



Federal Acquisition *Insight*

January 2004 Edition

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From the Desk of the Director

by Gloria Sochon

This is an exciting time for federal acquisition professionals! Under the Services Acquisition Reform Act (SARA), a new fund will expand your training opportunities. The Federal Acquisition Institute (FAI) looks forward to working through this fund to offer you training that will help you adapt to changes and build skills and competencies needed to address future challenges.

Acquisition practices evolve as we learn from applying new techniques and implementing new programs. This issue of the newsletter provides advice to help you successfully conduct competitive sourcing actions. We also explain why, how, and what to buy green. The Integrated Acquisition Environment continues to provide electronic tools to help you perform more effectively, recently launching Wage Determination Online. And we also look back to basics to show how debarment and suspension support the acquisition system in light of developments in the telecommunications and other industries.

Look inside for other opportunities to enhance your career. We have notices of training opportunities such as FAI's next lunchtime learning seminar, GSA SmartPay Purchase Card Training, the upcoming National Contract Management Association World Congress, and the Federal Acquisition Conference and Expo. Nominations are also open for several awards including the Ida Ustad Award for Excellence in Acquisition, the Elmer Staats Award for Young Acquisition Professional Excellence, and the E.R. "Dick" Alley Career Achievement Award. ■



NCMA conference attendees explore training opportunities at the FAI booth.

FAI Exhibits at the NCMA 22nd Annual East Coast Educational Conference

FAI employees attended and staffed a booth at the National Contract Management Association (NCMA) 22nd Annual East Coast Educational Conference held December 8-9, 2003 in Tysons Corner, Virginia. The themes of the conference were "Understanding Competition, Enhancing Small Businesses, and Getting Best Value" and it featured keynote speakers from the Department of Defense, U.S. Small Business Administration, and EDS Government Solutions. The conference offered sessions on topics including service contract management and A-76, SARA legislation, organization conflicts of interest, and leveraging human capital.

FAI staffed a booth in the exhibition hall. The FAI booth featured information on its online university, upcoming FACE conference, and new FAI website. Be sure to look for the FAI booth at the next acquisition conference! ■

In Review: Suspension and Debarment Basics

Recent events have brought suspension and debarment into the news. This article is the first in a series on these topics. We begin with a background on suspension and debarment.

The recent suspension and proposed debarments of high profile contractors cast renewed focus on the suspension and debarment process. Suspension and debarment are actions the government takes to preclude certain businesses and individuals from obtaining government contracts, grants or approvals.

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Do You Know a Career Javits-Wagner-O'Day (JWOD) Program Supporter?

by Annmarie Hart Bookbinder, Committee for Purchase From People Who Are Blind or Severely Disabled

If so, then be sure to submit a nomination for the 2004 E.R. "Dick" Alley Career Achievement Award.

The Committee for Purchase from People Who Are Blind or Severely Disabled is soliciting nominations for the E.R. "Dick" Alley Career Achievement Award. The Alley Award was established in 1998 in honor and recognition of Dick Alley who provided more than 25 years of dedicated service to the Javits-Wagner-O'Day (JWOD) Program as the Deputy Executive Director of the Committee staff. This is the highest award given by the Committee and is intended to recognize current federal employees who have provided **extraordinary, sustained** support for the JWOD Program and its mission of creating employment opportunities for people who are blind or have other severe disabilities. All individuals employed by the federal government are eligible to be nominated. The award will be presented at both the NISH and National Industries for the Blind Annual Conferences in 2004.



The most recent federal employee to receive this honor was Mark J. Lumer, Principal Assistant Responsible for Contracting, U. S. Army Space and Missile Defense Command (USASMDC), in Huntsville, Alabama, who was the 2002 recipient. Mr. Lumer has supported the JWOD Program for over twenty years through the award and administration of contracts, as well as by issuing guidance and policies and promoting the success of JWOD employees within local publications so as to educate contracting personnel and purchase card holders about the benefits of purchasing JWOD products and services.

