low-price caps on costs. A recent survey by ClearanceJobs.com reported that 85% of firms focus recruiting on individuals who are already cleared. Job-hopping is increasing, with nearly half of all cleared employees having been on the job for fewer than three years. Steps like the new National Background Investigations Bureau offer promise, but current trends are troublesome. Dan Helfrich and Beth McGrath of Deloitte provide some hope for the future in their piece on p. 7.

Acquisition reform is a perennial topic for new administrations, and a good place for us to start a discussion on that topic is with the views of those who do government acquisition for a living. The results of the biennial PSC acquisition policy survey, starting on p. 16, sheds light on the concerns and expectations of that workforce and can help develop the principles needed at the core of any new reform effort.

The transition itself creates challenges for governance, and this issue offers two articles on that topic. One highlights the problems arising from congressional action to delay a full-year appropriations bill for most of the federal government and instead providing for a Continuing Resolution through April of 2017. You can read more on that beginning on p. 18.

The second transition article summarizes the transition phases that the incoming Trump administration will go through and details the recommendations from PSC that will help shape the environment for our members and all government contractors.

As always, this issue brings updates on PSC council activities and summary reports from major conferences in the past few months. Finally, it provides our regular feature, Bill Tracker, to help close out the activities of the departing 114th Congress. We hope you enjoy this issue and look forward to updating you on all of these topics in the first 2017 issue. Until then, I welcome your ideas on how we can improve and on solutions that will help make the federal government a smarter customer and a better buyer.

  
David J. Berteau



**MICROPACT®**

Think it > Track it > Done

**\$105,000,000**

Senior Secured Credit Facilities  
Sole Lead Arranger and Bookrunner

**IOMAX**

**Confidential**

Senior Secured Credit Facilities  
Sole Lead Arranger and Administrative Agent

**wyle**

**\$285,000,000**

Senior Secured Credit Facilities  
Joint Lead Arranger and Joint Bookrunner

## WALL STREET CAPABILITIES. MAIN STREET SENSIBILITIES.

We created Regions Securities® to provide small- to large-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



**REGIONS**  
SECURITIES

Corporate Banking | Capital Markets & Advisory Services | Comprehensive Financing Solutions | Industry Expertise

© 2016 Regions Securities LLC. Regions Securities is the trade name for the corporate and investment banking services of Regions Bank and its affiliates. Securities activities and M&A advisory services are provided by Regions Securities LLC, 1180 W. Peachtree St. NW, Suite 1400, Atlanta, GA 30309, member FINRA and SIPC. Lending, financial risk management, and treasury and payment solutions are offered by Regions Bank. Deposit products are offered by Regions Bank, member FDIC. | Regions and the Regions logo are registered trademarks of Regions Bank. The LifeGreen color is a trademark of Regions Bank.

**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



A man in a dark suit, white shirt, and blue patterned tie is shown from the chest up. A glowing blue and green digital wireframe is superimposed over his body. The background is a dark blue with binary code (0s and 1s) and a faint image of a person's hands shaking. A black rectangular box with a white border is positioned behind the main title text.

# SECURITY CLEARANCES:



# → NAVIGATING Federal Security Clearance



---

**by Beth McGrath**, Managing Director, Deloitte Consulting LLP  
and **Dan Helfrich**, Principal and Federal Practice Leader, Deloitte Consulting LLP

---

**W**hile there have been recent strides in communication between industry and government on personnel security, challenges in performance of the clearance system have worsened over the past year, overshadowing gains of improved engagement. Several factors, including the Office of Personnel Management (OPM) data breach in July 2015, budget challenges, sharp declines in the government's investigative capacity, and increased demand for clearances, have substantially increased the time required to complete background investigations. Today it takes more than 70 days to obtain an Interim Secret clearance; a temporary clearance with minimal investigative requirements. This is in sharp contrast to less than 10 days for the same process in December 2015. Delays of this extent compromise the ability of government and its industry partners to meet our country's needs in national security mission areas.

At Deloitte, we've taken several steps to streamline our processes so that we are prepared to meet our federal clients' needs as soon as possible. We've implemented a rigorous escalation process for all new clearance applications and periodic reinvestigations that has significantly shortened our in-house processing times. We've required employees to initiate the periodic reinvestigations process as early as 90 days before the due date, as the government's timeline to open a reinvestigation has stretched to up to 70 days. And we've instituted broader use of Security Fitness Assessments, a process that satisfies privacy concerns for the firm and also meets some federal clients' requirements related to employee and non-employee evaluations.

But we can only do so much on our own. A stronger industry-government partnership in this space will yield better results for industry, government, and the American taxpayer. The good news is that federal government already has several strong proposals. One particularly promising idea, put forth in the 2012 version of the Federal Investigative Standards, would designate some industry partners -- trusted information providers -- who could contribute data for background investigations collected during their own hiring reviews. While the approach still awaits government implementation, it holds the promise of being win-win: The federal government would reduce wasteful duplication by taking advantage of investigative efforts industry does anyway, while industry would be able to put its personnel through the clearance process more quickly.

Performance challenges will be with us for some time—OPM projects that the backlog of investigations and associated timelines will continue to increase through FY17, which puts prospects for getting timelines under control years further down the road. In addition to designating trusted information providers, the government could see improvements by taking an issue-driven, risk-based approach to reviewing clearance applicants. Not all personnel pose the same potential risk to national security. Segmenting clearance applicants based on risks and work focus area could expedite the clearance process for some personnel. By focusing on these kinds of innovations in partnerships and process, the government could produce improvements in the clearance process even if other challenges remain. ■



# SECURITY CLEARANCES:



## One Step Forward Two Steps Back

by Alan Chvotkin,  
PSC Executive Vice President and Counsel

**D**espite significant progress by OPM and other Federal agencies in meeting the critical parameters for screening and adjudicating security clearances of federal employees and contractors, events over the past year have substantially undercut the stability that existed in the federal security clearance process. In many respects, that process has suffered debilitating set-backs that will not easily or rapidly be redressed.

First, as is well known, OPM suffered a significant breach of its background investigations network, potentially exposing information on over 22 million federal employees, contractors and family members. That was followed rapidly by the termination for default of the largest contractor providing background investigation services to OPM.

To its credit, OPM acted quickly to address both elements. It obtained whole-of-government support to understand the source of the network breach and to patch its systems. It rapidly entered into a nationwide contract for credit monitoring. And it immediately ramped up the activity of its remaining background investigation contractors and made new awards to further expand its capabilities. Finally, the Defense Information Systems Agency (DISA) undertook a redesign and hosting of the OPM security clearance system. On a bright note, Congress included in the Continuing Resolution for Fiscal Year 2017, enacted on September 29, \$95 million to DISA for upgrading the OPM systems.

At the same time, the White House announced the creation of a new entity – the National Background Investigations Bureau (NBIB) – to be housed within OPM but under the leadership of the government-wide security clearance executive agents -- to have the responsibility for the end-to-end security clearance process. PSC was fortunate to host the first public discussion with the lead government officials responsible for the transition of functions from OPM to NBIB in March 2017, and to host its first director at the PSC Vision Forecast Conference in November. In between those dates, we also hosted the transition team for an update and held a dialogue with the government-wide Program Management Office team from OMB.

### PSC Actions

PSC has devoted considerable attention to the impact of the processing and the backlog (exceeding 400,000 as of the end of October 2016) of security clearances across the Federal government. In addition to the attention paid to the stand-up and initial operational capabilities of the NBIB, PSC hosted or participated in several member company roundtable discussions

with security clearance officials, including from the Departments of Homeland Security, Justice, and State, as well as with functional leads for the Program Management Office at the Office of Management and Budget. These sessions have provided our members with both insight into agency practices as well as actionable steps to accelerate security clearance processing in these key agencies. Additional sessions are being planned with the Defense Security Service as well as with the Department of Energy, GSA and USAID.

In addition, PSC is co-leading a multi-association working group to address the budget pressures facing DoD and how to further streamline the DoD clearance request and adjudication processes and reduce the funding demands. Regrettably, with the passage of a Continuing Resolution covering the beginning of Fiscal Year 2017, those budget shortfalls are likely to continue the constraints on the requests and the processing well into the fiscal year – and thus putting greater pressure on the agencies to fulfill their security requirements and on contractors to get the necessary personnel cleared in a timely manner.

### Challenges Remain

Despite the standup of the NBIB, and the initial funding, significant challenges remain for security clearances. First, there is no evidence that the funding shortfalls for the requesting agencies will be resolved anytime soon. Second, the stand-up of NBIB was never to be an instant fix to the current system's limitations; rather, NBIB had always planned to operate the current systems even as they (and DISA), in coordination with the user activities, were redesigning them. And, the August public disclosure of the significant breach at the National Security Agency put another spotlight on the clearance and reinvestigation process.

