

# Legal Ethics & Compliance:

## How Failure to Follow the Rules can Cost you Contracts ...or Worse!

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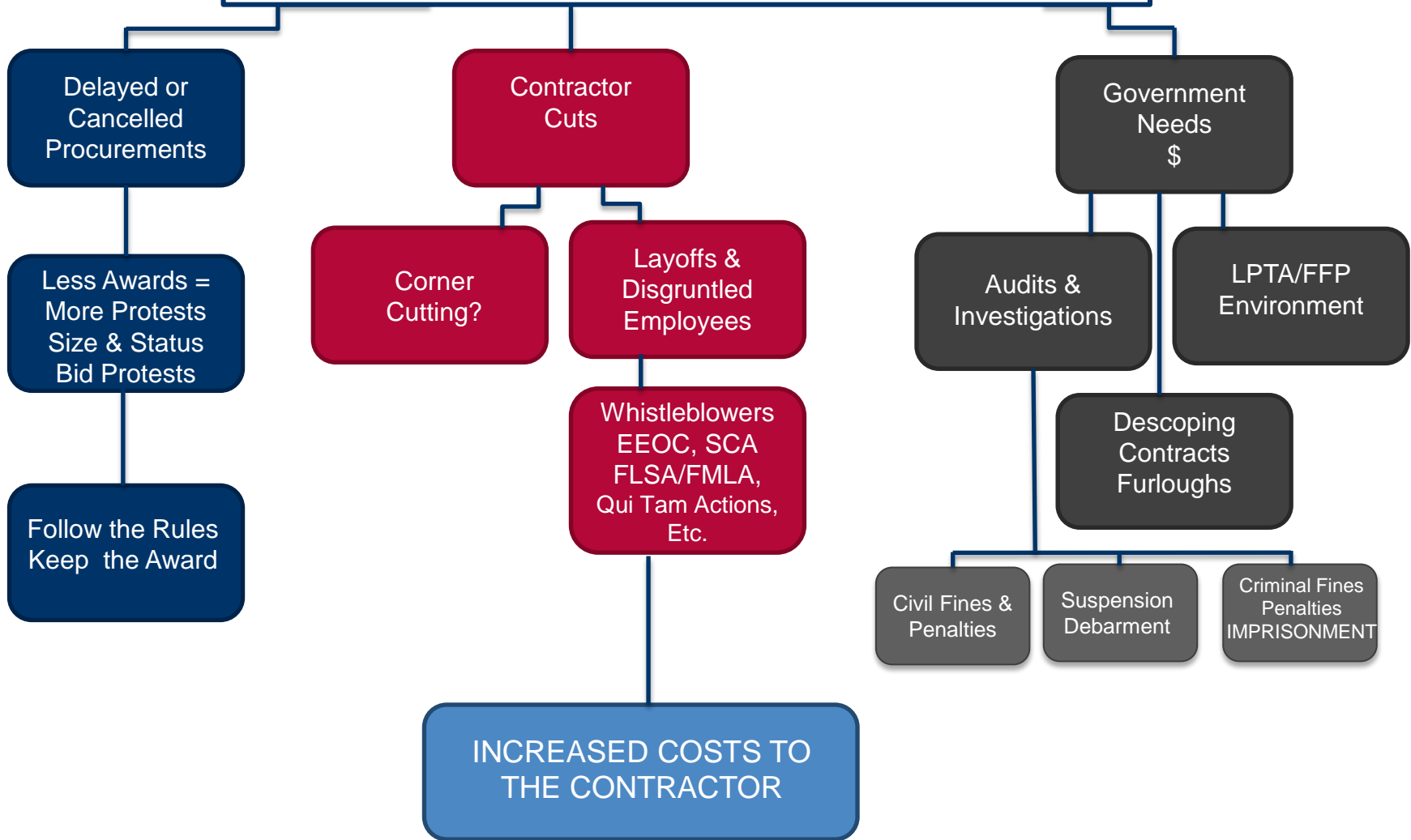
