



# Successful Selling to the Government

FEBRUARY2007

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VOLUME 3 NUMBER 1

## Government Wide Acquisition Contracts (GWACs) - How Many is too many?

by Peter Adler, Seneca Creek Consulting

Virtually every Government contract needs to be a participant on one or more GWACs. Why? Because well in excess of 50% of all procurements for information technology products and services are acquired using these vehicles.

The GWAC has several well-known advantages. Among them:

- Generally speaking, there are many fewer competitors bidding on the government's requirements than exist in a full and open environment.
- Terms and conditions are pre-negotiated.
- Some Agencies will only permit procurement for their internal needs from a GWAC that the Agency "owns."
- It provides the contractor with a single point of contact vis à vis the GWAC Program Manager.
- As a participant in the GWAC, your enterprise is pre-approved to do business with the sponsoring Agency, as well as other Government entities.

While many Government agencies have no GWACs, there are those organizations that have an excess of this type of contract. The cost in time and money to win such a contract can be considerable. Given this, an enterprise must be selective in the number and type of GWACs that they elect to pursue.

A contractor must focus on both the Agencies and offerings that are a fit for both the solutions and the contractor's marketing efforts. For example, it is of little good to pursue a GWAC for a Defense Agency if the contractor does not hold at least a Secret facility clearance.

The right number varies with the size and portfolio of the contractor. But, generally speaking, 3-4 GWACs may be the optimum number for a moderate size (< \$50M) contractor. Remember, by definition, this type of contract vehicle permits most any Agency to buy from your GWAC. So evaluate ruthlessly where to spend your Bid & Proposal dollars when considering the next Government-Wide Acquisition Contract that is open for bidding.

## News From Set-Aside Alert: SBA To Raise Size Standards for IT, Other Services

By Warren Corbett, Set-Aside Alert

The Small Business Administration will soon propose a significant increase in size standards for IT services and many other categories of services.

Anthony Martoccia, associate administrator for government contracting and business development, told Set-Aside Alert the standards will be changed for NAICS sector 54, covering professional, scientific and technical services. The current standard for IT services is \$23 million in annual revenue; most other services in the sector are capped at \$6.5 million.

Martoccia called the proposed rule a "significant change." He declined to be specific because Administrator Steven Preston had not given final approval. He said the proposal will be published by the end of the month.

Martoccia said the changes are designed to help mid-sized businesses. Several studies have shown that those companies are losing market share in federal contracting after they outgrow small business status.

Executives of several industry groups said they did not know what the new standards will be. The Information Technology Association of America has urged SBA to set the IT services standard at \$50 million or 500 employees.

Alan Chvotkin, senior vice president of the Professional Services Council, said industry would welcome an increase. "It's a good step, but it's a band-aid, he said. "It fixes the symptoms rather than the root cause of the problem."

The Council and other industry groups have urged SBA to establish separate size standards for federal procurement, larger than the standards for its loan programs.

But SBA's planned overhaul of all size standards has been scrapped, SBA Administrator Steven Preston said at a Washington news conference Feb. 1. SBA proposed a comprehensive revision of the standards in 2004, basing most standards on number of employees rather than revenues, but withdrew the proposal in the face of industry opposition.

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## Developing Your Federal Strategy – Where Should a Small Company Begin?

by Albert Pines, Seneca Creek Consulting

The Federal government intends to spend somewhere north of \$65 billion dollars on Information Technology during fiscal year 2008. Small companies inside and outside of the Beltway are challenged with determining where they should go to get a small piece of the IT revenue pie.

Whether you are bidding as a prime contractor, looking to secure a spot as a subcontractor, or as a team member of a prime contractor, you should first determine what target Agencies are the best fit for your company's solution offerings. The challenge is to focus and try not to extend yourself beyond your available marketing resources.

Once you have "short listed" a set of agencies then do your homework to determine how each target agency buys your type of services and/or products. Using a third party market research firms will drastically shorten the time it takes to determine exactly what and how each target Agency is buying. The web is a good source of information to access Agency specific IT plans, determine what challenges each Agency is facing, and

identify key decision-makers.

Set up meetings with some contracting officers, program managers and small business advocates in the Agency. Ask them how they buy your type of solution(s). As an example, if you have identified an Agency in the Department of Defense, find out if they require their contractors to have clearances. If you don't have a clearance remember that it could take a considerable period to obtain a sponsor for the required clearances. Don't start something unless you are prepared for the long haul.

The bottom line is to do your homework and settle on a few target Agencies that have the best fit with your solution(s). Most importantly, do not expect success overnight. Develop a plan of attack and modify it as you go but remain true to your sales plan.

## The GSA Corner

by Debbie Wolland, JDS Marketing Group

A new non-mandatory modification was recently released for all Federal Supply Schedule contracts. This modification (FX47) is in accordance with Section 833 of the National Defense Authorization Act for Fiscal Year 2007. This allows for State and Local purchasing from ALL Schedule contracts in time of major disaster, terrorism, nuclear, biological, chemical or radiological attacks. Only when a disaster has been declared by the President can these entities utilize the Schedules for purchasing.

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