

# Service Contractor

Fall 2017 / The Voice of the Government Services Industry

## Ingredients of Innovation



### ALSO INSIDE:

**6**  
INNOVATION IN  
GOVERNMENT OPERATIONS

**9**  
MODERNIZING  
GOVERNMENT TECHNOLOGY

**11**  
PSC JOINS WITSA

**20**  
DIAGNOSING A  
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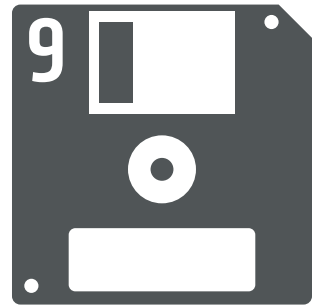
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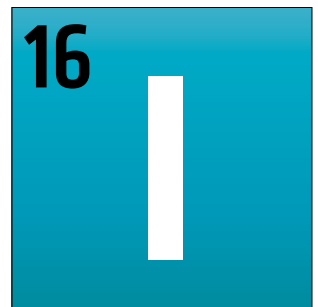
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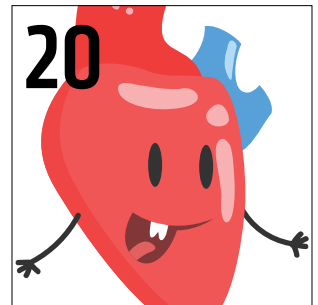
## 6 Innovation in Government Operations



**MODERNIZING GOVERNMENT TECHNOLOGY**



**CATALYZING INNOVATION IN SUPPORT OF THE AMERICAN CITIZEN**



**DIAGNOSING A HEALTHY INDUSTRIAL BASE**

- 4** President's Letter
- 11** PSC Joins WITSA
- 13** Policy Spotlight
- 14** Council Spotlight
- 18** Five Risk Management Tips
- 25** Bill Tracker
- 33** Member News
- 35** FedHealth 2017
- 36** FederalAcquisitionReFor(u)m
- 37** PSC Reports
- 38** Veterans Spotlight
- 42** Event Happenings

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## PRESIDENT'S LETTER

**A**utumn has arrived, which means it's time for cooler weather, colorful leaves, and the World Series. It also means opportunities, uncertainties, and potential changes on the horizon for contractors, and we lay out some of them for you in this Fall's *Service Contractor* magazine.

In this issue, we continue our series highlighting PSC's 2017 strategic priorities by focusing on promoting technology and innovation through government contracts to achieve agency mission results. How exactly does one define innovation? What ingredients are needed to create it? Since innovation, by definition, means something new, how do we get government customers to recognize the value and benefits when they haven't used it before?

For PSC, we view innovation through the lens of advocating for government to access new technology and process improvements that originate outside normal sources of government funding, including commercial solutions, buying capabilities-as-a-service, and solutions that focus on outcomes more than inputs. You can find greater detail on page 6, "*Innovation in Government Operations and Services Through Contractors.*"

IT modernization is one focus of outside innovation, and our readers get the chance to hear directly from co-sponsors of the House version of the Modernizing Government Technology Act. Congressmen Gerry Connolly (D-VA) and Will Hurd (R-TX) give you the latest and greatest on the MGT Act on page 9.

Another PSC advocacy initiative under the banner of innovation is to address the national imperative for improved cybersecurity. Justin A. Chiarodo, Esq., and James S. Carter of PSC-member Blank Rome LLP give readers a look into this by way of "*Five Risk Management Tips to Prepare for the Road Ahead,*" which includes cybersecurity compliance.

Lastly, one of the ways that PSC is maintaining its status as a world-class association is by forging partnerships with other entities that allow us to share innovation and best practices. You can read on page 11 about the exciting opportunities from PSC's becoming the American representative to the World Information and Technology Services Alliance.

Innovation also comes from leveraging valuable partnerships between the federal government and service contractors. On page 16, former Under Secretary of Defense for Intelligence, Marcel Lettre, takes a deep look at this in his piece, "*Catalyzing Innovation for the American Citizen: The Vital Partnership of Government and the Professional Services Sector.*"

For interesting developments in federal regulatory policy and PSC's ongoing engagement, Alan Chvotkin digs deep on page 13 to find out "*Where are the regulations?*"

As always, you can get the full scoop on congressional action with the regular *Service Contractor* feature "Bill Tracker," beginning on page 25. Also in this issue, we feature innovative ways that member companies are hiring and supporting veterans, the servicemen and women who have committed their lives to ensuring our national security.

Finally, our regular feature on "Member News" provides noteworthy news you might have missed. The photos from PSC's Federal Health Conference and Federal ReFor(u)m reflect the content-rich policy information we are providing to members. And with the recurring potential for a Government Shutdown, our webinar (available to members on the PSC web site) brought both members and media to the table, spurring nearly a dozen news stories with PSC's perspective on the potential government shutdown and debt ceiling breach, including a piece in the Washington Post.

This magazine is one way that PSC works to keep you informed on how our government contractor members blend skill, productivity, drive, and knowledge to bring the benefits of innovation to government operations and services. As always, I welcome your ideas on how we can improve and on expanding solutions that will help our federal customers.

David J. Berteau

EATING  
DINNER  
AT HOME  
IS OUR  
BEST  
FEATURE.



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# Innovation



## *in Government Operations and Services Through Contractors*

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

It's hard for any business to buy a product or service unless they feel they need it. This is particularly true for the government, where a new idea or process may succumb to defenders of the status quo, who tend to be stronger and more numerous than advocates of change for the future. Even when government decides to bring innovation into its operations, it faces lengthy cycles of management review and oversight, budget development and congressional approval, and acquisition and procurement lead times.

In the last two years, some federal agencies have opened outposts in Silicon Valley and other technology centers. Although there have been a few successes from these recent efforts using non-standard methods of federal contracting, these approaches are not scalable to the level needed for real improvement in government operations and services. We need a better approach, and fortunately it's already in place, tested and ready, using existing contractors as the source for and path to innovation.

There are hopeful signs. In remarks this summer about the new Office of American Innovation, White House senior advisor Jared Kushner highlighted bringing to government business sensibility and private sector creativity.

Congress is working on the bipartisan Modernizing Government Technology Act to upgrade outdated federal IT systems by investing more in new technology such as cloud computing and "as-a-service" capabilities.

The American Technology Council's draft report to President Trump in late August outlines bringing more innovation into government, helping agencies leverage commercial technologies and best practices, and modernizing federal IT systems.

These activities miss the best available path to federal innovation. That pathway is to use existing federal contractors to take advantage of new technologies and capabilities. First, government agencies must identify the opportunities for innovation and document the need. This is hard, but contractors can help because they know the benefits that a particular innovation can bring to specific government programs.

Second, agency program managers and contracting officers must translate that requirement into a solicitation, with clear evaluation and award criteria leading to contract awards.

Third, agencies need budgets that make timely funding available.

The real value in services contracts will come from combining technology modernization with process innovation. Government organizations should leverage the capabilities of contractors to maximize these improvements. Here's how.

First, government programs should encourage and incentivize their contractors to identify and bring forward technology modernization and process innovation opportunities that can improve outcomes, not just make inputs cheaper.

Second, since contractors understand the government customer's needs, they can quickly translate those opportunities into requirements that simultaneously comply with government procedures and rules.

Third, contractors can quickly bring in workforce skills that the government does not have in sufficient quantities, which can accelerate the application of innovative processes.

Finally, their experience in navigating the federal acquisition system enables existing contractors to deliver innovation within existing procurement frameworks through rapid subcontracting, if the government customer helps them tailor subcontract terms and conditions.

The true value of technology modernization and process innovation will be realized when the government better defines outcomes and documented results tied to those outcomes. Existing contractors, through their deep experience, understanding, and capability, are the fastest way to realizing that value.

The Professional Services Council and its members will continue to work to help the government become a smarter buyer as agencies seek innovative ways to meet their mission and ultimately improve the day-to-day lives of the average Americans. ■



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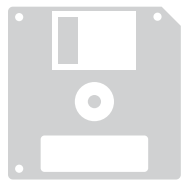
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# Modernizing Government Technology: What's In It For You

by **Cate Benedetti**, PSC Vice President of Government Relations

A recent Government Accountability Office report found that federal agencies are using systems containing components that are, in some cases, at least 50 years old. As an example, the report stated: “The Department of Defense uses 8-inch floppy disks in a legacy system that coordinates the operational functions of the nation’s nuclear forces.”

Despite the clear security risks to using unsupported and end-of-life IT, the majority of the more than \$80 billion spent by the federal government each year on information technology (IT) is used to simply to maintain these outdated legacy system, rather than investing in development, modernization and enhancement activities.

Accordingly, PSC strongly supports swift passage of the Modernizing Government Technology Act of 2017 (MGT Act, H.R. 2227), which would help make government more effective and its networks more secure, while reducing overall costs. The MGT Act would establish a critical source of dependable funding for federal agencies to invest in IT system modernization, incentivize agencies to utilize the funds for agency priorities, and accelerate the transition to the cloud.

PSC reached out to the House sponsors of the bill, Rep. Will Hurd (R-TX) and Rep. Gerry Connolly (D-VA), to hear more about the motivation behind introducing the MGT Act. Here is their take:



**Congressman  
Will Hurd**

## What is the motivation behind the MGT Act and how has the bill changed from previous versions?

**HURD:** This bipartisan federal IT reform package is designed to reduce wasteful IT spending and strengthen information security by accelerating the federal government’s transition to modern technology like cloud computing.