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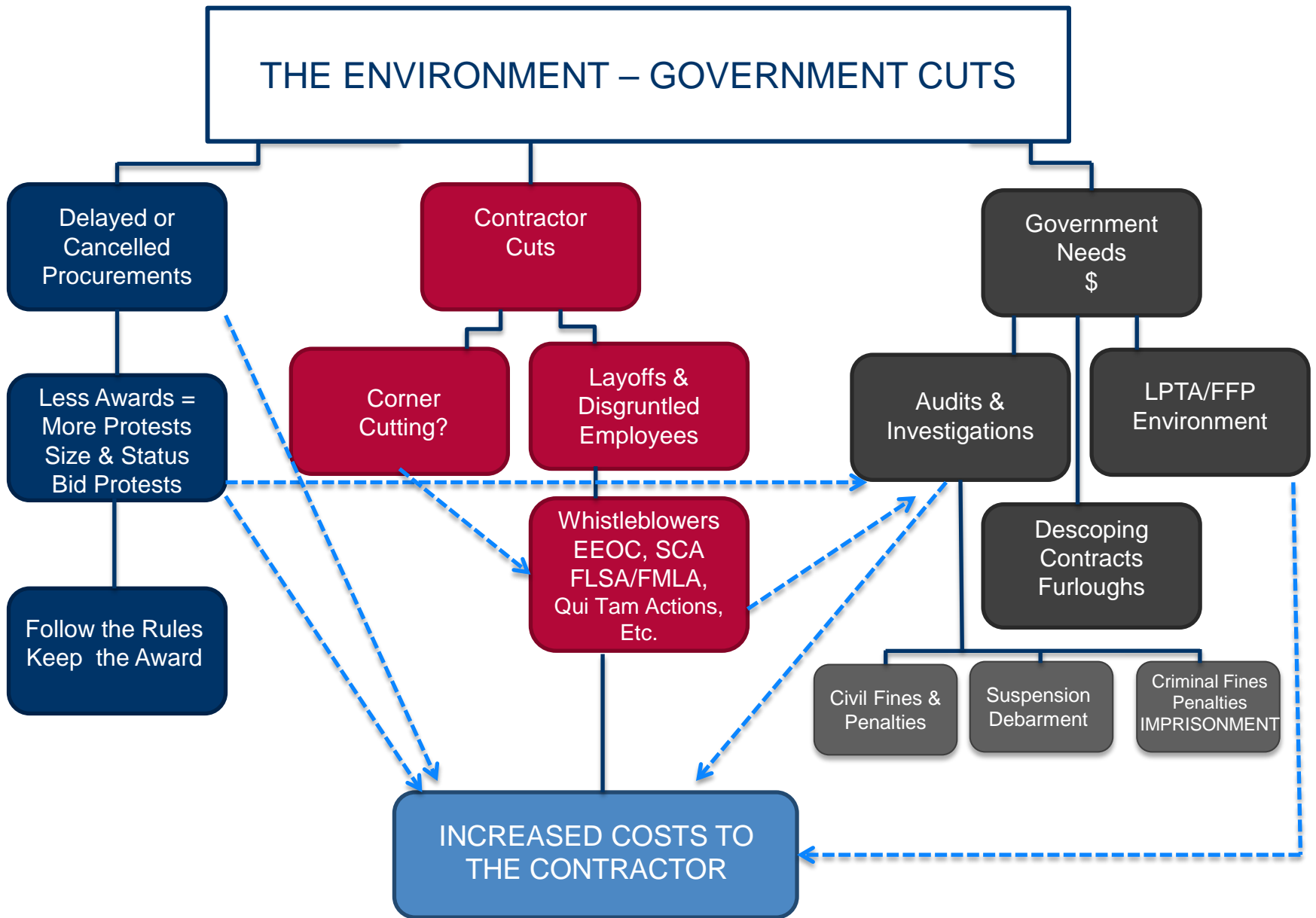
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# THE ENVIRONMENT – GOVERNMENT CUTS

