

Conflicts

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more needs to fill, there is a greater chance for conflicts, he said.

Contractors are getting called on more to help the government on acquisitions because "there are less workers to do the work in government," said Steve Ayers, president-elect of the National Contract Management Association, a professional organization of government and private-sector contracting officers. "It would be better if government could do the work, but they don't have the resources."

GSA hired Massachusetts-based Calyptus Consulting Group to help with the Alliant IT contract in January 2007 because it needed to gather 61 bidders' past-performance information quickly, a GSA spokesman said.

But in hiring Calyptus, GSA hired a company that openly acknowledged on its Web site it had done business with several potential Alliant bidders. Two Calyptus clients, Lockheed Martin and Raytheon, bid on the Alliant contract. They were among 29 firms to win Alliant awards.

Experts say companies like Calyptus should bring such relationships to GSA's attention. Calyptus has not returned calls or e-mails seeking comment about what it disclosed to GSA. GSA has not said if Calyptus made GSA aware of its other clients.

When it comes to organizational conflict of interest (OCI), "there is no requirement for an actual conflict of interest — OCI is about the appearance of a conflict," said Rich Wilkinson, a former Navy contracting officer and vice president of government contracting with Deltek, a software firm.

When a company is in a relationship with the government, as Calyptus was, it has to be like Caesar's wife, above reproach, Wilkinson said.

This becomes more pertinent when looking at the type of work Calyptus performed. Past-performance information is an integral part of proposal evaluation, and "where a contractor is almost autonomous in how it performs that work, it can rise to the level of an inherently governmental function and probably shouldn't be contracted out at all," Wilkinson said.

On March 3, the U.S. Court of Federal Claims upheld a protest by eight firms with losing bids on Alliant and ruled that GSA must not proceed with Alliant until it makes amends with the protesters. The court found Calyptus failed to treat bidders equally when asking questions about their past performance, because GSA didn't give the consulting firm enough direction on what kind of information it wanted. This left it up to Calyptus to decide what was pertinent.

The GSA spokesman said only GSA staff rated the information Calyptus gathered.

"It's up to the government not to abdicate its responsibility to the taxpayers and to make sure all the information provided by the contractor is checked and verified," said Scott Amey, general counsel for the Project on Government Oversight. "Where was the government in all this outsourcing?"

For its part, GSA required Calyptus "reveal any conflict of interest" as part of its \$242,000

task order to perform 500 past-performance interviews in support of Alliant, the GSA spokesman said. It is not known if GSA was told Calyptus had done business in the past with Lockheed and Raytheon. GSA was unable to provide that information by press time.

The government relies too heavily on contractors to self-report and disclose information in a bidding process, Amey said. Unless the government fully investigates what it gets back, it can't be sure something the company thinks is unimportant isn't material to the matter, he said.

Both Raytheon and Lockheed deny they had a conflict in this case. Lockheed told *Federal Times* that it didn't know Calyptus was involved in Alliant during the bidding process. Calyptus did not help Lockheed during the Alliant procurement, a Lockheed spokesman said.



Organizational conflict of interest 'is about the appearance of a conflict.'

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DELTEK

A Raytheon spokesman said its information technology sector has not done business with Calyptus in seven years and didn't understand why it was listed as a current Calyptus client. The spokesman was unsure if other sectors of Raytheon maintain business with Calyptus.

If the government rejected every potentially conflicted company from helping on procurements, "the government would be unfairly denying itself access to good consulting services and pretty soon wouldn't be able to take advantage of any top-line consulting help," said Larry Allen, president of the Coalition for Government Procurement.

The level of a conflict in GSA's Alliant procurement would depend on the firewalls Calyptus had in place and what disclosures it made to GSA. "But this type of thing does point out the appearance of a conflict of interest," Allen said. "It's a conundrum for companies who want to grow themselves and bring in revenue."

When firms do work where a conflict might arise, contractors typically set up divisions within a company that will isolate a certain sector technologically or geographically to avoid conflicts, NCMA's Ayers said. The federal contracting officer has the power to reject a firewall plan if he doesn't think it will solve the problem of conflicts he said.

It's not a perfect solution, but it works in a marketplace where there are fewer "pure players" to call upon, Ayers said.

But "the smaller the company, the more difficult it would be to construct any kind of meaningful firewall," Wilkinson said.

Some conflicts can't be solved with a simple firewall, however. According to a GAO presentation, "impaired objectivity" — where "a firm's ability to render impartial advice to the government could appear to be undermined by its relationship with the entity whose work product is being evaluated" — cannot be defended against with firewalls. To make it even tougher to figure out, there is no litmus test to detect an organizational conflict of interest, according to the GAO presentation to the National Defense Industry Association posted on the Web.

