

FEATURES Big Deals

By Karen D. Schwartz | letters@govexec.com | *Government Executive* | December 1, 2005

With more multiagency contracts breaking the \$20 billion barrier, 2006 might bring some of the biggest deals ever.

Speed, organization and efficiency are the top goals for agencies developing and awarding major technology contracts in fiscal 2006.

With federal agencies projected to spend \$76 billion on information technology and staff in fiscal 2006, one of the most notable trends in contracting is a continued push for faster awards, achieved in many cases through multiple-award contracts such as governmentwide acquisition contracts (GWAC) and indefinite delivery/indefinite quantity (IDIQ) deals. At least \$64 billion in federal IT spending is expected to go to private sector suppliers, according to Reston, Va.-based consultants INPUT.

The push for speed is rooted in simple economics. As the government is asked to do more with less, it has trimmed its workforce - including its procurement and acquisition staff. The Homeland Security Department has only 20 certified program managers handling programs worth \$100 million or more, for example.

DHS has implemented the Enterprise Solutions Office, a joint program under the new Information Technology Acquisition Center designed to provide centralized management with decentralized ordering capabilities for contracts, including the Enterprise Acquisition Gateway for Leading Edge solutions, a multiaward IDIQ information technology services deal, and First Source, a similar contract for IT commodities.

But perhaps most significant is the trend of multibillion-dollar contracts, the largest this year being Alliant, a GWAC worth up to \$50 billion. The move toward massive contracts is a natural progression for federal contracting and a reflection of what is happening in the IT world as technology solutions become more complex and difficult to integrate and include multiple technologies. Expect to see more of these huge contracts in the future.

A growing reliance on multiple-award contracts also reflects government's desire to consolidate and combine repetitive or redundant systems and contracts.

Fiscal 2006 also will see agencies placing more of the onus on the bidder in requests for proposals by replacing statements of work with statements of objectives, which require vendors to propose more comprehensive solutions. To some degree, this is the result of having fewer experts and program managers available to draft complex work statements, but it's also a sign that government wants to pass on more of the risk to industry.

Finally, fiscal 2006 could be something of a watershed for small businesses as agencies focus on ensuring that small companies have more opportunity to bid on and win contracts. Many of the major contracts to be let in 2006 strongly encourage small business participation. In addition, all governmentwide IT contracts will have small business set-asides, notes Darren Bezdek, manager of subcontracting opportunities at INPUT.

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Federal technology spending is expected to grow 7 percent from fiscal 2005 to 2006. From fiscal 2002 to 2003, IT spending grew 13 percent.

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February 6 FY 2007 budget sent to Congress

March Expected awards for EAGLE, ITES-2S

June GSA expected to award Alliant and Alliant Small Business

July GSA expected to award the Networx Universal contract

September End of fiscal 2006

\$50 billion Predicted worth of the General Services Administration's Alliant contract, perhaps the largest IT deal in federal history

Karen D. Schwartz is a writer specializing in technology and business issues.

