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Domain Expertise

A look back at the last eight years

The U.S. General Services Administration has always had the privilege of delivering better value and savings to the American people. Although the initiatives we pursue may change over time, our commitment to serving our partners, while building a stronger GSA, has remained steadfast. Over the course of this administration, GSA has proven our ability to be an innovative, active and adaptable agency.

In support of the agency's vision for the future, we launched an initiative to focus on GSA's potential to serve as a catalyst for economic development; an effort that aims to grow local economies by better aligning our building, leasing and relocation plans with community economic development goals. Aligned with initiatives such as Freeze the Footprint and the Recovery Act, we partnered with local communities and expanded opportunities for small businesses to deliver more value to the economy while getting a better deal for the taxpayer.

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Matters

How Will Federal IT Modernization Take Shape in 2017?

Federal IT modernization efforts aren't going away. Even though Congress and the Obama administration's efforts to codify plans to update legacy IT systems died on the vine in 2016, they will **probably be resuscitated this year**.

Outgoing federal leaders are highlighting the importance of IT modernization to the incoming Trump administration, and one of the effort's chief backers in Congress has said he will renew his push on the issue.

As part of its broader cybersecurity proposals, the Obama administration proposed a **\$3.1 billion** IT Modernization Fund (ITMF). Congress took up the issue, only to see momentum stall at the end of the year. In September, the House of Representatives **passed the Modernizing Government Technology Act of 2016**, which didn't appropriate any new money, but would have authorized working capital funds at the 24 agencies governed by the Chief Financial Officers Act of 1990.

GSA's Information Technology Category "Not Just a Name Change"

January 5, the Assistant Commissioner of the Federal Acquisition Service (FAS), Mary Davie, published a blog outlining the new capabilities of the Information Technology Category (ITC), previously known as the Integrated Technology Services (ITS). GSA also realigned internally to better serve our customers and to align with agencies and industry partners so we deliver flexible solutions, support agency missions, and drive innovative and agile improvements through IT Category Management (CM).

Mary said that they changed from ITS to ITC to better support and serve other agencies.

Our top priority is to be a mission enabler for agencies by:

- Helping agencies find the best solutions using our technological and acquisition expertise regardless of where they reside, rather than advocating for any specific GSA contract solution. (Yes, you read this correctly. Our ITC experts will recommend a non-GSA contract if it's the bestfit solution for an agency);
- Working with agencies to define better requirements, reduce procurement action lead time, boost innovation, and improve data transparency;
- Using more qualitative and quantitative data analytics, including market research, to help you make better informed decisions;
- Supporting CM and foster best practices and shared solutions. (We can deliver better services to fellow agencies and taxpayers by making it easier to do business with our suppliers, thereby enhancing agency missions and reducing total cost of IT ownership to agencies); and
- Continuing to work with agencies and suppliers to make emerging technology available government-wide.

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Federal Marketplace Matters

FAR Council outlaws contractors using whistleblower preventions

The Federal Acquisition Regulation Council issued five final rules that new procurement and contract regulations. One in particular prohibits deals with contractors who force employees to sign confidentiality agreements that restrict them from reporting waste, fraud and abuse. Agencies also now have more money available for special emergency procurements. The FAR Council raised the special emergency procurement authority from \$300,000 to \$750,000 within the U.S., and from \$1 million to \$1.5 million internationally.

The rule is not anticipated to have a significant economic impact on small business entities, because the rule raises the SAT for special emergency procurements, an arena in which a smaller percentage of small businesses participate, as compared to larger businesses. This final rule does not place any new requirements on small entities.

<u>Final Rule</u>

FAR Council Issues Final Rule Prohibiting Contractors from Using Confidentiality Agreements That Restrict Disclosure of Fraud or Abuse

The FAR Council has published a final rule that prohibits the federal government from using fiscal year 2015 and subsequent fiscal year funds for a contract with an entity that requires employees or subcontractors of such entity seeking to report waste, fraud, or abuse to sign internal confidentiality agreements or statements prohibiting or otherwise restricting such employees or subcontractors from lawfully reporting such waste, fraud, or abuse to a designated investigative or law enforcement representative of a federal department or agency authorized to receive such information (e.g., agency Office of the Inspector General).

The final rule was published in the Federal Register on January 13, 2017 and will become effective on January 19, 2017. It applies to solicitations and contracts using fiscal year 2015 or subsequent fiscal year funds that do not already contain a comparable provision or clause. This includes contracts and subcontracts below the simplified acquisition threshold and for the acquisition of commercial items, including commercially available off-the-shelf items.

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How to remain competitive in today's GovCon market

Recently, Bob Lohfeld, CEO, Lohfeld Consulting Group and Bill Gormley, President and Managing Partner, The Gormley Group discussed various challenges faced by BD, capture, and proposal professionals supporting Federal Government contractors.

