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‘Commercial practice’ counts

BY Marcia G. Madsen

The recommendations of the Acquisition Advisory Panel, soon to be issued in a draft report, clearly reflect the instructions from Congress when it established the panel in the Services Acquisition Reform Act of 2003 (SARA). The statutory charter requires the panel to protect the best interests of government, preserve the financial and ethical integrity of the acquisition process, and ensure the effective, efficient and fair award and administration of contracts. The panel reflects diverse viewpoints from industry, government and academia. It believes its recommendations, which emphasize the use of competition, have achieved the goals laid out by Congress and reflect a reasonable and balanced approach.

You would not get that impression, however, from reading the commentary by a senior executive of the Information Technology Association of America that appeared in the Sept. 11 issue of Federal Computer Week. Regrettably, that commentary makes several inaccurate claims about the recommendations of the Acquisition Advisory Panel, and we need to set the record straight.

The 14-member panel, consisting of an equal number of private- and public-sector professionals with years of experience in procurement, understood well its charter under the law. One of our main tasks was to examine current commercial buying practices and assess how the government could use them. The panel was interested in the comments of trade associations, which is why they were offered an opportunity for more than six hours of public testimony and two meetings with our commercial practices working group. The panel took comments seriously in formulating its recommendations.

To meet its statutory obligation, the panel clearly needed to hear from organizations that operate in the commercial sector and from those in the government sector. After receiving testimony from more than 100 witnesses, including two highly regarded economists, we heard several themes emerge:

Competition improves overall outcomes and results in innovation.

Commercial buyers of services rely on head-to-head competition as a bedrock principle of their services acquisition process.

Time-and-materials contracts are resource-intensive, expensive to manage properly and, therefore, rarely used, especially when buying solutions.

Well-defined performance-based requirements are a must for successful services acquisition because they lower business development costs for suppliers, drive down prices for buyers and create innovation.

Commercial companies that buy services continually monitor contractor performance and recompete their requirements frequently.

The suggestion that the panel should recommend repealing the SARA requirement for competition when buying commercial items on a time-and-materials basis was simply not supported by any of the testimony given at more than 30 public meetings and in 7,500 pages of recorded public comment.

Competition is the cornerstone of a free market and the engine of innovation. So it is understandable that the panel became concerned when it learned that:

32 percent of all government contract dollars were awarded noncompetitively in 2004.

The number of competitive acquisitions resulting in only one offer has doubled since 2000.

There is little transparency in the $140 billion in orders issued under interagency contracts.

The Government Accountability Office has placed interagency contracts on its High-Risk List, finding that orders frequently do not comply with competition requirements.

It should not surprise anyone that given those findings, the panel issued recommendations that focused on improving competition. ITAA's representative asserted that the panel's recommendations "roll back the clock," but nothing could be further from the truth. Substantial testimony before the panel established that competition is the hallmark of current commercial practice. One might reasonably inquire why there would be such resistance to competition and reliance on market forces. The author's assertion that the Acquisition Advisory Panel recommended that all existing time-and-materials contracts be converted is incorrect. The panel's recommendation was this: "Whenever practicable, procedures should be established to convert work being done on a time-and-materials basis to a performance-based effort."

This probably sounds familiar to many readers because it has been a best practice for years and is the direction provided by a September 2004 memo from the director of Defense procurement and acquisition policy. The Defense Department's inspector general has recommended it as a best practice since 2003.

The author mischaracterized the panel's intentions when she said it recommended that time-and-materials contracts "only be permitted when the work to be performed under the agreement can be described in detail at the time of the agreement." Compare those words with the actual recommendation, which states: "The government should not award a time-and-materials contract unless the overall scope of the effort, including objectives, has been sufficiently described to allow efficient use of the time-and-materials resources and to provide for effective government oversight of the effort." That is just good common sense.

As for the doom that ITAA predicted would follow the panel's recommendation to align the regulatory definition of commercial services to reflect the actual language of the Federal Acquisition Streamlining Act (FASA), such hysteria is unwarranted. The "of a type" language was added to the definition through regulation after it was defined in FASA. The portion of the statute addressing services does not include the phrase "of a type."

It is unclear what the author refers to when she asserts that conforming the regulation to the statute would doom the government to acquiring only "older generations in any category of solution." The panel's recommendation simply ensures that the solution is sold in the marketplace, where one would expect to find the latest technology. If there is no market-based price for a service, the government isn't precluded from buying it. Rather, it should buy such services with more insight into their pricing to ensure that the contracting officer has a basis for determining that the taxpayer got a fair and reasonable price.

With respect to bid protests, it was clear to the panel that such a mechanism was necessary to protect the competitive process, particularly with large orders. It seemed uneven and arbitrary to the panel that a disappointed offeror could protest a $100,000 schedule order but could not, by law, protest a $100 million order under a multiple-award contract. Why should one type of award provide for any less accountability?

By recommending that protests be allowed under multiple-award contracts but only for orders that are more than $5 million, the panel was balancing the interests of all stakeholders. Based on the data, the majority of orders — and dollars — are awarded below the $5 million threshold. The “bite-size” repetitive buys that were supposed to be the focus of task and delivery order contracts will continue to be exempt from protests. However, the panel was concerned that large orders were being placed under those vehicles in a manner that blocked new competition for years, a circumstance that is wholly inconsistent with commercial practice.

The notion that frivolous protests will undermine the government’s ability to meet its needs is unwarranted. It suggests a lack of discipline in the government contractor community that does not exist and that has not been the experience under the schedules. Indeed, in 2005 there were 28 protests of schedule orders, and there are 26 so far in 2006. It is worth noting that protests also impose costs and risks on contractors.

The work of the Acquisition Advisory Panel drew on the extensive and diverse backgrounds and opinions of members from industry, government and academia. They volunteered their time to this effort. They adopted 80 recommendations, of which only three are discussed above. It is important to note that the recommendations take a 360-degree view, understanding that all recommendations have effects on costs, schedules and workers. We do not expect unanimity from all sectors of the acquisition community on all of these issues, but all parties will be best served by a debate that reflects the facts.

Oct. 2, 2006

DOD's uberportal

BY Josh Rogin

The Defense Department is developing a Defense Knowledge Online Web portal using an approach unlike any it has used to develop joint programs in the past. Besides creating a portal for all of DOD’s employees, senior officials say that with DKO they are creating a new model for acquiring information technology.

