Dear NACA Members,

Inside this bi-weekly: New leadership for Administration Posts; NDAA and Appropriations process is geared up; Possible changes to DOD acquisition processes; and the new report by Bloomberg Government on Top 200 Contractors.

Thank you,
NACA Staff

Anticipated Timeline for National Defense Authorization Act in House & Senate

The House and Senate Armed Services Committees will soon begin their processes to consider the National Defense Authorization Act for Fiscal Year 2015.

The subcommittees in the House will begin consideration of their portions of the overall bill beginning April 30, 2014. The full committee will consider the bill on May 7, 2014. The committee chairman wants the bill on the floor the week of
The House Committee on Small Business is urging the Armed Services Committee to include a suite of bills pertaining to small businesses. A previous biweekly report discussed these bills, which include efforts to increase the small business goal, address contract bundling, among others.

The Senate Armed Services Committee hopes to have its bill on the floor by June, according to Senator Inhofe. However, the timing in the Senate for floor consideration is always uncertain. The Senate did not consider last year's bill until the fall. Elections may also complicate this year's legislative business, with few expecting anything significant to get done after the August recess.

Appropriations Timeline in House & Senate

Appropriations committees in the House and Senate began work on funding bills for fiscal year 2015. Both committees have held many hearings on the President's budget request. Two subcommittees in the House have even reported bills to the full committee.

After returning from a two-week recess, the House will consider H.R. 4486, the military-construction and Veterans Affairs appropriations bill. NACA will be monitoring this legislation for any amendments impacting government contracting generally, and small business and Native 8(a) contracting specifically.

The Chairs of the House and Senate committees have signaled their desire to secure debate time on the floor of each chamber beginning in June. There has been more optimism this year than in previous
years that the appropriations process would return
to some normalcy after many years of inaction and
delays caused by partisan gridlock.

However, recent developments indicate that despite
best intentions, the process may fall victim to both
policy and political challenges. The 2014 midterm
elections may delay consideration on some or all of
the bills until after the election. In that scenario, the
Congress would pass a continuing resolution and
consider the bills during a lame duck session or
early next year. The outcome of the elections may
or may not have an impact on the timing of these
bills.

Complicating issues further, the defense
appropriations bill, which is a vehicle to change
Section 811 of the National Defense Authorization
Act for Fiscal Year 2010, may be delayed for policy
reasons. House Subcommittee Chairman for
Defense Appropriations, Rep. Rodney Frelinghuysen
(R–NJ) has stated that he cannot draft a defense
appropriations bill until he receives more detail
from the administration about its request for war
funds. The administration, in turn, is waiting for the
outcome of the Afghan election to decide how that
will impact its use of war funds (known as overseas
contingency operations).

NACA remains engaged on the development of
appropriations measures, and how that impacts
efforts to repeal or amend Section 811 of the FY10
NDAA through an appropriations vehicle. We
continue to push for these changes if and when
appropriations bills advance through Congress.

Congress Passes DATA Act

The House and Senate have both considered and
passed versions of legislation designed to increase transparency in federal spending, including contracts and grants. The legislation, known as the Digital Accountability and Transparency (DATA) Act, is designed to: (1) expand the Federal Funding Accountability and Transparency Act of 2006 by disclosing direct federal agency expenditures and linking federal contract, loan, and grant spending information to federal programs to enable taxpayers and policy makers to track federal spending more effectively; (2) provide consistent, reliable, and searchable government-wide spending data that is displayed on USASpending.gov; (3) simplify reporting for entities receiving federal funds by streamlining reporting requirements and reducing compliance costs while improving transparency; and (4) improve the quality of data submitted to USASpending.gov by holding federal agencies accountable for the completeness and accuracy of the data submitted.

While both chambers have passed the bill, the versions differ between the Senate and House bills. Future consideration to reconcile these differences is not known, but Congress may be able to reconcile differences and enact the law before the end of the year. The House is considering the Senate passed version the week of April 28, which is expected to easily pass.

SBA Administrator Confirmed, Sworn In

Maria Contreras–Sweet was sworn in as Administrator of the Small Business Administration on April 8, 2014. She immediately began her work by testifying before the Senate Committee on Small Business and Entrepreneurship regarding the President’s budget request for the agency.
NACA is working to meet with the Administrator so we can provide an overview of the Native 8(a) program, and discuss current issues impacting NACA members.

Commerce Secretary Appoints New MBDA Director

Commerce Secretary Pritzker has appointed Ms. Alejandra Castillo to lead the Minority Business Development Agency. Castillo previously served as deputy director to Administrator David Hinson, who left the agency in the past few months.

Kevin Allis to Testify at Democratic Steering Committee Hearing

NACA Executive Director, Kevin Allis, will participate in a hearing on Tribal issues before the Democratic Steering and Outreach Committee on April 30, 2014. The hearing is an opportunity for Democratic Senators to learn about and determine how to shape policy in Indian Country. Allis plans to use the invitation to discuss the importance of the Native 8(a) program and the stigma and impact to revenue companies are experiencing because of provisions such as Section 811 of the National Defense Authorization Act for Fiscal Year 2010.

DOD Directs Contracting Officials to Evaluate Prices on GSA Schedule

The Department of Defense ("DOD") issued a directive that may impact the viability of GSA schedules for both contractors and government
officials. The memo from Mr. Richard Ginman, Director of Defense Procurement and Acquisition Policy, directs contracting officers to double check pricing before buying from General Services Administration's ("GSA") schedule contracts. In the memo, Ginman stated "GSA's determination does not relieve the ordering activity contracting officer from the responsibility of making a determination of fair and reasonable pricing for individual orders," or blanket purchase agreements.

Although the memo does not affect other agencies that use the GSA schedules, the directive could undermine the purpose of the schedules, since DOD is such a large purchaser of goods and services. In 2012, for example, GSA modified the regulations for its schedules to require more competition of certain orders, which was the result of a policy DOD implemented in 2002.

Companies doing business with DOD should expect contracting officers to begin requesting more pricing information.

DOD Official Indicates Early Acquisition Info May Be Coming

DOD may begin sharing information on acquisition requirements earlier than is currently done, allowing companies to focus their planning. Katrina McFarland, Assistant Secretary of Defense for Logistics, mentioned this concept during a recent industry day event. McFarland stated "[DOD] is interested in looking at how they can allow for the exposure of information on the generation of requirements early on, and how that would be protected, from the sense that the government may never, ever actually buy this requirement but that exposing those requirements allows [industry] to
have [an idea] of where to focus their spend."

This type of program is part of the government's Better Buying Power program. McFarland noted that the efforts can also benefit businesses stating "We'll reward people who reduce costs with more profit.." She also noted that the information from DOD is not a one way communication, noting industry can provide its insight on products and capabilities so that DOD can better develop a business case for acquisitions.

BGOV Issues "Top 200" Contractors Report

Bloomberg Government issued its third annual report on federal contract spending and the top 200 federal contractors in the market. The report notes some interesting highlights. The government spent $462.1 billion in Fiscal Year 2013 ("FY13"), an 11 percent decrease compared to the previous year. The top 200 companies accounted for 65 percent of that amount, or $300.3 billion.

Sequestration was the dominant force in the federal budgets last year. The Department of Defense was able to dull the impact of sequestration by focusing its cuts in certain areas rather than an across the board reduction in spending. Spending in Operations and Maintenance took the biggest hit in cuts in FY13, though the budget agreement reached for Fiscal Year 2014 and 2015 should provide some relief to this account.

The report notes that some companies remained competitive by shifting focus to "protected" areas of federal spending such as health information technology, health services, and cyber security.