

Connection



**APEX Accelerators Breaking
Through Barriers
to
Reach New Heights**

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Cover Photo: Vapor Cloud

An F/A-18F Super Hornet breaks the sound barrier during flight operations near the aircraft carrier USS Nimitz in the Pacific Ocean, June 18, 2023

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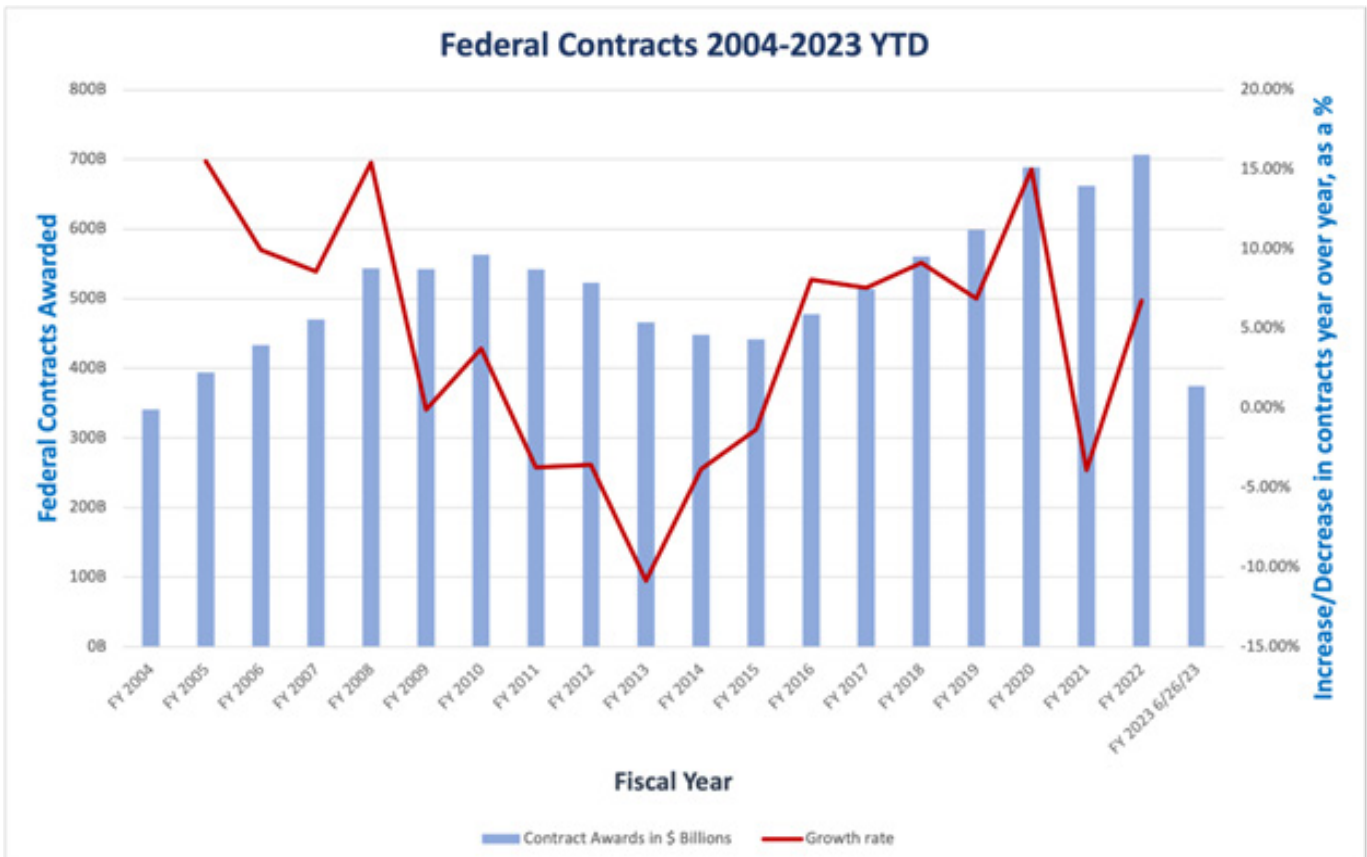
What Does the Federal Spend Data Tell Us?

Archisha Mehan, Head of Federal, Public Sector, GovSpend + Fedmine

Federal procurement is a complex and constantly evolving field, affected by budgets, but also current administration priorities, and technology natural disasters, wars, and even events such as the Covid-19 pandemic. Federal contract awards in FY 22 reached \$707B, the highest spend since FY 2004 when federal contract awards were at \$341B. It has been interesting to see the increase in spend since FY 16, but I was certainly surprised when the federal contracts awarded reached a high of \$707B! While the pandemic absolutely contributes to the increased spending I wonder if we will see a “correction” in the coming years.

Federal Contracts Awarded

An analysis of the total federal contracts awarded since FY 2004 in dollars obligated and the year-over-year percent growth show a simple average growth of 4.17% over the last 19 years. The effects of the American Recovery and Reinvestment Act can be seen in FY 2009/10, and the effect of sequestration can be seen in FY 2013 which saw a drop of 10.84%. Contracts awarded under the Covid National Interest Action (NIA) code from FY 20 account for some of the growth during the past three fiscal years, however, we see no awards in FY 23 under this NIA.



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The war in Ukraine and the support provided by our government has led to the creation of a Ukraine Mission Support NIA code with \$432.5M contracts awarded under this NIA.

Small Business Spend, Set-Asides, and Sole-source awards.

The FAR (Part 19) clearly states that the government will provide “maximum practicable opportunities” to small businesses. The US Small Business Administration works with federal agencies to award 23% of the prime contract dollars to eligible small businesses.

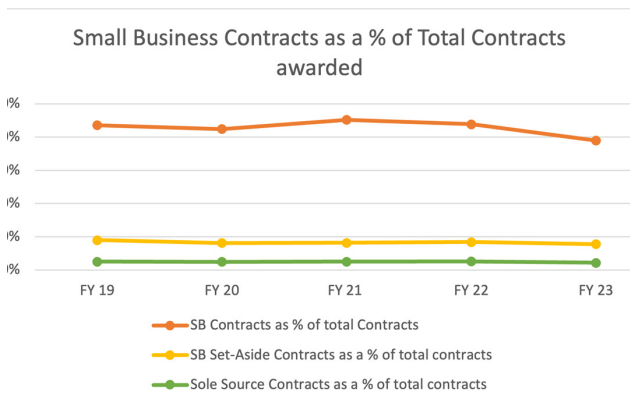
So how are we doing in terms of contracts awarded to small businesses? What about the small business goals? A couple of things to remember:

- It is the contracting officer’s determination if an awardee is a small business for that specific award/ procurement.
- The US SBA has in place guidelines to calculate agency goals based on exclusions.

In terms of contract dollars approx. 22% of the contracts get awarded as small business contracts.

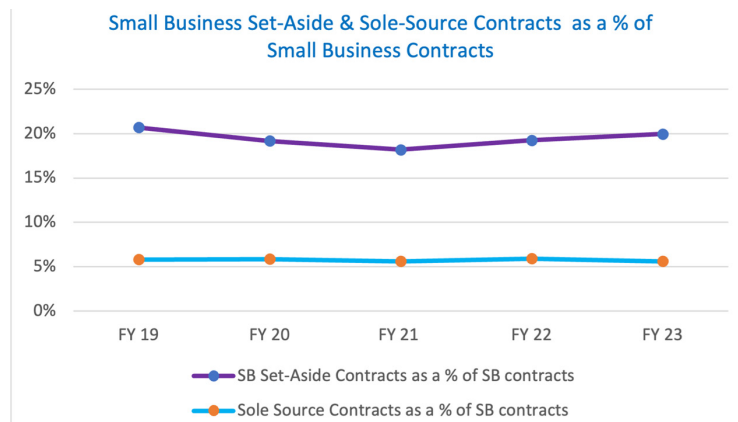
Small Business Contract Analysis					
	FY 19	FY 20	FY 21	FY 22	FY 23
Total Contracts	\$ 599.11	\$ 688.99	\$ 662.07	\$ 706.35	\$ 378.32
Small Business Contracts	\$ 130.59	\$ 146.16	\$ 149.59	\$ 154.97	\$ 73.72
Small Business SetAside	\$ 27.03	\$ 28.02	\$ 27.21	\$ 29.81	\$ 14.72
Sole Source Contracts	\$ 7.59	\$ 8.56	\$ 8.38	\$ 9.15	\$ 4.13

Source: Fedmine's Analysis of FPDS data. Spend in \$Billions.



When we analyze the contracts that are awarded as Small Business Set-Aside and Sole-Source to the total contracts awarded, less than 5% of the total contracts are SB Set-Aside, and less than 1.3% of contracts are sole-sourced.

Comparing the sole-source and set-aside contracts to small business contracts, much to my chagrin, we see a relatively small percentage that is actually being set aside as small business, and less than 6% of the small business contracts are awarded as sole-source contracts.



Mod 0 Contracts					
	FY 19	FY 20	FY 21	FY 22	FY 23
Total Contracts	\$ 599.11	\$ 688.99	\$ 662.07	\$ 706.35	\$ 378.32
Mod 0 Contracts	\$ 256.36	\$ 290.60	\$ 280.32	\$ 306.98	\$ 125.31
Mod 0 Contracts as a % of Total Contracts	42.79%	42.18%	42.34%	43.46%	33.12%

Source: Fedmine's Analysis of FPDS data. Spend in \$Billions.

Fiscal Year	Total number of companies	SB Companies	OTSB Companies	First timers
2019	125,785	90,901	47,762	12,759
2020	122,634	88,539	46,656	13,062
2021	117,613	84,231	45,085	11,727
2022	111,591	80,497	42,575	10,909
2023	86,374	61,689	31,788	5,813

Tracking the new entrants into government contracting is important to ensure a strong small business base. Sadly the data indicates a decline in the first-timers winning federal contracts.

Geographical Distribution of Companies

A quick look at the geographical data clearly indicates that the top five states account for more than half of the federal contracts awarded.

