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Building Workforces to Meet Future Government Missions

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2018 ANNUAL CONFERENCE PREVIEW



VISION CONFERENCE RECAP



OUR MILITARY KIDS

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PRESIDENT'S LETTER

Another year has come to an end, which allows us an opportunity to reflect on the triumphs and challenges of the past year, while looking forward to continued positive outcomes in 2018.

This year was special, as it marked PSC's 45th anniversary of serving our members as the premiere trade association for federal government contractors. As the voice of the government services industry, it is our continued aim and mission to keep you up to speed on issues impacting your work.

One of the ways in which we celebrated our milestone anniversary was by hosting a golf tournament. The sold-out event brought out nearly 150 golfers and solidified the plan to continue this in 2018. But beyond the greens and grassy slopes, our 45th year included some major victories on the Hill. PSC was the originator of an amendment to the FY18 National Defense Authorization Act (NDAA) that would require the Department of Defense to define and measure Procurement Administrative Lead Times to help ensure needed services are available and contracted for in a timely manner. We also championed and helped secure enactment of legislation to invest in updating federal IT systems—the Modernizing Government Technology Act—which was included in the final NDAA. And we steadily increased industry's engagement with defense and civilian agencies via a series of reverse industry days.

Also in year 45, PSC members elected new board members in December, including Unisys Federal president PV Puvvada as board chair. We heartily welcome PV in this new role, and extend thanks to outgoing chairman and Accenture Federal Services CEO, John Goodman, for his stellar service. Read more on PV's 2018 outlook for the association on page 8.

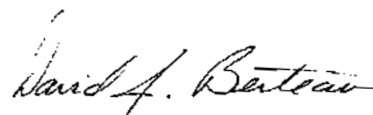
As PV notes in his letter, we're renewing our commitment to our strategic priorities in the new year. In this issue, we wrap up our series highlighting the 2017 priorities by focusing on how we are building workforces to meet future government missions. Our member companies seamlessly go about this work every day. But what does it take to build and maintain a

skilled workforce? And how does the FY18 NDAA impact this work? We examine this in our cover story on page 6.

Many other factors are also impacting the federal workforce, and PSC is actively finding ways to address this. On page 28, we take a look at how vacancies and skills gaps are impacting the federal IT workforce. And on the acquisition side, Stacy Stacks, of member company Management Systems International, examines how innovation in federal acquisition is improving the workforce on page 16. We also explore the challenges facing small businesses that advance to mid-tier, and PSC makes recommendations to the House Small Business Committee on page 32.

To get updates on our year-long advocacy work and our wins, our EVP and counsel Alan Chvotkin digs deep on page 9 in "PSC's Roadmap to Advocacy." And as always, you can get the full scoop on congressional action with the regular *Service Contractor* feature "Bill Tracker," beginning on page 20. Also in this issue, our research indicates an interesting correlation between troop levels and contract spending in Afghanistan. Read more on page 30. Speaking of Afghanistan, we feature the family of a wounded warrior, whose children's lives were impacted for the better, thanks to Our Military Kids. Check it out on page 33.

Finally, our regular feature on "Member News" provides noteworthy news you might have missed. The photos from PSC's Vision Federal Market Forecast Conference, Development Conference and Tech Trends Conference reflect the content-rich policy information we are providing to members. And it is our mission—in year 45 and beyond—to continue leading the way for policies that attract and retain a world-class workforce. 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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How PSC is Building Workforces *to Meet Future Government Missions*

by David J. Berteau, PSC president and CEO

Building anything requires the proper tools and materials, an experienced team, and a solid blueprint for the finished product. At PSC, we work to promote policies that enable the federal government and our industry to attract, train, retain, and build a world-class workforce. How do we build such a workforce—especially with acquisition, IT management, cybersecurity, and other critical skills?

First are the tools and materials. As the voice of the government services industry, PSC's active advocacy agenda promotes policies that support an environment that will grow and strengthen the workforce. In 2017 alone, PSC sent 25 letters and regulatory comments to federal agencies and 15 letters to members of Congress. And our voices were heard. A key win from our advocacy agenda was working with sponsors to draft, introduce and secure passage by the House Oversight and Government Reform Committee of the Promoting Value Based Procurement Act (H.R. 3019). This legislation would limit the use of lowest price technically acceptable source selection criteria for certain services contracts issued by the civilian agencies, thus allowing contractors to hire the best talent.

Next up, you need an experienced team. PSC's experienced team of policy experts is working daily to ensure our members' voices are heard on matters most important to them—including such disparate topics as addressing the security clearance backlog or infusing innovation in the contracting process. Our goal is to promote the value of federal contractors, with success stories from our member companies, who each have a wide range of thought leadership and expertise, and who are daily meeting governments missions. Building on that, PSC assembled more than 20 study teams comprised of more than 350 volunteers to develop and present market forecasts covering defense, civilian agencies and government-wide topics via our federal Vision Market Forecast.

A resourceful team also welcomes the input of varying voices and ideas and ensures they are connected with key leaders to get the job done. As such, PSC forges meaningful relationships with federal agencies and fosters positive ongoing dialogue with Congress and the Administration. This year, PSC engaged with close to 100 government officials via our committee meetings, task forces, conferences, and Hill meetings. The best way to build is together, and that's with a diverse team.

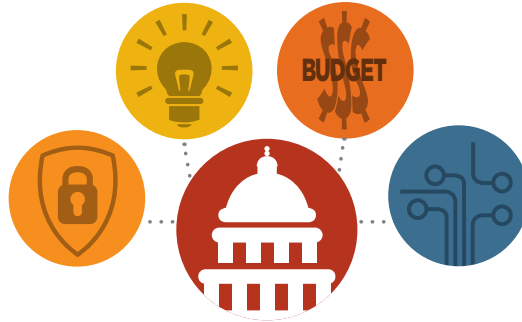
Last, but not least, is the blueprint. For PSC, our blueprint lies in policy and implementation. The Fiscal Year 2018 National Defense Authorization Act (NDAA) included several key provisions that will directly affect the government's ability to attract, train, retain and build a world-class workforce. PSC supported—and in some cases originated—provisions that expand access to private sector expertise, promote information sharing between the government and industry, invest in IT infrastructure,

and help the government to acquire services from contractors in a more effective and efficient manner. For instance, PSC championed an NDAA provision that enhances post-award debriefing rights by providing contractors with additional information after a source selection—creating a more meaningful dialogue between the government and offerors and ensuring companies can obtain the feedback necessary to build a workforce that can compete for federal business. PSC now begins the work of tracking these provisions to ensure they are used and properly implemented.

At times, however, a blueprint may miss the mark, forcing the builder to go back to the drawing board to strategize again. In the FY18 NDAA, for instance, there are a few provisions which we believe negatively impact contractors and the government, thus, impacting our workforces. These include penalizing certain contractors for bid protests and unsubstantiated accusations, splitting the security clearance backlog investigation process, and imposing new burdens on services and bridge contracts with no corresponding benefit to the government. We will continue to press for changes in these areas to mitigate the impact of these provisions on the contractor community.

Proper tools, team, and a blueprint can help to build the workforce, but what keeps it intact? Any type of edifice requires routine maintenance and upkeep. As such, PSC is continually working smarter and harder for our members to ensure they are up to date on happenings on the Hill, in the agencies, and on the regulatory side. We regularly host trainings, council meetings, and working groups on areas including acquisition reform, shared services, readiness and sustainment, and cybersecurity, incorporating government and industry guest speakers. We also lead numerous reverse industry days to share our insights with the government.

The missions of government demand a workforce that is well trained, well-funded, and supported by its leadership. To help provide that world-class workforce, we must dramatically reduce the security clearance backlog. We must promote an effective federal contracting system that rewards companies who invest in their workforce to bring solutions to their customers. Finally, we must be innovative in our approaches and focus on full and open competition in federal procurement. Much more can be done, and PSC continues its work on building the workforces of the future. ■



Sounding Board: A Year to Remember, A Year to Rise

by Venkatapathi “PV” Puvvada, President, Unisys Federal / PSC Board Chair, 2018



The start of the new year marks a turn of the calendar page, along with changing the hands of leadership for PSC’S Board of Directors. I am honored to assume the reins as PSC Board Chair from my esteemed colleague John Goodman, CEO of Accenture Federal Services, who concluded a two-year term at the end of 2017. As I embark on my new leadership role, I encourage PSC and its member companies to enter 2018 with a renewed commitment to our priorities, which will ultimately push us forward successfully through 2020 and beyond.

In 2017, PSC set forth five strategic priorities guided by our core mission: to provide unparalleled value to members by serving as the leading voice for the government professional and technology services industry. These priorities enable us to advocate, educate, and facilitate on behalf of the federal contracting industry. Our five priorities are:

1. Demonstrate the value of government contracting and contractors;
2. Help the government become a “smarter buyer” and improve acquisition outcomes;
3. Promote technology and innovation to achieve agency mission results;
4. Help PSC members build workforces to meet future government missions;
5. Maintain PSC as a world-class association and develop the PSC Foundation as a premier research and educational activity.

As with any strategic priorities, we will refine these priorities as necessary based on feedback from all of our stakeholders through a strategic review process we hope to complete in early 2018.

As president of Unisys Federal, I am responsible for leading a very talented organization to provide innovative technology solutions to deliver important mission outcomes by enabling collaborative partnerships with our clients and other industry partners. I can affirm that, as Board Chair of PSC, I will work with the same vigor to ensure the continued growth of PSC and the industry overall by continuing the valuable services that have led us to our success over the past 45 years.

