

*Current Trends & Opportunities
in
Government Contracting*

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Current Trends & Opportunities in Government Contracting



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12:00 – 1:00 pm EDT

I. Agenda

Agenda

- Federal Contracting Basics
- LPTA
- FSSI
- Small Business Set-Asides
- Conclusions & Outlook



II. Federal Contracting Basics

The US Federal Government

World's Largest Purchaser of Goods / Services

Over \$500B Annually

Airplanes to Dentists to Zippers

Processes, Paperwork, Past Performance

Regulated by FAR – Federal Acquisition Regulation

Price Sensitive

III. LPTA

Lowest Price Technically Acceptable

Source selection



- FAR Part 15 – Contracting By Negotiation
- Best value continuum
- The tradeoff process
- Evaluation of risk
- Section L of Solicitation – Instructions, conditions, and notices to offerors or respondents
- Section M of Solicitation – Evaluation Factors for Award

LPTA



- LPTA is one method of obtaining best value
- Selection of the technically acceptable proposal with the lowest evaluated price
- Solicitation specifies evaluation factors that establish the requirements of acceptability.
- Selection is based on meeting or exceeding the acceptability standards for non-cost factors.
- Past performance may be a factor.

LPTA



- Advantages vs. disadvantages
- Policy vs. reality in the field
- Decreased budgets – Do more with less
- Contractors essentially “buying contracts”
- No innovation

IV. FSSI

Federal Strategic Sourcing Initiative

FSSI

- Used in State / Local Govts – 30 states
- Focused on GSA Schedule Community
- Limits # of Vendors / Suppliers
- Lower cost to govt / tax payers
- RISK = Shuts door on small biz



GSA, General Services Administration

1 - PBS = Real Estate

2 - Schedules = Acquisitions

- Vendor Short List, MAS
- GWAC / IDIQ
- Pre-Vetted Companies
- Segmented by Product / Service
- 99% based on (lowest) Price



Current State of GSA / FSSI

- 20k Vendors – 80/20 Rule
- Sales Requirements - \$25k
- Price Discrepancies for same items
- Office Products & Jan San (GSA Sched 75)
- Coming Soon – Services!



V. Small Business Set-Asides

Small Business Set-Asides

- Small Business Programs = FAR Part 19
- Small Business Set-Asides = FAR Part 19.5
- Procurements \$3k - \$150k
- Excludes Sole Source
- Over \$150k – must be 2 small biz & fair mkt price
- Multiple Award Set-Asides – ie. GSA Schedules

Small Business Set-Asides

- Small Business – defined by SBA (NAICS Codes)
- Employees / \$ Revenues
 - Small
 - Women Owned
 - SDVO
 - Small, Disadvantaged
 - HUBZone

Small Business Set-Asides

- Goals are set by Dept of Commerce
- SBA Enforces
- Specific % goal towards each group
- SBA Score Card – annual report / grade per agency

Small Business Set-Asides

- Processes & Paperwork for Certification
- Some have time limits (8a)
- Some may vary – Census (HUBzone)
- Priority w/in agencies – VA (Veterans first)

Small Business Set-Asides

FY 13 GOALS

- Small Business = 23%
- Women Owned = 5%
- Small Disadvantaged = 5%
- SDVO = 3%
- HUBZone = 3%

Small Business Set-Asides

FY 13 GOALS - SubContracting

- Small Business = 36%
- Women Owned = 5%
- Small Disadvantaged = 5%
- SDVO = 3%
- HUBZone = 3%

Small Business Set-Asides

RESOURCES

- SBA Advocate
- OSDBU – Agency Advocates
- Associations – lobby for legislation – ie. Vet Force, WIPP, 8a Association, SDVO Council, etc.
- Primes sub-contracting goals
- Commercial Sector – AT&T and others

VI. Conclusions & Outlook

Conclusions

- Govt Contracting - not for everyone
- Know your “disadvantage advantages” (set-asides)
- Have a business plan
- Be strategic w time/money/effort
- Diversify
- Partnering / Teaming
- Pricing strategy matters!



Outlook

- Increased Competition
- Set-Aside focus
- Consolidation
- Increased M&A - Mid-tier companies
- Teaming/JV/Partnering/Sub-Con = More Important



Outlook



- Interesting Marketplace
- Ample public data
- Procurement & Budget Forecast
- Competitive Intel
- Cyclical – Oct 1 – Sept 30 w busy Q4
- Can be steady stream \$\$ once in the rotation
- Sub-Contracting Opportunities to get started

Helpful Websites / Resources

LPTA

http://www.acquisition.gov/far/html/Subpart%2015_1.html

<http://www.washingtonexec.com/2014/09/neal-couture-gwu-law-school-diagrams-govcon-procurement-landscape>

FSSI

<http://mbrt.net/2014/posts/ffsi.html>

<http://www.gsa.gov/ffsi>

SET-ASIDES

<http://www.sba.gov/content/small-business-procurement-scorecards-0>

<http://www.acquisition.gov/far/current/html/FARTOCP19.html>

VII. Q & A



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