The Impact of Government-Wide Acquisition Contracts on Small Business

by

Eagle Eye Publishers & Jack Faucett Associates

for



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The statements, findings, conclusions, and recommendations found in this study are those of the authors and do not necessarily reflect the views of the Office of Advocacy, the United States Small Business Administration, or the United States Government.



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In the mid-1990s Congress passed a series of initiatives designed to fundamentally reform the way agencies acquired information technology-related goods and services from the private sector. The goal of these reforms was to implement results- and performance-based management practices that made agency procurement more timely and efficient and insured that agencies were getting maximum value out of the taxpayer dollars they spent. One area in greatest need of procurement reform was information technology (IT). Prior to Congressional passage of procurement reforms, agency IT acquisitions could take as long as two years to complete.

Answering the growing movement for procurement reform, Congress passed a landmark measure in 1996 called the Information Technology Management Reform Act (ITMRA), also known as the Clinger-Cohen Act. Among the provisions, ITMRA included a section encouraging agencies to create multiple-award, multi-agency contracts for the purchase of IT goods and services, with the U.S. General Services Administration (GSA) playing the primary role. These contracts came to be known as government-wide acquisition contracts or GWACs. This report examines small business utilization under GWACs vehicles, both generalized contracts and those designated specifically for small businesses.

Overall Findings

GWAC spending totaled \$16 billion between FY 1995 and FY 2004. Of this total, \$4.9 billion, or 31 percent, was awarded to small businesses. The creation of GWACs devoted exclusively to small businesses has had an impact on small business utilization in GWAC acquisitions. Since agencies began

using GSA's 8(a) FAST GWAC in FY 1998 and the Department of Commerce's COMMITS GWACs in FY 1999, total IT spending on these vehicles and on the more recent HUBZone GWAC has amounted to \$1.5 billion, or 9 percent of total reported GWAC spending. This has increased the small business GWAC dollar share by nearly one-third overall.

Highlights

- GWAC spending totaled \$16 billion between FY 1995 and FY 2004. Of this total, \$4.9 billion, or 31 percent, was awarded to small businesses.
- Small business GWAC dollars rose by a factor of 40 between FY 1997 and FY 2004 even as annual GWAC spending leveled off in FY 2004.
- GWAC spending in FY 2004 totaled \$4.06 billion; the small business share was 32 percent.
- The small business GWAC dollar share rose in FY 2002 and FY 2003. In FY 2004, approximately one out of every three GWAC dollars was spent through small firms.
- Excluding dollars spent on three exclusive small business GWACs—8(a) FAST, COMMITS, and HUBZone—the small business share of GWAC spending was 24 percent. The three small business GWACs added 10 percent to the overall GWAC spending total and 40 percent to the GWAC dollars received by small businesses between FY 1995 and FY 2004.
- Between FY 1995 and FY 2004, GWACs accounted for 12 percent of total purchases in the primary IT categories, federal supply groups D (automated data processing services) and 70 (automated data processing hardware).

This report was developed under a contract with the Small Business Administration, Office of Advocacy, and contains information and analysis that was reviewed and edited by officials of the Office of Advocacy. However, the final conclusions of the report do not necessarily reflect the views of the Office of Advocacy.

- Four GWACs—Millennia, ANSWER, SEWP II, and SEWP III—accounted for 58 percent of all GWAC spending FY 1995–FY 2004. Their combined small business share was 19.2 percent.
- GSA accounted for 52 percent of all reported GWAC spending in the FY 1995–FY 2004 period.
- Overall GWAC spending is highly stratified. The top five vendors receiving GWAC awards in the last 10 years accounted for 46 percent of total GWAC spending. The top 25 GWAC vendors received 79 percent of the GWAC dollars.
- The small business GWAC sector is also highly stratified, but not to the same degree as large GWAC vendors. The five largest small GWAC dollar recipients collected one-third of GWAC small business dollars for the FY 1995–FY 2004 period. The 25 largest small firms together accounted for two-thirds of GWAC small business revenues.

Scope and Methodology

The GSA's Federal Procurement Data System Individual Contract Action Report database (FPDS ICAR) provided the primary source data used in this study. The ICAR database is an electronic file containing data fields corresponding to all the information elements collected by contract officers on the DD-350 (defense) and 279 (civilian) transaction report forms. Each ICAR record represents information about one unique contract obligation on an unclassified prime contract typically worth at least \$25,000.

To perform this analysis, the researcher extracted and analyzed all contract transaction records reported in the FPDS ICAR file covering the period October 1994 through September 2004 (FY 1995–FY 2004). The data was summarized and totaled by GWAC program, agency, and NAICS code and further analyzed by the amount of dollars awarded to small businesses.

This report was peer reviewed consistent with the Office of Advocacy's data quality guidelines. More information on this process can be obtained by contacting the director of economic research at *advocacy@sba.gov* or (202) 205-6533.

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Abbreviations Used

8(a) STARS: The successor contract vehicle to 8(a) FAST

8(a) FAST: 8(a) Federal Acquisition Services for Technology, a dedicated small business GWAC.

ACES: Access Certificates for Electronic Services, a GSA-administered GWAC to provide digital certificates.

ADP: Automated date processing.

ANSWER: Application 'n Support for Widely-diverse End User Requirements.

CIOSP 2i: Chief Information Officer Solutions and Partners 2-Innovation; a broadspectrum IT contract for the National Institutes of Health.

COMMITS: Commerce Information Technology Solutions, a dedicated small business GWAC.

DUNS: Data universal numbering system number; a unique identifier administered by the firm Dun & Bradstreet.

ECS: Electronic Computer Store, a GWAC administered by the National Institutes of Health.

FPDS: Federal Procurement Data System.

FSG: GSA federal supply group; product classification code used in federal procurement.

FSG 70: GSA federal supply group for ADP hardware.

FSG D: GSA federal supply group for ADP services.

FY: The federal budget year (fiscal year), which runs from October 1 to September 30.

GSA: U.S. General Services Administration

GWAC: Government-wide acquisition contract.

HUBZone: Historically underutilized business zone; a GWAC reserved for HUBZone businesses.

ICAR: Individual Contract Action Report database.

Image World: A GWAC administered by the National Institutes of Health.

IT: Information technology.

ITMRA: The Information Technology Management Reform Act of 1996; also known as the Clinger-Cohen Act.

ITOP: Information Technology Omnibus Procurement.

MA/IDIA: Multiple award, indefinite-delivery, indefinite-quantity.

Millennia and Millennia Lite: GSA-administered GWAC for ancillary hardware, software, and firmware.

NAICS: North American Industry Classification System.

NASA: National Aeronautics and Space Administration.

ODIN: Outsourcing Desktop Initiative for NASA.

OMB: Office of Management and Budget.

PSC: Product/service code.

Safeguard: A batch of services offered to other agencies by GSA using existing contract vehicles.

SEAT Management: A GSA-administered IT GWAC.

SEWP: Scientific and Engineering Workstation Procurement, a NASA-administered GWAC primarily for IT hardware procurement.

Smart Card: Smart Access Common Identification, a GSA-administered GWAC for government ID solutions.

TELIS: Telecommunications Integrator Services, a GSA-administered GWAC.

VANITS: Value Added Niche Information Technology Services, a GWAC administered by the Department of Transportation.

VSPO: VANITS Special Project Office

SUMMARY OF KEY FINDINGS

- Reported government-wide acquisition contract (GWAC) spending totaled \$16 billion between FY 1995 and FY 2004. Of this total, \$4.9 billion, or 31 percent, was awarded to small businesses.
- Small Business GWAC dollars rose by a factor of 40 between FY 1997 and FY 2004 even as annual GWAC spending leveled off in FY 2004.
- Excluding dollars spent on three exclusive small business GWACs (8a FAST, COMMITS, and HUB Zone), the small business share of GWAC spending was 24 percent. The three small business GWACs added 10 percent to the overall GWAC spending total and 40 percent to the GWAC dollars received by small businesses FY 1995 FY 2004.
- In FY 2004 the small business GWAC procurement share totaled 32 percent.
- The small business GWAC dollar share rose FY 2002 and FY 2003. In FY 2004, approximately one out of every three GWAC dollars was spent through small firms.
- GWAC spending in FY 2004 totaled \$4.06 billion.
- Between FY 1995 and FY 2004, GWACs accounted for 12 percent of total purchases in federal supply groups D (ADP services) and 70 (ADP hardware).
- Four GWACs, Millennia, ANSWER, SEWP II and SEWP III accounted for 58 percent of all GWAC spending from FY 1995 to FY 2004. Their combined small business share was 19.2 percent.
- GSA accounted for 52 percent of all reported GWAC spending from FY 1995 to FY 2004.

INTRODUCTION

In the mid-1990s Congress passed a series of initiatives designed to fundamentally reform the way agencies acquired information technology-related goods and services from the private sector. The goal of these reforms was to implement results- and performance-based management practices that made agency procurement more timely and efficient and insured that agencies were getting maximum value out of the taxpayer dollars they spent.

Between the passage of the Brooks Act in 1966 and the Reinventing Government reforms of the mid-1990s, the U.S. General Services Administration (GSA) became the primary vehicle for the acquisition of the federal government's information technology (IT) needs. After 30 years, the growth of management, regulatory and competitive requirements made the IT acquisition procurement process extremely rule-focused, and often resulted in lengthy bid and award protests that delayed critical programs for months and years. Prior to Congressional passage of procurement reforms, agency IT acquisitions could take as long as two years to complete, by which time the originally specified technology was often overpriced and outdated.

Answering the growing movement for procurement reform, Congress passed a landmark measure in 1996 called the Information Technology Management Reform Act (ITMRA), also known as the Clinger-Cohen Act, which was contained in Section 5112 (e) of the Fiscal Year (FY) 1996 Defense Appropriations bill. Among the provisions, ITMRA included a section encouraging agencies to create multiple award, multi-agency contracts for the purchase of information technology (IT) goods and services. These contracts came to be known as government-wide acquisition contracts or GWACs.

GWACs, which are basically multi-agency, IT-focused indefinite delivery/indefinite quantity (IDIQ) contract vehicles, offered the promise of encouraging procurement flexibility, efficiency and competitiveness by:

- Reducing advance notification and reporting requirements
- Pre-selecting a limited number of qualified vendors
- Consolidating management of IT purchases among one agency's more experienced staff
- Competing individual task orders between GWAC recipients to insure best price
- Making task orders un-protestable
- Allowing post-award teaming and subcontracting
- Offering a range of products and services domestically and worldwide, at preapproved prices

¹ Kelman, Steven, "Remaking Federal Procurement" (Cambridge, MA: Harvard University, Kennedy School of Government, 2002), pp. 3-20 *passim*.

