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Domain Expertise

**Upcoming Refresh/Mass Mod for All GSA Schedules**

The General Services Administration (GSA) Federal Acquisition Service (FAS) is planning to refresh all GSA Multiple Award Schedules (MAS) to incorporate provision and clause updates in April 2017. This update will align MAS solicitations and contracts with recent policy changes, including small business subcontracting improvements and updates to Non-Federal Entity access to Schedules, including under the Disaster Purchasing Program. These regulatory changes further codify the Non-Federal entity access authorized under law and previously implemented via policy in GSA Order 4800.2H (now 4800.2I) in June 2013. Please see the “Significant Changes” attachment for an overview of the planned changes.

On Wednesday, March 22, at 2pm EDT GSA FAS will host a public webinar on to provide interested parties an opportunity to learn about the planned changes and ask related questions. The webinar will be in a listen-only format with the ability for participants to type questions via an online chat function.

[For Registration Details](#)





**Federal Marketplace Matters**  
**Procurement & the presidential transition**

On February 28, on [“Off the Shelf”](#), Bill Gormley, president of the [Gormley Group](#) and Chair of the [Coalition for Government Procurement](#), provides his thoughts on the opportunities and challenges facing the transition’s new procurement leadership team.

Gormley also provides update on the transition’s potential impact on category management, measuring success of the procurement system and Total Acquisition Cost (TAC). He also share his insights on leadership as the key to successful procurement outcomes.

To download Audio [click here](#)



**Is ‘re-opening’ a GSA schedule really closing a market channel?**

*From CGP’s March 10 “Far & Beyond” Blog*

In 2010, the Federal Acquisition Service (FAS), in the name of “Demand Management,” closed Multiple Award Schedule (MAS) 75 – Office Products and Supplies (Schedule 75) to new offers. Under FAS’s Demand Management strategy, Schedule 75 was closed because of the high number of contractors and corresponding program management costs, which effectively resulted in supplier suppression. At that time, FAS stated that the schedule would reopen in 24 months.

Over six years later, however, Schedule 75 remains closed to new offers, limiting market access for new firms (especially small businesses) who hope to utilize the MAS program as a key channel to entry into the federal market. The six-year closure also is impacting long-standing GSA industry partners under Schedule 75 whose contracts are expiring with no opportunity to submit a new offer to maintain contract coverage. As a result, former, medium and large Schedule 75 contractors are and will continue to be locked out of the Schedule 75 marketplace.

**Schedule 75 Request for Information**

On December 15, 2016, FAS issued a [Request for Information](#) (RFI) setting forth its acquisition strategy for “reopening” Schedule 75. According to this strategy, FAS will not reopen the entire schedule to new offers. Rather, it will create a new Enhanced Special Item Number (SIN) 75 2XX that will “incorporate all of the Best in Class (BIC) features of FSSI OS3 while using the robust structure of MAS 75. FSSI OS3 has achieved enhanced vendor requirements, improved pricing and savings, data spending tracking capabilities and vendor accountability.” See page 2 of the RFI.

The new Enhanced SIN 75 2XX, incorporating the BIC features, will be open to new offers, **but only for a limited period of time every two years**. At the same time, the current SIN 75 200 – Products, and SIN 75-210 -Services, will merge into a new revised SIN 75 200. The revised SIN 75-200 and 75 85 – Restroom Products will remain closed to new offers.

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## Federal Marketplace Matters

### GSA, DHS begin to tip their hand about future of CDM program

The \$6 billion blanket purchase agreement for the continuous diagnostics and mitigation (CDM) program is heading into the home stretch with less than 18 months left on the [initial deal](#).

The General Services Administration and the Homeland Security Department continue to send signals of how they will move forward after that initial BPA expires in August 2018.

The latest indication came in the form of a [request for information](#) (RFI) to GSA Alliant Small Business contract holders on March 6.

