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Domain Expertise

GSA's revised professional services market worth \$70B

Federal agencies spent \$69.6 billion on professional services in fiscal 2016, according to the General Services Administration's revised market definition, which breaks down the government's service acquisition strategy into eight subcategories and 33 functional groupings.

- At \$69.6 billion in fiscal 2016, professional services spending has risen for two straight years and is at its highest level since fiscal 2012.
- There are 72,539 active fiscal 2016 prime contracts.
- 145,612 task orders were issued in fiscal 2016.
- There were 29,040 prime vendors in fiscal 2016.
- The three largest market subcategories — Management and Advisory Services, Technical and Engineering Services, and R&D — accounted for 81 percent of fiscal 2016 spending.
- The three functional categories — General Engineering, Other Management and Advisory Services, and Program Management — together accounted for 70 percent of FY 2016 market spending.

[Source](#)





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](#)



Thoughts on Reorganizing Governmental Functions to Improve the Efficiency of Federal Procurement

From CGP’s March 17 “Far & Beyond” Blog

This week, President Trump issued an [Executive Order](#) on a *“Comprehensive Plan for Reorganizing the Executive Branch.”* The order directs the “Director of the Office of Management and Budget (Director) to propose a plan to reorganize governmental functions and eliminate unnecessary agencies..., components of agencies, and agency programs.” This order is a timely, necessary step to improve procurement operations and service to the American people.

Within 180 days of the date of the Executive Order, the head of each agency is required to submit to the Director a proposed plan to reorganize the agency, as appropriate, in order to improve the efficiency, effectiveness, and accountability of that agency. Importantly, pursuant to the order, the Director must “publish a notice in the Federal Register inviting the public to suggest improvements in the organization and functioning of the executive branch and shall consider suggestions when formulating the proposed reorganization plan. . . .” Further, within 180 days after the closing date for receipt of the public suggestions, the Director must submit to the President an Executive Branch reorganization plan, which “shall include, as appropriate, recommendations to eliminate unnecessary agencies, components of agencies, and agency programs, and to merge functions.”

.....Finally, the Executive Order provides an opportunity to significantly reduce procurement rules, regulations, and reporting requirements that increase transactional costs, raise barriers to commercial solutions and stifle innovation. Right now, this hodgepodge of compliance requirements hamstrings the procurement system, thereby reducing efficiency, effectiveness, and real accountability. The result: we are spending millions to save pennies!

[Read Article in Full](#)





Federal Marketplace Matters

VA moving to commercial software to meet its records needs

After years of hand-wringing about its antiquated information technology systems, the Department of Veterans Affairs is poised to replace its legacy electronic health record system with a modern commercial EHR.

Appearing before a House committee last week, VA Secretary David Shulkin, MD, told lawmakers that they will see a “change in direction” at the VA when it comes to the agency’s use of commercial-off-the-shelf software. Although he did not mention the VA’s decades-old Veterans Health Information Systems and Technology Architecture (VistA) by name, the VA chief comments seemed to suggest that the agency would be moving to replace its legacy EHR with a commercial system.

“I’ve come to the conclusion that VA building its own software products and doing its own software development inside is not a good way to pursue this,” Shulkin testified March 7 before the House Veterans’ Affairs Committee in his first congressional hearing since being confirmed as VA secretary.

[Read More](#)

Contractor Whistleblower Protections Pilot Program:

Whistleblowers play an important role in safeguarding the federal government against fraud, waste, and abuse. In 2013, a pilot program expanded the whistleblower rights of contractors at civilian agencies against reprisal (such as firing or demotion). For example, the program expanded the persons and entities to which a whistleblower can disclose misconduct.

However, Government Accountability Office (GAO) found that some agencies did not forward investigations to the appropriate authorities, and that some contractors were unaware of the pilot program. GAO recommended improving the program’s policies and guidance, as well as better communicating with contractors.

In GAO’s [report](#) issued last week they detailed their findings related to the status the pilot program.

[Read More](#)

DARPA to Hold Proposers Day on RF Transistor, Semiconductor Material Devt Program

The Defense Advanced Research Projects Agency will host a Proposers Day on March 29 in Arlington, Virginia, to discuss a program that seeks to develop new radiofrequency and millimeter-wave transistors and semiconductor materials designed to meet electromagnetic spectrum-related requirements.

Dan Green, a program manager at DARPA’s microsystems technology office, said in a statement [released Thursday](#) the *Dynamic Range-enhanced Electronics and Materials* program seeks to advance the development of transistors that will work to “transmit and receive the large and complex RF signals of the future and they will do so in smaller packages while consuming minimal power.”

The DREaM program aims to address challenges associated with the characteristics of an RF transistor system such as signal power, power efficiency, range of frequencies and linearity.

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Federal Marketplace Matters

GSA funding would get big boost under Trump budget

The General Services Administration would get a \$200 million boost under President [Donald Trump's proposed fiscal 2018 budget](#), but it remains to be seen how much money the federal government's real estate arm would actually have for costly programs like the [Department of Homeland Security's consolidation at the St. Elizabeths West campus](#).

The GSA's discretionary budget authority would increase to \$500 million — up from roughly \$300 million the agency is currently authorized to spend and much higher than the \$361 million President [Barack Obama](#) sought, but never received, in his last budget proposal.

The boost in spending could be a positive indication for how the agency could fare under the nation's 45th president, a real estate developer himself, but there just aren't enough details in the budget proposal to tell.