No	States	Dollars Obligated Aggregated, Actual Figures									
		2023	%	2022	%	2021	%	2020	%	2019	%
1	VA - Virginia	\$65,632,167,673	17.78 %	\$117,583,213,616	17.09 %	\$111,131,385,814	17.12 %	\$108,938,181,821	16.11 %	\$98,209,724,777	16.74 %
2	CA - California	\$34,277,626,424	9.28 %	\$64,566,669,694	9.38 %	\$57,207,439,832	8.81 %	\$58,703,429,959	8.68 %	\$65,238,802,319	11.12 %
3	TX - Texas	\$37,626,635,908	10.19 %	\$63,441,581,849	9.22 %	\$52,388,224,216	8.07 %	\$85,429,196,234	12.63 %	\$53,202,279,480	9.07 %
4	MD - Maryland	\$21,977,648,020	5.95 %	\$53,728,618,513	7.81 %	\$47,320,988,519	7.29 %	\$45,668,624,896	6.75 %	\$37,575,509,642	6.40 %
5	NY - New York	\$10,581,902,247	2.87 %	\$32,785,599,290	4.77 %	\$33,430,841,853	5.15 %	\$15,647,606,597	2.31 %	\$13,306,875,655	2.27 %

Top Spend Categories

Looking at federal spending based on GSA’s categorization of PSC codes allows us to quickly understand the products and services that the federal government is acquiring through contracts. The top five categories account for a little more than 60% of the total contract awards. Facilities & Construction typically account for 16% of total spend. In FY 21 we saw Medical in the top five categories.

Category Spend						
Categories	FY 2022		FY 2021		FY 2020	
	Total	%	Total	%	Total	%
Facilities & Construction	\$119.07B	16.85	\$102.13B	15.43	\$110.06B	15.97
Professional Services	\$107.17B	15.16	\$102.85B	15.54	\$90.70B	13.16
Aircraft, Ships/Submarines & Land Vehicles	\$57.62B	8.15	\$56.80B	8.58	\$90.50B	13.13
Research and Development	\$64.52B	9.13	\$62.61B	9.46	\$67.77B	9.83
IT	\$74.90B	10.6	\$70.79B	10.69	\$76.45B	11.1
Medical	\$97.53B	13.8	\$95.88B	14.48	\$70.14B	10.18
Transportation and Logistics Services	\$37.93B	5.37	\$29.60B	4.47	\$28.56B	4.14
Sustainment S&E	\$33.07B	4.68	\$29.02B	4.38	\$34.31B	4.98
Equipment Related Services	\$24.56B	3.48	\$24.01B	3.63	\$24.39B	3.54
Weapons & Ammunition	\$26.95B	3.81	\$25.54B	3.86	\$33.86B	4.91
Industrial Products & Services	\$17.51B	2.48	\$17.28B	2.61	\$14.32B	2.08
Electronic & Communication Equipment	\$15.77B	2.23	\$14.27B	2.16	\$15.31B	2.22
Clothing, Textiles & Subsistence S&E	\$10.64B	1.51	\$11.71B	1.77	\$14.14B	2.05
Security and Protection	\$6.95B	0.98	\$7.48B	1.13	\$6.76B	0.98
Human Capital	\$4.70B	0.67	\$4.69B	0.71	\$5.23B	0.76
Travel & Lodging	\$2.42B	0.34	\$2.41B	0.36	\$3.20B	0.46
Office Management	\$2.02B	0.29	\$2.08B	0.31	\$2.00B	0.29
Electronic & Communication Services	\$1.01B	0.14	\$0.96B	0.15	\$0.57B	0.08
Miscellaneous S&E	\$0.74B	0.11	\$0.63B	0.1	\$0.75B	0.11
GRAND TOTAL	\$706.67B		\$662.00B		\$689.04B	

Note: Above categories are based of GSA categorization of PSC codes

IDIQs/GWACs/GSA Schedules

The use of vehicles and GSA schedules have increased over the years and is a trend we expect to see continue and grow. NASA SEWP accounts for 15% of the awards on vehicles.

Sr. No.	GWAC	Dollars Obligated Aggregated, Actual Figures									
		2023	%	2022	%	2021	%	2020	%	2019	%
1	+ NASA SEWP V (Solutions for Enterprise-Wide Procurement)	\$4,641,390,673	13.95 %	\$9,193,358,313	14.67 %	\$8,713,171,252	14.76 %	\$7,980,773,210	14.33 %	\$5,659,840,617	10.77 %
2	+ Alliant 2	\$4,476,767,891	13.46 %	\$6,156,141,695	9.83 %	\$4,188,127,825	7.09 %	\$2,183,378,120	3.92 %	\$678,333,452	1.29 %
3	+ Seaport-NXG (SeaPort Next Generation)	\$2,060,436,693	6.19 %	\$3,979,558,920	6.35 %	\$2,387,491,419	4.04 %	\$1,020,493,720	1.83 %	\$146,714,357	0.28 %
4	+ OASIS Unrestricted POOL 1 (OASIS)	\$2,495,358,001	7.50 %	\$3,847,889,131	6.14 %	\$3,310,293,667	5.61 %	\$2,438,430,344	4.38 %	\$2,057,233,909	3.92 %
5	+ CIO-SP3 (Chief Information Officer - Solutions and Partners 3)	\$1,856,588,198	5.58 %	\$3,550,342,730	5.67 %	\$3,512,443,512	5.95 %	\$3,405,724,908	6.12 %	\$3,265,114,887	6.22 %
Grand Totals		\$33,272,114,728		\$62,655,939,937		\$59,033,053,446		\$55,677,429,675		\$52,532,275,705	

We also are seeing the increased use of GSA Schedules across the federal government, a trend we expect will continue.

Dollars Obligated Aggregated, Actual Figures				
2023	2022	2021	2020	2019
\$34,022,848,939	\$54,998,914,256	\$50,284,448,856	\$48,147,528,091	\$42,970,238,301

Other Transaction Authority (OTA) Contracts

Today's world requires the government to focus on technology, cybersecurity and of course artificial intelligence. We have seen the use of OTAs increase over the past years from \$1.6B in FY16 to \$11.03B in FY22. Interesting to note that only 1,237 companies are winning these contracts in FY 22, and one company accounted for 29% of these awards. OTAs are unique in that there are no NAICS codes and are not subject to size standards. This can create an uneven playing field for small businesses.

So, what does the federal spend data tell us?

- 1. It is difficult to be a small business. We yet struggle to increase the small business contracts over the 23% target. The use of set-asides and sole-source contracts which could help small businesses, is minimal.
- 2. The increased use of IDIQs/GWAC, OTAs, and GSA schedules, a trend that is expected to continue makes it difficult for companies that are not on these contracts to succeed.

- For the federal government, the erosion of the small business base poses significant challenges to our economic growth and innovation
- The fall in the number of First-Timers is indicative of the difficulty in navigating the contracting process, compliance, and administrative requirements which can be challenging and time-consuming
- A possible correction that could lead to a decrease in federal contracts
- Understanding the spending categories can help companies create their strategy

There is no doubt that the government is aware of what the data indicates. The President's Management Agenda, OBM memorandums M-22-03, M-23-11, and M-23-01 are steps in the right direction. The increased use of technology, data analytics, and a growing interest in streamlining procurement processes and reducing the administrative burden should help increase small business participation.

Notes:

*Data Source: Fedmine's analysis of FPDS procurement data
Reports were run the week of June 26, 2023*

Training Opportunity
4th Friday Webinar Series
August 25th 2023 Noon EST

National PTAC/APEX Accelerator Day **How to Make the Most of the **October 12th** Day**

Register in Advance

After registering, you will receive a confirmation email containing information about joining the meeting.

Questions?

Contact Tiffany Scroggs

programmanager@washingtonptac.org

[Coming Soon 2023 Updated Tool Kit](#)

CMMC Challenges and Best Practices

By Joy Beland, Summit 7 - June 30, 2023

The road to Federal cybersecurity readiness is fraught with peril for contractors.

As a CMMC Authorized Provisional Assessor (now CCA) and Provisional Instructor focused on bringing contractors from zero to ready over the past few years, I've developed consultant ecosystems, educational content and technical solutions that make sense under the lens of a small business budget. Considering the mass under-preparedness of contractors in the Defense supply chain, I am hoping the following challenges I have outlined can be mitigated with the sharing of some tips, best practices and resources.

One would think that six years is a large enough window for small businesses in the Defense Industrial Base supply chain to implement NIST SP 800-171 at their appropriate Level 1 (Federal Contract Information) or Level 2 (Controlled Unclassified Information) requirements. DFARS 252.204-7012 first started appearing in contracts in 2016 with the deadline for full implementation by Dec 31, 2017. Six years past the deadline, many SMBs (Small and Medium Businesses) are still struggling with what this implementation of security controls means, how to integrate it into their administrative, technical, and physical processes, and who is responsible for it.

For the average five-to-fifty person business, the full implementation of NIST SP 800-171 is a laborious and expensive undertaking. Those who reach out to their local PTAC or APEX Accelerator provider likely experience relief knowing they can get started on the journey and obtain access to great resources. But let's face it – the resources provided by the DoD and Federal Government such as the MEP program, PTAC program, Project Spectrum, and the DIB CS unit are not going to get the average contractor very far into their readiness journey. Furthermore, their gap analysis will likely result in a Plan of Action and Milestones (POA&M) that is discouraging at best.

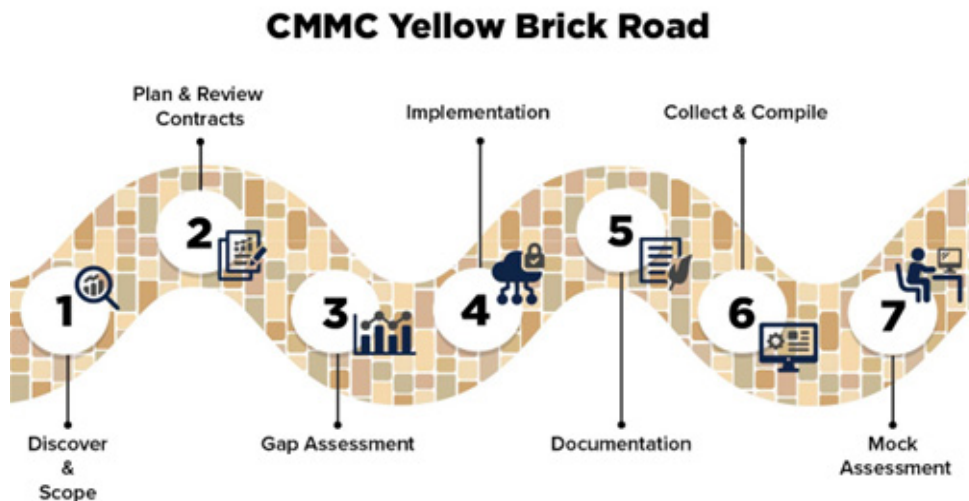
Another layer of complexity stems from contractors' difficulty in qualifying data they receive and process as CUI (Controlled Unclassified Information). Primes and the DoD are notorious for over marking data as CUI, adding DFARS 7012 flow-down unnecessarily in their RFPs and contract awards and leaving old FOUO markings on data that should have been updated. How can the contractor design a scope for the NIST 800-171 implementation when there is so much uncertainty around the designation of CUI and flow of the sensitive data?

