



FEDBIZ

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► ROB'S TAKE

Data security at heart of health care contracts

Fighter jets and missile systems generate a lot of buzz, but some recent contract awards underscore the potential to bring disruptive technology to health care.

Fairfax-based ICF International Inc. won a \$9 million recompetete to bring sophisticated data analytics to cancer research. Salient CRGT, also in Fairfax, was awarded a \$47 million subcontract via its Information Innovators Inc. arm to boost cybersecurity at the Department of Veterans Affairs.

While the award amounts aren't huge, they show a business opportunity for contractors, in what Kaiser Health News called an emphasis on healing, as seen with the Department of Health and Human Services spending doubling to \$21 billion annually in 10 years.

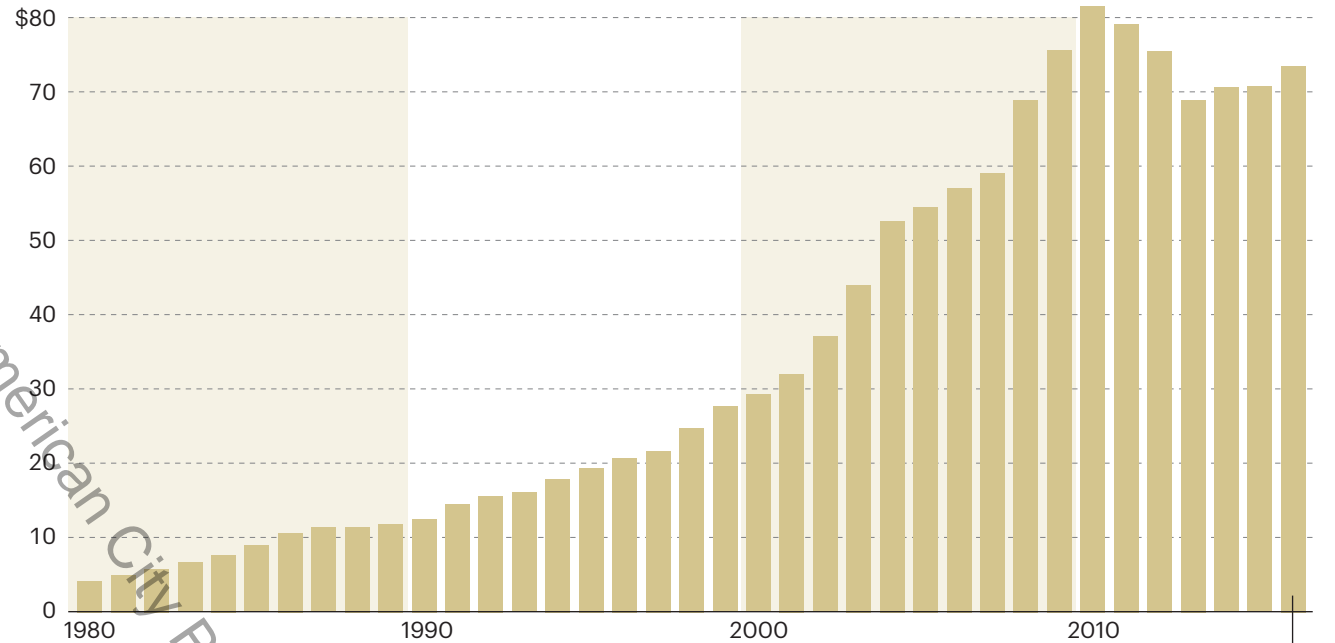
Salient CRGT's work as a subcontractor for Veterans Affairs is part of the Transformation Twenty-One Total Technology Next Generation (T4NG) program, a contract vehicle designed to beef up services to 23.4 million veterans and their beneficiaries. Salient CRGT subsidiary Triple-i – which it acquired last February – is working with Chantilly-based AbleVets LLC to prevent, detect and contain cybersecurity attacks against VA systems.

The work gets at a bigger problem in today's digitally connected health care system. "You would never want to constrain your medical care based on an IT problem," said Melissa Chapman, vice president of health IT business development.

ICF, meanwhile, is maintaining one of the Centers for Disease Control and Prevention's largest disease surveillance systems, the National Program of Cancer Registries-Cancer Surveillance System. "The story the analytics tell you is more informed, which allows the government to make far better and informed decisions," said Chris Bishop, an ICF senior vice president.

UNCLE SAM'S SPENDING SPREE

Federal spending in the Washington area rose every year between 1980 and 2010 and had an outsized impact in shaping the region's private sector, according to longtime regional economist Stephen Fuller, who provided the data below.



FedExit

The region may be shipping more federal workers elsewhere, starting with FBI. But is that so bad?

Buried on Page 7 of the General Services Administration's revised consolidation plan for the FBI headquarters is a chart with two intriguing numbers: 8,300 and 2,306.

The former is the local headcount for FBI headquarters staff, the latter the number of employees who would be moved to FBI offices in Alabama, West Virginia or Idaho.

A salvo, perhaps, in the ideological battle to, if not drain the swamp, maybe spread it around a bit? Either way, it's a potentially painful indication of how the Washington region may start losing one of the biggest engines of its economy, its federal workers.

Dispersing the federal bureaucracy throughout the country is not a new idea. It's also bipartisan. President Franklin D. Roosevelt sent 30,000 federal workers to the Midwest based on a presidential commission advisory to stay in touch with taxpayers. Presidents Ronald Reagan and Bill Clinton floated relocation initiatives to spread the wealth and lower government costs. Last March, Republicans in a key House committee passed a nonbinding resolution to not require federal offices remain in the District.

"The federalism argument was always that people outside of Washington are never going to be as powerful as they can be or should be if they're only exercising power," said

David Fontana, a constitutional law professor at George Washington University who's been writing on this topic for about six years. "If you're going to diffuse power, you have to diffuse it across places, not just across institutions."

A little more than 2,300 people is a small fraction of the region's 467,000 federal workers. But the GSA plan prompted an existential question: Is this an occasion for economic panic? Experts say not yet.

"The FBI is a great example of how federal decentralization can work well. Its field offices are good and you don't want everyone just in Washington," Fontana told me. "In the short term, yes, it can cause some problems. But people who study metropolitan economies tend to find that the most dynamic metropolitan economies with the highest levels of human capital, that human capital repurposes itself."

That's what happened in South Korea in the 2000s when the federal government floated the idea of moving outside of Seoul.

"Most of the employees wouldn't move to the secondary cities because it wasn't where their families were, it's not where their social contacts were, their professional networks," said Jenny Schuetz, the David M. Rubenstein Fellow in the metropolitan policy program at the Brookings Institution. "So people quit working

for the federal government rather than move to a secondary city."

Noted urbanist and "Creative Class" guru Richard Florida recently wrote that shifting large pieces of the federal government away from D.C. would spur employment and investment in less costly locations and possibly even generate new industrial clusters. And it would benefit our region by taking some of the pressure off our commercial and residential real estate markets.

"Greater Washington has been trying to diversify its economy for a long time. You have a much bigger presence of tech companies that are entirely independent of government operations. Obviously, the bid for the Amazon HQ2 is the latest salvo in that, trying to build up an alternative industry," Schuetz said. "I don't think it's bad for the D.C. area to rely on other jobs. One question is how successful any of the agencies would be at getting particularly high-level employees with a lot of skill and experience to move to different locations."

Fontana has another fear, one that brings the existential discussion back to our primary export, politics.

"I'm concerned about the idea of being appropriated, of people using it for reasons that I don't agree with," he said. "The right idea done by the wrong people for the wrong reasons is no longer the right idea."

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