DKO will offer a one-stop shop where all DOD users can go to post, process, use, store, manage and protect information resources. DKO will serve as the überportal, a single entry-point to all service portals in DOD, officials said. DKO will establish a departmentwide platform, integrate proven capabilities from existing military portals and

achieve efficiencies by optimizing resources. DKO will promote information sharing and support departmentwide collaboration tools and applications.
Two senior officials who devised the DKO model — Lt. Gen. Charles Croom, director of the Defense Information Systems Agency, and Lt. Gen. Steve Boutelle, the Army's chief information officer — think DOD's nontraditional approach to creating the portal is as valuable as the portal itself.
"There's plenty of room in the acquisition process for flexibility," Croom said. "We've got to find where that flexibility exists and really home in on it."
Croom and Boutelle say the increasing pace of technology and the decreasing usefulness of traditional IT acquisition methods demanded a novel approach. But in their rush to achieve results, critics say, DOD officials are bending the rules and taking too many risks. Both sides agree, however, that DOD's commitment to create a departmentwide portal will produce technology and program management innovations as project leaders cope with funding, billing, software licensing and technical challenges.
DKO is based on DISA's ABC strategy — adopt, buy and create technologies in descending order of preference, Croom said. Regular acquisition methods are too slow, he added. For example, if someone wants to establish a joint program office, he said, "it takes us years to get the billets from the services." So he created a mechanism for the services to work cooperatively and pool resources.
In 2005, Croom approached Boutelle and asked to use the Army Knowledge Online (AKO) portal as the basis for DKO. Boutelle agreed. The Army, whose portal has 1.8 million users, had already done much of the work, Croom said.
Starting a new enterprise portal was financially unrealistic, Boutelle said. Expanding AKO was the only way to move forward, he added.
DISA is using its Net-Centric Enterprise Services (NCES) contract, whose requirements include an enterprise portal, as a contractual mechanism to support DKO. DISA has hired the Army as a managed service provider to deliver the capability of DKO and provide life cycle management. The project's funding is one of its novel aspects. AKO is funded through Army-specific contracts. Those include a $152 million Lockheed Martin contract awarded in July 2005 and an operations and maintenance contract with CherryRoad Technologies. Funding for those contracts, however, cannot be used to serve non-Army users, according to contract rules, Boutelle said.
Croom and Boutelle agreed that DISA would reimburse the Army for DKO development work using portal funds from DISA's NCES contract.
Next, the Croom/Boutelle team had to persuade the rest of DOD to join the effort. Earlier this year, they created a freestanding governance organization for DKO. The organization has a board of directors on which Croom and Boutelle serve as co-chairmen. Members of the organization include the CIOs of the Air Force and Navy and senior officials from the Marine Corps, Joint Forces Command and the Office of the Director of National Intelligence.

Not so fast

After a sluggish start, the board now meets about every 10 days to review the DKO project and make decisions, Croom said. With regular attention from senior leaders representing all of the military services, the project gained momentum. "All of a sudden, things started moving faster, [and] the barriers between the services started falling down," he said.

Supporters are pleased about the speed at which the DKO project is moving forward, but others have concerns about the process. Paralysis by analysis has doomed past IT acquisitions, but a focus on speed also increases the risk of failure, said Jim Weiler, executive director of the Interoperability Clearinghouse, an industry organization focused on enterprise technology solutions. Weiler said Croom's ABC approach is on target, but he added that DKO's underlying processes need to be changed to support that strategy. Persuading the services to work together on DKO is remarkable, Weiler said. But, he added, he is concerned that DOD failed to properly fund DKO from the start and has not done enough to mitigate the inherent risks of that decision.

Army officials are aware of those concerns and are looking for solutions. Gary Winkler, director of the Army's governance, acquisition and chief knowledge office, said DKO's funding and governance mechanisms are not sustainable. "We're OK for the short term to do DKO and AKO, but we know for the long term we are not," he said. For example, the Army's AKO contract with Lockheed Martin specifically permits integration with DISA and the Joint Forces Command but not with all the military services, Winkler said.

The next AKO upgrade, scheduled for release at the end of this year, will offer unsponsored user access for all DOD users, Winkler said. "Everybody shares the vision. The question is, what is the best path to get to that vision?"

Ultimately, DOD will have to award a contract for the DKO portal, Winkler said. The DKO board of directors has asked for a new contracting strategy to be completed this month, he added.

Billing questions

Meanwhile, Winkler said, the Air Force, Navy and Marines can use their own portal contracts to contribute to DKO via inter-service agreements like the one the Army and DISA signed July 16. But billing the services for DKO is always not an easy process. DKO's various features have different value to different users, Boutelle said, and the Army hasn't completely figured out how to bill each service for payment. "What looks like a very simple thing…turns out to be an extremely complex process, as we are learning," he said.

Technical challenges also must be resolved. For example, AKO is not based on a service-oriented architecture. An SOA provides a framework for developing software components to manage data communications among different systems. NCES requires that DKO use a SOA framework.

Software licensing is also problematic. DOD will have to renegotiate or replace many software licenses when AKO becomes DKO, Boutelle said. AKO uses an older version of Appian portal software running on Sun Microsystems' Solaris. DKO project leaders will upgrade the AKO portal to the newest version of Appian, which is SOA-compliant, before transitioning the portal to DKO, they said.

Each service must develop a plan for moving to DKO. Draft plans are due this month, Winkler said.

Some of the services complain that DKO is moving too fast. The Air Force is lobbying for a more flexible migration plan than the Army envisions, said Col. Marcus Miller, chief of the Enterprise Information Services Division in the Air Force Office of Warfighting Integration and CIO. The Air Force, which has the second largest portal in DOD, serves about 800,000 users.

DOD needs to present a strong business case and help with change management before the transition to DKO occurs, Miller said. Unlike the Army, the Air Force will have added costs when it transitions its users to DKO, he said.
The Air Force hasn't given the Army any money for DKO development, but it expects to contribute, Miller added. "There [are] a lot of decisions yet to be made," he said. "The fun has just started."

Sept. 25, 2006

Garbage in, garbage out

BY Christopher J. Dorobek

Those who believe in an open government — and we include ourselves in that group — may have been buoyed in recent weeks by the Federal Funding Accountability and Transparency Act that Sen. Tom Coburn (R-Okla.) sponsored.
The goal of the bill is simple: shine the light on government contracts and contracting. The legislation is an important step toward open government, and the way it made its way through Congress gives us hope. But the implementation of the bill leaves us skeptical.
The legislation's goal is something that seemingly nobody could oppose. But the future of the bill was thrown into limbo by a few lawmakers who put a secret hold on it.
In a sure sign that times have changed, people in the blogosphere took to their keyboards and tracked the lawmakers who were delaying the legislation. Sen. Ted Stevens (R-Alaska) acknowledged putting a hold on the bill, while Sen. Robert Byrd (D-W.Va.) was widely suspected as well. Once senators lifted the holds, the bill quickly moved through the legislature.
The goal of making information about government contracts and contracting transparent is a good one. We always favor more openness regarding how the government operates. But there are questions about how the government would actually create a searchable online database.
The Federal Procurement Data System is the closest thing available to a central database into which agencies feed their procurement data. Yet, by most accounts, FPDS data is not easily deciphered and is not always complete. The General Services Administration created the original FPDS but gave daily operational responsibility to a contractor in 2003 when FPDS-Next Generation debuted.
One of the problems with the system is that agencies have no clear business reason to spend the time, energy and effort to provide good contract data. As a component of GSA's Integrated Acquisition Environment, FPDS is part of the e-government initiative, but that isn't always convincing.
One imagines that greater visibility of data will motivate agencies, but there are also some good business and management reasons to want access to accurate and clean

contract data. For example, is an agency overly reliant on a handful of vendors? Do agencies have a good mix of small, medium and large businesses?

For agencies in the business of selling to other agencies, such data is invaluable because it can provide insights about the market that will help them serve their customers.

We believe in open government, but it will take some leadership if this online contract database is going to be useful for agencies looking to manage their contracts effectively and for taxpayers looking to determine how the government spends their money. Otherwise, it will merely be shoveling garbage in to get the predictable garbage out.

September 25, 2006

Congress agrees to merger of GSA funds

By Jenny Mandel

The House on Monday passed legislation allowing the General Services Administration to merge revolving funds for two acquisition units -- a key step in an ongoing reorganization -- advancing the measure to the White House for President Bush's signature.

