

# Service Contractor

Summer 2018

AI

CATEGORY MANAGEMENT

COLLABORATION TECH

INDUSTRY DAYS

WORKFORCE TRAINING

OTA

DIGITAL TRANSFORMATION

## Innovate to Make Acquisition Great



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## PRESIDENT'S LETTER

Summer is upon us. For many, this is a time for pool dips, beach trips, backyard grilling, and lots of sunshine, but it's also a busy time for federal service providers.

In this edition of the *Service Contractor*, we look at the ways innovation can impact—and strengthen—performance of federal missions and functions. Four of PSC's board members offered their unique take on the next big thing in innovation to shape industry. Be sure to turn to page 9 to hear from Michele Bolos of NT Concepts, ICF's Ellen Glover, Accenture's John Goodman, and NetApp Public Sector's Rob Stein.

Of course, innovation today includes Other Transaction Authority (OTA), Artificial Intelligence (AI), and collaboration technology. Kevin Cummins, PSC's Vice President of Technology, looks beyond the FAR into the growth of OTAs. Check it out on page 34. You can also read my thoughts about how we implement and advance AI in the federal government on page 6. CohnReznick's James DeGenova shows how innovative technologies are changing the way government agencies execute programs, improve performance, and empower people.

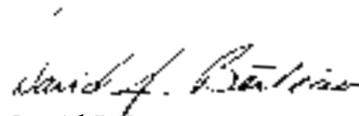
Category Management has been around for years, but has recently evolved. In June, PSC's EVP and Counsel Alan Chvotkin testified before the U.S. House Small Business Committee on the impact of category management on small businesses. In this issue, he goes further into the mixed risks and rewards of Category Management, on page 13.

On page 16, Bradley Saull, PSC VP for Civilian Agencies, describes PSC's active engagement with contractors who work with civilian agencies in our "Working For You" section, including recent events with top leaders in areas ranging from health systems to federal law enforcement.

The summer edition of PSC's magazine also highlights several topics impacting our members' business and the contracting industry as a whole. Following up from our spring issue's discussion on the impact of security clearances, both Congress and the White House have big changes in mind for security clearance processes. I take a look at developing congressional action in our quarterly "Bill on the Hill" feature.

As always, PSC wants to be sure our members get the most from membership. We welcome our newest PSC members, listed on page 40. There, you can also hear from PSC's Director of Membership, Matthew Busby, on ways to maximize your membership value. Our regular feature on "Member News" provides noteworthy items you might have missed. Photos from PSC's 2018 Annual Conference as well as from our numerous meetings with top federal agency leaders over the past quarter reflect the content-rich information we provide to members and our advocacy work, both on the Hill and in the agencies.

As always, I welcome your ideas on how we can improve PSC and help our federal customers, whether it be by phone, in person, email, snail mail, or through whatever innovative communication you can devise. Thanks for your continued support of PSC and our mission to make the government a smarter customer and a better buyer.



David J. Berteau



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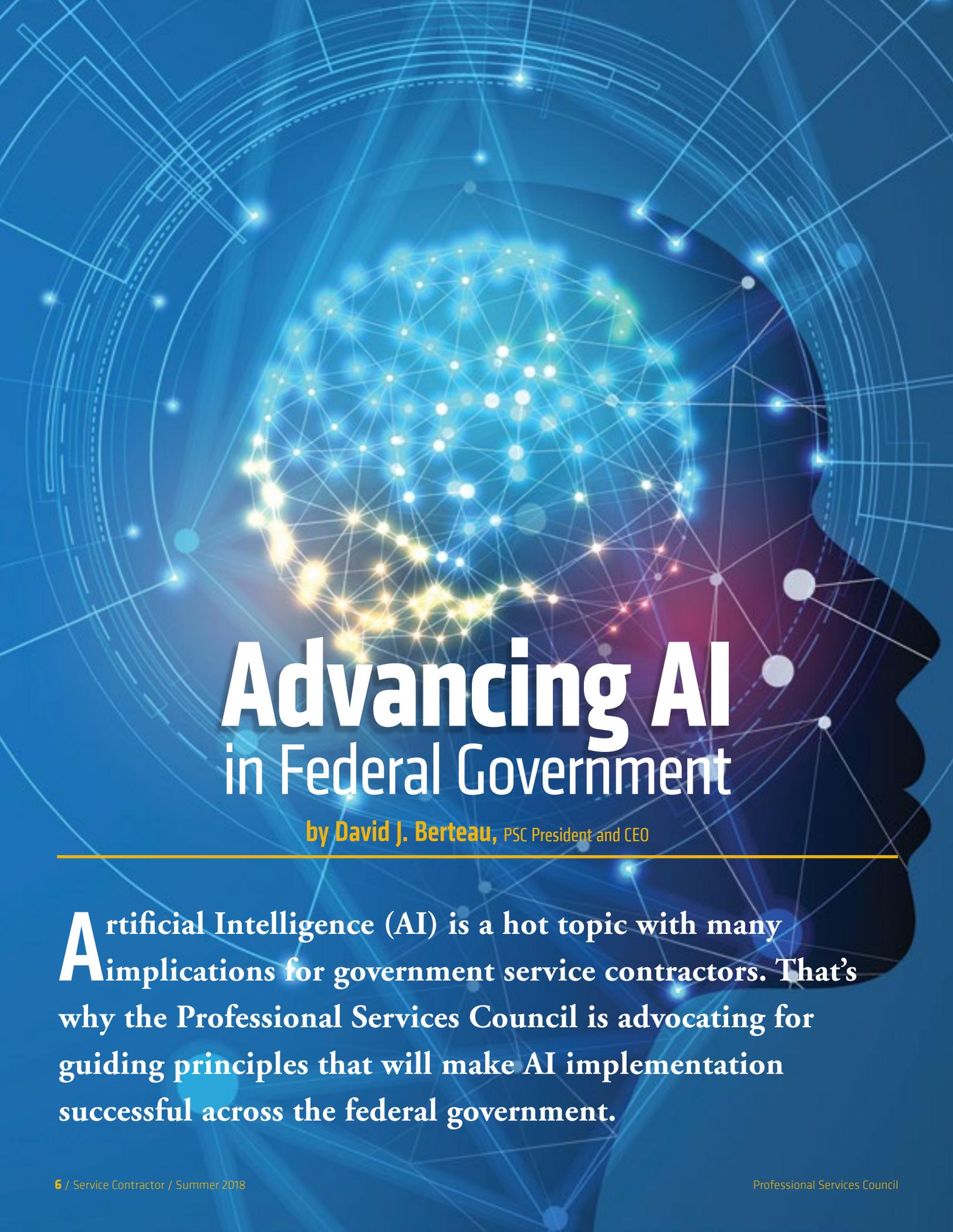
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# Advancing AI in Federal Government

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

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**A**rtificial Intelligence (AI) is a hot topic with many implications for government service contractors. That's why the Professional Services Council is advocating for guiding principles that will make AI implementation successful across the federal government.

Successful application and integration of AI across the federal government requires four lines of effort:

- An understanding of available existing and future technology;
- How that technology can serve government needs;
- Coordinated agency planning, and;
- Identifying and empowering change agents to facilitate rapid adoption of these emerging technologies.

Contractors have critical roles to play across all four of these lines of effort, but in this article, I will focus on the last two as federal agencies and their supporting contractors work together to advance AI in government.

### Coordinated Agency Planning

Should the government's approach to developing and implementing AI solutions be driven from the top down, from the bottom up, or both? In my view, it is a balance of both.

For changes of this magnitude and duration, we need department leadership at the top providing strategic direction, support for adequate resources, and a safe environment for new ideas. That's the top-down approach.

For the operators, we also need to make sure recommended solutions at the ground level make sense. That's the common-sense, bottom-up approach in which end-users interface with technology to perform their jobs.

Why do we need both? Evidence, experience, and history show that efforts at the ground level will likely fail in the face of institutional resistance and alignment disconnect without top cover and strategic direction.

Contractors can bridge the two through the first two lines of effort, by understanding available technology and the needs of the people in the field, as well as the broader strategic framework within which both the government and its supporting companies have to operate.

### Top-Down Action Underway

The White House is already moving in this top-down approach on a more macro level. In May, the White House convened a summit on artificial intelligence (AI)<sup>1</sup>, an encouraging sign of American government and industry collaborating to advance this transformative technology.

At the same time, the White House established a select committee to improve coordination of Federal efforts related to AI. On June 27, two subcommittees were formed<sup>2</sup> to focus on implementing actions in Machine Learning and AI (MLAI), and the Networking and Information Technology Research and Development (NITR). These implementation-focused subcommittees further demonstrate commitment by the White House to promote action of ideas.

### A Sense of Urgency

How can government encourage adoption of AI solutions in institutions resistant to change? It is incumbent on leadership to instill a sense of urgency.

<sup>1</sup> <https://www.whitehouse.gov/wp-content/uploads/2018/05/Summary-Report-of-White-House-AI-Summit.pdf>

<sup>2</sup> <https://www.nextgov.com/emerging-tech/2018/06/heres-what-white-houses-ai-committee-will-focus/149382/>

America's defense leadership has shown that it already grasps the critical importance of harnessing the power of AI for national security. Defense Secretary Jim Mattis recently told a Congressional committee that the Department of Defense (DoD) is "not going to have more papers, we're going to move." DoD is broadly pursuing

## NDA PROVISIONS ON AI

Congress has recognized the need for action on and integration of artificial intelligence by including a series of provisions in the House and Senate versions of the National Defense Authorization Act for Fiscal Year 2019. These provisions are designed to help maintain our technical advantage in emerging technologies and better harness their power to protect our national security, with a strong focus on artificial intelligence and machine learning. At the time of publication, these provisions had not been reconciled in the conference version of the bill. PSC will continue to track this issue and will report on the provisions of the final bill in a future issue of this magazine.

### House

- Requires the Secretary of Defense to develop and implement a "National Security Science and Technology Strategy" to prioritize the Department's science and technology efforts and investments.
- Establishes an "Artificial Intelligence and Machine Learning Policy and Oversight Council" at the Department of Defense to develop and continuously improve research, innovation, and policy around artificial intelligence and machine learning.
- Establishes a "National Security Commission on Artificial Intelligence," an independent 15 member Commission to review advances in artificial intelligence and its impact on US competitiveness, our technical advantage, and workforce.
- Requires the Secretary of Defense to conduct a study to determine how to attract students with educational backgrounds in science, technology, engineering, and mathematics—including the fields of artificial intelligence, machine learning, and cybersecurity—into the Department's workforce.

### Senate

- Requires the designation of a senior official with principal responsibility for the coordination of activities relating to the development and demonstration of artificial intelligence and machine learning, and tasked the designee with providing a detailed strategic plan to develop, mature, adopt, and transition artificial intelligence technologies into operational use.
- Directs the Director of the Defense Intelligence Agency to compile a report that directly compares the capabilities of the United States in emerging technology areas and the capabilities of adversaries of the United States.
- Allows the Air Force to spend up to \$42.8 million for nontraditional technologies to increase the availability of aircraft and decrease backlogs for the production of spare parts for such aircraft.
- Grants the Under Secretary of Defense for Research and Engineering one-year authority to direct the military departments and other elements of the Department on four priority emerging technologies: hypersonics, directed energy, space satellite architectures, and artificial intelligence.

