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Domain Expertise

Shutdown survivors brace for repeat

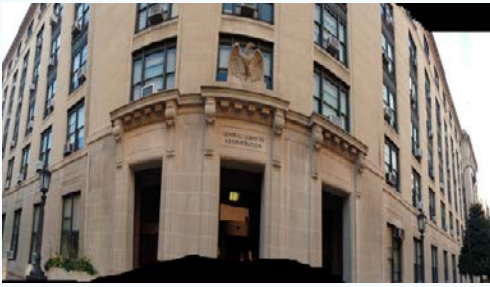
When it comes to fulfilling one of the key elements of its job — funding federal operations — Congress gets an F.

Once again, the new fiscal year (Oct. 1) is fast approaching, and once again the House and Senate are squabbling, both internally and with each other, about budgets. Or lack of the same. The threat of a full or partial government shutdown was mostly that, political bluff. But in 1995-96, it happened, surprising both political parties. Republicans took most of the political heat and it wasn't until 2013 that there was another shutdown. The main impact was to anger taxpayers, shut down many government sites and operations, and give "non-emergency" employees, more than a million people, a paid vacation.

Now it's mid-September and nervous members of Congress are anxious to get back on the campaign trail so they can hang onto their jobs for another two (for House members) or six years (for senators)

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Federal Marketplace Matters

Proposed Rule to Increase Audit Threshold Requirement

On Wednesday, September 14, the Department of Defense (DoD), the General Services Administration (GSA), and the National Aeronautics and Space Administration (NASA) published a [proposed rule](#) that would increase the threshold requirement for certain audits. Specifically, it would amend the Federal Acquisition Regulation (FAR) to raise the dollar threshold requirement for the audit of prime contract settlement proposals and subcontract settlements from \$100,000 to \$750,000. By increasing the threshold the agencies hope to alleviate contract close-out backlogs, as well as enable contracting officers to de-obligate excess funds from terminated contracts more efficiently.

[Source](#)



Navy Signs a Memo of Use for GSA's OASIS Professional Services Contracts

September 15, 2016

On August 2, 2016, the U.S. General Services Administration (GSA) and the Department of the Navy's Naval Supply Systems Command (NAVSUP) signed a [Memorandum of Understanding](#) (MoU) for the Department of the Navy, including the U.S. Marine Corps, to use GSA's One Acquisition Solution for Integrated Services (OASIS) and OASIS Small Business (OASIS SB) contracts as one of their strategic sourcing solutions for complex professional services requirements.

OASIS is a first-of-its kind contract providing the government with a total solution contract vehicle for complex professional services requirements and gives the Navy access to both commercial and non-commercial services to include applied research and development.

NAVSUP Assistant Commander for Contracts, Mr. Mark Bennington shared, "NAVSUP is excited about adding the full benefits of OASIS as a tool in Navy buyers' toolbox for acquiring professional services."

OASIS offers the Navy streamlined contracts to more effectively meet mission requirements while eliminating costly duplicative contracts. The core services that can be acquired through OASIS and OASIS SB include program management services, management consulting services, logistics services, engineering services, scientific services, and financial services. OASIS is designed to:

- Span multiple professional service disciplines as well as provide associated other direct costs (ODC's)
- Allow for ancillary acquisition of IT
- Provide contract type flexibility at the task order level including cost reimbursement

GSA Professional Services Category Executive Tiffany Hixson said "We are pleased to partner with another Department of Defense agency. With this MOU, the Department of the Navy is more cost effectively accessing the OASIS and OASIS Small Business contracts while eliminating costly duplicative contracts when acquiring professional services."

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Federal Marketplace Matters

Rung to leave OFPP for Amazon

Anne Rung, the Office of Federal Procurement Policy administrator and U.S. Chief Acquisition Officer, is leaving government.

Multiple sources and the Office of Management and Budget confirmed Rung is leaving her role. Sources say Rung will stay on at OFPP until at the end of September and then head to Seattle to become the head of Amazon Business, where she will run its strategic supplier program focusing on the government.

Anne Rung, the administrator of the Office of Federal Procurement Policy, is leaving government after seven years.

