

# CFMH INDUSTRY DAY

## St. Louis, Missouri

Policy Update  
Coalition For Government Procurement  
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# DOD AFGHAN SUPPLEMENTAL

- President Requesting \$33 Billion for War Supplemental
- The Supplemental Will Happen, But Not on Time
- Likely For Late Spring/Early Summer
- DOD O&M Accounts Likely To Be Tapped Until Then

# CURRENT FEDERAL MARKET CLIMATE

- Contractors Still Suspect
  - Delinquent Tax Initiatives
  - Coming “Guidance” On Inherently Governmental Function
  - Withholding of Payment for Inadequate Systems
- Upside: Agency Discretionary Spending Will Be Up
  - Appropriations Increase
  - ARRA Funds Remain

# STIMULUS MONEY REMAINING

- One Year Anniversary on Feb. 17
- A significant amount of the \$787 billion stimulus bill remains unspent
- There is plenty of opportunity still available for small business; for small products; readily available commercial needs; not construction
- Look for Vulnerable Freshmen Democrats

# BUSINESS EXPECTED, BUT AT A COST

- Continued IG Audits & Investigations
  - Trade Agreements Act
  - Ethics Compliance
- DOL SCA Audits
- Strategic Sourcing

# GSA ISSUES

- High Road Procurement Policy
- Green Procurement
- 3 Percent Withholding Delayed
- FAR Part 51

# DOWNSIDERS/RISKS OF STIMULUS

- 30% of Stimulus \$\$ Not Scheduled To Be Spent Till FY 2011.
- Bottlenecks/Protests Likely
- Stimulus Also
  - Fully Funded Agency IG's and GAO
  - Created Contracting Oversight Board
- Repeat After Me, “It’s Not How Much Money You Make – It’s How Much Money You Keep”

# WHAT THIS MEANS TO YOU

- Emphasize Customer Relationships/Experience
  - Up To a Point
- Why You Are A Low Risk Decision That Can Deliver It Right And On Time
- Stay Up To Date – Fed Scoop Is Not An Ice Cream Store
- Be Aware of Oversight/Risk at ALL Times

# MAJOR FOCUS AGENCIES - DOD

- Administration Wants To Cut Funds In Some Areas, Increase In Others (Afghan & IT Spending Are Winners)
  - Expect Congressional Resistance as DOD \$\$ Mean Jobs in Key States/Districts
- Trend Away From Smaller MAC's Toward Larger GWAC's, MAC's and Schedules
- Administration Generally Listening To Military Leaders
- Many, But Not All, Senior Civilian Leaders In Place

# LOOKING AHEAD

- Discretionary \$ Increase Will Be Smaller For FY'11, President's Budget = Freeze
- Congressional Oversight, Outside McCaskill Subcommittee, Likely to Be Light
- Admin. Will Continue To Hit Contractors If They Think It Scores Political Points
- Martha Johnson Has Her Work Cut Out For Her

# SELECTED AGENCY APPROPRIATIONS INFORMATION

# DOD

## FY 2010 SPENDING SNAPSHOT

- Total Spending \$636 billion
- Procurement \$140 billion
- Operations and Maintenance \$283.3 billion
  
- Army \$225 billion
- Navy/Marine Corps \$171 billion
- Air Force \$160 billion

# DHS

## FY 2010 SPENDING SNAPSHOT

- Total Spending = \$42.77B, Up \$2.7B From 09
- Customs & BP = \$10.1B, Up \$306M
- Coast Guard = \$8.8B, Up \$515M
- TSA = \$7.7B, Up \$679M
- ICE = \$5.437B, Up \$448M

# PROCUREMENT LEGISLATION

- S. 2989 – Small Business Contracting Act
- Cooperative Purchasing
- H.R. 4221, VA Acquisition Improvement Act
- S. 2901, Acquisition Workforce Improvement Act
- S. 2902, Federal Acquisition Institute Improvement Act

# GSA: CHANGES AT THE TOP

- Martha Johnson, New Administrator
- Susan Brita, New Deputy Administrator
- Michael Robertson, Chief Acquisition Officer
- Bob Peck, Commissioner, Public Building Service
- Steve Kempf, Deputy Commissioner, FAS
- **Key Retirement:** Dave Drabkin, Senior Procurement Exec.
- His Replacement – Rod Lantier just Announced
- Most Recently – Tony Costa was named Associate Administrator

# WHAT THIS MEANS

- Top Management Has a Strong PBS Bend
- Also *Very Politically Attuned*
- Expect Conflicts, However, Among Senior Leaders – Could Slow Agency Progress

# GSA BOTTOM LINE

*Agency Important Now, Will Likely Become More Important, Potentially MUCH More So If Administration Feels Other Agency Contracts Are Needlessly Duplicative And/Or Wasteful*

# SOME KEY PROCUREMENT OFFICIALS – EXEC. BRANCH

- Dan Gordon, Administrator, OFPP
- Jeff Zients, Chief Performance Officer
- Jeff Liebman, Exec. Assoc. Dir., OMB
- Vivek Kundra, Chief Information Officer
- Aneesh Chopra, Chief Technology Officer

# KEY PROCUREMENT PEOPLE- SENATE

- Joe Lieberman, Chair, HSGAC
- Susan Collins, Ranking Republican, HSGAC
- Claire McCaskill, Chair HSGAC Contracting Subcommittee
- Bob Bennett, Ranking, Contracting Sub.\*
- Carl Levin, Chair, SASC
  - Peter Levine, SASC Counsel

# KEY PROCUREMENT PEOPLE - HOUSE

- Edolphus Towns, Chair, House Oversight Comm
  - Mark Stephenson, Professional Staff Member
- Darrell Issa, Ranking Republican, House Oversight
- Diane Watson, Chair House Subcomm., Gov Mgmt.

# SUMMARY

- Market Continues to Favor Larger, More Established Contractors
- Opportunities Exist, but Have To Be Hunted Diligently
- Compliance & Ethics Still Key

# QUESTIONS?

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