I ask each of you to increase your participation and renew your commitment. Together, we will continue our mission to perpetuate a more fair and competitive government contracting industry in 2018 and beyond.

Thank you for your continued support and leadership! *PV*



Working for You: PSC's Roadmap for Advocacy

by Alan Chvotkin, PSC Executive Vice President and Counsel

PSC's primary mission is advocacy on behalf of our member companies and the technology and professional services industry across the entire federal enterprise. The association is fortunate to have a strong and experienced policy and support team that knows the federal agencies, the Congress, and the media. Each of these focal points may require independent approaches, but PSC's advocacy work also involves actions that integrate all of them to achieve our advocacy outcomes. We also recognize that sometimes the outcome we seek is the adoption of good things; occasionally it is stopping bad things.

While advocacy is more art than science, some of our practices contribute to increasing our opportunities for success. Our PSC leadership has a set of key priorities for the association, including helping to make the government a smarter buyer, recognizing the valuable contributions of government contractors and our members, and promoting technology and innovation to achieve agency mission results. But how do you translate that into actionable recommendations?

It starts with the identification of the specific issues of concern to our members. We use our committees and task forces to bubble up recommendations and vet alternatives. We use our staff involvement with our member company leaders to assess the business markets and the opportunities and barriers to our members. We also listen carefully to government policymakers, customers and acquisition professionals for their perspectives and suggestions. Through this identification process, in 2017, we identified more than twenty specific legislative and regulatory actions that would significantly contribute to furthering PSC's policy objectives.

Then, research and preparation are essential. How did this issue arise? What is its known impact on our members and on the technology and professional services industry? What are the range of options to address this issue? What are the arguments for and against making a change? What are the pathways and roadblocks to success? Finally, who are our likely allies and who are our likely opponents and how can we address them?

It then continues with building key relationships. This includes continuous engagement – in both public and in private ways. Do our allies for making the change have the authority and the ability to make a change? Is there an opportunity to dialogue with our likely opponents? Who can help influence the outcome and how do we build support? Finally, what is the best time for action and what are the avenues for making that change?

Armed with this information and options, the real work begins with the execution of the plan. But advocacy is never linear and seems like it never ends. The cycle repeats continuously and takes often unforeseen turns. It requires agility and flexibility to



recognize opportunities and challenges, reevaluate the research and relationships required, and press on.

Of course, we had some misses and some “no decision” results. But we are pleased that PSC had many notable successes in 2017. Some were legislative, such as the enactment of the requirements for the Defense Department (DoD) to provide enhanced debriefings for all offerors and to track and report on procurement administrative lead time (PALT); we were also successful in defeating a provision that would have arbitrarily capped DoD spending on services and in modifying a provision that would have required DoD contracting officers to evaluate offerors' compliance with certain labor laws. Some successes were regulatory, such as pressing for the final repeal of the FAR rule and Department of Labor guidance on “Fair Pay and Safe Workplaces.” Finally, some were administrative, such as expanding with agencies on the use of “reverse industry days” where PSC has been the primary (and often exclusive) partner with federal agencies.

We'll build on the work from 2017 and start the cycle anew in 2018. ■

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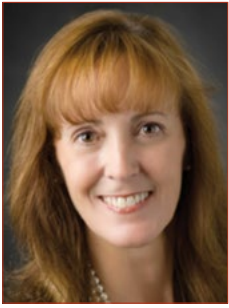


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Add Value to your Business by Attending PSC's 2018 Annual Conference!

by **Babs Doherty**, President & CEO, Eagle Ray, Inc.
2017-2018 Chair of the PSC Annual Conference Committee

A new year is upon us, which means I'm excited about all the growth and opportunities that 2018 will bring— not just for Eagle Ray, Inc., but for all of the member companies of PSC and our greater mission to support federal government agencies' success. I am honored to serve, for the second year in a row, as chair of the PSC Annual Conference Committee. This year's conference is themed "**Transforming Today for Tomorrow's Challenges.**" We want to collaboratively work to ensure the government services industry remains fully prepared to meet government missions—both today and in the future. The Annual Conference takes place **April 22-24, 2018** and we're moving back to **The Greenbrier** in West Virginia. That's right! Not only will you get a daily dose of bright floral printed tapestries and décor by Dorothy Draper, but you'll have the chance to connect with colleagues at an exclusive event, brought to you by PSC and done only for PSC members. Bring your business suits along with your golf clubs, as we anticipate more than 450 professionals to gather to gain valuable insights into how they can take their government services business to the next level, for 2018 and beyond. Why should you attend the 2018 Annual Conference?

Bring Value Back to Your Business

Attending the PSC Annual Conference provides a great ROI beyond your individual attendance. The skills and knowledge you bring back from the conference will not only be valuable to your business, but can make you invaluable to your business.

It's All About Connections

The PSC Annual Conference will offer a unique setting for you to meet many contemporaries who share your interests and expand your reach within the community. These are the people that could prove valuable to your future—whether they be a new teaming partner, a great candidate for an opening in your company, a new friend who can offer you advice or a potential client. Speaking to people face to face who may need your solutions can be more effective than sending them an email or speaking over the phone. Be there to showcase your passion for your business and expertise and walk away with a new list of contacts.

Stay Trendy

The PSC Annual Conference will help keep you attuned to emerging industry developments, teach you about the potential market impacts of broad economic and political forces, and provide insight into business trends in the government contracting and technology marketplace. Navigating the currents of our industry is key to ensuring you and your company stay ahead of the curve.

And you can also support this event in addition to attending: sponsorships are available! Please help show your support of our 2018 Annual Conference by purchasing one of the many sponsorships. Contact Jean Tarascio for registration or sponsorship details at tarascio@pscouncil.org. Together, we can transform today for tomorrow's challenges. ■





Third-Party Auditing: A Win-Win for Contractors and Federal Agencies

by Cate Benedetti, PSC Vice President of Government Relations

Before the House Armed Services Subcommittee on Oversight and Investigations in March, PSC testified on the need for concrete action to address the Defense Contract Audit Agency's (DCAA) unacceptable backlog of incurred cost audits. Highlighting the wide-ranging and negative impacts of the backlog on the government and the contractor community, PSC urged the Committee to allow the use of independent, third-party auditors as "an effective and efficient solution that can be implemented quickly and seamlessly."

Shortly afterward, House Armed Services Committee Chairman Mac Thornberry introduced the Defense Acquisition Streamlining and Transparency Act—standalone legislation that would later be folded into this year's National Defense Authorization Act (NDAA)—which included targeted reforms designed to improve the Pentagon's acquisition policies. Section 102 of the Thornberry bill directed DoD to utilize private sector capacity to ensure timely and effective audits, incorporating many of the recommendations made during PSC's testimony. The provision was slightly modified when incorporated into the June House-passed NDAA.

The final version of the NDAA, sent to the President for signature in early December, requires the Secretary of Defense to submit an implementation plan to Congress by October 2018 and award a contract to two or more qualified private auditors by April 2019. It also directs DCAA to use qualified private sector auditors to perform "a sufficient number" of incurred cost audits to eliminate the backlog by October 2020 and complete audits within a year of the date of submission. The law further requires that the auditors have "no conflict of interest" and possess the "necessary independence," as defined by generally accepted government auditing standards.

PSC strongly supports this approach. Allowing independent auditors to conduct incurred cost audits establishes a balanced policy to reduce the backlogs for the government and improve the timeliness of contract closeout.

Enactment of the NDAA was a "win-win-win" for the government, the contractor community and the taxpayer. But what does it mean for PSC member company workforces?

A benefit to using a strong independent third-party auditor base is the ability to increase or decrease staff levels to address spikes and shortfalls and to respond quickly to auditing needs. Independent auditors can dial up as needed and dial down once the issue is addressed; many well-seasoned government



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accounting firms have an experienced and available workforce—often former DCAA staff—that can respond quickly.

As such, government accounting firms should be prepared to compete for this work—as many already do through the civilian agencies—as early as next year. PSC intends to work with the Department on the implementation plan and welcomes your suggestions. In the interim, maintaining or building a workforce that is ready and able to assist DCAA with the monumental task of reducing the backlog will help improve outcomes for both the government and the contractor community.

For those who contract with the federal government, utilization of independent auditors should lead to faster resolution of incurred cost proposals, shorter staff time, reduced records retention requirements, and faster closeout of contracts. ■



Acquisition Workforce Impact of the Coming Defense Reorganizations

by David J. Berteau, PSC President and CEO

For the past three years, the annual National Defense Authorization Act (NDAA) has been reorganizing and reforming defense acquisition authorities, priorities, and organization. The most important of these reforms will take effect in the Department of Defense (DoD) on February 1, 2018. These reforms will potentially change the policies and priorities for the defense acquisition workforce and impact the contractors who rely on that workforce to support defense missions.

DoD Reforms

The first reforms, in the Fiscal Year 2016 (FY16) NDAA, stripped milestone decision authority for future major defense acquisition programs (MDAPs) from the Under Secretary of Defense for Acquisition, Technology, and Logistics (the USD(AT&L)) and gave that authority to the Military Departments. This action reversed a major thrust of the Packard Commission reforms enacted in 1986 as part of the Goldwater-Nichols Defense Reorganization Act.

The following year, the FY17 NDAA began to undo another of the Packard reforms, directing the split of remaining USD(AT&L) authorities and responsibilities into two separate under secretary positions, one for Research and Engineering, and the other for Acquisition and Sustainment. Congress passed the FY18 NDAA, which became law, and which clarifies the USD (AT&L) breakup. Many specific details of the new organizations were left to the Secretary of Defense to decide, with most of those details yet to be announced (including which assistant secretary position will be eliminated to meet the statutory requirement to eliminate one such position).