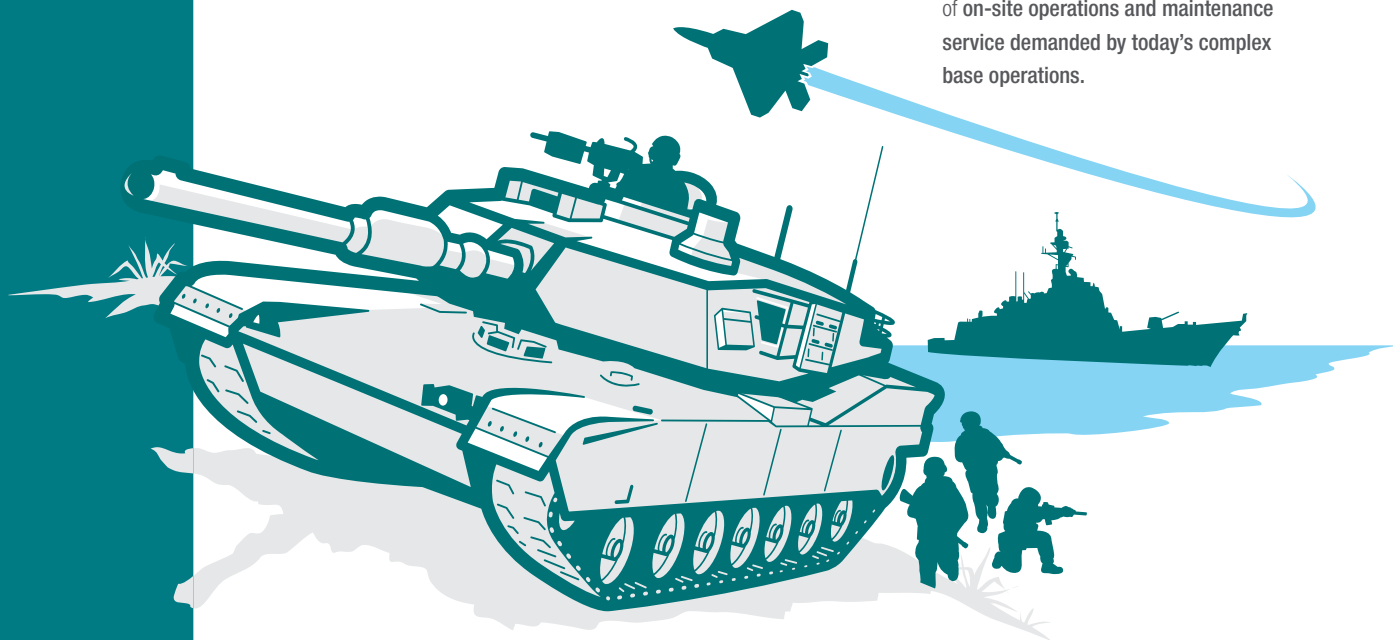
Congress is very mindful of these challenges, as well. Section 973 of the Senate-passed version of the fiscal year 2017 National Defense Authorization Act would transfer the authority and responsibility for all security clearance background investigation from OPM to DoD. PSC opposed this section and it was not approved.

PSC has long recognized the critical role that security clearances play in meeting agency requirements. We have been a proponent for reducing the number of positions that require clearances and reducing the amount of classified information. We have also been strong proponents of improving the end-to-end security clearance process. There is no doubt that security clearance matters will remain high on PSC's advocacy agenda well into 2017. ■



## What *don't* we do for the U.S. Military?

While we don't drive the armored vehicles or pilot the jet fighters, EMCOR has plenty of boots on the ground to help keep our troops and their facilities 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 **U.S. Army, Navy, Air Force, Marines, Coast Guard, and more.**

High-tech, high-performance **facilities** require 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

Alan Spence, EMCOR Government Services, worked with the CDC for 10 years to create a standard to help minimize the risk of Legionnaires' Disease in building water systems.

He will present "Raising the Bar on Lowering Legionellosis Risk: ANSI/ASHRAE Standard 188" at IFMA on October 7, 2016.

Download the white paper here:  
[emcorgovservices.com](http://emcorgovservices.com)



**EMCOR**  
Government Services

WHAT CAN WE ACCOMPLISH FOR YOU?

[emcor\\_info@emcor.net](mailto:emcor_info@emcor.net)

866.890.7794

[emcorgovservices.com](http://emcorgovservices.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](http://unanet.com/one) or call 703-689-9440.





# OTAs IMPACT

## on the Competitive Playing Field



---

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

---

### **The 2016 college football season is almost over!**

Preparation for the season began in late spring with organized team activities (OTAs) – each workout increasing intensity.

In government management, another type of OTAs appear to be on the increase – **Other Transaction Agreements.**

*continued on page 12*

**O**ther Transaction Agreements are agreements outside traditional acquisition and financial assistance activities such as contracts, grants, cooperative agreements, and cooperative research and development agreements. The National Aeronautics and Space Administration (NASA) first received other transaction authority in the 1950s to help with the space race. Five additional federal departments now have this authority—Defense (DOD), Energy (DOE), Health and Human Services (HHS), Homeland Security (DHS), and Transportation (DOT). Congress also granted authority to five agencies within these departments, including DOT’s Federal Aviation Administration (FAA) and DHS’s Transportation Security Administration (TSA). Ten of the 11 agencies with OTA authority have issued guidance to implement the use of OTA because of statutory limitations on their authority. The eleventh agency—the National Institutes of Health (NIH)—is developing agency-wide guidance. In November 2015, NIH announced opportunities under the Precision Medicine Initiative (PMI) using OTAs and published a program specific other transaction award policy guide.

OTAs are typically used for specialized research and development or prototyping, which makes sense when America was trying to get to the moon. However, a January 2016 GAO report on the use of OTAs by several agencies suggests that NASA, TSA, and the FAA are using OTAs for activities other than for R&D or prototyping, and have been using OTAs increasingly with each passing year.<sup>1</sup>

Industry is becoming increasingly concerned that agencies are abusing OTAs, rather than standard procurement contracts, simply because OTAs are perceived as easier than the FAR-based procurement process. As an example, TSA currently uses a procurement contract to acquire enrollment services for the PreCheck trusted passenger program, but TSA has indicated that it will transition future services to OTAs that are currently being performed by the agency or under procurement contracts.<sup>2</sup> This is a troubling decision that has significant consequences for the agency and potential risks for the contractor community. By choosing to use OTAs, it

is our belief that TSA is attempting to circumvent the necessary procurement regulations and oversight that protect the government, industry stakeholders, and taxpayers.

Furthermore, while the DHS Science and Technology (S&T) Directorate might appropriately use OTA for R&D and prototyping, we are concerned that S&T is also using OTA for undefined “innovation” activities. On December 9, 2015, S&T issued a solicitation out of the DHS Silicon Valley office referred to as Innovation OTS.<sup>3</sup> The solicitation says,

*“Traditional procurement and assistance processes sometimes take too long and are ineffective at deploying state-of-the-art Homeland Security innovations. Therefore, DHS has developed an Innovation framework to be implemented utilizing the flexibility of an Other Transaction Solicitation (OTS) to engage non-traditional Government contractors, including start-up companies.”*

If the procurement process is too slow and does not deliver needed solutions, PSC believes that we should fix the process – not go around it. Innovation and creativity are available from both existing and new contractors but their hands are often tied. Vendors frequently want to provide innovative solutions to government, but are often discouraged from doing so for a variety of reasons including that innovation was not asked for in the solicitation, because of uncertainty around how innovation will be evaluated in source selection, and because of extraneous potential costs not found in the current approach. Silicon Valley does not have a monopoly on innovation. PSC prefers to focus on the “what and how” more than the “who and where.”

We cannot endorse the circumvention of statutory and regulatory oversight through the improper use of OTAs simply because it is perceived as being easier. PSC is concerned that recent actions taken by numerous civilian agencies to use OTAs, rather than standard procurement contracts, will hinder effective government oversight and change the competitive playing field for industry. OTAs are an appropriate adjunct to the government’s research toolkit, but are not always the best or easiest way for government outcomes to get across the goal line. ■

<sup>1</sup> GAO Report 16-209, Use of OTA Limited and Mostly for Research and Development Activities, January 2016. Available at: <http://www.gao.gov/products/GAO-16-209>.

<sup>2</sup> TSA PreCheck® Application Expansion, Solicitation Number HSTS02-16-R-OIA011. Available at: [https://www.fbo.gov/index?s=opportunity&mode=form&id=84f70754dc08a3676268040c0d266ff1&tab=core&\\_cview=1](https://www.fbo.gov/index?s=opportunity&mode=form&id=84f70754dc08a3676268040c0d266ff1&tab=core&_cview=1).

<sup>3</sup> Innovation OTS, Solicitation Number HSHQDC-16-R-B0005. Available at: [https://www.fbo.gov/?s=opportunity&mode=form&id=fdbb4fdf742991d19338ea98385cc0f4&tab=core&\\_cview=0](https://www.fbo.gov/?s=opportunity&mode=form&id=fdbb4fdf742991d19338ea98385cc0f4&tab=core&_cview=0).



# One size *does not* fit all when it comes to benefits

## Get a health plan that fits your needs

***Health plans are not created equal.  
What works for your competitor may  
not work for you.***

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 benefit solutions

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

**[www.fcebenefits.com](http://www.fcebenefits.com)**



**Contact:** Chris Porter, Vice President, Sales & Marketing  
650-291-4202 • [cporter@fcebenefit.com](mailto:cporter@fcebenefit.com)



# *Promoting the Effectiveness of Federal Chief Technology Officers*

## A Report of the PSC Technology Council

by David M. Wennergren, PSC Executive Vice President for Operations and Technology

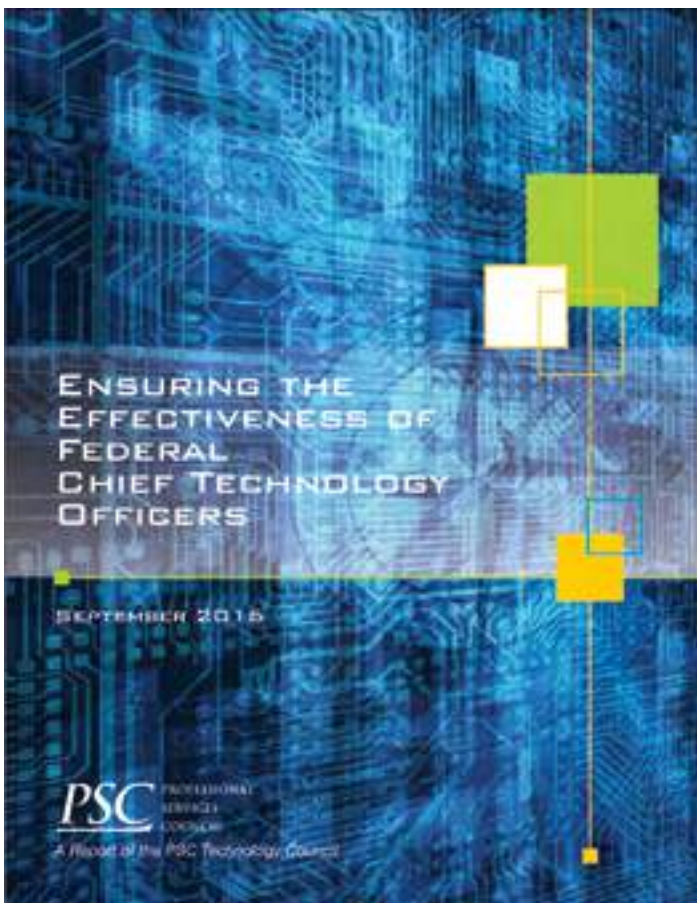
PSC recently published a ground-breaking report that highlights ways to ensure the effectiveness of federal agency Chief Technology Officers (CTOs) as innovation agents. Under the leadership of our Innovation Committee Co-Chairs, Robin Lineberger of Deloitte and Casey Coleman of Unisys, and with the help of a number of technology leaders from PSC member companies, the report titled, “Ensuring the Effectiveness of Federal Chief Technology Officers,” outlines the current operating model for federal CTOs, and then provides specific recommendations on roles, responsibilities and organizational placement for these innovation agents.