Given the size of most of these contractors, it is common to outsource their IT and cybersecurity needs to a Managed Services Provider (MSP) who may or may not understand the complexity of NIST SP 800-171 and have the skills, tools, and maturity needed to provide implementation guidance and services to their clients. But the contractors have typically worked with their MSP for years, sometimes decades, and have inherent trust in that relationship. Without knowing what good looks like, contractors are being led blindly down a dangerous path of non-compliance.

And don't even get me started on the number of vendors that claim to have the magic bullet or "CMMC In a Box" solution that will bring a contractor into NIST 800-171 compliance in a matter of days.

Alarming, this six-year extension on the requirement (which now includes the potential for a third-party assessor validating a contractor for NIST SP 800-171 implementation under the upcoming CMMC ruling) does not accurately reflect the critical urgency to secure sensitive technical data in our Nation's supply chain. Most contractors don't realize the critical urgency to protect their Intellectual Property (IP) and sensitive technical data (categorized as CUI) – which is required by the DoD. Commonly, the organizations we work with have not properly funded or resourced a cybersecurity program to address the most basic security safeguards. So, starting from square one is kind of like standing at the bottom of a pyramid and knowing you are preparing to sprint to the top in one take – and on a tight deadline and budget constraints to reach the top. It's intimidating, frustrating and confusing.

The most important thing for a contractor to understand in their CMMC journey is that the program needs to be championed and resourced from the top down. It is a big undertaking that will not survive without proper ownership, accountability, project management, staffing, and technical resources. The journey from A to Z is time consuming and will impact many business units within the organization. On average, we see the implementation taking between twelve and eighteen months to be ready for a third-party assessment of the controls. CMMC and NIST SP 800-171 implementation is no joke; the entire purpose is to protect the confidentiality of data, and without leveraging the proper skills, expertise, and technology, sensitive data and intellectual property will continue to be exfiltrated from the supply chain into the hands of our adversaries – and all breaches are reportable under DFARS 252.204-7012.



If I were to map out a Yellow Brick Road, I would designate the **first** steppingstone as understanding what CUI the contractor has in their environment (physical and digital; across all sites) and how it flows in, through, and out of their business. I'd designate the **second** steppingstone as focusing on understanding the contract language requirements that include implementation of NIST SP 800-171 in their environment, as well as expectations from their primes. I add the primes perspective as we are seeing a few of them notify their supply chain to be ready for CMMC Level 2 even if the contractors are not currently seeing DFARS 252.204-7012 in their contracts.

These first two steps will help determine not just the scope of the control implementation (i.e., every server or only one of them; do we include mobile devices; how do we handle the CNC machine that runs off a Windows XP Machine, etc.) but additional dissemination controls that may be required (i.e., US Citizens only; logical separation of sites in other countries for data access, etc.). The scope of a CMMC boundary can add or subtract incredible amounts of monetary commitment based on the size and complexity of the implementation. Therefore, it is imperative that the contractor get the scoping right.

Based on this scope, the **third** steppingstone would be a gap assessment to understand which of the 110 controls (incorporating the Assessment Objectives found in NIST 800-171A for a total of 320 expanded controls) are implemented or “Met,” which are not implemented or “Not Met,” which are Not Applicable, and which are inherited or performed by a Cloud Service Provider (CSP) or MSP. This can be a tricky step for contractors who are working with consultants, as I’ve seen incredibly good, detailed gap assessments and I’ve seen reports that lack the Assessment Objectives (too high level to be helpful) or inaccurate interpretation of the controls applied to the in-scope assets. This gap assessment report is meant to serve as the guideline for what needs to be done to bring the contractor into compliance. If the gap assessment is wrong, there is a huge potential for the contractor to waste money on solutions that are not comprehensive enough or do not fit well with a broader set of assets.

The output of the gap assessment should include a detailed Plan of Action and Milestones (POA&M) which is prioritized and grouped according to control implementation. This becomes the plan for the organization to add in potential solutions, budget for costs, and establish timelines and accountability for each control. From here, the **fourth** steppingstone would be implementation. Knowing there are many approaches to what is likely an IT and process overhaul, I have a recommended method:

Start by involving the business unit leaders that will be impacted by new controls and have them contribute perspective on the governing policy and associated processes that will support those controls. Remember, stakeholder buy-in is key. If the business unit leader is invested in the successful rollout of the new controls, they will champion the right training for their staff.

You’ll likely want to add in a technical writer or consultant that can capture and guide the documentation process as the controls are implemented. Documentation requirements for NIST 800-171 are extensive. The rule of thumb is you will state how you will address any given family of controls or domain in a written policy. You will implement the policy through technical solutions and administrative processes which should be referenced in the policy. You can then generate artifacts (reports, print screens, process documentation) that demonstrate you are performing the capabilities as outlined in the processes and policies.

Educating staff throughout the implementation of the new controls and processes will be helpful to the overall success of the program. Training is often the least expensive part of CMMC and NIST 800-171 and yet integral to the employees and 1099 contractors incorporating the new controls in their workflow. Remember, the hands-on people who work with CUI will be the ones the CMMC assessors want to talk to – so don’t leave them out of the planning and training phases.

The **fifth** steppingstone will now incorporate the documentation that is being developed as part of the program and compile it into a working System Security Plan (SSP), as well as the generation of a Shared Responsibility Matrix (SRM) outlining who is responsible for what between the contractor and their MSP or CSP or both (if applicable). The SSP will be viewed as the guiding reference point for all things NIST 800-171, and a CMMC assessor will expect it to be highly detailed.

The **sixth** steppingstone brings a portal or repository into play, allowing the contractor to store all program documentation, artifacts, and project plans in one place. Ideally, the CSP FedRAMP moderate package and the FIPS 140-2 certificates for encrypted modules will be in the repository as well.

The **seventh** (and last) step before calling a C3PAO (CMMC Third Party Assessment Organization), if required, will be undergoing a mock assessment. C3PAO assessment of your CMMC status is expensive, so making sure every T is crossed and I is dotted before they walk in the door will go a long way.

Each of these steps has been briefly explained, but as you might expect, there is a lot of nuance and detail that comes with it. The exact timeline or flow of the steps may vary based on the existing infrastructure and resources. I'm now going to outline some quality resources that I've compiled over the last three years; I hope these are helpful to you.

As an APEX Accelerator, if you are working with contractors in the Defense Industrial Base, please feel free to reach out for more information or to add resources to the list. At Summit 7, we serve only the Defense Industrial Base, and we pride ourselves in community education and the highest quality CMMC solutions. We are here to serve you as their APEX Accelerator.

DoD Resources:

CMMC Overview: <https://dodcio.defense.gov/CMMC/>

CMMC Documentation (Model, Scoping Guide, Assessment Guide) <https://dodcio.defense.gov/CMMC/Documentation/>

DIBCAC Assessment Information: <https://www.dcms.mil/DIBCAC/>

The CYBER AB Resources:

The CMMC Ecosystem: <https://cyberab.org/CMMC-Ecosystem/What-is-the-Ecosystem>

CMMC Marketplace: <https://cyberab.org/Catalog#!/c/s/Results/Format/list/Page/1/Size/9/Sort/NameAscending>

Summit 7 Resources:

CMMC 2.0 Implementers: <https://www.summit7.us/cmmc-2.0-dib>

<https://www.linkedin.com/in/joy-belinda-beland/joy.beland@summit7.us>

Welcome New APTAC Members

Gideon Jagrub

Julia Krivoruk

Tori Stoner

Jordan Cabellero

Jared Wiegand

Brittany Cooper

Virgin Islands APEX Accelerator

Washington State APEX Accelerator

Washington State APEX Accelerator

Monterey Bay APEX Accelerator

Monterey Bay APEX Accelerator

West Michigan APEX Accelerator

This publication is dedicated to you and all of our members who work hard to help small businesses succeed. You are a key part of maintaining and enhancing the American Economy.

Foreign Ownership, Control, or Influence Remains Hot Topic in Federal Contracting

Ian Patterson,
Schoonover & Moriarty Law Firm



“**M** really doesn’t mind you making a little money on the side, Dryden. She would just prefer it wasn’t by selling secrets,” quips James Bond at the beginning of the 2006 film, *Casino Royale*. Like our English colleagues, the United States government also takes safeguarding its secrets seriously and recognizes federal contractors expose a potential weakness.

Driven by concerns about Russia and China gaining access to classified information or technology through contractors, this decade (1) has seen the expansion of Foreign Ownership Control or Influence (“FOCI”) reporting and mitigation efforts. FOCI refers to situations where “a foreign interest has the power . . . to direct or decide matters affecting the management or operations of that company in a manner which may result in unauthorized access to classified information or may adversely affect the performance of classified contracts.” (2)

The 2020 National Defense Authorization Act instructed the Department of Defense (“DoD”) to improve reporting by contractors and subcontractors. (3) The objective was to improve reporting and mitigation efforts to prevent foreign ownership from using the contracting base to obtain state secrets. The DoD complied with this mandate by publishing new a regulation establishing reporting requirements and possible mitigation measures. (4)

DoD’s FOCI regulations do not prohibit foreign investment in United States companies. Rather, the FOCI regulations identify situations where mitigation measures may be necessary to adequately protect sensitive information. Mitigation strategies authorized by the regulation include agreements that limit access of foreign interests to classified information, or conveying some or all rights of the foreign owners to proxy holders that are cleared United States citizens. (5)

Successful mitigation of FOCI concerns is necessary for government contractors to obtain and/or maintain facilities security clearance. It may also impact contractor responsibility determinations.

The identification of FOCI continues to be a hot topic for Congress. The 2023 NDAA requires the Secretary of Defense to develop a demonstration program for commercial due diligence programs to “support small businesses in identifying attempts by malicious foreign actors to gain undue access to, or foreign ownership, control, or influence over the small business, or any technology a small business is developing pursuant to a contract or other agreement with the Department of Defense.” (6) The demonstration program should identify one or more vendors capable of supplying tools to assist small businesses with combating FOCI issues, as well as further develop of processes and procedures to reduce FOCI risks. The demonstration program should be in place no later than December 31, 2027.