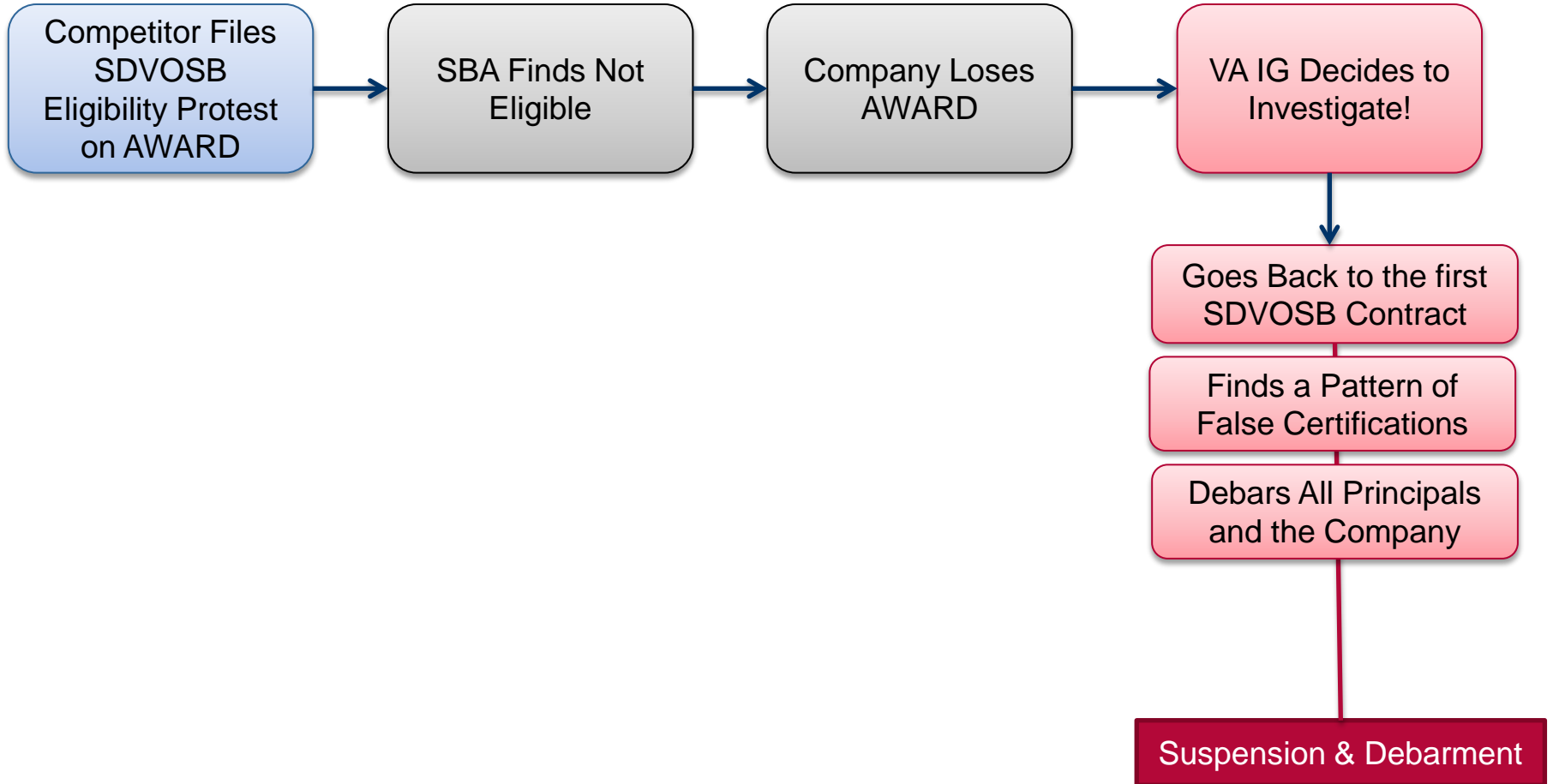


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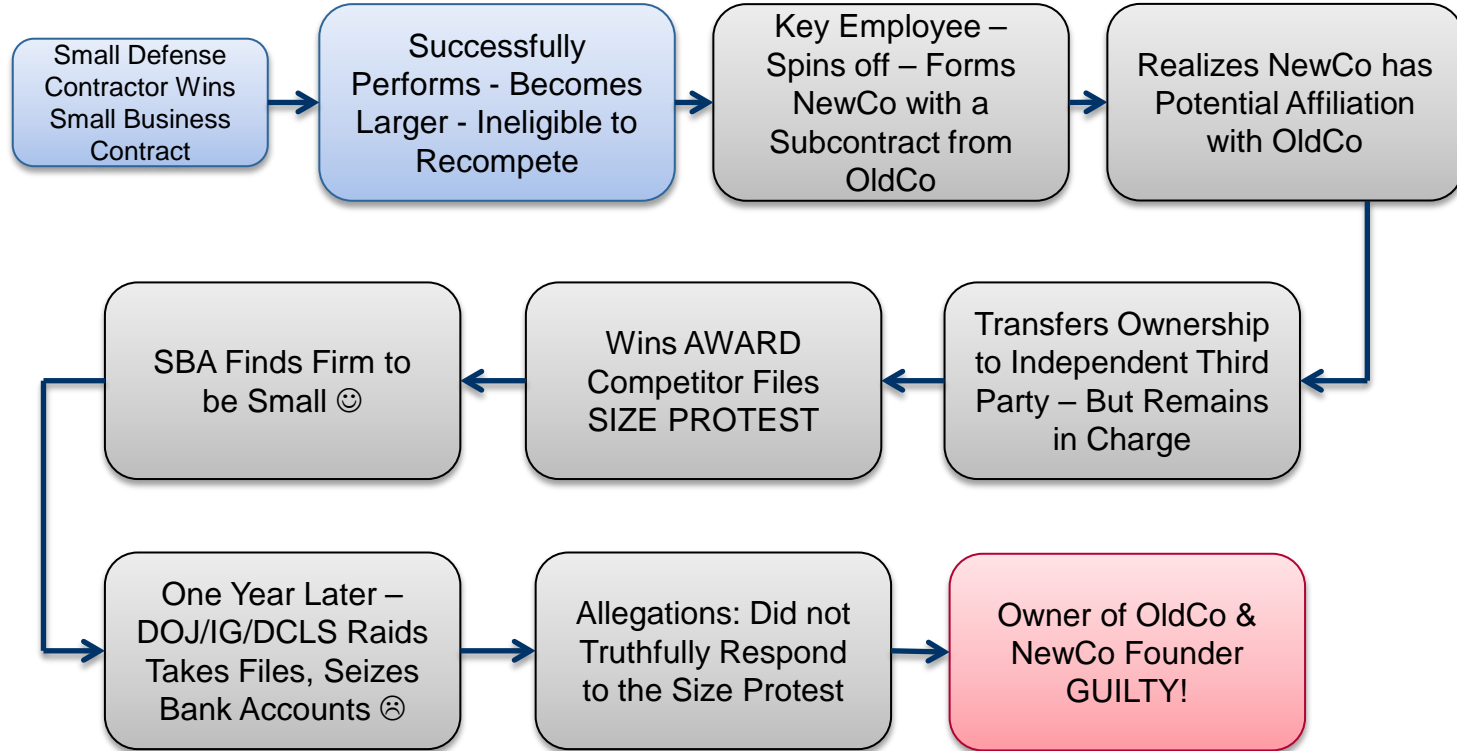
EXAMPLE 1:  
SDVOSB  
STATUS  
PROTEST

Less Awards = More Protests  
Size & Status; Bid Protests