AI, not just as another set of programs, but also as a powerful enabler for nearly every defense mission and function.

Strategic competitors<sup>3</sup> are not standing idly by as they reshape their economies to increasingly service-based industries bolstered by technology. The U.S. commercial sector also is driven to pursue faster AI development, in the face of growing international competition.

Federal civilian agencies need a similar sense of urgency when it comes to leveraging AI and machine learning to improve performance in their missions and functions. White House driven initiatives will spur efforts to bring more innovation like AI into agencies across the federal government. Fortunately, work has been underway for some time.

Both last year's "Report to the President on IT Modernization"<sup>4</sup> and this spring's President's Management Agenda emphasize leveraging IT and data for better service delivery. One example is the Agriculture Department, an early test bed for new federal IT modernization Centers of Excellence. In addition, the first projects have been approved under the Technology Modernization Fund, a bold initiative to modernize legacy systems and reap savings as well as better performance.

Upgrading aging IT systems across the federal government is a crucial step, but it's only the beginning. As agencies continue to put in place increasingly modern IT architectures and systems, such as cloud computing infrastructure, they can better leverage new innovations to improve performance and deliver better services to citizens.

## The Role of the Private Sector

How should the government advance AI for its purposes? To what extent do federal agencies develop their own, and how much should they draw from the commercial private sector? That depends on the extent to which commercial offerings directly meet the requirements of the customer.

Commercial private sector R&D has led to amazing technology development and advances in AI. Today, the U.S. government's investment in research and development is less than 5 percent of the global total. For AI and other emerging technologies, government agencies can leverage and build on capabilities already developed in the private sector. Commercial companies develop unique capabilities that cannot be affordably matched by the government, but those commercial AI applications don't always translate directly to their desired applications - especially in areas of national security. In such cases, more federal engagement is required.

Today's contractors have a demonstrated track record that indicates they can play key roles in matching existing and emerging AI capability to the customer requirements, tailoring it where necessary. They have done this with new technology, systems, and processes for decades. This approach will help the government capture the benefit of commercial research and development (R&D) while still being able to meet unique government needs.

Our military and civilian agencies need rapid access to innovation from government, contractor, and commercial sources. Regardless of who develops AI, or for what uses, what matters is improving government operations and staying ahead of our competitors.

Contractors play essential roles in developing and delivering those capabilities to government agencies across the board.

## Bottom-Up Actions

Applications of AI and machine learning have been underway across government for several years. The Department of Veterans Affairs uses AI to improve predictions of medical complications and treatment for combat wounds at Walter Reed Medical Center. The Department of Homeland Security has AI tools for detecting cyber network intrusions and malicious activities. The Defense Advanced Research Projects Agency developed a Digital Tutor for computer skills learning that led to unprecedented performance by Navy students in training assessments. The Bureau of Labor Statistics is using AI to help analyze data for workplace injuries faster<sup>5</sup>, completing in one day what a human alone took one month to do. AI tools are becoming increasingly important for agencies to deliver citizen services and a high-performance government.

Looking forward, the 2018 President's Management Agenda calls for using automation software to improve efficiency of government services. Machine learning and AI tools hold great promise, from combatting improper payments to deploying agency assets effectively in response to natural disasters. However, the 2016 National Science and Technology Council report on AI noted<sup>6</sup> that there is wide variance in agency capacity to foster and harness innovation. Many agencies lack the key attributes of significant R&D budgets, a workforce with many scientists and engineers, and ongoing collaborations with private-sector innovators.

## The Importance of Leadership

Strong leadership and innovative use of available contractor support will be needed to bring innovation from America's technology sector into our government. The White House, perhaps drawing from work by the recently-created Select Committee on Artificial Intelligence, can accelerate AI in government by issuing a strategic vision and then providing implementation-level guidance. Improved data sharing will help connect top-down guidance to bottom-up needs and programs.

Continued White House leadership and engagement with industry and academia will also be required for federal policy updates, including AI technical and governance standards that will need to evolve rapidly to ensure federal adoption of AI technologies.

In addition, while AI technologies may augment or displace some types of work performed by federal employees, AI tools will enhance—rather than replace—the role of many workers.

The ability to leverage emerging technologies such as AI—with the critical help of the private sector—will help agencies protect national security, redesign business processes, and improve service delivery to the American people. PSC looks forward to working with our government partners every step of the way. ■

<sup>3</sup> <http://www.wired.co.uk/article/why-china-will-win-the-global-battle-for-ai-dominance>

<sup>4</sup> <https://itmodernization.cio.gov/assets/report/Report%20to%20the%20President%20on%20IT%20Modernization.pdf>

<sup>5</sup> <http://www.businessofgovernment.org/node/2661>

<sup>6</sup> <https://bit.ly/2j3XA4k>

# Innovate to Make Acquisition Great

Innovation. It's a buzz word heard often across government and industry and can encompass a myriad of approaches including collaboration tech, artificial intelligence, OTAs, digital transformation and much more. If we look to innovation to make federal acquisition great, what will be the next big innovative thing that will shape the way federal government contractors support the government within the next five years? PSC reached out to a few of its board members to offer their take. Read more as NT Concepts CEO and Founder Michele Bolos, ICF Executive Vice President Ellen Glover, Accenture Federal Services Chief Executive John Goodman, and NetApp Public Sector Vice President Rob Stein sound off on this topic in our "Sounding Board" feature.



**Michele Bolos**  
CEO, Founder, NT Concepts

As seen in this edition of the *Service Contractor*, collaboration tech, AI and machine learning, and streamlined acquisition platforms and vehicles have found traction and are ready for

action. How do service contractors quickly leverage the advanced technologies readily used by private sector companies like Walmart to deliver tangible value and accelerate the customer mission?

Recently we've witnessed a fundamental shift in how the government interacts with industry. It's a new, gradually-emerging environment focused on helping service contractors bring the open source and commercial solutions to the federal government, faster. I see this as the next big innovative thing: a **new Marketplace** that re-shapes how contractors interact, communicate with, and support the critical missions of our customers.

*continued page 10*



**John Goodman**  
Chief Executive  
Accenture Federal Services

Over the next five years we need to build the on-ramps to government IT modernization through **Artificial Intelligence (AI) and Cloud**. We're

most excited about the prospects for AI. You can't overstate the exponential impacts AI will have for government. It can transform the way government agencies incorporate analytics and machine learning to solve complex problems or process claims and respond to citizens.

Federal agencies need an AI strategy, so they can move past pilots, bring tools to scale and successfully bring about advanced IT transformation. We can see through procurements that agencies want to make progress quickly. They want to know how AI, already at work in the private sector, can work for them.

*continued page 10*



**Ellen Glover**  
Executive Vice President, ICF

While it is easy to point to potentially disruptive technologies, the next big innovative thing will be a focus by the government on the need for **transformative training and processes**

to develop the required leadership skills for managing innovation as a core discipline, similar to risk management and quality management. For example, in response to the innovation imperative created by the rapid evolution of technology, increasing cybersecurity demands, and shifts in citizen experience expectations, how the government buys digital IT will fundamentally change in the next 3-5 years. The key drivers for this transformation (IT Modernization, Data, Accountability and Transparency, and People – Workforce for the 21st Century) are well described in the President's Management Agenda.

*continued page 10*



**Rob Stein**  
Vice President, NetApp Public Sector

Today, **digital transformation** has become the rallying cry for government organizations and businesses aiming to innovate and improve operations. The promise of digital transformation

is profound: Faster and more informed decision-making, improved customer insights, greater cost savings, more reliable products and services, even safer work environments. But the journey to digital transformation is a multi-step process. According to the McKinsey Global Institute's Digitization Index<sup>1</sup>, the United States is operating at 18% of its digital potential, while Europe is operating at only 12%. Additionally, the index indicates that Germany operates at 10% of its digital potential and the UK is slightly behind the United States at 17%.

<sup>1</sup> <https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/digital-europe-realizing-the-continent-potential>

*continued page 22*

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## Michele Bolos, cont'd

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In this Marketplace, the government has increased in the number of market surveys, industry days, consortiums, and public discussions, creating a positive atmosphere where ideas are openly and continuously exchanged so contractors can better understand the requirements and challenges, and rapidly deliver what is needed and what works.

The Marketplace also bridges the red-tape mired acquisition process with agile strategies and approaches that create a new paradigm for the future of procurement execution. With the popularity of OTAs and other flexible acquisition vehicles on the rise—as well as increased buying under FAR Part 12—agencies are creating pathways to fast, unburdened access to commercial technology. While traditional FAR-based contracting will continue, these vehicles offer iterative approaches for rapid prototyping, text-fix-test phases ahead of down select, and enable the government to screen quickly, refine requirements in near-real-time, and avoid system-specific vendor “lock in”, price tag surge, and lack of competition.

We're excited about this innovative space the government has created—with its proactive engagement, challenge and demonstration events, and a “try before you buy” approach. It represents a stronger, more transparent relationship between government and industry and establishes an agile, competitive environment for faster commercial technology adoption and mission results. The Marketplace enables technology experts like NT Concepts to bring emerging and leading commercial technology to our customers' hardest challenges. We have a proven Power of Next methodology to discover commercial technology innovations, evaluate suitability and value, apply the technology to use cases, and rapidly deliver solutions for our intelligence and national security clients. ■

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## Ellen Glover, cont'd

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Many in government and industry have been advocating for change along all three of these dimensions for many years. However, progress has been slowed by a misalignment between government acquisition approaches and private sector best practices for how digital IT services should be delivered.

The critical change now underway is an emphasis on the human side of this challenge. The government has recognized that acquisition professionals must be trained specifically in the mindsets, leadership strategies, and methodologies required to effectively purchase and monitor innovative digital IT. To transform how the federal government acquires digital services, the U.S. Digital Service (USDS) and the Office of Federal Procurement Policy (OFPP) have launched a new core-plus certification for Contracting for Digital Services (FAC-C-DS). The Digital IT Acquisition Professional (DITAP) program provides motivated, trailblazing acquisition professionals with the knowledge and skills they need to earn this certification, helping acquisition professionals not only learn how to design innovative and flexible procurements for digital services, but also how to serve as change leaders within

their organizations. Critically, the program is structured to not just deliver currently relevant content but to also promote the lifelong learning skills, extended network development, behaviors, and capabilities in leading change required to grow participant careers far beyond the end of the program.

After working closely with USDS and OFPP to develop and test the initial pilot program, ICF is now proud to offer the first government-certified DITAP course and to launch the latest training cohort this summer. With the role of digital IT in the delivery of agency missions only growing, the demand for FAC-C-DS certification is high and expected to rapidly increase. By 2022, OFPP will require a certified digital service professional to participate in every digital service procurement over \$7 million, meaning that every major digital IT acquisition will involve a procurement leader who has completed this training.

For the professional services community, the impact of this innovative training program to build the capacity of the government to more effectively acquire modern technology will be profound. Over the next five years, program graduates will rise in importance and influence in how their agencies buy the technologies and services required to effectively deliver their missions in an increasingly digital world. These certified professionals will also be critical partners to the professional services community as we work with the government to drive innovation. ■

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## John Goodman, cont'd

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Over the last year, the discussion has moved from AI's potential, to real projects. Whether it's supply chain, health, asset management, revenue, case management, or customer service, AI can drive order of magnitude performance improvements today.