Today, more than ever, federal agencies must create and foster an environment of technology innovation and rapid adoption of commercial best practices. Consistently, agency

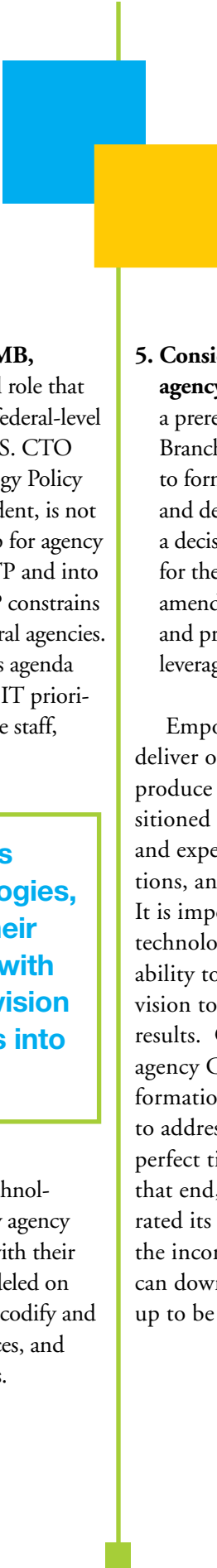
leaders cite speed and innovation as top priorities, and yet many federal agencies still lament a lack of access to innovative ideas and new technologies. To address this concern, many agencies have established the position of CTO. However, unlike Chief Information Officers (CIOs), the position of CTO has neither a statutory basis nor a well-defined set of authorities and responsibilities, leading to wide variation in the roles, responsibilities, and organizational placement of CTOs within and across federal agencies. Nonetheless, even without the requisite structures, federal CTOs are making significant strides to implement new technologies within their agencies.

The PSC study incorporated research, interviews with current and former federal CTOs, and advice from industry CTOs, with a particular focus on the role of CTOs in innovation and new technology adoption. Recommendations focused on five areas.

- 1. Federal agencies should designate a CTO and ensure that the position has the requisite authorities to effect change and is focused on delivering innovation.** The report outlines a set of key priorities and responsibilities for agency CTOs. There is a compelling need for the government to adopt new commercial technologies and digital solutions more rapidly and effectively. The CTO position, if structured effectively, can be an important innovation agent for the agency.
- 2. The CTO should have an explicit working relationship with the agency CIO.** The CTO should be a direct report to the CIO, ensuring alignment, partnership on key initiatives and agency goals, accountability, and much needed collaboration to avoid competing on priorities, fragmentation of efforts and silos of innovation. The report notes that too often, there is the temptation in government to work around the existing organizational structure rather than integrating with it. To succeed, agencies must recognize their CIOs as business leaders for all aspects of IT management and delivery; empowering and holding the CIO accountable for the agency's IT results.







**3. The U.S. CTO should move from OSTP to OMB, working for the Federal CIO.** Given the crucial role that technology plays, there is great value in having a federal-level CTO. However, the current placement of the U.S. CTO on the staff of the Office of Science and Technology Policy (OSTP), within the Executive Office of the President, is not optimal. For the U.S. CTO to provide leadership for agency CTOs, the position should be moved out of OSTP and into OMB. Serving as a member of the staff of OSTP constrains the ability of the position to direct change at federal agencies. By moving the position to OMB, the U.S. CTO's agenda will be better aligned to the broader set of federal IT priorities, and the U.S. CTO will be able to leverage the staff, reach, and authorities of the federal CIO.

**It is important that a CTO has an understanding of new technologies, the mission and priorities of their agency, the ability to work well with industry and academia, and the vision to incorporate technology trends into agency mission results.**

**4. Establish a CTO Council.** Collaboration on technology efforts and opportunities is crucial, and many agency CTOs already engage in informal collaboration with their peers. Establishing a Federal CTO Council (modeled on the successes of the Federal CIO Council) would codify and enhance the sharing of success stories, best practices, and solutions that can be leveraged by federal agencies.

**5. Consider CTO legislation only if it will help empower agency CTOs as innovation agents.** Legislation is not a prerequisite to federal agency CTO success. Executive Branch leadership, action, and attention is all that is needed to formalize the role of the CTO, establish a CTO Council, and demand better technology outcomes for government. If a decision is made to pursue legislation as a way of pushing for the changes proposed in this report, then we recommend amending FITARA to address the needed skills, experience, and priorities for CTOs—aligned with CIOs and able to leverage CIO authorities and resources.

Empowering and enabling federal agency CTOs to deliver on the promise of technology and innovation will produce powerful results. Regardless of where they are positioned organizationally, agencies must clearly define roles and expectations for their CTOs, develop position descriptions, and recruit CTOs that can meet their agencies' goals. It is important that a CTO has an understanding of new technologies, the mission and priorities of their agency, the ability to work well with industry and academia, and the vision to incorporate technology trends into agency mission results. Government and industry CTOs agreed that federal agency CTOs can be a powerful force for government transformation by articulating how technology can be leveraged to address mission needs and deliver results. Now is the perfect time to implement these recommendations, and to that end, PSC has widely publicized the report and incorporated its recommendations into PSC's transition paper for the incoming 45th President. If you'd like to learn more, you can download the report from the PSC website and/or sign up to be a part of the PSC Tech Council. ■

# Survey Reveals Acquisition Success Amid Complexity and Uncertainty



by Philip Kangas,

Principal for Business Consulting and Technology, Grant Thornton and PSC Board of Directors

**A** key aspect of effective government operations is acquisition—the procurement of goods and services needed to ensure that the government can serve the public. With both external and internal pressures building in recent years, the current status of the acquisition environment is worth examining. A comprehensive survey of acquisition professionals conducted biennially by Grant Thornton LLP and the Professional Services Council (PSC) since 2002, provides highly valuable insight into acquisition trends.

The 2016 survey, “Aligning for Acquisition Success: Overcoming Obstacles to Results,” is based on interviews with 80 senior federal acquisition executives and practitioners—the largest survey group to date. The survey captures opinions and insights on the current state of the acquisition profession, noteworthy trends, and future challenges and opportunities. It covers the most critical areas impacting federal acquisition, including workforce, budget, communi-

cation and collaboration, access to innovation, and oversight and compliance. Below are some of the key findings based on respondent feedback:

## Workforce

The federal acquisition workforce is widely viewed as the engine of acquisition, with the single greatest impact on acquisition outcomes. However, the survey showed mixed results on the status of the workforce. While there were positive trends in workforce capability, respondents reported that lingering weaknesses in critical skills still exist. As seasoned personnel retire, workforce development and the hiring, training, and retention of qualified employees continue to be issues of concern among executives. Workforce capacity is also an issue, as existing employees often do not have the time and resources to keep up with demand. This leads to employees being unprepared or unwilling to explore





potential innovations or cost-saving measures, instead often resorting to antiquated strategies and outcomes.

## **Budget**

Concern about budgetary instability has been a recurring theme during the past 14 years of the survey, and 2016 was no different. Approximately 42 percent of respondents believe that things have gotten worse over the past several years, and 64 percent of respondents predict that budgetary uncertainty will continue or worsen over the next several years. Repetitive use of “continuing resolutions” by Congress is something the acquisition community has grown accustomed to, and they have turned to mitigation strategies to navigate the situation. The good news is that members of the federal acquisition community are strongly committed to “getting the job done,” according to survey respondents. They are experiencing strain from inefficiencies, diminishing resources, and increased demand, but the federal acquisition system continues to deliver results.

## **Communication & Collaboration**

The ability of government and industry to communicate effectively throughout the acquisition lifecycle is critical to acquisition success. Respondents report that federal acquisition leadership has emphasized the importance of communication and collaboration between government and industry, and industry has echoed this as well. However, open communication and collaboration is not always routinely practiced at the operational level; it is viewed as inherently risky. The acquisition workforce’s gaps in skills and experience create a barrier to effective communication—federal contracting personnel are reluctant to share information with industry even though they are authorized to do so. However, insiders overwhelmingly predict that things will improve over the next few years.

## **Access to Innovation**

Innovation is a topic of intense interest within the government, and a topic that has been strongly promoted by the Obama administration. However, executives and industry professionals are concerned that the government does not have a consistent successful strategy in place for soliciting, evaluating, and contracting for innovative ideas from industry, whether in the traditional or cutting-edge contracting space. Ultimately, because innovation means different things to different people, the schism of understanding between traditional and innovative contractors adversely affects the

methods, tools, and barriers for obtaining innovative products and services through the acquisition process.

## **Oversight & Compliance**

Strengthening the relationship between acquisition and oversight officials is a key issue. Respondents believe that policymakers and oversight bodies need to understand better the impact of contract requirements on a complex acquisition system, which may already be operating beyond capacity. Respondents and industry insiders also hold the opinion that the government contracting process to advance social policy goals creates tension and rarely supports efficient and effective procurements; numerous shifting oversight and compliance requirements are a major impediment to efficiency; and while some oversight requirements yield immediate improvements in acquisition, others seem designed to find and assign fault after the fact.