GSA is asking small firms to provide details across seven broad CDM capabilities, including:

- Maintaining and operating the existing CDM solution to ensure a common set of CDM capabilities across all installations;
- Planning, provisioning, configuring, operating, testing and managing tools, sensors, data feeds and dashboard integration as part of the solution;

[Read More](#)

### 2017 NDAA Increases DoD's Micro-Purchase Threshold To \$5,000 –

The [2017 National Defense Authorization Act](#) will increase the DoD's micro-purchase threshold to \$5,000.

Under the conference bill recently [approved by both House and Senate](#), the DoD's micro-purchase threshold will be \$1,500 greater than the standard micro-purchase threshold applicable to civilian agencies.

A micro-purchase is an acquisition by the government of supplies or services that, because the aggregate is below a certain price, allows the government to avoid many of the ordinary competitive requirements under the FAR, including small business set-aside requirements. The FAR's micro-purchase guidelines are set forth primarily in [FAR 13.2](#).

Although there are many different thresholds, the FAR puts the general micro-purchase threshold at \$3,500. **But Section 821 of the proposed 2017 NDAA will add a new section to chapter 137 of title 10 of the United States Code giving the DoD its own micro-purchase threshold of \$5,000.**

[Read More](#)

### GAO Weighs in on the State of Federal Contracting

Contractors working with major federal agencies delivered \$438 billion in products and services in fiscal 2015, a 24 percent decrease from fiscal 2011, according to a wide-ranging roundup from the Government Accountability Office.

The 66-page [report](#) titled "Contracting Data Analysis: Assessment of Government-wide Trends" said the drop-off occurred mostly at the Defense Department, which saw contracting go down by 31 percent in that timeframe.

Services contracts have now risen to 60 percent of total government obligations -- 50 percent of Pentagon awards and 80 percent of those let by civilian agencies over the past five years, GAO said. Such services as professional and management support to information technology needs were used most by the Air Force and Army, while the top civilian agencies procuring services (worth at least \$10 billion) were the departments of Energy, Health and Human Services, NASA, Homeland Security and Veterans Affairs.

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## Federal Marketplace Matters

### How budget sequestration affected contracting

A new federal watchdog analysis of governmentwide contracting data shows a decline in defense agency contracts to buy products and services over the last five years, but commitments to buy IT and telecom services remained top priorities for defense and civilian agencies.

The Government Accountability Office [study](#), released March 9, found that while defense agency obligations to buy products and services decreased by almost 31 percent from fiscal 2011 through 2015, from \$399 billion to \$274 billion, civilian contracts remained fairly steady over the same period.

That defense agency decline, the report said, primarily coincided with the 2013 sequestration.

The GAO study reviewed contract types, competition rates and other data from 2011 to 2015. It incorporated snapshots of procurement activity at the 10 civilian agencies with the highest levels of obligations in fiscal year 2015 as well as the three military departments.

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## MAS Transformation Progress 2015-2016

By Tom Sharpe, GSA/FAS Commissioner

Over the past two years, GSA FAS has worked tirelessly to [transform the \\$33 billion Multiple Award Schedules \(MAS\) Program](#). This includes many, many hours spent assessing feedback from both our industry partners and federal customers. Our ultimate goal is to make the MAS program [easier to use](#), [provide more value](#) and ensure that it remains the vehicle of choice for the federal procurement community, including both our customers and suppliers.

We began our transformation program in [2015](#) by standardizing part numbers and reducing price variability for like items on Schedule, increasing access to [user-friendly tools](#), and streamlining the procurement process. In [2016](#) we introduced several new regulations to collect critical value added transactional data and add flexibility to the MAS program, launched a horizontal price comparison tool to benefit suppliers and the acquisition workforce, added new Standard Item Numbers (SINs) to better meet customer needs, and also improved opportunities for new, small, and innovative companies.

But these examples illustrate only a fraction of what we have accomplished over the past two years under the MAS Transformation Initiative. To see MAS Transformation progress in detail, check out our [infographic](#) – a helpful timeline with links to additional resources. I look forward to continuing to grow and transform MAS, and will keep you all updated as we progress.