For customer service for instance, few agencies are exempt from delays of weeks, months or even years in executing routine tasks like scheduling appointments and approving applications. Slow delivery of core services can result in reputational and financial costs and directly impacts the ability of the agency to execute its mission.

Certain types of AI solutions, however, are well suited to do this kind of repetitive work. They can streamline and optimize operations and dramatically reduce backlogs. Doing so can also free up the workforce to play higher-level roles that require greater empathy, cognitive analysis and more strategic thinking.

If AI is inevitable, then cloud is indispensable. New technologies like AI will operate almost exclusively on modern, cloud-based platforms. Cloud services, and the transformative capabilities that they deliver are becoming baseline requirements for agencies to modernize their mission-focused strategies and tactics for today's digital era.

Why the momentum now? Security in the cloud in past years was consistently cited as a concern by many, but, today, security is among the top three drivers for cloud migration. Cloud by design injects greater security into modernization on the front end and

*continued page 14*



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# Category Management: A Mix of Risks and Rewards

by Alan Chvotkin, PSC Executive Vice President and Counsel

There are three questions PSC is assessing as we evaluate the impact of Category Management and potential changes to the current process. They are:

- How has Category Management impacted the ability of federal agencies to meet their mission needs?
- Are there sufficient safeguards to ensure competition in the marketplace, both now and in the future?
- Does Category Management meet the government's objectives of assisting small businesses?

## Category Management's Evolution

Category Management (CM) has evolved through four major phases. It began as a federal initiative intended to develop and provide the federal acquisition community with more efficient acquisition strategies based on major categories of federal procurement by capitalizing on subject matter expertise and lessons learned across the government. It has transitioned into a combination of both management information analysis and federal purchasing strategies.

The four phases of CM are:

### First Phase: Establishment and Spending Analysis

First was the establishment of Category Management. When CM was initiated, it was intended to provide acquisition executives—both within each purchasing organization and across the “category”—with better visibility into agencies' spending per category and thereby enable the federal government to approach the purchase of goods and services as if it were a single enterprise.

PSC continues to support these goals, even though the metrics for success are hard to articulate and even harder to validate.

### Second Phase: Designation of “Best-In-Class” Contract Vehicles

The second phase was the determination by OMB that certain contract vehicles satisfy key criteria defined by OMB to earn the designation of “Best-In-Class” (B-I-C).<sup>1</sup> As of April 23,



2018, thirty-two contracts have been designated by OMB as “B-I-C” awards.<sup>2</sup> But it is also important to recognize that many of the B-I-C designations have very specific scopes of work or have limited application in the federal purchasing world.

### Third Phase: Institution of “Spend Under Management” Tiers and Targets

The third phase was the imposition of agency quotas for spending through category management principles, referred to as “spend under management.” Agency contract spend through any of the three tiers of OMB-designated contracts counts as “spend under management.” Where agency contract dollars are obligated through contracts that do not fit into any of those tiers, awards are designated as “unmanaged contracts” and agencies are urged to do further analysis of their spend to “find opportunities” for shifting to solutions that qualify as “spend under management.”<sup>3</sup>

OMB has also established government-wide targets of awarding 35 percent of available spend through B-I-C

<sup>1</sup> Category Management Policy 15-1: Improving the Acquisition and Management of Common Information Technology: Laptops and Desktops. Oct. 16, 2015. Available at: <https://obamawhitehouse.archives.gov/sites/default/files/omb/memoranda/2016/m-16-02.pdf>

<sup>2</sup> Best-in-Class Solutions (as of April 23, 2018). Available at: <https://hallways.cap.gsa.gov/app/#/gateway/category-management/6243/best-in-class-bic-consolidated-list>

<sup>3</sup> Best-In-Class & Spend Under Management, Feb. 5, 2018. Available at: [https://www.gsa.gov/cdnstatic/BIC\\_%26\\_SUM\\_One-pager\\_252018.pdf](https://www.gsa.gov/cdnstatic/BIC_%26_SUM_One-pager_252018.pdf)

contracts and decreasing the available spend categorized as “unmanaged” by 20 percent.

Category Management is also an important component of the March 2018 President’s Management Agenda. Cross-agency goal #7 establishes as an objective “leveraging common contracts and best practices to drive savings and efficiencies.”

But nothing in the CM evolution detracts from the agencies’ responsibility to achieve their individually negotiated small business contracting and subcontracting goals pursuant to the Small Business Act.

#### **Fourth Phase: Mandatory Use “Best-in-Class” Contracts**

The current phase adds the requirement for the mandatory use of specifically designed B-I-C awards. These vehicles are the exclusive method by which agencies must purchase covered goods and services. As of February 5, 2018, six contracts across four of the ten categories have been designated as “mandatory use” for the agencies.<sup>4</sup> Mandatory use of certain contracts is not new, but it remains controversial.

#### **Distinction between Products and Services**

With CM’s focus on lowering prices, PSC is concerned that the government may begin to purchase complex services in the same manner as common office supplies—which will limit value and reduce innovation. In addition, these techniques may have the effect of **limiting the number of firms**—small or other-than-small—able to compete for the specific goods or services provided for under these “spend under management” contracts.

#### **Issues for Consideration**

Five years ago, PSC testified before the House Small Business Committee on the use of Strategic Sourcing and stated that “the government’s goal should be to foster an environment of robust competition, high performance, agility,

innovation, balanced opportunities for companies of all sizes, and accountability.”<sup>5</sup>

PSC cautioned then, and we do so again here, that more needs to be done to prevent unintended consequences on the small and other-than-small companies that are—or that are capable of—meeting the government’s needs. Particularly as CM has transitioned into a procurement policy, there have been negative consequences for the supplier base and for the marketplace.

These include:

1. Implementing a One-Size-Fits-All Approach Across Government;
2. Limiting the Flexibility of Agencies to Pursue Unique Solutions;
3. Narrowing Competition in the Marketplace;
4. Focusing Too Heavily on Low Price;
5. Focusing Too Heavily on Inputs, not Outcomes.

Additionally, many of the competitions and awards for what are now designated as “Best-In-Class” occurred before the B-I-C designation (and any mandatory use designation) was established. This raises two additional issues:

Are the B-I-C contracts structured in a way to provide on-ramps for companies who are not currently a holder of the vehicle?

When the B-I-C contracts are recompeted, will non-contract holder offerors be able to successfully compete for future opportunities?

#### **Conclusion**

PSC is continuing to work with OMB and the federal agencies on the development of CM and its implementation. It is a policy that has benefits relating to understanding the nature of the government’s spending patterns but also risks when it is used as a procurement preference program. ■

<sup>4</sup> Best-In-Class & Spend Under Management, Feb. 5, 2018. Available at: [https://www.gsa.gov/cdnstatic/BIC\\_%26\\_SUM\\_One-pager\\_252018.pdf](https://www.gsa.gov/cdnstatic/BIC_%26_SUM_One-pager_252018.pdf)

<sup>5</sup> Testimony of PSC president Stan Soloway, June 13, 2013, before the Committee on Small Business, U.S. House of Representatives, titled “Putting the Strategy in Sourcing: Challenges and Opportunities for Small Business Contractors.” Available at: [https://www.pscouncil.org/\\_\\_\\_Issue\\_Areas/SmallBusiness/Resources/SmallBusiness/Testimony\\_on\\_Small\\_Business\\_Impact\\_of\\_Strategic\\_Sourcing.aspx](https://www.pscouncil.org/___Issue_Areas/SmallBusiness/Resources/SmallBusiness/Testimony_on_Small_Business_Impact_of_Strategic_Sourcing.aspx)

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## **John Goodman, cont’d from page 10**

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builds cyber resilience. According to a recent global IDG research survey of 600 cloud-using companies across a variety of industries, more than half now say that cloud improves their security.

AI can deliver the commercial grade digital experiences and outcomes that citizens expect. Our research shows that citizens want federal agencies to deliver the same or better customer experiences as those in the private sector. By bringing the best from private industry to government, we help shorten the cycle of implementation.

With the President’s Management Agenda, and the Modernizing Government Technology Act (MGT), along with the newly formed Interagency Select Committee on Artificial Intelligence, agencies have directives that lay out the long-term vision for full scale government modernization. To help our clients achieve these goals, we should follow the advice hockey great Wayne Gretzky received from his father (after all, the Washington Capitals did just win the Stanley Cup) and “skate to where the puck is going, not to where it has been.” ■

EATING  
DINNER  
AT HOME  
IS OUR  
BEST  
FEATURE.



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# Working for You: Civilian Agencies Council

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

It seems we often hear of updates on the NDAA, which has broad implications for defense contractors. PSC is also working diligently for our members focused on civilian agencies.

To keep members informed, and to engage with our government partners, PSC held two market-specific conferences and a Reverse Industry Day (RID) in June, while other programs and RIDs are planned for this fall.

On June 6, PSC co-hosted a half-day RID program (1) with the **National Institutes of Health (NIH)**. Representatives from more than five of the NIH Institute Centers attended. In a Reverse Industry Day, industry leaders share their perspectives on the acquisition process and the parallel actions industry is taking along the acquisition lifecycle. NIH Deputy Director for Management Dr. Alfred Johnson provided opening remarks. Representatives from eight PSC member companies participated as industry speakers. As a result of this program, a **Department of Health and Human Services (HHS) Reverse Industry Day** program with PSC is being planned for **Tues., Oct. 9, 2018**.

A new offering this year, the **PSC Law Enforcement Conference** (2), drew nearly 150 attendees along with top leaders from various federal agencies on June 13. Christopher Piehota (3), from the Federal Bureau of Investigation (FBI), Thomas D. Homan (4), from Immigration and Customs Enforcement (ICE), and Mark Borkowski (5), from Customs and Border Protection (CBP) were keynote speakers. Panelists discussed mission, acquisition, and technology trends in their respective work (6). Thank you to the conference planning committee and sponsors Parsons, Buchanan & Edwards and Panasonic for supporting this program.

The second annual **PSC FedHealth Conference** (7) on June 25 was a focused program to hear from top government officials from across federal health agencies to discuss critical policy and acquisition priorities. Thomas Bowan (8), former Deputy Secretary of the Department of Veterans Affairs (VA), Jose Arrieta (9) from the Department of Health and Human Services, and Dr. Barclay Butler (10) from the Defense Health Agency (DHA) were keynote speakers. Through fireside chats (11) and informative panel discussions (12), attendees learned firsthand about ways to involve with government to improve federal health agency outcomes. Thank you to the conference planning committee and sponsors Parsons, DLH Corporation, Baker Tilly, Westat, MayaTech Corporation, and Vinson & Elkins for supporting this program.



In case you missed these events, video from both conferences are available for purchase and conference recaps are available at [pscouncil.org](http://pscouncil.org).

