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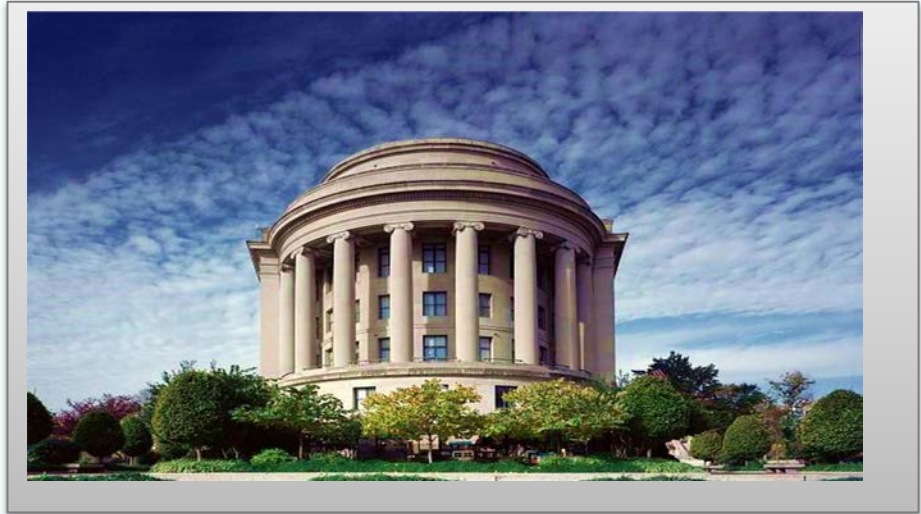
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CONTACT

The Gormley Group
 1990 M Street, NW
 Suite 480
 Washington, DC 20036
www.gormgroup.com
info@gormgroup.com



Domain Expertise

GSA won't award remaining agile BPA pools

The General Services Administration and its 18F digital services team won't award contracts under the two remaining pools of its agile delivery services blanket purchase agreement.

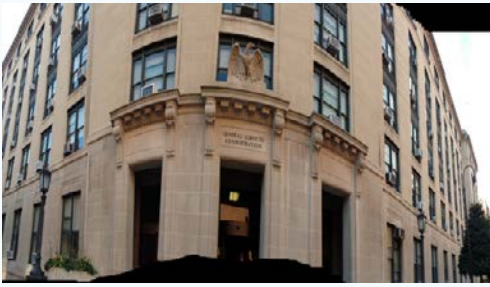
GSA sent a letter to firms who bid on pools one and two — for design and development services, respectively — to inform them of its intent not to award the BPA in those areas.

The letter, signed by GSA senior contracting officer Hassan Harris, explains that more small businesses bid for and were awarded contracts under pool three of the BPA than expected, resulting in less need for the other pools.

GSA intended to award 10 spots on pool three full stack services, but in August 2015, it awarded spots to 17 firms. Eleven of those were small businesses, and three of those were companies that submitted for one of the other two pools.

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Federal Marketplace Matters

This Week on Off-the-Shelf: A Procurement Policy Update



This week on “[Off the Shelf](#)”, Bill Gormley, President of [The Gormley Group](#), joins host Roger Waldron for a quarterly update on current procurement policy and program trends.

Gormley shares observations regarding category management—what it means for government and industry. He also tackles the role of data in procurement planning and operations.

To listen to the show , [click here](#).



VA Streamlining Process for Medical/Surgical Purchases

The Department of Veterans Affairs (VA) is taking a major step toward system improvement in the processes used to purchase medical and surgical supplies. VA is significantly enhancing the Medical/Surgical Prime Vendor (MSPV) program by replacing it with the Medical/Surgical Prime Vendor - Next Generation (MSPV-NG) program.

MSVP-NG purchasing capability greatly improves VA’s supply chain and aligns directly with VA Secretary Robert McDonald’s [12 Breakthrough Priorities designed to transform VA](#) into a Veteran-centric organization of excellence.

“Similar to VA’s successful pharmaceutical purchasing and distribution program, MSPV-NG aims to improve acquisition planning, sourcing, and delivery, which will allow the organization to benefit from the best pricing, timely access to supplies, and waste reduction,” said McDonald.

By standardizing processes, VA’s MSPV-NG program reduces excess inventories and leverages VA’s purchasing power. The program increases the involvement of clinicians in sourcing products, giving them direct input in selecting supplies that can be used across VA medical centers and clinics. Medical, surgical, dental, and select prosthetic and laboratory supplies will now be available at nationally negotiated rates. This benefit, along with flexible delivery options, positions VA to address critical medical and surgical supply needs, ultimately improving the quality of care for the Veterans we serve. The MSPV-NG program launches across all VA facilities December 1, 2016.