The MGT we have here today is very different than the first iteration of the idea over a year ago, which was MOVE IT. This bill combined my idea for agency-level working capital funds, with Steny Hoyer’s proposal for a centralized modernization fund, and created MGT. We worked through a few scoring issues that we couldn’t overcome last year, and we now have a bill that is expected to cost exactly what’s authorized for it: \$500m.

**CONNOLLY:** During the implementation of the Federal Information Technology Acquisition Reform Act (FITARA), the Oversight Committee noticed that this problem was created, in part, by the fact that agencies have very little incentive to retire legacy systems quickly. In order to fully realize potential savings and move agencies to modernize, we need to add a little sugar to the tea.

FITARA provides the driving framework for the federal government to reform IT management. The MGT Act supplements that effort and married two bills that I co-sponsored last Congress: the IT Modernization Act of 2016 and the Modernizing Outdated and Vulnerable Equipment and Information Technology (MOVE IT) Act. The IT Modernization Act created a \$3 billion revolving fund agencies can borrow from to replace their legacy systems. The MOVE IT Act allows agencies to create working capital funds that can be funded through approved reprogramming or transfers of other IT dollars or from saving realized under FITARA implementation. I saw these two bills as very different but complementary and worked to ultimately join the two to create the MGT Act, which is a welcome outgrowth of the effort we began with FITARA. ▶

The MGT Act builds on the success of FITARA by making available to federal agencies multiple IT modernization funding options. The MGT Act will authorize a significant upfront investment to retire vulnerable, large-scale legacy systems affecting multiple agencies. Savings from IT modernization, including FITARA implementation,

*continued next page*



**Congressman  
Gerry Connolly**

## Every day spent maintaining antiquated systems costs millions of dollars and leaves us vulnerable to cyber hacks. We've got to keep our information and digital infrastructure secure from bad actors.

would be placed into a working capital fund that can be accessed for up to two years for additional modernization efforts. This approach eliminates the traditional use-it or lose-it approach that has plagued government technology for decades.

### Why is passage of the MGT Act important to your constituents and American taxpayers?

**HURD:** They care because over \$80 billion is spent each year on government IT, and over 75% of that is on maintaining systems. Legacy platforms are disproportionately costly and make up a huge portion of that number. It is a tremendous misuse of American taxpayer dollars that could be spent on national security, education, or infrastructure, just to name a few examples.

By modernizing our IT systems, we're actually improving our cybersecurity posture, we're cutting down on unnecessary costs, we're more equipped to better serve citizens.

**CONNOLLY:** Not only will modernizing legacy IT systems save taxpayers money in the long run, these legacy IT systems are less secure and are more vulnerable to cyber intrusions. A report published this Spring by the Social Science Research Network noted that on average, for each one percent of its spending that an agency shifts from maintaining legacy systems to acquiring new and up to date IT systems, they can expect approximately a five percent reduction in the number of security incidents. From personal identifiable information at agencies such as IRS and Department of Education to intellectual property at the FDA and PTO, it should be important to every individual or company that interacts with the Federal government that Federal agencies have up to date hardware and software that can provide the security American taxpayers deserve.

### Why is it now more important than ever to modernize technology in the federal government?

**HURD:** Every day spent maintaining antiquated systems costs millions of dollars and leaves us vulnerable to cyber hacks. We've got to keep our information and digital infrastructure secure from bad actors.

**CONNOLLY:** FITARA is already helping modernize the federal government. This MGT Act leverages FITARA's efforts and has the potential to speed up the federal government's move to 21st century technologies and improves how the Federal government manages the lifecycle of IT investments so that improvements in cybersecurity will continue over time. Every day, Federal agencies endure cyberattacks that have the potential to endanger national security. While the Federal government does its best

to protect our critical computer networks, its efforts are often stymied by outdated, legacy information technology in federal agencies. In order to address rapidly changing cybersecurity and other IT challenges Federal agencies encounter each day, the Federal government needs an accelerated push to strengthen its most high-value IT and information assets and retire, replace, or upgrade legacy IT which is hard or expensive to secure.

### Can you tell us about some of the examples you have seen and heard regarding outdated and legacy IT systems at federal agencies?

**HURD:** Examples of antiquated systems pervade the federal government. In fact, GAO put out a study <http://www.gao.gov/assets/680/677436.pdf> just over a year ago. The 87-page report highlighted some of the most egregious examples of legacy systems. I don't want to call out a single agency in particular, but there are examples of systems in the report that date back over 50 years!

**CONNOLLY:** Last Spring, GAO put out a report <http://www.gao.gov/assets/680/677436.pdf> that discussed the ten largest expenditures on IT operations and maintenance as well as the ten oldest IT systems, several of which the agency has no plans to modernize or replace. For example, the Department of Treasury has two 56 year old systems that are critical during tax filing period. One is the Individual Master File, which is the authoritative data source for individual taxpayer accounts where taxes are assessed and refunds are generated. The other is the Business Master File, which retains all tax data pertaining to individual business income taxpayers. Another example is the system the Department of Veterans Affairs uses to track claims filed by veterans for benefits, eligibility, and dates of death. This system is 51 years old and the agency has no firm date of when it will transition to a modernized system.

### What are the prospects of enactment of the MGT Act this Congress?

**HURD:** Prospects of enactment this Congress are very high. We're working with our partners in the Senate and plan to have something in law before Thanksgiving. With a low score, key input from Committee Chairmen, the bill is in a very good place.

**CONNOLLY:** The bill's co-sponsors and I have worked extensively with our House and Senate colleagues and other stakeholders to address previous concerns with the IT Modernization and MOVE IT Acts and any potential concerns with the MGT Act.

The MGT Act passed the House by voice vote in May and I am hopeful that the Senate will take it up soon. ■

# PSC Joins the World Information Technology and Services Alliance



by **Ashlei Stevens**, PSC Director, Media Relations

**P**SC this summer joined and became the American representative to the World Information Technology and Services Alliance (WITSA), a leading international consortium of information and communications technology (ICT) industry associations.

“The work we have been doing at PSC for 45 years is critical to elevating the voice of American industry leaders in professional services, including information and communications technology. Being a WITSA member will extend the reach of PSC’s advocacy and policy development work, as well as better connect our industry leaders to the largest ICT industry network in the world, ultimately to help grow their businesses and improve the global economy,” said PSC president and CEO David J. Berteau.

PSC is the voice of the government technology and professional services industry in the United States, with more than 400 member companies that represent small, medium and large businesses that provide a range of solutions and services to federal agencies. WITSA is a consortium of more than 80 leading ICT industry groups from around the world. Only associations that best represent the interests of ICT companies in their respective countries or regions are eligible to become WITSA members, who collectively represent over 90 percent of the world ICT market.

“On behalf of WITSA, I am very pleased to have PSC join the WITSA family of likeminded organizations from around the world,” said WITSA Secretary General Dr. Jim Poisant. “Markets and technologies are transforming and evolving rapidly. Together with rapid globalisation, newer opportunities and challenges are emerging. Together, we will address the important issues facing our industry and society by fulfilling the Promise of the Digital Age for everyone.”

Being a member of WITSA allows PSC members to have access to a wide range of benefits including activities involving United Nations agencies, developing global business relationships, extensive business-to-business opportunities, engagement with senior government officials on top IT issues, and access to a clearinghouse of valuable information via WITSA’s Association Corner.

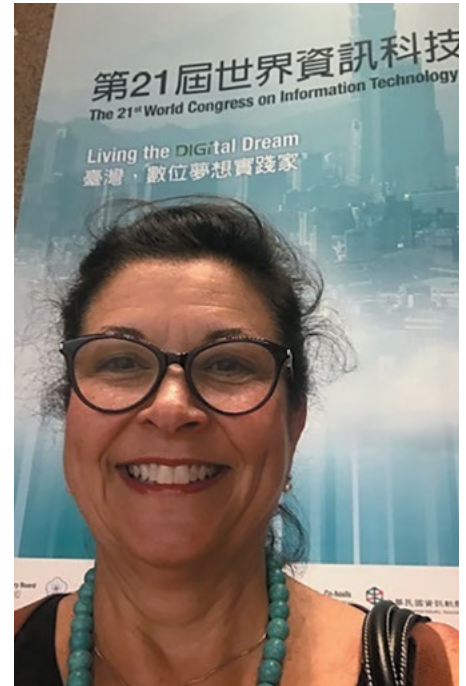
Additionally, PSC-member company representatives, Martha Dorris of DCI and Alan Balutis of Cisco Systems, will lead a



*Martha Dorris*



*Alan Balutis*



*Martha on site in Taiwan.*

PSC working group to guide PSC’s engagement with WITSA. Dorris also represented PSC at WITSA’s World Congress on Information Technology (WCIT), which took place September 10-13 in Taipei, Taiwan.

“It was an honor to represent PSC at the World Congress in Taiwan, where I had the opportunity to connect with hundreds of technology and communications professionals from around the world,” said Dorris. “I’m optimistic that we can turn our shared learnings into best practices to further advance the mission and work of PSC-member companies.”

PSC member companies represented at the WCIT included IBM, Accenture, Microsoft, AT&T, HP, Unisys US, NTT Data Corporation, Deloitte, Oracle Corp., KPMG, Capgemini Government Solutions, Boeing and Cisco.

The 2018 World Congress will be held in March in Hyderabad, India. To get involved with PSC and its engagement with WITSA, please contact PSC vice president of technology, Kevin Cummins at [cummins@pscouncil.org](mailto:cummins@pscouncil.org). ■



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# Where are the Regulations?

by Alan Chvotkin, PSC Executive Vice President and Counsel

**P**SC often engages in federal regulatory policy-making and in commenting on specific regulations that affect federal contractors and the technology and professional services industry. It is rare that we question why we're not seeing relevant federal regulations. But it is worth noting that there are some interesting developments in federal regulatory policy—and—with PSC's ongoing engagement.