## **Facing the Future**

With the presidential election looming, respondents offered broad support for some of the policies and practices put in the place during the Obama administration, and offered creative suggestions for new initiatives they would like to see in the next administration. Ideas such as consolidating procurement authority and systems, further empowering or reinventing OFPP, looking to the FAR Council for policy changes, and freezing procurement policy changes a degree of support from some of those surveyed.

## **Conclusion**

Despite external and internal pressures, the federal acquisition system is still resilient and successful. Overwhelmingly, the federal acquisition system delivers to agencies the goods and services they need at fair and reasonable prices. Although improvements in federal acquisition must be made rapidly in many areas, it is important to appreciate the complexity and diversity of the acquisition system. The transition to a new president and a new Congress in 2017 will hopefully provide the opportunity and impetus for change, with solutions to the challenges identified in the survey. The Professional Services Council stands ready to assist in that effort.

To read the full report, visit [www.pscouncil.org/acquisitionsurvey](http://www.pscouncil.org/acquisitionsurvey).

*Philip Kangas is a Principal for Business Consulting and Technology with Grant Thornton Public Sector. He serves on PSC’s Board of Directors and ABPC Executive Advisory Board.*



# CRs and Lane Ducks: *What Happens Next?*

by David J. Berteau, President PSC

**Y**ou know you live in the world of Washington business when the title “CRs and Lane Ducks” means something other than Corporate Responsibility and injured poultry. For those of us in the government contracting business, Continuing Resolutions, or CRs, and Lane Ducks, the post-election sessions of Congress, are part of our reality.

As I write this, Congress in its lane duck session, while President-elect Trump is assembling his team. Republicans still have a majority in the House and Senate, but there are enough Democratic senators to filibuster any action that requires 60 votes.

For the eighth straight year, Congress failed to pass appropriations bills by the start of Fiscal Year 2017 (FY17), October 1. The first CR ran through Friday, December 9, and at the request of the incoming Trump administration, the lane-duck Congress extended the CR through April 2017. Congress still has to decide what to fund in FY17.

What happens next year, before the next CR expires before April? And what will that mean for contracting and contractors? Congress has one decent option and two bad ones. Let's look at all three and some associated big issues.

### Option 1 – Full Year Omnibus Appropriations

The first, and best, option next year is for Congress to replace the CR with an appropriations bill to fund government operations for the rest of FY17. Congress would most likely lump all appropriations into a single, or Omnibus, bill, or perhaps in a small number of smaller bills, dubbed “minibus” bills.

The questions are, what would be funded under this omnibus appropriations bill, and at what level? The Bipartisan Budget Act of 2015 (the BBA) passed one year ago set the funding levels for FY17 for both defense and domestic agencies. During this presidential transition period, there appears to be some general agreement to increase FY17 defense spending, but in the past, the need to match defense increases with similar increases for civilian agencies has restricted action.

Any existing bills not passed before this 114th Congress adjourns in December have died and must be reintroduced in the 115th Congress, seated on January 3. The next Congress could potentially use this year's appropriations bills as feeder stock for such actions, but developing a new, comprehensive, coherent Omnibus appropriations bill from scratch will be quite cumbersome, time-consuming, and nearly unprecedented.

### Option 2 – Another CR

Since the outgoing Congress punted FY17 decisions, it could eventually pass a full-year CR for most of the federal government (the Department of Veterans Affairs has a full year appropriations already in place). While overall government funding levels under a CR are generally the same as the previous fiscal year, Congress also could change (up or down) funding levels for any or all agencies under a full-year CR.

Some federal agencies have operated before under a full-year CR, but the Department of Defense (DoD) has never had one. We will examine below some of the negative consequences of a full-year CR below.

### Option 3 – Government Shutdown

If Congress fails either to extend the CR or to pass an Omnibus bill, government operations will shut down everything but essential and emergency functions. As with the last shutdown in October 2013, exceptions are decided either by Congress or by the president, who designates which operations are essential to keep going.

Almost everyone agrees that a government shutdown is a bad option, and in previous shutdowns the public has quickly blamed the ruling party in Congress. After all, only Congress can end a shutdown, by passing appropriations or a CR. But which of the other options is better?

What do Congress and President Trump's administration do instead of a shutdown? That depends on how they come to grips with these four big issues.

### The First Big Issue: Funding Parity

First, do they maintain parity? The original Budget Control Act of 2011 (the BCA) set spending caps for both defense and domestic agencies. Each subsequent change to the BCA has preserved that parity, but will the Republicans in Congress try to break that? And how would they get past a Senate filibuster to do that?

Congress could use a new Joint Concurrent Budget Resolution to alter the BCA caps and remove the parity requirement. Although the House Budget Committee did report House Concurrent Resolution 125 last March, neither house of Congress passed an FY17 budget resolution. Could the next Congress do what the current Congress could not: pass a Joint Concurrent Budget Resolution for FY17? Such legislation only needs 51 votes to pass the Senate, and it can use a special proce-



**Almost everyone agrees that a government shutdown is a bad option, and in previous shutdowns the public has quickly blamed the ruling party in Congress.**

dure (known as reconciliation) to enact enabling legislation by that same filibuster-proof Senate majority.

Another way for Congress to address parity is for some of the funding needed for the Trump administration's infrastructure investment to count on the domestic discretionary spending side of the ledger. Such a move could support increased defense spending while not technically breaking parity. In the end, only legislation, not budget resolutions, can change the BCA, and that would be subject to Senate filibuster.

### **The Second Big Issue: The Debt Ceiling**

The second big issue is the debt ceiling, which currently resets March 15, 2017. The U.S. Treasury can remain solvent past the deadline by using what are called "extraordinary measures," but those measures only work for a few months at most. Recent debt-ceiling legislation has merely moved the deadline for the next vote rather than vote on a specific ceiling, and Congress may do that again. It is likely, though, that congressional deficit hawks will want something in exchange for that new date, perhaps spending reductions in some parts of government. Parity will be harder to maintain in that case.

### **The Third Big Issue: A Delayed President's Budget**

The third big issue is that there will be no President's Budget submission on time next year, as the incoming Trump administration takes three or four months to develop and submit its budget for FY18. It might even seek to revise the FY17 President's Budget sent to Congress last February, but we won't know that until after inauguration. Nor will we know whether the Trump budget proposal will be consistent with the existing BCA caps or, if not, what changes it will propose.

### **The Fourth Big Issue: CRs Undermine Missions and Functions**

The final big issue is that a longer term CR undermines government missions and functions in four ways, making it harder for federal agencies and for the contractors supporting them.

A long CR sets funding at the same level as the previous fiscal year for each account, causing big mismatches within agencies and programs. This is particularly true in DoD.

With few exceptions, every CR wastes billions of dollars by delaying modernization of legacy systems by prohibiting new programs and maintaining all old ones.

A long CR creates deep uncertainty as to when, or even if, there will be a full fiscal year appropriations. This causes decisions (including contract awards) to be delayed.

Finally, a long CR forces government managers and contracting officers to do too much work in too short a period of time, perhaps just a few months. This makes it nearly impossible to be careful and precise in requirements, solicitations and evaluations, and awards.

### **What Should We Watch**

The new Congress will have a lot on its plate, including confirming hundreds of nominees, authorizing and funding Trump administration initiatives, and major legislation such as tax code changes and health care reform. For FY18, it will have to pass a new budget resolution and fix the so-called "sequester" (the Budget Control Act caps). Congress and the president will also be saddled with the problems left from the previous fiscal year. Given that, for what do we watch early in 2017?

- Between now and Inauguration Day, watch the cabinet nominees for signs of intent to increase or decrease spending for specific federal agencies (NOTE: see the article on the Trump Transition on p. 24 of this issue).
- In January, watch to see if Congress begins action on new FY17 appropriations bills, needed to replace the CR before its expiration.
- In February and March, watch for the House and Senate Budget Committees to draft budget resolutions, and see if they cover just FY18 or go back to FY17.
- In March and beyond, watch for congressional moves related to the debt ceiling, which resets March 15 but can be extended through extraordinary measures.
- In April or May (possibly earlier, but not likely), watch for the Trump administration's FY18 budget proposals, which could also cover revisions to FY17.

At PSC, we will continue to monitor and weigh in on all of these issues and on affected programs and contracts. We will report on our actions and progress in this magazine, through the PSC Daily member newsletter, and by additional communications. Stay tuned, and get ready for a journey that may prove to be a wild and bumpy ride. ■

# Council Corner



## Tech Council



PSC is pleased to announce that Teresa Carlson (Amazon Web Services) has taken over as Chair of the Tech Council and joined the PSC Executive Committee. In other Tech Council leadership changes, Sam Gordy (IBM) has joined the Tech Council Executive Advisory Board (EAB) and PSC Board of Directors, and Rob Stein (NetApp) has joined the Tech Council EAB. PSC wishes to once again thank Anne Altman on her leadership in standing up and chairing the PSC Tech Council as well as all of the other outstanding leadership contributions she made to PSC and the technology community during her outstanding career at IBM.

PSC held its first Tech Trends Conference on September 21st. The conference included a number of senior government speakers and also included the unveiling of the 26th annual PSC CIO Survey, conducted in partnership with PSC member company Grant Thornton.

September also saw the release of PSC's CTO study, titled, "Promoting the Effectiveness of Federal Chief Technology Officers." The project was led by Robin Lineberger (Deloitte) and Casey Coleman (Unisys), and a summary of the report can be found on pages 16-17.

In addition, PSC's transition paper for the 45th President has been widely distributed and contains a number of important recommendations to include harnessing technology and new business models to modernize government service delivery.

Finally, the Tech Council is engaged in a number of important advocacy efforts on topics including cybersecurity, data, mobility, FedRAMP, IT modernization, cloud computing and innovation. If you'd like to get engaged in these efforts, please sign up to be a part of the Tech Council—let your voice be heard!