The House approved the bill (H.R. 2066) by voice vote. The Senate passed an amended version of the bill earlier this month.

The legislation would allow GSA to complete the merger of its Federal Technology Service and Federal Supply Service into a single entity. Combining the revolving funds for the two procurement groups into a new Federal Acquisition Service fund could improve the agency's financial outlook, as the technology service has recently run at a loss while the supply service has generated a surplus.

"This legislation removes the old structures that inhibit efficient federal purchases," said Rep. Tom Davis, R-Va. "It will help GSA operate in a market that has evolved from stand-alone hardware or services to solutions that are a mix of products, services and technology. The previous system may have made sense two decades ago, but technologies such as laptop computers, cell phones and e-mail are now as ubiquitous as desks and phones."

The Senate amendments to the original House bill removed a requirement that GSA appoint five regional executives for the new, blended organization.

September 22, 2006

Whatever Happened to "Small" Business?

By Keith McFarland

I always dreamed I would retire in my late 50s, buy a small fly-fishing gear company, and spend my twilight years running a simple small business and telling fish stories. Boy, was I wrong.

I spent time over the past couple of months with K.C. Walsh, owner and president of Simms Fishing Products, the world's premier fly-fishing gear company. One of the products Simms makes is fishing waders -- how tough can that be, right? Wrong again. It turns out that Walsh is running one of the most complex small businesses I have ever seen -- and to do it he keeps up a pace that would put many Fortune 500 CEOs I know to shame. [Since I began talking to Walsh about his business, he has asked me to help Simms out with its corporate strategy beginning in 2007.]

NO MARGIN FOR ERROR.

The term "small business" doesn't mean what it used to. Small businesspeople today have to deal with the same issues big businesses do -- global markets, complex supply chains, and fluctuating currencies -- and they have to do it without an army of MBAs to support them. Gone are the days when the business owner could walk out back to talk to his local production crew before knocking off early to sneak in a round of golf or go fishing. Many small businesspeople today are the business equivalent of fighter pilots -- hurtling around the globe at breakneck speed as larger competitors leave them little room for error.

With fewer than 100 employees, Simms manages the kind of complexity we used to associate only with firms of a half a billion in sales or more. Headquartered in Bozeman, Mont., the company produces more than 120 products including footwear, outerwear, and accessories, making up a total of over 1,000 stock keeping units [SKUs] -- it produces more than 100 SKUs for waders alone. The company sells products in 31 countries and sources raw materials and finished goods from 12 countries. It has distribution deals with some 400 independents and most major specialty chains, as well as partnerships with the companies behind Gore-Tex and Polartec. It faces the same problems confronting larger firms in hiring skilled craftspeople, and is taking risks making major investments in manufacturing infrastructure.

Since Walsh bought the company in 1993, Simms has racked up a compound annual growth rate of over 25 percent -- and emerged as the premier manufacturer of fishing waders in the world. To do this has required some major-league multitasking on Walsh's part.

A slideshow follows on how Simms handles complex operations and keeps competitive on a small-company budget.

Sept. 22, 2006

DHS reveals EAGLE small-business contract winners

BY Wade-Hahn Chan

he Homeland Security Department announced 28 small-business contract award winners for its Enterprise Acquisition Gateway for Leading Edge (EAGLE) solutions program. DHS officials said the awards represent a way for small businesses to gain a foothold in the agency and become better known. The winners are:

3H Technologies
Abacus Technology
Access Systems
Aerient
AlphaInsight
Analytical Services and Materials
Arrowhead Global Solutions
Base One Technologies
Burke Consortium
Catapult Technology
Creative Computing Solutions
Digital Solutions
EAGLE Enterprise JV

Electronic Consulting Services
Energy Enterprise Solutions
G&B Solutions
Kadix Systems
Metters Industries
MultimaxArray EAGLE
Optimal Solutions and Technologies
Pragmatics
QSS Group
SCI Consulting
STG
The Centech Group
Trawick and Associates
TWD and Associates
Visionary Integration Professional

Those companies join 25 others that won indefinite-delivery, indefinite-quantity contracts under the EAGLE program.
“The EAGLE program represents a significant opportunity for the small-business community to participate in DHS programs that are critical to protecting our Homeland,” said Kevin Boshears, director of DHS' Office of Small and Disadvantaged Business Utilization. “We are very excited about the capabilities that the companies selected can offer DHS across the spectrum of information technology services.”
EAGLE is a departmentwide IT services acquisition vehicle that streamlines the process of awarding task orders. Under it, DHS will issue task orders for five types of IT services: operations and maintenance; evaluation and verification; management support; software development and engineering design; and development, implementation and integration.

September 21, 2006

GSA set to implement merger of acquisition offices

By Jenny Mandel

A General Services Administration official said Thursday that the agency is weeks away from implementing the merger of two procurement organizations -- the Federal Supply Service and the Federal Technology Service -- into a single Federal Acquisition Service.
Martin Wagner, acting deputy commissioner of FAS, said the move would help the agency use "economies of process" to improve its purchasing of technology and other goods and services. The House and Senate recently approved legislation to let GSA proceed with the merger of revolving funds from the two units, though a final version of the bill, H.R.2066, has yet to be agreed upon.
Wagner said he has been involved with developing the agency's transition plan since the beginning of 2005. Jim Williams, the newly selected FAS commissioner, has now reviewed the plan, Wagner said, and a move to implementation mode could begin in as little as a week.
Describing standardized and interoperable business processes as "where the world is going," Wagner said GSA has a new focus on ensuring contracting procedures are consistent. Previously, he said, the agency's emphasis was on specialization within different contracting areas. This led to good results in particular areas, but came at the expense of business processes overall.
Wagner said the old approach was sometimes confusing to industry, and contributed to inconsistent application of contracting rules. The Defense Department and GSA have been locked in a battle over different interpretations of laws on the timeline for spending single-year money, which was partially resolved in May with a decision to use the Defense interpretation in future contracts.
"Our goal is to make things really, really simple and straightforward so that businesses won't need as much legal advice," Wagner said at a luncheon, drawing laughs from an audience consisting largely of lawyers from government contracting practices.

GSA is working to meet a commitment by its administrator, Lurita Doan, to bring the average time to get listed on its contracting schedules down to 30 days from a current average of 100 days. Wagner said the effort to simplify includes clarifying expectations for vendors so they are fully prepared when they begin the process.

There are procedures that should not be completed online, however, Wagner said. He noted that in some cases a business relationship is needed to ensure that both parties understand the agreements they are entering.

Wagner said the agency has moved on from its Get It Right program, which focused on compliance with contracting laws in the wake of procurement abuses discovered in 2003, though elements of it have been incorporated elsewhere. The program was unpopular with GSA customers who found it slowed the procurement process, and contributed to a downturn in FSS business as agencies looked elsewhere for contracting services.

New stability lies ahead for GSA, because long-empty positions have been filled with the June confirmation of Doan as administrator and Williams' selection as FAS commissioner, Wagner sai

September 19, 2006

Global Shippers Reach Out to Small Businesses

By Jim Wyss

Morris Mays -- inventor by night, county employee by day -- excused himself to change into the uniform he said he sometimes dons to sell the toothbrush sterilization system he created.

Emerging in a a sharply pressed black tuxedo he asked: "Do you get it? I'm dressed to kill."

If Mays' germ-killing outfit is a bit unexpected, so is the source of funding that's helped him launch his invention: package shipper DHL.