We recognize and strongly support the requirement for agencies to follow “regular order” when it comes to rulemaking, including providing an opportunity for public notice and comment wherever possible. But in today's environment, there has been little public action taken on relevant regulations.

On President Trump's first day in office, his chief of staff issued a memo to all agencies imposing a freeze on all new regulations until new political appointees were in place; such chief of staffs' memos have become commonplace when there is a change in party control of the White House. Then in February, President Trump issued two significant executive orders further constraining the promulgation of regulations. Of significance was his directive that no new agency rules be issued unless two other rules are repealed, the so-called “two for one” rule. In April, the Office of Management and Budget issued guidance to the federal agencies on how to interpret and apply the president's directive.

As a result of these actions, the pipeline of rules issued by agencies as either final or proposed for comment has shrunk to a few drips. Yet there has been no shortage of recommendations for regulations to repeal or modify and PSC has submitted our lists to multiple offices. In addition, based on action invoking the Congressional Review Act, Congress has nullified over fifteen significant Obama-era regulations, including the final Fair Pay and Safe Workplaces rule. It is noteworthy that, when the President signed the Fair Pay nullification legislation, he also repealed the three Obama executive orders that served as the foundation for that Fair Pay regulation. [As you also know, a federal court order that halted significant portions of the Fair Pay rule from going into effect remains in place as of mid-September, pending further executive branch action.] Yet despite the judicial, congressional and presidential actions relating to Fair Pay, and PSC's strong advocacy for the FAR rule and companion Department of Labor guidance to be stricken, they remain “on the books.” Baffling!

Other rules that have been nullified through congressional action using the Congressional Review Act procedures also remain on the regulatory books, even though such rules have no force and effect and the April OMB guidance says that agencies will get “credit” against the two-for-one executive order by repealing them. Admittedly there are rulemaking actions that must be taken, but we have seen previously how agencies have been able to act expeditiously to implement presidential or agency priorities. Why not here?



There are two other actions that directly relate to the federal regulatory agenda. In June, OMB director Mulvaney issued a memorandum cancelling, modifying or pausing 39 directives that had been previously issued by OMB. While PSC strongly supported the OMB action, we did highlight our interest and concern with three specific provisions included in the June memo. Based on our discussions with OMB, we believe that our concerns are being addressed by OMB and the agencies, but we will be monitoring implementation to verify the response.

Then, in early July, the Trump Administration published its first Unified Regulatory Agenda, as required annually by federal law. This agenda revealed that executive agencies would be cancelling over 469 rules, and 109 would be moved to a new “inactive” category. Here, again, PSC has been overwhelmingly supportive of the specific agency actions reflected in the Unified Agenda, but more work will have to be done by government to effectuate these provisions.

Finally, while PSC has strongly supported efforts to reduce the federal regulatory burden on our industry and on federal contractors, we have also sought new regulations to address areas where Congress or we believe additional coverage is necessary. A prime example for such new regulations is the implementation of the congressional restriction on the Defense Department's use of lowest-price, technically acceptable (LPTA) source selection methods for services that was included in the fiscal year 2017 NDAA. In addition, regulations relating to certain small business authorities that were enacted in 2010 and 2013 have yet to be implemented in the FAR. In both cases, the policy changes will bring benefits to affected contractors. We continue to press for the prompt and full implementation of these two and other provisions.

It is understandable that there have been delays in getting the Trump Administration's regulatory activities kick-started. But nine months in, PSC is pushing for action quickly, particularly on the “low hanging fruit” on the regulatory tree. ■

# Working for You

**Even during the early executive agencies' transitions and the myriad budget issues, and since, the federal government is continuing its activities and PSC and our policy and agency-facing councils are working for you.**

Did you join the special PSC member program on the implications for contractors of a potential government shutdown or a breach of the debt ceiling? I hope your company was represented at the June Acquisition ReFor(um) conference and at the July FedHealth session where the government's policies and initiatives were discussed. Will you be present for the **Tech Council's** September Tech Trends conference or at the December **Council of International Development Council's (CIDC)** fifth annual Development Conference?

Is your interest primarily in the civilian agencies? If so, PSC has hosted key government officials from the departments of Homeland Security, Veterans, Energy, Health and Human Services and more, with a robust schedule of meetings and events already scheduled for the fall. The **CIDC** has also continued with its monthly meetings and hosting key USAID officials, and that schedule will continue through the fall.

The **Acquisition and Business Policy Council** is continuing to explore impactful policies, ranging from incremental funding of contract to category management. In addition, its newly reconstituted Human Resources Committee has already conducted two educational programs, and an additional session is being developed for the fall.

Dec. 5, 2017 • Arlington, Va.



## 5<sup>th</sup> Annual Development Conference

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**International development work is an ever-changing landscape of mission priorities and difficult program delivery.**

The 5th Annual Development Conference, presented by PSC's Council of International Development Companies, will explore the future of international development in a new Administration and with a brand-new USAID Administrator, Mark Green, who is the invited keynote speaker to this conference.

**Learn more and register at [www.developmentconference.org](http://www.developmentconference.org)**



# Working for You

The Government Affairs Committee’s monthly meetings include guest speakers from key congressional and executive branch communities along with a standard segment providing a recap of key business and policy matters.

PSC is also working for you by highlighting the value of contractors in our congressional advocacy and with the media. We have submitted written testimony to both the House and Senate Appropriations Committee on the important implementing partner contributions in support of development assistance. PSC has been quoted in the Washington Post, New York Times, Reuters, and numerous trade publications on a wide range of topics – from security clearances to regulatory reform and more.

As we move through September, PSC is accelerating our advocacy work on Capitol Hill, with a primary focus on the National

Defense Authorization Act (NDAA) and on appropriations. In coordination with our policy councils and leadership, we have a robust set of PSC initiatives that we are pursuing and making progress on. We have already commented on provisions and amendments that we support and oppose in the Senate Armed Services Committee-reported version of the NDAA. And we are working to finalize comments on the House-passed NDAA. But we are not ignoring legislation relating to veterans, homeland security contracting, and small business policies.

Our strong set of PSC policy priorities is coupled with a highly qualified PSC policy team, five active policy councils, and members who engage in policy formulation and execution to demonstrate that PSC is truly “working for you” and our industry. If you are not already participating in PSC activities, please do so. Not a member company? Join today! ■

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# *Catalyzing Innovation in Support of the American Citizen:* The Vital Partnership of Government and the Professional Services Sector

Excerpt of Remarks **by Marcel Lettre**, Former Under Secretary of Defense for Intelligence

In February, an Under Secretary I was no longer. I joined the ranks of “former government officials.” My daughters even coined a new acronym FUSDI – Former Under Secretary of Defense for Intelligence. It is not meant to be a title of great respect! Needless to say, it’s been quite a transition.

From my perspective, the taxpayer gets real value from your services. The government needs you; [it] can’t work without you. But we also need to tell you what we need, and make it easier to deliver value quickly and agilely.

At the same time, you need to provide your best advice and views to government. And the work PSC does to organize the views of the sectors you represent, to communicate them, and advocate for them, is an important service.

In many ways, we expect big changes with a change of Administration – and that change will probably come in some areas. But there are some hardy perennial issues that we were dealing with last year and that we will continue to work on this year and next. And there is no less of a sense of urgency in finding the innovative solutions we need to address them.

Countering terrorism continues to be front and center. US special operations forces helped Syrian Kurds and Arabs effect the crossing of the Euphrates River at more than one point. And intelligence learned in those operations was fed into a broader

network of counterterrorism agencies and organizations across the US government and those of our allies. And – in direct and behind the scenes support – many of you in this room are enabling that, making it happen, with the analysis, technologies, workforce, solutions and innovations you provide.

Cyber continues to challenge us across a range of complex fronts – with the most interesting new developments around Russia’s use of the cyber toolkit. This remarkable set of events comes after other growing examples of the challenge of cyber actors – not just Russia, but also China, Iran, and North Korea-based actors as well as other non-state and criminal attackers.

Also remaining a challenge: trusted insiders causing harm to our national security or our personnel. We expend great cost and effort to build precious military and intelligence advantages for America over our adversaries. Time after time, these advantages have evaporated

when the blueprints or secret knowhow have been stolen by our adversaries or revealed publicly.

These are just three examples from my inbox – and the current inbox of my Pentagon successors.

Government leaders and customers tend to come to you asking for help in these areas. And we need your best ideas. The service contractor community can and does deliver good solutions.





## The current system is outdated. It does not catch some serious insider threat actors who have done great harm.

We also need to work together on making it possible to get to better solutions. Tackling some cross-cutting structural challenges could help us deliver even more value. Yet we don't always make it easy for you.

Here is my top five list of the most urgent and important items on our to-do list. I would urge PSC members to continue to advocate on these. When you speak, it resonates.

### #1: Emphasize acquisition agility and flexibility

PSC has led the way on voicing some of the themes for change. Keep the drumbeat up. Agencies are failing to take advantage of the flexibilities that exist in the Federal Acquisition Regulation. We could encourage greater use of innovative commercial items, services, software and practices. Using Statements of Objectives in lieu of Statements of Work and encouraging companies to submit alternative solutions could provide incentives for innovative outcomes from contractors with unique offerings or models. And we could begin to rebalance more toward CTTO – cost-technical tradeoff/best value evaluation techniques – and be more limited in the use of LPTA – Lowest Price Technically Acceptable – acquisition strategies.