EXAMPLE 2:  
SIZE  
PROTEST

# Less Awards = More Protests Size & Status; Bid Protests



EXAMPLE 3:  
BID  
PROTEST

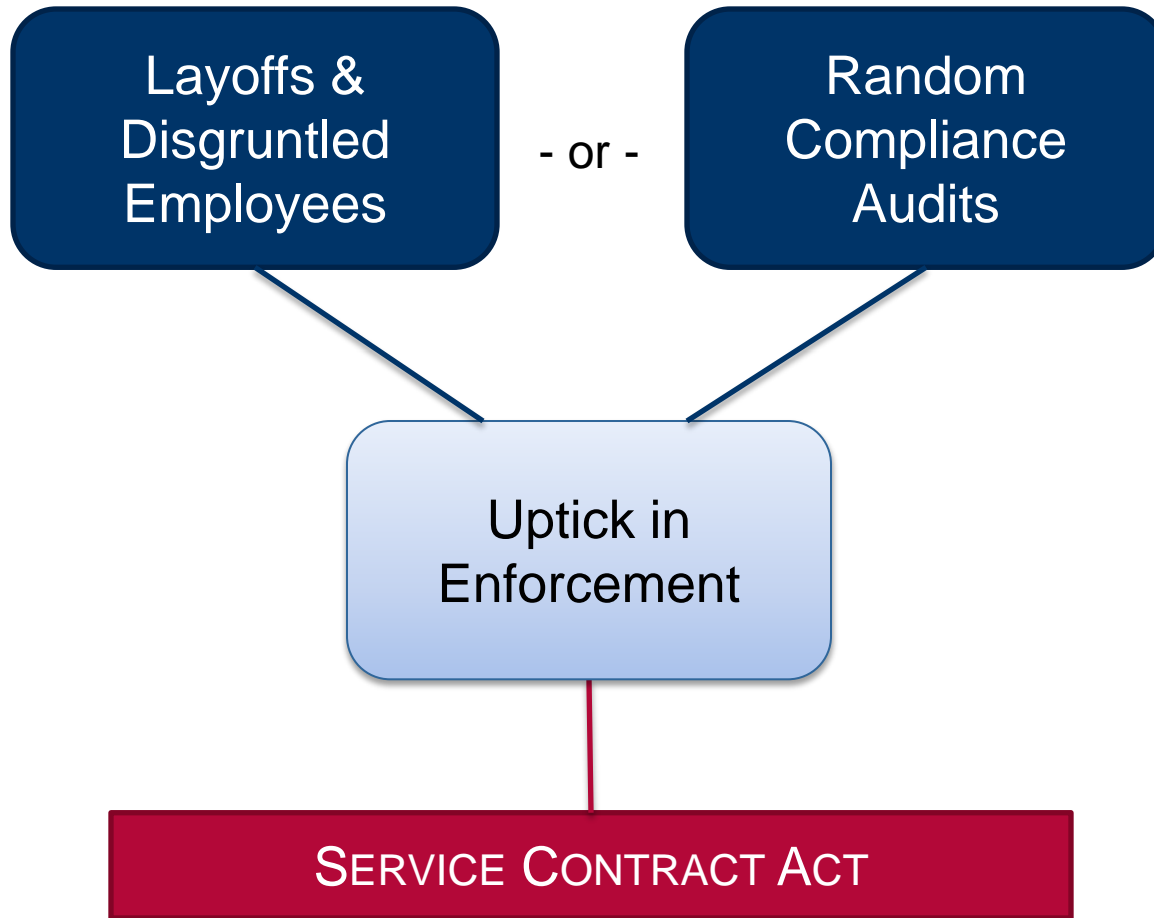
## Less Awards = More Protests Size & Status; Bid Protests

