

Event Synopsis for Reverse Industry Day V
*Advancing the Dialogue: Where Acquisition, Innovation,
Cybersecurity, and Technology Intersect*

January 31, 2018

Welcome and Introduction

Keynote: *Claire Grady, Undersecretary for Management*

The Acting Deputy Chief Procurement Officer, Nina Ferraro, welcomed everyone to the event and introduced a video that highlighted the Department's critical mission areas. After the video, she introduced the Undersecretary for Management, Claire Grady. USM Grady spoke to the audience about giving industry the floor today, as the topics are timely and critical. The Department's mission statement includes industry and the conversations held today benefit everyone. Adversaries are a threat to securing the Homeland with cyber insecurity. How are we responding? DHS requested \$1.6B to resource the undertaking. It is engaging with Congress on legislation that would establish a new operating Component dedicated to our cybersecurity mission. Executive order 13800, Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure, issued May 11, 2017, initiates action on four fronts: securing the federal networks, encouraging collaboration with industry, strengthening the deterrence posture, and placing a much needed focus on building a stronger cybersecurity workforce. Technology is required and instrumental to everything we do to meet our mission. It is important to keep pace with change, as today's solutions won't meet tomorrow's challenges. USM Grady challenged the acquisition workforce to do a few things after leaving the event: 1) Continue the discussion with industry; 2) Design a solution for a problem and share it through the Component Innovation Advocate, Industry Liaison, or Procurement Innovation Lab; and, 3) share the best practices you learn with others at the Department.

Keynote: *Martin Gross, Director, Office of Cybersecurity and Communications, National Protection and Programs Directorate (NPPD)*

Mr. Gross opened stating that we must protect the federal space from threats, we need to partner with industry and that everybody has to work together. We need a consistent understanding of threats, risks and vulnerability gaps and key mission and business threads and how they relate. We have lots of dated info, how can it be shared across the community? We can't afford to protect every asset the same way because it's too expensive. There has been a lot of discussion about what the federal government has been doing with respect to cybersecurity. We have some necessary starting points for providing cybersecurity but we don't have the ultimate solutions. A lot of us are looking at the same data, we need to look at how we share this info so that we are not all looking at the same thing. We need a pipeline of people that are considered national assets in cybersecurity. Key technologies, such as digital identification, move us away from social security numbers. Look at the total life cycle for data protection. Consider advanced analytics. Find ways to better manage services and apply software concepts to cybersecurity.

Finally, he left the attendees with a few key points: It's not just about technology, it's about people, processes, and non-material solutions. We need to figure out how to build on the capabilities that we already have and to focus on mission outcomes. It's very hard to commoditize and monetize the benefits we get out of cybersecurity. We have the acquisition authorities and approaches in the federal government to do the things we need to do. It's not about changing authority, it is about changing the culture of risks and getting people to work together within the public and private sectors.

Panel I: Rapid Acquisition of Cybersecurity Resources-Industry Perspectives

Moderator, Richard Smith, Vice President and Enterprise IT Chief Technology Officer (CTO), CACI,

Industry Panelists:

- *Sallie Sweeney, Principal Cyber Solutions Architect, General Dynamics Information Technology*
- *Sridhar Vishnubhotla, Chief Solutions Architect – Cyber Security, Sevatec*
- *Frederick Schroeder, Cyber Security Director, SiloSmashers*

Government Participants:

- *Paul Beckman, Deputy Chief Information Security Officer, DHS*
- *Alma Cole, Executive Director, Cybersecurity Directorate, U.S. Customs and Border Protection*

The session began with the Moderator, Richard Smith, asking a couple key questions: what does rapid acquisition mean? How do you define innovation – the introduction of a new thing?

Paul Beckman expressed that we need flexibility and can take cues from the IT world, such as agile principles of software development. Not all requirements can be understood up front, therefore, hybrid contracts work. A hybrid contract that includes Surge CLINS will allow needs to be obtained quickly and without having to put another acquisition together.

