

NCMA NEWS



San Diego Chapter

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Presented By
The Office Of
The Mayor

The City of San Diego *Proclamation*

CONTRACT MANAGEMENT WEEK

WHEREAS, NCMA was founded in 1959 as the National Association of Professional Contracts Administrators (NAPCA) and is celebrating 50 years of being a professional membership society for people interested in the practice of contract management with almost 19,000 members across the country and internationally, consisting of 140 chapters in seven regions; and

WHEREAS, NCMA enables its members to develop professionally by offering access to a diverse contract management community of practice, a sanctioned Code of Ethics, an organized Body of Knowledge, and an accredited certification program; and

WHEREAS, NCMA also enables organizations to advance their organizational goals by facilitating ready access to skilled human capital, learning resources, and best practices, standards, and metrics of the profession; and

WHEREAS, NCMA sponsors a large number of conferences nationally throughout the year, being World Congress its premier event, held every year, which focuses on the needs and challenges of the federal and commercial contracting industry. Each Congress recruits high-profile panelists and speakers, offers various high-quality education programs and networking opportunities, and addresses the leading issues and requirements that all contract professionals deal with daily; and

WHEREAS, NCMA created the Contract Management Leadership Development Program (CMLDP) which addresses one of contract management industry's greatest challenges ever, aging and retirement of its workforce without replacement; and

WHEREAS, the local San Diego NCMA chapter conducts monthly meetings, workshops, seminars and luncheons with guest speakers from government and industry; **NOW THEREFORE**

BE IT PROCLAIMED, THAT I, JERRY SANDERS, the thirty-fourth Mayor of the City of San Diego, do hereby recognize the week of April 5-11, 2009, to be "Contract Management Week" in the City of San Diego, in recognition and honor of the thousands of contracting and procurement professionals in government and industry.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND, THIS DAY,
AND HAVE CAUSED THE SEAL TO BE AFFIXED HERETO:





JERRY SANDERS
MAYOR

April 5-11, 2009
DATE



President's Message

By Joni Shirley, CPCM

NCMA National held its Mid-Year Leadership Conference in Las Vegas, NV on January 23 and 24. The Conference attendees included NCMA chapter officers and committee members, students of the Leadership Development Program (LDP), and a contingent of students from Cal Poly. Friday's event featured a National Educational Seminar on "Cost Estimating and Cost Pricing" conducted by Gregory Garrett. Later that evening, NCMA President Steve Ayers moderated a panel of four, including Col. Russ Blaine, Elliott Branch, Karyn Greenfield and Deidre Lee on "What Contract Management Employers Need from NCMA". Saturday morning opened up with welcoming

remarks from NCMA's Executive Director Neal Couture and Gary Poleskey, NCMA President-Elect addressing the state of NCMA. There were several breakout sessions with Teambuilding opportunities. The breakout sessions were relevant to upcoming and current Chapter officers and Committee Chairpersons, each focusing on a specific Board position. Neal Couture and Steve Ayers presented Graalman awards to those Chapters who excelled during the 2007-2008 program year. In determining whether a chapter qualified for a Graalman this year, the Headquarters Review Team looked to the past and in part made their assessment on the scoring process that was used last year in order to help them through a transitional period. **As a result**, the San Diego Chapter was assessed as being equivalent to a **Silver ranking**, based upon our submittals, last year's scoring scheme, and the current criteria. Joni Shirley, Chapter President, and Julianne Hagan, Chapter Publicity Chair, accepted on behalf of the San Diego Chapter, a very nice plaque.

It was very refreshing to see so many of the LDP students in attendance as well as those who had graduated from the program. The program is currently seeking and will select members for this year's program. The cut-off date for applications is February 20, 2009 for a program start in July 2009. Check out www.NCMA.org website for details.

Joni Shirley, President
NCMA San Diego



Left to right: Executive Director, Neal Couture; Julianne Hagan, Chapter Publicity Chair; Joni Shirley, Chapter President; Steve Ayers, National President

December Luncheon Debrief

By Julianne Hagan

We had a great turnout at December's Luncheon! Colleagues from North County (ViaSat) attended, along with those from around the City of San Diego—DCS, KES, LWIP, Lockheed Martin, North American-QinetiQ, Northrop Grumman, Office of Naval Research, SAIC, San Diego County, and SGIS to mention a few....

Membership Focus – Meet Julianne Hagan

Julianne Hagan has over 30 years of experience in contract management and procurement policy working in the Aerospace, Communications, and Technology Commercialization industries. Her experience with government contractors includes working directly with federal agencies, primarily GSA, USAF, NASA, HUD, and DoD, as well as with the SBA and the CA Trade and Commerce Agency. Most of her experience is in government and commercial procurement- and sourcing-related roles for DOE's Savannah River Site, an investment bank, and other entities.

Julianne currently serves as Professor of Contract Management with Defense Acquisition University in San Diego, CA, after working for a small business overseeing all aspects of contract- and subcontract-related activities.



Ms. Hagan also taught for the University of California-Irvine, College of Extended Studies, Contract Management Certificate Program, as well as for the University of South Carolina-Aiken's School of Business and for Le Moyne College in Syracuse, NY. In 1995, she developed 5 internet-related courses that the University of South Carolina offered as a Web Master Certification program.