“In her two years at OMB, and before that at the Department of Commerce and at the General Services Administration, Anne has been a driving force in implementing the President’s vision for a modern, more efficient, and more effective government,” said Shaun Donovan, OMB’s director in a note to staff. “Anne has consistently advanced innovative and effective policies that are making the federal supply chain more effective, efficient, climate-smart, and socially responsible.”

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Merged IT modernization bill punts on funding

The House of Representatives is squeezing IT modernization into a packed legislative calendar that includes finding a way to keep the government open after Sept. 30.

The House Oversight and Government Reform Committee passed an IT modernization bill that combines a proposal from the Obama administration and a cloud adoption bill that originated in the Senate.

The [Modernizing Government Technology Act](#) merges the \$3.1 billion [IT Modernization Fund proposal](#) backed by the administration and sponsored by Minority Whip Rep. Steny Hoyer (D-Md.) with a bipartisan cloud bill that asks agencies to identify and reprogram funds to move legacy IT to managed services.

The new bill, sponsored by Rep. Will Hurd (R-Texas) and Rep. Gerry Connolly (D-Va.), doesn't come with a \$3.1 billion price tag – or any funding at all. It requires agencies to set up working capital funds. Funds can come from existing legacy IT expenditures, provided that the reprogramming is approved by appropriators, or from new appropriations. The money can go to retiring legacy systems, cloud transition, or to reimburse a general governmentwide fund. The agency funds have a lifespan of three years, after which unobligated funds are rescinded.

The governmentwide fund, which formed the [crux of the Obama plan](#), is authorized but not funded by the legislation. As envisioned, the IT Modernization Fund will be housed at the General Services Administration and will advance funds to the agencies to support the upgrade or replacement of legacy systems. An IT Modernization Board will evaluate agency proposals, and dole out funds based on projects that demonstrate the greatest need when it comes to cybersecurity, promise the widest impact across government and show the greatest likelihood of success.

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Federal Marketplace Matters

Department of Energy: Actions Needed to Strengthen Acquisition Planning

Management and operating (M&O) contracts represented almost three-quarters of the Department of Energy's (DOE) total spending in fiscal year 2015 and were used extensively to support its missions. According to DOE officials, the agency uses M&O contracts for a number of reasons. For example, they said that the complex and unique nature of DOE's missions makes M&O contracts a good fit, and these contracts are less burdensome to manage than other types of contracts, requiring fewer DOE personnel. GAO identified three key attributes associated with DOE's M&O contracts:

Limited competitive environment. About half of DOE's fiscal year 2015 M&O contract spending was on contracts that were awarded noncompetitively or that received one offer—situations that the Office of Management and Budget identified as high-risk contracting activities. In addition, M&O contracts include longer terms than other federal contracts, so they are competed less frequently.

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18F, USDS Lack performance and accountability measures

Although agencies are generally satisfied with the services the U.S. Digital Service and 18F have provided, the two organizations lack ways to fully measure program performance, according to a Government Accountability Office [report](#) released Sept. 14.

Auditors said USDS and 18F have only "partially implemented practices to identify and help agencies address problems with IT projects," which makes it difficult to hold the programs accountable for results.

Both organizations have developed goals, but they are not all outcome-oriented, and the report also notes that 18F's stated goals don't extend beyond September 2016.

GAO pointed out that the lack of performance measures is tied to 18F's ability to recover costs and meet projections. The General Services Administration funds 18F through the revenue-based revolving Acquisition Services Fund. 18F officials projected that the organization will operate in the black in fiscal 2019, with the worst-case scenario being 2022.

[Read More](#)



IT 70 Schedule TDR Pilot Rollout

132-8 - IT Hardware
132-32 - IT Software
132-33 - IT Software
132-34 - IT Software
132-54 - Satellite Services
132-55 - Satellite Services

Interact Notice scheduled for posting on 10-17-16 Mass Mod scheduled for issue on 11-18-16

Before accepting any MASS MODs please contact your TGG Consultant

[Source GSA](#)





Federal Marketplace Matters

MAS Blanket Purchase Agreements (BPAs)

Regarding client requests the following information may be of help to you in your discussions with your federal customers when it is time to think about minimizing the possibility of disruption of performance during future unknown GSA MAS Program Contract migrations:

1. Consider a form of “off ramp” and “on ramp” of contract numbers when a BPA is affected
2. Note: The “on ramp” (new contract) terms and conditions (for the purposes of the BPA transition) need to be the same as the original “off ramp” BPA contract terms and conditions
3. The BPA “off ramp” originally agreed upon period of performance should remain the same when item 1 occurs.

