Current Trends & Opportunities in Government Contracting

Thank you for joining. The webinar will begin shortly.

If you are experiencing technical difficulties with Adobe Connect, please call 1-800-422-3623.
Current Trends & Opportunities in Government Contracting

Presented by:
Neal J. Couture, CPCM, CAE,
Director, Government Procurement Law & Business Programs
The George Washington University Law School

Jennifer Schaus,
Founder & Principal of Jennifer Schaus & Associates

October 1, 2014
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 Scheds
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

FSSI
http://mbrt.net/2014/posts/ffsi.html
http://www.gsa.gov/fssi

SET-ASIDES
http://www.sba.gov/content/small-business-procurement-scorecards-0
VII. Q & A
Thank you ...

Neal Couture
2000 H St, NW
Washington, DC 20052
+ 1 – 2 0 2 – 9 9 4 – 2 6 9 3
N Couture@GWU.edu
http://www.business.gwu.edu

Jennifer L. Schaus
1717 Pennsylvania Ave, NW #1025
Washington, DC 20006
+ 1 – 2 0 2 – 3 6 5 – 0 5 9 8
JSchaus@JenniferSchaus.com
http://www.JenniferSchaus.com