

NCMA NEWS

San Diego Chapter



March 2008

Volume 3 Issue 4

<http://www.ncmasd.org>

INSIDE THIS ISSUE

- 2 President's Message
- 2 NCMA-SD CART Meetings—Free Discussion of Contract Topics
- 3 Membership Focus – Meet Dan Chalfant
- 3 NCMA San Diego Posts Job Announcements for Local Employers
- 6 NCMA-SD February Luncheon Report – New U.S. Government Property Regulations
- 6 Upcoming ABA Guide to Flowdown Clauses in Service Contracts
- 7 Small Business Roundtable Cosponsored by NCMA and PTAC
- 7 NCMA-SD January Audio Seminar Debrief
- 8 NCMA-SD Board of Directors and Other Points of Contact

Why NCMA Certification?

By Maurice R. Caskey

One benefit of being a NCMA member is the certification program. Over the years, over 13,000 people have become certified; there currently are about 6,000 individuals with active or lifetime certificates. There now are three types of certification:

Certified Federal Contracts Manager — CFCM
Certified Commercial Contracts Manager — CCCM
Certified Professional Contracts Manager — CPCM

These designations are in lieu of the former CACM and CPCM certifications. A person who was designated a CACM under the former system automatically was designated a CFCM on October 1, 2002. A person who was designated a CPCM under the former system or who has met the requirements for both the CFCM and CCCM certifications automatically is eligible to be designated a CPCM.

An individual who has achieved any of the three NCMA certifications has the personal satisfaction of being able to say, "I truly am a professional, not just someone working in a professional field." And that certification means peer recognition of your professional status.

An ever-increasing number of employers are seeking NCMA-certified individuals for employment in the departments to administer contracts

Continued on Page 5

Upcoming NCMA-SD Events

- April 16 Luncheon: ID/IQ Contracting Pitfalls
- April 19 CART Meeting @ KES
- May 14 CART Meeting @ KES
- May 21 Seminar: Top Ten Subcontracting Issues



President's Message

By Joni Shirley

I would like to take this opportunity to announce the support our local chapter received from the City of San Diego in proclaiming April 13-19, 2008, as Contract Management Week. This proclamation is in conjunction with NCMA's World Congress in Cincinnati, Ohio on April 13-16, 2008. The proclamation will be announced in NCMA's Contract Management Magazine and given special recognition at the upcoming NCMA World Congress.

Contract Management Week is a time to recognize and honor the thousands of contracting and procurement professionals in government and industry. It is our community's way of highlighting the personal rewards and public benefits of good contract management and building the support the profession deserves. Our local chapter has scheduled a luncheon on April 16 at which time special recognition will be given to our profession. Our guest speaker will be Mark Schweer from SPAWAR, presenting on ID/IQ contracting financial issues. We look forward to your support and joining us at this next luncheon to commemorate Contract Management Week.

NCMA-SD CART Meetings—Free Discussion of Contract Topics

By Jack Friery

NCMA members and prospective members are strongly encouraged to attend our chapter's CART (Contract Administrator Roundtable) meetings. The meetings are held every other month, from 7:30 to 9 am, customarily at KES, Inc., 9325 Sky Park Court, Suite 300. There is no charge or fee for attending a CART meeting.

The task of the CART meetings is to provide a forum for contract and procurement professionals to discuss difficult issues, lessons learned, and new developments. Attendees are from government and industry, and range from brand-new to very experienced.

Examples of subjects discussed in the most recent CART meeting included unsolicited proposals, subcontract closeouts, and establishing indirect rates.

Watch for email announcements of upcoming CART meetings. For more information, contact Jack Friery at friery@earthlink.net or (619) 218-7342, or Mark Cook at mark@kes.com or (858) 292-0922 ext 221.

Membership Focus – Meet Dan Chalfant

Mr. Chalfant is the current NCMA-SD Chapter Vice President, with over 25 years of experience in Contract Management. He has worked in the Aerospace Industry, Communications Industry, Government contracting, and working directly with the Air Force, Army, Navy and DLA on many projects.