This approach is intended to provide you with a “suggested” idea to discuss with your federal customers regarding GSA BPA Schedule migrations and the possibility of an early ending of the 20year contract period (at the request of GSA/VA) and the award of a new contract period.

Contact your **TGG Consultant** about your MAS BPA transition questions.

Educational

Defense Contractor Cybersecurity Breaches Bring Wave of Cyber Whistleblower Opportunities

Failure to report cyberattacks among Department of Defense (DOD) contractors and subcontractors means big whistleblower opportunities for IT professionals and other defense contractor employees. Cyber hacking and cybersecurity breaches are widespread, and a whole new category of cyber whistleblower claims are cropping up around them under the federal False Claims Act.

Cybercrime cost U.S. companies approximately \$500 billion in 2015. This number could quadruple to \$2 trillion by 2019. Cyber hacks into the computer networks of private vendors that supply aircraft, ammunition, radar technology and specialized software to all areas of our U.S. defense agencies present a significant danger to national security and members of our armed forces. Because of this, federal rules and regulations on cybersecurity continue to tighten.

The Department of Defense (DOD) enacted a set of strict cybersecurity and breach reporting regulations in August of last year following a string of cyberattacks on American businesses and government contracting agencies. One IRS hack exposed the personal financial information over 700,000 U.S. taxpayers. In June of last year, hackers accessed the databases of the Office of Personnel Management, exposing SF-86 questionnaire data that military intelligence officers use to get top secret clearance. The breach disclosed names, addresses, social security numbers, financial data, and other personal information.

The Defense Federal Acquisition Regulation Supplement (DFRAS) cybersecurity rule, titled *Safeguarding Covered Defense Information and Cyber Incident Reporting*, requires that those participating in any kind of defense department contract (1) have security measures in place on all computer systems, and (2) report all incidents of cyber hacking or security breaches to the Department of Justice within 72 hours of discovery.

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Upcoming Events

September 21, 2016 – “Doing Business with the Government”: Lecture Series – Aberdeen Proving Ground B2B Conference & Expo

[Register](#)

October 6, 2016 from 2:00-3:00 PM. GSA [Schedule 70 Virtual Quarterly Meeting](#).

[Register](#)

Watch out for:

MARCH 7-8, 2017 IFMIPS (51V, 03FAC) Industry Day Event

May 2017 the GSA Federal Acquisition Training Symposium penciled in for in Huntsville, Alabama, and

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



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Compliance

False Claims Act (FCA) Penalties Adjusted Upward

The US Department of Justice (DOJ) recently issued an [interim final rule](#) increasing the range of penalties for violations of the False Claims Act, 31 U.S.C. §3729 et seq. (FCA). In accordance with the Bipartisan Budget Act of 2015, DOJ has adjusted for inflation the civil monetary penalties assessed or enforced by DOJ components.

As a result, the penalty range for FCA violations has changed from the current range of \$5,500 to \$11,000 per false claim, to a new range of \$10,781 to \$21,563. While penalties under the FCA are mandatory for each false claim, courts have discretion to award any amount within the statutory range. 31 U.S.C. §3729(a). FCA penalties were last raised in 1996.

Congress passed the Bipartisan Budget Act of 2015, Public Law 114–74, on November 2015. Section 701 of the statute, the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, requires all federal agencies to amend their regulations to provide for adjustments to the range of civil monetary penalties under their purview. The Bipartisan Budget Act provides for annual adjustments to penalty amounts going forward. Beginning in January of 2017, such adjustments shall be made based on a formula tied to the Consumer Price Index for all Urban Consumers (CPI–U). The Office of Management and Budget is to issue guidance on the annual adjustments by December 15, 2016.

The DOJ rule took effect on August 1, 2016, and applies to false claims made after November 2, 2015.

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