



Successful Selling to the Government

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Back to Basics - Why Would We Want a GWAC?

By Peter Adler, *Seneca Creek Consulting*

Government Wide Acquisition Contracts (GWACs) have become commonplace vehicles for Federal Government clients purchasing a vast array of products and services. In fact, such vehicles account for more than 50% of the money spent on IT-related solutions.

GWACS most often possess several inherent advantages. Among them:

- Vehicles are often mandatory for users in the sponsoring Agency. If you are not on the GWAC, you have no opportunity to bid on the requirement.
- Competition is limited solely to prime contract awardees thereby reducing greatly the number of competitors when compared with Open Market RFPs.
- Major terms and conditions are pre-negotiated as part of the prime contract awards.
- Awards tend to be long term. Typically, 5 or more years before requirements are re-competed.
- GWAC can serve as a convenient procurement means for your Government customers even when they are not part of the sponsoring Agency; hence the term "Government-Wide."

As with any process, there is a down-side to such acquisition vehicles. An enterprise must be completely candid with itself to determine if a particular GWAC, or even GWACs in general, serve their mission well. Considerations to be weighed:

- There is generally a long timeline from start to finish in planning, issuing, and awarding many of these types of contracts due to their size and complexity.
- An enterprise must possess a niche solution so that they may be distinguished from the many other awardees and their teaming partners.
- If not the Prime Contractor, a team member must have assurances in their Teaming Agreement that the Prime will make available all Delivery or Task orders that are generated under the GWAC.
- The GWAC is the proverbial "hunting license." You must go out and genuinely market and sell to the end user. There are few, if any, bluebirds in this arena. Virtually all Task orders will be pre-sold by the time they are actually released.
- You will invariably be faced with price competition from among the other Prime Contractors pursuing the same Task Order as you are.

GWACs, because of their dominance, cannot be ignored. However, as with any investment, you must determine realistically the possible return on investment for the

effort required to pursue, bid, manage, market, and sell to eventually capture sales revenue.

Questions such as; "do we have the required clearances to support the tasks"; will our past performance support our case when bidding Task orders"; "what is our geographical reach". These and many other questions must be answered prior to making the final bid decision for the initial GWAC award.

Getting Your Proposal Started

By Albert Pines, *Seneca Creek Consulting*

A famous quote on writing: "The hard part is getting to the top of page 1." - Tom Stoppard

Most proposals turn out to be more difficult than they should be for two reasons:

1. The effort is not started early enough
2. People are too anxious to get to the writing

Everyone knows that once the RFP is out the proposal effort is going to be a race to the finish line, and it is not a long distance run, it is a sprint. So why do so many companies wait until the RFP is out to start the effort? A good racer spends time preparing for the event before the gun goes off. You can do the same with your proposals.

If you have tracked a program and spent time marketing the effort then there should be a good deal that you already know about what will be required in the RFP. It is also common for the government to publish draft RFP's which do not tend to change dramatically when issued as final.

With this information in hand you can, before the RFP comes out, begin to:

- gather resumes and place them in a common format
- gather data on the appropriate approach/solution you will propose (what we refer to as 'information chunks')
- develop win themes
- develop competitive ghosting concepts
- and develop competitive discriminators

All of these items will become useful as part of your proposal architecture, which needs to be put together and thoroughly detailed out before you start writing. This is the second big mistake that organizations make; they start to write too soon. The writing of the proposal will be much easier, and more effective, if it is guided by a well thought out and documented proposal architecture. While most organizations know they should take this step (every proposal training class, book, and consultant talks about it) rarely is it done well and often it is not done at all.

Just doing a decomposition of the RFP and creating an outline for the proposal does not constitute proposal architecture. Think about what an architect does when designing a building. They do not simply make up a list of what the building will contain and what materials will be used. They develop conceptual drawings and then detailed drawings to show exactly what the building will look like and how it will be built. Your proposal architecture needs to do the same thing.