We invite PSC members to stay tuned to the PSC Daily newsletter for more information, topics, and instructions on how you can participate in future programs and our upcoming NIH Reverse Industry Day. If you have ideas on how PSC can continue to engage with civilian agencies, we heartily welcome your feedback, and we readily invite government partners interested in engaging in our work to reach out directly to [saull@pscouncil.org](mailto:saull@pscouncil.org). ■





# Bill on the Hill: What Congress Is Doing on Security Clearances

by David J. Berteau, PSC President and CEO

**T**he 700,000 background investigation cases in process and the unacceptably long wait times for a security clearance are urgent matters for PSC member companies, undermining the national security missions they support. The challenge for government and industry is to make the security clearance process produce better, faster, and more secure results.

The Government Accountability Office's (GAO) January decision to add the personnel security clearance process to its High Risk List reaffirmed what the contractor community and national security experts across the government already knew: the process has serious problems.

Now, Congress has taken notice and is moving targeted reforms that were proposed or supported by PSC. While no one action will immediately reduce the backlog while maintaining the integrity of the process, these provisions represent a new way of thinking on the Hill to support positive steps to address the security clearance process.

If enacted, the Senate-passed National Defense Authorization Act (NDAA) (S.2987) and Committee-approved Intelligence Authorization Act (IAA) (S.3153) will do the following:

## ***Expedite security clearances for mission-critical positions***

Currently, investigations are largely processed in the order they are received, not necessarily prioritized to ensure that the government's critical missions and needs are met. The NDAA requires the establishment of a process where mission critical positions can be identified, prioritized, and filled in a timely manner—in which a secret-level clearance would be issued in 15 days, and a top secret-level clearance issued in 45 days. This program would ensure the contractor community can effectively and efficiently recruit top talent for the most critical government missions.

## ***Establish an information sharing program for positions of trust***

Many company employees work on federal facilities and on federal networks. As a result, companies do not have access to the same information on their own employees that the government has. Recognizing that better information sharing between the public and private sectors is necessary to improve our collective ability to deter and detect insider threats, the Senate NDAA would establish a program to share information regarding individuals applying for and serving in positions of trust.

## ***Begin the process of implementing a "clearance in person"***

During my testimony in front of House and Senate Committees earlier this year, Members of Congress seemed surprised to learn that cleared personnel could not move from supporting one agency to another (in some cases, not even from one contract to another within the same agency) without having their clearance re-adjudicated. Providing a path for already-cleared individuals to move more easily among contracts will dramatically increase industry's ability to more efficiently and effectively support the

government and allow the government to redirect investigative resources toward higher risk and higher mission needs. The NDAA provision requires the Security Executive Agent to report to Congress on the requirements, feasibility, and advisability of implementing a clearance-in-person concept. PSC believes this is a step in the right direction that can eventually lead to the government providing a clearance based on the individual's trustworthiness, not based on the contractor's status. The IAA similarly requires better tracking of clearances inside the Intelligence Community and calls for regular reports to Congress on the number of clearances that take more than two weeks for reciprocal recognition, with the reasons for the delay. PSC believes that such reporting will encourage improvements, because agencies are not eager to put negative progress on the record.

## ***Hold the Performance Accountability Council responsible for implementing changes***

Fractured authorities and policies have thus far hindered efforts to reform the process, as decision making authority is scattered among agencies and coordinated through the interagency Performance Accountability Council (PAC). The IAA will require the PAC to develop an implementation plan to reduce the backlog to 200,000 by the end of 2019 and tasks the PAC with leading implementation of goals on timeliness, portability and reciprocity, better use of technology, and continuous evaluation. This provision will help intelligence community agencies be clear about the reforms they must undertake and the metrics they must meet to comply with the plan.

## ***Modernize the Security Clearance Processes***

Much of the backlog problem comes from using an antiquated, time-consuming background investigations process. Investigators ask basically the same questions they did 40 years ago, often going door-to-door and relying on face-to-face meetings with neighbors and friends. The government still relies too much on paper records and closed systems for collecting and sharing information. The IAA will require the Office of the Director of National Intelligence to reexamine and simplify the SF-86, expand innovative techniques and remote technologies for investigative interviews, employ continuous evaluation, and develop policies on interim clearances.

## ***Moving Forward***

When announcing the GAO decision, U.S. Comptroller General Gene L. Dodaro said: "Our objective for the High Risk List is to bring attention to policymakers of the need for action sooner, rather than later." PSC echoes GAO's attention to fixing the processes that have led to the unacceptable backlog and wait times, and we are pleased that Congress is moving forward. We will continue to work with the House and Senate to see these provisions signed into law, and more importantly to follow them into implementation. ■

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# Improving Government Performance Using Collaboration Technology

by James DeGenova, Senior Manager, PMP, CFE, CICA, CohnReznick

Innovative technologies are changing the way government agencies execute their programs, improve performance, and empower their people. With an evolving workforce and new technologies providing faster solutions, collaboration technology is allowing agencies to focus on communication, optimization and the ability to drive results that benefit the citizens they serve.

## C2 (Collaborate & Communicate)

Shifting towards cloud-based digital workspaces to combine conversation and content collaboration, government agencies are improving productivity and communication among teams throughout their departments and across agencies. Government leaders are driving success by using new technology that enhances teamwork and provides agencies with improved tools that increase conversation and effective decision making.

Whether utilizing innovation labs, smart phones or tablets, teams maximize their digital technologies together. Agencies share files instantly, visualize and review data, annotate, enhance visibility by discussing face-to-face over the screen and ensure

their projects are managed and completed efficiently. For truly dynamic and results-oriented government leaders, it's less about in-person meetings or conference call dial-in numbers with one-dimensional slideshow presentations and more about offering staff the freedom to connect and collaborate while storing their ideas and processes in a secure virtual environment that may be accessed anytime.

By tapping into the power of collaborative technology to scale projects and produce solutions in their space, leaders and teams maintain up-to-the-minute views of situations as they unfold and provide real-time monitoring of critical operations such as disaster recovery, cybersecurity, and complex financial and budgetary decisions. With the ability to interface immediately, agencies can deploy their strategies rapidly and in synchronized fashion. Whether an agency is fending off cyberattacks or helping citizens prepare for a natural disaster, collaborative technology such as virtual workspaces, social media, mobile applications and live video compresses the timeline of communicating critical information to decision makers and citizens.



## Cost Savings and Optimization

Government agencies look to proactively enhance their mission, keep costs low and drive successful projects that benefit the public. With agencies paying close attention to cost-saving measures, utilizing collaborative technology improves communication within the government and across the public sector. When this technology is active across agencies, leadership and team members plan job duties together, build out work flow strategies, hand-off assignments, quality control work and review best practices all while optimizing agency goals miles apart.

With the ability to collaborate, communicate and streamline processes together, agencies are saving by improving efficiency. Reduced travel, less time wasted sending and receiving files, and fewer one-dimensional slideshow presentations provide teams with the ability to focus more on ideas and project goals that come to fruition faster. With increased discussions, decisions based on real-time interaction and improved production, government agencies may now focus on the bottom line – completing their mission on time in a cost-effective manner. By implementing collaborative tools, agencies are maximizing their work rate which ultimately leads to long-term savings.

## Culture and Empowerment

Collaboration technology helps government agencies complete their projects faster and leaner, while improving their culture by

providing an open forum for stakeholders to share their thoughts and views. Open communication helps to foster a culture of mutual respect and shared beliefs and values. By having a strong culture, agencies may build empowered action oriented teams that help drive the mission of the organization as people are motivated as they have a voice in how things get done.

Agencies are driving better work processes and bringing forth more ideas when groups have a sense of contribution. When individuals and teams have a sense of belonging, they feel more in-touch with their departments and want to ensure that their projects are successful. Collaborative technology fuses creativity, goals, and people to instill culture. When combined, collaborative technology and culture are bringing positive change to agencies that are driving motivation, cost savings, and better solutions.

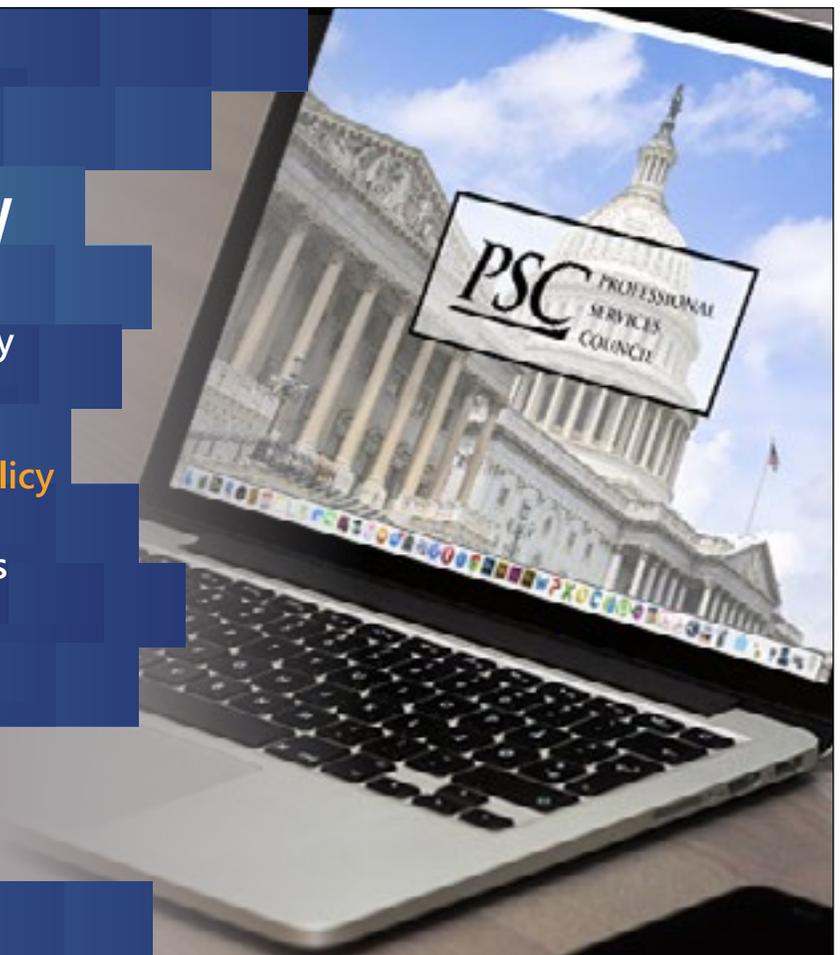
## Conclusion

Collaboration technology is changing the way government agencies provide solutions, enable their people and bring about positive change. By investing in these tools, leadership is building and empowering a connected workforce focused on innovation, productivity and culture. Connected leadership and their teams are working simultaneously to promote their agency goals, raise performance, reduce redundancies and deliver faster solutions to achieve ideal outcomes that benefit the citizens they serve today and in the future. ■

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Why do government organizations and businesses have such a long way to go in achieving digital transformation? Changing operational models and multiple legacy organizational processes often keep them from knowing how and where to start their digital transformation journey. So, what can organizations do to kick-start their digital transformation journey and have an immediate impact on their bottom line goals? To begin the journey, we suggest starting with two priorities: put your data first and make disruptive decisions.