[Source: GSA Blog](#)





## Federal Marketplace Matters

### Commerce Department Requests Information to Cut Red-Tape on Manufacturers

On March 7, the Commerce Department announced an opportunity for U.S. manufactures to help decrease the burden of regulations on their ability to do business. The President asked the Secretary of Commerce for a report on reducing regulatory burdens and improving the permitting process for U.S. manufacturers. To prepare the report, the Commerce Department is asking for information on how acquiring Federal permits and complying with Federal regulations on constructing, expanding, or operating manufacturing facilities are harming U.S. manufactures. The information is due to the Commerce Department by March 31.

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## Educational

### Let's Amend the HUBZone 35% Requirement

The HUBZone contracting program, while well-intended to provide economic and employment opportunities in otherwise low income, high unemployment areas, must nonetheless connect HUBZone firms with government contracts, the overwhelming majority of which are not located within a HUBZone.

If HUBZone firms are to experience growth, they will need to utilize the local labor force in the area where the contract is to be performed, in addition to utilizing the labor force residing in their HUBZone to perform indirect labor functions. As a company's direct labor force grows, their indirect labor will also grow, producing more employment opportunities within the HUBZone, thereby fulfilling an intent of the program.

The HUBZone Empowerment Act became law through the [Small Business Reauthorization Act of 1997](#). The [Small Business Administration](#) (SBA) regulates and implements the program, determines the businesses eligible to receive HUBZone contracts, maintains a [database of qualified HUBZone businesses](#), and adjudicates protests of eligibility to receive HUBZone contracts. HUBZone contracting encourages small businesses to locate in and hire employees from economically disadvantaged areas of the United States. HUBZone entities may receive competitive advantages in winning federal contracts.

The HUBZone program was designed to promote economic development and grow employment opportunities in metropolitan or rural areas with low income, high poverty rates, and/or high unemployment rates, by targeting federal contracts to small businesses in these areas. This is a conceptual shift where contracting preference is targeted at geographic areas with specified characteristics, as opposed to targeting it to people or businesses with specified characteristics.

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## Upcoming Events

**March 28 -29, 2017** IFMIPS 03FAC  
Industry Day Event

[Register](#)

**April 25-26, 2017** the GSA Federal  
Acquisition Training Symposium  
Huntsville, Alabama,

[Registration Details](#)

**June 6, 2017** the Professional  
Services Industry Day in Tacoma,  
Washington.

[See more information](#)

**April 13 2017** B2G Conference &  
Expo Joint Base Langley / Eustice

[More Info](#)

**TGG will be represented at all GSA  
Industry events above so if you are  
not able to attend contact your  
TGG consultant with any questions  
you may have.**



## Compliance

### CA Inc. to Pay \$45 Million for Alleged False Claims on Government-Wide Information Technology Contract

CA Inc. (CA) has agreed to pay \$45 million to resolve allegations under the False Claims Act that it made false statements and claims in the negotiation and administration of a General Services Administration (GSA) contract, the Department of Justice announced today. CA is an information technology management software and services company headquartered in New York, New York.

The settlement resolves allegations related to a GSA contract awarded to CA for software licenses and maintenance services. Under Multiple Award Schedule (MAS) contracts like this one, GSA pre-negotiates prices and contract terms for subsequent orders by federal agencies. Specifically, the agreement resolves claims that CA provided false information about the discounts it gave commercial customers for its software licenses and maintenance services at the time the contract was negotiated in 2002 and was extended in 2007 and 2009. Additionally, the settlement resolves claims that CA violated the price reduction clause in the contract by not providing government customers with additional discounts when commercial discounts improved.

The allegations against CA were first made in a whistleblower lawsuit filed under the False Claims Act by Dani Shemesh, a former employee of CA Software Israel LTD. Under the False Claims Act, private individuals can sue on behalf of the government and share in any recovery. The False Claims Act also allows the government to intervene and take over the action, as it did, in part, in this case. Shemesh's share of the settlement is \$10.195 million.

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