As authorized by the Clinger-Cohen Act, only agencies designated as executive agents by the Office of Management and Budget (OMB) were officially authorized to administer GWACs. By the year 2000, OMB had awarded executive agent status to five agencies, including:

- Department of Commerce (February 10, 1999)
- Department of Transportation (January 25, 1999)
- General Services Administration (August 2, 1996)
- National Aeronautics and Space Administration (2000)
- National Institutes of Health (2000)

Multi-agency, IT-focused, multiple award IDIQs were not new at the time the Clinger-Cohen Act passed in 1996. However, Congress intended to highlight GWACs, in part by incorporating streamlining features that made them more attractive than other types of contracts. For example, the Clinger-Cohen Act exempted GWACs from the terms of the Economy Act, giving GWAC managers more flexibility in the use of un-obligated funds at the end of a fiscal year. The designation of selected agencies as OMB-sanctioned executive agents also gave authority to the new contracts. To be consistent with official OMB rules, only GWACs administered by OMB-designated executive agents are analyzed in this study.

In 1998, GSA awarded the 8(a) FAST GWAC, which was devoted exclusively to minority-owned firms participating in the Small Business Administration's (SBAs) 8(a) program. The Department of Commerce followed in FY 1999 with its COMMITS small business technology GWAC, and in FY 2003 the GSA began making awards through the HUB Zone GWAC, which is reserved exclusively for HUB Zone small businesses. Together, these three exclusive small business GWACS account for \$1.4 billion in awards since FY 1998. The follow-on to the FAST contract, STARS, the new VETS, and Alliant GWACs hold the promise of additional, small business awards through GWACs devoted exclusively to small firms.

The sections of the report that follow analyze GWAC spending trends and the achievements of small business outreach efforts through GWACs.

DATA SOURCES

ICAR Procurement Data

The GSA's Federal Procurement Data System (FPDS) individual contract action report database (ICAR) provided the primary source data used in this study. The ICAR database is an electronic file containing data fields corresponding to all the information elements collected by contract officers on the DD-350 (defense) and 279 (civilian) transaction report forms. Each ICAR record represents information about one unique contract obligation on an unclassified prime contract typically worth at least \$25,000.

To perform this analysis Eagle Eye extracted and analyzed all contract transaction records reported in the FPDS ICAR file covering the period October 1994 through September 2004 (FY 1995–FY 2004). The data was summarized and totaled by GWAC program, agency, and NAICS code, and further analyzed by the amount of dollars awarded to small businesses.

Agencies reported spending a total of \$16 billion dollars on the 23 identified GWACs. As a result of data processing changes instituted by the GSA in 2003, small, sub-\$25,000 obligations, along with purchase card data, began to appear in FY 2004 data. Because small firms tend to receive higher shares of small purchases, comparisons between FY 2004 and prior-year data may tend to enlarge small business GWAC spending trends by a small amount.

FY 2003 was the final year of the old Federal Procurement Data System (FPDS) data collection system. Under the old system, each contract office collected information on every transaction they administered and forwarded this information to their bureau's or agency's procurement data office. This office took responsibility for performing preliminary data validation and forwarding valid transaction records to the FPDS each quarter for further editing and eventual publication.

With the adoption of the new FPDS-Next Generation (FPDS-NG) reporting system in 2003, agencies began submitting their contract reports to the GSA's FPDS-NG vendor directly using automated contract writing systems. Other, less automated agencies submitted contract reports to the GSA's vendor periodically, using batch files.

Contained in each transaction record is information describing the financial, competitive, statutory and other characteristics of an obligation. The most important fields used to select data for this analysis include:

- **Agency Code**: defines the agency administering an acquisition. In all tables and charts used in this study, agency codes are translated into commonly recognized acronyms.
- **Product/Service Code**: The Product/Service Code (PSC) describes the type of work performed on a contract, task or delivery order. Though similar in nature to a NAICS code, PSCs have been in use for many years and provide a consistent basis for performing trend analyses.
- Small Business Code/Contract Officer Determination of Small Business Size: The codes used to distinguish small business awards from awards to other types of firms. For FY 1995– FY 2003 data, codes A and B in the "type of business" fields were used to define small businesses. For FY 2004 data, the word "small" in the field called "contract officer determination of small business size" was used to select small business awards.

Particularly on large complex contracts like GWACs, a contract officer might create numerous transactions on a single contract over the course of its duration. This is because the dollars contained in a single obligation or transaction do not represent the total value

of a contract. Some small contracts consist of only one obligation, but other, large contracts can show hundreds of actions.

Each obligation forms the basis of a separate record in Eagle Eye's ICAR contract database. Each record shows a unique combination of the following data elements: reporting agency, contract number, contract modification number, contracting office order number, contracting office code and action or effective date. To measure activity on each of the GWACs in this study, Eagle Eye selected all active transactions coded with each identified GWAC contract number reported between FY 1999 and FY 2004.

GWAC Contract Identification

To perform the GWAC spend analysis Eagle Eye relied primarily on agency and news web sites to identify unique contract numbers for GWACs administered by OMB-designated executive agencies. Eagle Eye's research identified 23 GWACs, involving a total of 646 individual contracts. These are listed in Table 1.

This list of GWACs is a combination of current and expired contracts. In response to suggestions from various agencies that the GSA needed to consolidate its GWAC program, GSA has allowed some contract expiration dates to pass, while ceasing to issue new orders on others as it prepares a new, wide-ranging IT GWAC called Alliant. Some programs considered to be GWACs, such as Safeguard, were actually a batch of services offered to other agencies by GSA using existing contract vehicles like the group 70 IT schedule.

The number of contracts included in the master GWAC file used to look up and retrieve data from Eagle Eye's master contract file do not necessarily match the number of vendors originally announced as receiving GWAC awards.

Where official sources failed to provide a comprehensive list of GWAC contract numbers, Eagle Eye combined company-specific web searches with contract-specific searches of the Eagle Eye FPC Advanced Database to identify as many GWAC awards as possible. Contracts identified in this manner typically appeared in sequence in the database; however, only active, reported contracts could be analyzed.

Note that ITOP II, originally a Department of Transportation contract, is listed here as a GSA program. ITOP II executive agent status expired in April 2002. Over the next 18 months the Department of Transportation transferred administrative authority over ITOP II to GSA. GSA received ITOP executive agent status in spring 2004 and officially began making ITOP II awards at that time.

Every effort was made to identify GWAC contract numbers that were no longer active on such programs as CIOSP I, Image World 1, and SEWP I. The General Service Administration's VETS and 8(a) STARS GWACs and the Department of Commerce's COMMITS NexGen GWACs were awarded too recently to be included in this study.

Table 1: List of Included GWACs

Executive			Number of
Agent	GWAC Program Name	GWAC Acronym	Contracts
DOC	Commerce Information Technology Solutions	COMMITS	31
DOT	Value Added Niche Information Technology Services	VANITS	26
GSA	8(a) FAST	FAST	181
GSA	Access Certificates for Electronic Services	ACES	3
GSA	Access 'n Support for Widely-diverse End User Services	ANSWER	10
GSA	CONNECTIONS	CONNECTIONS	17
GSA	Disaster Recovery	Disaster Recovery	2
GSA	HUB Zone	HUB Zone	63
GSA	Information Technology Omnibus Procurement II	ITOP II	31
GSA	Millennia	Millennia	9
GSA	Millennia Lite	Millennia Lite	31
GSA	Reverse Auction	Reverse Auction	1
GSA	Seat Management	SEAT	9
GSA	Smart Card	Smart Card	4
GSA	Telecommunications Integrator Services	TELIS	1
GSA	Virtual Data Center	Virtual Data Center	3
HHS-NIH	Chief Information Officer Solutions and Partners 2 - Innovation	CIOSP 2i	45
HHS-NIH	Electronic Computer Store II	ECS II	28
HHS-NIH	Electronic Commodity Store III	ECS III	64
HHS-NIH	Image World 2 - New Dimension	Image World 2nd	24
NASA	Outsourced Desktop Initiative for NASA	ODIN	7
NASA	Scientific and Engineering Workstation Procurement II	SEWP II	20
NASA	Scientific and Engineering Workstation Procurement III	SEWP III	36
		Total	646

Methodology

The methodology for performing GWAC spending analysis in this study is a straightforward, three-step process. First, The 646 identifiable GWAC contract numbers were used as a lookup table to retrieve data from Eagle Eye's master file of contract actions for FY 1990 through FY 2003 and from Eagle Eye's newly created FY 2004 data file. In this first file, contract transactions were selected from the master file containing the identifiable GWAC contract numbers. The transactions were then grouped and totaled by the following key data elements:

- Agency code and associated agency name
- Business type code
- Contract number
- DUNS number and associated parent company name
- Fiscal year
- Foreign government participation indicator
- NAICS code
- Place of performance
- Product/service code and translation
- Sheltered workshop flag
- Small business code (from the FY 2004 database)
- Sum of obligation amount

The file that resulted from this selection contained 20,647 consolidated records. We then used the GWAC-related PSCs from the first file as a lookup table to retrieve all records coded with these PSCs from the FY 1995–FY 2004 databases. Data in this second file would provide the base of PSC spending by fiscal year against which small business performance is measured.

In the second file, the fields of data selected for inclusion were:

- Agency code
- Business type code
- DUNS number
- Fiscal year
- Foreign government participation indicator
- Product/service code (PSC) and code definition
- Federal supply group (FSG) and code definition
- Sum of obligation amount

The SBA exclusions process was performed in the selection of all GWAC and PSC data in order to conform small business share measures to SBA goaling measures. The exclusions process attempts to be in concordance with the SBA's goaling guidelines. Records exhibiting the following characteristics were excluded from this study:

- 1. All records coded with Javits Wagner O'Day Type of Business = yes (business type code D for FY 1995 2003; sheltered workshop flag = Y for FY 2004)
- 2. All records awarded to UNICOR/Federal Prison/FPI (matched by DUNS number)
- 3. All records awarded to the American Institute in Taiwan (matched by DUNS number)
- 4. All records coded with foreign places of performance (no "U.S." in the "place of performance" field prior for FY 1995 2004; no "U.S." or "blank" in the "place of performance country" field for FY 2004)
- 5. All foreign-government funded actions
- 6. Contracts funded by predominantly agency-generated sources. According to the SBA, this excludes records from the following federal agencies:
- Federal Deposit Insurance Corporation
- Postal Service
- Bureau of Engraving and Printing
- U.S. Mint
- Office of the Comptroller of the Currency
- Office of Thrift Supervision
- Transportation Security Administration
- Federal Aviation Administration
- Tennessee Valley Authority
- Administrative Office of the U.S. Courts
- Architect of the Capitol
- Bankruptcy Court

- Central Intelligence Agency
- Congressional Budget Office
- Court Services and Offender Supervision Agency
- Pretrial Services Agency
- Federal Judicial Center
- Overseas Private Investment Corporation
- Supreme Court
- U.S. Court of Appeals
- U.S. District Court
- Territorial Courts

- 7. Contracts awarded to the Defense Commissary Agency (DECA), because they buy for resale)
- 8. Awards designated as RES under "reason not competed" (RES stands for "resale")²

The exclusions process identified records amounting to less than 1 percent of the GWAC dollars covered in this study.