### #2: Aggressively pursue security clearance transformation

To support effective government operations, recruit and retain the most talented, allow our companies to perform at their strongest, and modernize our ability to counter the insider threat, we must transform our personnel security clearance system. The current system is outdated. It does not catch some serious insider threat actors who have done great harm. At the same time, it drives tremendous waste and inefficiency into managing our cleared workforce across government and the defense industry. We need to insist that we move expeditiously to a system that relies increasingly on automated records checks, continuous evaluation, and data analytics to monitor the reliability of people who hold classified security clearances and access our facilities across government and industry. And we need more effective ways to implement reciprocity – so that a cleared individual can move quickly from one agency to another, or one professional services contractor to another.

### #3: Make the business case for IT modernization

I am convinced of the imperative to seek IT modernization. As we move more information technology systems into cloud architectures, not only are we seeing greater operational gains that help our warfighters and our intelligence officers, but also security

is improving as we more rapidly deploy new protections across the full network, improve our ability to tag sensitive data and content, automate access by need to know, and track that access.

### #4: Deepen the dialogue on artificial intelligence and autonomous systems

Rapid changes in the application of data science, to include promising advances in artificial intelligence and deep machine learning, are enhancing our ability to increase the effectiveness of government operations at scale.

The US intelligence community and the military are pursuing a range of use cases – through experimentation and prototyping – of the application of artificial intelligence and autonomy to key capabilities, most often as part of concepts of human-machine teaming. Many defense leaders view AI and greater autonomy as essential to future US military strategic dominance. Computer and data science specialists like those housed in many of your companies are probably most likely to have the clearest vision of the possibilities of these new fields, and we need your help in articulating that vision and good use cases to senior government leaders.

### #5: Learn the cyber lessons from the diverse Russia attacks

We need to continue our common efforts to protect and harden our systems. And we need to continue to advocate for the robust information sharing necessary between government and the private sector that can allow us to harden ourselves across key sectors.

These five important areas reflect my views of important, cross-cutting enablers that could materially improve the delivery of solutions for the taxpayer if we get them right. The voice of professional services company leaders can help catalyze progress and I hope PSC will continue to channel that voice.

[In conclusion,] we must continue to focus on improving the communications between government and industry. Both government and industry need to be asking how we can work better together. How do we advocate for the right strategy to apply to tough public policy problems, and the right capabilities and resources to get us there?

At the end of the day, we are all committed to the same objectives – doing good for the American people. You, here, across all these great companies, are those really great people, dedicated to excellence. It is a privilege to serve as a partner to you. Thank you. ■



# *Five Risk Management Tips* to Prepare for the Road Ahead

by Justin A. Chiarodo and James S. Carter<sup>1</sup>

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**W**e are nine months into a new administration marked by continued uncertainty regarding the legal, regulatory, and budgetary environments for government contractors. Although contractors have benefitted from a precipitous drop in new regulations, and from the repeal of others (remember Fair Pay and Safe Workplaces?), the procurement community is still grappling with important questions. These include the prospects for the Budget Control Act, the FY 2018 Budget, and the FY 2018 National Defense Authorization Act (“NDAA”). Not to mention stated administration priorities ranging from “Buy American, Hire American” to strengthening federal cybersecurity networks. And what about the prospect of a government shutdown in October? Regardless of how these issues play out, contractors operate today in an environment of heightened uncertainty and risk.

What can contractors do to manage this uncertainty? We offer below five risk management actions contractors can take to mitigate the risks presented in this new operating environment.

## **Tip 1: Assess Your Compliance Program**

In today’s heightened enforcement environment, even routine contract administration issues may turn into major government investigations, or worse. Last year, the Department of Justice reported over \$4.7 billion in settlements and judgments under the False Claims Act (the third-highest year on record). The Interagency Suspension and Debarment Committee, comprised of representatives from executive agency suspension and debarment programs, reported a staggering 4,200 suspensions,

debarments, and proposed debarments in FY 2016. The costs and disruption of a government investigation can be considerable, and—in the case of suspension and debarment—existential.

All contractors should maintain compliance programs as a front line of defense against these risks. Not only can an effective compliance program head off issues before they become major problems, but an effective program can be a mitigating factor in the event of an enforcement action or government investigation. What makes for an effective program? This will vary with the size, business focus, legal and regulatory burdens, and risk profile of the organization.

Comprehensive programs for government contractors will generally address major areas including: 1) interactions with government officials (e.g., gifts and gratuities, the Anti-Kickback Act, post-government employment, etc.); 2) fair competition rules (e.g., the Procurement Integrity Act, antitrust laws, conflicts of interest, etc.); 3) integrity in contract performance and administration (e.g., time and labor charging, Mandatory Disclosures under FAR Part 9 and FAR 52.203-13, cost accounting, etc.); and 4) public policy and national security matters (e.g., domestic preferences, industrial security, export controls, cybersecurity, labor law compliance, etc.).

An effective program will feature buy-in from ownership and senior management, foster a “speak-up” culture that provides for effective reporting, provide a strong system for evaluating and addressing issues, and be adequately supported with the human and financial capital necessary to carry out the objectives of the program.

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<sup>1</sup>Justin A. Chiarodo is a Partner in the Government Contracts Practice at PSC-member Blank Rome LLP, where he represents government services contractors in all aspects of federal, state, and local procurement law. James S. Carter is Of Counsel in the Insurance Coverage Practice at Blank Rome, where he represents corporate policyholders to preserve and maximize the value of their insurance assets.

## Given the stakes involved, contractors should have a shutdown contingency plan that, among other things, addresses contract management, financial, and human resources issues.

### Tip 2: Revisit Subcontracts

Government contracting has long been a team sport. To successfully compete for and perform government contracts, contractors enter into arrangements ranging from multi-member joint ventures to traditional prime-sub relationships. Well-drafted agreements are a key foundation for these relationships.

Effective agreements address general business terms in plain, understandable language and ensure important regulatory and prime contract obligations are flowed down the supply chain. Common business risk issues worth special attention include statements of work and payment terms, intellectual property and data rights protection, pricing disclosures, and indemnity and liability limitations.

Despite a slowdown of rule making under the Trump administration, contractor flow-down obligations have grown considerably in recent years. Recent noteworthy changes include executive orders imposing minimum wages and paid sick leave, new cybersecurity requirements, human trafficking compliance programs, and changes to the small business subcontracting limitations for set-aside contracts.

When was the last time your organization reviewed the terms and conditions in your teaming agreements and subcontracts? Are you comfortable they adequately protect your business from a risk and compliance perspective? In our experience, contractors are well-served to review these key documents at least annually to ensure they reflect the current legal and regulatory landscape and adequately apportion rights and responsibilities between the parties.

### Tip 3: Maximize Your Insurance Assets

Facing considerable compliance, cyber, and other risks, many government contractors are understandably focused on prevention. But contractors must also anticipate—and be prepared to manage—the costs and liabilities that can arise in the event a risk becomes reality. These costs can be considerable. For example, the Ponemon Institute's most recent Cost of Data Breach Study reported that the average cost of a data breach at an organization stood at a staggering \$3.6 million per incident (with the average cost per stolen record containing sensitive information at \$141).

Insurance can help contractors manage and mitigate such costs. Far too often, however, organizations neglect to read their insurance policies until after disaster strikes or when the government comes knocking in an investigation, only to discover avoidable coverage gaps. To maximize insurance coverage, your organization should take a forward-thinking, proactive approach to purchasing, reviewing, and renewing insurance policies. A contractor should regularly evaluate its insurance program to determine whether its coverage aligns with the specific risks it faces (which change), and features the most favorable terms it can obtain.

Insurance can be an incredibly valuable corporate asset. It should not be relegated to an isolated corner of your organization's risk management strategy. Rather, it should play

a central and integrated role in that strategy. Companies should both understand their insurance coverage and be prepared to use it if necessary (including, among other things, through advance familiarity with notice and other key insurance conditions that may be overlooked in the event of crises).

### Tip 4: Plan for Possible Government Shutdowns

The prospects of government shutdowns have come into sharp focus in recent years given the political climate and use of potential shutdowns as political leverage. Although these have often been avoided (in many cases through eleventh-hour congressional deal making), just a few short years ago we witnessed a 16-day government shutdown that resulted in nearly 850,000 furloughed federal workers and a profound disruption in the government services industry. It was the second-longest shutdown since the enactment of the Budget Act of 1974.

Given the stakes involved, contractors should have a shutdown contingency plan that, among other things, addresses contract management, financial, and human resources issues. As a shutdown is almost certain to lead to additional expenses and delays, contractors should focus on thoroughly documenting costs associated with these events, as well as maintaining strong lines of communication with contracting officers about contract performance (including seeking written stop-work orders where appropriate).

### Tip 5: Advocate

Government contracting is particularly exposed to the political process. The bad news is that this can lead to significant uncertainty and changes in the regulatory and budgetary climate in which contractors operate. The good news is that contractors have an opportunity to have their voice heard in the process. This advocacy is especially important today.

There are many ways to advocate for your interests. Strengthening relationships with your congressional delegations and their staff, participating in trade and industry associations (like the Professional Services Council), and working with government relations professionals can all be effective channels for making your voice heard. As one ongoing illustration, the American Bar Association's Section of Public Contract Law Section is working to provide comments to the Section 809 Panel (established by Congress in Section 809 of the 2016 NDAA), which is tasked with making recommendations to streamline and simplify defense procurements. Staying on the sidelines means your organization's perspectives may not be heard.