Addressing a question on future contract vehicles, Fred Schroeder responded that it starts at the beginning in terms of working with industry: Reviewing draft solicitations down to sections B, C, L and M, working through requirements, and making sure they are not overly specified. He noted the importance of understanding and working across contract vehicles already in place. The old fashioned Key Performance Indicators (KPIs) are still relevant for industry. He encouraged everyone to look at innovation and how to leverage and incorporate requirements into the Request For Information (RFI). He recommended as a best practice, consider hybrid Firm Fixed Price (FFP) and Time & Material (T&M) contracts. He also asked the attendees to consider how security can be built into the pipeline to avoid long lead times for background investigations.

A question was raised, what have you learned that has helped to streamline IT services and product acquisitions? Responses from the subject matter experts (SMEs) included streamlining acquisitions by conducting presentations and demonstrations. Anyone can hire someone to write a good proposal. However, you have to know how the team will operate when you hire them. They also recommended “bake offs” and challenges done within a timeframe.

Constraints to innovation include risk appetite and budget. Access to enterprise vehicles can be a great thing, but they cautioned against becoming stagnant. You want to ensure flexibility. How does industry obtain the best people? Do you differentiate based on certifications? Currently there are more jobs than talent. Industry can partner with small businesses who can meet niche capabilities and can cross train people. They noted the importance of having good managers so talent won’t leave and recommended creating a pipeline of talent such as with academic programs.

Keynote: *Dr. John Zangardi, Chief Information Officer (CIO), Department of Homeland Security (DHS)*

CIO Dr. Zangardi welcomed the group and expressed his enthusiasm to be speaking for the first time as the DHS CIO since his arrival last month. Dr. Zangardi spoke on the mission to protect, connect, and perform as well as the vision to deliver world class IT to enhance and support the DHS mission. To achieve the mission, we need to assure effective and resilient communications, provide trusted information to enable collaboration Department wide, develop and organize the workforce to accomplish the organization’s core missions, optimize IT investments, and realize efficiencies through innovative IT solutions. The focus will be on transitioning from OneNet to a managed service for more efficiency; cloud computing and data center optimization by enterprise approach; and finding the best way to enhance what the Components and Headquarters is doing through the process. Work will be done to consolidate the Security Ops Center/Network Ops Center and align their capabilities; also, transitioning to an enterprise mobile solution and leveraging derived credentials. Dr. Zangardi noted they are focusing on Enterprise License Agreements and how to ensure that they are not being wasted. Cybersecurity is a focus that involves implementing a DHS cyber scorecard. Modernization is key to helping us “get out of our own way.” We will need to refresh technologies and advance office productivity. We need to have the willingness and foresight to put the right people in place to do the job.

Panel II – Understanding Procurement Challenges to Technology Innovation

[Moderator, Richard Smith, Vice President and Enterprise IT Chief Technology Officer, CACI, Industry Panelists:

- *Sallie Sweeney, Principal Cyber Solutions Architect, General Dynamics Information Technology*
- *Sridhar Vishnubhotla, Chief Solutions Architect – Cyber Security, Sevatec*
- *Frederick Schroeder, Cyber Security Director, SiloSmashers*

Government Participants:

- *Paul Beckman, Deputy Chief Information Security Officer, DHS*

- *Alma Cole, Executive Director, Cybersecurity Directorate, U.S. Customs and Border Protection]*

Moderator: Mark Emery, Principal, Emery Consulting

Industry Panelists:

Cynthia Mar, Chief Technical Architect/CTO, Homeland Division, Microsoft

Cos DiMaggio, Chief Executive Officer, The Tauri Group

Steve Pichney, Senior Vice President/CTO, Xcelerate Solutions

Government Participants:

Dr. Douglas Maughan, Director, Cyber Security Division, and Senior Executive, Silicon Valley Innovation Program, Science and Technology Directorate

Dr. Berry West, Senior Accountable Official for Risk Management, DHS

The session began with the Moderator, Mark Emery, posing the question “How do we tie innovation to business outcomes that DHS requires?” to the Panelists. This question led to the discussion on procurement challenges to innovation. Cynthia Mar explained that it’s important to assess early on what type of innovation is need. For example, is it disruptive innovation? Is it innovation in the procurement process? The panelists went on to explain the importance of having more requirements outcome based, so that more of industry can provide innovative solutions. Parameters with less restrictions allow Industry to figure out the right solution. Cos DiMaggio, emphasized that many times in service requirements, the language is very prescriptive and restrictive, which takes the flexibility out of industry’s hand to provide effective and efficient solutions. He further explained that this unfortunately drives the senior, more seasoned professionals, out of the government contractor marketplace.