Nominations, preferably submitted in electronic form, must be received by **February 27, 2004**. Nomination instructions and forms, as well as profiles of past recipients, can be obtained from the Committee's website at www.jwod.gov or by contacting Stephanie Lesko of the Committee staff at slesko@jwod.gov or (703) 603-0036. ■

Competitive Sourcing: What's Next

"Competitive Sourcing" remains a linchpin of the President's Management Agenda, offering an important tool for improving how agencies operate. Under this program agencies identify the commercial type activities their staffs are performing and then open them up to competition from the private sector. Getting to the competitions, however, has not been an easy task. And this year's appropriations bills have made that path even less direct.

In this article, we will look at some of the approaches adopted by agencies to move this program forward. We'll also review some potential complications in the process.

The real action takes place at the bureau level. Here government-staffed most efficient organizations are developed to compete head to head with private sector firms. Bureaus must determine which of their activities should be studied. Circular No. A-76 offers 90 day streamlined competitions for activities staffed at or below 65 FTE's and standard competitions lasting a year for larger activities. In deciding how best to proceed, here are some of the questions bureaus should consider:

- What are the cost drivers that would promote competition in one area over another? Has an activity-based costing review been done to assess workload by area?
- Is there a champion for the effort?

- Has a set of guidelines been developed for staff to follow so they are not continually reinventing the wheel?
- Has human resources staff been brought in right from the start and have they identified tools like buyout authorities that might ease the hardships of outsourcing jobs? And,
- Has a full acquisition plan been developed and vetted with key stakeholders to make sure the process runs smoothly and project risks are mitigated?

For the bureaus to be successful, however, there needs to be strong central leadership at the Department level. The Department of Commerce recently examined best practices from the vantage point of a number of different agencies. Here are some of the key success factors they identified:

- Connect the program to an agency-wide, high-level steering group,
- Develop a comprehensive communications program,
- Maintain a decentralized central competitive sourcing office effort, but provide strong, consistent guidance to operating units,
- Conduct as many pre-planning activities as possible prior to announcing that a competition is underway, and,
- Consider the web/intranet as the agency's most effective and dynamic communications tool.

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Acquisition Workforce Training Fund Established

The Services Acquisition Reform Act (SARA) authorizes a new fund to provide broad training opportunities to the federal acquisition workforce. The goal of the Acquisition Workforce Training Fund is to ensure that the federal acquisition workforce adapts to changes in the nature of federal government acquisition and develops new skills and competencies to foster future success. Activities under this Fund are intended to supplement, not replace, other training that an agency provides.

The Federal Acquisition Institute (FAI) will manage the Fund. The Fund will provide FAI with the stabilized funding needed to develop training resources that will transition federal acquisition professionals to the new service oriented and technology-driven federal market. It will finance training programs for acquisition officials within executive agencies since it does not apply to the Department of Defense (DOD).

The Fund will be financed through quarterly deposits of 5 percent of the fees collected by non-defense executive agencies under their interagency contracts. Agencies sponsoring interagency contracts will need to separately account for fees from civilian agencies and from DOD activities. Covered contracts include:

1. Governmentwide contracts entered into under sections 303H and 303I of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h and 253i). These are task and delivery order contracts for services or property, including advisory and assistance services. Orders for agencies other than the sponsoring agency are accomplished through the Economy Act (31 U.S.C. 1535).
2. Governmentwide contracts for the acquisition of information technology (IT) under Section 11101 of Title 40 under and multiagency contracts Section 11314 of Title 40. This includes contracts awarded by an agency designated as an executive agent by the Office of Management and Budget. Agencies may order from these contracts without invoking the Economy Act. It also includes multiagency contracts for IT awarded by other agencies. Orders under these contracts are subject to the Economy Act.
3. Multiple-award schedule contracts entered into by the General Services Administration (GSA). GSA's Federal Supply Service (FSS) manages this program, with agreements with more than 8,000 commercial firms for over 4 million products and services.

FSS is working with GSA to develop a collection method that will avoid the need to modify price lists for the 4 million items on schedule contracts. FAI will coordinate with the agencies that sponsor GWACs and other covered contracts on issues related to tracking fees and making deposits.