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An agency-by-agency look at Trump's federal budget proposal

President Donald Trump has called for sweeping cuts to civilian agency spending in his fiscal 2017-18 federal budget proposal, which the White House released March 16.

It's important to note that Congress ultimately approves the federal budget, and must ultimately pass an omnibus spending bill or another continuing resolution before April 28, the end date of the current CR. However, the White House's budget proposal demonstrates the hierarchy of priorities it has for federal agencies and programs in the years to come.

Here's a look at the top-line agency numbers as outlined in the proposal:

President Trump's FY 2017-18 federal budget proposal			
Department	Current levels (billions)	2018 request (billions)	% change
Agriculture	\$22.6	\$17.9	↓20.7
Commerce	\$9.2	\$7.8	↓15.7
Defense	\$521.7	\$574.0	↑10.0
Education	\$68.2	\$59.0	↓13.5
EPA	\$8.2	\$5.7	↓31.4
Energy	\$29.7	\$28.0	↓5.6
GSA	\$0.3	\$0.5	N/A
Health and Human Services	\$77.7	\$65.1	↓16.2
Homeland Security	\$41.3	\$44.1	↑6.8
HUD	\$46.9	\$40.7	↓13.2
Interior	\$13.2	\$11.6	↓11.7
Justice	\$28.8	\$27.7	↓3.8
Labor	\$12.2	\$9.6	↓20.7
NASA	\$19.2	\$19.1	↓0.8
National Nuclear Security Administration (within Energy)	\$12.5	\$13.9	↑11.3
Small Business Administration	\$0.9	\$0.8	↓5.0
Social Security Administration	\$9.3	\$9.3	↑0.2
State, USAID, foreign aid	\$38.0	\$27.1	↓28.7
Transportation	\$18.6	\$16.2	↓12.7
Treasury	\$11.7	\$11.2	↓4.4
Veterans Affairs	\$74.5	\$78.9	↑5.9

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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

GAO: Use Of CPARs Must Be Equal

Resolving a protest challenging a past performance evaluation, GAO is deferential to the agency’s determinations. It is primarily concerned with whether the evaluation was conducted fairly and in accordance with the solicitation’s evaluation criteria; if so, GAO will not second-guess the agency’s assessment of the relevance or merit of an offeror’s performance history.

For protesters, therefore, challenging an agency’s past performance evaluation can be difficult. But a recent decision makes clear this task is not impossible—GAO will sustain a protest challenging a past performance evaluation if the agency treats offerors differently or unfairly, such as by more broadly reviewing the awardee’s CPARs than the CPARs of the protester.

At issue in CSR, Inc., B-413973 et al. (Jan. 13, 2017) was the Department of Justice’s evaluation and award of a blanket purchase agreement to Booz Allen Hamilton. The BPA sought performance measurement tool services for the Office of Justice Programs, to assist with the Office’s award of grants to federal, state, local, and tribal agencies for criminal justice, juvenile justice, and victims’ matters.

According to the solicitation, offerors were allowed to submit up to nine past performance examples. DOJ could supplement this information with “data obtained from other sources, including, but not limited to, other DOJ and OJP contracts and information from Government repositories[.]” CSR (the protester) submitted six past performance examples, three of which concerned task orders involving similar services previously performed for the agency.

Booz Allen scored an exceptional rating while CSR earned only an acceptable rating. CSR filed a GAO bid protest, alleging that these ratings were caused by DOJ’s disparate treatment of the offerors.

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Upcoming Events

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

[Register](#)

March 29, 2017 2:00 - 3:00 PM EST
Packaged Solutions thru the MAS
Program for Vendors

[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

ZTE Agrees to Pay up to \$1.19 Billion for Violating U.S. Sanctions and Export Control Laws

In a record-breaking agreement with the U.S. Department of Justice (DOJ), the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), and the U.S. Department of Commerce's (DOC) Bureau of Industry and Security (BIS), China-based telecommunications giant ZTE Corporation (ZTE) agreed to enter a guilty plea and pay a combined penalty of up to \$1.19 billion to settle civil and criminal allegations that ZTE violated U.S. sanctions and export control laws by illegally shipping U.S.-origin products to Iran and North Korea. The penalty includes \$430,488,798 in combined criminal fines and forfeitures; a \$100,871,266 civil monetary penalty imposed by OFAC; and a \$661,000,000 penalty payable to BIS, of which \$300,000,000 will be suspended during a seven-year probationary period. The criminal fine represents the largest that the DOJ has ever imposed in a prosecution under the International Emergency Economic Powers Act (IEEPA). ZTE's settlements with BIS and OFAC also represent the largest civil penalty that BIS has ever imposed and the largest civil penalty that OFAC has ever imposed on a non-financial entity. ZTE also agreed to a three-year period of corporate probation, active audit and compliance requirements, and a seven-year suspended denial of export privileges, which would be activated in the event that ZTE were to breach its agreement with BIS.

The conduct occurred between January 2010 and April 2016. As described in U.S. government documents, "ZTE obtained U.S.-origin items – including controlled dual-use goods on the DOC's Commerce Control List (CCL) – incorporated some of those items into ZTE equipment and shipped the ZTE equipment and U.S.-origin items to customers in Iran" without first obtaining the required export licenses. The shipped items included routers, microprocessors, and servers controlled under the Export Administration Regulations (EAR) for national security, encryption, regional security, and/or anti-terrorism reasons and were used to support projects in Iran involving the installation of cellular and landline network infrastructure.

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