- Performance of Work Requirements
- Agency Duty to Question
- Corrective Action – Outcome Pending

LESSON: Limitation on Subcontracting Clause,  
Incorporated into Solicitation

- Agency had duty to inquire
- GAO has Jurisdiction





# SCA Developments

- **Inexperienced contract personnel – failure to incorporate correctly**
  - **Contracting Agency's Responsibility**
    - FAR clause
    - CORRECT WD (look out for Unions?)
    - GS equivalents
    - Christian Doctrine not applicable
    - If it is not there, SCA does not apply



# SCA Developments

## – Contractor's Responsibility

- Pick the correct labor classification from the WD in the contract
- If none, request conformance
- Pay the required benefits
- If Union, Negotiate! Be mindful of deadlines
- Benefit Payment: i.e., Accounting

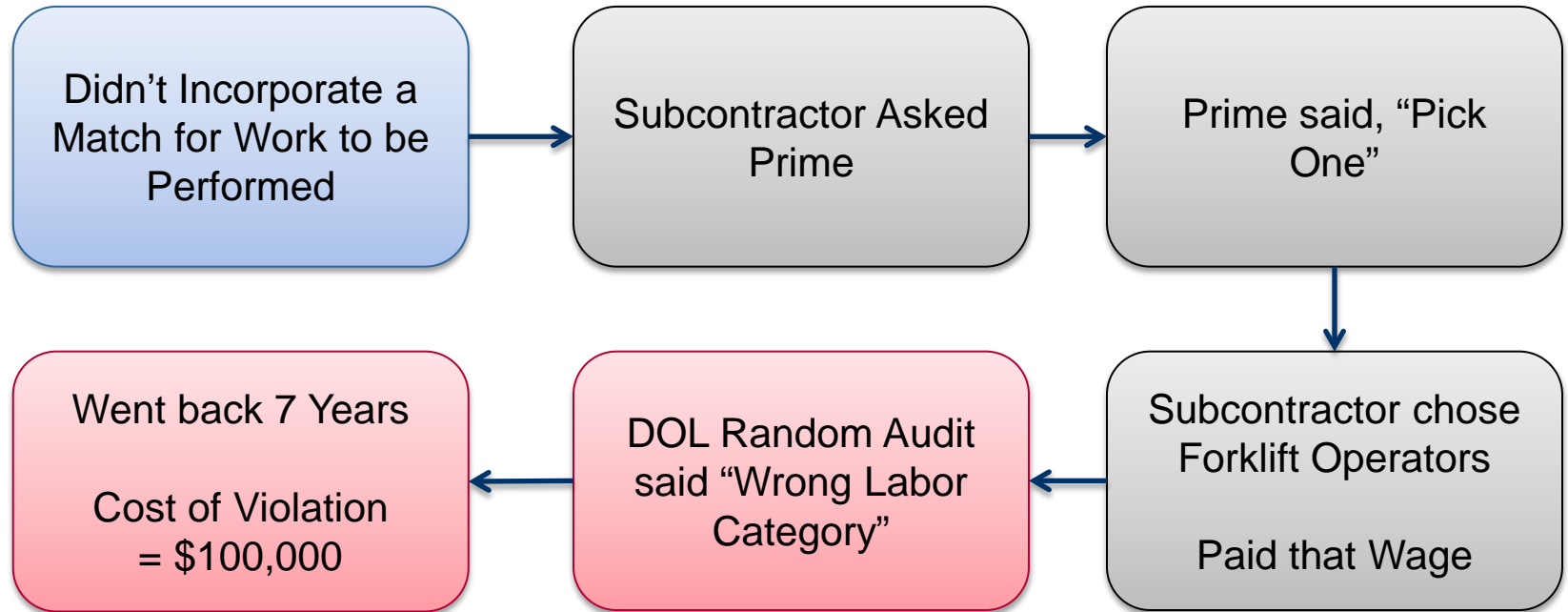
# SCA Developments

## – Why Do We Care?

- Customer Tension
- Service Contracts are Low Hanging Fruit
- But it's the contracting agency's fault!
- There is no Statute of Limitations
- Contract Management
- Affects Eligibility for EA