The FY18 NDAA also adds a new position, the CMO, or Chief Management Officer. DoD, if it chooses, can designate the CMO to also serve as the department's Chief Information Officer, or CIO. In addition, the responsibility for business systems guidance and oversight will shift from most under and assistant secretaries to the new CIO. This will mean, for example, that oversight of defense logistics systems will no longer rest with the Assistant Secretary of Defense for Logistics and Materiel Readiness but instead will be under the CMO/CIO, breaking a tradition that stretches back half a century. Finally, oversight responsibility for some (if not all) of the defense agencies will also transfer from their current assistant and under secretaries to the CMO.

Meanwhile, the new DoD team has reportedly gone beyond congressional requirements and has transferred milestone

decision authority back to the Military Departments for nearly all MDAPs, not just new ones.

White House Reorganizations

Last March, the president issued an executive order requiring all federal agencies to submit plans to the Office of Management and Budget (OMB) for reform and reorganization. Final plans were sent to OMB last September but have not been made public. The expectation has been that those plans would be incorporated into the President's Budget for FY19 and submitted to Congress along with that budget next February, but recent comments by federal officials indicate the reform/reorganization plans may not be made public until later in the spring. For DoD, it's reasonable to assume that plans are consistent with the law, but since the DoD plan was submitted before the final NDAA was written and passed, some uncertainty remains as to the magnitude, timing, and direction of these reorganization plans.

Additional Initiatives

DoD has announced or promulgated a number of additional initiatives, including at least eight specific reform initiatives under the direction of the Deputy Secretary of Defense, a host of decisions under consideration by a team known as the "Reform Management Group", and other major initiatives such as the Cloud Request for Information (RFI) released by DoD in November.

Impact

Taken together, these reorganization and reform changes create a host of moving parts, but there is no overarching, publicly-available direction or guidance document that integrates them. In addition, DoD has been slow to issue written guidance that implements changes in law. The last issued change to the defense supplement for the Federal Acquisition Regulation, or FAR, was last January. Contracting officers follow the law, but only when statutory changes are incorporated into the documents that guide their work. In the meantime, the many reform and reorganization initiatives are likely to create uncertainty in the DoD acquisition workforce, and those uncertainties will have to be dealt with by contractors in identifying potential work, in making bid-no bid decisions, and in allocating their resources. PSC will continue to monitor, report on, and help shape these reforms into the most productive results that can be achieved. ■



Reorganization: What Happens and So What?

by **Alan P. Balutis**, Senior Director and Distinguished Fellow
U.S. Public Sector, Cisco Systems, Inc.

Reorganization is a perennial issue in the federal government, so one would expect substantial academic literature to exist on this matter. While there is a considerable body of work on the histories of reorganization efforts (especially the various executive branch commissions), analyses of existing organizational arrangements (narrative pieces bemoaning overlap and duplication), and on what best might be called the politics of reorganization, the relationship between institutional and procedural reform and the policy output of the bureaucracy remains almost wholly unresearched. Indeed, a review of the current state of actual knowledge concerning reorganizations and their effects is an unrewarding task, for knowledge of this kind is impressively slight. Dean Mann and Ted Anagnoson concluded:

Almost nobody has asked the question: What difference have these reorganization plans made? How have they been implemented and with what results?

As noted above, the “what,” “what’s wrong,” and to a certain extent, the “what ought to be done,” have been adequately covered. Reorganizations are usually designed to:

- Simplify and streamline;
- Bring about greater efficiency and economy;
- Place program oversight under a single administrator;
- Help make possible effective program management, sound financial control, and coherent delivery of services by consolidating program areas badly fragmented in the existing organization structure;
- Simplify and strengthen the linkage between policy development and program administration;
- Eliminate program fragmentation and end confusing organizational divisions;
- Prevent fraud and abuse;
- Achieve savings;
- Reduce staff; and,
- Make {the entity} more responsive to the millions of Americans that the Congress has directed {the entity} to serve.

A number of the goals reflect a concern with structure (e.g., simplify and streamline, efficiency and economy, consolidating program areas, simplify linkages, end organizational divisions, and so on). However, during reorganizations, while a number of consolidations occur, numerous others remain. This is not surprising since, in a government with multiple objectives and thousands of programs, it is likely impossible to isolate issues that do not cross organizational lines.

In fact, there probably is no way to structure the government so that all programs with interrelated objectives are in only one component. Certain organizational efficiencies may occur, but

many others remain -- untouched or, in some cases, caused by the reorganization. Reorganizations end certain duplications or programs overlap while creating new ones.

Other goals reflect a major concern of traditional public administration doctrine: economy and efficiency. But tracking agency savings, as almost any seasoned budget officer would tell you, is “dealing with funny money”. Most reorganization assessments seem to verify Rufus Miles’ assertion that major reorganization—to achieve “economy” of programs—is will-o-the-wisp.

These goals or objectives of reorganization seem quite consistent with traditional public administration doctrine and characteristic of what Harold Seidman regarded as “administrative orthodoxy”. But the specific consequences of restructuring efforts have been largely ignored. It is somewhat difficult, therefore, to measure success in terms of such “proverbs” or “organizational platitudes.” But let’s seek to dig a bit deeper.

Donald Van Meter and Carl Van Horn have offered four reasons for the neglect of policy implementation:

1. The naïve assumption that implementation follows automatically after policy formulation and results do not deviate from expectations.
2. The implementation process is assumed to be a series of mundane decisions and interactions.
3. The focus on analysis of policy alternatives and rational policy-making has excluded attention “of the lower echelons of agencies responsible for implementation.”
4. The enormous difficulties involved in studying implementation.

Rufus Miles has noted that reorganizations have traumatic effects which should be carefully weighed. Of course, as Miles noted, organizations “vary widely in the degree to which they disrupt the skein of human relationships that are the communications and nerve networks of every organization.” Some reorganizations cause little or no disruption, while others are traumatic. But any reorganized agency undertakes a heavy load of bureaucratic activities.

People have to be reassigned; procedures have to be developed; policies have to be established; money has to be spent in a way that can be made accountable; office space and furniture have to be obtained. Personnel must review proposed organization structures, review and rewrite position descriptions, fill new and existing vacancies, transfer employees, handle union concerns, and advise employees of their rights during reorganization. The magnitude of these endeavors can only be understood by someone familiar with the complexity and arduousness of the federal personnel system. Similar

challenges exist in budget, finance, grants, acquisition, security, and other administrative services.

Implementation is almost considered to follow automatically, a rather common occurrence according to I.M. Destler and the Government Accountability Office:

“... in real-life attempts at reorganization, serious concern with implementation is typically too little and too late. Enormous attention is devoted to analyzing and deciding what changes should be made. The problem of getting from here to there is addressed only belatedly. To paraphrase Erwin Hargrove, implementation often seems the ‘missing link’ in reorganization.”

So, what lesson can we draw from previous reorganizations? First, reorganization is not likely to make government measurably cheaper. Second, unwarranted stress should not be placed on efficiency as grounds for reorganization. The simple fact is that public administration and organizational theorists know very little about what type of reorganization promotes efficiency. In some cases, they have turned to consolidation; in other cases, to decentralization.

Government reorganizers must pay special attention to the problems that can be caused by excessive tinkering. As Miles has noted:

Citations:

D. Mann and J. Anagnoson, “Federal Reorganization: Does It Matter? A Retrospective Look” in *Reorganization: Issues, Implications and Opportunities for U.S. Natural Resources Policy*, edited by F. Convery, J. Royer and G. Stairs (Durham, N.C.: Duke University School of Forestry and Environmental Studies, 1979).

Rufus Miles, “Considerations for a President Bent on Reorganization”, *Public Administration Review*, Vol. 37, 1977.

Harold Seidman, *Politics, Position and Power* (New York: Oxford University Press, 1975).

“Traumatic reorganizations may be analogized to surgical operations. It is important that their purposes be carefully assessed and a thoughtful judgment reached that the wielding of the surgical knife is going to achieve a purpose that, after a period of recuperation, will be worth the trauma inflicted. And the surgical knife should not be wielded again and again before the healing process from earlier incisions has been completed.”

Finally, it is only through effective implementation that adopted reorganization proposals can bring about results. Implementation is a crucial part of the reorganization process, and it appears that implementation strategy cannot be left until after a reorganization program has been approved.

Let me close with a quotation which is sometimes attributed to Petronius Arbitrator, a Roman satirist who died circa A.D. 66:

“...perhaps we are so good at organizing we tend as a nation to meet and new situation by reorganizing; and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization. ■

D. Van Meter and C. Van Horn, “The Policy Implementation Process”, *Administration and Society*, Vol. 6, 1975.

I.M. Destler, “Implementing Reorganization”, in *Federal Reorganization: What Have We Learned?*, edited by P. Szanton (Chatham, N.J.: Chatham House Publishers, 1981).

U.S. General Accounting Office, “Implementation: The Missing Link in Planning Reorganizations”, Report to the Committee on Governmental Affairs, U.S. Senate (Washington, D.C.: U.S. Government Printing Office, 1981).