In closing, today's uncertain environment warrants a heightened level of awareness and risk management. In our experience, investment in the five areas above will enhance your organization's ability to manage and avoid predictable risks, while minimizing the costs and business disruption of unexpected events. To paraphrase Louis Pasteur, chance favors the prepared mind (and business). ■



# Diagnosing a Healthy Industrial Base – *Is the HHS Market Giving You Heartburn?*

by **Bradley J. Saull**, PSC Vice President of Civilian Agencies

In the December 2015 edition of *Service Contractor*, I wrote about the decision by the Department of Homeland Security (DHS) to sign a Memorandum of Understanding (MOU) with the General Services Administration (GSA) securing DHS’s commitment that future DHS professional services will be purchased through GSA’s One Acquisition Solution for Integrated Services (OASIS) Government-wide Acquisition Contract (GWAC), and the potential impact of such decision on the “industrial base” supporting DHS. Over two years later, that decision still looms large in doing business with DHS. A similar issue may ignite in the Health and Human Services (HHS) market and it starts with SPARC – the Strategic Partners Acquisition Readiness Contract from the Centers for Medicare and Medicaid Services (CMS).

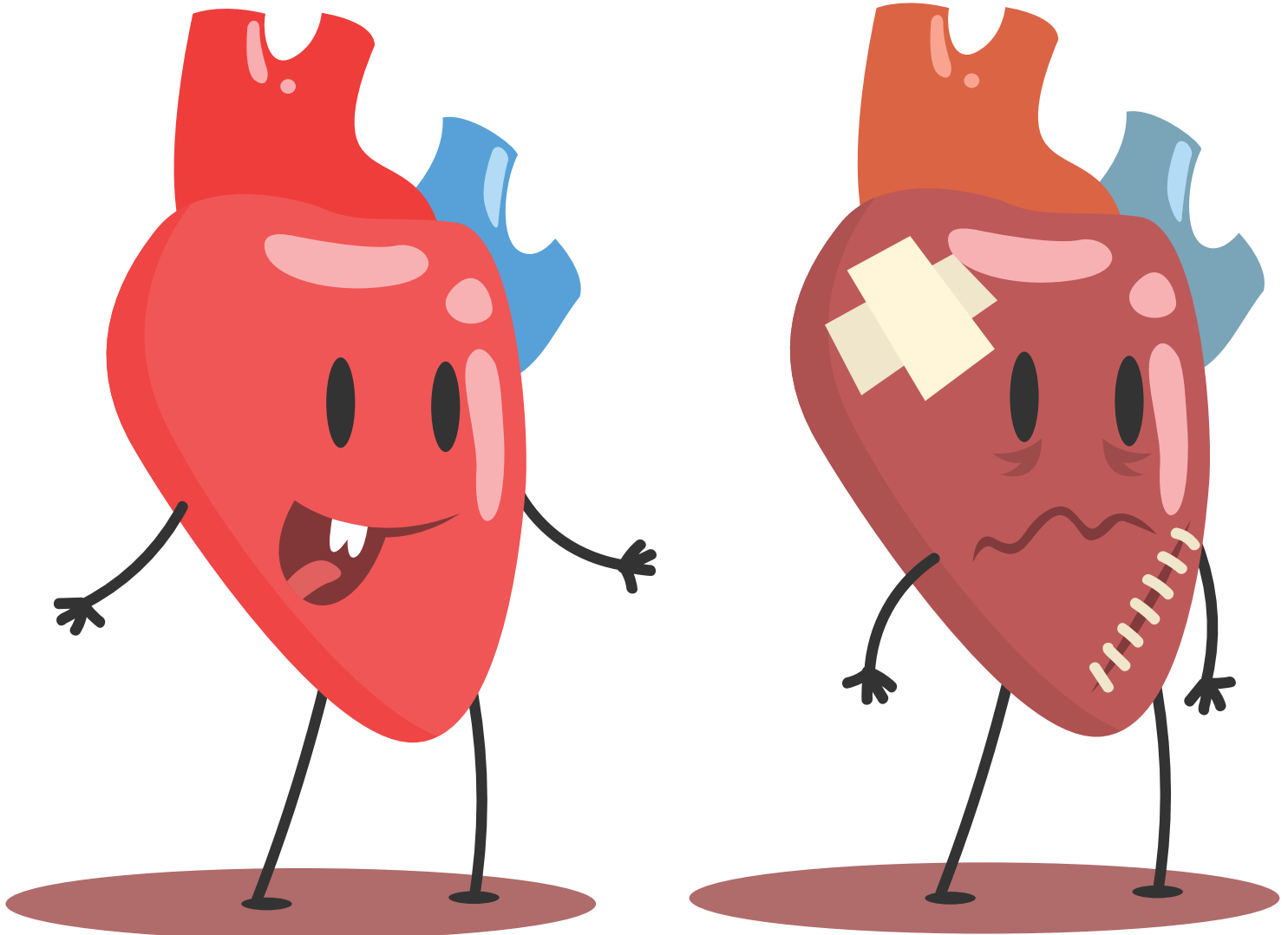


Illustration: shutterstock.com/NotonPic

## Given that past performance was evaluated exclusively on CMS experience, some companies believe that SPARC set an inappropriate bar for competition for use of the vehicle outside of CMS.

When CMS sought to re-compete the prior version of SPARC (called ESD), CMS got pushback from HHS about creating another indefinite delivery-indefinite quantity (IDIQ) multiple award contract (MAC) vehicle. Thus, CMS, HHS, and OMB agreed that SPARC would be for use by both CMS and main HHS (the Office of the Chief Information Officer, CIO). HHS leadership and the former CIO drove this strategy as they tried to consolidate authority over IT funding in the HHS Operating Divisions (OpDivs) under the HHS CIO. This was an understandable position as the Federal Information Technology Acquisition Reform Act (FITARA) was being debated in Congress and was subsequently enacted into law.

Now, SPARC “is available to all components within CMS and all HHS OpDivs to procure IT System development services, from end to end.” These SPARC prime contractors now have market access to a much broader customer set than they have ever had previously. SPARC also offers great access to small businesses. Expanded access through SPARC should be a positive development, right?

The problem is that the SPARC evaluation criteria required only CMS relevant experience from all offerors, not broader HHS/civilian health agency experience. All full and open prime vendors on SPARC have CMS (or at least state Medicaid) past performance experience. Depending on the requirement, CMS experience may be irrelevant to NIH or CDC, where a broader range of “health” credentials are often necessary. Likewise, the SPARC evaluation provided higher ratings for higher levels of Capability Maturity Model Integration that reflect CMS’ unique priorities, but run counter to broader HHS needs for agile development. The SPARC description is specific to CMS’ exchange and Medicare-Medicaid experience, and admittedly makes clear that the needs of CMS are unique to those of the rest of HHS. One can question whether SPARC can meet the needs of non-CMS HHS customers given that the vendors selected were based entirely on CMS experience.

Also, CMS is apparently not concerned about administrative cost recovery since they are not collecting any fees, which is SPARC’s key discriminator compared to other health IT vehicles such as the National Institutes of Health (NIH) Information Technology Acquisition and Assessment Center’s (NITAAC) CIO-SP3 or GSA OASIS. Meanwhile, the CIO-SP3 small business on-ramp is stalled and small business recertification is causing many of the current CIO-SP3 small business primes to be ineligible because they are no longer small. Consequently, and understandably, SPARC small business holders are pushing other HHS OpDivs to use SPARC as rapidly as possible.

Roughly half (15 of 30) of the SPARC full and open awardees are essentially CMS specialists – most only have CMS work within HHS. The rest of the awardees are the major large companies that have dedicated CMS business units that bid on SPARC. These companies, and those CMS-only vendors, favor the expansion of SPARC.

CIO-SP3 (unrestricted) has twice the number of primes as SPARC (currently 53 vs. 25). Automatically, a buyer has twice the market access via CIO-SP3. But the key is that CIO-SP3’s evaluation criteria sought a much broader range of federal health experience. Bidders commonly cited VA, DHA, and project experience from across HHS agencies. NITAAC’s CIO-SP3 sought a broader pool of firms with a broader range of “health” credentials. This is what is needed across HHS since every OpDiv has such a different health mission. Consider the 53 awardees under CIO-SP3. Once you remove the large major firms that hold both CIO-SP3 and SPARC, you end up with a diverse group of firms that have far broader credentials across HHS:

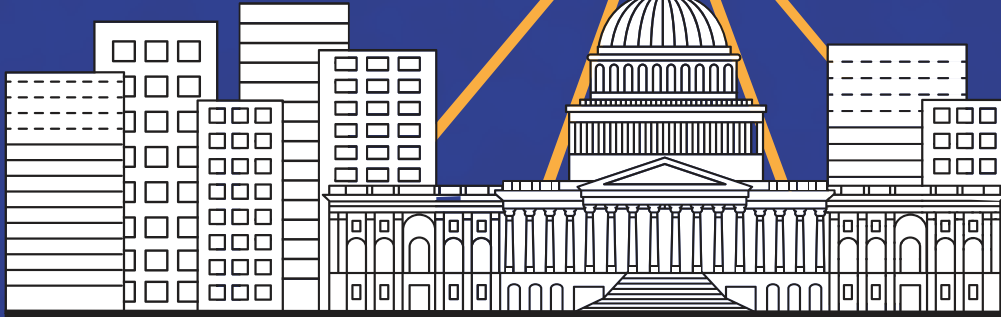
<i>A-Tek</i>	<i>Hygeia</i>	<i>SAIC</i>
<i>AAC</i>	<i>ICF</i>	<i>Serco</i>
<i>ATS</i>	<i>INDUS</i>	<i>Smartronix</i>
<i>BAE</i>	<i>Jacobs Technology</i>	<i>Sotera</i>
<i>Capstone</i>	<i>NCI Information</i>	<i>STG</i>
<i>Catapult</i>	<i>Systems</i>	<i>Unisys</i>
<i>CITI</i>	<i>NTT Data</i>	<i>UHD</i>
<i>ECS</i>	<i>Omnitec</i>	<i>Vistrionix</i>
<i>Engility</i>	<i>Onpoint</i>	<i>VSE</i>
<i>Enterprise Services</i>	<i>Pragmatics</i>	<i>Wyle</i>
<i>Harris</i>	<i>PPC</i>	<i>Xerox</i>

None of the above companies are SPARC primes and would naturally resist use of SPARC in many of the non-CMS HHS OpDivs.