Whether Calyptus disclosed its business relationships, the fact that it was evaluating work by two of its clients could mean it evaluated work it helped perform, POGO's Amey said. ■

Web

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ping sites; and 75.2 for e-business, which includes news sites and search engines.

The government's all-time high score was 74 in June 2006. The new score is the lowest the government has received since March 2005, when customers gave it a 71.9.

The index measures sites' functionality, navigation, search abilities and appearance, based on data gathered from voluntary online surveys of visitors to 105 government sites that participate in the survey through the Treasury Department's Federal Consulting Group. Agencies choose to participate in the survey to help track performance as required by the president's management agenda and the Government Performance and Results Act, according to the group's Web site.

Freed, chief executive of ForeSee Results, which produced the report in partnership with the university and other consultants, blamed the downturn on a combination of factors.

For one, he said, there appears to be a lack of priority on e-government initiatives as the end of the Bush administration draws near because the pace of improvement to sites has slowed.

Also, he said, private-sector advances have outpaced agencies' — because many agency Web sites are focused on conveying the agency's mission and not focused on users' needs to find what they want quickly and easily.

"The standard that consumers hold these Web sites up to continues to increase," Freed said.

Freed's critique is shared by Annetta Cheek, chairwoman of the board of directors at the Center for Plain Language. The group advocates for easy-to-understand language in business and government transactions.

Too often agencies "get in the way" of their own consumers by failing to prioritize how to reach useful information and services or by making information too hard to understand, Cheek said. Failure to make information easier to find on the Web can, in turn, drive down efficiency by forcing customers to call an agency for assistance, she said.

"People come to federal Web sites to get something done," Cheek said.

Efforts to improve

The Bush administration has been a big proponent of e-government. The Office of Management and Budget last month said that e-government initiatives saved taxpayers an estimated \$508 million in fiscal 2007 by making more information and services available and easier to find on the Web, thus cutting down on the amount of time employees spend answering questions and processing paper forms.

This quarter, 17 of the 105 government sites surveyed met criteria to be considered "top performers" by scoring 80 or better. At the top of that list is the Social Security Administration, whose benefits sign-up site and Medicare prescription drug plan site both scored 87.

The agency has realized the importance of "keeping the customers first," said Bill Gray, the agency's deputy commissioner for systems.

Many SSA customers are low-income or senior citizens, two segments of the population that don't generally have the best access to or familiarity with the Internet, Gray

said. Still, during 2007, more than 375,000 people, or about 15 percent of all applicants, signed up for Social Security benefits online. That's up from about the 1 percent of people who signed up via the Internet when application first went online in 2000.

So far this year, 270,000 people have applied for benefits online, Gray said. He attributed that growing number — which is expected to increase annually as more baby boomers reach retirement age — to marketing campaigns intended to reach people who are becoming eligible. Also, SSA's Usability Center frequently asks users for feedback on their interactions with the site, he said.

With such feedback, SSA constantly upgrades the online application process — for example, by rewriting to make information easier to understand, and by allowing applicants to save portions of an application in one session and to finish in a later session.

"When someone comes to file for retirement, that's a life-changing event," Gray said. "To encourage someone to apply where they can't talk to someone [in person], that's a challenge for us. ... If they start and they're confused, they're just going to quit."

SSA officials are working to completely automate the processing of online applications by 2010. The more people who sign up online, the more the agency will save, he said.

"The wave of people coming at us is just huge. ... We expect our workload to double by 2025," Gray said. "We have to use every resource."

Officials at Business.gov, run by the Small Business Administration's Business Gateway Initiative, credit three major improvements with helping it raise its score by one point to a 72 for this quarter and with increasing traffic to the site by more than 30 percent since December. The site, a clearinghouse of information for small-business owners, now offers an improved search function, more content on state and local compliance, and a database searchable by city and state to help users locate the types of permits they would have to get to open a variety of shops or services.

Nancy Sternberg, program manager for the initiative, said those improvements were made in response to demand from users for a "more overarching package."

"That was one of our goals, saving business owners time," Sternberg said.

Not every agency was pleased with the survey results. The Agriculture Department's main Web site ranked near the bottom of the survey, scoring 59.

Agriculture spokesman Keith Williams called the survey "flawed" because, he said, the department began participating in it only 13 days before the quarter closed. He cited a 2007 Brown University study that ranked the site No. 2 among federal agencies for user accessibility, availability of services and readability.

The department is working to make more forms, like those required for farmers to validate what they grow, available online, Brown said. Making information more readily available on the Web has helped Agriculture close about 100 county extension offices out of the approximately 2,300 that it operates nationwide because they were no longer needed.

"Our objective is to answer questions and to service people out there," Williams said. "We look at it as something that's going to provide that opportunity." ■