Ms. Hagan earned her MBA in Procurement & Contracts from George Washington University in Washington, DC. She also has a BA in Financial Management from Hood College, Frederick, Maryland. In addition, she completed a doctoral program in Higher Education Leadership and Policy, conducting her dissertation study in the adoption rate of public universities taking an equity stake in start-up companies based on university technologies.

Julianne has been a member of NCMA since 1982, serving as past President and Programs Chair for NCMA Orange County Chapter, and she presently serves as NCMA San Diego chapter's Publicity Chair.

World Congress 2009 NCMA 50th Anniversary Contract Management Week

NCMA celebrated its 50th Anniversary at World Congress April 5-8, 2009 in Long Beach, CA. World Congress is the place to learn from the experts in the field of Contract Management, as well as participate in valuable networking opportunities. This year, not only are we celebrating 50 years of our organization, but April 5-11 was also declared Contract Management (CM) Week!

This is a time to recognize and honor the thousands of contracting and procurement professionals in government and industry. Our local chapter has received support from the City of San Diego in proclaiming this as Contract Management Week. So, please, join me and others who attended this year's World Congress as we dedicate this time to continued professional development, organizational focus and personal recognition.

*December Luncheon Debrief**Continued from Page 2*

Dave Almos, President of Almos and Associates, presented members with an interactive talk on “Creativity & Innovation — Their Importance in Today’s Business Environment.” Dave drew from his experiences of more than 30 years in executive positions for commercial high-tech enterprises. He was involved in several business start-up operations and managed all aspects of the business life cycle. In addition, Dave has lectured on Entrepreneurship, Business Decision Making, and Creativity in Business for UCSD Extension. Dave currently is an instructor at San Diego Continuing Education, and he consults in information technology and business process improvement, leading creative teams from idea to implementation.

Dave began by asking, “Are we more creative now than when we were 21? ... at 5?” The answer: “No”! He defined creativity as “thinking up new things” and innovation as “doing new things.” We bring various perspectives, expertise, motivations, and thinking skills to express our creativity. Some of the premises he posed include:

- We can funnel 60 idea so they’re filtered down to one idea
- Without forcing variation, we end up stagnant, and in business we will lose
- Geniuses think productively, not reproductively

Next, Dave asked each of us to write down, in 30 seconds, how we would use a #2 pencil. At the end of the 30 seconds, he asked us to write down five more ways we would use a #2 pencil. Then we were asked to share our ideas with our neighbor. And then he asked us to write five more uses! He asked if any of our ideas included using the eraser? The point? The shavings? Making both ends pointed? You get the idea!

The keys to setting an environment in which creativity and innovation can occur include providing a safe harbor, and an environment of openness and honesty. Everyone must have the freedom to communicate with everyone else, and it must be safe for everyone to offer ideas.

Dave closed with the following statistics—we remember:

- 10% of what we read
- 20% of what we hear
- 30% of what we see
- 50% of what we see and hear
- 70% of what we discuss with others
- 80% of what we experienced personally
- 95% of what we teach to someone else

January Luncheon - Unconscionable Contracts, from Movie and Music Deals to Cruise Ships

By Julianne Hagan

At January's luncheon, Kevin Greene, Associate Professor at the Thomas Jefferson School of Law, spoke to San Diego chapter members and guests on the topic of "Unconscionable Contracts, from Movie and Music Deals to Cruise Ships." Mr. Greene's engaging sense of humor and story-telling acumen kept the topic quite exciting. His examples and the points he made resonated with everyone in the room!

Mr. Greene began with explaining adhesion contracts, that we are all too familiar with these days: the common contract form that we sign when we buy a cell phone or a service such as Jiffy Lube. These contracts seem to favor the supplier and since they "stick to us" it's easy to associate them with the term "adhesion" to characterize them. Mr. Greene mentioned, too, they result in a condition he calls "signitus." So, with this context to lighten the mood, Mr. Greene got into the historical aspects of unconscionable contracts derived from the common law that have held through today.

In the common law, a contract is deemed unconscionable if you, as the plaintiff, were tricked to your surprise. However, the UCC does not define "unconscionable," and only very few examples exist: contracts that specify "no class action" suits or that "restrict arbitration" (especially in California) are two.

Mr. Greene gave an example from the film industry. The more popular stars, such as Tom Hanks, are paid on "gross profits," but the lesser-known artists are asked to sign agreements whereby their payment is based on "net profits." This means everyone else is paid first, and the artist is paid last. Thus, the newer, lesser-known artist may never get paid (especially if the film takes a loss, which is often the case).

As contracts professionals, we often encounter similar power disparities in our work—thank goodness we have the training to ensure our companies avoid signing unconscionable contracts (that's the objective, anyway). As for applying this knowledge in our personal lives? Sometimes there's room to negotiate a more level playing field (and we are able to negotiate better deals than our friends without contracts training); but for most routine personal purchases, we're "stuck" in the same ways as our friends.