In light of the continued attention FOCI identification and mitigation is receiving from Congress, it is likely FOCI will be an area of significant regulatory change in the coming years. So, while federal contractors don’t need a license to kill, they will continue to play an important role in combatting espionage.

References/Footnotes

1. H.R. Rep. No. 116-333, 1308–09 (Dec. 9, 2019) (Conf. Rep.).
2. Foreign Ownership, Control or Influence, Defense Counterintelligence & Security Agency (last visited June 22, 2023), available at <https://www.dcsa.mil/Industrial-Security/Entity-Vetting-Facility-Clearances-FOCI/Foreign-Ownership-Control-or-Influence/>.
3. National Defense Authorization Act for Fiscal Year 2020, Pub. L. No. 116-92, § 847, 133 Stat. 1198, 1505 (2019).
4. 32 C.F.R. § 117.11.
5. See id. at § 117.11(d); Student Guide: Foreign Ownership, Control, or Influence (FOCI) Short, Center for Development of Security Excellence, 7–9 (2020), available at https://securityawareness.usalearning.gov/cdse/multimedia/shorts/foci/story_html5.html.
6. James M. Inhofe National Def. Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 875, 136 Stat. 2395, 2742–43 (2022) (cleaned up).

SCHOONOVER
+ MORIARTY
LLC

Region 9 2023 Projects Showcase

from Chuck Spence **Utah APEX Accelerator**

1. April 12th - Utah APEX hosted a Federal Lands Management Outreach. We had representatives from NPS, BLM & USFS present on opportunities in their agencies.
2. May 2nd - Utah APEX gave a presentation to Senator Romney's staff about the changes to our program and working with them on rural outreach.
3. May 5th - Utah APEX sponsored our Veteran Owned Business Partnership Conference. An all day event with speakers, exhibitors and breakout sessions, including one from APEX.
4. May 11th - Utah APEX hosted the Northrop Grumman "Strategic Teaming Alliance Roundtable" (STAR) event, featuring speakers from Hill Air Force Base, APEX and SBLO's from NGC.
5. May 23rd - Utah APEX participated in the Utah Advanced Materials and Manufacturing Initiative (UAMMI) Aerospace/Defense Conference. APEX was one of the speakers and exhibitors.
6. June 9th - Utah APEX will participate in the University of Utah Vendor Fair
7. June 21 - Utah APEX will be giving a 40 minute presentation at the "How to do Business with Salt Lake City" Lunch & Learn event.
8. July 18th - Utah APEX will participate with SBA in a Business Bridge Workshop entitled "Aerospace & Defense Contracting." APEX will do a breakout session.
9. October 25th - Utah APEX Annual Symposium

We've also sponsored smaller Workshops on GSA and USACOE Quality Construction Management training.

from Deanna Langman **Montana PTAC Big Sky Economic Development Authority**

1. Doing Business with the Department of Navy. This event is taking place on August 9th in conjunction with Navy Week in Billings. The flyer is tentative because registration is not yet open. We are awaiting confirmation from SBA and some of the other agencies so we will be modifying the flyer before it goes public.
2. MT APEX Accelerator will continue to support Northrop Grumman's virtual, "Strategic Team Alliance Roundtable (STAR) meetings. The purpose of the meetings is to highlight federal contracting opportunities and subcontracting opportunities with Northrop and other primes. The STAR meetings also touch on the U.S. Air Force Sentinel Project to upgrade/replace the aging Minute Man III missile systems and supporting infrastructure.

TIP for Program Managers - Recently, our MT APEX team held its bi-annual meeting to discuss upcoming metrics, client issues and other contracting subjects. To have a little fun and learn at the same time, we played "Government Contracting Trivia." It was enlightening and revealing at the same time. It is an interesting teaching tool that generates a bit of self-reflection and professional development accountability among the group

MT APEX Accelerator is holding a monthly series, “Move Beyond SAM.” The workshop is designed to help companies develop a focused market strategy for the government segment once they have completed required registrations such as SAM, State of Montana, etc.

Topics Include:

- Federal and State of MT purchasing thresholds
- Conducting market research
- Federal purchasing vehicles (methods)
- Where to find opportunities and how to get automatic notices
- Marketing your business to government agencies
- Tips on finding subcontracting opportunities
- Q & A session

June 8-9 - USDA Forest Service/CO APEX Industry Day for wildland fire asset rentals

June 22 – Participating in Dept of Interior Bipartisan Infrastructure Law and Inflation Reduction Act Industry Day. Denver, CO.



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NAVY WEEK BILLINGS, MT - 'Doing Business with the DON' Small Business Workshop facilitated by



Mr. Dave Walz

Deputy for Small Business Program
Naval Undersea Warfare Center Division, Keyport

followed by a Montana APEX Accelerator GovMatch (Matchmaking) Event featuring various agencies



from Patrick McGlew

Colorado PTAC

April 4 - Bootcamp for Business: Presented to Catalyst Campus Incubator cohorts.

April 14 - Aurora Chamber, Diversity, Equity & Inclusion Council Event

April 26 - Participated in Cities Summit of the Americas, Denver, CO. Bringing together government, business, academia, arts, indigenous people, and underrepresented groups.

May 3 - Participated in Southwest Colorado Small Business Conference. This event attracts hundreds of professional business owners who represent all sectors of the business community, including corporate, government, public agency, and non-profit.

May 23 – Doing Business With Western Area Power Administration. Learn how WAPA procurement professionals obtain the best value supplies, services, equipment, and construction services.

May 24 - Steps to Get to CMMC Level 3 (PART 1 of 6)

Week #1 - “Kickoff, AC, AM & AT Practices” 17 Capabilities Domains Practices Distribution AC - Access Control
AM - Asset Management AT- Security Awareness and Training

Week #2 - “AU & CM Practices” AU - Audit and Accountability CM - Configuration Management

Week #3 - “IA, IR, and MA Practices” IA - Identification and Authentication IR - Incident Response MA -
Maintenance

Week #4 - “MP, PS, and PE Practices” MP - Media Protection PS - Personnel Security PE - Physical Protection

Week #5 - “RE, RM, CA, SA & SC Practices” RE - Recovery RM - Risk Management CA - Security Assessment SC -
System and Communications Protection

Week #6 - “SC & SI Practices, Closeout” SC - System and Communications Protection SI - System and
Information Integrity Next Steps Course Closeout

SI - System and Information Integrity Next Steps Course Closeout

June 8-9 - USDA Forest Service/CO APEX Industry Day for wildland fire asset rentals (Flyer attached)

June 22 – Participating in Dept of Interior Bipartisan Infrastructure Law and Inflation Reduction Act
Industry Day. Denver, CO.

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Sponsor Highlight

Thanks to Bank of America for agreeing to sponsor the Reception at the 2023 APTAC Fall Conference in Washington, D.C.

Purchasing Cooperatives – Great Starting Point for Clients with No Govcon Experience

By: Robert Marraro, CPM, CPP



You see the intake form arrive and from the information the client provided, it is hard to tell whether government contracting is a good fit for them. During the first meeting, you ask why they are interested in wanting to do business with the government, if they have any past experience and then wait for the answer you know is coming.

As APEX Accelerators advisers, this happens too often but is a challenge that can be overcome. When you run into this, what are your usual recommendations and how successful have they been? Do you ever wish there were other options your clients could take advantage of to get them started down the path to success?

Meet the mighty purchasing cooperative -- the best-kept secret in govcon. They are an excellent source for your clients to obtain vital experience at the local agency level and start building their past performance history.

What is a purchasing cooperative?

The easiest way to understand them is to think about any other cooperative with which you might already be familiar: farmer, cotton, building (apartment, condominium), energy/power, etc. A purchasing co-op uses the same business model and is nothing more than a large buying group.

Think of a co-op like a super-Sam's Club, Costco or BJ's Warehouse. When you join one of these clubs, you buy a membership giving access to a large quantity of items at a discount. Purchasing co-ops work the same way: a group of members join by executing an Interlocal Agreement voted on by their governing body allowing the co-op to do business with them and on their behalf.

Co-op membership is mostly free, but some charge a fee (formula based on forecasted yearly total purchasing spend). Members include: school districts, religious-based schools, charter schools, colleges, universities, non-profit organizations, cities, counties, townships, utility and water districts, ports, public transit organizations and any other local agency that must follow state and federal procurement laws. This also includes some larger non-profit organizations. State agencies may choose to use a co-op as well but will typically use their Multiple Award Schedule if they have one instead.

Another way to think about it is the co-op is a matchmaker: a marketplace created to bring together buyers (members) and sellers (your clients) wanting to do business with each other. There are many members (hundreds to tens of thousands) that push much of their purchasing through a co-op and receive preferred pricing or discounts they would not normally receive. Any work done on a co-op contract counts toward your client's past experience since they can list the agency, project, etc. on their capability statement just like a subcontractor does.

There are a few nationally-based co-ops, but most tend to be regional and local to your area even though more than likely they serve members across the country.

How does a purchasing co-op work?

A wide array of goods and services are sold, but different co-ops carry differing items. Unlike NAICS and NIGP code industry identifiers, co-ops use generalized categories on which their bids and contracts are based – smaller ones offer only a few and bigger ones have up to 100. They range from consulting services to autos/trucks/busses and fuel to books and office supplies to hardware and software to construction and various trades/crafts. Some also offer construction Job Order (JOC) and Indefinite Delivery/Indefinite Quantity (IDIQ) contracts.

The co-op does all of the purchasing and procurement functions typically associated with traditional procurement vehicles: registering and vetting vendors, issuing bids, collecting and evaluating proposals, awarding contracts, handling ongoing compliance issues and intervening in times of trouble.

The magic lies with how easy it is to buy an item regardless of the amount being spent (individually or in the aggregate) -- no thresholds are triggered and purchases are immediate -- all of the red tape and bureaucracy disappear. The Member looks for an Awarded Vendor in their category of interest, then depending on your state's laws, the Member is only required to obtain three quotes/estimates to make their purchase. Cycle times usually taking 10 months or longer are shortened to just a few days.

When the Member is ready to make the purchase, they contact an Awarded Vendor, make the arrangements (issue purchase order, etc.) then pay the vendor after receiving an invoice. The co-op is the "glue" that keeps everything together, ensuring all goods and services are legally and compliantly purchased. To keep track of what and how much is sold to each Member, some co-ops require all purchases go through them, and they act as liaison to the Awarded Vendor on the Member's behalf to arrange the purchase.

The incentive for a Member to use the co-op is not just saving time and resources, but earning rebates at the end of the year based on how much they spent -- as high as four percent. Also, the pricing from Awarded vendors is usually better than a Member would receive had they gone out for bid on their own, and high-volume discounts and incentives are received even on the smallest purchases.