Note that all dollar figures appearing in this analysis are collectively referred to as "reported dollars." With a data collection and dissemination system as large as the FPDS, errors and omissions will occur.

ANALYSIS

Overall

Of the 23 identified GWACs, 22 showed reported dollars that totaled \$16 billion in transactions between FY 1995 and FY 2004. Of this amount, small firms received \$4.97 billion, or 31 percent, of aggregated GWAC spending.

The 12 GWACS administered by GSA accounted for \$9.7 billion, or 61 percent of GWAC spending. This is nearly two-thirds of all GWAC dollars reported over the last 10 years. NASA's three GWACs (SEWP II, SEWP III, and ODIN) accounted for 25.7 percent of the aggregate GWAC dollar total. Including the \$886 million spent using the NIH's three contracts (CIOSP, ECS and Image World), these three executive agents' GWACs accounted for 92 percent of reported GWAC spending between FY 1995 and FY 2004.

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² Exclusions criteria are published in the footnotes to the main data table in the *FY 2004 Small Business Goaling Report* (Washington, DC: U.S. Small Business Administration, August 2005), p. 2. See: http://www.sba.gov/GC/goals/Goaling-Report-08-21-2005.pdf.

Table 2: GWAC Rank By Aggregate GWAC Spending, FY 1995 - FY 2004

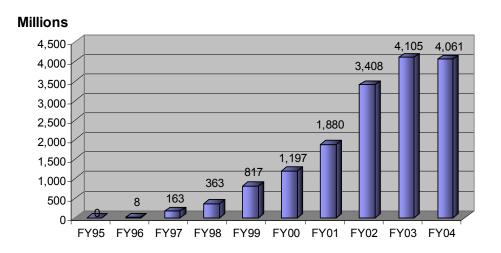
	Executive					GWAC % of
GWAC	Agent	SB Total	Other Total	Total	GWAC SB %	Total GWAC \$
1 Millennia	GSA	130,758,095	2,882,029,943	3,012,788,038	4.3%	18.8%
2 ANSWER	GSA	453,174,080	2,238,349,870	2,691,523,950	16.8%	16.8%
3 SEWP III	NASA	728,461,346	1,382,305,423	2,110,766,769	34.5%	13.2%
4 Millennia Lite	GSA	310,726,573	1,170,006,016	1,480,732,589	21.0%	9.3%
5 SEWP II	NASA	484,125,726	1,045,373,199	1,529,498,925	31.7%	9.6%
6 ODIN	NASA		454,660,919	454,660,919	0.0%	2.8%
7 CIOSP 2i	HHS-NIH	12,321,285	437,011,197	449,332,482	2.7%	2.8%
8 ITOP II	DOT	299,052,684	375,371,787	674,424,471	44.3%	4.2%
9 TELIS	GSA	7,953,000	262,304,153	270,257,153	2.9%	1.7%
10 SEAT	GSA	4,431,033	191,081,782	195,512,815	2.3%	1.2%
11 ECS II	HHS-NIH	634,621,754	176,836,856	811,458,610	78.2%	5.1%
12 Virtual Data Cent	GSA	975,609	140,217,884	141,193,493	0.7%	0.9%
13 ECS III	HHS-NIH	304,390,857	99,092,729	403,483,586	75.4%	2.5%
14 CONNECTIONS	GSA	50,140,047	61,279,897	111,419,944	45.0%	0.7%
15 Smart Card	GSA		55,636,139	55,636,139	0.0%	0.3%
16 VANITS	DOT	85,937,473	41,040,948	126,978,421	67.7%	0.8%
17 8(a) FAST	GSA	1,037,965,699	15,351,967	1,053,317,666	98.5%	6.6%
18 ACES	GSA	915,175	5,937,104	6,852,279	13.4%	0.0%
19 IW2nd	HHS-NIH	15,839,868	3,771,515	19,611,383	80.8%	0.1%
20 Disaster Recovery	GSA	1,477,000	2,926,330	4,403,330	33.5%	0.0%
21 COMMITS	DOC	391,454,837	81,869	391,536,706	100.0%	2.4%
22 HUB Zone	GSA	5,663,206		5,663,206	100.0%	0.0%
Total		4,960,385,347	11,040,667,527	16,001,052,874	31.0%	100.0%

Three of the GWACs, 8(a) FAST, COMMITS and HUB Zone are devoted exclusively to small businesses. Excluding the \$1.4 billion reported on these contracts, the 19 remaining active GWACS accounted for \$14.6 billion. Of this total, \$3.5 billion or 24.1 percent, went to small firms. In other words, the three small business GWACs added 10 percent to the overall GWAC spending total and 40 percent to the GWAC dollars received by small business.

GWAC Spending Trends

GWAC spending has risen rapidly in recent years to become an important component of the government's acquisition of IT goods and services. Since the passage of the Clinger-Cohen Act in 1996, annual GWAC spending has multiplied 521 times, from \$7.8 million in FY 1996 to \$4.1 billion in FY 2004 (See Chart 1.) In the market defined by the two key federal supply groups under which GWACs are typically classified (70 for ADP Hardware and D for ADP Services), GWACs represent 12 percent of information technology spending. In FY 2004, GWACs accounted for \$3.5 billion out of the \$29.8 billion total spent.

Chart 1: Total GWAC Spending, FY 1995 - FY 2005



The rapid growth in GWAC spending corresponds to the rapid growth in the number of active GWACs vehicles, from one to 22, between FY 1996 and FY 2004. Chart 2 indicates that the peak year of GWAC activity was FY 2003, when agencies used all 22 contracts covered in this study to spend \$4.1 billion on IT goods and services. The decline in the number of GWACs between FY 2003 and FY 2004 reflects a growing consensus for the need to consolidate redundant GWACs. Since 2003, GSA's Disaster Recovery, ODIN, Reverse Auctions, Safeguard, SEAT Management, and Virtual Data Centers have been targeted for gradual phaseout and elimination. Administrative responsibility for ITOP II has been given to GSA, and it is slated for termination as the various task and contract end dates expire.

³ "GSA Will Whack At Least Six GWACs," by Jason Miller and Gail Repsher Emery, *Government Computer News*, October 13, 2003, vol. 22, no. 30. See http://www.gcn.com/22_30/news/23845-1.html.

25 20 15 10 5

FY99 FY00 FY01

FY02

FY03 FY04

Chart 2: Annual Count of GWAC Contract Vehicles

Small Business Spending

GWAC FY95

FY96

FY97

FY98

As overall GWAC spending has risen, so have the GWAC dollars spent with small businesses. Between FY 1996 and FY 2004 the annual small business GWAC dollar total grew 169 times, from \$7.7 million to \$1.3 billion (Chart 3).

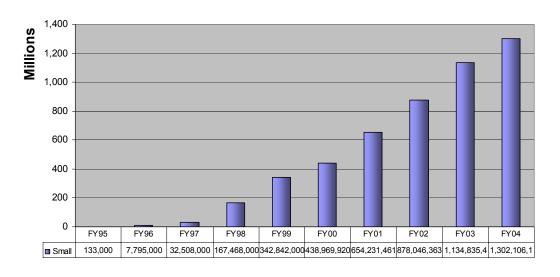


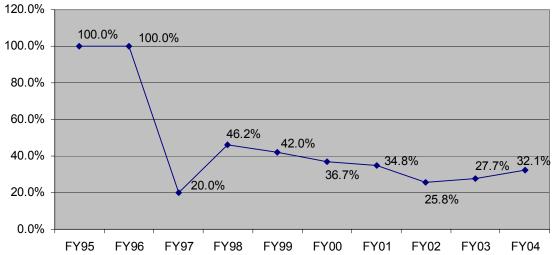
Chart 3: Small Business GWAC Spending, FY 1995 - FY 2004

Despite this trend, overall GWAC growth has outpaced small business spending, leading to a decline in the annual small business GWAC share. Chart 4 documents that since FY 1998, when GWAC usage topped \$100 million for the first time, the small business share

of aggregate GWAC spending has fallen 30 percent. Small firms accounted for 46 percent of GWAC spending in FY 1998 and 32.2 percent in FY 2004. The main reason for the drop is the intensified use of large GWACs like Millennia and Millennia Lite that have low small business participation.

Recent GWAC spending on SEWP III and on dedicated small business GWACs like COMMITS and HUB Zone have led to a 6.4 percentage point increase in small business GWAC share between FY 2002 and FY 2004.

Chart 4: Small Business GWAC Spending Share, FY 1995 - FY 2004



Agency Analysis

Thirty-nine agencies administered purchases on GWACS between FY 1995 and FY 2004. As shown in Table 3, GSA, the Department of Defense, and NASA accounted for 78 percent of all reported GWAC spending.