For today's organizations, data is now the lifeblood of the decision-making process. Gone are the days when vast amounts of infrastructure and inventories made up the value of companies and government organizations. In the digital age, it's all about data. Knowing how to store it, manage it and protect it is paramount. Only people are a more important asset. But today's data is not just rows and columns. It's distributed, dynamic and diverse. It lives on mobile devices and is spread across multiple networks and endpoints. Becoming a data thriver and not just a data survivor requires leaders to disrupt their organizations, move away from business-as-usual, and create a culture of decision-making that puts data at the forefront of everything they do. Yet, a recent IDC study sponsored by NetApp<sup>2</sup> identified five different levels of data maturity from data "survivors" to data "thrivers" and indicated that only 11% of 800 IT organizations around the world would be classified as data "thrivers" This means that most companies and most government agencies are not yet at a point where they're making data-centric decisions. Said another way, they haven't yet taken control of their data.

### What to do

At NetApp, we know first-hand what it's like to make disruptive organizational decisions. Three years ago, we began our own transformation journey to change the way we serve our customers in this new era of IT and enable them to become data thrivers, not just data survivors. Our transformation began at the top with a new CEO, many new executive leaders and a laser-focused approach on articulating our strategy and aligning the company to execute it. We had to decide what to stop doing and focus on how we would address the myriad of choices our customers had for managing and consuming their data. Many of these choices were not the traditional approaches that previously made NetApp successful. Cloud was the biggest disruptor. It was a matter of prioritization, discipline, unwavering execution, and relentless inspection. At times, it was painful, however we continue to persevere and are getting significant returns. Our organizational transformation is still ongoing, but we have developed a culture of change and disruption to improve results.

As we strove to help our customers in their journeys toward digital transformation, we built on our track record of data management expertise to focus intensely on the power of data and the role it could play in their success. We made the disruptive decision to enable our customers to use our enterprise-class data management software wherever they wanted to run their critical applications. Instead of requiring our customers to use our hardware, we enabled our customers to make the best choice for where they want to put their data and workloads - in their data centers, in others' data centers or private clouds, and most significantly, in the cloud. That was a disruptive change and it is having a major impact on our customers' success and within the data storage industry. Ultimately, it led us to form three business units focused on helping customers manage their

data seamlessly across their environments - on premises, in private clouds, and in public clouds. It led to unprecedented, strategic agreements with three major hyperscalers - Amazon Web Services (AWS), Microsoft Azure, and Google Cloud Services, where we help our customers store and manage their data in the cloud. And, it led to our customers being able to choose their own path to make the best use of their data.

Of course, many of NetApp's largest customers are government agencies who are looking to digitally transform and leverage the power of their data to make more informed decisions and more effectively execute their mission. No organizations in the world have greater needs to share, protect, store and manage their data than our government customers. As the leader of NetApp's U.S. Public Sector business, I focused on our customers' move to the cloud. I used every opportunity to help our organization productively engage in conversations with government agencies about moving to the cloud. We would start a conversation about putting data in the cloud—even if the customer wasn't quite sure about how to make that transition. I would have our teams document these conversations and inspect the outcomes. This has required our employees to ask questions and discover new information about our government customers and move into areas that a traditional "storage" company has not had to address. I firmly believe we are on the right path - our customers are re-affirming this, analysts are giving us great reviews, and our employees are more fired up than ever.

Finally, we are working closely with government technology policy-makers who have been very forward-thinking as they too understand the power of digital transformation to support the mission. The building blocks technology policy makers have put in place with programs like FedRAMP help ensure agencies that their data will be secure in the public cloud. This structure has provided a foundation of trust that agencies need to begin moving their data to the public cloud. But, data needs more than protection to be effective. It needs to be portable, easily managed, and flow seamlessly between all endpoints that an organization has in place - from the edge to the core to the cloud.

The journey toward digital transformation doesn't have to become a daunting process. It is one that government agencies and companies are taking every day. But it starts with the understanding that data is the lifeblood of organizations and involves making decisions that often disrupt legacy organizational processes. It also must start at the top. Only 19% of NetApp's customers are having their digital transformations led by their CIOs. Instead, 29% are led by CEO's and 34% are led by other C-suite non-IT leaders. The promise of digital transformation is profound - delivering new services never previously possible; performing missions in new and innovative ways, even saving lives; or simply achieving better efficiencies. Digital transformation is a journey. With the right know-how and culture changes, organizations can make the difficult and transformative decisions to begin that journey. It all starts with the data and storing and managing their data in ways that make it an integral part of the decision-making process. These are the key building blocks needed to achieve digital transformation and we're seeing organizations make progress every day. Be a Data Visionary<sup>3</sup>. ■

<sup>2</sup> [https://www.netapp.com/us/campaigns/data-visionary/thrive-with-digital-transformation.aspx?ref\\_source=smc&cid=7010y000000maBY](https://www.netapp.com/us/campaigns/data-visionary/thrive-with-digital-transformation.aspx?ref_source=smc&cid=7010y000000maBY)

<sup>3</sup> <https://www.netapp.com/us/campaigns/data-visionary/index.aspx>

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# Bill Tracker: 115<sup>th</sup> Congress-Second Session (2018)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

**H.J. Res. 37** **Disapproving the 8/25/16 FAR rule relating to Fair Pay and Safe Workplaces, Foxx (R-NC)**  
*STATUS* Signed into law 3/27/17; P.L. 115-11.

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**H.R. 5** **Regulatory Accountability Act, Goodlatte (R-VA)**  
*SUMMARY* Would reform the process by which federal agencies analyze and formulate new regulations, clarify the nature of judicial review and ensure complete analysis of potential impacts on small business. Would specifically repeal the so-called “Chevron deference” standard, require mandatory litigation stays for new rules, and strengthen the Regulatory Flexibility Act.  
*STATUS* Passed the House (238-183) on 1/11/17. Related bill: S. 951.

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**H.R. 26** **Regulations from the Executive in Need of Scrutiny (REINS) Act, Collins (R-GA)**  
*SUMMARY* Provides that major executive branch rules shall have no force or effect unless a joint resolution of approval is enacted into law.  
*STATUS* Passed the House (237-187) on 1/5/17. Related bill: S. 21.

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**H.R. 39** **Tested Ability to Leverage Exceptional National Talent (TALENT) Act, McCarthy (R-CA)**  
*SUMMARY* Would codify the Presidential Innovation Fellows Program.  
*STATUS* Signed into law 1/20/17; P.L. 115-1.

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**H.R. 71** **Taxpayers Right-To-Know Act, Walberg (R-MI)**  
*SUMMARY* Would require the Office of Management and Budget, beginning by 6/30/19, to provide an annual report disclosing the cost and performance of Government programs with budget authority greater than \$1 million and areas of duplication among them.  
*STATUS* Passed the House (voice vote) on 1/4/17. Related bill: S. 317.

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**H.R. 72** **GAO Access and Oversight Act, Carter (R-GA)**  
*SUMMARY* Would ensure the Government Accountability Office (GAO) has adequate access to information.  
*STATUS* Signed into law 1/31/17; P.L. 115-3.

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**H.R. 239** **Support for Rapid Innovation Act, Ratcliffe (R-TX)**  
*SUMMARY* Would require Department of Homeland Security to provide for innovative research and development.  
*STATUS* Passed the House (voice vote) on 1/10/17. Related bill: S. 278.

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**H.R. 240** **Leveraging Emerging Technologies Act, Ratcliffe (R-TX)**  
*SUMMARY* Would encourage engagement between Department of Homeland Security and technology innovators.  
*STATUS* Passed the House (voice vote) on 1/10/17.

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**H.R. 321** **Inspiring the Next Space Pioneers, Innovators, Researchers, and Explorers (INSPIRE) Women Act, Comstock (R-VA)**  
*SUMMARY* Requires the NASA Administrator to support women’s involvement in the fields of aerospace and space exploration and to develop a plan to best facilitate and support K-12 female STEM students to inspire the next generation of women.  
*STATUS* Signed into law 2/28/17; P.L. 115-7.

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# Bill Tracker: 115<sup>th</sup> Congress-Second Session (2018)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

SUMMARY

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

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

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

SUMMARY

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

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

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## H.R. 601 Continuing Appropriations and Supplemental Appropriations for Disaster Relief Requirements Act, Lowey (D-NY)

SUMMARY

Provided continuing appropriations for federal agencies through December 8, 2017 and supplemental funding for hurricane relief.

*STATUS* Signed into law on 9/8/17; P.L. 115-56.

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

SUMMARY

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

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

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

SUMMARY

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

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

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

SUMMARY

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

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

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

SUMMARY

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

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

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

SUMMARY

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

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

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# Bill Tracker: 115<sup>th</sup> Congress-Second Session (2018)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

SUMMARY

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

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

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

SUMMARY

Would codify current practices at the Office of Information and Regulatory Affairs for centralized review of regulations and expand OIRA reviews to previously excluded agencies.

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

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

SUMMARY

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

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

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

SUMMARY

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

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

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

SUMMARY

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

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

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

SUMMARY

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

*STATUS* **Passed the House (voice vote) on 6/21/17. Related bill: S. 886.**

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

SUMMARY

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

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

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

SUMMARY

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

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

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# Bill Tracker: 115<sup>th</sup> Congress - Second Session (2018)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## H.R. 1625 Consolidated Appropriations Act of 2018, Royce (R-CA)

**SUMMARY** Provides full appropriations for federal agencies for fiscal year 2018 and includes substantial increases in funding for certain agencies and programs.

**STATUS** Signed into law on 3/23/17; P.L. 115-141.

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## H.R. 2006 VA Procurement Efficiency and Transparency Act, Coffman (R-CO)

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

**STATUS** Passed the House (voice vote) on 7/24/17.

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## H.R. 2200 Frederick Douglass Trafficking Victims Prevention and Protection Reauthorization Act, Smith (R-NJ)

**SUMMARY** Would reauthorize the Trafficking Victims Protection Act and require that federal agencies report on actions they are taking to ensure contractors are educated on the applicable laws regarding human trafficking.

**STATUS** Passed the House (voice vote) on 7/12/17.

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## H.R. 2227 The Modernizing Government Technology Act, Hurd (R-TX)

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

**STATUS** Passed the House (voice vote) on 5/17/17. Related bill: S. 990. Modified text included in H.R. 2810/FY18 NDAA, signed into law on 12/12/17; P.L. 115-91.

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## H.R. 2594 The Small Business Pay for Performance Act, Fitzpatrick (R-PA)

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

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

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## H.R. 2749 Protecting Business Opportunities for Veterans Act, Bergman (R-MI)

**SUMMARY** Would penalize violations of the limitations on subcontracting rule and require participants in the Vets First Program to certify that they are performing the required percentage of work.

**STATUS** Passed the House (voice vote) on 7/24/17.

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## H.R. 2763 Small Business Innovation Research and Small Business Technology Transfer Improvements Act, Knight (R-CA)

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

**STATUS** Passed the House (voice vote) on 10/11/17.

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# Bill Tracker: 115<sup>th</sup> Congress - Second Session (2018)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## H.R. 2781 **Ensuring Veteran Enterprise Participation in Strategic Sourcing Act, Dunn (R-FL)**

SUMMARY

Would expand the Department of Veterans Affairs policy to set aside contracts for small businesses owned by veterans or service-disabled veterans to include VA contracts run by the General Services Administration (GSA) under the Federal Strategic Sourcing Initiative.

*STATUS* Passed the House (voice vote) on 7/24/17.