"The Federal Acquisition Institute is pleased with the establishment of the Acquisition Workforce Training Fund," stated Gloria Sochon, Director of the Federal Acquisition Institute. "The fund will allow FAI to overcome past budget limitations and provide the newest and best training to a broad acquisition workforce."

In developing training that best serves the acquisition community, FAI receives guidance from the Office of Federal Procurement Policy, the FAI Board of Directors, and the Federal Acquisition Council. FAI welcomes ideas and suggestions from across the acquisition community, including the Interagency Procurement Career Management Committee.

FAI looks forward to providing updates on training and education opportunities in the future. For more information, please contact Maya Larson at (202) 208-1261 or maya.larson@gsa.gov. ■

Competitive Sourcing *(continued from page 2)*

Before delving into the "how-to" tips, bureaus should address the question of what Congress allows. For example, the new Defense, Transportation/Treasury and Interior appropriations bills modify the A-76 process by effectively eliminating the ability to conduct streamlined competitions. They also require a 10 percent or \$10 million cost savings, whichever is less, before conversion to private sector performance for studies involving more than 10 FTE. Other provisions exist for other agencies.

A good first step in the competitive sourcing process is seeking guidance from the bureau's competitive sourcing office on what can and cannot be done. And, depending on where you sit, that answer may well come from the Congress. ■

Interagency Procurement Career Management Committee Update **Latest News on FAC Working Groups, Acquisition Workforce Training Fund, and IPCMC**

The Interagency Procurement Career Management Committee (IPCCM) met on December 11, 2003. At the meeting, Gloria Sochon, FAI Director, discussed the latest from the Federal Acquisition Council (FAC) Working Groups. Among the highlights: the Competitive Sourcing Working Group is developing a competency model for competitive sourcing roles and working to identify training needs. The Small Business Working Group is developing guidelines for monitoring subcontractors. The Performance Measurements Working Group is focusing on e-Gov initiatives. The FAI Board of Directors held their first meeting on December 10 with Board members establishing a project to compile agencies' acquisition training.

Gloria also provided attendees background on SARA and the Acquisition Workforce Training Fund. The training fund will be an estimated \$4-6 million a year, with funds being collected only from civilian agencies. Training will be developed to supplement agencies' own training, and FAI plans to develop "just in time" training for agencies. FAI is also working with GSA, OFPP, and OMB budget officials to establish fund management procedures.

Maya Larson, FAI, offered an update on the Training Working Group. The group met twice since October and identified FAI Online University migration to GoLearn.gov as its main focus. The group's next meeting will be held January 21, 2004.

Julie Gummo, FAI, reviewed the latest work of the ACMIS User Group. The group will hold elections for a Co-Chair position in January and is forming a Change Control Board to review and make decisions on ACMIS enhancement requests. The group's next meeting will be January 13, 2004.

For meeting minutes or additional information on the IPCCM, contact Julie Gummo at (202) 501-0053 or julie.gummo@gsa.gov. ■

E-Gov Joint Venture Launches WDOL.gov

By Lisa Cliff, Integrated Acquisition Environment

In November, an inter-agency task force that included the Department of Labor's Wage and Hour Division, the Office of Management and Budget (OMB), the General Services Administration (GSA), the Department of Defense (DOD), and the Department of Commerce's National Technical Information Service (NTIS) launched Wage Determination Online (www.wdol.gov), the governmentwide publicly available website for access to wage determinations issued by the Department of Labor (DOL). WDOL is part of the Integrated Acquisition Environment, one of the e-government initiatives on President George Bush's Management Agenda.

This website provides a single location for federal contracting officers to use in obtaining appropriate Service Contract Act (SCA) and Davis-Bacon Act (DBA) wage determinations (WDs) for each official contract action. The DBA requires that contractors on federally funded construction projects pay their construction workers no less than the locally prevailing wage. The SCA requires contractors performing services on most federal contracts to pay service employees no less than the wage rates and fringe benefits found prevailing in the locality. The wage determinations are incorporated by the contracting agencies into covered contracts.