Mr. Chalfant is an Associate with Booz Allen Hamilton in San Diego, CA. He is a Contract Management Specialist currently advising the US Navy on contract strategy, contract planning, SOW development, RFP drafting, proposal evaluation, and negotiation. Mr. Chalfant also advises the US Navy on efficient post award contract administration. This activity includes drafting contract modifications, scheduling deliveries, and resolving payment issues.

Mr. Chalfant is a key member of the Program Management Review team.

He has extensive experience in contract formation, proposal evaluation, negotiation, and contract administration. He has analyzed and negotiated contracts for Ford Motor Company, General Dynamics, Sony Electronics, and SAIC. In the 1990's, he was the Corporate Manager of Cost and Price Analysis for SAIC in San Diego, CA. While with SAIC, he developed a practical training course in Cost/Price Analysis. He has taught a modified version of this course on site training at CACI, Cubic, Northrop Grumman, the National Cancer Institute, United Technologies, and the US Navy at Crane Indiana.

Mr. Chalfant also teaches at San Diego State University, College of Extended Studies, and the University Of Phoenix. At SDSU, he teaches "Government Contract Pricing", and "The Art of Competitive Sourcing, and Cost/Price Analysis". At UoP, he teaches Corporate Finance and Managerial Finance. He is past Director of Education for NCMA San Diego Chapter, and presently serving as chapter Vice-President.

Mr. Chalfant has an MBA from the University of California, at Irvine. He also has a BA in Business Economics from the University of California at Santa Barbara. He is a Certified Purchasing Manager (C.P.M.) through the Institute of Supply Management. Mr. Chalfant has also applied for a Certified Federal Contracts Manager (CFCM) through NCMA.

In his spare time, Dan loves to play golf, sail a catamaran, or hike the local mountains. If you ever have a cost/price analysis question, just book a tee time, and he will be glad to help you.

NCMA San Diego Posts Job Announcements for Local Employers

By Jack Friery

Our chapter maintains an active job referral board. Local businesses seeking excellent contracts and procurement personnel may post job announcements on our chapter website at no charge. Announcements are normally kept up for four weeks, and the listing time can be shortened or extended on request. Our job board can be found at www.ncmasd.org (click "Job Opportunities.") Employers should send announcements to our Employment Chair, Jack Friery, at friery@earthlink.net or (619) 218-7342. An email with a Word doc attached is the easiest method for posting. We will occasionally reproduce a current listing in this Newsletter. Here's a listing from ViaSat, one of San Diego's premier employers:



ViaSat Job Announcement

International Contracts Manager (3348), ViaSat, Carlsbad, CA (North County San Diego area)

ViaSat produces innovative satellite and other wireless communication products that enable fast, secure, and efficient communications to any location. If you're looking to join a team in a proven company, then try us on for size. The company has been honored for its record of performance by national magazines such as INC, Forbes, Fortune Small Business, and Business Week, including two years running on the Business 2.0 '100 Fastest Growing Tech Companies.'

Responsibilities:

This qualified professional will coordinate the contractual activity for our international accounts in our rapidly growing Tactical Data Links business area, including contracts for advanced data link terminals for military aircraft. Position will require the proposal and management of direct commercial (DCS) and Foreign Military Sales (FMS) contracts with foreign military agencies and companies. This individual will use creative thinking, sound business acumen and initiative to conduct strategic input in assessing the optimal approach to complex business arrangements. Close coordination with management required to prepare Teaming and international Representation Agreements to promote our MIDS product to NATO countries as well as other primarily European and Asian countries. Responsibilities also include the support of domestic contracts for commercial items. Specific tasks include proposal preparation, negotiation and the administration of complex contracts, examining performance and contract requirements to ensure accuracy and completeness, coordinating Technical Assistance Agreements, advising management on contractual risks, and contract interpretation. Other duties include negotiating Non-disclosure Agreements, Offset Agreements, OEM and Software License Agreements, and special provisions.