As logistics giants FedEx, UPS and DHL battle for small business clients, they are increasingly rolling out services that have little to do with hauling packages from Point A to Point Z.

FedEx, for instance, has quietly become the nation's second-largest producer of signs and banners, and it's about to unveil a service aimed at helping entrepreneurs get into the direct-mail marketing industry. DHL has launched a new small business magazine and is funding micro-enterprise efforts such as Mays'. And UPS has become one of the top providers of Small Business Administration-backed loans in the country.

There's no secret why the trio, which built their reputations in corporate mail rooms, are increasingly wooing mom-and-pop shops. Of the 23 million businesses in the country, a full 98 percent are small enterprises, according to the SBA. And 97 percent of all exporters are small ventures.

"It's the fastest growing piece of the economy both domestically and internationally," said Joe Curtis, vice president of channel sales and small business at DHL. "And we believe it's an underserved market."

THE CORNER OFFICE

The most obvious manifestation of the trio's eagerness to hook small ventures is the retail outlets that are springing up.

UPS started the trend when it bought Mailboxes Etc. about five years ago and has since expanded those stores and its own branded outlets to 23,700 locations. It now estimates that small businesses account for 75 percent of all its package deliveries.

FedEx followed suit, buying Kinko's for $2.4 billion in 2003; now it has almost 10,000 retail sites and plans to add 2,000 more over the next five years.

DHL -- a laggard by comparison -- has about 5,000 service centers, most of which are independently operated. But it, too, has plans to expand.

The explosion of shipper-powered copy shops is a direct result of the changing face of entrepreneurship, said FedEx Kinko's Chief Operating Office Brian Philips.

"As more people telecommute and establish home offices, more people need a lot of the products and services … that you and I take for granted," he said. If your corporate office needed a shipper, then your home office needs industrial printing services, IT technicians and marketing help.

"Our goal is to become the back office for small businesses and the branch office for medium and large companies," Philips said.

MOVING MONEY

Like many business owners, Ramiro Cardenas' only exposure to UPS was when the men in the brown uniforms and delivery vans would ring his doorbell. But when Cardenas started hunting for a loan to expand his food brokerage business, colleagues kept telling him to check out UPS Capital -- the company's banking arm.

About two months ago, UPS lent him about 75 percent of the money he needed to purchase Zales Meat Distributors & Discount in Hialeah.

Not only did UPS Capital lend him the money, but UPS staff helped perform a comprehensive audit and detailed analysis of the business before closing the deal.

"Without exaggerating, I would say they reviewed more than 10,000 pages worth of documents. They saw things that my lawyers and CPA haven't ever looked at," Cardenas said. "They're more than a bank; they're a partner."

That's exactly the kind of customer loyalty UPS is hoping to nurture through its banking efforts, said Rick Bradshaw, the senior vice president of UPS Capital Corp.

It's one thing to provide financing and credit to existing clients, but UPS Capital reaches businesses that may have never worked with the shipper before, he said.

"This has really helped differentiate us in the marketplace," said Bradshaw. "No one is doing what we're doing."

Since starting the bank in 2001, UPS Capital has grown to be among the top 20 SBA lenders in the country. Last year in Florida alone it issued $21.8 million in SBA-backed 7(a) loans, putting it just behind Citibank and ahead of traditional institutions such as Regions Bank and Bank United when it comes to SBA lending.

MINI-SIZING

Island Company, a West Palm Beach-based swimsuit and sports-wear venture, does about $1.5 million in sales and has 300 retail clients. In an industry where products are measured by the ton and moved by the shipload, it's tiny. So Island Company has remained competitive by working with factories that can turn over small orders quickly.

But the logistics of working with five factories in four different countries was a "nightmare," said Island Company Creative Director Spencer Antle.

COSTS ADD UP

Getting, say, 50 pounds worth of bikinis from the factory floor in Brazil to a South Beach swim shop would involve hundreds of dollars in additional costs. By the time they finished paying pick up and delivery fees, transportation and storage fees, and agent and customs fees, a 50-pound shipment might cost between $300 and $400, he said.

Then about six months ago, Island Company started talking to FedEx, which enrolled the firm in a plan where it handled all the logistics from factory floor to showroom.

Now Island Company is bringing in those same 50 pounds of Brazilian bikinis for about $100, Antle said.

The savings -- in both time and money -- helped Island Company stay competitive, he said.

"They are making it as easy to get goods from Peru and Brazil as it is to get them from

California," he said. "They have taken the international hassle out of the international outsourcing situation."

MICRO MARKETS

While all three companies are vying for small business clients, DHL is also trying to create future clients.

For the past two years, the company has been handing out cash and service grants to micro-entrepreneurs through nonprofit organizations such as Miami's MicroBusiness USA. Micro-enterprises are usually defined as companies with fewer than five employees and less than $35,000 in start-up funds.

It's a segment where a little money can go a long way.

Morris Mays, the inventor, received $1,000 from DHL last year that he used to buy a computer he needed to complete an online patent application (it's pending) for the invention he calls the Sports Toothbrush. The brush is essentially a traditional toothbrush with a fitted bottle that can be filled with mouthwash or antiseptic. A small bit of stainless steel in the container works as a catalyzer helping kill germs.

DHL also provided Mays with free mailers that he's been using to correspond with a potential manufacturer in Malaysia and his sales leads across the country.

GROWING BUSINESS

This year, Mays has sold about $5,000 worth of Sports Toothbrushes, which retail for between $5.99 and $9.99, he said.

"I couldn't have done this on my own," said the 52-year-old facility manager at the Miami-Dade County Action Agency. "This has been a big shot in the arm."

For DHL it's a window into a thriving but underserved community of small business owners, said Kamasha Hendrickson, who manages the program through the Association for Enterprise Opportunity in Virginia.

"This opens up a whole new market to them, and they get a better idea of what micro-enterprise is all about," said Hendrickson.

Mays admits he's not doing any large-scale shipping yet, but said he won't forget who gave him a leg up if big orders for the Sports Toothbrush start rolling in. And DHL's commitment has already won over at least one new customer.

"I used to use UPS," he said.

Sept. 18, 2006

Lawmakers say the legislation is needed to curb contracting abuses

BY Michael Hardy

Groups representing service contractors reacted quickly and negatively to legislation introduced last week by several House Democrats, who say it is intended to increase oversight and reduce fraud and abuse in contracting.

The Contract Services Association said the bill sponsored by Rep. Henry Waxman (D-Calif.) is an "election-year ploy," while Professional Services Council President Stan Soloway said many of its provisions are "solutions in search of problems."

The bill, introduced Sept. 13, was referred to the Government Reform, Armed Services, Rules and Small Business committees.

A group of Congressmen who call themselves the House Democratic Waste, Fraud and Abuse Truth Squad, introduced the bill called the Clean Contracting Act of 2006. Its provisions include limiting noncompetitive contracts awarded for emergency needs to eight months and allowing contractors to subcontract no more than 65 percent of the work on contracts. It would also extend from one year to two the time that federal contracting officials must wait before taking jobs with contractors they supervised while in the government.

"The way the Bush administration has squandered taxpayer dollars is shameful," Waxman said. "Indifference, incompetence and corruption have wasted billions of dollars. This bill represents a new direction that will protect taxpayers and restore accountability."

However, that's not how contracting groups see it.