Some companies believe that SPARC set an inappropriate bar for competition for use of the vehicle outside of CMS, given that past performance was evaluated exclusively on CMS experience. By contrast, CIO-SP3 had to obtain approval from OMB for GWAC status, requiring that NITAAC evaluate bidders on the broad range of health experience necessary to meet the wide-ranging missions of HHS’ eleven OpDivs. When SPARC was competed, HHS gave little signal that other HHS OpDivs would be using it. Small and mid-tier companies focusing on non-CMS HHS business had no hint that they needed to compete for a place on SPARC to remain competitive elsewhere in HHS. As SPARC is not a Schedule contract, there is no continuously open application process, so companies can only compete to get on SPARC if CMS decides to conduct an on-ramping process (or by teaming with other companies).

Where you sit is where you stand on this issue. Agency mission, a detailed business case, and sound requirements should determine contract vehicle selection. As the new administration picks up the category management initiative, it will be important to watch if SPARC and/or CIO-SP3 become “best in class” vehicles. If this issue is impacting your business, please contact us to share your perspective. ■

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# Bill Tracker: 115<sup>th</sup> Congress - First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

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

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

*SUMMARY*

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

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

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

*SUMMARY*

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

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

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

*SUMMARY*

Would codify the Presidential Innovation Fellows Program.

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

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

*SUMMARY*

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

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

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

*SUMMARY*

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

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

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

*SUMMARY*

Would require DHS to provide for innovative research and development.

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

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

*SUMMARY*

Would encourage engagement between DHS and technology innovators.

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

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

*SUMMARY*

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

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

# Bill Tracker: 115<sup>th</sup> Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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



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

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

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

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

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

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

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

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

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

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

**STATUS** *Passed the House (voice vote) on 1/24/17. Passed in the Senate (voice vote) with amendments on 8/1/17.*

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

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

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

## H.R. 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.*

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

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

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

## H.R. 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.*

# Bill Tracker: 115<sup>th</sup> Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## 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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## 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, seeks to increase transparency and expands OIRA reviews to previously excluded agencies.

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

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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.*

---

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

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

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

---

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

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

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

---

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

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

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

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# Bill Tracker: 115<sup>th</sup> Congress - First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

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

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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** *Reported by the House Committees on Small Business and Science, Space, and Technology on 9/14/17.*

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# Bill Tracker: 115<sup>th</sup> Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## H.R. 2781

SUMMARY

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



Expands 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

SUMMARY

### Fiscal 2018 National Defense Authorization Act (NDAA), Thornberry (R-TX)



Would authorize 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* Passed the House (344-81) on 7/14/17. Related bill: S. 1519.

## H.R. 2825

SUMMARY

### DHS Authorization Act, McCaul (R-TX)



Would reauthorize the Department of Homeland Security.

*STATUS* Passed the House (386-41) on 7/20/17.

## H.R. 3019

SUMMARY

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

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 (Amended) by the House Committee on Oversight and Government Reform on 09/13/17.

## H.R. 3210

SUMMARY

### SECRET Act, Knight (R-CA)



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* Passed the House (voice vote) on 7/26/17.

## H.R. 3219

SUMMARY

### Make America Secure Appropriations Act, Granger (R-TX)



Would make appropriations for the Department of Defense, Veterans Affairs, energy-related agencies and the legislative branch for the fiscal year ending September 30, 2018.

*STATUS* Passed the House (235-192) on 7/27/17.

## S.J. Res. 12

*STATUS*

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

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

## S. 21

SUMMARY

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

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

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

# Bill Tracker: 115<sup>th</sup> Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## 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. 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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## 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. 442 National Aeronautics and Space Administration Transition Authorization Act, Cruz (R-TX)

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

**STATUS** Signed into law on 3/21/17; P.L. 115-10.

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

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

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

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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** Ordered to be reported by the Senate Committee on Small Business and Entrepreneurship on 8/2/17. Related bill: H.R. 2013.

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# Bill Tracker: 115<sup>th</sup> Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

## 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** *Ordered to be reported by the Senate Committee on Homeland Security and Governmental Affairs on 7/26/17. Related bill: H.R. 1282.*

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

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

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

## S. 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** *Ordered to be reported by the Senate Committee on Homeland Security and Governmental Affairs on 7/26/17. Related bill: H.R. 1294.*

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

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

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

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

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

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

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

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

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

# Bill Tracker: 115<sup>th</sup> Congress-First Session (2017)



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

## 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** *Reported by the Senate Committee on Small Business and Entrepreneurship on 8/2/17.*

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



**SUMMARY** Would authorize 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** *Passed the Senate on 9/18/17. Related bill: H.R. 2810.*



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# MEMBER NEWS

## SPA Celebrates 45 Years in Business



Systems Planning and Analysis, Inc. (SPA) celebrates 45 years in business supporting America's national defense.

On July 28, 1972, Phillip Lantz incorporated Systems Planning and Analysis, Inc., with three employees working primarily with the U.S. Navy, leading major technical support programs for the Strategic Systems Programs. Over the next four decades, SPA grew into a company dedicated to serving the Nation, doing important work, and always executing it with the utmost rigor, integrity and candor. In the interim years, SPA has expanded its customer base and experience to cover a wide range of missions and clients in the Departments of Defense, Homeland Security, and Energy.

"Through Phil's strong leadership and the dedicated contributions of many hundreds of SPA employees past and present, SPA built a hard-earned reputation as a trusted advisor that stayed focused on our clients' missions while doing business the right way. Today, we carry on that tradition of excellence and remain committed to performing important work for our Nation's most important programs and doing so the right way all the time," said Dr. William Vantine, President and CEO of SPA.

## Aerospace and Defense Executive Jim Allen Joins DLH Board of Directors



DLH Holdings Corp. in July announced the appointment of James P. Allen to its board of directors.

"Jim has been in leadership positions at some of our industry's finest organizations for years including serving and adding value at the board level," said DLH President and Chief Executive Officer Zach Parker. "He brings a wealth of financial experience and corporate development-related acumen to our company, and his counsel will be invaluable as we continue to grow the business and improve our long-term financial performance."

Mr. Allen has worked for more than 40 years as a senior financial executive in the aerospace, defense, and Federal Government information technology (IT) services industries. He previously served as executive vice president and chief financial officer of Global Defense Technology & Systems, Inc. (now known as Sotera Defense Solutions, Inc.). Prior to this, Mr. Allen served as the senior vice president and CFO of Veridian Corporation, a publicly traded Federal IT services contractor. He also has served as CFO for both GRC International, Inc., and PSC-member company CACI International Inc. His experience covers a broad range of public and private financing activities and extensive work in investor relations as well as mergers and acquisitions.

## PSC Members Recognized on the 2017 BGOV200 List

On Aug. 23, Bloomberg Government announced the release of the 2017 BGOV200 report and 49 PSC member companies made the list. The sixth annual BGOV200 study ranks the top 200 federal government contractors by value of prime, unclassified contracts awarded by U.S. government agencies in fiscal 2016. The report analyzes the top contracts at 24 agencies and in 27 different purchasing categories and explores how contractors have responded and performed over the past year. The list of the 200 companies can be found at <https://about.bgov.com/bgov200/>.

Two of the top three spots are once again occupied by PSC members General Dynamics and Boeing. Among the most notable gainers, PSC member Leidos moved nine spots from 19 to 10 with its acquisition of Lockheed Martin's Information and Global Solutions business.

"This year, top federal contractors have seen an increase in contracts, while budget pressures, contract consolidation and mergers and acquisitions activity has continued. We anticipate spending in some categories, such as information technology -- which increased from \$63.8 billion in fiscal year 2015 to \$68.9 billion in fiscal year 2016 -- to continue its accelerated pace of spending," said Donald Thomas, Vice President and General Manager of Government Contracting at Bloomberg Government.

ABT	DAI	Maximus
Accenture	Deloitte	Microsoft
AECOM	DXC Technology Co	Mythics
Alion Science and Technology	DynCorp	NCI
ASRC	Engility	Northrop Grumman
AT&T	Fluor	NTT**
BAE Systems	General Dynamics	PAE
Boeing	Honeywell*	Parsons
Booz Allen Hamilton	Huntington Ingalls	Safran***
CACI	IBM	SAIC
CGI	ICF International	SERCO
Chemonics	Jacobs	Sodexo
Chenega	KBR*	Tetra Tech
Chugach	KPMG	Unisys
Cisco	L3 Technologies	UnitedHealthGroup
CSRA	Leidos	Vencore
		Westat

\*As PSC Member KBRWyle

\*\*As PSC Member NTTData

\*\*\*As PSC Member MorphoTrust

# MEMBER NEWS

## Sabre Systems Awards STEM Scholarships

# Sabre

Sabre Systems, Inc. awarded \$1,500 college scholarships to two children of current employees in its first *ourSabre STEM Scholarship*, a program that recognizes outstanding academic achievements in Science, Technology, Engineering and Mathematics (STEM). *ourSabre STEM Scholarships* were awarded to Nicholas Barnes, and Nicole Loehle, both children of employees.

Nicholas Barnes is attending Old Dominion University and majoring in Computer Engineering and Nicole Loehle is attending New Jersey Institute of Technology and majoring in Chemical Engineering this fall.