## H.R. 2810 **Fiscal 2018 National Defense Authorization Act (NDAA), Thornberry (R-TX)**

SUMMARY

Authorizes appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

*STATUS* Signed into law on 12/12/17; P.L. 115-91.

## H.R. 2825 **DHS Authorization Act, McCaul (R-TX)**

SUMMARY

Would reauthorize the Department of Homeland Security.

*STATUS* Passed the House (386-41) on 7/20/17. Reported with an amendment by the Senate Committee on Homeland Security and Governmental Affairs on 4/16/18.

## H.R. 3019 **Promoting Value Based Procurement Act, Meadows (R-NC)**

SUMMARY

Would limit the use of lowest price technically acceptable (LPTA) source selection criteria for certain service contracts in the civilian agencies.

*STATUS* Ordered to be reported by the House Committee on Oversight and Government Reform on 09/13/17. Modified text included in H.R. 5515/FY19 NDAA, passed the House (351-66) on 5/24/18.

## H.R. 3210 **SECRET Act, Knight (R-CA)**

SUMMARY

Would require the Office of Personnel Management's National Background Investigations Bureau to report on the size of the backlog of security clearance investigations, and the average length of time to carry out an investigation.

*STATUS* Signed into law on 5/22/18; P.L. 115-173.

## H.R. 3243 **FITARA Enhancement Act, Connolly (D-VA)**

SUMMARY

Eliminates the five-year sunset clause for provisions relating to transparency and risk management of information technology investments included in the Federal IT Acquisition Reform Act of 2014, and extends the sunset of the Federal Data Center Consolidation Initiative from 2018 to 2020.

*STATUS* Signed into law 11/21/17; P.L. 115-88.

## H.R. 4038 **DHS Accountability Enhancement Act, McCaul (R-TX)**

SUMMARY

Would repeal the authority for DHS to reorganize its offices and components without Congressional approval.

*STATUS* Passed the House (voice vote) on 10/23/17.

## H.R. 4174 **Foundations for Evidence-Based Policymaking Act of 2017, Ryan (R-WI)**

SUMMARY

Would require each agency to name a chief data officer and a chief evaluation officer to establish a more secure, transparent, and efficient data system that will help federal agencies better assess the effectiveness of their programs.

*STATUS* Passed the House (voice vote) on 11/15/17. Related bill: S. 2046.

# Bill Tracker: 115<sup>th</sup> Congress-Second Session (2018)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## H.R. 4191 HHS Cybersecurity Modernization Act, Long (R-MO)

**SUMMARY** Would authorize the HHS CISO to coordinate healthcare sector cybersecurity, remove the CISO from the Office of the Chief Information Officer, and elevate the position as a direct report to the HHS Secretary.

**STATUS** *Referred to the House Committee on Energy and Commerce on 10/31/17.*

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## H.R. 4747 Defending U.S. Government Communications Act, Conaway (R-TX)

**SUMMARY** Would prohibit the government from contracting with entities that use telecommunications services or equipment produced or provided by Huawei Technologies Company or ZTE Corporation.

**STATUS** *Referred to the House Committee on Oversight and Government Reform on 1/9/18. Modified text included in H.R. 5515/FY19 NDAA, passed the House (351-66) on 5/24/18. Related bill: S. 2391.*

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## H.R. 4995 Due Diligence for FEMA Disaster Contractors Act, Thompson (D-MS)

**SUMMARY** Would direct FEMA to establish a contractor review process for major disaster-related contracts over \$1M. FEMA would assess the past experience and resources of the potential contractor in five areas.

**STATUS** *Referred to the House Committee on Transportation and Infrastructure on 2/8/18.*

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## H.R. 5105 The BUILD Act, Yoho (R-FL)

**SUMMARY** Would establish the United States International Development Finance Corporation to mobilize and facilitate the participation of private sector capital and skills in the economic development of less developed countries.

**STATUS** *Ordered to be reported by the House Committee on Foreign Affairs on 5/9/18.*

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## H.R. 5113 Federal Contractor Anti-Harassment Training Act, Barragan (D-CA)

**SUMMARY** Would require mandatory sexual harassment training for the employees of federal contractors and subcontractors.

**STATUS** *Referred to the House Committee on Oversight and Government Reform on 2/27/18.*

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## H.R. 5144 Contracting Compliance Act, Blum (R-IA)

**SUMMARY** Would require GAO to report on compliance of contracting agencies with subcontracting plans and subcontracting goals under the Small Business Act and make recommendations to strengthen oversight of compliance standards.

**STATUS** *Referred to the House Committee on Small Business on 3/1/18.*

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## H.R. 5177 Encouraging Veteran Employment Act, Knight (R-CA)

**SUMMARY** Would allow the Secretary of Defense to give preference to contractors that employ veterans on a full-time basis.

**STATUS** *Referred to the House Committee on Armed Services on 3/6/18. Text included in H.R. 5515/FY19 NDAA, passed the House (351-66) on 5/24/18.*

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## H.R. 5337 Accelerated Payments for Small Businesses Act, Knight (R-CA)

**SUMMARY** Would permanently restore prompt payments to small businesses and small business subcontractors. This policy was originally established by OMB Memo M-11-32 and portions lapsed on December 31, 2017.

**STATUS** *Referred to the House Committee on Oversight and Government Reform on 3/20/18. Modified text included in H.R. 5515/FY19 NDAA, passed the House (351-66) on 5/24/18. Related bill: S. 2893.*

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# Bill Tracker: 115<sup>th</sup> Congress - Second Session (2018)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## H.R. 5362

### IRS Information Technology Accountability Act, Walorski (R-IN)



SUMMARY

Would codify the Internal Revenue Service's Chief Information Officer and tasks the CIO with developing and implementing a multiyear strategic plan for the information technology needs.

*STATUS* Referred to the House Committee on Ways and Means on 3/21/18.

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## H.R. 5515

### The National Defense Authorization Act for Fiscal Year 2019, Thornberry (R-TX)



SUMMARY

Authorizes FY19 appropriations and sets forth policies regarding the military activities of the Department of Defense. Contains a number of acquisition reform policies impacting contractors, among other provisions.

*STATUS* Passed the House (351-66) on 5/24/18. Related bill: S. 2987

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## S.J. Res. 12

### Disapproving the FAR rule relating to Fair Pay and Safe Workplaces, Johnson (R-WI)

*STATUS*

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

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## S. 21

### Regulations from the Executive In Need of Scrutiny (REINS) Act, Paul (R-KY)

SUMMARY

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

*STATUS* Reported by the Senate Committee on Homeland Security and Governmental Affairs on 10/16/17. Related bill: H.R. 26.

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## S. 84

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

SUMMARY

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

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

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## S. 146

### Border Security Technology Accountability Act, McCain (R-AZ)

SUMMARY

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

*STATUS* Reported by the Committee on Homeland Security and Governmental Affairs on 4/16/18. Related bill: H.R. 505.

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## S. 237

### Lawsuit Abuse Reduction Act, Grassley (R-IA)

SUMMARY

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

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

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## S. 278

### Support for Rapid Innovation Act, Daines (R-MT)

SUMMARY

Would require DHS to provide for innovative research and development.

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

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# Bill Tracker: 115<sup>th</sup> Congress-Second Session (2018)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

SUMMARY

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

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

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

SUMMARY

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

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

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

SUMMARY

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

*STATUS* Reported by the Senate Committee on Small Business and Entrepreneurship on 8/2/17.  
Related bill: H.R. 2013.

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## S. 842 Fair Chance Act, Booker (D-NJ)

SUMMARY

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

*STATUS* Reported by the Senate Committee on Homeland Security and Governmental Affairs on 9/25/17.  
Related bill: H.R. 1905.

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## S. 886 DHS Acquisition Review Board Act of 2017, Daines (R-MT)

SUMMARY

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

*STATUS* Passed Senate with an amendment by Unanimous Consent on 11/9/17. Related bill: H.R. 1282.

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

SUMMARY

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

*STATUS* Referred to the Senate Committee on Homeland Security and Governmental Affairs on 4/6/17.  
Related bill: H.R. 1249.

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

SUMMARY

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

*STATUS* Passed Senate with an amendment by Unanimous Consent on 11/9/17. Related bill: H.R. 1294.

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# Bill Tracker: 115<sup>th</sup> Congress - Second Session (2018)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

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

**STATUS** *Reported from the Senate Committee on Homeland Security and Governmental Affairs on 2/14/18.  
Related bill: H.R. 5.*

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

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

**STATUS** *Modified text included in H.R. 2810/FY18 NDAA, signed into law on 12/12/17; P.L. 115-91.*

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

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

**STATUS** *Text included in H.R. 2810/FY18 NDAA, signed into law on 12/12/17; P.L. 115-91.*

## S. 1519 National Defense Authorization Act, McCain (R-AZ)

**SUMMARY** Authorizes FY18 appropriations and sets forth policies regarding the military activities of the Department of Defense. Contains a number of acquisition reform policies impacting competition, GAO protests, and commercial items, among other provisions.

**STATUS** *Placed on Senate Legislative Calendar on 7/10/17. Related bill: H.R. 2810/FY18 NDAA, signed into law on 12/12/17; P.L. 115-91.*

## S. 1691 Internet of Things (IoT) Cybersecurity Improvement Act, Warner (D-VA)

**SUMMARY** Would require contractors who supply the Government with IoT devices to meet certain cyber security requirements, including that the devices are patchable, do not contain hard-coded passwords or known vulnerabilities and rely on standard protocols.

**STATUS** *Referred to the Senate Committee on Homeland Security and Governmental Affairs on 8/1/17.*

## S. 2002 Ensuring Protections for Intelligence Community Contractor Whistleblowers Act, McCaskill (D-MO)

**SUMMARY** Would provide whistleblower protections for certain contractors within elements of the intelligence community for the lawful disclosure of information.

**STATUS** *Similar text included in S. 139, FISA Amendments Reauthorization Act, signed into law on 1/19/18; P.L. 115-118.*

## S. 2391 Defending U.S. Government Communications Act, Cotton (R-AK)

**SUMMARY** Would prohibit the government from contracting with entities that use telecommunications services or equipment produced or provided by Huawei Technologies Company or ZTE Corporation.

**STATUS** *Referred to the Senate Committee on Homeland Security and Governmental Affairs on 2/7/18.  
Modified text included in S.2987 /FY19 NDAA, passed the Senate as H.R. 5515 (85-10) on 6/18/18.  
Related bill: H.R. 4747.*

# Bill Tracker: 115<sup>th</sup> Congress - Second Session (2018)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## S. 2413 **Bridge Contract Transparency and Accountability Act, McCaskill (D-MO)**

SUMMARY

Would require the Administrator for Federal Procurement Policy to report to Congress on governmentwide policies, practices, and uses of bridge contracts and require the head of each executive agency to develop procedures that seek to minimize the use of bridge contracts.

*STATUS* Reported by the Senate Committee on Homeland Security and Governmental Affairs on 4/18/18.

## S. 2893 **To provide accelerated payments for small businesses, Cardin (D-MD)**



SUMMARY

Would permanently restore prompt payments to small businesses and small business subcontractors at the Department of Defense. This policy was originally established by OMB Memo M-11-32 and portions lapsed on December 31, 2017.