## Acquisition and Business Policy Council



Over the last several months, PSC and our members have been at the forefront of numerous initiatives that directly contribute to those goals. The Acquisition and Business Policy Council (ABPC), under the leadership of Executive Advisory Board chair Brad King (Robbins Gioia), has worked tirelessly with agencies to move our concepts into their practices.

In the important area of reporting contractor past performance, PSC addressed the wide inconsistency among federal agencies in how they require and record contractor past performance information. PSC provided the FAR Council as well as several agencies with templates and a users' guide to standardize the government's requests for past performance information

and to reduce the administrative burdens on both government contracting officers and offerors.

To help reduce the procurement award cycle, PSC provided comments on draft solicitations issued by several agencies to reduce unnecessary provisions and certifications in their proposals and increase the opportunity for competition. In conjunction with the PSC Council of International Development Companies (CIDC), PSC is working with US-AID to improve their forecast of future business opportunities, ensure the appropriate use of contracts and grants, and strengthen their "Ask the Procurement Executive" forum.

Recognizing the importance of the debriefing process to both successful and unsuccessful offerors, PSC has worked with senior OMB officials, and with procurement executives at DHS and VA, to make debriefings more valuable so that companies can apply their lessons learned to future opportunities.

As category management has gained visibility (and some traction) within the agencies, PSC developed a white paper identifying key attributes, opportunities and risks associated with its use that has been shared broadly with senior government officials. We've also hosted numerous government officials for in-depth discussions on this important topic and will continue to evaluate and comment on the execution of category management by the federal agencies.

Finally, PSC is contributing significantly to educating the government's acquisition workforce about technology and professional services. In June, we released our eighth biennial Acquisition Policy Survey of senior federal acquisition executive, again conducted with PSC member company Grant Thornton (a summary of the survey can be found on pages 18-19).

We have begun to lay the foundation for our 2017 work. Congress created two independent study panels at DoD, with their work already under way and continuing into 2017. The first, charged with reviewing DoD acquisition policy and its impact on the department's access to innovation and technology, is called the "Section 809 Panel" after that section of the fiscal year 2016 law that created it. As the panel was forming its agenda, PSC made a detailed presentation to the panel, which included a briefing on the Acquisition Policy Survey and our recommendations for key topic areas the panel should consider. Several of our recommendations were adopted, and PSC is now engaging with several of the panel's working groups. The second, covering the treatment of rights in technical data under DoD contracts, is called the "Section 813 Panel" after that section of the fiscal year 2016 law that created it. The panel has been collecting information on the current government-wide and DoD-unique rules and practices relating to the allocation and validation of rights in technical data. PSC is collecting member company information and will make a presentation to this panel and engage with them as they consider their recommendations. Finally, senior staff of the House Armed Services Committee requested PSC's engagement on several key acquisition policy issues that their committee will consider beginning in 2017.



# Council Corner

There is no shortage of opportunities for PSC member companies to engage with association colleagues, and with federal agency executives, on topics of importance to our association, to our members, and to the government. To find out how, just ask!



## Civilian Agency Council



Over the last several months, the Civilian Agencies Council (CAC), under the leadership of Executive Advisory Board chair Kathleen Flanagan (Abt Associates), has taken on important

issues within the civilian agencies.

In the key area of improving government communication with industry, PSC is addressing the wide inconsistency across federal agencies through educational training programs. On May 26, sixteen representatives from PSC member companies participated in the second DHS Reverse Industry Day training event for DHS employees to better inform the acquisition workforce about industry approaches and processes. On June 2nd, Greg Giddens, returned to PSC to explain how the Department of Veterans Affairs is using acquisition policy memoranda to develop future contracts and manage projects. He asked for PSC's help to reinforce government communication best practices. When industry encounters acquisition activity incongruent with the VA Procurement Principles, he asked industry attendees to let him and PSC know so that those concerns can be addressed promptly. On October 31 and November 1, PSC assisted the VA to conduct acquisition training sessions for nearly 1,000 VA acquisition professionals. The training sessions included a focus on better understanding of industry's view of the acquisition lifecycle, how industry decides to bid or not, innovation, and contract post award. On November 18, PSC members and staff participated in a "Reverse Industry" panel session at the CMS Industry Conference.

To help shape future procurements, PSC held numerous sessions with government leaders for industry to share the implications of current acquisition strategies. In advance of the draft solicitation release for the health IT special item number (SIN) on Schedule 70, PSC hosted a widely-attended Health IT Breakfast with GSA officials. On September 7, PSC co-hosted a forum for DHS and industry stakeholders to discuss the impact of multiple award acquisition vehicles (OASIS, Alliant 2, EAGLE II, FLASH, etc.) on the DHS mission and the companies that comprise the "DHS industrial base."

Recognizing the importance of Requests for Information (RFI) in the pre-solicitation process, PSC worked with DHS procurement officials to increase consistency, effectiveness, and meaningful use of RFIs. Dyson Richards (RGS), Larry Besterman (TWD), and Tim Cooke (ASI)

participated in a DHS/Industry joint working group and recently shared their RFI recommendations across DHS components.

To address the growing concern about personnel security delays and reciprocity issues, PSC held the first ever Department of Justice Personnel Security Industry Forum with security officials from Department of Justice HQ, FBI, ATF, DEA, and the U.S. Marshals Service. Agency representatives discussed security requirements; timelines for processing security clearances; reciprocity policies and practices; recurring issues with industry (and solutions to tackle these repeat challenges); and what industry can do to help facilitate the security process. Similar forums with other federal departments are in the planning phase.

PSC continues to host federal health executives to share their insights about this growing market. On April 25, Dr. Angela Billups, Senior Procurement Executive of the Department of Health and Human Services, unveiled her new HHS Acquisition Lifecycle Framework – Portfolio (HALF-P) at a meeting of the PSC Health and Human Services Task Force. HALF-P describes the acquisition lifecycle of the products and services that HHS and its operating divisions purchase. On June 15, Diane Frasier, head of contracting activity at the National Institutes of Health (NIH), discussed ongoing initiatives at NIH and what acquisition policy trends and changes mean for NIH professional services contracting. Colonel Daniel Kral, Director of the Telemedicine and Advanced Technology Research Center (TATRC), U.S. Army, participated in a joint Civilian Agencies Council and Defense & Intelligence Council program on August 23rd. Col. Kral previewed the forthcoming joint telemedicine plan as well as discussed some of the uncertainty in the Military Health System and its impact on the healthcare of our nation's men and women in uniform.

The Civilian Agencies Council has a broad portfolio with many opportunities to engage with senior government officials and your peers. This report is just a brief overview of our extensive work. Please engage with us on our programming and recommend additional areas of interest to you.



## CIDC



2016 ended on a high note as CIDC held its fourth annual conference on December 6 with a packed ballroom at the Key Bridge Marriott. Participants heard from USAID officials, subject matter experts and impacted members on

the importance of staff care and resilience – whether in overseas high-threat or domestic high-stress environments, the role *Power Africa* is playing in furthering development, and the impact of the November elections on US foreign assistance programs and funding. However, the year started on a less collegial note as USAID issued a significant re-write to internal regulations regarding the choice of instrument selection criteria. These

*continued on page 22*

regulations deal with the most fundamental aspect of foreign assistance implementation – whether an acquisition or assistance vehicle will be used for a project. In spite of decades of past practice, legal and regulatory writings on the subject, the agency's new regulations offer a profound and fundamental shift in determining when to use an RFP or an RFA. The changes go far beyond impacting the bottom line of companies, they touch the very relationship between the government as the customer and the oversight and day-to-day management of a program previously afforded with a contract. Previously, when detailed project oversight and daily guidance by the federal government was required, a contract was the only option – but no longer. Since their promulgation, the CIDC has been working with allies on the Hill and in media to call attention to the potential long-term financial and policy implications of this change. Thanks in part to this advocacy, and crucial member input, USAID requested that PSC provide strategic feedback to the agency's implementing regulations.

Not everything has been fought in the legal trenches, sometimes the settings are quite ornate. In April, PSC arranged a meeting at the Embassy of Afghanistan with the visiting, Minister of Finance to hear from a core group of CIDC members who have been most keenly impacted by Kabul's inability or unwillingness to enforce various treaties, laws and decrees regarding the tax-free nature of US foreign assistance. Through numerous meetings at the State Department, USAID and thru digital video conferencing with Embassy Kabul, it is clear that our voices are being heard by the US government. In order to ensure the government of Afghanistan maintains its focus, PSC worked with numerous allies in both the Senate and House to ensure language in the current appropriations bills maintains a 200% reduction on any taxes imposed on US foreign assistance.

These are just the highlights. To see the full scope of CIDC activities, be sure to subscribe to our *CIDC Now* newsletter and contact us if you want to get your company's story included in our *From the Field* column that runs each month.



### Defense and Intelligence Council



**PSC Engages on SeaPort-E** – Naval Sea Systems' (NAVSEA) SeaPort-e contract is one of the government's largest contract vehicles for acquiring engineering, financial management, program

management and other professional services. With SeaPort set to expire in 2019, the government is currently looking at various options for moving forward, including the possibilities of creating a "next generation" SeaPort similar to the existing vehicle, transitioning work to other existing vehicles, or devising something entirely new. NAVSEA recently issued an RFI to collect industry's input on options for SeaPort's future

after 2019. PSC's response to the RFI, which highlight the importance and benefit of timely and accurate advanced notices for upcoming work and common solicitation templates, among other topics, can be found on the PSC website. PSC is continually engaging with the SeaPort team as they move forward with planning the next steps for this important vehicle. PSC is also working to promote improvements and standardization in the current SeaPort vehicle, including standardized formats for cost and technical proposals. If you are interested in assisting on this project, please contact a member of the PSC staff.

