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## DoD Issues Further Revisions to Contractor Cybersecurity Rules— Aside a Flurry of Other New Rules

After little more than a year of discussion and revisions, the Department of Defense (DoD) has implemented a final cybersecurity rule in the Defense Federal Acquisition Supplement (DFARS) aimed at protecting "covered defense information" or "CDI" in contractor's information systems. Background on the rule as it has developed is available here, here, and here. The rule contains two basic components:

*First*, the rule requires contractors to ensure there is "adequate security" on contractor-owned or controlled systems that store, transmit, or process CDI ("covered contractor information systems"). For most contractors (generally those who are not providing IT services to the government or operating a system on the government's behalf), this "adequate security" requirement is satisfied by compliance with National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171, subject to a variances process.

# GSA working on changes to FAR, new legislation to help agencies buy cloud

The General Services Administration says it understands the <u>frustrations</u> it's heard from contracting professionals about how to buy cloud services for their agencies.

Now, it's working on a series of new changes to the Federal Acquisition Regulation (FAR), as well as a potential legislative proposal, that could help agencies buy cloud computing services as a "utility."

"We would like Congress to take up 'what is cloud?' Cloud is not IT. It's not traditional IT," said Richard Blake, senior technologist for the Integrated Technology Service at GSA's Federal Acquisition Service. "Cloud is a service that happens to deliver IT, so it's IT as a service. We need the law to recognize that. In recognizing that then we hopefully will be able to get some relief from the law that prohibits us from treating this kind of IT differently than any other form of IT."

Blake said such a proposal is taking shape within GSA now. The hope is that the Office of Management and Budget would champion GSA's legislative proposal.

"We're hoping that we scream loud enough and do things like this to build enough traction where they look at ours favorably and attach it to something," Blake said. "Logically, it should be the [National Defense Authorization Act] NDAA. That's what we're thinking."

Blake didn't give a specific timeline for the legislative proposal.

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## **Revised Thresholds for Non-Contract Purchases**

GSA Global Supply is revising its minimum order requirements for the purchase of items which are not under a standing contract.

The changes, effective January 1, 2017, are designed to increase consistency and enable GSA to support customers worldwide with special order requirements.





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# Federal CIOs want power to halt contracts

Federal agency CIOs ought to have the authority to stop major IT procurements if they have concerns about cybersecurity, lawmakers were told by agency executives Wednesday.

Currently, federal CIOs have to sign-off on an Authority to Operate for every major IT system in their department. But CIOs, including NASA's Renee Wynn, told subcommittee chairman Rep. Will Hurd, R-Texas, that it wasn't clear what happens to a procurement contract if the ATO for the system wasn't signed. "I would like to have that authority," Wynn said during a hearing of the House Oversight and Government Reform Subcommittee on IT.

.... "I believe that procurement clauses would need to be added [to contracts] ... across the federal government," for that to happen, she replied, explaining that at present, it it is up to the CIO, in consultation with agency leaders, to negotiate whether or not to shut down a system that does not get an ATO.

#### **Department of Veterans Affairs Fast Facts**

There are 18.8 million veterans in the United States, according to the most recent statistics from the US Census.

President Barack Obama has requested an appropriation of \$182.3 billion for the Department of Veterans Affairs in the 2017 Budget. Among VA operations are 1,221 outpatient sites, 144 hospitals and 300 Vet Centers. The VA served 5.9 million people in 2015, according to a VA summary of expenditures by state.

Timeline:

1789 - The new US government passes legislation ensuring pensions for disabled Revolutionary War veterans.

1812 - The Naval Home, a facility for disabled veterans, opens in Philadelphia.

1833 - Congress establishes the Bureau of Pensions to assist veterans.

1862 - During the Civil War, Congress passes a bill allowing the president to purchase land for national cemeteries. Between 1865 and 1870, 70 national cemeteries open for burial of Union soldiers.

1865 - At the end of the US Civil War, there are 1.9 million Union veterans. Congress authorizes the National Asylum of Disabled Volunteer Soldiers, a system of residences for disabled and indigent veterans.

1912 - Congress passes the Sherwood Act, guaranteeing pensions for Union veterans of the Civil War and veterans of the Mexican-American War, regardless of their health.

1924 - Congress passes the World War Adjustment Compensation Act, a system of bonuses for veterans of World War I. Any veteran entitled to more than \$50 is given a certificate payable 20 years in the future and worth about \$1,500.

July 21, 1930 - President Herbert Hoover signs an executive order consolidating the Veterans' Bureau, the Bureau of Pensions and the National Homes for Disabled Volunteer Soldiers into the Veterans Administration. The VA has a budget of \$786 million and serves 4.6 million veterans.

1931-1941 - The VA builds 27 new hospitals, bringing the total to 91.

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## The OASIS SB Pool 2 On Ramp RFP is Now Available on FedBizOpps!

The OASIS team has released the final Request for Proposal (RFP) for the Small Business Pool 2 On-Ramp, which is now available on <u>FedBizOpps</u>. The solicitation closing date for the on-ramp is January 10, 2017.

The services solicited under the Pool 2 on-ramp include: Offices of Certified Public Accountants, Tax Preparation Services, Payroll Services, Other Accounting Services and Research and Development in the Social Sciences and Humanities.

This on-ramp is being conducted to increase small business participation and to expand competition within Pool 2. The goal of the on-ramp is to sustain a flexible, vibrant and experienced pool of best-in-class industry partners on behalf of our federal agency buyers.