"The bill will do little to responsibly improve and streamline government processes but will impose new, unnecessary, punitive requirements on the federal procurement system," said Chris Jahn, president of the Contract Services Association, in a statement.

The CSA's blistering statement called the bill a "political hatchet job" and charged Democrats with unfairly criticizing contractors and federal contracting officers.

Waxman had introduced a version of the legislation several months ago. Whether the new bill has any chance of passage largely depends on whether it gets support from the Government Reform Committee, Soloway said. If Democrats win control of the House in November, the legislation will likely become much more viable, he added.

"That doesn't mean it will pass," Soloway said. "Some of the people pushing this thing, no matter how extreme their views are, are people you can talk to."

Rep. Tom Davis (R-Va.), the committee's chairman, declined to comment.

Soloway said the legislation is no surprise, but it is troubling.

"It's essentially every bad idea we've seen over the past few years," he said. "It's a combination of the pernicious and the uninformed."

September 15, 2006

Interior contracting shop could lose Pentagon business

By David Perera

Auditors within the Defense Department are circulating a preliminary recommendation that the Pentagon stop doing business with a regional Interior Department fee-for-service contracting unit, according to multiple industry sources.

Fort Huachuca, Ariz., is a regional reimbursable procurement operation run by the Interior Department's National Business Center. The center took over the Fort Huachuca contracting shop from the Army at the military's request in fiscal 2001. But, in a draft report, defense auditors recommend that the military discontinue business with the Fort Huachuca operation, the sources said.

The basis of the recommendation is unclear, according to the sources, who asked to remain anonymous. The question of whether Defense should decrease its reliance on other agencies in meeting its procurement needs is currently a subject of debate, both within the Pentagon and on Capitol Hill.

Defense auditors are examining a number of government fee-for-service operations that do business with the military, including ones at the General Services Administration, NASA and the Treasury Department. Interior, NASA and Treasury's FedSource operation have all recently received copies of draft Defense inspector general reports on their respective reimbursable contracting operations, according to a Pentagon spokesman.

Donald Swain, the National Business Center's chief of staff, said the center has not seen a copy of the audit report and could only comment when the report is finalized. Auditors typically release draft reports to give the subjects an opportunity to review and comment on their findings. This feedback sometimes alters the final conclusions and recommendations.

"If that is in fact the draft recommendation, I think there's a decent chance that it could end up not being the final recommendation, if senior Interior officials pay the attention to it that they should," said Larry Allen, executive vice president of the Washington-based Coalition for Government Procurement.

It is not unheard of for inspectors general to overstate their case, said Stan Soloway, president of the Arlington, Va.-based Professional Services Council. "If [the draft recommendation] is true, it's a very troubling development. It would be very important to understand the rationale behind the IG recommendation," he said.

Information technology sales to the military are a mainstay of Fort Huachuca's business. Revenue at the contracting shop grew from $609 million in fiscal 2002 to $1.02 billion in fiscal 2004, according to the Government Accountability Office.

Defense "is their largest customer, larger than Interior, larger than GSA," said Tim Vigotsky, a former National Business Center director, now president of the Centerville, Va.-based consultancy Vigotsky & Associates.

If the military actually stops doing business with the Fort Huachuca shop, it is unclear how the Defense Department would handle the resulting gap in its procurement ability. Defense acquisition workforce levels have declined sharply -- decreasing 38 percent between fiscal 1989 and 2002. The workforce could shrink even more in the coming years as contracting employees retire.

September 14, 2006

House again votes to end prison firm's procurement preference

By Tom Shoop and Amelia Gruber

The House voted Wednesday to approve legislation that would end the status of Federal Prison Industries as a mandatory supplier of goods to federal agencies.
House members approved the Federal Prison Industries Competition in Contracting Act (H.R. 2965) on a 362-57 vote.
FPI, which operates under the trade name UNICOR, employs inmates at federal prisons to produce office furniture, clothing, electronics and other products for the federal market. Under federal law, agencies must use FPI as a source for goods under certain circumstances.
The full House has passed similar legislation to subject FPI to private-sector competition previously, but the Senate has not followed suit. A related Senate measure (S. 749) introduced in April 2005 by Sen. Carl Levin, D-Mich., has not made it out of committee.
"I look forward to working with the Senate on passing a companion bill so that we can finally send it to President Bush for his signature," said the House bill's sponsor, Rep. Peter Hoekstra, R-Mich.
The measure garnered broad support from industry groups representing companies that compete with FPI, and unions representing private sector workers. The Federal Managers Association also backed the bill, arguing that the mandatory source requirement ties contracting officials' hands.
"For too long, federal managers and supervisors ... have been forced to spend taxpayer dollars on goods and services provided by FPI, regardless of whether the transaction represents the best return on public dollars," wrote Darryl Perkinson, the group's national president, in a Sept. 8 letter to members of Congress.
The American Federation of Government Employees, which represents federal correctional officers, opposed the bill on the grounds that it would reduce employment opportunities for prisoners and increase idleness, thus potentially leading to increased attacks on prison guards.
"Given the correctional officer shortages at Bureau of Prisons facilities throughout the country, the FPI prison inmate work program is invaluable in keeping inmates occupied and staff safe," AFGE Council of Prison Locals 33 President Bryan Lowry said this week.
Hoekstra said the bill would set up alternative work and rehabilitation programs that would keep inmates active and train them to re-enter the workforce.
The International Brotherhood of Teamsters, which represents 1.4 million private sector employees, including truck drivers and warehouse workers, said in a Sept. 12 letter

supporting the measure that a transition period provided in the bill would give FPI time to adjust to having to compete for agencies' business. The phase-out "should advance the objective of protecting the correctional staff as well," the letter stated.

Sept. 14, 2006

House Democrats introduce contracting oversight bill

BY Matthew Weigelt

Several House Democrats focused on contracting flaws introduced a bill Sept. 13 with measures to end contract abuses and begin more transparent practices, according to a press release.

The group called the House Democratic Waste, Fraud and Abuse Truth Squad introduced the Clean Contracting Act of 2006. The bill seeks strict limits on noncompetitive contracts, a ban on monopoly contracts and restrictions on the award of no-bid contracts to Alaska Native Corporations, according to the statement.

The act would require an agency to put at least 1 percent of its procurement budget toward contract oversight. It also directs Congress to hold investigative hearings on credible evidence of contracting abuses or mismanagement.

The bill would allow government to contract only with companies in good standing, and it allows agencies to pay award fees to contractors only for good performance.

“The way the Bush administration has squandered taxpayer dollars is shameful,” Rep. Henry Waxman (D-Calif.) said. “Indifference, incompetence and corruption have wasted billions of dollars. This bill represents a new direction that will protect taxpayers and restore accountability.”

“This bill will put a stop to the incompetent and corrupt contracting practices that have resulted in billions of tax dollars being wasted and fleeced,” said Rep. Dennis Cardoza (D-Calif).

“The bill will do little to responsibly improve and streamline government processes, but will impose new, unnecessary, punitive requirements on the federal procurement system that could significantly impair the government’s ability to conduct smart, strategic acquisitions.

September 12, 2006

Congress approves federal spending database bill

By Jenny Mandel

The Senate and House on Wednesday evening passed legislation to create a publicly accessible government spending database, adopting language only slightly different from that previously cleared by the Senate and advancing the measure to President Bush for his signature.

The Senate passed the Federal Funding Accountability and Transparency Act (S.2590) by unanimous consent, incorporating minor modifications agreed upon with House leaders since the Senate first approved the measure last week.