Chairman and CEO, Phil Jaurigue said this of the award recipients, “Sabre is proud of the achievements of Nicholas and Nicole. Along with fellow scholarship recipient Lauren Beal, who received the The Chief Warrant Officer 4 Edward Fitzgerald Collier United States Marine Corps Memorial Scholarship Award created in memory of employee Ed Collier, who passed away earlier this year, they represent hope for our future as they enter a new phase in their lives. Our congratulations to Nicholas, Nicole, and Lauren, and to their parents who provided that supportive environment needed to foster such excellence. We look forward to hearing more of the accomplishments yet to come. Well done.”

## Abt Associates Wins USAID Award for Small Business Partnership Success



Abt Associates has won the first-ever U.S. Agency for International Development (USAID) Large Business Contractor of the Year Award for success in partnering with U.S. small businesses domestically and overseas to advance the agency’s mission to end extreme poverty.

USAID’s Office of Small and Disadvantaged Business Utilization presented Abt with the award during the Agency’s 10th Annual Small Business Conference in recognition of Abt’s commitment to the development and growth of small businesses in international development.

In 2016, almost half of Abt Associates’ subcontracted dollars to USAID – \$12.5 million – were awarded to small businesses, with 27 percent going to women-owned small businesses.

“Small businesses are vital to the economy and critical partners in our success,” said Lisa Ashcraft, vice president of contract operations. “Together, we can bring the best ideas forward to help our clients solve some of the world’s toughest challenges. We are extraordinarily proud of this recognition from USAID’s Office of Small and Disadvantaged Business Utilization.”

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

## Event Spotlight



# FEDHEALTH 2017

CONFERENCE

Presented by **PSC**



**[1] PSC's FedHealth Conference convened in downtown Silver Spring, Maryland on July 19, 2017, with over 115 attendees from government and industry. The conference covered the importance of value-based care, issues facing CIOs and data specialists, acquisition trends, VA modernization issues, and the budget as it relates to health care agencies.**

**[2] David J. Berteau, President and CEO of PSC, kicked off the conference and discussed what the fourth quarter of FY17 and FY18 might look like given the President's proposed cuts to civilian agencies.**

**[3] Julie Susman, President & CEO, Jefferson Consulting Group, moderated a "fireside chat" about the progress in value-based care with Dr. Kate Goodrich, Chief Medical Officer at CMS, and Dr. Carolyn Clancy, Deputy Under Secretary at VHA.**

**[4] An Information Technology and Data panel was moderated by Ed Yost, Vice President of Serco, and featured Todd Simpson, CIO of the FDA, and Gail Kalbfleisch, HHS' Director of Federal Health Architecture. They discussed issues facing CIOs and data specialists including cybersecurity, interoperability, cloud, and shared services.**



**[5] The Conference's final panel spotlighted federal health acquisition executives. Alan Chvotkin, PSC's EVP and Counsel moderated a panel comprised of Diane Frasier, Director, Office of Acquisition and Logistics Management and Head of Contracting at NIH; Patrick Joy, Head of Contracting Activity at the Program Support Center, HHS; Brian Hebbel, Group Director, Office of Acquisition and Grants Management, CMS; and Roya Konzman, IT-70 Health IT SIN, GSA.**

**[6] Greg Giddens, Executive Director of the Department of Veterans Affairs' Office of Acquisition, Logistics, and Construction, spoke about the VA's modernization efforts and the Secretary's priorities.**

**View the digital replay and thought leadership compendium at [www.fedhealthconference.com](http://www.fedhealthconference.com)**

## Event Spotlight



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5

**[1] The first annual Federal Acquisition ReFor(u)m, presented by PSC on July 10 in Arlington, Va., explored the future of acquisition policy, decoded the legacy of acquisition reform efforts, examined how industry can shape the current conversation, and deciphered what it all means for federal acquisition and the services and technology national interest industrial base.**

**[2] Laura DeSimone**, Director of Acquisitions, Missile Defense Agency, **Trey Obering**, Executive Vice President, Booz Allen Hamilton, and **Alan Chvotkin**, EVP & Counsel, PSC, discussed how rapid acquisition is advancing capabilities.

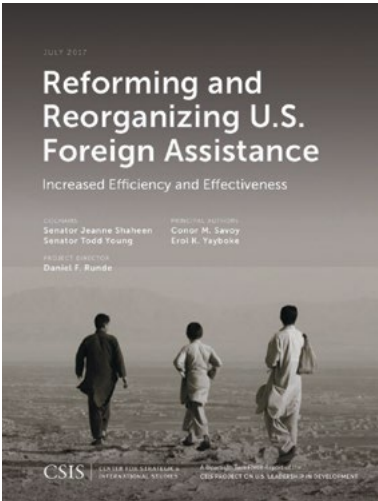
**[3] Members** posed questions to the panelists and participated in two networking breaks to converse with old friends and make new connections.

**[4] Mathew Blum**, Associate Administrator for Federal Procurement Policy, Office of Federal Procurement Policy (OFPP), Office of Management and Budget (OMB), provided the keynote address and gave a contextual overview of agency acquisition activities, opportunities for improvement, areas of past success, and the current environment.

**[5] Panelists** discussed where we stand after many years and several cycles of acquisition reform initiatives. Speakers included: **Alan Chvotkin**, EVP & Counsel, PSC (Moderator); **Bill Greenwalt**, Senior Advisor, Research & Defense, PSC; **Elliott Branch**, Deputy Assistant Secretary of the Navy (Acquisition & Procurement) Office of the Assistant Secretary of the Navy; and **Angela Billups**, Deputy Chief Acquisition Officer & Senior Procurement Executive, Office of the Chief Financial Officer, Department of Education.

View the digital replay and thought leadership compendium at [www.federalreform.com](http://www.federalreform.com)

# PSC Supports New CSIS Report on USAID Reform



**P**SC President and CEO David J. Berteau served as a member of the bipartisan task force of experts for the CSIS Report, “Reforming and Reorganizing U.S. Foreign Assistance: Increased Efficiency and Effectiveness,” which was released on July 24.

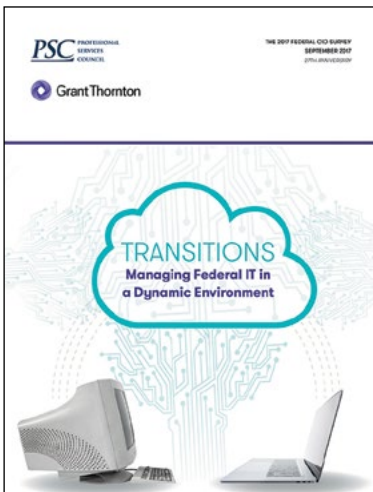
“PSC supports the implementation of the report’s recommendations and believes they will increase efficiency and effectiveness in U.S. foreign aid,” said Berteau. “PSC is particularly grateful to Sens. Todd Young (R-IN) and Jeanne Shaheen (D-NH) for their bipartisan leadership of the CSIS task force.”

The report contains ten key recommendations, grouped into three broad categories:

1. Keep USAID as an independent agency, with the administrator coordinating all foreign assistance;
2. Improve efficiency by ending duplication of efforts while maintaining functional coherence;
3. Modernize the personnel and procurement systems, streamline reporting, and tie funding to country strategies.

PSC and its member companies look forward to working with Congress, the administration, and newly-appointed USAID Administrator Mark Green, to implement these recommendations.

# New CIO Survey Released by PSC and Grant Thornton



**P**SC released its 27th Annual Federal CIO Survey on Sept. 25, conducted in partnership with PSC member company, Grant Thornton. This year’s survey is titled, “Transitions: Managing Federal IT in a Dynamic Environment,” and highlights federal information technology leaders’ efforts to modernize outdated IT infrastructure, raise the bar on cybersecurity, deliver on the promise of innovation and address the struggle of hiring top cybersecurity and IT talent in government.

Top highlights from this year’s report include:

- Agencies’ increasing use of Agile;
- Adoption of DevOps;
- Communication disconnect between CIOs and IT Staff;
- Modernizing legacy IT systems.

To view a copy of the report, visit [www.pscouncil.org](http://www.pscouncil.org)



## *In November,*

the nation will celebrate Veterans Day, a day to reflect with extraordinary gratitude on the service and sacrifices of those who have worn America's uniform.

PSC is proud to highlight actions by a few of our member companies in supporting our veterans.

Be sure to check out PSC's website in November for additional stories of our veteran heroes by visiting the Veterans Affairs Task Force page.

# Valor and Values: PSC Salutes Our Veterans



by **Ashlei Stevens**, PSC Director, Media Relations

## AT&T

AT&T has a long history of integrated veteran recruitment into its business practices, supporting active military personnel, veterans and their families for nearly a century. The self-discipline, teamwork and skills gained through military service allow for a successful transition to a career with AT&T, where many of those same values are part of the company's everyday culture. AT&T focuses on recruiting veterans into career paths by matching their military experience, soft skills and career motivations with jobs that have long-term growth opportunities.

AT&T has a dedicated Military Talent Attraction Program Manager that informs the military about AT&T, and educates AT&T managers about the military. In 2013, the company pledged to hire 10,000 veterans in five years and as of Jan. 1, 2016, exceeded that goal. AT&T then doubled their goal in May 2016 and aims to hire 20,000 veterans by 2020.

Veterans interested in an AT&T career (<http://att.jobs/doing-great-things/military>) can participate in an online video chat session with AT&T's Military Talent Attraction Manager. Since the program's launch in 2011, more than 16,000 veterans have joined the Veteran Talent Network and received job search advice.

Over the past five years, more than \$18 million was contributed or directed to organizations and projects that support our military, veterans and their families through corporate, employee, social investment and AT&T Foundation giving programs, including Cell Phones for Soldiers and Homes4Wounded Heroes. This program awards mortgage-free homes to wounded heroes and their families injured during combat in Iraq and Afghanistan.