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# DoD says March continuing resolution likely, as it prepares 2018 budget review

There are growing signs that Congress is plotting another continuing resolution that would extend government funding through the end of the year and into the next. Defense Department Comptroller Mike McCord said the prospect of a continuing resolution is the biggest challenge he currently faces.

"[There are] more and more signs that we're heading toward a CR that's going to last six months, which would be approximately a three-way tie with fiscal 2011 and fiscal 2013 for the worst performance in the history of the Defense Department," he said Nov. 17 at the Professional Services Council's Vision Forecast in Falls Church, Virginia. "We've never been under a full-year CR in this department. Hopefully that won't happen. It's a possibility this year. [It's] very disappointing but not surpris[ing] to hear the strong talk of extending the CR until March now."

House Republicans also <u>indicated</u> Thursday that the incoming Trump administration wants a four-month continuing resolution that would keep the government funded through March 2017.

The current CR, which President Barack Obama <u>signed</u> before the end of the fiscal year, expires Dec. 9.

A several-month long CR, along with current uncertainty about the National Defense Authorization Act, would present several challenges for DoD, McCord said.

"We have a contractual understanding with Boeing that we're going to buy more tankers this year than we did last year," he said. "If we're unable to fulfill that because we're in a CR that prohibits us from increasing our quantity purchase, we're going to waste hundreds of millions of dollars of taxpayer money, for which they will get nothing in return."



Federal Marketplace Matters

### DoD about to revamp its processes for buying business IT systems

If all goes according to plan, the Defense Department is a few weeks away from releasing new guidance on how it buys and builds <u>business IT systems</u>.

Those systems — think logistics, pay and personnel and medical IT — often have costs ranging into the <u>billions of dollars</u>, have been a frequent target of criticism from Capitol Hill and <u>are on the</u> <u>Government Accountability Office's</u> <u>current list</u> of high-risk federal programs. In last year's Defense authorization bill, lawmakers told the Defense secretary to prioritize off-the-shelf software, reduce the use of customized code and streamline the department's own business processes before it makes new IT investments.

Guidance to that effect is now headed toward Undersecretary of Defense for Acquisition, Technology and Logistics Frank Kendall's desk after a study group spent nearly a year drawing up the recommended practices, said Jane Rathbun, Kendall's deputy director for Defense business systems.

## Educational

#### SBA's legal woes not over with appeal

The American Small Business League wants the last word on whether a Fortune 500 company can be considered a "small business."

The ASBL recently filed an appeal with the U.S. Court of Appeals for the Ninth Circuit, against a judge's decision to <u>dismiss</u> the league's case against the Small Business Administration.

"Of course, I was very disappointed the judge dismissed the case, but the way he dismissed it I was happy with," said Lloyd Chapman, ASBL president. "Our case was really about trying to get an injunction to two SBA policies that we feel are illegal: the grandfathering policy that allowed for them to report awards to Fortune 500 firms as small business contracts and the exclusionary rule that they use to exclude two-thirds of the federal acquisition budget from their calculations."

"When you look at the judge's ruling, it really doesn't even look like the same case," Chapman continued. "It looks like a ruling about someone who's challenging in the way information is reported."

The dismissal states that Congress established the law requiring SBA to give lawmakers information on federal small business contracting.

Every year agencies must report to the SBA on whether or not they met small business contracting goals, and if an agency doesn't meet the goal, it must provide SBA with the reasons why the goal wasn't reached and a plan on how to address it.

The SBA shared earlier this year that in fiscal 2015, the government reached — and in fact surpassed — its 23 percent overall small business procurement goal by spending 25.75 percent, or \$90.7 billion on small business contracts.

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**Upcoming Events** 

November 29 – December 2, 2016 AMSUS Annual Continuing Education Meeting – the Society of Healthcare Professionals – Gaylord National Resort & convention Center, National Harbor, MD <u>More Info</u>

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.



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## Compliance

### Businessman Sentenced for Offering Millions to DoD Procurement Official

ALEXANDRIA, Va. – Razak A. Dosunmu, 61, of Washington, D.C, was sentenced today to 15 months in prison for offering bribes to a procurement official with the U.S. Department of Defense (DoD), Defense Logistics Agency (DLA), while negotiating aviation fuel contracts worth over \$1 billion.

Dosunmu was found guilty by a federal jury on August 18. According to court documents, Dosunmu was the owner and operator of United Globe Auto Body, LLC, a classic cars restoration and auto repair shop and international trade and business development company located in Takoma Park, Maryland. Beginning in mid-2014, on behalf of United Globe, Dosunmu solicited government contracts with DLA-Energy. DLA-Energy is responsible for the procurement of large volumes of aviation and marine diesel fuel for the military services. In May 2015, investigators received an allegation that Dosunmu, while negotiating for a supply contract with DLA-Energy, offered to buy a procurement official a house in exchange for awarding the contract to United Globe.

According to court documents, the procurement official cooperated with the investigation and over a six-month period recorded several conversations during which Dosunmu pursued two separate contracts worth hundreds of millions of dollars, including one to provide the aviation fuel needed by military forces in the Middle East. The recordings, documents, and the testimony of several witnesses confirmed the existence of the original offer and revealed that the defendant offered multi-million dollar payments for official acts by the procurement officer. In addition to offering a house, \$2 million in cash, and percentage points on future contracts, Dosunmu explicitly discussed how to conceal the illicit relationship and payments.