Contract awards vary by co-op. Some can be as short as one year; others can be a one-year base period with up to three one-year follow-ons, or any variation in-between. A best practice is to have clients register with several co-ops. This gives your client a better chance of getting business sooner vs. later since it may be a year or more before their category opens again for bid.

Contract awards are made to multiple vendors so members can have the greatest flexibility and freedom of choice. Vendors will not be awarded if they are suspended or debarred (felony convictions cause problems with educational institutions due to moral turpitude concerns), or the co-op or any of its members had a bad past experience with them.

When the co-op is ready to award a contract, an action item is put on the next regular meeting agenda where the governing body reviews a list of proposed awardees and has to vote on the contract since only they have the authority to bind the agency. The co-op notifies the winners, and once the contract starts, the flood gates open. All Awarded vendors in the category can start selling to any Member no matter where they are located.

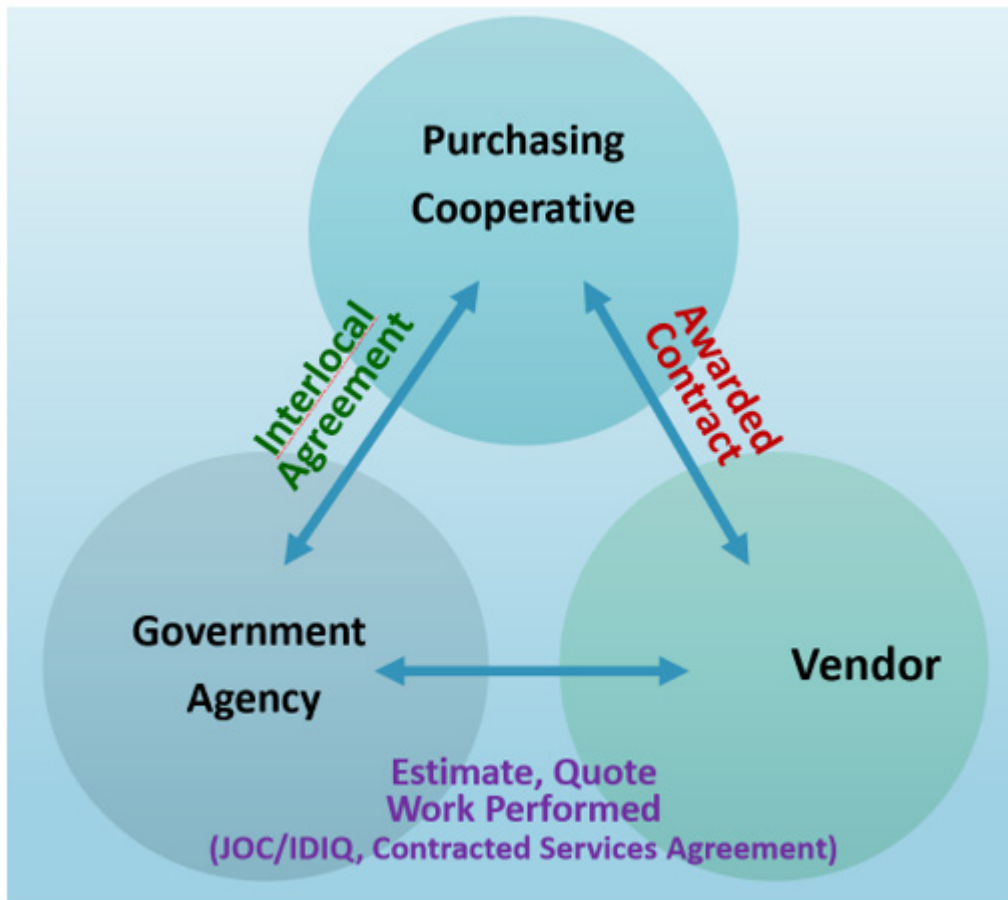
Is a purchasing co-op right for my client?

Being an Awarded Vendor allows your client to leverage their limited time and resources. Through a co-op, they can reach hundreds, even thousands of warm prospects with the same amount of time and effort it would take to respond to just one agency bid. They can quickly duplicate their time and effort, potentially realizing big returns.

Getting into a co-op is a two-part process. It starts with having interested vendors register and providing information about their business just like they do on our intake form. At that time, they set up their profile, which acts like a bookmark, waiting until a bid comes open in any of the categories of interest to them. It is akin to how a business would register in a local agency's vendor registration system.

The next step happens once your client receives notice their category is open for bid, and they submit a proposal waiting to receive the award. It is only after receiving the contract award and it starts that they can claim they are "on the co-op," and begin marketing and outreach efforts. Until then, your client can solicit those agencies but cannot say they are associated with a co-op even though they may be registered with them.

Roughly 30 percent of the members in any given co-op belong to multiple ones because they: competitively shop and sometimes find better pricing; are offered better rebates; prefer working with the co-op's staff or have a good past history with them, offer other benefits; or have a specific vendor they want to use. The remaining 70 percent are unique to that specific local or regional co-op and are warm leads. Nationally based coops are different.



A mistake commonly made by Awarded vendors is once they win a contract, they think they can just kick up their feet and wait for it to rain money. To be successful, your client must market to the members and differentiate themselves from other competitors in their category. Agency buyers like to know who they are doing business with and prefer to use those vendors they know, like and trust. Being on a co-op contract gives your client instant credibility because of the value the co-op brings to its members, the high amount of trust they have in them, and peace of mind it brings knowing that an agency is dealing with a known commodity while mitigating risk.

In the bid, you will see there is no clear Statement of Work available because your client is bidding on potential work that can happen in the future. To address this uncertainty, submit a general range of pricing that is flexible and creative. When a Member needs something, they will contact your client for a quote and at that time, questions can be asked to get a clear understanding of what the Member specifically wants. As long as the estimate falls within the range of pricing offered in the bid proposal, everything stays compliant. Additional discounts or lower volume pricing can also be offered as incentives to help entice members to buy from them.

While a co-op is free for its members, there is a cost borne by Awarded vendors. Non-profit organizations that own co-ops do not provide any operational funding and have to recoup their expenses to remain viable. Any “profit” goes to their general fund and is distributed to their other programs. Most charge a monthly fee to Awarded vendors based on total sales during the previous month, which can range from two to four percent. This is not a cost your client has to incur – they can gross up their pricing by the amount the co-op is charging. Members usually do not have an issue with the sales fee being charged back to them because co-ops make their lives much easier and it ends up being offset by any annual rebate they receive.

Where can I learn more?

<https://ncppassociation.org/NCPP/NCPP/Education/Roadmap.aspx>
ash.harvard.edu/files/ash/files/cooperative-procurement.pdf
naspo.org/wp-content/uploads/2020/07/CooperativePurchasingBrief.pdf

eandi.org/wp-content/uploads/7-reasons-to-use-coop.pdf

Robert is a Rural Procurement Specialist with the Del Mar College APEX Accelerator in Corpus Christi, Texas. Before joining them, he worked for two purchasing co-ops: Choice Partners and GoodBuy. He is a Certified Procurement Professional and Certified Public Manager.

Guiding New WOSB Clients: Unleashing the Value of Registering for the WOSB Certification

Dr. Shana Nicholson

Are you ready to empower APEX Accelerator clients to register and leverage their women-owned small businesses (WOSBs) certifications? If so, this article is for you. We will cover the value of the WOSB certification and how APEX Accelerators can help clients thrive in the government contracting space with their new WOSB Certification.

What's the Value of a WOSB Certification?

The WOSB Certification program is designed to level the playing field in specific NAICS code areas where WOSB are hugely underrepresented. This set-aside provides federal contract opportunities for women-owned small businesses to gain better access to federal contracts and compete on an equal footing. The federal government's goal is to award at least 5% of all federal contracting dollars to women owned small businesses or WOSB. To put the 5% number in perspective, the total awarded in fiscal year 2022 was \$1.5 billion. Believe it or not, 1.5 billion dollars is not the only benefit WOSB Certification can provide our clients.



APEX Accelerators see our small business clients struggle to gain traction in a crowded government marketplace. The WOSB certification enhances our clients' marketability and visibility. By guiding clients through the WOSB certification process, we can help clients realize their strategic advantage over their competition with access to exclusive contracting set-aside opportunities and sole-source contracts. By educating our clients on the value of WOSB Certification, Accelerators open up a world of possibilities to significantly boost their revenue and position them as trusted government contractors.

Getting Registered!

In May of 2020, the Small Business Administration (SBA) implemented guidance from Congress into the WOSB Federal Contract program in an effort to make registration and participation of WOSBs much easier. Since self-certification no longer exists, APEX Accelerators have the opportunity to educate clients on the streamlined process for registration and navigating the requirements for certification.

Let's walk clients through the step-by-step registration process:

Step 1: Client's SAM.gov account must be active, accurate and updated in the last 12 months with the registration purposes set for "All Awards" and not limited to "Loans and Grants." All NAICS should be accurately identified, listed, and reviewed with the client, as well.

Step 2: Gather documentation to confirm eligibility. To apply for WOSB certification, clients will need to provide documentation to certify that the business is at least 51% owned and controlled by one or more women.

Step 3: Once eligibility is preliminarily confirmed, direct clients to create a SBA Account. Clients must use the same email address in their SBA Connect profile that is utilized for the Login.gov account for the accounts to connect.

Step 4: Enter the Firm Owner’s Legal Name into the SBA Connect Profile and claim the entity being registered. If the client is an existing SBA Account, they will access their account that is already registered to begin this process.

Step 5: Claim the business at <https://wosb.certify.sba.gov/getstarted/>

In order to claim the business, clients must have the DUNS Number, TIN or EIN Number, and MPIN, which was generated when the client registered their business in SAM.gov. With the required information, complete the form fields and submit. The basic information about the firm will be available for review and verification. Once information has been verified and details are accurate, select “Claim”.

Step 6: Verification that WOSB Certification is right for the business begins by answering specific questions in the SBA portal. (Remember that each NAICS code has different thresholds for size standards.)

Step 7: Business structure and documentation will need to be uploaded as clients populate the application for verification. It is important that all documents are uploaded correctly and that clients have identified the appropriate contacts for communication with the SBA.

Step 8: Application submission and review. Remind clients to monitor emails consistently to ensure communication with the SBA for clarification or further verification is not overlooked.

Step 9: Approved!

Step 10: Get to networking, bidding, and winning!