Candidate will have excellent written, communication and interpersonal skills with the ability to work effectively with a team of Program Managers, Business Developments and support personnel while promoting Customer satisfaction. Candidate will also be proficient in verbal/writing skills and detail oriented. Up to 25% travel required. Some supervisory tasks may be required.

Requirements:

Must have experience in negotiating complex international contracts and be familiar with commercial terms and conditions and exporting laws, including international Representation agreements and DCS/FMS contracts. Knowledge of Government acquisition techniques, FAR and DFARS a plus. 5-8 years previous experience. Travel up to 25 percent. U.S. citizenship is required. BA/BS degree.

For immediate consideration, apply online at www.viasat.com/careers indicating code MNSTR/GOVCMGR as well as the position number (3348). Please include your salary history.

To find out more about ViaSat, explore our web page at www.viasat.com. ViaSat is an Equal Opportunity Employer. U.S. Citizenship or Lawful Permanent Residence status may be required for some projects. Verification of citizenship required upon accepting employment.

Make a difference. Make your future at ViaSat. We offer a collaborative, state-of-the-art work environment, stimulating projects, and a great location. Here is a taste of our Employee Benefits package: Medical/Dental/Vision benefits, ESPP, 401K, Flexible Spending Account, and Tuition Reimbursement.

*Why NCMA Certification?**Continued from Page 1*

awarded to the company as well as administer subcontracts awarded to other entities. Employers can make certification “highly desired” or “required” to fill a position; therefore, your certification can increase your number of available advancement opportunities.

How can you, an individual NCMA member, benefit from certification? The NCMA 2006 Salary Survey revealed the following benefit of certification in the Federal Government procurement environment:

Average salaries with:

- No certification — \$75,000
- CFCM — \$85,000
- CPCM — \$100,000

Average salaries with a BS or BA degree and:

- No certification — \$77,600
- With CFCM — \$85,500
- With CPCM — \$95,800

Average salaries with a MS, MA or MBA degree and:

- No certification — \$92,700
- With CPCM — \$108,000

As you can see, contracts professionals, on average, are better compensated when they have a NCMA certification. That's not to say the certification is the sole reason for higher compensation. The initiative and knowledge required to achieve certification are an indicator of on-the-job performance, which is the ultimate determining factor. The education required to achieve and maintain certification certainly will help you in that performance.

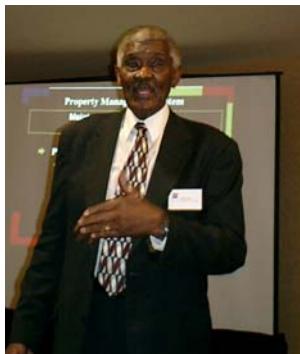
Employers also benefit from having certified professionals in contracting positions. Certification provides independent validation of an individual's skills and competency. It can be a differentiator for companies that provide specialized contract services for other organizations and firms. For these reasons, many companies reimburse employee expenses for certification. Such reimbursement is a good personnel policy because it helps attract and retain “the best and brightest.” In a tight labor market, where there is a great need for contracts managers at all levels, support of employee certification programs is a differentiator between employers.

Certification is a multi-step process. An NCMA member first must apply to take the examinations. The application will include demonstration that prerequisite requirements have been met. The CFCM and CCCM examinations are 2-module exams; there are specialized Federal and Commercial knowledge modules, respectively. The Business Knowledge module is common to both and you need to pass it only once.

Application is done on-line at www.ncmahq.org/certification/. Future Newsletter articles will describe the application process and prerequisites in more detail.

NCMA-SD February Luncheon Report – New U.S. Government Property Regulations

By Maurice R. Caskey



The San Diego Chapter's guest speaker for the February luncheon was Mr. Walt Larkins of Larkins Consulting and Training, Las Vegas, NV. Walt retired from the U.S. Army, having served more than 20 years on active duty, primarily in operations and logistics. Following his retirement, Mr. Larkins worked in the aerospace industry, becoming a Corporate Director of Property Management. As such, he was responsible for developing and implementing property systems, policies and practices on a corporate wide basis.