Maurice Caskey (r) presented Kevin Greene with a speaker gift (a memory stick), which Mr. Greene accepted by saying "NCMA gave me a free lunch, but at what price?"

February Seminar Notes - DCAA Audit R⁴

On February 18, 2009, the San Diego Chapter presented “DCAA Audit R⁴ – Rights to Records, Requirements & Remedies”, a seminar on contractors’ rights, obligations, and remedies when undergoing an audit by the Defense Contract Audit Agency (DCAA). A distinguished panel of industry, government, and legal/accounting consultant representatives addressed questions from a sold-out crowd, as moderated by Maurice Caskey, our NCMA-SD Education Director.

The seminar addressed the Government’s rights to records in an audit situation, how those rights arise under a contract, and the contractor’s rights and obligations in responding to auditors’ requests. The Federal Acquisition Regulation’s (FAR’s) breadth in granting audit rights was discussed, including pre- and post-award audits of contractor proposals, contractor cost accounting and billing systems, and contract closeouts. Of great interest were two recently issued DCAA Audit Guidance Memorandums, 08-PAS-42 – Denial of Access to Records, and 08-PAS-43 – Adequacy of Contractor’s Internal Control System.

DCAA Audit Guidance Memorandum 08-PAS-42 instructs auditors to require that contractors provide “timely” access to supporting records requested by DCAA, with timeliness defined in many cases as the same day. Notably, “supporting records” is interpreted to include direct access to personnel rather than through a contractor’s audit liaison. Failure to provide timely support may result in suspension of payment or a determination of internal control deficiency.

DCAA Audit Guidance Memorandum 08-PAS-43 directs auditors that any internal control deficiency determination should result in a finding of a “material deficiency”, and render the contractor’s system inadequate. Most significantly, DCAA will no longer report “Inadequate in Part” opinions; a contractor’s system will be deemed either Adequate or Inadequate in its entirety.

A copy of the seminar presentation containing additional reference information on these memorandums and other seminar discussion topics can be found on the NCMA San Diego Chapter web site at <http://www.ncmasd.org>.



Report on March 18 Luncheon

By Tom Vazakas

The San Diego Chapter's March luncheon topic was "A President's View: Teaming and Resourcing," presented by Robert Kilpatrick. Bob has been President and General Manager of BAE Systems, San Diego Ship Repair, since January 2004. Bob's career with the Company began in 1981, when he joined Southwest Marine's San Francisco facility (now BAE Systems San Francisco Ship Repair) as an Electrical Estimator for shipboard communication and power installations. Bob holds a B.S.E.E. from Duke University, and in 2005 completed University of Michigan's Executive Education Program.



Maurice Caskey presenting Bob Kilpatrick with his speaker gift

At the luncheon, Bob gave a thorough overview of the benefits of teaming to the customer and to the team, some risks

associated with teaming, fundamental elements of teaming agreements, the contract administrator's role, and the role and benefits to small businesses. Bob's presentation is posted on the Chapter's website. Bob provided in addition some "take-aways" to include in this article (elaborations in parentheses are by Tom Vazakas):

- 1) Analyze the market into segments before determining your teaming partners. (Consider carefully how each potential partner can contribute unique strengths in particular market segments, not only for purpose of current solicitation but also regarding their potential to support subsequent growth of your market share and expansion into new markets.)
- 2) Review your potential teammates as part of a SWOT analysis for the procurement. (Use structured evaluation to consider carefully all the pros and cons, immediate and long-term, of teaming with each potential teammate. The consequences can be significant and long lasting.)
- 3) Realize the differences between a pre-award agreement and a post-award agreement. (The teaming agreement should identify how the work is to be divided (preferably on a capabilities rather than percentage basis) if the team's proposal is successful. However, the team formation and any later subcontract are two distinct phases and types of relationship. The ramifications of this should be kept in mind.)
- 4) Have "lessons learned" processes with your teammates. (This extracts the good out of having experienced "lessons," and is a powerful relationship builder and maintainer.)
- 5) Assure that you have an exit strategy for your agreement. (Prepare for "what's next" if prime contract is not awarded or is terminated, or if significant problems arise during subcontract performance. Make sure this is adequately covered in agreement terms.)
- 6) Always remember the word TEAM in Teammates. (Continue to make San Diego the Navy's "happy port." A team acting cooperatively optimizes synergies that benefit the customer—to customer's delight.)



From left to right, Dan Chalfant (VP NCMASD), Curtis Bartlett (Sr. Contracts Manager, BAE), Robert Kilpatrick (President and General Manager of BAE Systems, San Diego Ship Repair), Maurice Caskey (Education Chair NCMASD), Joni Shirley (President NCMASD)

A big THANK YOU to a few of our behind-the-scenes volunteers!



Joni Shirley presented Jim Southerland with an award for his long-time service to the NCMA-SD Board of Directors at the chapter's December 2008 luncheon.

President Joni also presented Erin Felix with an award for her service to NCMA-SD as the chapter's Newsletter Editor.



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	Quyen.tran@ge.com
Small Business & Military Outreach	Gunnar Schalin	gschalin@ptac-sandiego.org

We are also looking to fill the following committee positions:
SPEAKERS – AWARDS