Resources and Reminders

APEX Accelerators offer support and training for clients, but it is also important to refer clients to resource partners for continued growth and success. The SBA also offers programs, training, and counseling services to WOSB-certified businesses. These resources help our clients develop their skills, improve their business operations, and navigate the complexities of government contracting. Remember to encourage clients to leverage these opportunities to save time and money while making informed decisions that drive their businesses forward.

Remember that guiding clients through the WOSB certification process is not just about fulfilling requirements; it’s about empowering women!

Reference: <https://wosb.certify.sba.gov/prepare/#wosb-anc>

Dr. Shana Nicholson is the Northern Region Procurement Counselor for RCAC-APEX Accelerator. She is a Certified Procurement Professional with over 20 years’ experience supporting grant funding acquisition for public safety and human services. Born and raised in the Mountain State, Dr. Nicholson is a dedicated resource for small business growth and development into government contracting for West Virginia. She supports not only small business registration processes but offers clients guidance and support resources for SBIR/STTRs, GSA Schedules and proposal development for small business contractors’ success.

‘Whaling’ Attacks Against Feds on the Rise Also Costing Contractors

By Gloria Larkin

There is a new term all senior executives, contracting officers and contractors providing products need to grasp and fully comprehend. It is about a new trend called ‘whaling,’ and yes, it does have a similar ring to phishing. However, this time it is on a different and much larger scale and costs businesses.

While phishing is a slipshod hack attempt to deceive the receiver into revealing sensitive information or into installing malware that can be directed toward thousands of people, whaling is more targeted and is normally aimed at a high-ranking government official or contracting officer who has access to large sums of money.

Here is the gist of what happens: a high-ranking official gets an email about a solicitation for a sizable amount of computer equipment from their department that has been delivered to another location.

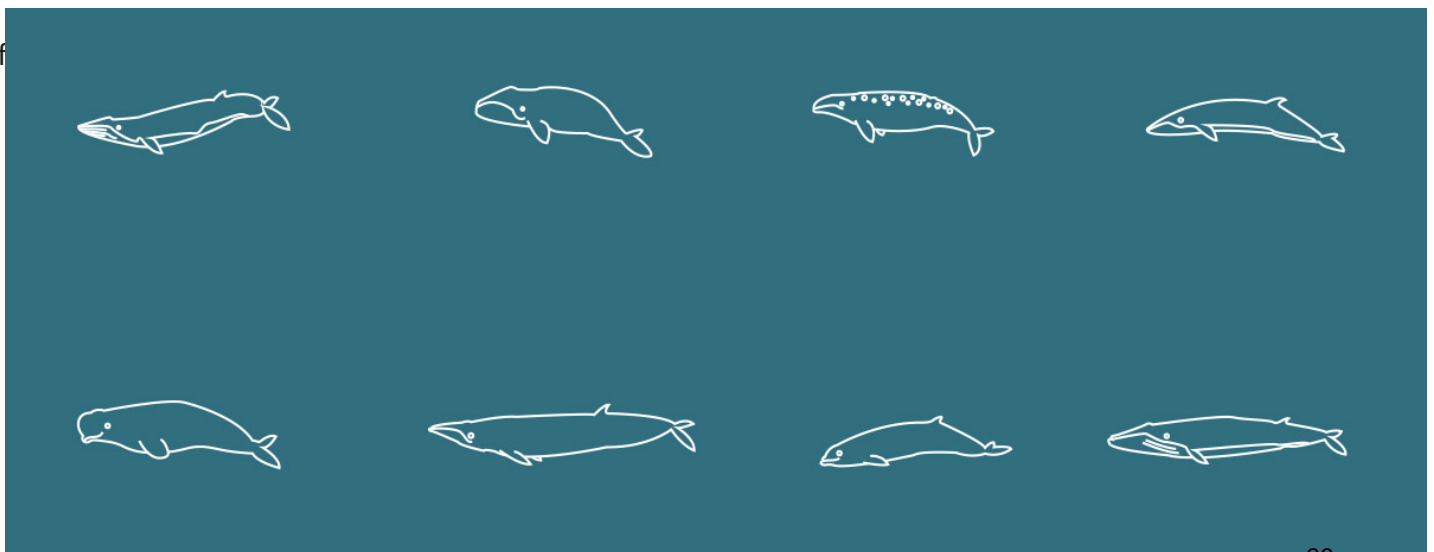
Only they did not send out a request for proposal, or award that RFP or authorize the purchase, or request delivery.

But by the time that official gets the given agency/company security team on the issue to investigate, the contractor who answered the bogus RFP and was “awarded” the fake contract, and then delivered the equipment to a “remote office.” That contractor will then send an invoice for tens of thousands of dollars to the official who has no record of the award or RFP because they were all fake.

While scammers using the federal government as a cover is not new, the bad guys are certainly getting more brazen. Consider, for instance, the idea of getting fake calls from the IRS where the fraudster(s) pose as an executive of the agency.

So, senior executives and contractors need to be prepared to better protect themselves at all stages of the acquisition process. First, they can be more aware of their online presence, be it audio, video, or written communications. Next, they should work more closely with their security teams and heighten the employment of cyber threat reconnaissance tools.

Should an incident occur, targets of fraud should immediately call the FBI, then the agency in question’s inspector general. In the case of small businesses, it is also advisable to call the owner and confirm they were scammed and to check for any issues.



More SDB access

In a move that will advance President Biden's goal to increase contract accessibility to small and disadvantaged businesses, the U.S. Small Business Administration and the U.S. General Services Administration have announced the 8(a) MAS Pool Initiative. The initiative was created to help SDBs participating in the 8(a) Business Development Program gain better access to federal contracts in GSA's Multiple Award Schedule Program.

Once participants are accepted into the new pool, they will receive a designation that indicates to agency buyers that a business is eligible for 8(a) sole source awards and competitive set-asides. Simply put, this agreement will establish a pool of 8(a) firms to make it easier for procurement officials to leverage the size and scale of the GSA Schedule MAS marketplace to achieve their SDB contracting goals while they make purchasing decisions. "We're pleased to be taking this smart step in partnership with SBA to help ensure that the world's largest buyer, the U.S. government, has better access to the valuable products and services offered by small, disadvantaged businesses," said Exodie Roe, III, associate administrator of GSA's Office of Small Disadvantaged Business Utilization. "By streamlining the acquisition process, we hope to make it easier than ever for agencies to do more business with 8(a) firms."

TikTok ban update

The DoD, the GSA and NASA have published a new interim rule amending the Federal Acquisition Regulation to implement the No TikTok on Government Devices Act, along with implementing guidance under the OMB Memorandum No TikTok on Government Devices Implementation Guidance.

On that note, if you use a privately-owned device in your government work dealings, you will want to listen up about this new rule, which addresses the influence of one of the world's most popular social media platforms and its alleged connection to the Chinese government.

This new interim rule revises the FAR to implement the prohibition on having or using the social networking service TikTok or any successor application or service developed (or provided by) ByteDance Limited, or an entity owned by ByteDance Limited. Even if you bought your own device and it is not the property of the U.S. government but use it for work purposes.

"This prohibition applies to devices regardless of whether the device is owned by the government, the contractor, or the contractor's employees. A personally owned cell phone that is not used in the performance of the contract is not subject to prohibition," the trio said in their update notice published in the Federal Register.

Gloria Larkin, Contributing Author

To find out more information, contact us today or call us directly at 866-579-1346. For future updates, follow us on Facebook, Twitter, LinkedIn and Google+.

A Must-Read for Program Managers (PMs) of APEX Accelerators

Joan Rueben, NCMA Fellow
Director, Nevada APEX Accelerator

As an outgrowth of the April 3, 2023 PM Symposium at the APTAC Spring Conference in San Diego, CA, and based on the rebranding of the former Procurement Technical Assistance Program (PTAP) under the Defense Logistics Agency to the APEX Accelerators program under the U.S. Department of Defense (DoD) as well as DoD's expanded strategic emphasis areas for the program, a certain PM-comprised APTAC committee that reports to the APTAC President worked diligently as a team on a project document that is enclosed for immediate use for other PMs, with the end goal of benefitting APEX Accelerators and other stakeholders that include, but are not limited to, APEX Accelerator team members, APEX Accelerator host organizations, the public, resource partners, etc.

The project document contains an executive summary section, which states, "Executive summary: National goals of accelerating innovation, fostering ingenuity, and establishing resilient and diverse supply chains in the government marketplace strategically contribute to the U.S. economy, national defense, and national security within a global context and environment. The nationwide network of APEX Accelerators program's for-profit business clients are critical to the government's mission and helping our nation solve its most complex challenges. The purpose of this document is to provide stakeholders with a tool showing how they can work together to tactically implement actions towards addressing expanded strategic emphasis areas under the APEX Accelerators program ranging – as shown below – from the industrial base on your left to supply chain and key industries on your right."

Regarding the project, please find below a linked letter to the APTAC President that provides background and context for the project document. Please also find below a link to a Microsoft Word version of the project document and a PDF version of the project document. The Microsoft Word version can be tailored by the PM at will and used wholly or in part by any APEX Accelerator PM for purposes of a printed flyer, as a visual document to be displayed on a board that is placed on an easel at public outreach events, as a linked e-document on an APEX Accelerator's webpage, as content on an APEX Accelerator's webpage, internal team member training material, and so on. The PDF version – which is not for tailoring by the PM – is provided only to show the original, baseline document should one need it for reference purposes.

[Click here to see a letter to the APTAC President that provides background and context for the project document](#)

[Click here to see the Microsoft Word version of the project document that can be tailored by an APEX Accelerator PM at will and used wholly or in part](#)

[Click here to see the PDF version of the project document – which is not for tailoring by an APEX Accelerator PM – but provided only to show the original, baseline document](#)



APTAC Region 7 Special & Creative Projects 2023

Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota

Iowa APEX Accelerator/CIRAS co-hosted its first-ever Construction Diversity Accelerator class led by Turner Construction. The class, which drew participants from 20 companies, was designed to enhance the ability of Underrepresented Business Enterprises (UBEs) and Disadvantaged Business Enterprises (DBEs) to compete for contracting opportunities. Turner Construction, the largest domestic contractor in the U.S., has offered the hands-on course in other parts of the country but this was the first time it was offered in Iowa.

“For Turner, the goal was to increase the participation of underrepresented contractors on their projects,” said Mary Zimmerman, CIRAS DBE support services program manager. “For us, it was a chance to introduce companies to some of our services but most of all to bolster their confidence to pursue projects they may never have otherwise considered.”

