

CCCS NEWS

CERTIFIED CONTRACTING SOLUTIONS, LLC •

January, 2006

HAPPY NEW YEAR!

All of the Problem Solvers at Certified Contracting Solutions, LLC wish you and yours a very happy new year. As we all begin this year full of hope, aspirations and resolutions, we wanted to share with you some changes we are making at CCS.

CCS is now organized around three business units – **Training, Contract Management, and Marketing & Mentoring.**

Within the **Training** unit CCS provides a vast array of classes in either pre-packaged or customized formats. These classes can be as brief as a one-hour keynote address to a full week of intensive training, depending on the topic and the client's needs.

Contract Management provides full-service contract management services on a temporary or outsourced basis.

The **Marketing & Mentoring** unit has been created in direct response to client needs. Many of our clients struggle with marketing their goods and services to government clients, and most clients just want the ability to pick up the phone and ask a question – knowing that they will not only get the right answer, but that it will not cost them an arm and a leg.

By separating our service offerings into these three discrete units, clients can more easily access the specific solution to whatever problem has arisen.

We look forward to working with all of you in 2006 to address all of your issues related to government contracts.

Kelman Letter Rallies Troops

Everyone involved in Federal procurement is familiar with Professor Steve Kelman, former administrator of the Office of Federal Procurement Policy and currently professor of public management at Harvard University's Kennedy School of Government. Due to some recent events, including the indictment of a senior government official, the press has seen fit to abuse all aspects of the federal procurement process. To address these issues, Prof. Kelman issued an open letter to all 1102's on October 20, 2005.

In that letter he said:

The relentless focus on "cronyism" and contractor fraud – and on blame and punishment as ways to deal with problems – is having devastating impacts on the ability to have a contracting system oriented to provide the best value for taxpayers and agency missions. This focus is taking one of many issues and turning it into the only issue. It is forcing you to be police, not business advisers. The emphasis on blame and punishment is freezing you in place, and probably making you resentful and angry.

He went on to say,

But we need to avoid being victims of our circumstances. We need to stand up tall as proud human beings – committed to the public good, and to our agencies and missions. We need, in spite of pressures pushing us in a different direction, to look for ways to do good, rather than simply keeping out of trouble.

So, now is the time to display a random act of innovation. Now is the time to do something in your organization that shows you can use your abilities and skills to figure out a more intelligent way to buy. Get a new strategically sourced contract going. Look for an opportunity to do share-in-savings. Figure out how to make a contract performance-based. Whatever it is, look for a way to help our agencies and taxpayers.

They cannot beat us down unless we let them.

Excellent advice from a most respected member of our community. The full text of his letter can be found at:

<http://www.fcw.com/article91173-10-20-05-Web>

Client Question

In each issue of our newsletter we select a question from one of our clients and provide the answer to everyone. We always protect the identity of our client, but our experience has shown that if one of you has a question, many of you have the same question.



The current question is: **What is all the fuss over outsourcing? Doesn't a capitalistic economy require that we all constantly strive for better, cheaper, and quicker sources?**

CCS offers the following from our Chief Problem Solver, Tom Reid:

While “better, faster, cheaper” has become a mantra in business, newspapers are sold by creating a crisis where there is none and confusing people by not revealing all the facts. First of all, every business engages in some form of outsourcing. We no longer make our own papyrus paper as the Egyptians did. We buy refined paper from a supplier – one type of outsourcer. Likewise, all businesses hire outside help in areas that are not part of their core competencies. For example, when you need legal advice, you hire a lawyer. When you need a financial audit, you hire a CPA. It simply doesn't make sense to develop internal capability for every aspect of your business. Often, as with the CPA, you need the independence that an outside source can provide. Studies have shown that with the possible exception of shareholders, every other aspect of a business, including its CEO, can be outsourced.

Nearly every current business text will tell you that a business needs to focus on what it does best and leave other business functions to those who can perform them best. In the very useful book, [The Discipline of Market Leaders](#), by Michael Treacy and Fred Wiersema (Addison-Wesley, Reading, MA 1995), the authors make clear that market leaders do not try to be all things to all people, but concentrate on one of three key value propositions; namely, Operational Excellence, Product Excellence, or Customer Intimacy. In doing so, a company must then seek others to do all the things that do not relate to that key value proposition. A competitive edge is created when business functions

are performed by those most qualified to do so. Obviously, CCS believes this since a major segment of our business is performing the Contract Management function for our clients. In the same way, we contract out our legal matters and web maintenance. There are others who perform those tasks better, faster, and cheaper than we can do in-house.