AT&T Supplier Diversity's Operation Hand Salute protégé program is a groundbreaking national mentoring program that helps veteran business leaders with service disabilities improve their business operations and enhance their ability to win corporate contracts.



AT&T's Veteran Employee Resource Group has been in place for 30 years and has more than 9,000 members, creating an instant community for veterans joining the company and engaging them in outreach, philanthropy and volunteer opportunities. ►

## Engility

As more than 25 percent of Engility's employees are veterans, giving back to the veteran community is a core focus of Engility Serves, the company's signature program for making a difference in our communities.

Engility Serves conducts dozens of activities throughout the year. Many of those support the company's primary military-focused nonprofit partner, Building Homes for Heroes (BHFH). Since 2013, Engility has donated more than \$150,000 to BHFH's mission of rebuilding the lives of our nation's most severely injured veterans. In that time, Engility has taken a personal interest in the lives and sacrifices of five heroes. In 2017, we rallied behind USMC Sergeant Kirstie Ennis <https://help.buildinghomesforheroes.org/campaign/help-a-hero-usmc-sergeant-kirstie-ennis/c114373>, an above-the-knee amputee due to injuries received while serving in Afghanistan. She is scheduled to receive her specially-constructed home this fall.



## Kanava International, LLC

Kanava International, LLC is a service-disabled veteran-owned small business (SDVO SB) that went operational in 2013. It was founded by Susan Puska, a retired U.S. Army Colonel turned entrepreneur, focusing on strengthening economic development around the world to promote U.S. national security. Col. Puska

served as an Ordnance Officer in several countries, a China Foreign Area Officer, and as the Political Military Advisor, Bureau of East Asia and Pacific Affairs, Department of State.

As a military veteran, Susan was aware of the important work of the United States of America Vietnam War Commemoration program to recognize the 50th anniversary of the Vietnam War, which serve to thank and honor veterans of the Vietnam War and their families. Kanava became a commemorative partner in 2015.

In June 2016, during the Soo Locks Engineer's Day in Sault Ste. Marie, Michigan, Kanava co-hosted a Vietnam War Commemoration Ceremony with the Michigan National Guard and other partners where more than 200 veterans and their families were honored. At the same time, the Department of Defense Vietnam War Commemoration also provided a team, which included Joseph L. Galloway, co-author with Lt. Gen. Harold G. Moore of "We Were Soldiers Once...And Young," to interview Vietnam Veterans who served in theater between 1961 and 1975. These interviews support the Library of Congress Veterans History Project. This is the first time the Vietnam War Commemoration visited Michigan's Upper Peninsula, and it provided a unique opportunity for Vietnam Veterans to record their stories for future generations.

As a Commemorative Partner, Kanava International continues to work to honor Vietnam Veterans and their families. If you would like to participate in this program or know a Vietnam Veteran who should be recognized or is willing to share their story, please contact Susan at [spuska@kanavainternational.com](mailto:spuska@kanavainternational.com).



## KPMG

KPMG's commitment to veterans goes beyond supporting the U.S. Department of Veterans Affairs' missions. To further assist our country's veterans, the company established the KPMG Veterans Network, which helps bring veterans' outstanding traits of leadership, discipline, teamwork, problem solving, and integrity to the private sector by providing them with meaningful careers.



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By providing opportunities for professional development, mentoring, networking, and community service, the KPMG Veterans Network actively recruits, retains, and promotes the success of Veterans, military service members, and military families who want to build a career at KPMG <https://info.kpmg.us/veterans-services.html>.

## LMI

Deeply rooted in its corporate culture, LMI seeks to not just hire more veterans, but to increase its overall impact in the veteran community. Veterans account for over 35 percent of the more than 1,250 employees at LMI, and because of this, their workforce is naturally aligned with numerous Veteran Service Organizations, efforts, and initiatives. For the eight consecutive year, LMI has earned a prestigious ranking as a top employer for military veterans in the Military Times' Best for Vets: Employers 2017 rankings.

LMI has an extensive background in veteran-affiliated involvement and support. In 2016, LMI partnered with Student Veterans of America (SVA) to award \$50,000 in scholarships to five individuals. The scholarships were awarded to student veterans who demonstrated a strong understanding of leadership, academic achievement, and service. The scholarships were awarded to create opportunities for veterans to pursue degrees in fields of study that lead to continued service.

LMI also held an employee supported fundraiser on behalf of the USO's Transition 360 Alliance program. As a result of this effort, employees across the country rallied together to raise \$28,000 to support the transition program that "attempts to cover every angle of a military family's transition into civilian life when their service ends."

Additionally, LMI has taken a proactive role in the recently developed Northern Virginia Chamber of Commerce Veteran and Military Business Council, which seeks to improve awareness and opportunity for military veteran business owners and entrepreneurs. LMI organized and participated in three separate presentations to the Washington Center's Veteran Employment Trajectory (VET) program, presenting on multiple topics that included leadership, the fundamentals of consulting, the recruiting process, and entrepreneurship, as well educating the 25 VET participants on the legal and financial aspects of starting and running a business. As a result, LMI was nominated for the Northern Virginia Chamber of Commerce Distinguished Service Award in the Veteran Business Mentorship Award category.

In 2017, LMI also continued its support of the Virginia Values Veterans (V3) program, an initiative started in 2012 by the Virginia Department of Veterans Services. While LMI continues to hire veterans in support of the goal to hire 25,000 veterans state-wide, the organization also assists V3 by hosting a free training seminar for other companies to learn how to "implement nationally recognized best practices in recruiting,

hiring, and retaining highly-skilled and dependable veterans." This year's training was hosted in July and featured over 50 individuals representing 36 different companies.

LMI is also a participant in the Army's Training with Industry program. Each year, LMI hosts three to five military officers for a rigorous, yearlong program that increases the understanding of the relationship of the industry as it relates to specific functions of the Army.

LMI also continues to provide support to our National Guard and Reserve Soldiers. It is the company's corporate policy that National Guard and Reserve Soldiers receive their full civilian pay while also receiving military pay for up to 10 days per year; each receive the full difference between their civilian and military pay for up to 26 weeks. These efforts have resulted in LMI being recognized with the Extraordinary Employer Support Award by the Employer Support for the Guard and Reserve.

In 2017 LMI also established LVETs, LMI's first Veteran Affinity Group. This group seeks to enhance the bonds among current and future veterans as well as their families and supporters within LMI. It focuses on internal recognition of and training about military service as well as external partnerships and support of the veteran community through volunteer opportunities and financial donations.

In situations where LMI was unable to help through employment, LMI seeks to "help those we cannot hire." They work closely with organizations like the Army's Soldier for Life program, the Marine Corps Marine for Life Network, and the Alliance of Creative Professional Women to provide resume reviews, mock interviews, and networking opportunities at LMI and other organizations in the D.C. that share in supporting the veteran community. LMI's greater mission is to create a positive impact through its actions—not just for its clients, but for the greater good. LMI will remain an organization committed to the veteran community and support the lives and families of those who have served our country.

## QuintilesIMS

QuintilesIMS knows that veterans bring unique experiences based on foundational training and leadership development. The company's strategy to attract, recruit, engage and retain Veterans will further its mission of helping clients improve patient healthcare based on their experience in working in these environments. To that point, quintilesIMS plans on a complete relaunch of its Veterans Employment Resource Group (VERG) with appointed Veterans leading the effort to support its strategy.

IMS Government Solutions' decision support services helps government healthcare executives develop and implement custom decision support applications. There are veterans leading the work within Army Medicine, Navy Medicine, and Air Force Medicine since 2002 and the Defense Health Agency (DHA) since its creation. ■

# Event Happenings



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**[1]** During a one-hour webinar, **David J. Berteau**, PSC President and CEO, **Alan Chvotkin**, PSC EVP and Counsel, and **John Cooney**, Partner, Venable LLC, addressed the proactive actions that members should take in the event that there is a government shutdown or debt ceiling breach later in the year.

**[2]** PSC presented industry perspectives on the Importance of Sections B, C, L, and M to the Industry Decision-Making at the Department of Defense, Defense Procurement & Acquisition Policy (DPAP) Contracting Conference in Leesburg, VA. L-R: **Alan Chvotkin** (PSC), **Susan Hawkins** (Northrop Grumman), **John Norden** (IBM), **John Roman** (LMI), and **Cyndi Thomas** (Celero Strategies) discussed how industry evaluates solicitation requirements.)

**[3]** PSC hosted its first media luncheon on Aug. 30, where near 20 reporters joined an on-the-record roundtable discussion with PSC thought leaders on issues impacting federal contractors.

**[4]** The PSC Communications Network discussed how to apply storytelling to public affairs and advocacy issues with guest speaker **Mike Panetta**, a founding Partner of Beekeeper Group.

**[5]** Director of Small and Disadvantaged Business Utilization at USAID, **Mauricio Vera**, was the guest speaker at the Council of International Development Companies' (CIDC) July meeting.

**[6]** Branch Chief for U.S. Department of Labor, Wage and Hour Division **Derrick J. Witherspoon**, Wage and Hour Division National Office Senior Advisor for the Branch of Government Contracts Enforcement



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**Natalie Collins**, and Leader of the Employment Law Practice at Berenzweig Leonard, **Declan Leonard**, met with PSC to talk about the application of joint employment.

**[7]** PSC hosted **Trey Obering** of Booz Allen Hamilton along with National Academies' **Larry Delaney** and **Steve Darbes**, authors of the National Academies of Science, Engineering and Medicine's report on "Owning the Technical Baseline for Acquisition Programs in the U.S. Air Force." The authors discussed the report's findings and how industry can support Air Force efforts to own the technical baseline .and achieve excellence in its acquisitions programs.



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