The class, taught by Turner staff and select industry partners, covered topics ranging including estimating, bidding, procurement, scheduling, safety, and sustainability. Participants also had opportunities to interact with Turner representatives.

“It was interesting to hear from a sizeable general contractor, to know more about how they do business, and what they expect,” said Vaughn Miller, Advanced Traffic Control, Inc. “I believe what I learned will be a great asset to our company, and I look forward to using what I learned to enter a new market.”

Another highlight for participants was the opportunity to share experiences with other UBE/DBEs.

The concept was introduced to APTAC members by Nancy Brown, KY APEX, as a concept that could be replicated by other APEX centers across the country. Iowa APEX approached their local Turner Construction office with the concept, and with guidance from the Kentucky cohort, successfully replicated this event in Iowa.

Source:

<https://newswire.ciras.iastate.edu/2023/05/08/turner-construction-ciras-cohort-is-big-success/>



APTAC Region 7 Special & Creative Projects 2023

Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota

Nebraska APEX Accelerator/NBDC hosted a series of eight events in 2022 in response to the passage of the Bipartisan Infrastructure Law (BIL). The goal of the series was to inform businesses and community partners on the details of the Law and to help contractors get ready to take on Infrastructure work if they desired. Our series resulted in 143 attendees. The series saw participation from U.S. Congressional Representatives and a variety of stakeholders at the Nebraska Department of Transportation.

The series of events included:

Event #1: Bipartisan Infrastructure Law (BIL) Kickoff Event

Event #2: Subcontracting

Event #3: Teaming and Partnering Options

Event #4: Nebraska DOT's Disadvantaged Business Programs and Certifications (DBE)

Event #5: Buy American Act

Event #6: Access Bipartisan Infrastructure Projects (Co-Hosted with the Nebraska Chamber)

Event #7: Winning Strategies and Proven Best Practices for Government Prospecting

Event #8: Infrastructure Projects, Informational Session, and Networking



APTAC Region 7 Special & Creative Projects 2023

Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota

Nebraska APEX Accelerator/NBDC hosted a multi-day *Meet The Buyers Conference*, which provided businesses an opportunity to learn about government contracting and to network directly with government agencies and prime contractors.

The first day of the multi-day conference focused on the Bipartisan Infrastructure Law (BIL). Representatives from the Nebraska Department of Administrative Services (Purchasing Bureau) and Nebraska Department of Transportation presented information about the Disadvantaged Business Enterprise (DBE) Program, construction projects, and broadband infrastructure.

The second day of the multi-day conference featured break-out sessions that covered a wide range of government contracting related topics, including:

- Cybersecurity Maturity Model Certification (CMMC)
- Buy American Act
- Subcontracting
- Mentor-Protégé Program
- Davis Bacon Act
- Service Contract Act
- Bonding
- Capability Briefing

The US Army Corps of Engineers (USACE) facilitated Construction Quality Management for Contractors (CQM) as a separate training track. Attendees received a certificate issued upon successful completion of the CQM and testing that is good for 5 years and is valid for Corps, Navy and other federal agency projects.

On day three of the conference businesses heard from and networked with agency representatives and prime contractors. Participating agencies and primes included: Offutt Air Force Base, National Park Service, Bureau of Land Management, General Services Administration, Nebraska Department of Administrative Services, Northrop Grumman, and Bechtel.

Plans for the upcoming conference in October 2023 include a Regional Milcon event on the first day, expanded training topics for day two, and additional agencies participating on day 3.

CMMC (Cybersecurity Maturity Model Certification)

Adam Austin, Totem Technologies

As many APEX Accelerator counselors are aware, Federal government contractors have contractual obligations to protect certain types of Federal government information. Sometime in 2024, the DoD will be rolling out the Cybersecurity Maturity Model Certification (CMMC) to hold contractors accountable for protecting two specific types of information:

1. Federal Contract Information (FCI): all information – aside from simple transactional information such as invoices – related to a government contract, and,
2. Controlled Unclassified Information (CUI): a subset of FCI deemed more sensitive by laws, regulations, and/or contracts, and therefore subject to more strict cybersecurity controls.

CMMC will be a stratified model, with three levels:

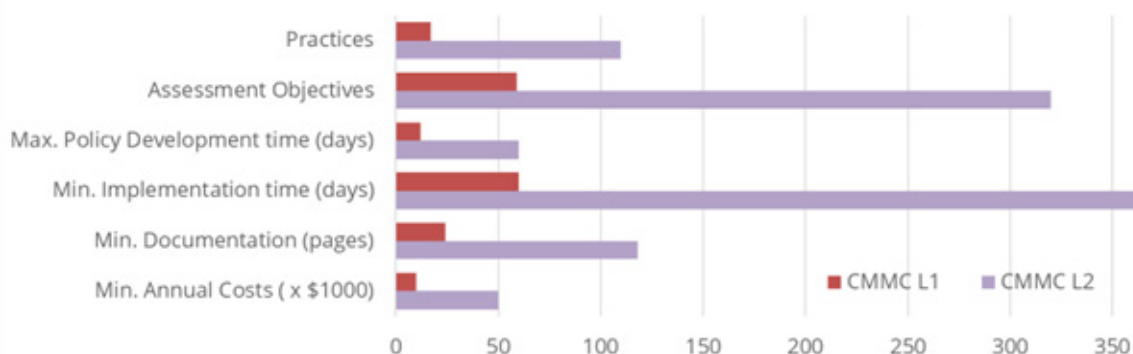
1. Level 1: For contractors that only handle FCI. Requires the contractor to self-assess annually the implementation of the 15 “basic” cybersecurity requirements called out in FAR 52.204-21.
2. Level 2: For contractors that handle CUI. Requires the contractor to hire, every three years, an independent CMMC third party assessment organization (C3PAO) to assess the implementation of the National Institutes of Standards and Technology (NIST) 800-171 cybersecurity standard for the protection of CUI, as required by DFARS 252.204-7012.
3. Level 3: For contractors that handle CUI in large enterprise environments and/or for critical DoD weapons programs. Contractors, in addition to meeting the CMMC level 2 requirements, will be assessed by the government on their implementation of the yet-to-be-finalized NIST 800-172 “enhanced” protections for CUI.

While what criteria constitutes “passing” a CMMC assessment has yet to be finalized by the DoD, what is certain is that implementing the CMMC cybersecurity standards is especially challenging for small businesses, even at CMMC Level 1. Totem Technologies, a small business US Air Force prime contractor helping other small businesses implement the FAR and NIST standards, has gathered data from hundreds of small business contractors it has worked with since 2017. Totem Tech has shared some of that data related to costs and duration of cybersecurity implementation here.

The chart below shows typical values for six different attributes associated with implementing Federal government contractor cybersecurity requirements.

Figure 1: Typical level of effort for CMMC L1 and L2 implementation

Those attributes are:



Those attributes are:

- Number of practices: the number of general cybersecurity capabilities the contractor must implement.
 - o 15 for CMMC Level 1
 - o 110 for CMMC Level 2

- Assessment objectives: the number of specific cybersecurity safeguards associated with the various practices above. Assessors will “grade” the contractor on how they meet these objectives.
 - o 59 for CMMC Level 1
 - o 320 for CMMC Level 2

- Maximum policy development time: much of the burden of implementing the required cybersecurity safeguards involves documenting policy, i.e., how the organization expects the capability/ safeguard to function properly. Even at CMMC Level 1 the organization must document how it controls, for example, authorized users and devices, system interconnections, visitor escort policy, and social media and website posting expectations. This paperwork burden is not trivial.
 - o Two weeks for CMMC Level 1
 - o Two months for CMMC Level 2

- Minimum implementation time: implementation of the technical and procedural cybersecurity safeguards to effectively enforce established policies does not happen overnight. It takes time to develop a properly functioning cybersecurity program. Most small businesses are surprised that there is no such thing as “turnkey” cybersecurity.
 - o Two months for CMMC Level 1
 - o At least a year for CMMC Level 2

- Minimum documentation: all aspects of the cybersecurity program must be documented to pass an assessment. This includes policies and descriptions of technology/procedures that enforce those policies. The key document is known as the System Security Plan (SSP), but in sum the documentation will include many supplemental “artifacts” as well.
 - o 25+ pages for CMMC Level 1
 - o 130+ pages for CMMC Level 2

- Minimum costs: this is the question Totem most often hears: “how much is this all going to cost?” To meet the requirements, most small businesses in this environment will have to do some IT rearchitecting, implement additional technologies, and outsource many cybersecurity functions to Managed Service Providers (MSP). All of this costs money. ***Totem’s rule of thumb is:***
 - o Low five figures (\$10,000 -- \$30,000) annually for CMMC Level 1
 - o High five figures to six figures (\$75,000 -- \$100,000+) annually for CMMC Level 2. This factors in the amortized expected costs of C3PAO assessment, which will be at least \$30,000 every three years.

To finish with some good news: there are lots of resources that Apex Accelerator counselors can point their clients to for help along their CMMC journey. In addition to the basic services provided by [Project Spectrum](#), Totem Technologies has summarized other available resources in its [Roadmap to CMMC Compliance](#).

Creative Problem Solving

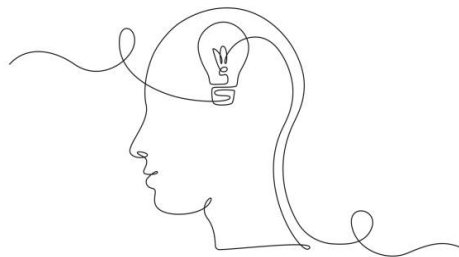
Joey Scott, Ohio APEX Accelerator

Creative Problem Solving – what do you think of when you hear those words? Perhaps you remember a critical thinking class from long ago. Or your mind conjures up images of a brainstorming session. Whatever your mind recalls, would you believe that Creative Problem Solving (CPS) is a specific process for identifying an issue and solutions for that issue?

Believe it or not, CPS was developed as a technique in the 1940s by Mr. Alex Osborn and refined over the years through his work and the work of those at SUNY Buffalo State. What do I mean by refined? Well, the original CPS process had roughly seven steps, but that has been condensed to only four steps in the modern iteration of the process: Clarification, Ideation, Development, and Implementation.

The CPS process is quite similar to another process developed by the Stanford D-School, known as Design Thinking. The key difference between the two processes is that Design Thinking focuses on rapid prototyping while Creative Problem Solving focuses on strategic implementation. I mention this as an aside because of the growing interest for APEX Accelerators to assist innovation-focused clients, and the Design Thinking process could benefit certain types of clients in that realm; however, the focus of this article is on CPS and how it can benefit the APEX Accelerators.