**GAO Sustains DISA ENCORE III Protest** – On August 3, the Government Accountability Office (GAO) sustained two pre-award protests leveled against the Defense Information Systems Agency's (DISA) ENCORE III procurement. ENCORE III is a \$17.5 billion IDIQ Multiple Award Contract designed to obtain a wide range of high-end technology solutions for DoD, and was competed via the Lowest Price Technically Acceptable (LPTA) source selection process. PSC submitted numerous letters to both DISA and DoD acquisition leadership highlighting the flaws of this procurement that, including the use of LPTA, the requirement for cost data on competitive fixed price task orders, the lack of a mechanism for successful small businesses to grow beyond the setaside threshold, and more. This procurement highlights that despite general consensus on the appropriate use of LPTA coming from DoD acquisition leadership, there are still frequent misuses of LPTA by frontline contracting officials. DISA took corrective action as recommended by GAO and proceeded with their ill-founded LPTA strategy anyway. PSC supports current language in the National Defense Authorization Acts (NDAA) which limits the use of LPTA to ensure the government if able to gain access to the high quality technology and services it requires.

**Engagement with DPAP and DIA on exercising options beyond base ordering period** – PSC is engaging with the Defense Procurement Acquisition Policy (DPAP) and the Defense Intelligence Agency (DIA) on DIA's decision to not allow the exercising of options beyond the ordering period of the base contract, despite these contracts having the necessary contract clause allowing such action. PSC is working with DIA officials on what steps can be taken to fix this unnecessary obstacle that is increasing the workload for both government and industry, and causing uncertainty for industry's workforce, all with no benefit to acquisition outcomes. PSC has also engaged with DPAP staff on the creation of a DoD-wide policy to give consistent and correct guidance on this topic.

**Industry Engagement with DAU** – PSC is continuing to facilitate industry guest speaker opportunities at select DAU classes. This engagement is a valuable opportunity for government acquisition officials to gain insight into how industry interprets and is incentivized (or disincentivized) by government actions, how companies make bid/ no bid decisions, and what is actually included in industry cost proposals. PSC is always seeking more industry volunteers, and more opportunities for engagement, to expand this initiative. ■





1



2



4



3



5



6



7



8



9

1. Joshua Cooper Ramo delivers his keynote address at the ACQUIRE Show
2. Gabby Giffords and Mark Kelly deliver their keynote address at the ACQUIRE show
3. Attendees gather to hear Pamela Meyer, author of *The Agility Shift: Creating AGILE and Effective Leaders, Teams and Organizations*, at the Happy Fed Theater
4. Outside of the Walter E. Convention Center
5. David Berteau, President and CEO of the Professional Services Council, Phil Kangas, Principal, Grant Thornton, and Alan Chvotkin, EVP and Counsel, Professional Services Council, speak on "The PSC Acquisition Policy Survey: A Report on Federal Acquisition" panel

6. Rob Klopp, Chief Information Officer of the Social Security Administration, Jason Martin, Services Directorate Executive, Implementation and Sustainment Center, Defense Information Systems Agency (DISA), and Richard McKinney, Chief Information Officer, Department of Transportation, speak on the "Legacy IT: Keep It or Kick It?" panel
7. An attendee at one of the breakout sessions at the ACQUIRE Show, June 8-9 at the Walter E. Washington Convention Center
8. Attendees at the "Cyber Threat Landscape: Lessons Learned in 2015, the Challenges in 2016" session
9. Attendees of the ACQUIRE Show experience tech demonstrations on the EXPO floor



by **David J. Berteau**, President PSC

---

# In the Midst of the



Photo: shutterstock.com/Iconcept



# **The transition from one president to the next takes far longer than the 73 days between Election Day and Inauguration Day. Government services contractors are affected by each phase, but in potentially different ways. This article looks at transition phases and their impacts on contracting and contractors.**

## **The Four Transition Phases**

The first transition phase is already behind us. It officially began at the end of the nominating conventions for both major party candidates and included government-funded offices a block from the White House. Though this phase is designed to jump-start the real transition for the winner, both campaigns spent their precious resources on trying to win rather than on their transition plans. As a result, the Trump transition team had a lot of ground to make up.

That's the second transition phase. The central transition office staffed up rapidly, with a dramatic change at the top as Vice President-Elect Mike Pence replaced former governor Chris Christie as the overall transition lead. Agency-specific transition teams began deploying 10 days after the election, with the twin goals of developing plans for that agency and of preparing to accommodate the incoming agency head.

The announcement of cabinet-level agency heads signals the start of the third transition phase. In most cases, the nominee plugs seamlessly into the agency transition team. Sometimes, the nominee augments or even entirely replaces the agency team with his or her own team. In either case, the nominee and the agency transition team flesh out policy agendas and program plans and begin to vet and approve candidates for sub-cabinet appointments. Equally importantly, they work to get the nominee confirmed, perhaps by Inauguration Day.

The Trump administration has to fill well over 1,000 positions that require a Senate hearing and confirmation in addition to background checks and other vetting. These are the deputy secretaries and the under and assistant secretaries who translate overall administration goals into day-to-day decisions. While the work of filling these positions begins during the third transition phase, it can extend for months into the new administration. Some key positions are not filled until August or even November of the first year.

That fourth transition phase, beginning on Inauguration Day, is dramatically different than the previous phases, because from January 20 on, the president and his team are now in charge of governing.

## **2017 Dynamics**

For the Trump administration, this fourth phase must navigate unusual dynamics as it starts to govern. The Trump administration must prepare and submit a budget for Fiscal Year 2018 (FY18), but the starting point for that budget is uncertain. Why?

First, because the federal government is operating under temporary funding, a Continuing Resolution that expires at the end of April, an uncertainty no new president has faced since George Washington.

Second, that FY18 budget must either comply with the spending caps under the Budget Control Act of 2011 (the BCA) or propose a legislative change to those caps.

Third, they will have to develop this budget with very few of their people in place, given the length of time it takes to get them nominated and confirmed.

## **PSC Recommendations**

In the midst of this transition turmoil, the Professional Services Council has submitted two sets of recommendations. The first set, in a November 9 press release, advises the transition teams to

1. Expand public faith in governing by delivering results through partnership and collaboration between government and its supporting contractors. This vital partnership must build on a fair process that promotes real competition and rewards good performance.
2. Bring competent people into government. We need experienced, competent leaders who can produce results. America's problems need all the talent we can get to work on them.
3. Preserve the continuity of successful programs. The best way to restore and rebuild trust in government is to perform better, deliver results, and reduce costs, in part by continuing successful programs across all federal agencies.
4. Act quickly to restore comity and a working relationship with Congress.

*continued on page 26*

Earlier, PSC released its detailed recommendations for government improvements under the new administration. PSC's report included the following specific action recommendations, focused on four main areas:

### **I. Harness Technology and New Business Models to Modernize Government Service Delivery.**

The federal government needs to take better advantage of the convergence of technology and services to focus on solutions. Recommendations in the report cover improving "speed to outcome," mandating technology modernization, improving cybersecurity, managing data more effectively, delivering better customer service, and choosing approaches that improve access to commercial innovation.

**II. Improve Government Operations to Compete Globally.** Today's challenges require a unified commitment and a collaborative approach across multiple agencies to solve complex problems and deliver results. Current rules must be changed or discarded if they stifle innovation, add complexity, or delay results. Recommendations in the report cover fixing the broken budget process, creating a culture that identifies and uses best business practices, developing a management agenda focused on measuring outcomes, and ensuring that agencies focus on their core missions and use the business base to provide non-core services and support.

**III. Build a Better Model to Bring the Best Ideas and Solutions from Industry into Government.** The U.S. government annually spends approximately \$500 billion—almost half of its discretionary budget—on the acquisition of goods and services, with services making up over 60 percent of all acquisitions in FY16. Government's acquisition of technology and professional services is too slow, does not provide incentives for innovation and creativity, and fails to focus on improving its mission outcomes. The federal government's approach to acquisition needs to lean heavily on best commercial practices and dynamics, not government-unique ones. Recommendations in the report cover focusing on results in government contracting, eliminating onerous compliance requirements, and improving government-industry communication.



### **IV. Develop the Government and Industry Workforces of the Future.**

It is crucial for both federal agencies and their supporting contractors to be able to attract and retain the workforce of the future. Old ways of recruiting and career development will not create an environment that encourages our best and brightest to take on careers in public service. Recommendations in the report cover building leadership skills,

improving critical thinking, mandating rotational assignments, offering mentoring/coaching, and building support for employees to take bold steps and try new things.

PSC is adapting each of these broad goals into agency-specific actions to provide to the agency transition teams after the associated cabinet officer nominee has been announced.

### **Opportunities and Actions**

Uncertainties about funding levels and programs for FY17 and FY18 will likely slow down contract awards and obligations in the early days and months of the Trump administration. Historically, contract obligations are well below normal in a January with an Inauguration Day, and 2017 is not likely to be an exception. With a CR, a debt limit debate, and the potential for sequester in FY18, that slowdown may well extend into February and March.

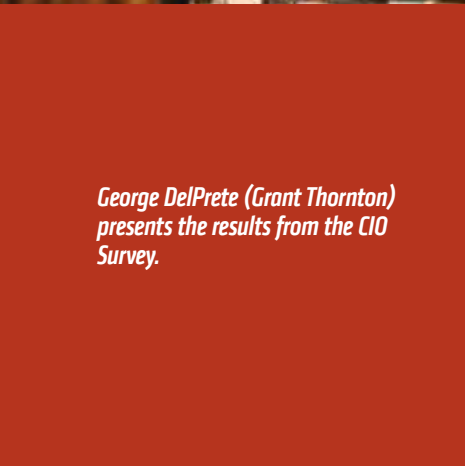
Through all of this, however, government continues to function. We cannot tell today what programs will grow and change, what will be the impact of a federal hiring freeze if it is put in place, or when we will know the answers to these uncertainties. Nevertheless, contracts will continue to be awarded, funds will be obligated, and Trump administration priorities and initiatives will become clearer after Inauguration Day.