[Miles, see above]

D. Brown, “Petronius or Ogburn?”, *Public Administration Review*, Vol. 38, 1978.

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What is Innovation in Federal Acquisition?

by **Stacy Stacks**, Director, Policies/Procedures
Management Systems International | A Tetra Tech Company

The “blended federal workforce” is comprised of roughly 2 million federal employees, 3.7 million contractors, nearly 1.6 million grant employees, 1.3 million active-duty military members, and 492,000 postal workers, signaling that the role and work of PSC member companies is vital to ensuring government agencies run smoothly and efficiently day-to-day, both domestically and overseas.

But there are many factors that impact innovative approaches to acquisition and that prompt workforce limitations. In President Trump’s first few days in office, he implemented a widespread hiring freeze. Buyouts and early retirement offers have also impacted federal employee workforce figures. On the government services side, contracting officers are in high demand but short supply, and often limited on hiring more peers to meet the demands. And often, contractors are adverse to selling to the government due to the long, onerous and costly federal acquisition process.

As federal agencies aim to meet expanding citizen demands, reduce costs and identify more efficient ways of operating, even incremental improvements can make a significant impact. Perhaps this is why federal agencies look to innovation as a means to deliver public service for the future.¹

So, what’s the problem?

The dedicated federal procurement workforce is trapped in a culture that, for years, has made requirements around cost and acquisition schedules the primary considerations for evaluating contract awards. Such a process fails to include an examination of innovative and best-value approaches to meet mission requirements for departments and agencies. Additionally, the ongoing failure by contracting officers, project managers and acquisition professionals to implement full and open competition in federal procurement — as required by law, regulation and policy — harms agencies’ ability to leverage market-driven innovations and cut costs.²

“It is time we take huge, but calculated risks,” one executive said in a 2017 Deloitte survey on federal career senior leadership. *“Ask tons of curious questions of, rather than just directing staff. Find better, smarter ways to do things easier and simpler. Increase risk appetite and don’t punish people for trying something novel.”*³

Only forty-four percent of federal managers say that they innovate to improve mission delivery.⁴ But what about the other 56 percent? Are we perpetuating a federal procurement culture that, in turn, limits workforce efficiency and productivity? In fact, PSC has recommended that people be rewarded for trying something new — even if it fails. And that’s where agency

innovation labs come in, as one solution to help build federal workforces to meet government missions.

Innovation Labs

In March 2016, the Obama White House announced a new initiative to accelerate the establishment of Acquisition Innovation Labs in Federal agencies, to provide a pathway to test and implement more innovative approaches to acquisitions. Innovation labs are trying to provide different approaches and tools beyond traditional contracting. The labs would also help agencies successfully adopt emerging acquisition best practices to more effectively deliver services to the American people. The White House guidance required that all federal agencies create innovation labs by May 2016. As a part of this initiative, all 24 major “CFO” agencies were expected to:

- Appoint acquisition innovation advocates (AIAs) to promote testing of new ideas and better ways of executing existing practices in their agencies through managed risk-taking;
- Ensure they have innovation labs, or similar mechanisms, to promote meaningful collaboration through an integrated product team; and
- Participate in a new council to maximize collaboration across the government and to share best practices and lessons learned.

The greatest catalyst for innovation is each agency’s willingness to embrace a culture that continuously encourages new ideas and finds better applications of existing practices. Establishing Acquisition Innovation Labs government-wide was intended to play an increasingly important role in empowering and equipping agency employees to implement their promising ideas and foster a culture of innovation that leverages proven government and private sector practices.⁵

Innovation must be measurable.

In the context of federal acquisition, space for creative approaches to solving acquisition problems should be required at every stage by every agency, demanded by external sources (customers and taxpayers, for example), and participatory with industry and commercial partners. In fact, there is no need for legislative or regulatory authorization for innovation in federal acquisition.

To be clear, “innovation” is not a synonym for “information technology.” There are multiple access points for government to create new pathways to innovation in the acquisition cycle, which PSC notes will improve each agency’s challenges for solutions. The application of innovative technologies, solutions, processes and business models can provide the government with game-changing opportunities during these challenging times,

Here are a few examples of how government agencies are moving full steam ahead with Innovation Labs:

Department of Veterans Affairs – Center for Innovation

“Identifies, tests, and evaluates new approaches to efficiently and effectively meet the current and future needs of Veterans through innovations rooted in data, design-thinking, and agile development.”

Office of Personnel Management – Lab @ OPM

Focuses on building design capacity to implement innovation across the federal government. This includes user experience design, service design, product design, program design, policy design, design strategy, and design research.

DARPA – DARPA Small Business Programs Office

DARPA, the Defense Advanced Research Projects Agency,

seeks partnerships with small businesses through their Small Business Programs Office. The program seeks to develop breakthrough technologies for national security, working with industry, academia, and individuals.

Department of Defense – DIUx

The Defense Innovation Unit Experimental (DIUx) is a “fast-moving government entity that provides non-dilutive capital to companies to solve national defense problems.” DIUx acts like a Silicon Valley incubator, investing in solutions ranging from autonomy to artificial intelligence to human systems, information technology, and space, in order to solve defense problems.

and there are a plethora of current examples of exciting new pathways in federal acquisition.

One example of successful leadership at the executive level is at the Department of Homeland Security, where the agency is recognizing employees who are innovative. Its program awards “digi-badges” to those employees who are putting into practice what they are learning about using innovative acquisition techniques to improve DHS’ mission. Other efforts are succeeding at USAID, the Department of Health and Human Services, and elsewhere. [See sidebar above]

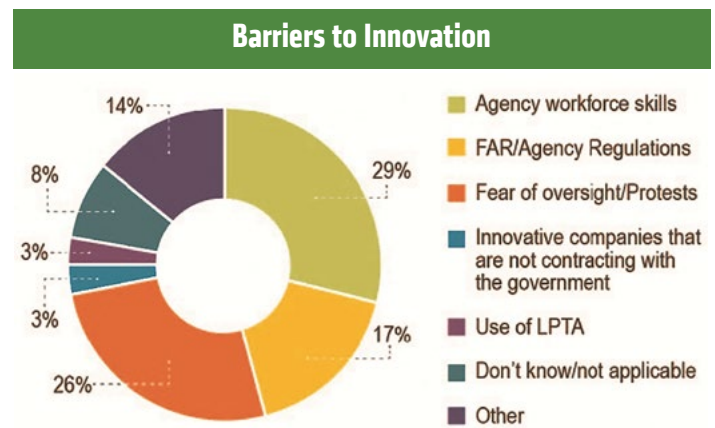
PSC as the Liaison for Innovation

PSC leadership and member companies are actively involved with advocacy in innovation-forward movement, including continued support of the Modernizing Government Technology Act and providing a platform for agencies and the federal government to discuss critical legislation and policy.⁶

The biennial PSC flagship Acquisition Survey in 2016, which is the only comprehensive survey of federal of acquisition professionals, dedicated one of the five core topics to innovation, and should be a guidepost for areas where PSC member companies can influence and impact change within their companies and for their federal customers.

The figure to the right, drawn from the PSC 2016 survey, highlights the barriers to innovation recounted by federal agency survey participants.

PSC recommends that every agency have a Procurement Innovation Lab that looks beyond information technology and includes industry. Innovation is applying technology, tools, or processes in a new or different way that helps perform the mission better, cheaper, or faster. That is, it saves resources, time



or money, or enables the user to perform their mission better. This implies that innovation is relative to the government in two ways: innovation is an idea that helps the specific agency and is new to that agency, but may not be new to the market.⁷

Tim Cooke, CEO and owner of ASI Government LLC, and a PSC board member, said it best in an article on innovation by and for the government: “...we need to ask how to start harvesting and using the value of these important initiatives across the landscape of invention, taking advantage of vital lessons, leveraging efforts in similar areas, enhancing communications and achieving greater returns on government investments in realizing the benefits of bringing innovative new companies and capabilities to achieve government’s missions and goals.”⁸

PSC and its members will be evaluating the progress—and the remaining barriers to success—of these Innovation Labs. Agencies are welcome to join in that assessment. ■

¹ https://www.accenture.com/t20150707T195237Z_w_w_/us-en/_acnmedia/Accenture/Conversion-Assets/DocCom/Documents/Global/PDF/Dualpub_11/Accenture-Three-Must-Haves-For-Federal-Government-Innovation-2.pdf#zoom=50

² <https://fedtechmagazine.com/article/2017/05/federal-procurement-modernization-requires-cultural-change>

³ https://1yxsm73j7aop3que9y5ifaw3-wpengine.netdna-ssl.com/wp-content/uploads/2017/10/75616-State-of-SES-Findings_v6-EMBARGOED-UNTIL-OCTOBER-4-2017.pdf

⁴ Accenture and the Government Business Council, “Is Government Making Inroads On Innovation? A Candid Survey of Federal Managers,” December 2014; <http://www.accenture.com/us-en/Pages/insight-government-making-inroads-innovation-impacting-government.aspx>

⁵ <https://obamawhitehouse.archives.gov/blog/2016/03/09/fostering-culture-innovation-across-government-through-acquisition-innovation-labs>

⁶ http://www.pscouncil.org/a/News_Releases/2017/PSC_Applauds_Senate_Passage_of_MGT_Act_9_18_17.aspx

⁷ David Kriegman, Z2B-LLC

⁸ <http://www.govexec.com/excellence/promising-practices/2017/10/innovation-and-government/141433?oref=river>



FEDERAL MARKET FORECAST CONFERENCE 2017

Presented by *PSC*

More than 300 industry and government executives attended PSC's 53rd Annual Vision Federal Market Forecast Conference in Falls Church, Va. on Nov. 1-2, 2017. The two-day conference covered a variety of defense, civilian, and government-wide topics. Keynote speakers included Robert Daigle from the Office of the Secretary of Defense, Lesley Anne Field from the Office of Management and Budget, and Gordon Gray from the American Action Forum.