The House passed the measure shortly after by voice vote. Because the two versions are identical, the legislation does not require conference negotiations and can be forwarded to the president immediately.

The bill would create a free, publicly accessible Web site that allows users to search all federal contracts and grants, and download the results. The search would gather information from existing databases such as the Federal Procurement Data System, Federal Assistance Award Data System and Grants.gov. It would provide access to data on all payments of more than $25,000, with exceptions for classified information and federal assistance payments made to individuals.

Agencies would be required to post information within 30 days of award. The search tool would be required to go live by 2008, and agencies would be required to include subgrants and subcontracts starting in 2009, following the conclusion of a pilot program to work out procedures for subaward reporting.

The measure was modified, at House insistence, to specify that contracts and grants could be searched separately as well as together.

The new search engine is conceived to improve the accessibility of federal spending data, but it would not affect the quality of the data itself.

The quality of that data for contracts is widely agreed to be poor. The Federal Procurement Data System-Next Generation, the General Services Administration-administered database that houses information on federal contract spending, has problems with the timeliness of data entry and with its accuracy.

Adam Hughes, director of federal fiscal policy for OMB Watch, a government watchdog group, has expressed hope that the increased scrutiny that would come with easier access to the data would lead to improvements as companies, individuals and agencies pressed for the correction of errors.

The Congressional Budget Office estimated the measure would cost about $4 million in fiscal 2007 and $5 million in fiscal 2008, with about $2 million needed in subsequent years for maintenance.

The House in June had passed a similar bill (H.R. 5060) that created a searchable Web site but included only grant information, not contracts.

September 12, 2006

Negotiators pressured to resolve 'Buy America' dispute

By Megan Scully

House and Senate negotiators on the fiscal 2007 defense authorization bill hope to file the final conference report Thursday, leaving only a couple of days to resolve a high-stakes battle over regulatory provisions that could have dramatic financial repercussions for the aerospace and electronics industries.

After meeting privately for more than a month, the Republican and Democratic leaders of the House and Senate Armed Services Committees have been unable to reach a compromise on whether defense manufacturers can buy certain specialty metals, including titanium and zirconium, from foreign suppliers.

The larger issue of buying defense components abroad is a perennial one during defense authorization conferences, with strict "Buy America" provisions championed by House Armed Services Chairman Duncan Hunter, R-Calif., typically argued but ultimately dropped from the final conference report on the annual authorization bill.

But this year, the Pentagon has added a sense of urgency to the negotiations because it is beginning to crack down on a largely ignored law that requires the content of specialty metals be 100 percent domestically produced.

Indeed, the Pentagon distributed a memo last month declaring that the military services and defense agencies must take the law, a 1941 domestic-source law known as the Berry Amendment, into account before issuing a contract award. The memo went out despite defense officials' past indifference toward industry infractions involving minor equipment parts like engine and electronic components.

Now, a White House veto threat hangs over any defense authorization bill that contains the House provisions. And big firms, such as Intel Corp. and Texas Instruments Inc., as well as the nation's leading aerospace companies, say strict enforcement of the law would be both difficult and costly.

In their bill, House lawmakers stipulate that the defense industry must rely exclusively on domestic suppliers for parts and components. They also leave open the possibility of expanding the list of protected specialty metals by establishing a Strategic Materials Review Board, which could add materials to the list.

The Senate supports weaker language favored by aerospace and electronics firms that would provide exemptions for certain lower-cost commercial items, such as electronic components, from the Berry Amendment. Suppliers of such commercial components as circuit boards, which may have only a small amount of a specialty metal, have argued that tracking the sources of specialty metals might drive up the cost of their products.

"This is really important," said Trey Hodgkins, director of defense programs at the Information Technology Association of America, whose members include Intel and Texas Instruments. "We are not going to be able to properly supply the warfighter if this is not addressed this year."

The domestic titanium industry, a key supporter of the House language, also is waiting for the outcome of the debate, which could affect about one-quarter of its sales.
"Titanium producers have made pretty significant compromises to meet the demands by both the House and the Senate," said Ray Calamaro, a partner at Hogan & Hartson, who lobbies for RTI International Metals, one of three domestic titanium producers.
The titanium industry says it is open to certain compromises, including allowing some exemptions to soften the impact of the Berry Amendment. It also supports a "get-well period" to give some breathing room to defense and electronics manufacturers that have non-compliant material in their parts.
Conferees will aim to complete negotiations this week. The House could vote on the conference report as early as Friday.
Other areas of discord between the two chambers include a fight over TRICARE healthcare pharmacy co-payments and Senate provisions on acquisition reform, aides said.

September 8, 2006

Defense spending bill clears the Senate

By Megan Scully

The Senate voted unanimously Thursday to approve the fiscal 2007 Defense appropriations bill, wrapping up debate on a $469.7 billion measure that provided Democrats a strong election-year platform from which to hammer Republicans on the increasingly unpopular Iraq war. The vote was 98-0.
Indeed, the Pentagon's full menu of high-priced weapons systems, which typically dominate the discussion on the annual spending bill, took a back seat this week to often-heated debate over what Democrats billed as the White House's foreign policy missteps.
With just weeks to go before the election, Democrats sought to use this week's floor debate to show their commitment to winning the war against al-Qaida while accusing the Bush administration of diverting attention and resources to wage war in Iraq.
On Thursday afternoon, Sen. Charles Schumer, D-N.Y., succeeded in passing his amendment to add $700 million to funding for the U.S. military's counternarcotics efforts in Afghanistan.
And Sen. Barbara Boxer, D-Calif., worked with Defense Appropriations Subcommittee Chairman Ted Stevens, R-Alaska, to gain GOP support for an amendment that would require the Pentagon to send Congress a contingency plan to protect military and other personnel in Iraq should sectarian violence continue to escalate.
But even though Boxer and Stevens put partisanship aside to work out the language, she nonetheless used the brief debate on her amendment to chide the administration for its failure to develop a post-war plan in Iraq. "That's not a plan," Boxer said. "That's an admission of no plan."

The Senate also unanimously approved an amendment offered by Sen. Jack Reed, D-R.I., that would boost emergency wartime accounts by $65.4 million to pay for additional Predator unmanned aerial vehicles. Lawmakers also approved by voice vote an amendment by Sen. Jeff Bingaman, D-N.M., to add $275 million to accounts in the Interior and Agriculture departments to combat forest fires.

House and Senate appropriators will now negotiate differences in their versions of the Defense spending bills, in the hopes of completing conference negotiations before the Oct. 1 start of the new fiscal year.

Both chambers have stripped billions of dollars from Pentagon accounts to pay for increased domestic spending -- $4 billion in the House and $9 billion in the Senate. But the White House has threatened to veto any Defense bill that contains cuts greater than those proposed by the House, clearly complicating the task ahead for conferees.

Meanwhile, the House and Senate Armed Services Committees moved ahead with efforts to resolve their competing fiscal 2007 defense authorization bills, as the four Republican and Democratic committee leaders met behind closed doors.

The House formally appointed conferees for the authorization bill Thursday, signaling that conference discussions, which have been under way informally since the Senate passed its bill in June, are winding down.

Indeed, congressional aides said conferees will hold an official meeting early next week, and possibly file the conference report later in the week. Aides said most of the issues have been resolved during informal talks, though some differences remain, including lingering disagreements between the two chambers over the cost of TRICARE prescription co-payments. in a timely manner," said Chris Jahn, president of the Contract Services Association.