Table 3: GWAC Spending By Agency, FY 1995 - FY 2004

Rank Agency	Small Bus \$	Other Bus \$	Total \$	SB Agcy GWAC %	Agcy % of GWAC Tot	Agcy SB Goal FY 04	GWAC SB % - Agency SB Goal
1 GSA	2,071,246,859	6,387,548,047	8,458,794,906	24.49%	52.86%	43.00%	-18.51%
2 DOD	1,011,275,523	1,816,172,035	2,827,447,558	35.77%	17.67%	23.00%	12.77%
3 NASA	268,458,308	930,211,189	1,198,669,497	22.40%	7.49%	16.16%	6.24%
4 DOT	251,758,835	312,950,154	564,708,989	44.58%	3.53%	47.40%	-2.82%
5 DOJ	184,742,658	318,239,646	502,982,304	36.73%	3.14%	31.50%	5.23%
6 DOC	355,238,069	129,656,611	484,894,680	73.26%	3.03%	44.80%	28.46%
7 HHS	63,972,468	301,069,226	365,041,694	17.52%	2.28%	30.32%	-12.80%
8 TREAS	139,823,429	130,257,193	270,080,622	51.77%	1.69%	24.25%	27.52%
9 USDA	185,592,074	71,157,433	256,749,507	72.29%	1.60%	45.00%	27.29%
10 DOI	100,663,305	139,834,107	240,497,412	41.86%	1.50%	56.14%	-14.28%
11 STATE	119,197,642	67,238,143	186,435,785	63.93%	1.17%	40.00%	23.93%
12 DHS	65,839,459	96,471,028	162,310,487	40.56%	1.01%	23.00%	17.56%
13 DED	7,169,865	103,696,176	110,866,041	6.47%	0.69%	23.00%	-16.53%
14 DOE	48,106,666	40,980,481	89,087,147	54.00%	0.56%	50.60%	3.40%
15 SSA	16,236,963	33,206,123	49,443,086	32.84%	0.31%	33.50%	-0.66%
16 DOL	24,218,592	22,372,907	46,591,499	51.98%	0.29%	23.00%	28.98%
17 DVA	16,452,079	29,379,380	45,831,459	35.90%	0.29%	27.00%	8.90%
18 PEACE	348,097	31,644,891	31,992,988	1.09%	0.20%	25.00%	-23.91%
19 SBA	1,208,742	30,283,301	31,492,043	3.84%	0.20%	60.00%	-56.16%
20 EPA	4,408,573	21,333,082	25,741,655	17.13%	0.16%	27.00%	-9.87%
21 FEMA	1,985,000	6,941,402	8,926,402	22.24%	0.06%	23.00%	-0.76%
22 SEC	6,946,703	382,103	7,328,806	94.79%	0.05%	23.00%	71.79%
23 NRC	2,491,663	4,237,057	6,728,720	37.03%	0.04%	28.00%	9.03%
24 USIA	917,938	5,301,809	6,219,747	14.76%	0.04%	40.00%	-25.24%
25 FTC	2,879,559	2,756,471	5,636,030	51.09%	0.04%	23.00%	28.09%
26 NARA	2,896,333	1,984,063	4,880,396	59.35%	0.03%	31.00%	28.35%
27 EOP	2,565,057	1,534,957	4,100,014	62.56%	0.03%	50.00%	12.56%
28 NSF	2,340,049	1,376,563	3,716,612	62.96%	0.02%	23.00%	39.96%
29 OPM	345,000	488,292	833,292	41.40%	0.01%	19.90%	21.50%
30 CPSC	450,591	94,000	544,591	82.74%	0.00%	48.00%	34.74%
31 EEOC	236,809	304,707	541,516	43.73%	0.00%	38.00%	5.73%
32 FCC	39,637	454,750	494,387	8.02%	0.00%	23.00%	-14.98%
33 NLRB	128,403	321,824	450,227	28.52%	0.00%	23.00%	5.52%
34 CNCS		437,439	437,439	0.00%	0.00%	N/A	N/A
35 FEC		217,937	217,937	0.00%	0.00%	30.86%	-30.86%
36 CFTC	160,611		160,611	100.00%	0.00%	22.96%	77.04%
37 RRB		77,000	77,000	0.00%	0.00%	29.30%	-29.30%
38 FMC	5,788	56,000	61,788	9.37%	0.00%	23.00%	-13.63%
39 ITC	38,000		38,000	100.00%	0.00%	23.00%	77.00%
Total	4,960,385,347	11,040,667,527	16,001,052,874	31.00%	100.00%		

Market Analysis

The \$16 billion in total GWAC spending between FY 1995 and FY 2004 was distributed over 67 federal supply groups (FSGs), which are major federal market classifications. As Table 4 displays below, the four largest groups (D, 70, R, and J) accounted for 96 percent of total GWAC spending. Just one group (D or ADP services) was used to classify nearly two-thirds of reported GWAC dollars.

Table 4 shows small business utilization on the leading GWAC FSGs with small business utilization on the same FSGs across the entire government.

Table 4: GWAC Spending by FSG, FY 1995 - FY 2004

				SB GWAC		SB % of		GWAC FSG % of
		FSG Name	GWAC Tot \$	Tot \$	SB GWAC %	FSG Tot \$	SB Total %	GWAC Tot \$
1	D	AUTO DATA PROC & TELECOMM SVC	9,940,806,257	2,505,683,538		27.82%	-2.62%	62.13%
2	70	GEN PURPOSE AUTO DATA PROCSSNG	4,459,264,524	, ,		38.81%	4.57%	27.87%
3	R	PROF, ADMIN & MGMT SUPPORT SVC	669,238,270	250,649,407		28.05%	9.40%	4.18%
4	J	MAINTENANCE, REPAIR, & REBLDG	342,527,046	60,081,026		21.20%	-3.66%	2.14%
5	58	COMM DETECTION & COHERENT RAD	179,871,309	58,771,790	32.67%	13.39%	19.28%	1.12%
6	94	MISC CRUDE PRODUCTS	51,128,311	13,465,373	26.34%	1.42%	24.91%	0.32%
7	U	EDUCATION AND TRAINING SERVICE	49,572,263	12,587,282	25.39%	25.29%	0.10%	0.31%
8	60	FIBER OPTIC MAT COMP ASSMBLY &	37,504,576	3,242,763	8.65%	45.80%	-37.15%	0.23%
9	59	ELECT & ELECTRONIC EQ COMPONEN	36,588,244	19,906,635	54.41%	21.65%	32.76%	0.23%
10	В	SPECIAL STUDIES & ANALYSES-NOT	32,980,510	4,841,300	14.68%	24.11%	-9.43%	0.21%
11	Α	RESEARCH AND DEVELOPMENT	32,193,906	4,612,903	14.33%	13.56%	0.77%	0.20%
12	S	UTILITIES AND HOUSEKEEPING SER	30,025,801	13,920,534	46.36%	39.94%	6.42%	0.19%
13	L	TECHNICAL REPRESENTATIVE SERVI	17,975,826	4,090,567	22.76%	9.04%	13.72%	0.11%
14	74	OFF MCHNS TXT PROC SYS & VIS R	13,289,161	8,169,365	61.47%	25.21%	36.26%	0.08%
15	72	HOUSEHOLD & COMMERCIAL FURNS &	10,574,998	5,940,475	56.17%	65.56%	-9.38%	0.07%
16	71	FURNITURE	9,438,691	7,368,454	78.07%	39.19%	38.87%	0.06%
17	W	LEASE OR RENTAL OF EQUIPMENT	9,189,507	6,846,958	74.51%	39.61%	34.90%	0.06%
18	63	ALARM SIGNALS & SEC DETECTION	9,011,440	8,875,547	98.49%	33.27%	65.22%	0.06%
19	65	MED, DENTAL & VET EQ & SUPPLIE	7,584,960	4,292,326	56.59%	10.95%	45.64%	0.05%
20	Ν	INSTALLATION OF EQUIPMENT	6,025,747	3,994,737	66.29%	22.55%	43.74%	0.04%
21	28	ENGINES TURBINES AND COMPONENT	5,552,177	0	0.00%	5.75%	-5.75%	0.03%
22		Blank	5,264,279	2,283,128	43.37%	N/A	N/A	0.03%
23	Q	MEDICAL SERVICES	4,885,449	3,044,067	62.31%	11.02%	51.29%	0.03%
24	66	INSTRUMENTS & LABORATORY EQUIP	4,863,127	2,422,721	49.82%	31.10%	18.72%	0.03%
25	61	ELECTRIC WIRE & PWR & DISTRIB	4,281,049	2,970,800	69.39%	40.98%	28.42%	0.03%
		All Other	31,415,446	18,061,938	57.49%	20.29%	37.21%	0.20%
		Total	16,001,052,874	4,960,385,347	31.00%	21.19%	9.81%	100.00%

Applying small business shares of overall FSG dollars to GWAC FSG dollars yields an estimated GWAC small business total that is \$81 million less than the actual GWAC total (Table 5). This suggests that aggregate GWAC spending has minimal overall impact on the share of procurement dollars going to small business but that GWACs have an important impact on certain market classifications like ADP services, ADP hardware, and ADP naintenance and repair. GWACs show negative small business impacts in such large FSGs as group D (ADP services) and group J (maintenance and repair). Small firms fare better, relatively, in the sale of computer hardware and professional services.

Table 5: Estimated GWAC Spending Based on Overall FSG Small Business Share Multiplier, FY 1995 - FY 2004

			SB % of	Estimated SB	Actual SB	Actual SB \$ -
FSGFSG Name		GWAC Tot \$	FSG Tot \$	GWAC Tot \$	GWAC Tot \$	Est GWAC \$
1 D	AUTO DATA PROC & TELECOMM SVC	9,940,806,257	27.82%	2,765,799,733	2,504,206,538	-261,593,195
2 70	GEN PURPOSE AUTO DATA PROCSSNG	4,459,264,524	38.81%	1,730,537,104	1,934,261,713	203,724,609
3 R	PROF, ADMIN & MGMT SUPPORT SVC	669,238,270	28.05%	187,748,892	250,649,407	62,900,515
4 J	MAINTENANCE, REPAIR, & REBLDG	342,527,046	21.20%	72,614,251	60,081,026	-12,533,225
5 58	COMM DETECTION & COHERENT RAD	179,871,309	13.39%	24,089,861	58,771,790	34,681,929
6 94	MISC CRUDE PRODUCTS	51,128,311	1.42%	726,897	13,465,373	12,738,476
7 U	EDUCATION AND TRAINING SERVICE	49,572,263	25.29%	12,539,178	12,587,282	48,104
8 60	FIBER OPTIC MAT COMP ASSMBLY &	37,504,576	45.80%	17,175,295	3,242,763	-13,932,532
9 59	ELECT & ELECTRONIC EQ COMPONEN	36,588,244	21.65%	7,919,702	19,906,635	11,986,933
10 B	SPECIAL STUDIES & ANALYSES-NOT	32,980,510	24.11%	7,950,130	4,841,300	-3,108,830
11 A	RESEARCH AND DEVELOPMENT	32,193,906	13.56%	4,366,599	4,612,903	246,304
12 S	UTILITIES AND HOUSEKEEPING SER	30,025,801	39.94%	11,992,039	13,920,534	1,928,495
13 L	TECHNICAL REPRESENTATIVE SERVI	17,975,826	9.04%	1,624,907	4,090,567	2,465,660
14 74	OFF MCHNS TXT PROC SYS & VIS R	13,289,161	25.21%	3,350,328	8,169,365	4,819,037
15 72	HOUSEHOLD & COMMERCIAL FURNS &	10,574,998	65.56%	6,932,500	5,940,475	-992,025
16 71	FURNITURE	9,438,691	39.19%	3,699,461	7,368,454	3,668,993
17 W	LEASE OR RENTAL OF EQUIPMENT	9,189,507	39.61%	3,640,194	6,846,958	3,206,764
18 63	ALARM SIGNALS & SEC DETECTION	9,011,440	33.27%	2,998,524	8,875,547	5,877,023
19 65	MED, DENTAL & VET EQ & SUPPLIE	7,584,960	10.95%	830,525	4,292,326	3,461,801
20 N	INSTALLATION OF EQUIPMENT	6,025,747	22.55%	1,358,974	3,994,737	2,635,763
21 28	ENGINES TURBINES AND COMPONENT	5,552,177	5.75%	319,240	0	-319,240
22	Blank	5,264,279	N/A	N/A	2,283,128	2,283,128
23 Q	MEDICAL SERVICES	4,885,449	11.02%	538,234	3,044,067	2,505,833
24 66	INSTRUMENTS & LABORATORY EQUIP	4,863,127	31.10%	1,512,436	2,422,721	910,285
25 61	ELECTRIC WIRE & PWR & DISTRIB	4,281,049	40.98%	1,754,320	2,970,800	1,216,480
	All Other	31,415,446	20.29%	6,373,190	18,061,938	11,688,748
	Total	16,001,052,874	21.19%	4,878,392,516	4,958,908,347	80,515,831