In preparation for the conference, nearly 275 member-company volunteers conducted more than 350 interviews with government officials. The Defense Health Agency, Unmanned Warfare Systems Division, and Office of Environmental Information represent just a few of the many offices whose perspectives shaped the conversation.

What's the takeaway? The federal contracting industry is alive and well. If you'd like to learn more on the federal budget forecasts and market priorities, transcripts and video recordings of the conference are available for purchase online at www.visionforecast.org.





1. David J. Berteau, PSC President and CEO
2. Robert Daigle, Director, Cost Analysis and Program Evaluation, Office of the Secretary of Defense
3. Defense Topline Forecast presented by Lou Crenshaw
4. Attendees heard from keynote speaker Lesley Anne Field, Acting Administrator, Office of Federal Procurement Policy, Office of Management and Budget
5. (from left) Bill Greenwalt, Pierre Chao, Frank Finelli, and Ed Caso provide an Industry Outlook
6. Federal Acquisition Trends Panel (from left) Moderator: Tom Temin, FedNews Radio; Soraya Correa, Chief Procurement Officer, Dept. of Homeland Security; Kitty Klaus, Wolf Den Associates; Ken Brennan, Dept. of Defense.
7. Dierdre Murray offered an Acquisition Trends outlook

Conference videos and transcripts available for purchase at www.visionforecast.org.



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



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

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

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

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

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. 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.

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



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

SUMMARY

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

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

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.

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.

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



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

SUMMARY

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

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

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

SUMMARY

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

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

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

SUMMARY

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

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

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.

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.

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



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

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

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

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.*

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. Text included in H.R. 2810/FY18 NDAA, presented to the President on 11/30/17.*

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

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

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

H.R. 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.*

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

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

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

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

SUMMARY 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.*

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



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

H.R. 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 on (356-70) on 11/14/17. Passed the Senate (voice vote) on 11/16/17. Presented to the President on 11/30/17.

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 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. Reported by the Senate Committee on Homeland Security and Governmental Affairs on 11/27/17.



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.

H.R. 3243

SUMMARY

FITARA Enhancement Act

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

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



H.R. 4038

SUMMARY

DHS Accountability Enhancement Act

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

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



H.R. 4174

SUMMARY

Foundations for Evidence-Based Policymaking Act of 2017

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

STATUS Passed the House (voice vote) on 11/15/17.



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



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

H.R. 4191 HHS Cybersecurity Modernization Act



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

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

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

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

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

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

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

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

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

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

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

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

STATUS Ordered to be reported by the Committee on Homeland Security and Governmental Affairs. Related bill: H.R. 505.

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

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

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

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

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

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

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

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

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

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



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

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

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

S. 442 **National Aeronautics and Space Administration Transition Authorization Act, 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.*

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

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

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

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

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

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

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

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

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

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

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

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



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



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



Newly introduced since last issue



Major action taken since last issue



Bill became law since last issue

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

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

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

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

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

STATUS *Referred to the Senate Committee on Homeland Security and Governmental Affairs on 4/28/17. Related bill: H.R. 2227. Text included in H.R. 2810/FY18 NDAA, presented to the President on 11/30/17.*

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

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

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

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

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

STATUS *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. Presented to the President on 11/30/17.*

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

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

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



How Vacancies and Skills Gaps are Impacting the Federal Information Technology Workforce

by Kevin Cummins, PSC Vice President, Technology

When federal technology issues make headlines, it is usually for unfortunate reasons such as a data breach or a major acquisition failure. Today, federal Chief Information Officers (CIOs) are increasingly in the spotlight thanks to the Trump Administration's emphasis on bringing more innovation into government and Congressional approval of IT modernization legislation.

Yet the results of the PSC 2017 Federal CIO Survey,¹ led by PSC and PSC-member Grant Thornton, highlight how budget constraints, cybersecurity challenges and senior IT leadership vacancies during an unusual presidential transition period impeded progress toward modernizing and securing federal IT systems. Putting in place new agency leadership, including many CIO and senior-level IT positions, has been slower than usual. As of December 2017, nominees have yet to be named for the Federal CIO and newly-created Federal Chief Information Security Officer (CISO) position at the Office of Management and Budget (OMB). According to agencies' websites and recent news reports, seven CIO positions at 27 of the largest federal agencies are either open or will soon be open due to personnel changes. This leaves agencies without guidance and input from politically-appointed leaders into many existing IT initiatives and hampers efforts to fully develop new projects and investments.

The PSC CIO survey findings also highlighted significant concern about having skilled federal IT workers to meet growing cybersecurity and other challenges. One CIO said the "federal government needs to bring the right talent to the table... none of this happens without the right people." Another underscored that "we are facing a workforce problem as workers are overworked and underpaid."

According to the Office of Personnel Management, 46 percent of the more than 80,000 federal IT workers are 50 years of age or older, and more than 10 percent are 60 or older. In contrast, just four percent of the federal IT workforce is under 30 years of age. To take one agency-specific example discussed in PSC's Vision Federal Market Forecast,² the Department of Health and Human Services has a 30 percent vacancy rate for cyber positions and a quarter of its cyber workforce is eligible for retirement. This is daunting. And it speaks directly to the need to address federal IT workforce issues now before the challenges grow deeper.

These Federal CIO Survey insights are consistent with Government Accountability Office (GAO) findings about government-wide skills gaps, recruiting and retaining personnel, and other workforce challenges to protecting federal IT systems.³ The lengthy security clearance process is another hurdle for attracting top talent into government for jobs that are in high demand. Salaries for cybersecurity and other skilled IT professionals are also generally higher in the private sector, contributing to undercutting federal recruiting efforts.

To address these acute workforce needs, the Office of Personnel Management (OPM) allows critical position-pay authorities for

cyber and IT positions. The Department of Homeland Security has led initiatives to promote STEM and cyber-based curriculum for kindergarten to 12th grade-level, and there are cybersecurity scholarships for undergraduate and graduate students who commit to federal service. At PSC's September 2017 Tech Trends Conference, Congressman Will Hurd (R-TX) discussed his proposal for a "Cyber National Guard" that could offer scholarships for cyber professionals who commit to serving a certain amount of time within the federal government while also working in the private sector.

But cybersecurity issues are not just a matter for the experts. With everyone using connected devices, good "cyber hygiene" practices are more important than ever for agencies and federal contractors. CIOs who participated in the PSC 2017 Federal CIO Survey believe "phishing" attacks are one of the top three cyber threats to government. Online training and other creative education tools are increasingly common. One agency has a cyber tip of the day that must be answered before employees can log into their computers. Another official described a "spear phishing" campaign targeting their agency's own employees. Workers who open fake emails receive a message informing them they failed the test and should complete additional training. Some organizations are using specialized phishing software that creates realistic spoof emails to test their users' response and awareness in real time. Industry is facing similar problems and taking similar proactive actions.

Despite significant workforce-related challenges, IT leaders must meet high standards at a time of more scrutiny of technology modernization issues. FISMA has already put agency CIOs at the focal point for agency IT decision-making and accountability. Recent passage of the Modernizing Government Technology Act, which will provide federal CIOs more funding flexibility for IT modernization, is another encouraging step in the right direction. Here, federal contractors can help agencies meet workforce needs at a time of increased emphasis on technology by providing skilled workers, flexibility and scalability to government partners.

Ultimately, it still takes people to manage technology and leverage new tools in ways that truly deliver better mission results. PSC members stand ready to deliver these results. The 2017 Federal CIO Survey highlights opportunities for contractors to help agencies better meet their mission in 2018 and ultimately make the federal government serve Americans more effectively. And our 2018 PSC CIO Survey is already on the drawing board. To volunteer to join the team, please contact me at cummins@pscouncil.org. ■

¹ available at: <http://www.pscouncil.org>

² available at: <http://www.visionforecast.org/>

³ see: GAO. "Cybersecurity: Federal Efforts Are Under Way That May Address Workforce Challenges." Statement of Nick Marinis to Subcommittee on Information Technology, Committee on Oversight and Government Reform, U.S. House of Representatives. Apr. 4, 2017. available at: <http://www.gao.gov/products/GAO-17-533T>.

Looking Ahead: PSC Q1 2018 PREVIEW

Here's a look at some of the policy, advocacy, and strategy events PSC will host, along with publications to be released, in the first quarter of 2018.

2018 ACQUISITION POLICY SURVEY KICKOFF January 2018

The biennial Acquisition Policy Survey, published in conjunction with member company Grant Thornton, surveys senior government acquisition executives and practitioners about the state of federal procurement practices, policies and the acquisition environment. The survey provides an opportunity for PSC member volunteers to interview leaders from federal agencies and the Hill about the most pressing acquisition policy matters of the moment. The 2018 survey will explore acquisition trends under the new administration, and will launch in January with a kickoff meeting for interested members to learn more about how they can be part of the process.

PSC ANNUAL REPORT January 2018

The 2017 PSC Annual Report highlights our work as the leading active advocate on behalf of members, facilitating key discussions, educating decision-makers, and deepening the appreciation of our industry. Highlights include key policy accomplishments, events and conferences, PSC statistics, and the work of PSC's policy councils.

LEGISLATIVE AND REGULATORY YEAR IN REVIEW February 2018

The industry's best compendium of legislation and regulations affecting your business. The PSC Year in Review, exclusively for PSC members, provides summaries of laws and regulations of interest to our membership and the broader government contracting industry. It is a comprehensive roundup of the past year's statutory and regulatory developments in federal acquisition, written by PSC's Executive Vice President and Counsel Alan Chvotkin—widely regarded as one of our industry's leading federal procurement policy experts.