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Training Opportunities

FAI/DAU Luchtime Learning Seminar

The next Luchtime Learning Seminar will be held Wednesday, January 28, 2004 from 12:00 -1:30 p.m. at the National Capital Region Auditorium. The seminar's focus is *Acquisition Leadership Strategies* and speakers will include the Director, Office of Acquisition Management of the Environmental Protection Agency and the Deputy Director E-business, Defense Procurement and Acquisition Policy, Department of Defense. To register, send your contact information to barbara.plevelich@gsa.gov.

GSA SmartPay Purchase Card Training

GSA offers online GSA SmartPay Purchase Card Training. This training covers topics including proper card use guidelines and policies. The training can be accessed at <http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>.

NCMA World Congress 2004

The next NCMA conference, World Congress 2004, will be held April 26-28, 2004 in Orlando, Florida. The theme of the next conference is "Maximizing Value to Stakeholders...Contract Management within the Business Cycle." For more information, please visit <http://www.ncmahq.org>. ■



What is Green Purchasing, Anyway?

By Dana Arnold, Office of the Federal Environmental Executive

We each use a variety of green products every day, without ever thinking about the fact that the product is “green.” Every time we drink from a soda can, read a newspaper, drive in an automobile, open a cereal box, or use Energy Star office equipment, we are probably using a green product or a product with green components. We don’t stop to consider that we are using a green product because the product meets our performance needs.

The federal green purchasing program is designed to use the federal government’s purchasing power to conserve natural resources and energy, create markets for green products, demonstrate the performance of these products, and be good stewards of our environment. The program consists of six components: recycled content products, Energy Star and energy-efficient products, alternative fuel vehicles, biobased products, non-ozone depleting substances, and environmentally preferable products. The first five components are mandatory and are required by laws, international treaties, or Executive Orders. The sixth component, environmentally preferable purchasing, is voluntary. Over the next several issues of *Federal Acquisition Insight*, we will be providing an overview of each of these components, starting with the buy recycled program.

Legal basics. The oldest component of the green purchasing program, the buy recycled program is authorized by section 6002 of the Resource Conservation and Recovery Act. Executive Order 13101, “Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition,” directs agencies to implement the buy recycled program and establishes the 30 percent postconsumer content standard that we use for printing and writing papers. Executive Order 13101 and Executive Order 13149, “Greening the Government Through Federal Fleet and Transportation Efficiency,” direct agencies to purchase re-refined oil and retread tires. Executive Order 13148, “Greening the Government Through Leadership in Environmental Management,” directs agencies to purchase recycled content compost and mulch when purchasing landscaping products or services.

What’s required. Federal agencies and their contractors are required to purchase U.S. Environmental Protection Agency (EPA)-designated recycled content products. The requirement applies to micro-purchases, simplified acquisitions, and large purchases. It applies to both direct purchases of products and to support services contracts. It is important to note that these products often will be supplied or used in the performance of a contract and that, therefore, federal agencies must specify that the contractor use recycled content products.

Part 52 of the Federal Acquisition Regulation contains clauses that can require that documents be printed or copied double-sided on recycled content paper (clause 52.204-4), require the offeror to certify that the products contain the percentages of recycle content specified (clauses 52.223-4 and 52.223-9), and require operations and maintenance and other support services contractors to buy the EPA-designated recycled content products (clause 52.223-10).

Buying recycled is not inconsistent with buying from mandatory sources or buying commercial-off-the-shelf items. NIB and NISH organizations offer many recycled content products, while all of the products designated by EPA are commercially available and meet military, government, or industry specifications ordinarily used by federal agencies.

How the program works. EPA designates products in the Comprehensive Procurement Guideline (CPG). These products are often referred to as recycled content products, products containing recovered materials, CPG items, or EPA-designated items. They all refer to the same thing – products that have been manufactured with recycled materials and designated by EPA for federal procurement preference.

At the same time that EPA designates products, it issues purchasing recommendations in a related Recovered Materials Advisory Notice or RMAN. The RMANs recommend the percentages of recycled content that the products should contain and reference military, government, industry, or consensus specifications that are appropriate to use when buying the recycled content products. For example, re-refined lubricating oils can meet both commercial and military lubricating oil specifications.