PSC will continue to advocate for opportunities for contractors to improve government services, provide needed access to skills and capabilities, and save money in the process. These opportunities should also benefit from the chance to relook at the federal government's overall processes and procedures to develop better requirements, streamline the contracting process, focus on effective competition, and measure real results and value for money. At each step of that relook, PSC will be soliciting member input and fostering member interests, and we will continue to update you along the way. ■





*PSC's Dave Wennergren moderates a panel on the role of a federal CIO with Margaret Graves (OMB), Joe Klimavicz (DOJ), Richard McKinney (DOT).*



*George DelPrete (Grant Thornton) presents the results from the CIO Survey.*



*Over lunch Frank Konkell (GovExec) moderates a discussion about the need for a federal CTO with Casey Coleman (Unisys), CW 5 James Ebeler (USA), and Robin Lineberger, (Deloitte).*



# YOUR BRAND IN THE SPOTLIGHT

2017 Service Contractor Magazine  
Advertising Packages Now Available

*Contact [marketing@pscouncil.org](mailto:marketing@pscouncil.org) or  
visit [www.pscouncil.org/sponsorships](http://www.pscouncil.org/sponsorships)*

# Bill Tracker: 114<sup>th</sup> Congress-Second Session (2016)



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. 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.*

## H.R. 2596

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. Would also direct the DNI to report to Congress on the continuous evaluation of security clearances of employees, officers, and contractors of the intelligence community.

*STATUS Passed by the House (247-178) on 6/16/2015. Related Bill: S. 1705*



# Bill Tracker: 114<sup>th</sup> Congress-Second Session (2016)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## H.R. 3470 Fair Chance Act, (Cummings, D-MD)

SUMMARY

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

SUMMARY

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.

## H.R. 4341 Defending America's Small Contractors Act of 2016, (Chabot, R-OH)

SUMMARY

Would change the parameters used to calculate small business participation in federal contracting by requiring new categories of spending to be used in the calculation. Would also establish new oversight of subcontracting plan performance and would create a pilot program providing past performance evaluations for subcontractors.

STATUS Passed by the House Small Business Committee on 1/7/2016.

## H.R. 4741 Acquisition Agility Act, (Thornberry, R-TX)

SUMMARY

Will serve as the foundation for acquisition reform in the FY 2017 National Defense Authorization Act. Seeks to streamline acquisition, particularly with a focus on acquiring new technology and seeks to foster greater reliance on experimentation and prototyping for new operational concepts.

STATUS Introduced on 3/15/2016. Incorporated, amended into H.R. 4909

## H.R. 4398 DHS Acquisition Documentation Integrity Act of 2016, (Watson Coleman, D-NJ)

SUMMARY

Would require DHS to improve acquisition documentation to include operational requirements that are validated consistent with DHS policy, a complete life cycle cost estimate, verification of such estimate against independent cost estimates, a cost-benefit analysis, and a schedule.

STATUS Passed the House (voice vote) on 2/23/2016.

## H.R. 4897 Information Technology Modernization Act, (Hoyer, D-MD)

SUMMARY

Establishes in the Treasury an Information Technology Modernization Fund for technology related activities, to improve information technology, and to enhance cybersecurity across the federal government.

STATUS Introduced 4/11/2016. Referred to the House Committee on Oversight and Government Reform. Related bill H.R. 6004.



## H.R. 4904 Making Electronic Government Accountable By Yielding Tangible Efficiencies Act of 2016 ("MEGABYTE Act of 2016")

SUMMARY

Requires OMB to issue a directive to require each executive agency CIO to develop a comprehensive software licensing policy.

STATUS Signed into law 7/29/16; P.L. 114- 210.



# Bill Tracker: 114<sup>th</sup> Congress-Second Session (2016)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## H.R. 4909

SUMMARY

### National Defense Authorization Act for Fiscal Year 2017 (Thornberry, R-TX)



Authorizes FY2017 appropriations and sets forth policies for DOD programs and activities, including military personnel strengths. It also includes numerous acquisition policy provisions.

STATUS *Passed House amended 5/26/16. Related S. 2943.*

## H.R. 5077

SUMMARY

### Intelligence Authorization Act for Fiscal Year 2017 (Nunes, R-CA)



Authorizes FY2017 appropriations for the conduct of intelligence and intelligence-related activities of the U.S. Government.

STATUS *Passed House amended 5/24/16.*

## H.R. 5325

SUMMARY

### Continuing Appropriations and Military Constitution, Veterans Affairs and Related Agencies Appropriations Act 2017, and Zika Response and Preparedness Act, (Graves, R-GA)



Provides appropriations for the VA, military construction and related agencies for fiscal year 2017. Provides a "continuing resolution" for all other government agencies through 12/7/16. Provides supplemental appropriations to respond to the Zika virus.

STATUS *Signed into law 9/29/16; P.L. 114-223.*

## H.R. 5792

SUMMARY

### Modernizing Outdated and Vulnerable Equipment and Information Technology Act of 2016 ("MOVE IT Act") (Hurd, R-TX)



Seeks to promote innovation and realize the efficiency gains and economic benefits of on-demand computing by accelerating the acquisition and deployment of innovative technology and computing resources throughout the Federal Government.

STATUS *Introduced 7/14/16; Referred to House Committees on Oversight and Government Reform and Appropriations. Related S. 3263; H.R. 6004.*

## H.R. 5920

SUMMARY

### Whistleblower Protections for Contractors Act (Cummings, D-MD)



Extends federal contractor whistleblower protections to employees of: (1) personal services contractors working on defense contracts; and (2) personal services contractors or subgrantees working on federal civilian contracts. The civilian contractor protections, which are currently in effect as a pilot program, are made permanent.

STATUS *Introduced 7/21/16. Reported by Committees on Oversight and Government Reform on 9/15/16 Related S. 795.*

## H.R. 5995

SUMMARY

### GAO Civilian Task and Delivery Order Protest Authority Act of 2016 (Meadows, R-NC)



Would make permanent GAO authority over civilian agency task order protests over \$10 million

STATUS *Cleared for President 12/5/16.*

## H.R. 6004

SUMMARY

### Government Modernizing Technology Act of 2016 (Hurd, R-TX)



Would provide a working capital fund for covered agencies to modernize their IT systems or transition to cloud computing services; would establish a government-wide IT Modernization Fund to enhance agency cyber actions and improve their information technology.

STATUS *Passed House 9/22/16.*

## H.R. 2028

SUMMARY

### Further Continuing Resolution, 2017 (Simpson, R-ID)



Would provide further appropriations for all federal agencies not already appropriated through 4/28/16.

STATUS *Signed into law 12/10/16; P.L. 114-254.*

# Bill Tracker: 114<sup>th</sup> Congress-Second Session (2016)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## S. 434 Security Clearance Reform Act of 2015, (Tester, D-MT).



### SUMMARY

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** *Passed Senate 11/17/16.*

## S. 456 Cyber Threat Sharing Act of 2015, (Carpe, D-DE)

### SUMMARY

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. 795 A bill to enhance whistleblower protection for contractor and grantee employees. (McCaskill, D-MO)

### SUMMARY

Extends federal contractor whistleblower protections to employees of: (1) personal services contractors working on defense contracts; and (2) personal services contractors or subgrantees working on federal civilian contracts. The civilian contractor protections, which are currently in effect as a pilot program, are made permanent.

**STATUS** *Cleared for President 12/7/16. Related H.R. 5920.*

## S. 958 Small Business Fairness Act, (Enzi, R-WY)

### SUMMARY

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.*

## S. 1705 Intelligence Authorization Act for Fiscal Year 2016 (Burr, R-NC)

### SUMMARY

Authorizes FY2016 appropriations for the conduct of intelligence and intelligence-related activities of the U.S. Government.

**STATUS** *Reported by Senate Select Committee on Intelligence 7/16/15. Related H.R. 2596*

## 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.*



# Bill Tracker: 114<sup>th</sup> Congress-Second Session (2016)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## S. 1869 Federal Cybersecurity Enhancement Act of 2016, (Carper, D-DE)



**SUMMARY** Would improve Federal network security and authorize and enhance an existing intrusion detection and prevention system for civilian federal networks.

**STATUS** *Reported by Homeland Security and Government Affairs Committee on 11/17/2016.*

## 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** *Reported by the Homeland Security and Governmental Affairs Committee on 1/12/2016. Related bill: H.R. 3470.*

## S. 2607 DIGIT Act, (Fisher, R-NE)

**SUMMARY** Would require DHS to convene a working group of Federal stakeholders to provide recommendations to Congress on how to appropriately plan for and encourage the proliferation of the Internet of Things in the United States. The working group would evaluate current use of the technology by Federal agencies and their preparedness to adopt it in the future and would require outreach to the private sector.

**STATUS** *Referred to the Commerce, Science and Transportation Committee on 3/1/2016.*

## S. 2138 Small Business Subcontracting Transparency Act of 2015, (Vitter, R-LA)

**SUMMARY** Would allow a federal agency's procurement center representative or commercial market representative to delay acceptance of a subcontracting plan for 30 days if the PCR or CMR determines that it fails to provide the maximum practicable opportunity for certain small businesses to participate in the performance of the contract.

**STATUS** *Reported by the Small Business and Entrepreneurship Committee on 11/3/2015.*

## S. 2943 National Defense Authorization Act for Fiscal Year 2017 (McCain, R-AZ)



**SUMMARY** Authorizes FY2017 appropriations and sets forth policies for DOD programs and activities, including military personnel strengths. It also includes numerous acquisition policy provisions.

**STATUS** *Cleared for President 12/14/16. Related H.R.4909.*

## S. 3017 Modernizing Outdated and Vulnerable Equipment and Information Technology Act of 2016 ("MOVE IT Act") (Moran, R-KS)



**SUMMARY** Seeks to promote innovation and realize the efficiency gains and economic benefits of on-demand computing by accelerating the acquisition and deployment of innovative technology and computing resources throughout the Federal Government.