## EXAMPLE 4:

# Wage Determination

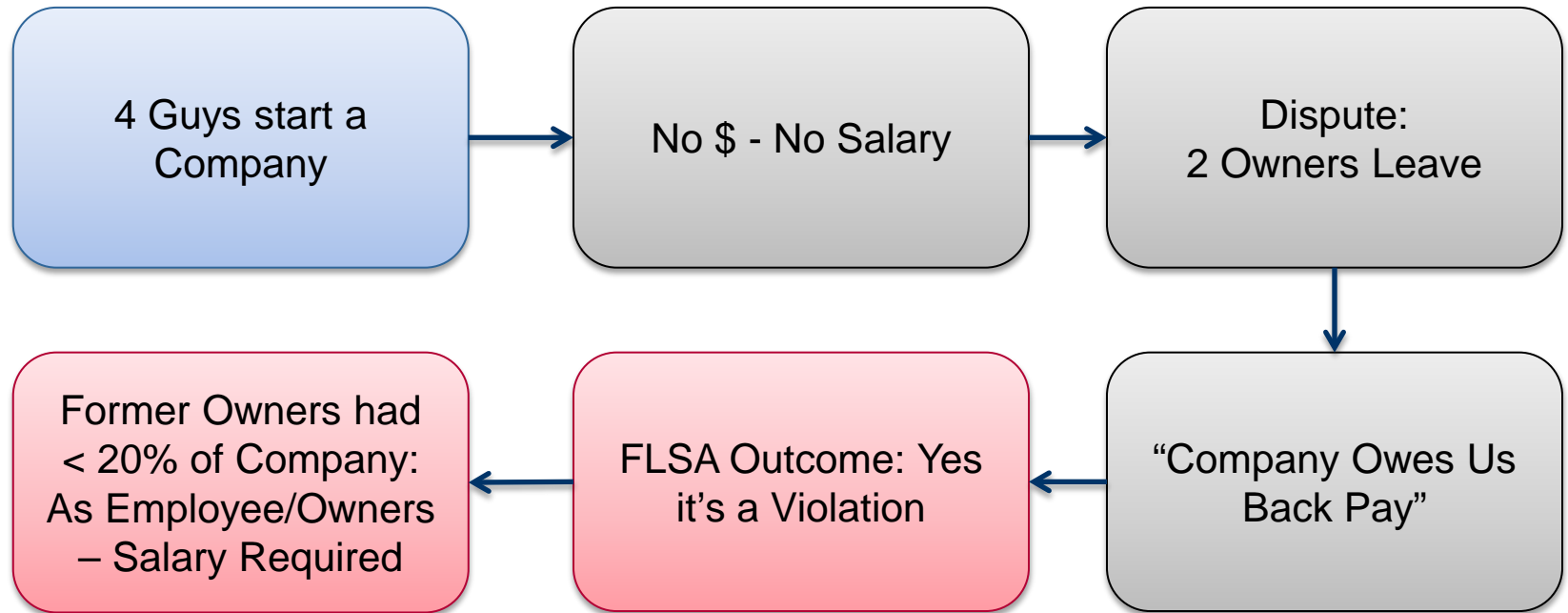


Wrong Wage Determination

Fines

## EXAMPLE 5:

# Disgruntled Former Owners/Employees



Disgruntled Employee/Owners

Fines

# Descoping Contracts / Furloughs

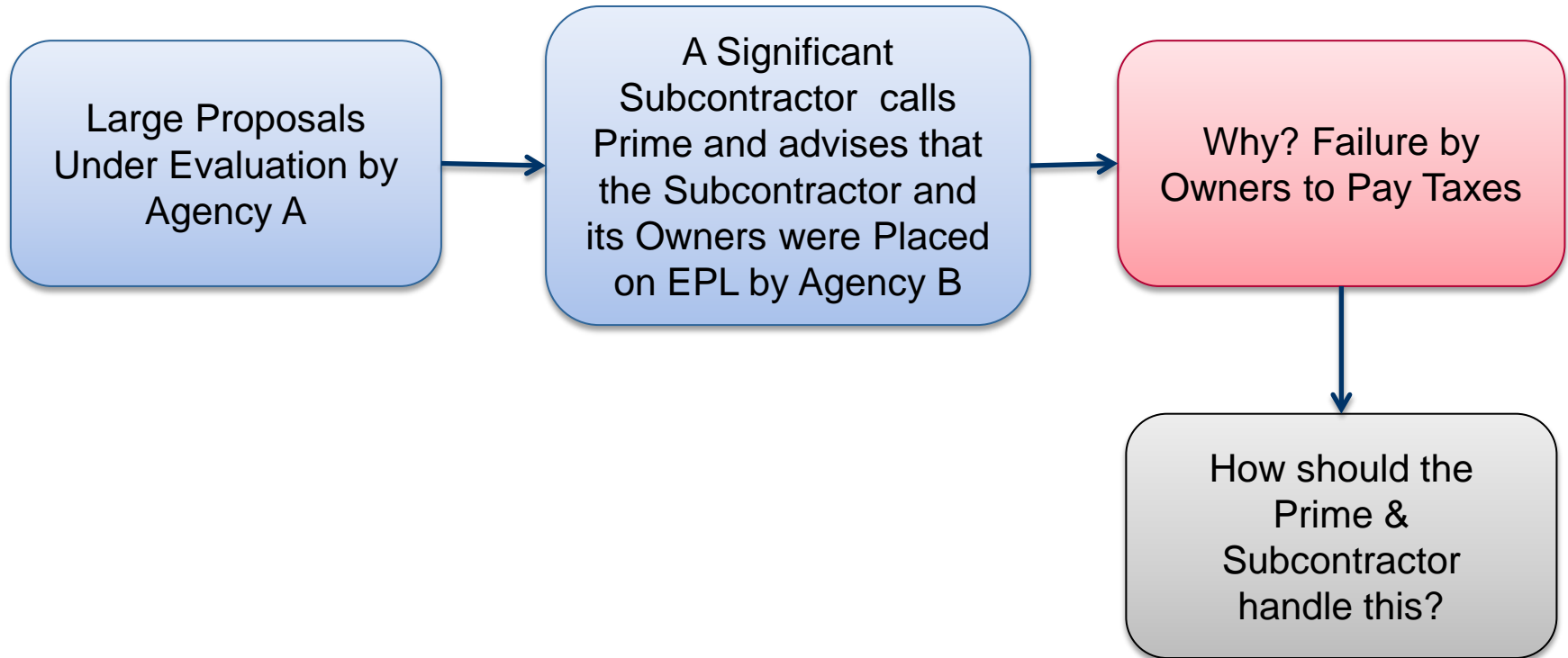
## Agency Furloughs = Contractor Furloughs?

Can Agencies Insist on Contractor Furloughs and Withhold Payment on FFP Contracts?

- Unilateral Modification
- Partial Termination for Convenience

## EXAMPLE 6:

### And a Word About Taxes



Unpaid Taxes

Suspension & Debarment

# State Personal Property & Tax Audits

## States need \$ too!

- Some States have been much more Proactive in Reviewing Government Contractors
- Federal Tax Exemption not = State Tax Exemption
- Be Familiar with Laws in States where you work

# THE ENVIRONMENT – GOVERNMENT CUTS