*STATUS* Referred to the Senate Committee on Armed Services on 5/22/18. Text included in H.R. 5515, passed the House (351-66) on 5/24/18. Related bill: H.R. 5337.

## S. 2987 **The John S. McCain National Defense Authorization Act for Fiscal Year 2019, Inhofe (R-OK)**



SUMMARY

Authorizes FY19 appropriations and sets forth policies regarding the military activities of the Department of Defense. Contains a number of acquisition reform policies impacting contractors, among other provisions.

*STATUS* Passed the Senate as H.R. 5515 (85-10) on 6/18/18. Related bill: H.R. 5515.

## S. 3153 **Matthew Young Pollard Intelligence Authorization Act for Fiscal Years 2019, Burr (R-NC)**



SUMMARY

Authorizes appropriations for the intelligence community's programs in fiscal year 2019 and includes provisions to reform and modernize the security clearance process.

*STATUS* Passed the Senate Select Committee on Intelligence on 6/28/18. Related bill: H.R. 6237





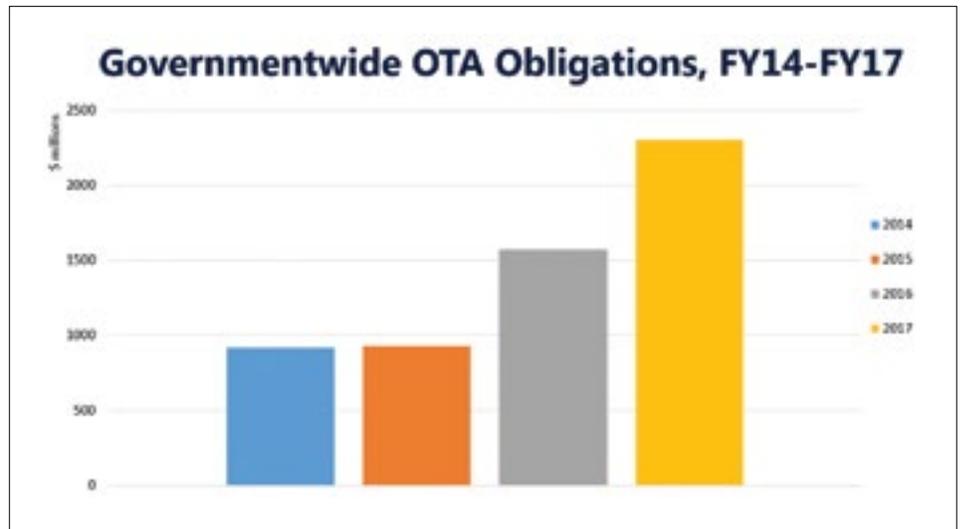
# Beyond the FAR: Growth of OTAs Changing Procurement Landscape

by **Kevin Cummins**, PSC Vice President of Technology

The Federal government has a tremendous opportunity today to access Americans' amazing capacity to innovate and harness the best ideas that the private sector has to offer. But those working in the trenches can feel constrained by slow budget processes and cumbersome acquisition rules that impede access to commercial solutions. Agencies are increasingly leveraging Other Transaction Agreements (OTAs) to spur innovation, acquire cutting-edge technologies, and adapt business practices. Will OTA transform acquisition, or is it just a niche tool or passing trend?

While contracts and grants are by far the government's main acquisition mechanisms, federal spending through OTAs increased significantly from less than \$1 billion in FY15 to \$2.3 billion in FY17. Although the Department of Defense (DoD) accounts for most of the total dollar amount of OTA awards, with \$2.1 billion in FY17, at least 12 agencies have some form of OTA authority. PSC expects spending through OTAs to continue to increase in FY18.

**At least 12  
federal agencies  
have some form of  
OTA authority.**



## What are OTAs?

OTAs can be described by what they are not. Other Transaction Agreements (OTAs) are not Federal Acquisition Regulation (FAR) contracts, cooperative agreements (e.g. CRADAs) nor grants. First pioneered by NASA, this authority is primarily designed as a special vehicle for obtaining or advancing R&D and prototypes. In general, the policy rationale for using OTA is that the government needs to obtain cutting-edge technology from commercial sources, but some private entities are unwilling or unable to comply with federal procurement regulations. Under OTAs, agencies have greater flexibility to tailor agreements for a particular transaction.

OTAs are not subject to the FAR system, government cost accounting standards, and most procurement statutes. These flexibilities can make OTA a helpful tool for agencies. DoD's Defense Innovation Unit Experimental (DIUx), for example, uses OTA authority as the basis for its "Commercial Solutions Offerings" (CSOs) with awards often made in less than 60 days. Unlike FAR-based contracts, OTA awards mostly

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## Much of the attention on OTAs today focuses on the perception that this acquisition tool can be used to cut through burdensome and time-consuming FAR-based regulations and processes.

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cannot be protested, however, the Government Accountability Office (GAO) can determine if OTA is the appropriate contract vehicle and did recently sustain a protest of a DoD follow-on OTA award.

### Defense Department Usage of OTAs

While OTAs are generally limited to “prototype” projects, DoD policy guidelines allow for a flexible definition for such prototypes. While OTAs are mostly still used for traditional R&D activities, recent awards have focused on cloud migration and cybersecurity services.

DoD also has a unique “production” OTA authority that allows for follow-on awards that can be sole-sourced if the initial prototype OTA was successful and competitive procedures were used to select the parties participating in the initial award.

DoD’s OTA policy encourages participation of “nontraditional” defense contractors, defined as companies that have not performed a CAS-covered DoD contract for at least one year. Nontraditional defense contractors and small businesses can obtain an OTA award without restriction. “Traditional” defense contractors may receive an OTA award when partnering with a nontraditional defense contractor or contributing at least one-third cost share.

Defense agencies have also pioneered the use of OTA “consortia” and execute a single OTA with an organized group of private entities that agree to participate under common terms. The agency solicits proposals for projects to the consortium, whose members can then compete (and team) for. These consortia can help foster open communication between government and industry around current agency challenges as well as industry state-of-the-art and emerging trends. The consortium model can also facilitate participation and partnerships among traditional and nontraditional defense contractors. There are at least 23 OTA consortia today, with four more proposed. But not all consortia are at DoD.

The flexibility that makes OTAs so useful can also create challenges. Since OTAs are exempt from the FAR and several other procurement laws, companies may want to “negotiate up” their protections or requirements that are typically included in a FAR-based contracts, such as IP protections or changes clauses.

### Congressional Concerns

The increased use of OTAs has caught the attention of Congress as well. The House version of the FY19 National Defense Authorization Act (NDAA, H.R. 5515) requires



that DoD follow-on “production” OTAs be subject to same approval and reporting requirements as the initial award. The Senate’s companion legislation (S. 2987) requires that the cost of a follow-on “production” OTA be added to the cost of the initial OTA award for purposes of determining DoD approval level and reporting requirements. Congress may also extend OTA authority to additional agencies, such as to the National Institutes of Health (NIH) to help combat the opioid epidemic (H.R. 5002). PSC closely follows these developments and will continue to engage on OTA-related policy issues.

### What’s the Big Deal?

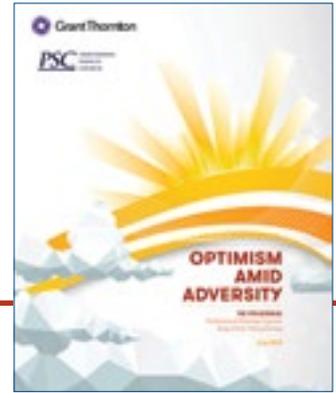
Much of the attention on OTAs today focuses on the perception that this acquisition tool can be used to cut through burdensome and time-consuming FAR-based regulations and processes. As PSC has previously noted, if the FAR is the problem, then it should be reformed and streamlined. In reality, FAR contracts can be successfully used to acquire cutting-edge technologies, yet contracting officials are often risk averse and avoid using innovative procurement approaches.

Ultimately, the increased use of OTAs may have greater potential to transform federal acquisition, not as a “work around” to the FAR, but by highlighting how to improve federal procurement. OTAs have enormous value, but they do require immense time and work. PSC expects the use of OTAs to grow in the near term, which may help agencies acquire solutions in a more commercial-like manner that ultimately helps the government become a better buyer. ■



# *Ninth Biennial Acquisition Policy Survey Shows Improved Outlook*

by **Eric Heffernan**, Principal, Grant Thornton Public Sector



**F**ederal agency acquisitions do not take place in a vacuum. We call it the acquisition system for a reason: in order for it to function effectively, disparate but interconnected elements must come together through coordinated effort, including **workforce, budget, communication and collaboration, innovation, and oversight and compliance.**

The June 2018 **9th biennial Acquisition Policy Survey**, conducted by Grant Thornton Public Sector and PSC, indicates that despite ongoing challenges, there is also growing optimism about improvements in the federal acquisition arena. Several recent events—including enactment of timely appropriations, the Section 809 Panel’s work, and implementation of the President’s Management Agenda (PMA)—have the potential to significantly impact federal acquisition and provide opportunities for further improvement.

## **Workforce**

Workforce capability is viewed as the greatest contributor to successful acquisitions, and respondents assessed skills to be improving overall, especially execution of complex IT acquisitions. However, certain skill areas continue to be lacking, including developing requirements, buying “as a service,” negotiation and critical thinking. Existing hiring challenges are exacerbated by budget instability and hiring freezes. Industry rotations, enhanced communication, and AI were suggested as potential solutions.

While many challenges persist, the acquisition workforce remains dedicated, optimistic, and ultimately effective. Survey participants reported improvement over the past two years in nearly all areas. They attributed at least part of this improvement to sustained attention from their organizations and from Congress, indicating that longstanding efforts to improve the acquisition process may finally be yielding results.

## **Budget**

More than 60 percent of respondents said budget conditions had deteriorated since 2016 and many did not know what to expect in the future. Continuing Resolutions, government shutdowns and shifting spending caps have injected volatility into agency budgets, making it difficult to plan and compressing acquisition timelines. The two-year budget deal passage brought much-needed stability; yet, many respondents expressed uncertainty about their ability to spend appropriated funds in a timely and effective manner.

## **Communication & Collaboration**

Internal and external communication and collaboration were ranked highly in both importance and current capabilities, and with optimism about improvements here. Communications shortfalls still present obstacles to successful acquisition and sometimes inhibit companies from entering the federal marketplace. While many view industry protests as a challenge, Reverse Industry Days and enhanced debriefings were cited as ways to continue to improve in this area.

## **Innovation**

Innovation is not well understood and is viewed as less critical to acquisition success compared with other areas. Legislative and regulatory reforms were viewed as having the greatest potential to disrupt “traditional” approaches to acquisition, while fear of oversight or protests were viewed as the greatest inhibitors, followed by gaps in agency workforce skills. Existing regulations and innovative companies choosing not to do business with the government were also cited as barriers, while innovation labs, OTAs, and transparency were offered as practices to emulate.

## **Oversight & Compliance**

Oversight and compliance were rated lowest in terms of importance to acquisition outcomes, but among the highest in current performance. Many cited labor-related requirements as particularly burdensome, and congressional respondents identified problems related to audits and Cost Accounting Standards compliance. Many agreed that frequently-changing policies place pressure on the workforce and are detrimental to acquisition outcomes.

