

DISA Contract Consolidation: Which DECC Support Contracts are the Most Likely Targets?

Posted At : September 2, 2014 8:32 AM | Posted By : Alex Rossino

Related Categories: Consolidation, Department of Defense, Efficiency Initiatives, Sequestration, Financial Crisis

At its recent Forecast to Industry event, officials from the Defense Information Systems Agency (DISA) spent a lot of time talking about two things – driving down costs and consolidating contracts. The latter, it was explained, is being done to achieve the former, with both trends being driven by the meat-cleaver budget cutting approach known as sequestration. Sequestration is coming to the fore once again as a result of budget planning that is now taking place for fiscal year 2016. The Department of Defense received a slight reprieve from budgetary pressure in fiscal 2014 and 2015 due to the passage of the Bipartisan Budget Act of 2013. Come October 1, 2015, however, sequestration will return with a vengeance. DISA officials can see the light at the end of the tunnel and they know that light is a fiscal train heading their way. Therefore, extensive talk of budget cuts and contract consolidation at the industry forecast event is a way of preparing industry for the blows that are about to fall.

Talk of contract consolidation is bound to make vendors nervous, so in today's post I'll do my best to identify the contracts supporting DISA's Defense Enterprise Computing Centers (DECCs) that are most likely to be targeted. Next week I'll shift the focus to those supporting the Defense Information Systems Network (DISN).

The available data on DECC support contracts has some holes in it, but I'll shed light where I can. By my count, and using data DISA provided in its Exhibit 300 business case for FY 2014, there are currently 53 contracts in place supporting DISA's DECCs. These contracts expire in the following timeframes, assuming all of their option years are exercised and assuming the data provided by DISA is accurate.

- Expiration Year FY 2014 – 4 contracts
- Expiration Year FY 2015 – 17 contracts
- Expiration Year FY 2016 – 16 contracts
- Expiration Year FY 2017 – 10 contracts
- Expiration Year FY 2018 and Beyond – 6 contracts

For our purposes let's assume the 43 contracts expiring from FY 2015 to FY 2017 are in the crosshairs for consolidation. According to Dave Bennett, DISA's Chief Technology Officer, the contracts that provide support services to the DECCs on a regional basis will be looked at the hardest; the rationale being that as DISA transitions to an enterprise services model, there will be less of a need for location-specific support. Of the contracts above, here's how the numbers break out by primary place of performance.

- Mechanicsburg, PA – 12
- Chambersburg, PA – 6
- Oklahoma City, OK – 6
- Ogden, UT – 4
- Montgomery, AL – 3
- St. Louis, MO – 2
- Columbus, OH – 2
- Falls Church, VA – 2
- Other Locations – 12

Clearly, the lion's share of support work is centered around the DECC located in Mechanicsburg, PA. I am going to assume **based simply on the range of customers using them**, that the Mechanicsburg and Ogden DECCs are the largest and closest to the "center." They will therefore be subject to the least amount of contract consolidation. This leaves the greatest possibility of contract consolidation at OKC, Chambersburg, Montgomery, St. Louis, Columbus, Falls Church, and in other locations. Of these places, I would suggest that OKC and the other locations will see the most contract consolidation. Presumably, Chambersburg can be left out of the equation because data center operations there were phased out earlier this year. I suggest OKC because it has the second highest number of support contracts. I suggest the other locations because these are single-contracts for individual locations, meeting Mr. Bennett's criteria as "regional" support contracts. Here is a list of the contracts and vendors working in OKC and in the other locations.

Oklahoma City

- HC102812F0280 – Global Commerce & Services, Small Business
- HC102812C0039 – Indigenous Technologies, Small Business, 8a Sole Source
- HC102811C0115 – KNWEBS, Small Business, 8a Competed
- HC102812P0027 – KNWEBS, Small, Business, 8a Sole Source
- HC102812F0030 – IS Technologies, Small Business, 8a Competed
- HC102812C0084 – KNWEBS, Small Business, 8a Sole Source

Read into this what you'd like, but to me all these sole source awards scream consolidation. Why? Because at the forecast event MG Al Lynn, the Senior Procurement Executive at DISA, promised that DISA would compete contracts to drive down costs. Even Sharon Jones, DISA's Small Business Representative, stated that contracts would be consolidated. In other words, small businesses too will feel the pain of consolidation and for my money these sole source awards stick out like a sore thumb. How about the other locations?

Other Locations

- HC101307D2009 – Vion, Washington, DC

- HC102812F0563 – Security Walls, San Antonio, TX
- HC102811D0102 – Knight Point Systems, Reston, VA
- HC102813D0004 – Oracle, Redwood City, CA
- HC102810F2166 – Advanced Systems, Greenwood Village, CO
- HC102812C0006 – Nova Corporation, Ft. Meade, MD, 8a Sole Source
- HC102812D0004 – Gem Companies, Denver, CO
- HC102813D0001 – URS Corporation, Chantilly, VA
- HC101307D2004 – HP Federal, Bethesda, MD
- HC102812C0063 – Deloitte, Alexandria, VA

Of these contracts only the one held by Nova Corporation is an 8a sole source award. The work, however, is also being done at DISA HQ, so it is up in the air. The contract held by Vion is the Enterprise Storage Solutions contract that is already in the process of being recompeted. The rest of these contracts are all one offs providing support at locations that are not in close proximity to DISA DECCs. If we take Mr. Bennett at his word, presumably these contracts too are prime candidates for consolidation.

Readers will please take into consideration the fact that I don't have any information suggesting these contracts are definitely targeted for consolidation. Similarly, I have no information suggesting the other contracts not listed here are not also being considered for consolidation. The safest bet would be to assume that all DECC support contracts will be reviewed. This said, based on the few comments made so far about consolidation, the contracts listed above best fit the bill. For this reason they are the ones worth watching the closest in the years to come.