Another source of confusion arises when the term “outsourcing” is equated to the term “offshoring.” Just because you hire an outside supplier does not mean that the service will be provided by people in another country. Offshoring is a subset of outsourcing, but it is a much, much smaller segment, and is a much more politically sensitive issue.

The politics of moving American service jobs to other countries goes beyond what we can address here, and there are both pros and cons of doing so. There is no debate, however, that specialized service providers are crucial to our capitalistic economy. It is also important to remember that within the government, activities deemed “inherently governmental” may not be contracted out. The US Office of Special Counsel was recently reminded of that by the Government Accountability Office. See GAO-06-16 at www.gao.gov.

***NOTE:** CCS is not authorized to practice law or accounting. This information should not be relied on in any particular facts you may have without checking with a properly licensed professional.*

Soloway Speaks Out

In an article appearing in Washington Technology, Stan Soloway, President of the Professional Services Council, asks why false reports of government misspending are not being countered with the facts. As examples, he quotes the lease of the cruise ships from Carnival Cruise Lines for Katrina relief and the security subcontracting performed by Pearson Government Solutions Inc. where the press reported wild exaggerations of the facts, yet no reports appeared where the actual facts were disclosed. All contracting professionals should read this insightful article which can be found at:

http://www.washingtontechnology.com/news/20_22/federal/27348-1.html

When Must you Register with CCR?

According to GAO – only prior to award, not when you submit a proposal. In this same decision they also reaffirmed their rule that failure to submit Reps and Certs with a proposal is not a fatal flaw since it does not affect the offeror's material responsibilities. Read the details at B-297219, Charter Environmental, Inc., decided December 5, 2005, at www.gao.gov.

Did You Know?

- ◆ The Office of Management and Budget ("OMB"), has administratively returned the limits on micro-purchases to \$2,500 (and \$15,000 for emergency purchases) from the prior level of \$250,000 per purchase for Katrina purchases. Effective October 3, 2005.
- ◆ The Department of Energy has issued an interim final rule implementing its "other transaction authority" given to the agency by Congress. See 70 Fed. Reg. 69250 (Nov. 15, 2005).
- ◆ GAO has published a very useful guide entitled "Understanding the Primary Components of the Annual Financial Report of the United States Government," GAO-05-958SP which can be accessed at <http://www.gao.gov/new.items/d05958sp.pdf>

ALWAYS Acknowledge Amendments

In an extremely rare decision, GAO has decided that there are times when the failure to acknowledge an RFP amendment is not consequential. While the circumstances are rare, and you should NEVER rely on this decision to intentionally fail to acknowledge an amendment, it is good to know that reason can prevail over a strict interpretation of the rules. To read the entire decision (just in case you need to rely on it some day for an inadvertent slip!), go to B-296961, Fort Mojave/Hummel, a Joint Venture decided October 18, 2005 at www.gao.gov.



NCMA World Congress 2006

April 10–12

Hyatt Regency Atlanta,
Atlanta, GA

CCS has submitted several proposals for presentations to be made at the World Congress. Check NCMA's website (www.NCMAHQ.org) for updates to the agenda.

Direct Hire Authority Given Non-DOD Agencies

As published at 70 Fed. Reg. 44847-01 on Aug. 4, 2005, the Office of Personnel Management ("OPM") has issued new regulations permitting agencies to recruit and appoint directly highly qualified individuals for federal acquisition positions without going through OPM. This new authority lasts until September 30, 2007. This should help civilian agencies to meet their acquisition needs for professionals. It is certainly a better approach than Congress' action to fund auditors to find fault with the spending of funds for Katrina relief rather than authorizing more contracting professionals to spend the funds properly in the first place!

For additional views on this important topic, see http://www.ncmahq.org/membership/scandal_solution.asp

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Lagniappe

In each newsletter, CCS offers clients and friends something free, a little something extra, or for our N'awlins friends, lagniappe.

“Customer Service” is rarely customer focused and usually is not a service. In April, 2005, Chief Problem Solver Tom Reid was asked to present at the World Congress in Phoenix. His topic was “Fire Your Customer.” The presentation scored so high on the evaluations, he was asked to present again at the Commercial Contracting Conference in Atlanta. From those presentations two articles have been accepted for publication in Contract Management Magazine. This month we offer you a CD containing the presentation and copies of the two articles. Don’t miss these highly rated materials on customer service.

For a free copy simply e-mail your request to Freeoffer@certifiedksolutions.com.

We will mail the CD out to you right away!

Certified Contracting Solutions, LLC

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Managed**



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Solving your government contract issues

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