Table 6: GWAC Spending Summary By Product/Service Code, FY 1995 - FY 2004

						GWAC SB % -	GWAC PSC % of
PSC	Definition	PSC GWAC \$	PSC SB GWAC \$	GWAC SB %	Overall SB %	Overall SB %	Overall GWAC \$
D399	OTHER ADP & TELECOMMUNICATIONS SVCS	6,862,404,237	1,541,642,841	22.47%	26.95%	-4.48%	42.9%
7010	ADPE SYSTEM CONFIGURATION	1,511,994,475	469,314,455	31.04%	33.26%	-2.22%	9.4%
D306	ADP SYSTEMS ANALYSIS SERVICES	1,098,154,461	499,740,002	45.51%	36.76%	8.75%	6.9%
7035	ADP SUPPORT EQUIPMENT	819,256,997	472,628,077	57.69%	47.29%	10.40%	5.1%
D301	ADP FACILITY MANAGEMENT	634,837,910	124,368,091	19.59%	30.24%	-10.65%	4.0%
D302	ADP SYSTEMS DEVELOPMENT SERVICES	521,849,466	118,373,734	22.68%	29.36%	-6.67%	3.3%
7050	ADP COMPONENTS	509,192,450	278,363,505	54.67%	48.83%	5.83%	3.2%
7030	ADP SOFTWARE	480,143,041	229,130,342	47.72%	40.98%	6.74%	3.0%
7025	ADP INPUT/OUTPUT & STORAGE DEVICES	463,749,429	202,183,766	43.60%	35.68%	7.92%	2.9%
R425	ENGINEERING AND TECHNICAL SERVICES	294,131,624	76,268,621	25.93%	20.95%	4.98%	1.8%
D307	AUTOMATED INFORMATION SYSTEM SVCS	265,101,218	44,015,524	16.60%	17.84%	-1.23%	1.7%
7022	ADP CENTRAL PROCESSING UNIT-HYBRID	181,409,997	60,291,100	33.23%	13.49%	19.74%	1.1%
J069	MAINT-REP OF TRAINING AIDS-DEVICES	157,397,615	0	0.00%	16.75%	-16.75%	1.0%
J070	MAINT-REP OF ADP EQ & SUPPLIES	150,352,185	34,312,231	22.82%	11.49%	11.33%	0.9%
R499	OTHER PROFESSIONAL SERVICES	145,934,259	111,682,442	76.53%	33.18%	43.35%	0.9%
7045	ADP SUPPLIES	130,551,031	75,280,144	57.66%	49.33%	8.33%	0.8%
7020	ADP CENTRAL PROCESSING UNIT-ANALOG	128,625,656	39,905,019	31.02%	32.52%	-1.49%	0.8%
D316	TELECOMMUNICATION NETWORK MGMT SVCS	126,478,835	41,954,111	33.17%	26.80%	6.37%	0.8%
D303	ADP DATA ENTRY SERVICES	123,118,029	55,925,371	45.42%	45.37%	0.05%	0.8%
7042	MINI & MICRO COMPUTER CONT DEVICES	119,553,000	52,277,256	43.73%	51.90%	-8.18%	0.7%
7021	ADP CENTRAL PROCESSING UNIT-DIGITAL	113,690,569	54,386,049	47.84%	42.20%	5.63%	0.7%
D308	PROGRAMMING SERVICES	106,907,750	19,790,064	18.51%	45.60%	-27.09%	0.7%
5895	MISC COMMUNICATION EQ	102,579,680	45,523,433	44.38%	13.22%	31.16%	0.6%
D304	ADP SVCS/TELECOMM & TRANSMISSION	70,912,809	5,463,958	7.71%	16.23%	-8.52%	0.4%
R799	OTHER MANAGEMENT SUPPORT SERVICES	57,220,426	10,544,427	18.43%	28.49%	-10.06%	0.4%
	All Other	825,505,725	297,020,784	35.98%	19.98%	16.00%	5.2%
	Total	16,001,052,874	4,960,385,347	31.00%	21.19%	9.81%	100.0%

A further breakdown of GWAC spending by product/service code (PSC) confirms the FSG trends observed in Table 5. Table 6 shows that the two largest GWAC PSC market classifications, D399 (other ADP/telecom services) and 7010 (ADP systems configuration),

which together account for 52 percent of all reported GWAC spending, showed lower small business procurement shares than in government contracting overall.

Company Analysis

Overall GWAC spending is highly stratified. The top five vendors receiving GWAC awards in the last 10 years accounted for 46 percent of total GWAC spending. The Top 25 GWAC vendors, which represent just 7 percent of the 360 active GWAC vendors, received 79 percent of the GWAC dollars.

The small business GWAC sector is also highly stratified, but not to the same degree as large GWAC vendors. The five largest small GWAC dollar recipients collected one-third of GWAC small business dollars in FY 1995–FY 2004. The 25 largest small firms accounted for two-thirds of GWAC small business revenues.

CONCLUSION

Spending on GWAC contracts for the purchase of federal IT goods and services has emerged as a major factor in the IT market since the passage of the Clinger-Cohen Act in 1996. Annual GWAC spending has grown 521 times over the last decade and totaled \$4 billion in FY 2004. GWAC spending is now at its peak; approximately 50 percent of all GWAC spending that occurred in the last 10 years was reported in the two most recent fiscal years, FY 2003 and FY 2004.

In the market defined by the two key federal supply groups under which GWACs are most commonly classified, GWACs represent 12 percent of total spending. In FY 2004, GWAC spending in FSGs D (ADP services) and 70 (ADP hardware) totaled \$3.5 billion out of the \$29.8 billion total spent.

The creation of GWACs devoted exclusively to small businesses has had an impact on small business utilization in GWAC acquisitions. Since agencies began using GSA's 8(a) FAST GWAC in FY 1998 and DOC's COMMITS GWACs in FY 1999, total IT spending on these vehicles and on the more recent HUBZone GWAC has amounted to \$1.4 billion, or 9 percent of total reported GWAC spending. This has increased the small business GWAC dollar share by nearly one-third overall.

GWACs are currently undergoing a period of consolidation. Some longstanding GWACs like SEAT and ITOP II will expire upon the termination dates of their individual contracts. To help the next generation of GWACS more closely mirror the utilization of small IT firms government-wide, acquisition officials might study spending patterns on NASA's SEWP GWACs for insight into how a large contract program maintains strong levels of small business participation in the acquisition of IT goods and services.

APPENDIX A: OVERALL GWAC SPENDING BY PROGRAM, FY 2005 – FY 2004

GWAC	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	Total
Millennia					900,000	51,899,000	306,899,000	764,891,000	876,390,632	1,011,808,406	3,012,788,038
ANSWER					85,947,077	229,849,399	318,157,555	601,143,132	711,663,786	744,763,001	2,691,523,950
SEWP III							99,811,886	506,154,411	767,337,881	737,462,591	2,110,766,769
SEWP II	133,000	7,795,000	153,499,000	212,752,000	396,731,000	447,097,000	291,990,117	17,806,000	1,415,358	280,450	1,529,498,925
Millennia Lite						9,001,871	129,320,756	390,357,603	463,042,650	489,009,709	1,480,732,589
8(a) FAST				11,843,000	65,598,000	95,638,000	193,676,000	231,829,251	258,313,782	196,419,633	1,053,317,666
ECS II			1,799,000	133,759,000	150,670,000	105,812,920	153,652,973	134,717,057	49,051,503	81,996,157	811,458,610
ITOP II					11,300,000	75,866,000	134,201,000	215,165,519	237,891,952		674,424,471
ODIN					66,940,000	85,480,000	97,047,000	109,778,000	95,415,919		454,660,919
CIOSP 2i							20,515,155	62,844,589	109,811,884	256,160,854	449,332,482
ECS III									182,823,359	220,660,227	403,483,586
COMMITS					539,000	13,966,000	44,784,000	83,212,103	76,775,543	172,260,060	391,536,706
TELIS			7,223,000	3,611,000	9,612,000	28,435,000	16,254,000	77,869,000	127,253,153		270,257,153
SEAT					19,019,000	35,067,958	29,742,094	59,594,695	52,089,068		195,512,815
Virtual Data Cent				896,000	9,717,115	17,254,458	25,820,000	63,076,000	9,869,602	14,560,318	141,193,493
VANITS						21,000	7,009,000	43,049,625	42,050,405	34,848,391	126,978,421
CONNECTIONS									21,741,770	89,678,174	111,419,944
Smart Card							4,914,400	35,356,758	15,364,981		55,636,139
IW2nd							4,182,000	6,760,000	3,738,283	4,931,100	19,611,383
ACES						1,536,000	2,330,875	1,981,170	527,897	476,337	6,852,279
HUB Zone									212,757	5,450,449	5,663,206
Disaster Recovery							27,000	2,132,000	2,244,330		4,403,330
Grand Total	133,000	7,795,000	162,521,000	362,861,000	816,973,192	1,196,924,606	1,880,307,811	3,405,585,913	4,102,782,165	4,060,765,857	16,001,052,874