**STATUS** *Introduced 7/14/16. Referred to the Committee on Homeland Security and Governmental Affairs. Related HR. 5792; H.R. 6004.*

---

# MEMBER NEWS

---

## Sabre Systems

Warrington, PA – Sabre Systems, Inc. was one of many who sponsored the Chief Petty Officer (CPO) History Exhibit aboard the Battleship New Jersey, our country's largest and most decorated Battleship. The battleship is now a museum and memorial dedicated to restoring, preserving, exhibiting and interpreting the history of the USS New Jersey and her veterans. U.S. Navy Chiefs from the Tri-State Area spearheaded the effort with the Battleship to construct a Chief Petty Officer History Exhibit, highlighting the integral role played by Chiefs in our nation's Navy. The exhibit displays over 120 years of history and contains more than 500 artifacts gathered from all over the world by past and present chiefs. While donations of artifacts and money came from Navy chiefs from all over, about 15 chiefs put the exhibit together. Sabre was a proud contributor to the over \$20,000 that was raised to help pay for the exhibit.

## Jacobs Launches Technical Fellows Program

Reston, VA – Jacobs Engineering Group Inc. (NYSE: JEC) Aerospace and Technology (A&T) Line of Business announced the launch of its Technical Fellows Program, designed to promote the identification and delivery of innovative solutions that add value to its A&T clients' projects, an important element of Jacobs' relationship-based approach to client service. The program also recognizes the outstanding achievements of its thought leaders in the global aerospace, defense, and nuclear industries. Commenting on the significance of the program, Jacobs President, Aerospace and Technology Terry Hagen said, "Our Fellows epitomize the technical expertise and capability foundational to the delivery of innovation for our clients. Through their advocacy and initiative, these top-tier experts drive positive change in their respective fields. This program broadens and deepens their connections and engagement within the Company as well as among their peers and respective technical communities."

### The inaugural Technical Fellows are:

**Dr. Jan Davis**, former NASA astronaut and veteran of three space flights. Dr. Davis is the recipient of numerous NASA recognitions including the Presidential Meritorious Senior Executive Rank, Exceptional Service Medal, Outstanding Leadership Medal, and Space Flight Medals, and serves or has served on advisory councils for the Coalition for Space Exploration, National Space Club, University of Alabama in Huntsville, Georgia Institute of Technology, and Auburn University, among others. She led directorates responsible for the International Space Station (ISS) Payload Operations Center, ISS hardware, and the Chandra X-Ray Observatory Program. After the Columbia accident, she was named head of Safety and Mission Assurance at NASA Marshall Space Flight Center

(MSFC), which ensured the safe return to flight of the Space Shuttle. Dr. Davis is Jacobs' Deputy General Manager of the Engineering and Science Services and Skills Augmentation (ESSSA) Group at NASA MSFC.

**Dr. David Elrod**, noted authority on aerospace test facility operations. He is a Fellow of the US Army's Arnold Engineering Development Center (AEDC), and Distinguished Alumnus of the University of Tennessee Space Institute, David Lipscomb University, and the University of Alabama in Huntsville. Among his honors are Engineering Manager of the Year (American Society of Engineering Management, 2007), National Management Association Silver Knight (2001), and Contractor Tester of the Year (American Defense Preparedness Association, 1990). He has authored or co-authored 26 technical papers and publications on test and evaluation, team performance, and change management. Equally capable working physics challenges and dealing with complex management issues, Dr. Elrod serves as Jacobs Regional Vice President for Business Development.

## Cardno appoints BD expert to Emerging Markets Team

Professional infrastructure, environmental services and international development assistance firm Cardno is pleased to announce a key appointment that will strengthen, expand and lead the company's complex global development portfolio.

Christy Roach Hollywood has joined as Vice President for Business Development and will be based in Cardno's Washington, DC office. Ms. Hollywood brings more than 20 years of business development experience across federal and commercial markets, with an emphasis on international development. Her expertise includes strategic leadership to advance organizational goals, process improvement for market entry and growth, pipeline expansion, capture, and proposal and project management.

## Abt Associates

Abt Associates President and CEO Kathleen L. Flanagan has been named as a board member to the World Trade Center Institute — the largest international business network in the mid-Atlantic. Flanagan joins policy leaders and global executives from a variety of industry sectors on the board.

## Calibre Systems Receives Outstanding Veteran and Military Advocate Award from Northern Virginia Chamber of Commerce

Presented to a DC metro region business for outstanding and visionary contributions to supporting the region's active-duty/reserve military and/or national intelligence community, their families and/or veterans during the past year. Special consideration will be given to applicants who have created and fostered a long-term commitment to supporting these communities.

### Jefferson Consulting Group

Washington, D.C.–June 2016–Nanette M. DeRenzi, the former Judge Advocate General of the Navy and a retired three-star admiral, has been appointed Chief Operating Officer of Jefferson Consulting Group.

DeRenzi succeeds Thomas A. Daffron, who has resigned after 10 very successful years as Jefferson's COO.

Jefferson Consulting Group is a small, woman-owned professional services firm that consists of two companies, Jefferson Business Consulting, which advises commercial clients on how to identify, create, win, and implement Federal contracts, and Jefferson Solutions, which provides management consulting services directly to the Federal government.

"I am extraordinarily pleased that Jefferson was able to attract an individual with Nan's background to lead our day-to-day operations," said Julia T. Susman, Jefferson's President and Chief Executive Officer. "In addition to her outstanding accomplishments as a lawyer and naval officer, she has been a skilled manager of people, programs, and budgets – all of which are essential to ensure effective support of the Navy's mission."

### CivilianJobs.com names Deloitte a 2016 Most Valuable Employer (MVE) for Military®

NEW YORK, May 16, 2016 – CivilianJobs.com has named Deloitte a Most Valuable Employer (MVE) for Military®, a designation that helps military-experienced job seekers and veterans identify the top employers to target for civilian careers.

"Deloitte strongly believes in the contributions that experienced armed forces personnel bring to the workforce, which is why we continue to not only invest in hiring and retaining military members, veterans, and their spouses, but also support them through a variety of programs, pro-bono work, and sponsorships," said Mark Goulart, Federal Government services principal, Deloitte Consulting LLP. "We are truly honored to be recognized for our efforts as a Most Valuable Employer for Military."

**Have a story for *Service Contractor's*  
Member News section?  
E-mail [marketing@pscouncil.org](mailto:marketing@pscouncil.org)**



*Celebrating 45 Years*



APRIL 23-25, 2017 ★ WILLIAMSBURG, VA.  
[WWW.PSCCONFERENCE.ORG](http://WWW.PSCCONFERENCE.ORG)



# PSC ANNUAL CONFERENCE

Held at the historic Greenbrier Resort April 17-19, the PSC Annual Conference welcomed over 20 leading executive level speakers and provided over 400 attendees with panels and networking opportunities.



*PSC Chair John Goodman, COO, Accenture, kicked off the conference.*



*DHS' Under Secretary of Management, Russ Deyo, addressed the crowd.*



*PSC President and CEO David Berteau addressed the membership.*



*Susi Mudge, President & CEO, Chemonics shared processes for preparing for and responding to a crisis.*



*Attendees enjoyed an afternoon of golf on the scenic Old White Course at The Greenbrier.*



*The premier event of the year for federal contractors, the PSC Annual Conference, attracts the most senior executives and government leaders.*



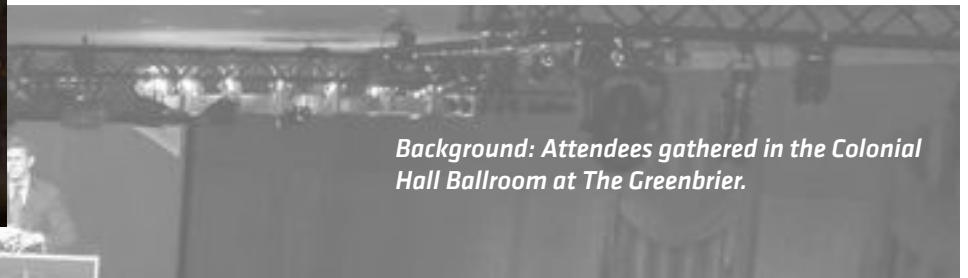
# 2016



*PSC Chair, John Goodman, presented Immediate Past Chair Ellen Glover with token of appreciation.*



*Former Defense Intelligence Agency Director Lt. General Michael Flynn provided a keynote address.*



*Background: Attendees gathered in the Colonial Hall Ballroom at The Greenbrier.*



*The Talent Management panel provided insight on how to succeed with workforce challenges.*



*Say cheese! Selfie sticks were one of the many great gifts from sponsors.*



*The PSC Annual Conference offered a wide variety of networking opportunities.*





*Industry leaders meet at the PSC Vision Federal Market Forecast Conference on November 16-17, 2016.*

2016



FEDERAL MARKET FORECAST  
CONFERENCE

November 16-17, 2016 | Falls Church, Va.



*Congressman Gerry Connolly (VA) discusses the impact of the election on federal contracting and the northern Virginia market.*



*Industry executives are captivated by the extensive business intelligence shared during the conference.*



*(L to R) Andrew Hunter, Frank Finelli, Pierre Chao and Ed Caso share the view of government contracting from the financial markets perspective.*





# Compliance have you seeing double?

**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 have in-house counsel?*
- *Who responds to DOL inquiries regarding fringe benefit plans?*
- *Is your compliance team trained on ERISA and ACA?*
- *Do you carry an SSAE-16 audit?*

**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.\**

**866 831 0847**

\* 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.



# 5 EASY TIPS FOR SUCCESSFUL CONTRACT MANAGEMENT:

## Establish a Process #1

Establish a process for evaluating potential contract opportunities to identify regulatory and contractual requirements, understand associated risks, and ensure compliance.



## #2 Encourage Collaboration



Encourage cross-functional collaboration of resources from across the organization at appropriate stages of the contract management lifecycle.

## Develop Checks, Balances & Controls #3

Ensure proper segregation of duties and implement preventive and detective controls to mitigate potential compliance risk.



## #4 Formalize Policies, Procedures & Training



Formalize relevant policies and procedures in writing and provide recurring targeted training to all resources involved in the management of contracts.

## Leverage Technology #5

Leverage current systems to automate processes and controls, and/or consider implementing a Contract Management software or solution, if appropriate, based on your company's risk profile.



*Take the next steps to help empower your contract management team.*

**Learn more at [bakertilly.com/CMinsight](http://bakertilly.com/CMinsight)**