The GSA Corner: Trade Agreements Act

By Deborah Wolland, *The JDS Marketing Group*

The Trade Agreement Act of 1979 compliance should be taken very seriously by schedule contractors. The TAA bars the Government from purchasing noncompliant supplies and services. The Government may purchase products only if those products come from the United States or other "designated countries." Services must be performed by a

company "established" in an eligible country. To determine whether a given item satisfies the requirements of the TAA, the vendor must determine whether the item is wholly the growth, product, or manufacture of the United States or a "designated country." If not, the vendor must determine whether the item has been "transformed" in the United States or designated country. A summary of eligible countries are the United States, Caribbean Basin Countries, Free Trade Agreement Countries, Least Developed Countries, and WTO Government Procurement Agreement Countries. Some of the countries that are considered "ineligible" are; Taiwan, Malaysia, China, South Africa. A General Rule to follow is if the country is not expressly eligible that more than likely it's ineligible. The Trade Agreement Act with an updated list of countries can be found at www.arnet.gov/far/current/html/52_223_226.html#wp1169151.

The risks of not complying with the TAA are great, as seen by the recent experiences of OfficeMax, Staples, and Office Depot. A "whistleblower" informed GSA that the retailers' GSA schedule contracts included products manufactured in China or Taiwan. These products are generally prohibited by the TAA. A whistleblower is an employee, former employee, or member of an organization who reports misconduct to people or entities that have the power and presumed willingness to take corrective action. The net result was a fine of \$22 million dollars spread across three vendors. The fines were calculated from False Claims Act provisions which constitute fines between 5-10 thousand dollars plus three times the value of the goods sold in violation of TAA. Fines apply to each violation of the Act which has the ability to raise fines to staggering levels for high-volume contractors. GSA schedule contractors should take the TAA seriously and take the time to make sure they are compliant.

Procurement Spotlight

By Warren Corbett, *Set-Aside Alert*

Task Order Contracts Are Where The Money Is

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The explosive growth of multiple award, IDIQ contracts is shaping the set-aside market, especially in information technology-related fields, according to the market research firm Input.

All of the 10 largest set-aside opportunities this year will be multiple award, IDIQ vehicles. Together, those 10 contracts account for one-third of the set-aside dollars that will be competed in fiscal 2008, Input said. (*See list of contracts, p. x.*)

Task orders under IDIQ contracts – including interagency vehicles and enterprise-wide contracts awarded by individual agencies – now consume more than half the dollars the government spends on services, said Robert Burton, deputy administrator of the Office of Federal Procurement Policy. He spoke at Input's annual conference in McLean, VA, on Nov. 1.

Underscoring the government's growing reliance on task orders, Input forecasts a decline in all types of set-aside contracts this year. Set-aside spending is seen falling to \$13 billion, from \$21 billion in 2007.

Input's report echoes a similar finding in a June study by the Center for Strategic and International Studies. It warned that winning a place on multiple award vehicles is a must for service contractors. (*SAA, 6/15*)

"We are concerned that competition is not robust enough on task order contracts," Burton said. The Federal Acquisition Regulation councils are preparing a new rule that would extend the Defense Department's Section 803 requirement to all civilian agencies; they would be required to get at least three offers on GSA schedule orders and give fair notice of every task order opportunity to all eligible vendors on other multiple award contracts.

Burton said the rule will also require public notice on FedBizOpps of all sole-source awards. Several bills pending in Congress also aim at promoting competition.

In a May 31 memo to agency acquisition and procurement chiefs, OFPP administrator Paul Denett described competition as "the cornerstone of our acquisition system."

OFPP has identified more than 200 enterprise-wide contracts established by single agencies, such as the Navy's Seaport-e and Homeland Security's Eagle and First Source. Burton said they are now the vehicles of choice for many large agencies, reducing their use of GSA schedules and government wide acquisition contracts.

Those enterprise-wide contracts, coupled with 54 interagency contracts and 13 GWACs, are "probably too many," he said. He advocates greater use of interagency contracts as part of a strategic sourcing strategy.

Partner Corner

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The JDS Marketing Group, Ltd. - Offering premiere GSA Schedule Negotiation and Marketing Consulting Services to the Federal Government contracting community for over 15 years. Contact Debbie Wolland at 703-502-1500 or email at: dwolland@jdsmarketing.com. For more information go to www.jdsmarketing.com.

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