APPENDIX B: GWAC CONTRACTING AGENCY DOLLAR RANK, FY 1995 – FY 2004

Agency	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	Grand Total	Agency %
1 GSA			2,036,000	39,220,000	221,459,057	461,535,228	977,971,676	2,011,702,413	2,457,974,305	2,282,492,897	8,454,391,576	52.85%
2 DOD			29,712,000	119,203,000	249,398,000	251,679,000	268,571,000	424,622,672	621,478,230	862,783,656	2,827,447,558	17.68%
3 NASA	133,000	7,795,000	91,791,000	70,276,000	120,825,000	184,134,000	199,475,000	217,369,000	186,702,705	120,168,792	1,198,669,497	7.49%
4 DOT			1,699,000	3,655,000	12,992,000	57,160,000	103,342,000	191,189,195	186,532,237	8,139,557	564,708,989	3.53%
5 DOJ			11,672,000	12,126,000	9,858,000	22,205,000	41,798,000	118,919,625	154,997,081	131,406,598	502,982,304	3.14%
6 DOC			10,933,000	24,239,000	28,882,000	60,550,000	67,298,000	94,919,000	69,817,345	128,256,335	484,894,680	3.03%
7 HHS			848,000	1,373,000	15,520,000	8,506,000	10,477,000	43,835,000	108,463,829	176,018,865	365,041,694	2.28%
8 TREAS			385,000	32,130,000	32,629,000	31,943,000	40,341,000	66,455,000	40,048,869	26,148,753	270,080,622	1.69%
9 USDA			2,578,000	30,490,000	42,543,000	38,832,920	53,120,340	33,951,000	45,373,143	9,861,104	256,749,507	1.61%
10 DOI			2,614,000	8,990,000	24,940,000	19,748,000	18,911,000	20,992,000	51,775,297	92,527,115	240,497,412	1.50%
11 STATE			85,000	6,830,000	16,225,000	11,590,000	32,791,000	40,508,000	40,351,640	38,055,145	186,435,785	1.17%
12 DHS									60,639,654	101,670,833	162,310,487	1.01%
13 DED				1,852,000	9,605,000	12,688,120	19,218,000	57,706,000	3,403,479	6,393,442	110,866,041	0.69%
14 DOE			125,000	2,542,000	5,777,000	1,730,000	2,684,000	27,118,000	12,151,992	36,959,155	89,087,147	0.56%
15 SSA			7,199,000	1,485,000	3,629,000	6,835,000	7,615,000	8,047,025	8,376,133	6,256,928	49,443,086	0.31%
16 DOL				75,000	9,569,000	6,619,000	8,182,000	8,602,572	12,219,324	1,324,603	46,591,499	0.29%
17 DVA			532,000	3,406,000	3,725,000	8,887,000	5,258,000	10,773,000	7,388,976	5,861,483	45,831,459	0.29%
18 PEACE					150,000	143,000	10,356,523	8,556,235	12,439,133	348,097	31,992,988	0.20%
19 SBA					4,841,135	5,292,338	5,382,000	7,258,000	8,701,320	17,250	31,492,043	0.20%
20 EPA							78,155	5,193,176	5,409,444	15,060,880	25,741,655	0.16%
21 FEMA				366,000	407,000	1,750,000	3,478,117	2,002,000	923,285		8,926,402	0.06%
22 SEC					78,000	358,000	458,000	267,000	186,300	5,981,506	7,328,806	0.05%
23 NRC				371,000	1,845,000	1,844,000	1,135,000	321,000	604,103	608,617	6,728,720	0.04%
24 USIA				3,354,000	229,000	419,000	118,000	239,000	823,541	1,037,206	6,219,747	0.04%
25 FTC			53,000	269,000	1,331,000	702,000	1,211,000	620,000	1,450,030		5,636,030	0.04%
26 NARA					258,000	187,000	304,000	2,796,000	397,085	938,311	4,880,396	0.03%
27 EOP				60,000		267,000	316,000	976,000	915,486	1,565,528	4,100,014	0.03%
28 NSF			259,000		52,000	996,000	377,000	567,000	1,465,612		3,716,612	0.02%
29 OPM				245,000	70,000	30,000			488,292		833,292	0.01%
30 CPSC				94,000					450,591		544,591	0.00%
31 EEOC					136,000			25,000	255,721	124,795	541,516	0.00%
32 FCC						35,000				459,387	494,387	0.00%
33 NLRB				95,000			41,000		314,227		450,227	0.00%
34 CNCS						259,000			102,949	75,490	437,439	0.00%
35 FEC									196	217,741	217,937	0.00%
36 CFTC									160,611		160,611	0.00%
37 RRB				77,000							77,000	0.00%
38 FMC								56,000		5,788	61,788	0.00%
39 ITC				38,000							38,000	0.00%
Grand Total	133000	7795000	162,521,000	362,861,000	816,973,192	1,196,924,606	1,880,307,811	3,405,585,913	4,102,782,165	4,060,765,857	15,996,649,544	100.00%

APPENDIX C: INDIVIDUAL GWAC PROFILES

Commerce Information Technology Solutions (COMMITS)

Executive Agent: Department of Commerce

Start Date: 6/21/1999

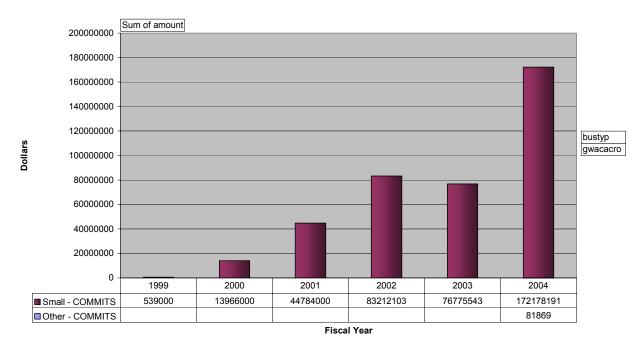
End Date:

Website: http://www.commits.doc.gov/

COMMITS is a Department of Commerce-led GWAC intended to provide government buyers with a fast and efficient method of awarding IT service and solution requirements. This contract is divided into three major areas: Information Systems Engineering Support Solutions, Information System Security Support Solutions, and Systems Operations and Maintenance Support Solutions. By using the term "solutions" as opposed to "service," the contracting officers are allowing the vendors under this contract to decide for themselves what the best method is for providing the IT support for the contracting agency, be it a "service" or a "good."

The COMMITS contract is unique in that in addition to being Solutions-based, it is also the first GWAC that is awarded exclusively to small businesses, all of which were selected based on past performance. The agency that orders off this GWAC will get the small business purchasing credit to go towards their small business purchasing goal.

COMMITS Spending By Type of Business, FY99-FY04



Value Added Niche Information Technology Services (VANITS)

Executive Agent: Department of Transportation

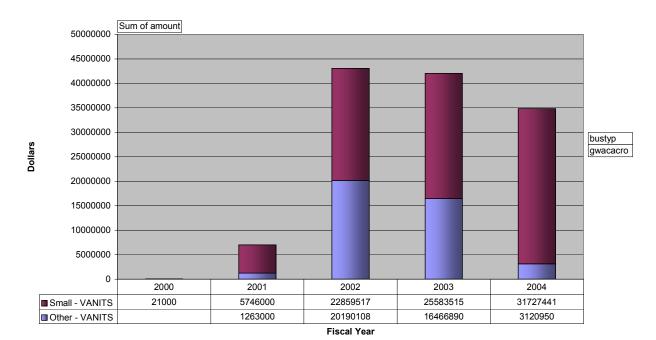
Start Date: 08/2000 End Date: 08/2007

Website: http://vanits.dot.gov/vanits/default.htm

VANITS delivers a wide range of IT services to federal agencies, including value added program management and contracts administration services. VANITS includes multiple award, labor hours and time and materials based IDIQ contracts that fulfill a broad range of requirements for: e-mail/messaging services; e-commerce services; distance learning services; business intelligence services (data warehousing); enterprise resource processing; services; operational maintenance support.

One of the unique features about VANITS is that contracts awarded under this program are between the VANITS Special Project Office (VSPO) and the vendors. Customer agreements are between government agencies and the VSPO, so technically the government customer's work is never outsourced. VANITS services are available to all federal, state and local government agencies.

VANITS Spending By Type of Business, FY00 - FY04



8(a) Federal Acquisition Services for Technology (8(a) FAST)

Executive Agent: General Services Administration

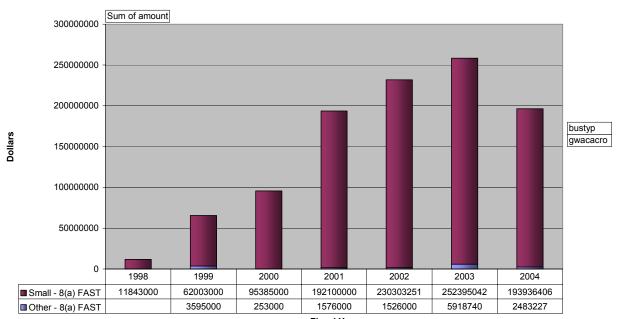
Start Date:

End Date: 10/31/2004

Website: http://r6.gsa.gov/smallbusinessgwac/maidiq/awardlist.htm

The 8(a) FAST GWAC contract is an expired vehicle from the GSA aimed at providing information technology services through minority-owned, 8(a) small businesses. It has been replaced by the 8(a) STARS contract vehicle. According to the GSA, the final fiscal year of this contract was very successful, with over \$2 billion in recorded sales. The agency credits this to a partnership with the Federal Technology Service, and a successful self-marketing program built into the 8(a) FAST program.

8(a) FAST Spending By Type of Business, FY98-FY04



Fiscal Year

Access Certificates for Electronic Services (ACES)

Executive Agent: General Services Administration

Start Date:

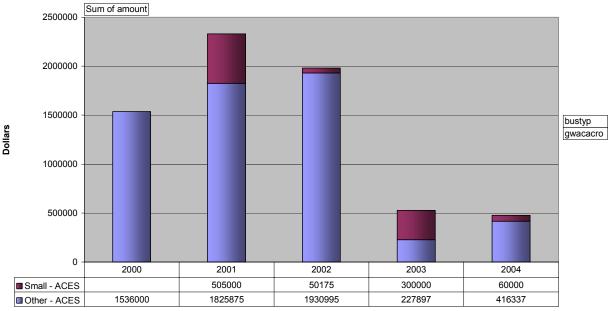
End Date: 10/5/2005

Website: http://www.gsa.gov/aces/

The ACES program was developed by the GSA to provide digital certificates as well as public key infrastructure enabling different levels of access within government applications. The GSA is categorizing this contract under the schedule 70 series.