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National Veterans Small Business Week Oct 31- Nov 4:

- Attend one of SBA's [local events](#)
- Take advantage of [SBA's resources](#) to help you start or grow a business
- Share your business story or picture with SBA using the hashtag [#MyVetBiz](#)
- Follow SBA on [Twitter](#) and like SBA on [Facebook](#) for business tips



Federal Marketplace Matters

OMB reveals proposed guidance on federal IT modernization

The Office of Management and Budget has played it close to the vest when it comes to guidance on IT modernization, but it's finally showing some of its cards.

In an Oct. 27 [blog post](#), Federal Chief Information Officer Tony Scott lays out in detail four phases for implementing modernization of information technology systems, which will help “ensure the federal government can best serve the American people in the 21st century.”

“Modernization would improve the ability of these systems to deliver the necessary levels of functionality, security, and efficiency to satisfy and secure the needs of agency users, stakeholders, and the American public,” Scott said in his post. “Today’s [proposed guidance](#) starts down this path by asking agencies to develop and implement targeted modernization plans for specific high-risk, high-priority systems.”

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GSA launches AI, virtual reality digital communities

The General Services Administration launched Wednesday, October 26, two new interagency digital communities — one on artificial intelligence for citizen services and another on virtual or augmented reality.

GSA’s digital communities have more than 10,000 federal memberships across different mission fields, such as mobile development, multilingual services and citizen science. “Next generation digital public services powered by government data and new advances in artificial intelligence, including chatbots, can help improve and expand our customer service initiatives, and make our public services more open, responsive, informative, and accessible,” the [GSA blog post](#) reads.

Booz Allen Hamilton this summer claimed that in the next five years, messaging chatbots could become the government customer service norm.

“What we’re trying to do is push our federal clients to actually move into these areas because not only does it simplify the interaction with citizens, it’s actually a cost-reduction opportunity around these programs,” Michael Isman, vice president in Booz Allen’s Strategic Innovation Group, told FedScoop.

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GSA's Making It Easier initiative enters 2nd phase

The agency debuted the second phase of its Making It Easier (MIE) initiative on Oct. 24, further advancing its goal of attracting new companies into acquisition while trying to make it easier for current vendors to navigate the procurement process.

“We set a goal to ensure that our agency provides opportunities for suppliers across the board, including small businesses, young businesses and businesses not familiar with working with the government,” Kevin Youel Page, deputy commissioner of GSA’s Federal Acquisition Service, said in a call with reporters.

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Federal Marketplace Matters

GSA Taps Pixar Exec as New TTS Commissioner

The General Services Administration, under fire for mismanaging its digital consulting division, announced today that longtime Pixar executive Rob Cook has been named commissioner of the Technology Transformation Service.

Rob Cook. (Photo: Pixar.com)

GSA formed TTS in May as a third service branch and centered it around its 18F digital consulting arm. 18F has come under fire in recent days as the result of a blistering inspector general report that detailed questionable business practices and massive financial losses.

“Rob is someone who has considerable experience both in delivering great technology and in building great organizations,” said GSA Administrator Denise Turner Roth in a statement. “I can’t think of a better or more qualified individual to take our emerging technology efforts at GSA to the next level.”

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Department of Defense Issues Final Rule on Network Penetration Reporting and Contracting for Cloud Services

Last week, the Department of Defense adopted as [final](#), with several changes, its interim rule amending the DFARS on “Network Penetration Reporting and Contracting for Cloud Services.” The changes went into effect immediately, as of October 21, 2016.

Among the changes in the final rule, DFARS 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting, was amended to:

- Specify that contractors are obligated to implement information protection requirements on all covered contractor information systems;
- Provide additional guidance on requests to vary from National Institutes of Standards and Technology (“NIST”) Special Publication (“SP”) 800-171, “Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations”;
- Clarify that contractors are not required to implement any security requirement if an authorized DoD representative agrees that it is non applicable or has an alternative but equally effective security measure;
- Require contractors to ensure that external cloud service providers (“CSPs”) used in performance of the contract to store, process, or transmit covered defense information meet the security requirements in the Government’s Federal Risk and Authorization Management Program (“FedRAMP”) Moderate baseline, as well as comply with other security and reporting requirements in the clause;
- Clarify that subcontractor flowdown is only necessary when covered defense information is necessary for the performance of the subcontract;
- Clarify that the prime contract shall require its subcontractors to notify the prime when submitting requests to vary from NIST SP 800-171 security requirements to the Contracting Officer.

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Federal Marketplace Matters

GSA IG: 18F's financial projections need a rework

18F has not recovered costs due to continually hiring new staff, incorrectly predicting revenues, and spending too much time on non-billable activities, the report says.

