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CLOSE-UP: DAVID GRUNDIES

Computer Science Corp. division explores new ways to work with government, small business

By **BRIE IATAROLA**, Special to the Daily Transcript
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David Grundies' thoughts on information-technology solutions and government contracting multiply quickly when he talks. In his mind, many people fail to realize that both reap results for the Navy-centered and tourist-friendly San Diego.

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Since 2007, the 57-year-old retired captain -- who spent 26 years in the Navy -- has acted as director of strategic plans for the Naval Information Systems Center (NISC). NISC is a division of **Computer Science Corp.** (NYSE: CSC), an IT solution-oriented powerhouse created in 1959 that supplies services such as outsourcing, systems integration and consulting, and generated more than \$16.1 billion in revenues in fiscal 2007. The company conducts business in more than 50 countries, employing nearly 90,000 people and providing "technology-enabled solutions" for a multitude of industries, which include the government, aerospace and defense, manufacturing, insurance, health services and retail.



David Grundies

Although more than half of CSC's work involves the U.S. and European commercial sectors, the U.S. federal government contributed a significant chunk of change to the IT corporation last year. And data from the company's April 2008 Fact Book indicates the Department of Defense accounted for 24 percent of 2007 revenue -- more than double what other federal agencies delivered.

What does all this mean? The government's need for IT services has always existed, and most likely will continue to grow.

"Products for the government have been improved because we've already gotten smarter with IT," said Grundies, the former southwestern regional vice president of the Armed Forces Communications and Electronics Association International, a nonprofit devoted to maintaining ethical standards in the fields of communications, IT, intelligence and global security.

Stable growth also suggests that business development for NISC San Diego holds even greater importance as the defense industry undergoes change and the city's small but powerful community of government contractors explore ways to work with each other.

"Understanding of the services side is what the military needs more," said Grundies, a self-proclaimed baby boomer who spent seven years working for **Harris Corp.** (NYSE: HRS), a "competimate" (a.k.a. the cross between a competitor and teammate) before joining CSC.

"Budgets are shrinking; there is less personnel," he added. "Some don't have the time or depth of training to do what needs to be done, which is why the military has to outsource."

That is where NISC San Diego comes in. The CSC division focuses on fulfilling the IT needs of naval organizations by developing and supplying integration and security solutions; securing government contract bids; evaluating applications; and teaching employees on site or via distance learning how to use and administer technology -- all the while looking out for national security interests in the local waterfront.

In simpler terms: "We are the folks who help the military acquire these programs," Grundies said.

Ties to SPAWAR

Understanding the scope of Grundies' work and the entities affiliated with CSC and NISC San Diego requires a little bit of research and patience with acronyms.

For starters, three big acquisition-systems commands are located in San Diego. They include the Naval Air Systems Command, also known as NAVAIR; the Naval Sea Systems Command, referred to as NAVSEA; and the Space and Naval Warfare Systems Command, dubbed "Team SPAWAR."

Using public and private funds, Team SPAWAR -- a \$1.5 billion business -- supplies various forms of technology to the Navy, Marine Corps, Department of Defense and other branches of the U.S. military. It also relies on NISC San Diego to manage the technical front of the systems center known as SSC San Diego.

SSC San Diego's purpose is to serve as center of command for the Navy, reporting directly to SPAWAR and providing a research, development, test and evaluation network -- which comprises computing, communications systems and software for users who need dependable access to crucial data -- as well as engineering and fleet support.

"SPAWAR was one of the only systems commands that moved to where the customer was," Grundies said of the business' decision to relocate from Washington, D.C., to San Diego in October 1997.

Initially, the relocation posed a problem for a work force in which "baby boomers are aging out," he added. "One thing that was lost when SPAWAR moved here was the acquisition source of college majors" who possess a strong background in math and hard sciences.

Consequently, the defense industry now faces a worker shortage as college graduates with the brainpower and IT skills seek employment in other industries. Grundies said local institutions, however, have taken steps to become more government-aware. The University of California, San Diego's Jacobs School of Engineering, for instance, partnered with CONNECT, an organization that fosters the growth of technology businesses.

Small business connection

Some of those technology firms that want a slice of the government contractors' pie are small by industry standards, which can make it hard for them to infiltrate a laborious system in which no-bid arrangements prevail despite a high level of checks and balances.

"It absolutely is a fair system -- well, tries to be fair," Grundies said.

Problems surface when prime contractors opt to do the subs' work themselves at higher rates rather than following through with their initial agreement.

"If the higher rate creeps in, the higher-costing primes (do) more of the work they said they were going to give out," Grundies said.

Once the government runs out of ceiling (congressionally mandated dollars set aside for the projects), a recompete of the task returns.

"Only the incumbent is aware that this is going on," Grundies said. "The teams aren't aligned; they're tactics aren't figured. There's an advantage to the incumbent."

Small businesses, which are required to be on someone's team, suffer maltreatment, and "there is not a whole lot they can do about it," he said.

Although CSC teams and mentors many of these small business, good relations go both ways.

"You've really got to watch who you hang out with before you throw them a big piece of the project," Grundies said. "All you have is your reputation, and it's a tight circle in the contracting world."

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