2018 LEADERSHIP SUMMIT January 28-29, 2018 • Washington, DC

An exclusive, invite-only event that gathers C-suite executives together for dinner, networking, and a featured speaker, followed by a breakfast and insightful and interactive program. Attendees will have the chance to engage with other PSC members and hear from government guest speakers.



FEDERAL STRATEGIC PLANNING FORUM February 5, 2018 • Arlington, VA

An executive-level discussion on the major challenges facing the industry, how companies are planning for them, and the longer-term market impact on defense, services and technology companies.



VISION KICKOFF March 12, 2018 • Arlington, VA

Gain a competitive advantage in the challenging federal marketplace by participating in the FY18 Vision Federal Market Forecast program as a Vision researcher. Attend Vision Kickoff to sign up for teams and learn more about the 2018 opportunities.



2018 ANNUAL CONFERENCE April 22-24, 2018 • The Greenbrier, WV

The PSC Annual Conference is the exclusive government contracting conference for PSC members. In 2018, we will address the most important issues facing the government professional and technology services industry. Industry leaders will explore how to transform today to meet tomorrow's challenges.



Contracting with the Pentagon in Afghanistan: *Déjà vu?*

by Amanda Swanson, PSC Research & Analysis Associate

On Aug. 21, 2017 in front of an audience of soldiers at Fort Myer (Arlington, VA), President Donald Trump outlined his administration's strategy for the war in Afghanistan. Though his words in many ways echoed those of previous administrations, the President's address implied an American military presence in Afghanistan well into the foreseeable future. Following in step, Secretary of Defense James Mattis signed orders to deploy an additional 3,000 troops to the country shortly thereafter, demonstrating a new, unrelenting commitment to the 16-year-long conflict.

The deployment brought the total American military presence in Afghanistan to roughly 14,000 troops, signaling the first build-up since the 2011 drawdown under President Obama.

President Trump's strategy has clear implications for a military already handcuffed by budget caps and appropriations delays. But what does a renewed investment in Afghanistan mean for the contractor community? How, if at all, will increased operational tempo (OPTEMPO) there impact the private sector that supports our warfighters?

Historical Trends

Contractors have and will likely continue to play a significant role in the war in Afghanistan. A 2017 report by the Congressional Research Service¹ shows a contractor presence in Afghanistan that keeps pace with, and sometimes exceeds, uniformed troop levels in the country since the onset of ground operations in October of 2001.

Indeed, these troop levels are reflected in the Department of Defense's contract spending over the course of the conflict, as shown in Figure 1. In FY12 alone, the DoD funded \$18.2 billion worth of contracts performed in Afghanistan. Those who have tracked the war will likely recognize 2011 as a year of significance,

Figure 1: Total DoD Contract Spend in Afghanistan

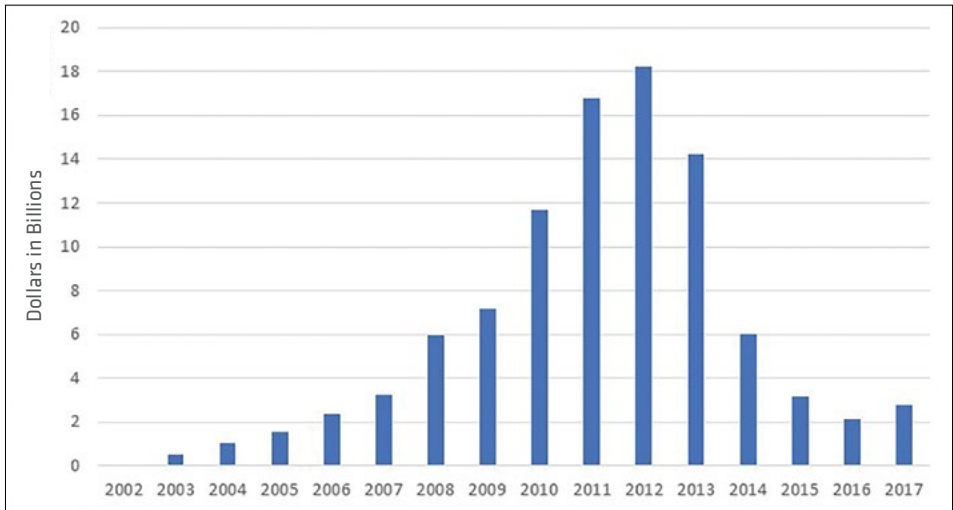
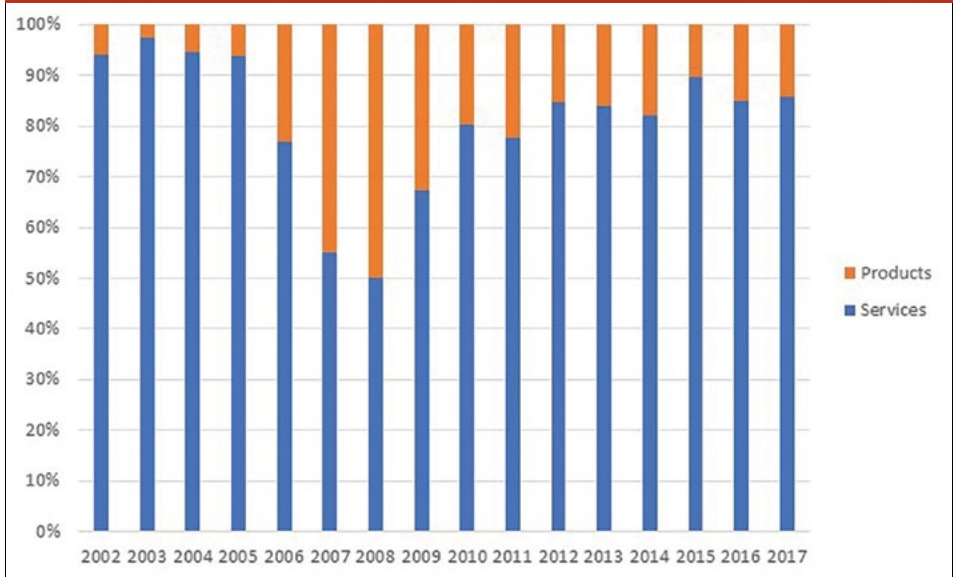


Figure 2: Products vs. Services Contract Spend in Afghanistan



wherein American military presence reached its peak at roughly 100,000 troops. This peak was preceded by \$6 billion in contract spending in FY08 and followed by a decline back to \$6 billion in FY14. Troop levels were only 30,000 in FY08 and had declined to only approximately 18,000 by 2014. This pattern is consistent

over the course of the war. As troop levels increase, DoD contract spending increases in kind. And as troop levels decrease, so does contract spending.

Further, it is worth noting that contract spend is not split evenly between products and services as shown in Figure 2. With the exception of

FY08, when spending on these categories was roughly equal, services spending has consistently outpaced spending on products. These trends are certainly noteworthy for firms in the defense services market.

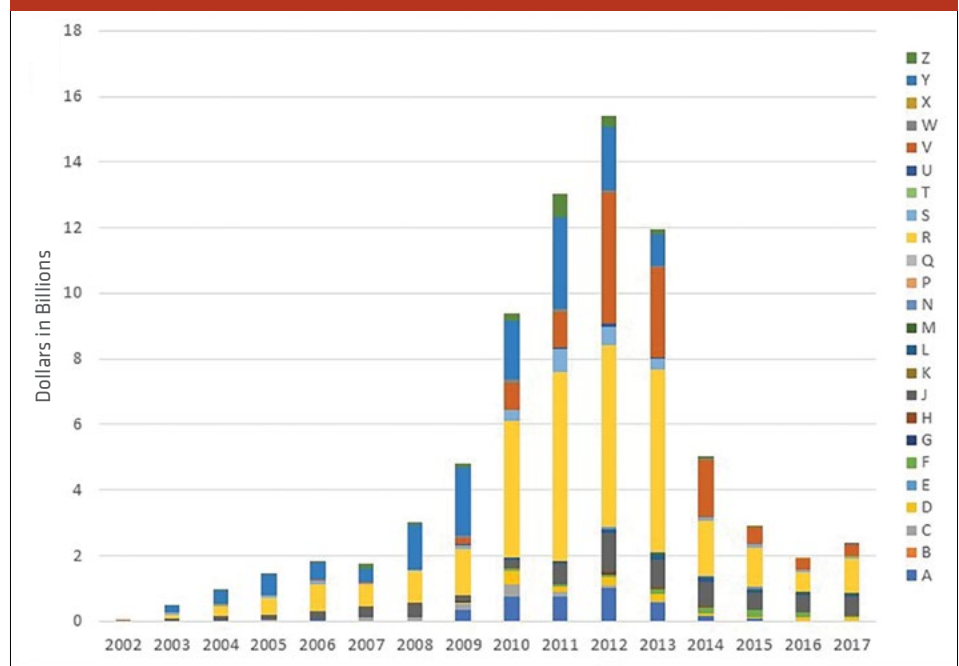
Figure 3 shows the distribution of spending within the services categories. Services contract spending is largely concentrated within professional and administrative services, followed by transportation services. Additionally, spending on transportation services has increased disproportionately with rising troop levels since FY02. Spending on construction services also remained relatively high and steady until FY14, at which time spending declined sharply. This was likely due to the withdrawal of American troops and the transference of responsibility to Afghan security forces.