What to buy green. To date, EPA designated 54 products in eight product categories: paper and paper products, non-paper office products, vehicular products, construction products, park and recreation products, traffic control products, landscaping products, and miscellaneous. These include paper and non-paper office products, the paper used in printing jobs, fleet maintenance products, building construction and renovation products, janitorial supplies, traffic control devices, composts and mulches, picnic benches and tables, signs, awards and plaques, and other products commonly used by federal agencies. In December 2003, EPA proposed to designate additional types of compost and organic fertilizers. The complete list can be found by visiting EPA’s web site, www.epa.gov/cpg, and clicking on the Products button.

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Suspension and Debarment Basics *(continued from page 1)*

Both actions are at the discretion of the government agency and cover prospective work but not work on current contracts unless the head of the agency directs otherwise.

In the case of suspension, an agency official takes action to disqualify a contractor temporarily from government contracting and government-approved subcontracting or to exclude a person from participating in covered transactions for a temporary period, pending the completion of investigation or legal proceedings and not more than eighteen months.

Debarment is an action taken by an agency official to exclude a contractor from government contracting and government-approved subcontracting for a specific period of time or to exclude a person from participating in covered transactions for a specific time. This period of time generally does not exceed three years, although a longer period of exclusion is possible.

Administrative suspension and debarment practices are governed by the Federal Acquisition Regulation (FAR) and by particular agency supplements to the FAR. The regulations allow agencies to suspend contractors upon adequate evidence of committing offenses ranging from fraud to acts indicating a lack of business integrity. Agencies may debar contractors based on a conviction or a civil judgment for a variety of offenses or where there is a preponderance of evidence that the contractor has failed to perform in accordance with the terms of one or more government contracts.

The suspension and debarment process is intended to determine a contractor's present responsibility to do business with the government and protect the government's business interests. Suspension and debarment do not function as a means of punishment for current contractors. The main reason for suspending or debaring a contractor is to protect the government from business relations with dishonest or unethical contractors and to protect the public interest.

When a contractor is suspended or debarred, the agency must notify the contractor and specify the basis for the action. In either case, the name of the contractor is placed on the GSA Excluded Parties Listing System (EPLS). This list precludes the contractor from receiving government contracts and prevents agencies from soliciting offers from or consenting to subcontracts with the contractor.

Suspension and debarment have very real and serious consequences on contractors, and federal agencies regularly impose both. In upcoming months, we will explore these and other issues regarding suspension and debarment. Stay tuned!

The FAI/DAU February seminar will address the topic of suspension and debarment. For more information, please contact barbara.plevelich@gsa.gov or visit www.fai.gov. ■

FACE Awards Opportunities

The Federal Acquisition Conference and Expo to be held June 2-3, 2004 at the Hyatt Regency Crystal City, Arlington, Virginia will feature several awards for outstanding acquisition professionals presented at a dinner on June 2.

The awards include the Ida Ustad Award for Excellence in Acquisition which honors the late Deputy Associate Administrator for Acquisition Policy in the Office of Governmentwide Policy, General Services Administration (GSA). Ms. Ustad earned a well-deserved reputation throughout the federal government and with private industry for providing expert acquisition and procurement advice. The Ida Ustad Award is a \$5,000 award presented to a government employee who embodies the "contract specialist as business leader/advisor" concept. For more information on the Ida Ustad award, please contact Beverly Cromer at 202-501-1448 or beverly.cromer@gsa.gov.

The Procurement Round Table will present the Elmer Staats Award for Young Acquisition Professional Excellence, a \$5,000 award given to a young federal acquisition professional who makes significant contributions to acquisition operations or policy. To be eligible for the award candidates must have made a noteworthy contribution to acquisition operations or policy within 18 months of the due date for nominations; have at least five years of civil or military service as a contracting officer, contract specialist, procurement analyst, or purchasing agent; and be no more than 37 years of age as of the due date for nominations. For more information on the Elmer Staats award, please contact Paul Denett at 703-558-3055 or pdennett@esi-intl.com.