## **Summary**

Perhaps most encouraging, the Office of Management and Budget released the President’s Management Agenda (PMA). The PMA seeks to drive long-term government transformation by focusing on three key drivers: IT modernization, data accountability and transparency, and building the workforce of the future. The PMA also lays out priority areas for transformation, including a revived focus on shared services, ongoing emphasis on the federal Category Management initiative, improving IT spending transparency and management of major acquisitions, and security clearance reform, among several others.

As acquisition will be at the nexus of the administration’s efforts to transform how the government does business, it will be critical for government to similarly transform its acquisition system to enable these efforts to unleash their full potential.

In order to realize this potential, and to capitalize on these opportunities for change, it is imperative for federal agencies to attract, train and retain workforces with the skills necessary to succeed; to seek out and enable innovation in how and what they buy; to improve lines of communication internally and with industry; and to operate in an oversight and compliance environment that protects the integrity of the acquisition.

Doing so can only add to the value acquisition provides for the federal government and the American people, and validate the optimism demonstrated by the dedicated workforce who continue to deliver in the face of adversity. ■

## Event Spotlight



Nearly 500 PSC members convened for two-and-a-half days of networking, informational sessions and all-around fun at the **2018 PSC Annual Conference**, held April 22-24 at the Greenbrier in West Virginia. The conference, themed **“Transforming Today for Tomorrow’s Challenges,”** welcomed more than 40 expert speakers from government and industry, providing insights on topics that directly affect our industry including Blockchain, M&A, security clearances, the future of science and technology, and federal acquisition reform. Attendees walked away with valuable material to help them lead in the year ahead—and transform to meet tomorrow’s challenges. You can find a full summary of all conference sessions as well as event photos and presentation material at [pscouncil.org](http://pscouncil.org). Mark your calendar now for the **2019 PSC Annual Conference** which will be held **April 28-30, 2019** at the **Greenbrier**. Stay tuned for details and registration information which will be provided in the coming months!



# MEMBER NEWS

## MAXIMUS Federal's Lisa Veith Named Industry Exec of the Year



Lisa Veith, senior vice president of business development & marketing at MAXIMUS Federal, was named Industry Executive of the Year at the 2018 Service to the Citizen Awards. Veith has more than 25 years of business development and sales leadership experience in the Federal market and is an industry leader around improved services to citizens and the citizen experience. She has been with MAXIMUS Federal since 2011. This marked the inaugural year for the Awards, created by Martha Dorris of Dorris Consulting International (DCI), at which USDA Secretary Sonny Perdue was the Government Executive of the Year.

## Greenberg Traurig Adds Michael Gardner to Government Contracts and Projects Practice



Michael "Mike" Gardner joined Greenberg Traurig, LLP as a shareholder in its Northern Virginia office, coming from Troutman Sanders, where he was a partner. With extensive experience working with contract negotiations, bid protests, claims and dispute resolution, broad spectrum IT solutions and more, Gardner focuses his practice on companies that provide national security and infrastructure services to federal and foreign customers. "Greenberg Traurig respects and understands the power of relationships, which is a key tenet in helping companies not only grow their businesses but also develop and implement strategies to win work," Gardner said.

## Elaine Browne Joins Baker Tilly's Information Systems Consulting Practice



Elaine Browne has joined Baker Tilly Virchow Krause, LLP (Baker Tilly) as a director in the business information systems consulting group. Browne brings more than 20 years of professional experience advising government contractors in the area of enterprise business systems consulting. Her range of specializations include business-solution design and deployment, and leading key areas of large-scale, enterprise-wide Deltek projects for clients with complex business structures.

"We are thrilled that Elaine has joined our team," Baker Tilly's Business Information Systems Practice Lead, Peter Lauria, said.

## PSC Member Companies Listed Among "Best Places to Work"

Eight PSC member companies are named among the *Washington Business Journal's* "Best Places to Work in Greater Washington" for 2018. This award honors 85 companies "that go beyond the norm to foster an enjoyable and meaningful work environment for their employees" as reported through the results of an anonymous employee survey. The PSC member companies honored include Accenture Federal Services; Aronson LLC, Baker Tilly; E3 Federal Solutions; IronArch Technology; Jacobs Technology, Inc.; JRC Integrated Systems; Kearney & Company, P.C.

## Parsons Acquires Polaris Alpha

Parsons announced its agreement to acquire Polaris Alpha, a technology-focused provider of mission solutions for complex defense, intelligence and security customers, as well as other U.S. federal customers. The acquisition is the latest in the company's series of strategic investments focused on companies with technologies aligned to evolving threats in the land, sea, air, space and cyber domains. "The agreement to acquire Polaris Alpha is the latest transformative move for Parsons that takes our technology solutions strategy to a new level with customers needing advanced solutions to rapidly evolving threats," said Chuck Harrington, Parsons chairman and CEO. Polaris Alpha will become part of Parsons' Federal business unit, led by PSC board member Carey Smith.

## PAE Recognized by Industry Association

PAE won the International Stability Operations Association (ISOA) Vanguard Award in the Tier 1, large company category, at the ISOA 2018 Achievement Award Ceremony in June. ISOA Vanguard Awards recognize small, medium, and large companies in the stability operations industry that consistently demonstrate commitment to accountability, transparency and ethics in the stability operations field. An independent panel selected PAE for the Vanguard Award based on its work in stability operations, proven performance in capacity building and humanitarian operations, and history of transparency, ethical conduct and respect for human rights. PAE has been supporting stability operations since its founding in 1955.

## Sixteen PSC Members Named "Top Workplaces 2018"

PSC congratulates sixteen member companies named a 2018 Top Workplace by The Washington Post. The top workplaces are determined based on feedback collected via an anonymous employee survey conducted by the independent research firm. The companies are Aronson LLC, CACI International, Capital One, CGI Federal, Definitive Logic, Delta Resources, ECS

# MEMBER NEWS

Federal, EnCompass, Halfaker and Associates, IWorks, JRC Integrated Systems, Kelly Drye & Warren LLP, REI Systems, Systems Planning and Analysis, Unanet, and WolfDen Associates.

## Perspecta Recruits Todd Pantezzi as VP for Federal Health Growth



Perspecta—a newly-formed DXC Technology, Vencore, KeyPoint entity—has added Todd Pantezzi to lead their federal health growth efforts across DHA, VA, and HHS. With 25 years of experience, Todd is known to many in the federal health sector, through his role as PSC Vision HHS team co-lead and Chairman

for the annual “Evening for Hope” charity Gala, having led the charge to raise more than \$1M for the Children’s Inn at NIH in 2018 alone.

## Salient CRGT Adds Rebecca Miller as Health, Civilian Lead



Salient CRGT has hired former General Dynamics and CSRA executive Rebecca Miller as sector president for health and civilian agencies. Miller brings 23 years of corporate strategy and business development experience to Salient CRGT.

She more recently was vice president of growth for the civilian division at General Dynamics’ IT services segment and joined GD upon its April acquisition of CSRA, where she led a \$1.7 billion portfolio as VP of growth for the health and civil division. ■

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

# *PSC* ANNUAL GOLF TOURNAMENT



SEPTEMBER 13, 2018  
WESTFIELDS GOLF CLUB  
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Register a foursome or as an individual for PSC’s annual golf tournament and luncheon on Sept. 13 at 8 a.m. in Clifton, Virginia.

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Contact [tarascio@pscouncil.org](mailto:tarascio@pscouncil.org) for more information.



# Adding Value to PSC Membership

by **Matthew Busby**, PSC Director of Membership

## PSC Market & Policy Briefing

If you're looking for deeper insight into the market and political drivers impacting your success in the federal agencies, then sign up for a PSC Market & Policy Briefing. This unique presentation is a member-exclusive benefit, designed to provide executive PSC perspectives on key policy issues and trends to you and your team. To sign up, contact [policy@pscouncil.org](mailto:policy@pscouncil.org) or [membership@pscouncil.org](mailto:membership@pscouncil.org).

## Member Orientation

Success with PSC begins with understanding the ways you can engage. A PSC Membership Orientation is a great way to learn about our value proposition and the key engagement channels and benefits available with your membership. Let us help identify the combination of offerings most valuable to you. If you're looking for ways to get involved or engage others on your team, a Membership Orientation is a great place to start. To schedule an orientation, contact [membership@pscouncil.org](mailto:membership@pscouncil.org).

### Welcome New Second-Quarter Members!



For more information on PSC membership, contact [membership@pscouncil.org](mailto:membership@pscouncil.org).

## Event Happenings



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1. At the June 7 Board of Directors meeting, **Alan Thomas**, commissioner of the Federal Acquisition Service at GSA, shared goals with PSC members on how to make processes at FAS easier, efficient and more modern.

2. **Melissa Starinsky**, Director and Head of the Contracting Activity for the Office of Acquisition & Grants Management within the Centers for Medicare & Medicaid Services, joined PSC May 1 to discuss her priorities for 2018.

3. **Dr. Paul Tibbits**, Executive Officer for the Financial Management Business Transformation Special Program Office at the Department of Veterans Affairs, spoke to PSC's VA Task Force on April 26 on the intersection of medicine and IT.

4. At the June 7 board meeting, PSC Board **Chairman PV Puvvada** recognized **Babs Doherty** for her exemplary contributions as this year's PSC Annual Conference chair.

5. On June 13, PSC EVP and Counsel **Alan Chvotkin** testified before the U.S. House Small Business Committee on the impact of Category Management on the small business industrial base. Chvotkin is pictured with **Rep. Steve Chabot** (R-OH), Chairman of the House Small Business Committee.

6. **Dr. Stacey Dixon**, Deputy Director of the Intelligence Advanced Research Projects Activity (IARPA), met with PSC members on May 1 to discuss how industry can engage to help the intelligence community solve technical challenges.

## Event Happenings



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7. Attendees of PSC's June **SCA Training** participated in two full days of interactive exercises and question/answer sessions on the Service Contract Act.

8. On June 19, PSC held a special engagement session with **Ondray Harris**, Director, Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor. Director Harris discussed the office's approach to contractor compliance and Secretary Acosta's job creation agenda, to include apprenticeships.

9. On June 6, members had the opportunity to discuss crisis communications planning with **Brian Berry** and **Mike Amano** of CLS Strategies. Mike discussed his role at OPM during the data breach, and Brian covered real-world examples during an engaging conversation with attendees.

10. PSC's **Council of International Development Companies** met on June 21 and discussed ways to prevent sexual misconduct in the workplace and to protect vulnerable populations overseas. CIDC also developed a written set of Guiding Principles, which are available at [pscouncil.org](http://pscouncil.org).

11. On June 29, **Robert Tuohy** of Advanced Technology International, presented on his consortia's use of Other Transaction Authority (OTA). Members also heard from leaders with the **Congressional Research Service** on the current use of OTAs at the Defense Department.



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Left Lead Arranger, Joint Bookrunner and Administrative Agent June 2018	Joint Lead Arranger, Joint Bookrunner and Co-Documentation Agent April 2018	Joint Bookrunner and Syndication Agent April 2018	Sole Lead Arranger, Sole Bookrunner and Administrative Agent March 2018

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