Steve Pichney, highlighted that Industry dwells on RFI’s more than Government may think. When RFI’s are looking for new innovative techniques, it provides Industry more of an opportunity to provide the best solution to meet the needs of DHS. The Panelists then stressed the importance of providing Industry demonstration opportunities. It is important to have Industry demonstrate what they think is innovative.

Dr. Douglas Maughan expressed the need to think about innovation throughout the life of the contract and not wait until a contract is up in five years. Dr. Maughan emphasized that utilizing Other Transaction Authority (OTA) for programs, such as the Silicon Valley Innovation Program (SVIP), is a great way to get quick innovative ideas. Dr. Berry West, voiced the importance of customer intimacy and establishing key relationships upfront. He recommended industry and government continue to collaborate, participate in association events, and share ideas. This way industry will be able to target pain points and needed solutions when they come in for one-on-ones. Dr. West commended DHS Chief Procurement Officer, Soraya Correa, for providing better solutions for DHS, such as setting up the Procurement Innovation Lab (PIL).

Mr. Emery concluded this session by discussing key challenges to innovation. Requirements have to align with the innovation expected and the evaluation criteria must reward innovation.

Keynote: *William Bryan, Under Secretary (Acting) for Science and Technology*

Mr. Bryan began his keynote by thanking OCPO and OCIO for putting on the Reverse Industry Day event. He then showed a short video that highlighted S&T's innovation to secure our world. He then went on to talk about how S&T does not have the luxury of taking years to do R&D anymore. Things have to be done quickly, "this is not your grandma's S&T". If S&T could do two things absolutely right, they would be to 1) help the customer shape and identify the requirements and 2) position S&T to take advantage of industry's catalysts, to help us do that. We need to better tap into the changes taking place in industry.

Mr. Bryan stated that there are pockets of success in what S&T has done. He went on to declare his commitment to improving and expanding upon what S&T has done well, and either fixing or no longer doing what isn't being done well. S&T does not want to be a stumbling block to getting to the innovation that industry provides.

Why is this important and timely? Business processes have to be right to do what we do and you have to have the right relationships, not just internal, but with industry. Operators need to have tools in their hands now, like yesterday. Threats are rapidly changing, and we have to be able to meet them. Traditional R&D can't keep up. Trusted partnerships are needed, and we want S&T to be viewed as a trusted partner.

The big focus is on technology transfer. No money should be invested into anything that won't be transferred into the market place. The Government has not done a good job with that. We need to know some things from industry: how does industry view the market place? How do you source innovation so S&T can know how to plug in and add to that.

Industry needs more transparency from us: know our vision and structure and how and when to tap into us. It also needs to know what our budget outlook looks like and how much money will be spent in certain areas as well as what our priorities are.

The Long range Broad Agency Announcement (BAA) is designed to solicit solutions for our most critical needs. Good proposals are received via this process, but we then take too long and end up putting money into the not so good proposals at the end of fiscal year. DHS wants to be able to take advantage of some of the good proposals and increase private sector participation. Money should be going to industry who can turn it around faster and get it into the hands of the users. We are making some improvements in the process.

In closing, Mr. Bryan thanked industry for the time, effort, money and resources put forth for proposals. He remains committed to fixing issues and wants S&T to be able to tap into industry's R&D. Lastly, Mr. Bryan is very interested in feedback on what would make S&T more appealing to work with.

Closing Remarks: *Nina Ferraro, Acting Deputy Chief Procurement Officer*

Nina Ferraro closed out by thanking panelists and keynote speakers, industry associates, and the DHS workforce. She indicated that the messages really resonated with her regarding our role as acquisition professionals in helping to achieve outcomes. She encouraged everyone to go back to the office and use what was learned at this Reverse Industry Day event, to enhance the manner in which DHS does business.