A total of 66 attended the luncheon to hear Mr. Larkins discuss the new Government property clauses in the Federal Acquisition Regulation (FAR).

The complete re-write of FAR Part 45 has resulted in some significant changes in the administration of Government property. All companies which perform under U.S. Government contracts need to be aware that contracts currently being awarded have revised requirements for many of the same functions that were part of the prior version of FAR Part 45. The discussion addressed government-furnished material, government-furnished property, and government-furnished special tooling and equipment.



Upcoming ABA Guide to Flowdown Clauses in Service Contracts

By Jack Friery

NCMA San Diego board member Jack Friery has been working with a committee of the American Bar Association in drafting a publication that will aid prime and subcontractors in negotiating their service contracts. The Strategic Alliances, Teaming and Subcontracting Committee of the Public Contract Section of the ABA has been toiling for the last few months to develop a Guide to Flowdown Clauses in Service Contracts. The Guide will focus on service contracts and subcontracts subject to the Federal Acquisition Regulation. It will advise prime and subcontractors which FAR clauses are mandatory flowdowns, and will also suggest non-mandatory clauses that are recommended for flowdown to protect the parties. The Guide will also include representations and certifications, as well as suggested clauses for commercial contracts under FAR Part 12. Finally, although the Guide focuses on FAR, it will also cover clauses in Defense Department FAR Supplement Part 27, which covers intellectual property clauses for DOD contracts.

The upcoming Guide is a counterpart to the existing ABA Guide to Fixed-Price Supply Subcontract Terms and Conditions, now in its fourth edition. (Jack also helped draft that publication, and a fifth edition is in the works). The Supply Contract Guide can be bought through the ABA webs site at <http://www.abanet.org/abastore/index.cfm?section=main&fm=Product.AddToCart&pid=5390233>.

The new service contract guide is expected to be published this spring. The new Guide will cost \$60, and \$50 for ABA members.

Please address any questions on either ABA guide to Jack Friery at friery@earthlink.net.

Small Business Roundtable Cosponsored by NCMA and PTAC

By Shep Mais

Our San Diego NCMA Chapter, in conjunction with the San Diego Procurement Technical Assistance Center (PTAC) recently held the first two of four small business roundtable training meetings. These sessions, which are free of charge, are geared to assist San Diego small businesses to better connect with government, public agencies, and large contractors. Each session is held at the PTAC offices in Mission Valley, at 4007 Camino del Rio South, Suite 210.

The most recent March 6 training session was entitled “Networking & Relationship Development.” Panel members included Keith Sutton, Syzygy Technologies, Inc., Dwayne Junker, Epsilon Systems, Ken Ashford, Metropolitan Water District, and Tim Warren, San Diego Contracting Opportunities Center/PTAC.

Networking and relationship development is an art and is invaluable when doing government business. Building relationships with representatives of government agencies, prime contractors, and industry partners is essential for success in this market. At the last roundtable, panelists discussed their experiences and how best to develop relationships with a government customer, which is key to gaining a true understanding of the customers’ needs.

Join us for April 3 training session “Winning and Growing Customers,” an interactive discussion with experienced business owners and executives/agency representatives to learn from those that have been there and done that!

More details on upcoming roundtable sessions can be found on the PTAC website at <http://www.ptac-sandiego.org/workshop.html>. Contact Shep Mais for more information, at shep@galaxiemgnt.com or (619) 299-4100.

NCMA-SD January Audio Seminar Debrief

By Maurice R. Caskey

What happens when a significant set of new requirements is added to the Federal Acquisition Regulation (FAR)? NCMA conducts training for its members.