General Services Administration's 18F has seen a cumulative net loss of more than \$31 million between fiscal year 2014 and the third quarter of fiscal year 2016, a report released Monday from the agency's inspector general has found.

The inability to recover costs came from "18F's inaccurate financial projections, increased staffing levels, and the amount of staff time spent on non-billable activities," the report reads. The evaluation started in December 2015, according to a release on the report, "after several senior GSA officials expressed concerns about the management of 18F to the OIG."

Lawmakers have in the past expressed concerns about 18F's little-defined role in the federal IT space and called for greater organizational transparency.

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Educational

Blacklisting Provisions and Arbitration Restrictions of "Fair Pay and Safe Workplaces" Rules On Hold for Now; Paycheck Transparency Provisions Go Into Effect January 1, 2017

On October 24, U.S. District Court Judge Marcia Crone in the Eastern District of Texas, granted a group of government contractors' motion for a preliminary injunction, halting the implementation of the most highly controversial portions of President Obama's "Fair Pay and Safe Workplaces" Executive Order 13673 ("EO"), commonly called the "blacklisting" rules. The case in which the preliminary injunction was issued is *Associated Builders and Contractors of Southeast Texas, et, al v. Anne Rung, Administrator, Office of Federal Procurement Policy, Office of Management and Budget, et al.* (Case No. 1:16-CV-425). The preliminary injunction and a Memorandum from the lead Federal Acquisition Regulation agencies directing federal officials on how to comply with the injunction are available on [DOL's website](#).

The enjoined blacklisting rules required federal contractors to disclose various labor law allegations and violations, which would then be evaluated by DOL advisors in a complicated process which ultimately could render the contractor ineligible for federal contract awards. In granting the injunction, the Court's Order expressed particular concern that contractors were required to disclose and face disqualification from contract awards for the broadly defined "administrative merits determinations" without the benefit of the due process protections available in suspension or debarment proceedings.

Judge Crone's Order also enjoined the EO's restrictions on contractors' asking their employees to agree pre-dispute to arbitrate certain claims.

A preliminary injunction is an early step in the litigation process that is designed to preserve the status quo pending full adjudication of the merits. Contractors should expect that the government will defend blacklisting and arbitration restrictions vigorously in further proceedings. Whether the blacklisting and arbitration provisions are ultimately implemented – and in what form - remains to be seen. Nonetheless, government contractors unfamiliar with these enjoined provisions would be wise to familiarize themselves with their requirements in the event these rules become effective or are later implemented in a modified form.

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Upcoming Events

CGP Fall Training Conference – November 17th. The Westin Tysons Corner [Register](#)

April 13 2017 B2G Conference & Expo
Joint Base Langley / Eustice [More Info](#)

Watch out for GSA Events in 2017:

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.



CONTACT

The Gormley Group
1990 M Street, NW
Suite 480
Washington, DC 20036
www.gormgroup.com
info@gormgroup.com

Compliance

DOJ recovered \$1.1B in contract fraud settlements in 2015

DoJ recovered more than \$3.5 billion in fraud claims for FY2015, with a third of it coming from government contracts and procurement. Justice officials said the department has recovered \$26.4 billion in settlements and judgments since January 2009 under the False Claims Act.

"The False Claims Act has again proven to be the government's most effective civil tool to ferret out fraud and return billions to taxpayer-funded programs," said DOJ's principal deputy assistant attorney general Benjamin Mizer, in a statement released Dec. 3. "The recoveries announced today help preserve the integrity of vital government programs that provide health care to the elderly and low-income families, ensure our national security and defense, and enable countless Americans to purchase homes."

Government contracts accounted for \$1.1 billion in 2015, driven largely by a series of large settlements resulting from defense procurement investigations.

Among the biggest investigations, the DOJ logged a \$146 million settlement from Supreme Group B.V. over alleged false contract claims from its subsidiaries for supplying food, water, fuel and cargo to troops stationed in Afghanistan. Two companies affiliated with Supreme Group also paid more than \$288 million in criminal fines.

Lockheed Martin Integrated Services and DRS Technical Services Inc. paid a combined \$41.2 million to settle claims that the companies charged the Army's Communication and Electronics Command a higher rate for the use of qualified employees who allegedly did not meet those qualifications. The General Services Administration also received a \$75.5 million combined settlement from VMware Inc. and Carahsoft Technology Corporation to settle claims that the pair overcharged the agency for software and services. Iron Mountain Companies also paid \$44.5 million to settle claims that the records storage company failed to give GSA commercial-customer-discounts required for a Multiple Schedule Award contract.

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