September 7, 2006

Subcommittee questions Defense procurement practices

By David Hess

Facing a steady escalation of costs for weapons and services, the House Defense Appropriations Subcommittee Thursday laced into an array of Pentagon officials with a familiar list of complaints about the "volatility" and apparent lack of control over the Defense Department's acquisition practices.

With help from Government Accountability Office Comptroller General David Walker, the panel lurched through a litany of examples of how the cost of fighting wars and developing new weapons has spiraled upward, while asking why there could be shortages of such items as armored vests when actual combat gets under way.

Walker, who has been tilting with the Pentagon for years over its contracting policies, noted anew that "acquisition and contracting in the Department of Defense faces a number of systemic and long-standing challenges that have yet to be effectively addressed."

At the same time, with a gentle knock at Congress, Walker acknowledged that it is not all the Defense Department's fault. Congress, the defense contracting industry, and the military services all contribute to the problem, he said.

He recalled many instances of "the tendency [of contractors] to over-promise, then down the road, to fail to deliver [on the promises]," as well as low-balling on initial bids in order to get the job.

Defense Appropriations Subcommittee ranking member John Murtha, D-Pa., expressed his "great concern over the problem of incremental funding. We [in Congress] put in money for a ship, for example, in the short-term, then in the long term we don't have enough money to pay for it."

Walker sighed and said, "There have been frequent mismatches between wants, needs, affordability and sustainability" of weapons, along with "unrealistic and continually changing requirements" that add to the length and cost of development and testing programs.

Defense Appropriations Subcommittee Chairman C.W. (Bill) Young, R-Fla., admonished defense officials for lapses in their acquisition systems and said, "We want to save taxpayers as much as we can, while getting the needed resources to our war-fighters, with assets that are better than anybody else's."

Defense Department witnesses all insisted the department is aware of the problems and is installing new procedures to streamline and tame the volatility in the cost of acquiring the weapons and other products it needs.

Among other things, said Kenneth Krieg, undersecretary of Defense for acquisition, technology and logistics, the department is trying to upgrade its contracting workforce.

"For our initiatives to succeed," he said, "we must attract and sustain a 21st century acquisition, technology and logistics workforce, a high-performing, ethical workforce."

The Air Force's assistant secretary for acquisition, Sue Payton, said contractors must be disabused of the notion that the low bid always wins. "One of the more significant aspects is the common industry perception that we only award to the lowest bidder," she said.

Congratulations Michelle Stratton and Eric Duncan!

Champion of Veteran Enterprise
5th Annual Awards Ceremony

Enterprising Veterans Awards

American Product Distributors, Inc. (APD) Charlotte, NC
C. Ray Kennedy, President
Mr. C. Ray Kennedy, a Vietnam veteran, founded American Product Distributors, Inc. (APD) in 1992 and currently serves as its President and CEO. APD has built a reputation with its partners as a company that continually demonstrates creativity and "out-of-the-box" thinking. Johnson & Johnson states of APD, "They provide us a world of small company innovation and flexibility that many times could be missed when working directly with a larger company." APD became one of Johnson & Johnson's first fully functional suppliers on the Ariba platform – a breakthrough for a small business enterprise.
Mr. Kennedy started his business with an initial $1,000 investment and finished last year with nearly $135 million in revenue. He attributes the success of the company to what he learned while in the military. Mr. Kennedy says that, "The common sense approach you learn in the Army in breaking things down to the common denominator to make decisions has stuck with me to this day. I learned a lot of valuable lessons that help me run my business from day-to-day." Just as on the battlefield when quick thinking and adaptation can be critical, APD has shown that adaptation and innovation can be a proven success formula in the boardroom.

Technical Systems Integration, Inc. (TSI), Chesapeake, VA
Nicholas Ross, Program Manager (Owner)
Gerald Harper, Program Manager (Owner)

Technical Systems Integrations, Inc (TSI) is a Service-Disabled Veteran-Owned Small Business founded in 1993. The founders of TSI were comprised of a retired Chief Petty Officer and three retired Naval Officers, all of whom came up through the ranks. Because of this heritage, the corporate culture of TSI is to support our customer, which we see as the war fighter. We think the loyalty that we show our customers is returned in kind. Through the years, TSI has looked first at veterans with diversified levels of experience and proven records of accomplishment, as we have grown. Of our current 54 employees, 65% (35) are veterans of one classification or another. Twelve of the fourteen current owners are veterans; eight of them are documented as Service Disabled. Our veterans were part of the Vietnam and Cold War in the 60's, 70's, and 80's and more recently some were part of Desert Shield/Desert Storm. Some of our employees continue to work side by side with our military during their day-to-day operations. Clearly, TSI believes in capitalizing on the experience, maturity and leadership abilities that military service develops in a person. TSI provides hands-on involvement from the beginning to the end of projects to ensure that the war fighter has what they need to meet the stringent system requirements under which they operate. In each instance TSI's goal was, and remains the same; provide support to the war fighter by delivering a quality product, on time the first time, with superior customer interface. With headquarters in Chesapeake, VA, TSI also has offices in Panama City, FL, Patuxent River, MD, Washington DC and Fort Worth TX. TSI has developed a strong reputation for its excellence in analysis, documentation development and technical support of mission critical systems. TSI supports these functional areas with quality logistics support, system integration and operational and task analysis. Throughout the years, TSI has formed many mutually beneficial relationships with industry leaders who displayed the willingness to extend an opportunity to a growing company. Partnership were formed with Anteon Corporation, Northrop Grumman, EDO Corporation, General Scientific Corporation, AMSEC and ARINC to name a few. As the holder of several Prime contracts under NAVSEA SEAPORT E contract, TSI now enjoys the opportunity to work in a support role with those who have helped us succeed.

Lindberg Bing, Founder and CEO
L&E Associates, Inc., Oxon Hill, MD

Mr. Lindberg Bing served 29 years and 9 months in the Army where he was a Contract Officer/Program Manager for the Army Signal Corps. Applying the knowledge and experience he gained in the military to the commercial sector, Mr. Bing founded L&E Associates, Inc., a Service-Disabled Veteran-Owned Small Business, in 1985. Headquartered in Oxon Hill, MD, L&E provides specialized service in communications, security, information technology, and management support. L&E has worked with the Department of Defense and other Federal agencies in both sub-contractor and prime contractor capacities. L&E has grown to include offices in Virginia Beach, VA and Rome, NY as well as supporting more than 350 sites across the United States. Mr. Bing is a shining example that veteran-owned businesses come with references that are hard to beat.

Rebecca Aughney,
Applied Computing Technologies (ACT)
Falls Church, VA

Applied Computing Technologies (ACT), a veteran-owned small business headquartered in Falls Church, VA, was incorporated in 1993 to provide software quality assurance, help desk support, and financial management domain expertise. In 1996, ACT was an original partner on Anteon's National Emergency Management Information Systems (NEMIS). Through this partnership, ACT served a vital role in establishing the infrastructure that was needed for the Federal Emergency Management Agency to respond to needs of those affected by Hurricane Katrina and provided support to 60 Disaster Recovery Centers throughout Louisiana. When you talk about "Performance Under Pressure" ACT has certainly shown they have the ability to handle anything thrown at them.