Getting back to the CPS process, I want to share a brief anecdote about how a well-known company utilized CPS to solve a complex problem with a relatively simple solution. Long ago, a vehicle manufacturer hired a consultant (Roger Firestein in case you're curious) to facilitate a CPS session because the firm was having what company leaders considered mechanical problem. Through the facilitated CPS session, the group clarified that the dies in the stamping machines were frequently breaking down, which then created machine shutdowns while the dies were replaced.



The initial thought was that the dies were not right or the machines were broken, but the group was left with the challenge of making the dies last longer. The consultant next led the group into the ideation phase. Various ideas were thrown out, but one “crazy” idea stuck out to many in the group. Someone suggested to try adding a solution like dish soap to lubricate the dies and keep them from breaking down so often. Running with that idea, the group then developed it further, realizing that dish soap alone would not work from a chemical standpoint. After some chemistry magic, the group tested their homemade solution ... and it worked! While my memory of this anecdote is not perfect, I can tell you that Dr. Firestein, through the utilization of the CPS process, helped General Motors save roughly \$50,000 a week with a merely \$2.00 solution.

Throughout that anecdote, you can see the CPS process in action during each stage. First, the actual problem is clarified from mechanical issues to extending the life of the dies. Second, potential solutions are ideated, regardless of their potential for success. Third, those potential solutions are developed into actual, workable solutions. Finally, the solution is implemented and the problem is resolved.

Now, you may be wondering how CPS can benefit APEX Accelerators' counselors. I have utilized the CPS process with both counselors and with clients. With counselors, we have challenged ourselves to refine both our approach to and execution of service delivery. With clients, CPS really shines in the earlier stages, such as when a company is looking to market themselves – instead of the traditional approach to telling a client exactly what to do, utilizing CPS allows the client to arrive at those decisions themselves, so they not only feel like but understand that they have a great degree of ownership in their government contracting journey.

For example, when counseling a client and utilizing CPS, you might start with a challenge statement of “how might [the client] network with government buyers?” Skipping to the ideation phase, the client is then “brainstorming” various ways they might attempt to contact agencies. This would then lead into the development stage where you, as the counselor, can talk through what ideas are viable and which are not, and you might even see the client realize on their own the steps they need to take before reaching out to agencies (i.e., research, capability statement, elevator pitch, etc.). As you move into the implementation phase, you would then assist the client in developing an action plan with short-term, mid-term, and long-term goals, essentially cementing the homework they need to complete to become procurement ready.

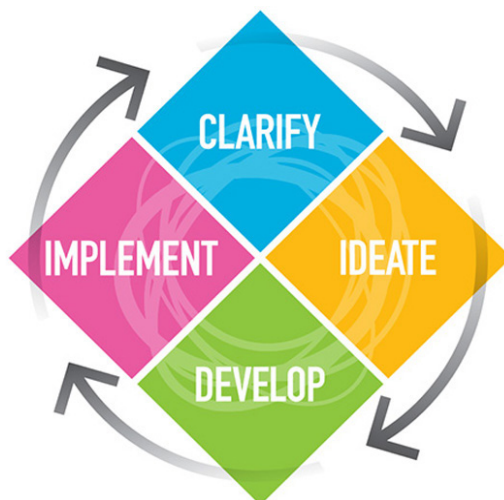
I hope these two brief examples gave you a glimpse into the Creative Problem Solving process. While this is only skimming the top, there are many techniques that can be utilized during each phase of the process. There is even an assessment that identifies one's preferences for each phase of the process – this is called the FourSight Assessment – and it is an excellent tool for internal training/professional development.

If you are interested in learning more about Creative Problem Solving, please do not hesitate to contact myself or check out online resources:

<https://rogerfirestien.com/what-is-creative-problem-solving/>

<https://businessjournaldaily.com/get-unstuck-use-creative-problem-solving/>

One last thought I want to leave with you is the challenge statement I always present to my team: How might we provide superior quality APEX Accelerator services to our clients?



Region 5 Project Showcase

Tennessee APEX Accelerator

The Tennessee APEX Accelerator is hosting the Transportation Opportunities Conference on July 25th. This event is co-sponsored by the Michigan APEX Accelerator.

The goal of the event is to help transportation firms the Tennessee APEX Accelerator will host the Transportation Opportunities Conference on July 25th. This event is for transportation firms ONLY. Attendees will learn:

- o How to find an agency's forecast
- o How to do business with the government with:
 - o US Postal Service
 - o USTRANSCOM
 - o Sysco

More details at: <https://tnapex.ecenterdirect.com/events/4069>

Crater APEX Accelerator

Vendor Information Hub: Ensuring effective communications with vendors

By Daniele Kurze, Director, Supplier Operations Commodities Directorate DLA Aviation

Over the last two years, Defense Logistics Agency Aviation has increased focus on new tools, automation, and other process improvements to aide contract administrators in responding to our vendors. While we have seen some strides in our response times, we still see the need for increasing communications with our vendor base to further streamline transactions to avoid delays.

As a result, DLA Aviation launched a Vendor Information Hub, or the Hub, to provide increased communications by way of self-service tools, resources, and instructional material from across multiple Defense Department and/or DLA websites. The Hub provides a “one stop shop” specifically geared towards meeting the needs of our vendors.

DLA Aviation started with three of the most frequently asked questions by new and/or small business vendors: How do I submit an invoice, when do I use a stand-alone or a combo invoice, and how do I contact my contract administrator? The Hub addresses these questions through step-by-step tutorials published and available at the Hub. Future processes already under development for a future release include various aspects of problem resolution and escalation, Packaging and Marking, and other critical vendor processes identified through vendor and contract administrator feedback.

Other features in the Hub include a table of contents for all the process instructions, links to DLA sites such as Working with DLA, contact information currently showing Aviation's command structure, and Aviation's Supplier Operations Outreach Calendar of events/webinars for vendors.

The Hub also provides information for other types of assistance such as requesting drawings from DLA Product Data Management Division, Defense Finance and Accounting Service contact links/information, links for assistance with procurement integrated enterprise environment (PIEE) issues, and Aviation small business contacts.

I will be hosting a live webinar Aug. 21, at 10:00 eastern standard time with vendors to introduce the site, discuss future enhancements in works, and provide a demonstration on the most efficient ways of navigating and understanding the step-by-step processes within the Hub.

If you are interested in attending the webinar, you can register by clicking on the following link under Aviation Supplier Operations Commodities Event Calendar: <https://www.dla.mil/Aviation/Business/Events/>

I'm excited about the possibilities and expansion of the Hub as a communication tool. I see this as a new way of assisting our vendors and subsequently, the warfighter by ensuring vendor and government are not expending unnecessary effort with issues but instead, creating greater efficiency in our working relationship.

Resources Available to Help Businesses Meet FAR Employment Eligibility Verification Clause

Guest Authors: Michelle Vivian, Jason Kerr



APEX Accelerators are a trusted partner for small businesses that want to contribute to national security and economic power for our nation. APEX program managers and counselors play a key role in providing support and maximizing opportunities for small businesses looking to compete for Federal, State, and local government contracts.

Since 2009, [E-Verify](#) enrollment and use have been a requirement for covered federal contractors and sub-contractors alike. The proper completion of Form I-9, Employment Eligibility Verification, in combination with using E-Verify, helps ensure efficient and reliable federal contractors and an authorized workforce, as well as improved national security and strengthened fair employment practices.

E-Verify is a free, web-based system for employers to electronically confirm employment eligibility of their employees. E-Verify electronically compares that information to records available to the U.S. Department of Homeland Security (DHS) and the Social Security Administration (SSA). Connections between DHS and SSA allow for cross-referencing of information provided by employees with government records to give the employers greater confidence in knowing a newly hired employee is eligible to work in the United States. In the E-Verify process, employers create cases based on information from an employee's Form I-9. The employer usually receives a response within a few seconds either confirming the employee's employment eligibility or indicating that the employee needs to take further action to complete the case.

While employment eligibility verification is just one part of a federal contract, it is an important part. The U.S. Citizenship and Immigration Services (USCIS) Verification Division manages E-Verify and supports the businesses who rely on our programs. E-Verify employers are supported by several teams: (a) Account Compliance identifying, analyzing and mitigating program risk, (b) Customer Support responding to customer concerns and questions across multiple channels on Form I-9 and E-Verify and (c) Engagement educating and training employers and employees about the many facets of Form I-9 and E-Verify.

While E-Verify is a voluntary program available to all employers nationwide, it is required as a condition of contracting for most federal contractors. Contractors subject to the Federal Acquisition Regulation, and with contracts containing [FAR clause 52.222-54, Employment Eligibility Verification](#), are required to enroll in and use E-Verify. Qualifying contracts meet the following criteria:

- The contract has a period of performance that is for 120 days or more.
- The contract's value exceeds \$150,000.
- At least some portion of the work under the contract is performed in the United States; and
- It does not include only commercially available off-the-shelf (COTS) items and related services.

It is important to remember government contracting officials determine if a federal contract qualifies for the [FAR E-Verify Clause, 52.222-54, Employment Eligibility Verification.](#)

Additionally, the E-Verify federal contractor rule requires certain federal prime contractors to also require certain subcontractors to use E-Verify. The prime contractor is the legal entity bound by the FAR Clause and must ensure the clause is included in any qualifying subcontracts. The prime contractor should provide general oversight to subcontractors to ensure they meet contractual requirements, which may include enrolling in and using E-Verify.

The USCIS Verification Division provides free resources that APEX Accelerators can leverage to help businesses with Form I-9 and E-Verify use in government contracting. We have trainings covering all aspects of employment eligibility verification, the Form I-9, E-Verify (enrollment, participation, and compliance) and E-Verify for Federal Contractors. Additionally, we can work with you to develop and support trainings for your staff, program managers and counselors as well.

For additional information on our no-cost educational presentations, or to collaborate with E-Verify Engagement in our mission to support federal contractors, please email bvocengagement@uscis.dhs.gov.

APTAC

Vision

APTAC is the premier organization which acts as a conduit for its members, business, government, and other stakeholders to exchange knowledge and enhance partnerships to cultivate a successful industrial base.

Mission

Provide strategic guidance, professional development, support, and advocacy to our collective membership.

Core Values

- We invest in Growth and Development.
- We exercise Integrity, Trust and Respect.
- We strive for Reliability and Consistency.
- We value Diversity and Inclusiveness.
- We foster Innovative Thought.
- We embrace Change.