This contract enables the government to provide secure e-commerce to end users of government electronic applications. This contract is intended to protect the integrity of secure data, and enables confidential data to be exchanged safely, while letting the agency that owns the data retain control over its data.

ACES Spending By Type of Business, FY00-FY04



Fiscal Year

Application 'n Support for Widely-diverse End User Requirements (ANSWER)

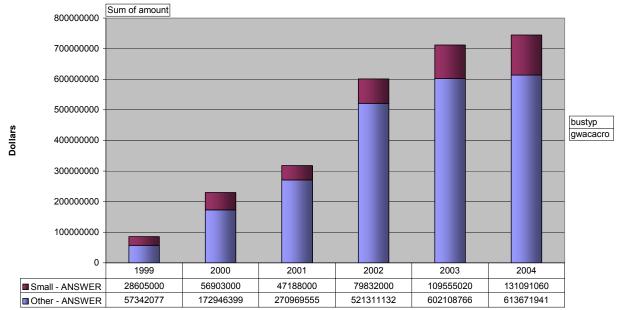
Executive Agent: General Services Administration

Start Date: 12/30/1998 End Date: 12/30/2008

Website: http://www.gsa.gov/answer

ANSWER is a \$25 billion MA/IDIA (multiple award, indefinite-delivery, indefinite-quantity) information technology solutions contract intended to become the "gold standard" for IT services, according to the GSA. This GWAC is open-ended in nature, with no specific focus, but is intended to provide for any IT need of the purchasing agency.

ANSWER Spending By Type of Business, FY99-FY04



Fiscal Year

CONNECTIONS

Executive Agent: General Services Administration

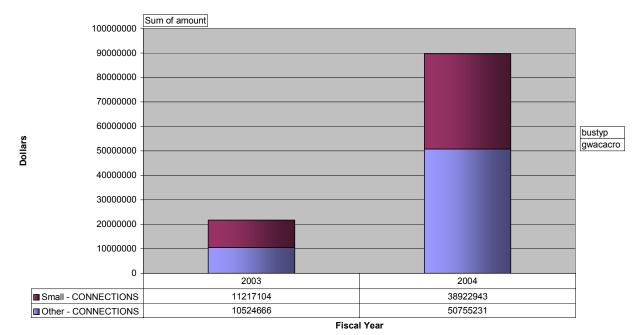
Start Date: January 2003 End Date: January 2011

Website: http://www.gsa.gov/connections/

Connections is billed as the GSA's newest MA/IDIQ for both IT equipment as well as support services. This GWAC is broken down into three categories: (1) equipment and video and data services, including installation and maintenance; (2) life cycle task orders; and (3) task orders including VoIP, systems integration, and operational support.

This GWAC is advertised as offering the widest range of products and services under one contract vehicle. Small businesses comprise about half of the vendors under this contract, and awards are made under full and open competitions.

CONNECTIONS Spending By Type of Business, FY03-FY04



Disaster Recovery

Executive Agent: General Services Administration

Start Date: 9/30/1999 End Date: 3/28/2007

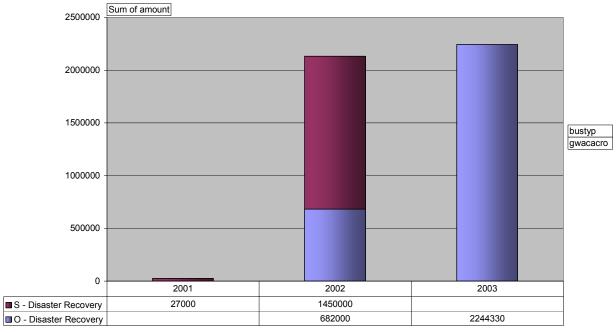
Website:http://www.gsa.gov/Portal/gsa/ep/contentView.do?P=9FG5&contentId=11238&content

Type=GSA OVERVIEW

Disaster Recovery is intended to provide agencies with worldwide backups to protect systems in the event of any form of disaster. This contract enables agencies to set up and if needed, implement a disaster recovery plan with the help of vendors. This contract is open to federal agencies as well as to selected non-federal organizations.

This contract is a MA/IDIQ contract with a ceiling of \$150 million. The contract is performance-based, and all task orders are competed based on best value. These task orders are all firm fixed-price, and awards are not protestable.

Disaster Recovery Spending By Type of Business FY01 - FY03



Historically Underutilized Business Zone (HUBZone)

Executive Agent: General Services Administration

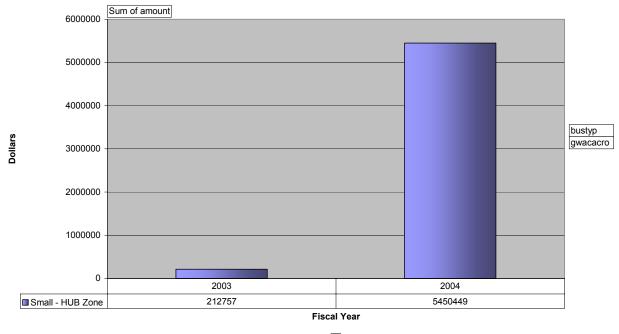
Start Date: End Date:

Website: http://www.gsa.gov/hubzone

The HUBZone contract vehicle is a set-aside enabling agencies to fulfill IT requirements by using companies headquartered in economically underdeveloped areas. Agencies have a requirement to spend 3 percent of their procurement dollars with HUBZone companies, of which there are 36 on this GWAC.

Procurement under this contract is divided among seven NAICS codes, also known as functional areas. These codes are 514191, 514199, 514210, 541511, 541512, 541513, and 541519. All task orders under the HUBZone GWAC are non-protestable.

HUB Zone Spending By Type of Business, FY03-FY04



Information Technology Omnibus Procurement II (ITOP II)

Executive Agent: General Services Administration

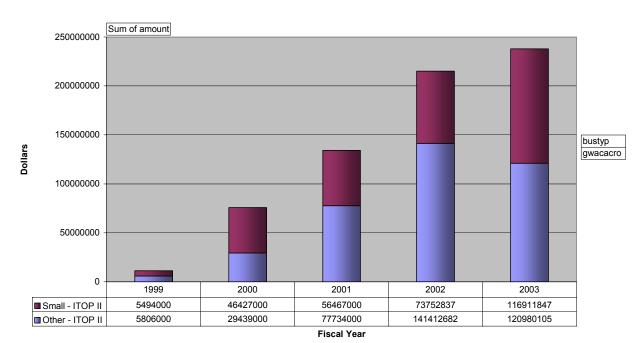
Start Date: 1999 End Date: 2004

Website: http://www.gsa.gov/hubzone

ITOP II is the former DOT GWAC that is now under the executive agent supervision of GSA. It offers seat management; electronic commerce; IT service bureaus; CIO support; IT research and development; basic continuity of disaster recovery—hot site and cold site backup; and other IT initiatives, i.e., network support, computer center tech support, software maintenance and licensing, and office automation/help desk.

ITOP II provides information technology efforts for DOT and all of its operating administrations, other government agencies including state/local government entities, and certain quasi-governmental entities. Work may be performed at headquarters and/or field offices located in United States and abroad, as specified in each task order. ITOP II spans the gamut of support resources related to information resource management, from studies and plans to software development to database administration to mainframe and telecommunications support (including remote access hardware/software) to electronic libraries.

ITOP II Spending By Type of Business, FY99-FY03



MILLENNIA

Executive Agent: General Services Administration

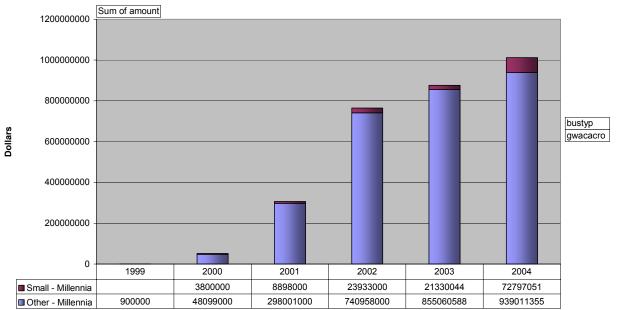
Start Date: 4/30/1999 End Date: 4/30/2009

Website: http://www.gsa.gov/millennia

Millennia is a GWAC comprised of nine IDIQ contracts that provide ancillary hardware, software, and firmware. These contracts are intended to provide IT support services across both business and mission-oriented disciplines, including communications, software engineering, and systems integration.

The task orders under this contract are divided between cost reimbursement and fixed price. Again, these task orders are non-protestable. Agencies can order from this GWAC directly using direct order/direct bill or through GSA client support centers.

Millennia Spending By Type of Business, FY99-FY04



Fiscal Year

MILLENNIA Lite

Executive Agent: General Services Administration

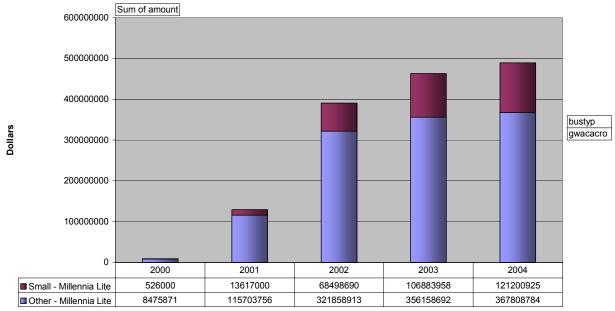
Start Date: 4/21/2000 End Date: 4/21/2010

Website: http://www.gsa.gov/millennialite

Millennia Lite is a GWAC intended to expand the federal technology service portfolio through the use of four broadly defined functional areas. These areas are as follows: (1) IT capital planning, studies and assessment; (2) high-end information technology services; (3) mission support services; and (4) legacy systems migration and new enterprise systems development.

Within this GWAC, buying agencies can choose between fixed price; labor hour/time and material; or cost reimbursement task orders. The vendors are awarded contracts based on performance, and the program has a ceiling of \$20 billion.

