



NATIONAL CONTRACT MANAGEMENT ASSOCIATION

Emerging Trends in Contracting and What's New in NCMA

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Business Success Through Contract Management Excellence



The Acquisition Workforce Has Changed

- Years of downsizing (1990's)
- Human capital strategies have not kept up with evolving demand
- Different set of expectations, e.g. business advisor
- Evolving gap in replacing the retiring professionals
- Inadequate investment in training



The Nature of What Government Buys Has Changed

- Offloading simple transactions
- Larger, more encompassing services
- Complex IT, communications, and weapons systems
- Accelerated fielding to serve the war fighter
- Emphasis on logistical support



The Working Conditions Have Changed

- Compelling urgency – everything is accelerated in fight against terrorism
- Doing business in the battle space
- Deployment of personnel leaves home force shorthanded
- Unprecedented level of support needed for hurricane Katrina response
- Constant threat of oversight and second-guessing decisions
- High media attention



The Acquisition Rules Have Changed

- Years of acquisition reform (1990's)
- Commercial items and complex services
- Larger task orders with less transparency
- Organization conflicts of interests
- Interagency contracting
- More outsourcing (competitive sourcing)
- Expanded socio-economic programs
- Buy American and Buy America



The Supply Base Has Changed

- Industrial base consolidation
- Partnerships and teaming
- Global competition has increased
- Strategic sourcing
- More eBusiness
- More competition at 2nd and 3rd tier
- Increased OCI challenges



This All Adds Up To Risk!

- There is more work, it is more complex, and it must be acquired faster than ever.
- Workforce downsizing, expert class retiring, while expectations and oversight increases.
- Rules are more flexible, actions are less transparent.



1. The Federal acquisition workforce remains a major challenge.

- Shortage of skilled labor is not unique to our profession, industries or employers.
- Cannot replace 'brain drain' fast enough.
- Workload will remain.
- Training funds get cut routinely.
- Alternative workforce solutions required.
 - Eliminate barriers to hiring external candidates.
 - Eliminate barriers to re-hiring annuitants.
 - Increase use of alternative work arrangements and compensation plans.
 - Increased telework.



2. The political pressures on the Federal procurement system will increase short term.

- Mission will not be reduced soon.
 - Replacing war equipment and materials.
 - Aging systems (refueling tankers, etc.)
 - Insatiable appetite for improved warfighting technologies.
- Dozens of contracting oversight bills in committees.
- Increased attention on blended or multi-sector workforce.
- Attention on GSA Administrator, SBA effectiveness, NASA IG, HUD Administrator, DHS acquisition organization and DoD systems acquisitions.
- New administration in January likely to focus on how Government does business.



3. Financial pressures will force discretionary budget reductions beginning in next five years.

- We spent less of our budget on defense in 2006 than in 1986 or 1966, as a % of GDP
- Discretionary spending is down from 67% in 1966 to 38% in 2006.
- Budget deficits of \$928 billion in 2006-2007.
- Rising entitlement (health care) costs is the main cause.

“Saving Our Future Requires Tough Choices Today”

GAO-07-739CG April 4, 2007



4. Regulatory changes likely:

- Reduce number of contracts awarded non-competitively.
- Enhanced competition for task orders.
- More OCI and new Personal Conflict of Interest (PCI) rules.
- Increase use of fixed-price contracts.
- Increase small business contracting goals.
- Restrictions on contracting with entities in tax default.
- Guidance on use of award fees.
- Emphasis on using hybrid contracts containing multiple incentive types.
- Restrictions on outsourcing, new requirements to in-source.
- Increase acquisition workforce development programs.



NCMA Strategic Objectives 2008-2009

- Develop the Next Generation of Contract Management Professionals
- Increase Professional Advocacy
- Reach More People in the Federal Contracting Community
- Develop professional standards



Develop the Next Generation of Contract Management Professionals

1. Introduce undergraduate students to the CM profession and involve them in NCMA by offering student memberships, student chapters, and student programs.
2. Increase the preparedness for candidates entering the CM workforce by increasing undergraduate programs containing CM and related curriculum, and by publishing a standard CM curricula and promoting the program to universities.
3. Accelerate the development of new professionals through a leadership development program.
4. Increase research and writing opportunities for new professionals and students through the Macfarlan program.



Increase Professional Advocacy

1. Improve perception of the contract management profession in industry, the government (including Congress), the press, and the general public, through an active public relations program.
2. Increase recognition of NCMA in industry, the government (including Congress), the press, and the profession, through an active public relations program.
3. Increase membership participation in advocacy activities through bilateral electronic communications and events.



Reach More People in the Federal Contracting Community

1. Expand the number of programs to serve the federal community, including education, certification, conference, publication, and other types of programs.
2. Increase communication and involvement of the senior executive cadre within the profession.
3. Utilize education partners, advertisers and corporate sponsors to reach new people in the federal community.



Develop Professional Standards

1. Baseline existing professional standards for government and industry organizations; benchmark standards and processes of other professions.
2. Reach consensus among stakeholders (chapters, BOA, BOD, academia) on Generally Accepted Contract Management Practices (GACMP).
3. Align professional standards and certification processes.



Communities of Practice

- Launched 2008:
 - Task, Delivery Order and Schedule Contracting (TDOS)
 - Small Business Contracting
 - Performance Based Acquisition
 - New Professionals
- Online features: e-courses, discussion forums, listservs, blogs, expert networks, e-newsletters, website, research archives
- Meetings at World Congress, new educational conference in January, quarterly magazines.
- New communities considered for 2009 include Business Development, Cost and Pricing, Construction Contracts.



What you can do.

- Lead by your actions.
- Be a “chief courage officer”
- Stay informed on the issues.
- Have opinions, and engage in the discussion.
- Participate in continuous learning.
- Demonstrate your competency by getting certified.
- Resist cynicism and skepticism.
- Participate in your NCMA chapter.

Engage in your profession!



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