The Government gave the world of contracting a Christmas present when FAR Subpart 3.10, Contractor Code of Business Ethics and Conduct, was added on December 24, 2007. This new set of requirements has far-ranging implications for all contractors and subcontractors under U.S. Government contracts. Under the new regulations, all small and large businesses “should have an employee business ethics and compliance training program and an internal control system that—(1) are suitable to the size of the company and extent of its involvement in Government contracting; (2) Facilitate timely discovery and disclosure of improper conduct in connection with Government contracts; and (3) ensure corrective measures are promptly instituted and carried out.” FAR 52.203-13, Contractor Code of Business Ethics and Conduct, is to be inserted in all contracts expected to exceed \$5 million and have a period of performance of 120 days or more. FAR 52.203-14, Display of Hotline Poster(s), also is to be inserted in such contracts if the contracting agency has a fraud hotline poster or the contract is funded with disaster assistance funds.

Twenty-nine people participated in an audio seminar on January 8th through the NCMA San Diego Chapter connection. The seminar, “The New Mandatory Compliance Requirements: Contractor Ethics and Compliance Programs and What You Need to Know,” was presented by William Weisberg and Joyce Tong of the law firm Sullivan & Worcester. They discussed the final rule for FAR Subpart 3.10 and its implications for both large businesses and small business concerns. They identified the Code of Business Ethics and Conduct requirement that must be met within 30 days after contract award (mandatory for large

Continued on next page

Continued from previous page

and small businesses) and the Awareness Program and internal control systems that must be implemented within 90 days after award (optional, but recommended for small businesses). The requirements apply to any contractor or subcontractor that holds a new contract valued over \$5 million with a performance period of over 120 days, whether for-profit or a non-profit entity. The requirements do not apply to existing contracts.

The seminar also covered proposed FAR 52.203-XX, Contractor Code of Business Ethics and Conduct, for which comments were due by January 14th. That change will also impact FAR Part 3, Improper Business Practices and Personal Conflicts of Interest, Part 9, Contractor Qualifications, and Part 42, Contract Administration and Audit Services. With this change, FAR 52.203-XX will more closely match the U.S. Sentencing Commission Guidelines Manual. Violations of the False Claims Act, False Statements Act, or Truth in Negotiations Act (or certain other public laws) can result in felony or Class A misdemeanor charges. Full compliance with the new requirements would be considered should such a “problem” occur.

The seminar devoted an extended period of time to discuss what constitutes an “acceptable” compliance program. The four identified goals compliance programs are: (1) comply with the regulations; (2) prevent problems before they occur; (3) proactively correct problems that were not prevented; and (4) provide a prophylactic effect should a problem occur. The scope of an effective program is quite broad and implementation for those companies that currently do not have programs will be an intensive, detailed process which includes development and implementation of a training program to ensure the compliance program is understood throughout the company.

Each of the 29 participants received some valuable insight into what it might take to achieve compliance with the new ethics and compliance requirements of FAR Subpart 3.10. Should chapter members indicate adequate interest in future discussion of this topic, a luncheon or seminar presentation will be included in the 2009 NCMA program schedule for San Diego.

NCMA-SD Board of Directors and Other Points of Contact

Board of Directors

| Position | Officer | Email |
|----------------|------------------|--|
| President | Joni Shirley | shirley_joni@integrits.com |
| Vice President | Dan Chalfant | Chalfant_daniel@bah.com |
| Treasurer | Mark Cook | mark@kes.com |
| Secretary | Christine Powell | cpowell@syzygy-tech.com |

Committee Chairpersons

| Position | Chairperson | Email |
|------------------------------------|-----------------|--|
| Employment | Jack Friery | friery@earthlink.net |
| Education | Maurice Caskey | scracer@flash.net |
| Membership | Chrystal Piskor | Chrystal.I.piskor@saic.com |
| Arrangements | Quyen Tran | guyen.tran@ge.com |
| Small Business & Military Outreach | Shepard Mais | mshepards@cox.net |

We are also looking to fill the following committee positions:

PUBLICITY – SPEAKERS – AWARDS