Federal Agency Achievements

Department of Veterans Affairs

Health Care Networks

Organization	SDVOSB%	SDVOSB$
VISN 1 - James Gunn	3.37%	$7,397,040
VISN 4 - Cheri Szabo	5.03%	$4,146,733
VISN 5 - Victor Heinrich	2.99%	$15,350,128
VISN 6 - Gus Davila	6.69%	$12,569,548
VISN 7 - Dean Harrell	4.99%	$19,794,173
VISN 8 - Lori Curit	3.98%	$5,984,240
VISN 10 - Jodi Coki	2.98%	$4,237,695
VISN 19 - Danny Freeman	3.53%	$9,448,637
VISN 20 - Dennis Lewis	5.21%	$7,321,585

Special Units

Organization	SDVOSB%	SDVOSB$
Memorial Affairs	6.01%	$2,493,806
Office of Information and Technology	4.13%	$247,608
Office of Administration	4.10%	$8,323,000

U.S. Department of the Army

Organization	SDVOSB %	SDVOSB $
Army Contracting Agency Northern Region		
ARCC Ft. Dix	6.40%	$8,853,785.00
ARCC, Los A1amitos,	5.60%	$844,099.00
ARCC, WCCO	6.60%	$2,245,366.00
AP Hill	9.20%	$807,905.00
Ft. Meade	3.10%	$773,220.00
National Defense University	17.80%	$5,721,648.00
Ft. Lewis	3.40%	$4,127,476.00
Army Contracting Agency Southern Region		
Ft. Bliss	4.10%	$12,067,826.00
Ft. Bragg	3.00%	$6,911,813.00
Ft. Gordon	3.60%	$2,885,714.00
Ft. Hood	8.00%	$24,573,290.00
Ft. Jackson	28.40%	$15,212,804.00
So Region Contracting Ctr-East	11.90%	$13,495,838.00

The Americas Office		
Key West	9.60%	$859,916.00
Miami	8.70%	$1,041,202.00
SotoCano	3.20%	$119,529.00

Army Corps of Engineers		
Gulf Region Division	16.50%	$2,792.00
Norfolk	3.60%	$8,684,703.00
Sacramento	5.40%	$12,254,451.00
Humphrey Engineering Center	3.60%	$7,780,952.00

Army Material Command		
Blue Grass	4.80%	$426,582.00
Tooele	5.10%	$348,507.00

Space and Missile Defense Command		
Army Forces Strategic Command, Colorado	3.10%	$4,382,547.00

National Guard Bureau		
Organization	SDVOSB%	SDVOSB$
Alabama	5.20%	$1,054,159.00
Arkansas	5.80%	$971,486.00
Idaho	4.10%	$74,444.00
Maryland	9.40%	$561,158.00
Missouri	3.30%	$630,352.00
National Guard Bureau-AQ	4.70%	21476699
New Mexico	3.20%	$259,731.00
North Carolina	19.70%	$2,242,544.00
Oklahoma	10.10%	$784,501.00
Rhode Island	6.50%	$468,795.00

U.S. Department of the Navy		
Organization	SDVOSB%	SDVOSB$
SPAWARSYSCEN Charleston	2.99%	43,501,395
Navy Surface Warfare Center		
Port Hueneme Division, CA	3.52%	8,186,683
NWS Charleston, SC	8.12%	3358499

U.S. Air Force		
Organization	SDVOSB%	SDVOSB$

Air Combat Command		
9 CONS, Beale AFB	5.30%	$1.8M
49 CONS, Holloman AFB	12.20%	$5.4M
99 CONS, Nellis AFB	3.40%	$3.3M
20 CONS, Shaw AFB	3.10%	$4.5M

Air Mobility Command		
375 CONS, Scott AFB	4.20%	$3.3M
60 CONS, Travis AFB	3.70%	$2.5M
319 CONS, Grand Forks AFB	6.00%	$1.6M
22 CONS, McConnell AFB	3.70%	$799T
92 CONS, Fairchild AFB	5.10%	$2.0M
AMC CONS, Scott AFB	3.10%	$5.4M
43 CONS, Pope AFB	7.10%	$2.4M

Air Education and Training Command		
37 CONS, Lackland AFB	4.64%	$7.7M
12 CONS, Randolph AFB	5.12%	$7.6M
81 CONS, Keesler AFB	5.00%	$3.3M
82 CONS, Sheppard AFB	7.42%	$6.6M
14 CONS, Columbus AFB	4.66%	$2.2M
325 CONS, Tyndall AFB	3.10%	$4.84M
USAF Academy	5.00%	$7.0M

Defense Logistics Agency

John Henley, Associate Director for Small Business Programs
Susan Rapoza, Associate Director for Small Business Programs
Essie Scholoss, Assistant Deputy Administrator

Organization	SDVOSB%	SDVOSB$
Defense National Stockpile Center	40.50%	7823000
Document Automation and Production Service	4.40%	$6,566,000

Special Achievement: Defense Supply Center Richmond

Department of Housing and Urban Development

Joseph Neurauter, Chief Procurement Officer
David Kimbro, Assistant Procurement Officer of Field Operations

Organization	SDVOSB%	SDVOSB$
Denver Contracting Operations	3%	4060
Atlanta Contracting Operations	3%	1981

Department of Transportation
Admiral Thomas J. Barrett, Administration

Organization	SDVOSB%	SDVOSB$
Pipeline and Hazardous Materials Safety Adm.	29%	$3,142,000

Department of Agriculture
James E. House, Director, Office of Small and Disadvantaged Business Utilization

Organization	SDVOSB%	SDVOSB$
Office of the Chief Financial Officer	14%	$1,403,156

Department of Labor
Paul Briggs
Bradford Campbell, Deputy Assistant Secretary for Policy
Lawrence Kuss
Dennis Sprouse, Contract and Financial Management Specialist
Babette Williams, Budget Officer

Organization	SDVOSB%	SDVOSB$
Office of the Assistant Secretary for Policy	100%	$1,000.00
Organization	SDVOSB%	SDVOSB$
Bureau of Labor Statistics	3.54%	$2,321,000.00
Employee Benefits Security Administration	8.90%	$2,541,000.00
Occupational Safety and Health Administration	19.70%	2777000

CORPORATE ACHIEVEMENTS

L-3 Communications

Christina Boden, Joe Dittrich, Mary Gordon, David Kooritsky,
Lori Ritchie and David Stinson

Organization	SDVOSB%	SDVOSB$
Interstate Electronics	7.30%	38891113
MPRI	28.50%	5733168800.00%
L-3 Systems Company	10.40%	$15,859,965
Systems and Imagery	6.10%	1902263
Technical & Management Services Division	3.50%	25413792
Aviation & Maritime Services	3.60%	3860064

Computer Sciences Corporation

Jeffrey Purnell, Vice President
James Sheaffer, President,CSC Federal Sector

Organization	SDVOSB%	SDVOSB$
Applied Technology Division	8%	14574256
Defense Group	3.65%	$25,705,288

BECHTEL National, Inc.

Jeannie Houston, Supplier Development & Diversity Program Manager
Darrell McGhee, Construction Manager

Organization	SDVOSB%	SDVOSB$
Project-Customer - Dept. of Energy	3%	5106290
Special Achievement:		
Iraq Infrastructure Reconstruction	8.10%	VOSB:$42,689,546
Yucca Mountain	3.60%	VOSB:$2,648,977
Ground-based Midcourse Defense	11%	VOSB:$4,205,054
FEMA-Katrina	23.90%	VOSB:83,833,537