Read the Q&A, watch the webcast, or listen to the podcast to find out how to help your company work smarter and reinvent what you're doing to remain competitive in today's GovCon.

Find Out More

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Federal Marketplace Matters

GSA's \$50B Alliant 2 ready to go after protests denied

The General Services Administration is ready to proceed with evaluations and awards under its \$50 billion Alliant 2 IT contract vehicles after several protests against them were denied Wednesday.

"We had a few protests on Alliant 2 on several issues," Mary Davie, head of GSA's Information Technology Category office, tweeted Wednesday. "They have all been dismissed. We are proceeding with evaluations and award."

The <u>next-gen Alliant 2 contracts</u> one open to all contractors and another dedicated only to small businesses — is a follow up to the premier federal IT governmentwide acquisition contract, Alliant, which pools custom IT providers on one fullrange vehicle to meet the evolving needs of federal agencies. The original Alliant contract was launched in 2007.

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Educational

The Ninth Circuit sides with DOD on Sikorsky small business subcontract data

Contractors interested in the application of FOIA Exemption 4 should take note of the Ninth Circuit's decision in <u>American Small</u> <u>Business League v. Dep't of Defense</u>, No. 15-15120 (9th Cir. Jan. 6, 2017). The issue in the case was whether a declaration submitted by a Sikorsky Aircraft Corporation employee was sufficient to show the competitive harm necessary to withhold small business subcontracting data obtained from Sikorsky. The <u>Sikorsky</u> <u>declaration</u> was short, but it identified Sikorsky's competitors and asserted that its small business subcontracting data could be used to gain a competitive advantage.

In a November 2014 order, the District Court found the declaration too vague. It lacked "reasonably specific detail" as to the likelihood of competitive injury. It did not show how information found in the subcontracting plan would be "likely to cause substantial competitive injury." Proof of competitive harm was based only on the fact that a Sikorsky competitor "could" use Sikorsky's data to cause harm. In the words of District Judge William Alsup, "[t]hat is not enough to grant summary judgment for the agency." The District Court ordered the government to produce Sikorsky's master subcontracting plan, subject only to appeal.

On January 6, 2017, a three-judge panel of the Ninth Circuit issued a decision reversing the District Court's order. As to the sufficiency of the Sikorsky declaration, the court held that it "at least created a genuine issue of fact." The declaration identified Sikorsky's competitors in the market for defense contracts and asserted that they "could" use information in the subcontracting plan to gain a significant competitive advantage. "Nothing more is required to gain protection from disclosure under Exemption 4, and the district court erred in ruling otherwise."

The Ninth Circuit identified its disposition of the appeal as nonprecedential, but the case is interesting nonetheless. It arose from a FOIA request seeking the master subcontracting plan submitted by Sikorsky under the Department of Defense's <u>Comprehensive Small</u> <u>Business Subcontracting Plan Test Program</u>, which began in 1990 and has recently been extended to 2027. The case is one in a series of cases brought by the ASBL seeking information from contractors that participate in this program.

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Upcoming Events

Make sure you receive your invitation to Southwest Acquisition Center's Industry Event in February See more information

TGG will be represented so if you are not able to attend contact your TGG consultant with any questions you may have.

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.

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



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Compliance

Government Contractor Pays \$4 Million to Resolve Pricing and Sourcing Allegations Brought Under the False Claims Act

ICP Medical ("ICP"), a government contractor based in Earth City, Missouri, has signed a civil settlement agreement and paid \$4,000,000 to resolve allegations that it submitted false claims for medical items to the U.S. Department of Veterans Affairs ("VA") and U.S. Department of Defense ("DoD").

Generally, a contractor that that sells goods to VA and DoD must treat the Government as the "most favored customer" and provide it with the contractor's best pricing. Moreover, a contractor that sells goods to VA and DoD can only source the goods provided under Government contracts from either the United States or other designated countries. Sourcing goods from China is typically prohibited under Government contracts.

The civil settlement agreement announced today resolves two types of allegations about ICP. First, the agreement resolves allegations that ICP made false disclosures to VA and DoD regarding the discounts and prices it was providing to other customers for assorted medical products, such as surgical gowns, sheets, and scrubs, and therefore used inflated prices with the Government that were not as low as they should have been.

Second, the settlement agreement contends that ICP obtained specific products from China, including body bags, gowns, and scrubs, and before shipment to VA and DoD facilities removed "Made in China" designations from their packaging, placed them in new boxes, and added U.S. Flag stickers to some packages. The agreement resolves allegations that ICP made false statements to VA and DoD about the Country of Origin for some products, and therefore sold products that were not from approved countries as required by the Trade Agreements Act.

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