What Does This Mean for You?

As the federal workforce continues to decline and troop levels increase, services contract spending in Afghanistan will likely increase. In fact, DoD may increase its reliance on contractors to meet the needs of the warfighter as the OPTEMPO in the country increases. Firms who have held these contracts previously should be prepared for additional demand, while others who are interested in entering the market ought to keep a close eye out for new opportunities. ■


¹ Peters, H. and Schwartz, M. and Kapp, L. (2017). Department of Defense Contractor and Troop Levels in Iraq and Afghanistan: 2007-2017. Congressional Research Service.

Figure 3: Contract Spend in Afghanistan by Services Category



Legend:

- | | |
|--|---|
| A Research and Development | N Installation of Equipment |
| B Special Studies and Analyses - Not R&D | P Salvage Services |
| C Architect and Engineering Services - Construction | Q Medical Services |
| D Automatic Data Processing and Telecommunications Services | R Professional, Administrative and Management Support Services |
| E Purchase or Lease of Facilities | S Utilities and Housekeeping Services |
| F Natural Resources and Conservation Services | T Photographic, Mapping, Printing, and Publications Services |
| G Social Services | U Education and Training Services |
| H Quality Control, Testing, and inspection Services | V Transportation, Travel and Relocation Services |
| J Maintenance, Repair and Rebuilding of Equipment | W Lease or Rental of Equipment |
| K Modification of Equipment | X Lease or Rental of Facilities |
| L Technical Representative Services | Y Construction of Structures and Facilities |
| M Operation of Government Owned Facility | Z Maintenance, Repair or Alteration of Real Property |




FEDERAL STRATEGIC PLANNING FORUM

Presented by *PSC*

Be Prepared for the Year Ahead.

Join an executive-level discussion on the challenges facing the industry and the longer-term market impact on defense, services and technology companies.

Feb. 5, 2018 • Arlington, Va.


#FSPF2018

Challenges Facing Advanced Small Businesses

by David Berteau, PSC President and CEO

PSC in November was privileged to take part in a House Small Business Committee roundtable on small business set-asides and post-graduation success of mid-tier firms. The forum, entitled “Leaving the Nest: Challenges Facing Advanced-Small Businesses,” explored the barriers to success for advanced-small or mid-tier firms. Committee Chairman Steve Chabot hosted the discussion, and members of Congress from both sides of the aisle focused on potential changes to current policies that would better incentivize small business growth.

Chairman Chabot and other members highlighted the challenges, referring to the mid-tier businesses as operating in “a murky limbo,” in which companies may be too large to benefit from small business set-asides yet too small to compete with larger firms.

PSC emphasized the misalignment between our national economic policies, geared toward encouraging small business growth and hiring, and the government contracting policies that discourage it.

Under the current policies, small business contractors are rewarded for staying small, not for growing, so they can remain below certain thresholds. Nowhere else in America is it government policy to limit job creation and disincentive growth.

PSC called on the Committee to take concrete legislative action to promote small business success, which fosters innovation, competition, and a robust business base to meet the government’s needs. Specifically, PSC’s recommendations included:

Gathering better data for proper oversight:

There is currently no publicly available source of information of the number of jobs created by small business programs, only the prime contract dollars that flow. The small business graduation rate is also unknown, as is the ultimate status of companies that graduate—do they succeed, deliberately scale back to fall again beneath the threshold, become acquired, etc? Without that information, federal agencies, Congress, and stakeholders cannot determine if the program objectives are being met. Congress should require that such data be collected and made public.

Updating company information in a timely manner:

The Small Business Administration is required to conduct a detailed review of all size standards and to make appropriate adjustments. SBA must review at least one-third of all size standards during every 18-month period and review all size standards at least once every five years. In some instances, this means SBA is awarding contracts to companies that were deemed small half a decade ago without regard to changes in the market, technology, or the industry as a whole. Congress should act to consolidate these updates and make them more current.



Crediting:

Prime contractors who use, mentor, and promote small business subcontractors get too little credit for that under current scoring systems. The government should either give equal credit or eliminate the requirement.

Enhancing communication between government and current and potential small business contractors:

A PSC priority is to expand the use of comprehensive debriefings, so contractors and companies know better why a proposal was not accepted so they can improve future bids.

The recently-enacted Fiscal Year 2018 National Defense Authorization Act included a requirement that the Defense Department release additional information to all offerors after an award, both to improve communication and to reduce the likelihood of a protest. Many small businesses do not have the resources to protest, and no company should have to file simply to obtain information on why they were unsuccessful.

Extending this debriefing requirement government-wide—as PSC is working with Congress to do—would not only help small and mid-tier businesses, but will increase overall competition, bring down costs, and broaden the national interest business base.

Taken together, these recommendations will improve acquisition outcomes for the government, ensure that federal small business programs are more successful in debriefing results, and allow small businesses to grow and hire. PSC looks forward to continuing to work with the Committee on behalf of our member companies in the mid-tier market. ■



Our Military Kids: Helping Children Pursue their Passions

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

The phone rang. It was early morning, July of 2010.

But this call was different: it was from the U.S. government.

Crystal Arriaga was at home in California with her two daughters, Nevaeh and Amber Castillo, who were out of elementary school on summer break.

Details were vague. Their husband and father, Anthony Arriaga, was injured during combat in Afghanistan.

“We didn’t know how to react or what was happening,” said Nevaeh, who was nine at the time.

“I was pretty worried, because I’m really close to him,” said Amber, then, only eight.

Anthony was a 25-year old Corporal, with 2nd Battalion, 4th Marines on a volunteer deployment. He was shot at twice, with gunfire initially hitting his backpack and smoke canister. The third bullet hit his right leg, immediately paralyzing him below the knee. The mission he so intently chose to follow was suddenly put on hold.

“I always wanted to be a part of a brotherhood that made a big impact and gave back,” said Anthony, now 32, who joined the infantry in 2006, following the footsteps of his grandfather.

After the injury, Anthony tried to keep his leg. Many years and several surgeries later, no change. He electively amputated in the summer of 2015. He wears a prosthetic, and joyfully walks, runs and drives, and continues to keep his wits about him. He lost a limb, but never once lost his commitment to serve.

“I decided that if I could stay in and continue to contribute, then that’s what I’m going to do,” said Anthony, who is currently on active duty with the Marine Corps Intelligence Agency, stationed at Marine Corps Base Quantico in Virginia.

Coping with post-traumatic stress disorder was a routine part of the family members’ lives. Crystal wanted to ensure that during her husband’s recovery, her daughters had healthy distractions. And that’s where Our Military Kids came in.

The McLean, Va.-based non-profit provides grants to children of deployed and severely-injured service members and veterans, funding participation in activities that help children cope with stress and anxiety while their parents are recovering or absent. Designed for children ages five up through 12th-grade, the organization has awarded \$24 million through 60,000 grants to military children nationwide since April 2005.

In November, PSC and the Northern Virginia Chamber of Commerce hosted the 2017 Greater Washington Government Contractor Awards™, where attendees raised nearly \$12,000 for Our Military Kids at the event.

“The money raised at the GovCon event will help military children enjoy their childhood and provide our deployed troops the peace of mind that their most precious assets, their children, are being taken care of,” said Linda Davidson, Co-Founder and President of Our Military Kids. “It is important that military families know that their fellow Americans are grateful for the



(Top L-R) Nevaeh enjoys travel softball, thanks to support from Our Military Kids. (L-R) Amber Castillo, Crystal and Anthony Arriaga and Nevaeh Castillo. Staff Sgt. Anthony Arriaga. (R) and twin brother Julian Arriaga (L)

Nevaeh, Amber and Crystal are joined by PSC president and CEO David Berteau. In November, PSC and the Northern Virginia Chamber of Commerce hosted the 2017 Greater Washington Government Contractor Awards™, where attendees raised nearly \$12,000 for Our Military Kids at the event. Learn more at ourmilitarykids.org.

service and sacrifices to keep our families safe and free.”

Thanks to Our Military Kids, 15-year-old Amber began taking private lessons to learn cello in the fourth grade and has continued playing ever since. She’s also involved in ROTC and a summer camp where she mentors other children of wounded warriors.

“With everything we’ve been through with our dad, I’ve been mentoring for a few summers to help other younger kids get through it,” said the high school sophomore, an aspiring Air Force paramedic.

Nevaeh, 16, was able to take private viola lessons in fifth grade due to the support of Our Military Kids. She’s since switched gears to play travel softball, of which the non-profit has also assisted with fees in this competitive sport. When this 11th grader isn’t flashing her bright, dimpled smile while jamming to Bruno Mars, she’s planning for college and a career as a veterinarian.

“I jumped at the chance for my girls to have a scholarship through Our Military Kids, because it’s one of the only organizations that does something specifically with kids in mind,” said Crystal. “My girls were able to take their musical and athletic talents to the next level because of their support, and this truly helped my family during our greatest time of need.” ■

MEMBER NEWS

PSC Congratulates Members Announced Among 2017 Government Contractor Awardees



Martore

Kesavan

PSC and the Northern Virginia Chamber of Commerce on Nov. 2 announced two member companies and two member-company executives as winners of the 15th Annual Greater Washington Government Contractor Awards™, the premier awards program honoring the leadership, innovation and commitment to excellence of the individuals and businesses in the region's government contracting sector. **Patriot Group International** was named as Contractor of the Year for businesses with annual revenue between \$25 and \$75 million and **DAI** was named Contractor of the Year in the category of businesses with revenue greater than \$300 million. **Joe Martore**, president and CEO of **CALIBRE Systems, Inc.**, and **Sudhakar Kesavan**, chairman and CEO of **ICF**, were each named Executive of the Year in their respective categories. PSC extends congratulations to the all 2017 winners. For a complete list of awardees, visit pscouncil.org.

