

THE CHALLENGING CLIMB
TO REACH NEW HEIGHTS

Nominations for the Top Acquisition Priorities (and other topics of interest in 2019)

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Priorities – Office of Federal Procurement Policy (OFPP)

- Confirmation of President’s Nominee to be OFPP Administrator – Michael Wooten
 - Confirmation hearing scheduled for May 7, 2019
- Category Management
 - New OMB guidance memorandum issued on March 20, 2019
- Industry Engagement
 - OFPP “Myth-Busting #4” memorandum issued on April 30, 2019
- Improved Management of Major Acquisitions –
 - Part of the President’s Management Agenda
- Supply Chain Risk Management



Section 809 Panel Recommendations

- In the FY 2016 NDAA, Congress established the “Section 809 Panel” to streamline DoD’s acquisition system and regulations
- Panel issued three volumes of recommendations, consisting of 93 separate recommendations
- Last volume of recommendations issued on January 15, 2019
- Panel made several controversial recommendations, such as replacing DoD’s commercial buying procedures with more simplified procedures
- OFPP has not taken a formal position on the recommendations



DoD Response to Section 809 Recommendations

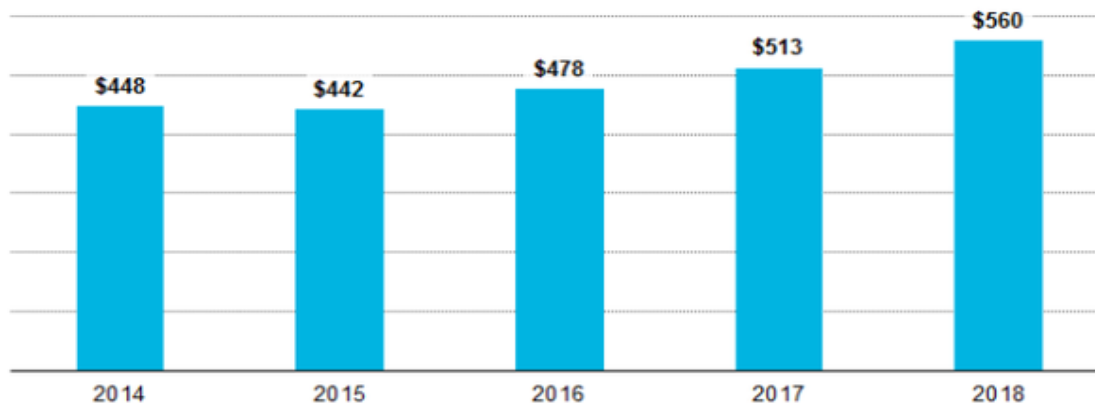
- DoD supports most of the Panel’s recommendations
- Under Secretary of Defense for Acquisition and Sustainment issued a response to the recommendations on March 16, 2019
- DoD called for more research on recommendations that could impact national security, supply chain, or cybersecurity considerations
- For example, DoD did not endorse
 - recommendations for a more simplified commercial buying process; and
 - exceptions to domestic preference requirements (e.g., Buy American)
- DoD pushed back on proposed “radical changes” to commercial buying



Government Contract Spending Overview

Federal Contract Spending Hits Five-Year High

Dollars in billions, by fiscal year



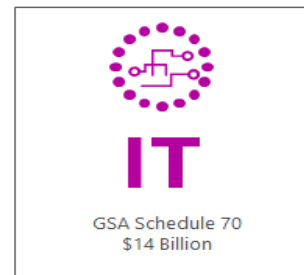
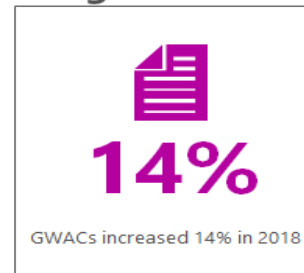
Source: Bloomberg Government data



Government Commercial Contracting

- **2018 Slight decline in GSA Schedule Sales**
 - \$32 Billion
 - Uptick in Services – approx. 70% overall
- **2019 increase expected in Commercial Contracting**
 - Schedule 70 IT Services
 - Blanket Purchase Agreements (BPAs)
 - Increased use of GWACs

The Big Picture Commercial Contracting





The Government– Following Commercial

Lead

National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018, Section 846

- Procurement through E-Commerce Portals
 - GSA’s Phase II Implementation Plan – Market Research & Consultation – April 2019
 - GSA will begin operational implementation of the program – proof of concept
 - Limit purchases made through proof of concept to micro-purchase threshold
 - GSA will start with **e-marketplace model** for initial proof of concept while continuing to assess other methods





Government Contracting – E-Marketplace Model

Competition	User Experience	Compliance	Investment/Complexity
Promotes competition at the supplier level (sell third-party vendor products in addition to their own, provides support for onboarding)	Offers search and comparison functions, products and supplier reviews, mimics consumer experience	Basic features that can support compliance needs at the MPT (account set-up restriction of item approval workflows, etc.)	Limited investment cost to access e-marketplace model portals. Many existing suppliers access the markets through e-marketplace model offerings, negating the need for onboarding costs. Implementation would require GSA to address a number of supplier concerns.



Government efforts to be more commercial

Streamlining Procurements

- GSA MAS Schedule program consolidation – 24 Schedules to 1 Schedule
 - Reduce administrative burden (Contractor, GSA and Government)
 - Timeline
 - 2019 New Schedule Development
 - 2020 Mass Modification and Multiple Contract Consolidation
(Does not include the Department of Veterans Affairs)
 - Potential Concerns
 - Consistency in process
 - Pricing
 - Audits
 - Training (GSA and Industry)
- Commercial contracting terms modifications distinguishing of Software from Software-As-A-Service (SAAS)
- Other Transaction Authority (OTA)
 - Fewer restrictions
 - Flexibility in acquisitions
- Blockchain use in Federal Contracts – GSA



What Is Congressional Oversight?

- Oversight defined
- Authority
- Senate v. House
- Majority v. Minority
- Rules
- Differences/Similarities from Government Investigations



Forms of Oversight

- Requests for documents (letters, subpoenas)
- Requests for briefings
- Requests for testimony (closed, public) under oath
 - To target companies or individuals
 - To witnesses
- Hearings



Subjects of Congressional Oversight

- Pendulum of current events (What's hot/in the news)
- Pendulum of power (Democrat vs Republican priorities)
- Executive branch
- Waste, fraud and abuse
- Recent trends



Unique Oversight Issues for Contractors

- Business with the government
- Contractual obligations
- Reputational impacts
- Sensitive government information



Dealing with the Potential for Oversight

- Preparation
- Understanding sources of oversight
- Understanding potential consequences for businesses
- Best practices



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