An additional FACE conference will be held June 22-23, 2004 in Dayton, Ohio at the Dayton Marriott. For more information on the conferences, please visit <http://www.fai.gov/cone/face2004.htm> or contact Tara Van Atta at tara_vanatta@sra.com. ■

Green Purchasing *(continued from page 5)*

Affirmative procurement programs. Every federal agency is required to have an affirmative procurement program to purchase the EPA-designated products. Agencies are also required to report to the Office of Federal Procurement Policy (OFPP) and the Office of the Federal Environmental Executive (OFEE) about their purchases of the EPA-designated products. OFPP reports to Congress every two years, and OFEE reports to the President on agencies' compliance with the buy-recycled requirements.

As part of their affirmative procurement programs, agencies are required to conduct an annual review of their program. Until recently, most agencies were not implementing the annual review requirement. However, agencies are now required to report to OFPP and OFEE about their auditing of their programs and trends in compliance and non-compliance. In particular, agencies will be assessing their Federal Procurement Data System (FPDS) data to look for compliance and trends in non-compliance.

Where to buy green. Recycled content products are available from the General Services Administration, the Defense Logistics Agency, JWOD organizations, Federal Prison Industries, and commercial sources. In addition, there are approximately 2,000 small, minority-, and women-owned businesses listed in PRO-Net, the Small Business Administration's database, as offering the EPA-designated recycled content products.

Several federal facilities are now contracting with office supply companies to develop green product catalogs and to report on purchases of recycled content products. At least one facility has a substitution policy, under which the office supply contractor automatically fills orders for non-recycled content products with recycled content products. EPA recently completed a report on buying green on-line, which we will discuss in a future column.

Warranty issues. There is a common perception that the use of recycled content products in equipment will void the equipment warranties. This is not correct. The use of re-refined lubricating oil, for example, will not void vehicle warranties as long as the oil meets the American Petroleum Institute oil grades for that vehicle – and the re-refined oils available in the marketplace today to meet those oil requirements. Similarly, the use of remanufactured toner cartridges will not void equipment warranties. For more information on warranty issues, visit OFEE's web site, www.ofee.gov, and click on the Green Purchasing button.

Progress to date. After a slow start, the federal government has made tremendous progress in buying recycled content products. Between 1992 and 2001, the six largest procuring agencies plus the Postal Service spent \$3.6 billion on the EPA-designated products. Our actual purchase volume is probably larger, but we cannot capture data on the expenditures made to buy these products with purchase cards or as part of support services contracts.

For more information about EPA's CPG program, including the list of products, EPA's recycled content recommendations, technical information, and lists of product sources, visit EPA's CPG website, www.epa.gov/cpg. Additional information is also available on OFEE's website, www.ofee.gov, under Green Purchasing. ■

WDOL.gov launch *(continued from page 4)*

Since 1992, NTIS has worked closely with DOL to make wage determination information available online through sites they maintained and hosted. With the launch of WDOL, this data will be available on a single website with easy access to Labor wage determinations for both the federal government and the public. Prior to 1992, a request for Wage Determination could take from 60 days to up to 6 months — plus the request could only be initiated by regular mail. This was a time when service contracting accounted for 53 percent of executive agency procurement expenditures and there were in excess of 60,000 requests for wage determinations annually.

"As an e-government initiative, WDOL.gov combines a number of individual agency-dedicated websites into one site, making information available quickly and easily. There is a streamlined appearance, a user-friendly help guide, and a series of questions to direct the user to the correct wage determination - all with a single click," said Tammy D. McCutchen, administrator of the Wage and Hour Division.

WDOL is a key step towards accomplishing President Bush's e-government goals of making it easier for citizens to obtain services from and to interact with the federal government. WDOL and similar e-government initiatives are improving government efficiency and effectiveness as well as its responsiveness to its citizens.

Access to WDOL is open to the entire federal contracting community (agencies, contractors, labor organizations), and to the general public.

For more information, contact Lisa Cliff, IAE Communications Department, <http://egov.gsa.gov>. ■

We thank guest authors for their contributions and views and present these as part of Federal Acquisition Insight for our readers' information

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