SOSi Hires Janet Waldron as Vice President for Human Resources



With more than 20 years of human resources experience, and 15 years of experience in the government contracting industry, **Janet Waldron** joined SOSi this summer as Vice President for Human Resources. She joined SOSi from Chenega Corporation, where she served as the Senior Director of Human Resources for more than 6,000 employees and 50 subsidiary companies worldwide. She also previously served as Director of Human Resources for The Tatitlek Corporation, Human Resources Manager for CH2M Hill, and Director of Human Resources for Harbor Enterprises Inc. / North 60 Petroleum. "Janet is the company's first Vice President for Human Resources," said Julian Setian, President and CEO, SOSi. "She brings a wealth of experience to our team and will help the company compete for top talent as we continue to grow. Her focus will be on organizational development, talent development, training, and compliance."

PAE ISR's Resolute Eagle Completes First Commercial Airspace Flight



Joint venture **PAE ISR** recently proved its ability to integrate unmanned aerial system (UAS) operations into commercial airspace. The successful commercial airspace flight of PAE ISR's Resolute Eagle took place on Nov. 8 at the Pan-Pacific UAS

Test Range located at Pendleton Airport in Oregon, operating under a Federal Aviation Administration Certificate of Waiver or Authorization. The event signifies PAE ISR's ability to successfully fulfill U.S. commercial and civilian requirements in addition to U.S. military missions. The Resolute Eagle is a Group 3 fixed wing tactical UAS delivering advanced performance in payload capacity, available power, and a small logistical footprint to support a variety of mission profiles. It carries multiple intelligence payloads and offers long endurance capability at an affordable price.

Westat Announces Dr. Scott Royal as President



Westat announces the appointment of **Scott Royal, Ph.D.**, as President of the company effective Nov. 1, 2017. Scott will oversee Westat's business units, focusing on business development, client relationships, and project execution. Scott has more than 25 years of experience in the field of professional services, most recently as Chief Growth Officer of The Lewin Group. He has also held senior executive and management positions with Abt Associates and RTI International. Scott holds the doctorate and master's degree from the Bloomberg School of Public Health at Johns Hopkins University. Scott will report to Jim Smith, Westat CEO.

DLH Health and Logistics Services President Recognized as a 2018 FedHealthIT100 Awardee



FedHealthIT magazine, a print and digital magazine dedicated to providing Federal health technology news and insights to key Government and industry decision makers, has named **Kevin Wilson**, president of DLH's Health and Logistics Services operating unit, as one of its 2018 awardees. Nominated by his peers for his contributions to the advancement of the Federal health information technology (IT) market, Mr. Wilson is recognized for his willingness to challenge conventional wisdom and drive innovation within the Federal health IT and consulting community. Challenged with improving the accuracy and quality of service delivered by hundreds of employees nationwide on behalf of DLH's client, the Department of Veterans Affairs, Kevin and his team developed and sustain a production analytics model that has improved overall quality of service to more than 300,000 Veterans daily.

Attain Ranks #8 on Consulting Magazine's List of the Best Firms to Work For

Attain, LLC, a leading management, technology, and strategy consulting firm has been recognized as a 2017 Best Firm to Work For by Consulting magazine, the flagship publication of the consulting industry. Attain, which ranked among the top 10 in the categories of culture, career development, and leadership, is featured in the magazine's September 2017 issue.

Since Attain's inception in 2009, the firm has grown to include over 600 professionals and 250 client or office locations across more than 40 states and the District of Columbia.

"Our ranking among Consulting magazine's 2017 Best Firms to Work For elevates awareness in the market of Attain as a premier consultancy and employer," said **Chairman and CEO Greg Baroni**. "It's a signal to the market that we understand our people are our greatest asset, that we take care of them, and that we celebrate their successes. We know that when our people are effectively engaged they can have immeasurable impact on improving the lives of those we serve."

General Ronald Keys Joins SPA Board of Directors



Systems Planning and Analysis, Inc., (SPA) is pleased to welcome **General Ronald Keys (USAF, Ret.)**, to the SPA Board of Directors. Gen. Keys spent 40 years in the United States Air Force, retiring as the commander of

Air Combat Command and the Air Component Commander for U.S. Joint Forces Command. As the ACC Commander, Gen. Keys was responsible for organizing, training, equipping and maintaining combat-ready forces for rapid deployment and employment. Through his Air Force career, Gen. Keys commanded at all levels of Air Force leadership, was the

first commander of the Air Force Doctrine Center and was a command pilot with more than 4,000 flying hours.

"General Keys brings extensive experience in the DoD acquisition process, security, unmanned aerial systems, irregular warfare, cyber, organizational management, military operations and wargaming strategies," said Dr. William Vantine, SPA CEO and President.

Comprehensive Health Services Announces Celeste Gushee as New Senior Vice President of Business Management



Comprehensive Health Services announces the promotion of **Celeste Gushee** to SVP of Business Management. Since joining the company in 2011, Celeste has demonstrated her unwavering commitment, passion, and energy to facilitating company growth and development. In her prior role as VP of Business Development, Celeste provided

strong management and leadership to proposal development operations, fostered client relationships, and improved coordination across all business and functional areas. In her new role as Senior Vice President of Business Management, Celeste brings more than 30 years of experience in business and marketing and will oversee financial analysis; pricing; billing; contracts; procurement and subcontracts; and logistics and Warehouse Operations.

Have a story for Service Contractor's Member News section? E-mail stevens@pscouncil.org



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Event Spotlight



PSC's Council of International Development Companies (CIDC) hosted its 5th Annual Development Conference in Arlington, Va. on December 5, featuring a variety of presentations by experts from government, academia, NGOs and the private sector. Keynote speaker Wade Warren of USAID kicked off the half-day event which was attended by more than 200 individuals from a host of firms. The event featured a new format of 10 "DEV-Talks" on the issues of the role of development in national security and the importance of data transparency in development. The food-for-thought was plenty for the new year and will support PSC member companies in their critical international development aid efforts. Thank you to all the sponsors who made this event possible!

1. Jan Auman, Tetra Tech President, International Development Services and CIDC Chair, welcomed guests to the event.
2. USAID's Assistant to the Administrator for Policy, Planning & Learning (and former Acting USAID Administrator) Wade Warren provided the keynote address.
3. Heather Kulp, Executive Director, Niger Delta Partnership Initiative Foundation, discussed the need to be inclusive and transparent with all parties when designing development programs in fragile states.
4. Dexis CEO Mihir Desai asks a question of USAID's Warren.
5. Nick Martin, founder and CEO of TechChange, lead a DEV-Talk on the many potential uses of Blockchain in international development.

Event Spotlight



PSC welcomed more than 200 attendees at the 2nd Annual Tech Trends Conference on September 25. Members heard from senior government officials and industry leaders who discussed the top IT issues facing the federal government and insights on how to help the government deliver more effective mission results. Speakers included Congressman Will Hurd and Matt Lira from the White House Office of American Innovation. PSC also released its annual CIO Survey, an annual publication produced through personal member-conducted interviews of CIOs and other senior government officials throughout the federal government to get an understanding of their concerns and priorities.



1. (LtoR) NexGov Executive Editor Frank Konkel moderated a chat on IT leadership and transformation with NASA CIO Renee Wynn and Thomas Michelli, Acting Principal Deputy, CIO, DoD.
2. Matt Lira from the White House Office of American Innovation kicked off the conference by sharing how the Administration is working to bring more innovation into government and to modernize how agencies operate.
3. Congressman Will Hurd, co-sponsor of the Modernizing Government Technology Act, discussed helping agencies transition to cloud computing and other modern technologies.
4. Chris Wlaschin, the CISO at HHS, discussed cyber challenges facing the healthcare sector.
5. The Dept. of Homeland Security's top cyber security official, Jeanette Manfra, gave an update on efforts to improve the federal government and the nation's cybersecurity resiliency.

Event Happenings



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[1] PSC members enjoyed beautiful weather at the sold-out PSC 45th Anniversary Golf Tournament in September.

[2] The PSC 45th Anniversary Golf Tournament brought together more than 100 members for a fun round of golf followed by a networking lunch at the Westfields Golf Course.

[3] PSC President and CEO David Berteau participated in a House of Representatives Small Business Committee roundtable entitled "Leaving the Nest: Challenges Facing Advanced-Small Businesses," designed to explore the challenges to success for advanced-small or mid-tier firms. Committee Chairman Steve Chabot hosted the discussion and Members of Congress from both sides of the aisle focused on potential changes to current policies that would better incentivize small business growth.

[4] Members were delighted to have USAID Ombudsman Crista Wise brief the Council of International Development Companies (CIDC) on October 19. She thanked PSC members for the consistent, excellent quality of our submissions to the agency regarding regulatory and choice of instrument concerns and, thanks to CIDC's Procurement Reform Task Force input, noted several recent agency reversals.

[5] On Oct. 18, PSC president and CEO David Berteau and Maryland-based PSC members met with Senator Chris Van Hollen (D-MD) to discuss federal contracting issues.

[6] PSC hosted a strategic conversation with government and industry leaders about opportunities and barriers the government faces to leveraging commercial best practices and solutions for financial management and other shared services. They also discussed how to define common requirements and hurdles imposed by customization.



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