Millennia Lite Spending By Type of Business, FY00-FY04



Fiscal Year

Outsourcing Desktop Initiative for NASA (ODIN)

Executive Agent: General Services Administration

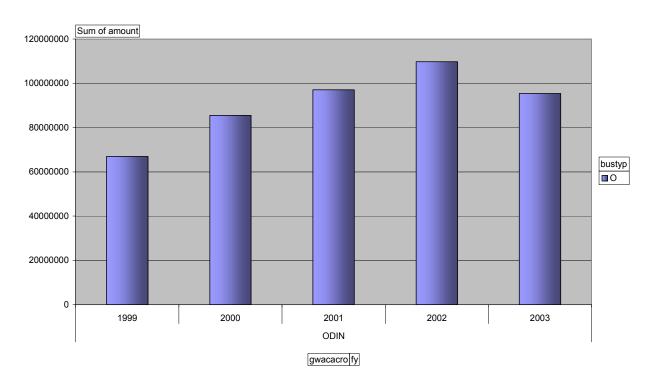
Start Date: 06/22/1998 End Date: 06/22/2007

Website: http://odinhome.gsfc.nasa.gov/html/notice.html

ODIN is a NASA GWAC that is administered by the GSA. ODIN provides all federal agencies the option to outsource to the commercial sector the complete life cycle supervision of desktop computing environments.

With ODIN the customer defines the computer and communications capabilities of each job within the organization as a particular bundle of hardware, software and communications for each seat. The price for each seat is fixed. ODIN provides the full spectrum of desktop computing resources from general purpose to high performance, scientific and general office environments.

ODIN Spending By Type of Business FY 1999 - FY 2003



SEAT Management (SEAT)

Executive Agent: General Services Administration

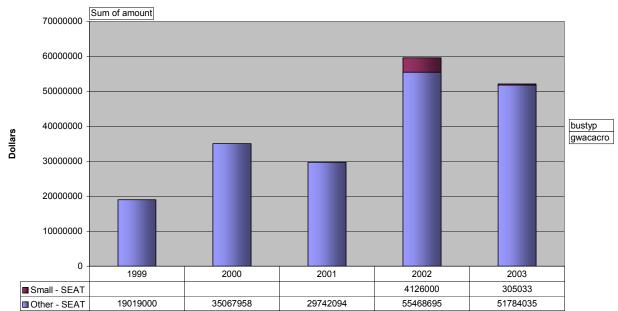
Start Date: 07/01/1998 End Date: 07/01/2008

Website: http://www.gsa.gov/Portal/gsa/ep/contentView.do?pageTypeId=8199&channelId=-

13259&P=XI&contentId=9023&contentType=GSA BASIC

SEAT Management is a 10-year GWAC program worth an estimated \$9 billion. Eight prime contractors received awards to create and mange desktop-to-desktop services for federal agencies. Seat Management is designed to provide "total desktop solutions" for the acquisition of computers, servers and associated peripherals; high performance computing systems and associated peripherals; local and wide-area networks; commercial, off-the-shelf software; help desk services; maintenance; design and installation services; and training. The goal of the program is to decrease computer life cycle service and costs while achieving increased operational efficiency.

SEAT Spending By Type of Business, FY99-FY03



Fiscal Year

Smart Access Common Identification (Smart Card)

Executive Agent: General Services Administration

Start Date: 2000 End Date: 2003

Website: http://159.142.3.253/Portal/gsa/ep/channelView.do?pageTypeId=8199&channelId=-

13480

The Smart Access Common Identification contract is a source for secure interoperability government ID solutions. It provides smart card products and services, competitively priced and supports a common, interoperable, multi-application Smart Card solutions.

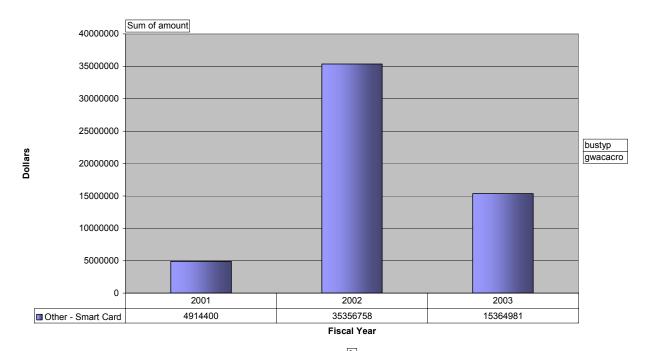
Smart cards can have multiple applications on a single card. Major uses include:

- Employee identification and authentication
- Physical security
- Building security
- Storage of biometric information
- Secure access to the Internet
- Secure transactions over the Internet

Administrative applications include:

- Property management and storage of medical records
- Electronic purse
- Military applications

Smart Card Spending By Type of Business, FY01-FY03



Telecommunications Integrator Services (TELIS)

Executive Agent: General Services Administration

Start Date: June, 1997 End Date: June, 2002

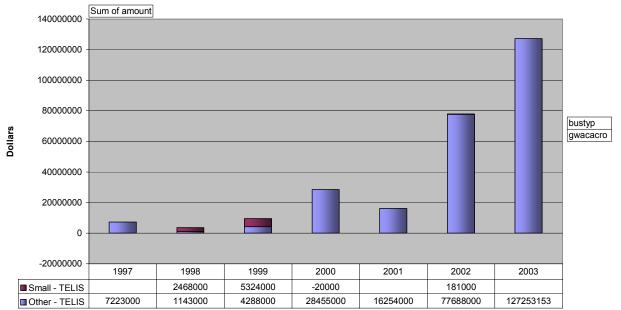
Website:http://www.gsa.gov/Portal/gsa/ep/contentView.do?pageTypeId=8199&P=XAE&channe

<u>IId=-13259&contentType=GSA_BASIC&contentId=9300</u>

The TELIS contract provides integrated and competitively priced solutions for voice, video and data technologies. The award was administered by the GSA's Federal Computer Acquisition Center (FEDCAC) on behalf of the Department of Energy.

Under this contract, DOE expects to (1) benefit from innovative telecommunication solutions and processes; (2) realize substantial cost savings by conformance to a department-wide communications infrastructure design and through reduced procurements for like services and products, and (3) improve the accessibility and use of departmental data and information.

TELIS Spending By Type of Business, FY97 - FY03



Fiscal Year

Virtual Data Center

Executive Agent: General Services Administration

Start Date: February 1997 End Date: February 2007

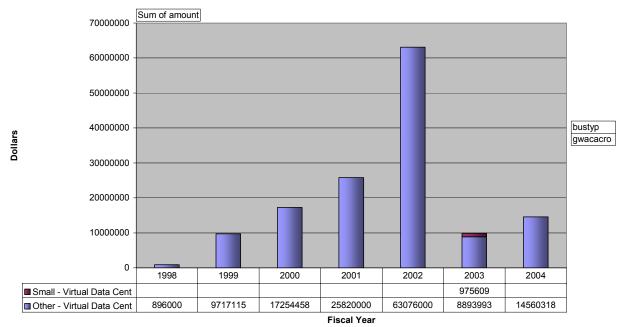
Website:http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8199&channelPage=%

2Fep%2Fchannel%2FgsaOverview.jsp&channelId=-13481

This GWAC is aimed at meeting the President's management initiatives, in that it is intended to facilitate the outsourcing of all or part of an agency's data center operations. The scope of this contract is world-wide, and allows for the migration of government data to industry centers world-wide. Included in this contract are hardware and software services, including acceptance testing and disaster recovery, as well as 24/7 support.

The contract is a MA/IDIQ with firm fixed price task orders, and a ceiling of \$6 billion. Purchasing agencies do not have a minimum order amount for this contract, and the proposals for task orders are no-cost, no-obligation. Awards are not protestable.

Virtual Data Center Spending By Type of Business, FY98-FY04



Chief Information Officer Solutions and Partners 2- Innovation (CIOSP 2i)

Executive Agent: National Institutes of Health

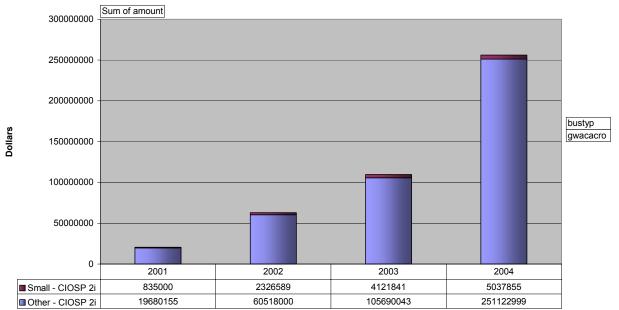
Start Date: 12/21/2000 End Date: 12/20/2010

Website: http://nitaac.nih.gov/ciosp2.asp

The CIOSP 2i contract is a broad-spectrum IT contract for the National Institutes of Health, with work concentrated in nine task areas. These areas are: CIO support, outsourcing, IT operations and maintenance, integration services, critical infrastructure protection and information assurance, digital government, enterprise resource planning, clinical support research and studies, and software development.

Task orders in this contract are all performance-based, and the contract has 45 prime contractors to choose from.

CIOSP 2i Spending By Type of Business, FY01-FY04



Fiscal Year

Electronic Computer Store II (ECS II)

Executive Agent: National Institutes of Health

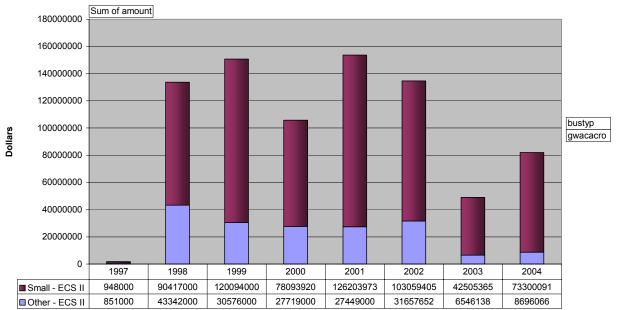
Start Date: 12/21/2000 End Date: 12/20/2010

Website: http://nitaac.nih.gov/downloads/ecs3/ecs3 primecontractors.html

The ECS II contract vehicle is intended to provide commercial, off-the-shelf computer hardware to federal government agencies. This hardware includes laptops, peripherals, and telecommunications equipment. It is intended that this GWAC be designed to meet the LAN/WAN infrastructure needs for the purchasing agencies.

Task orders under this contract are MA/IDIQ, with delivery orders for the acquisition of commercial off-the-shelf products. The contract is open to all government contractors, not just small businesses.

ECS II Spending By Type of Business, FY97-FY04



Fiscal Year

Electronic Commodities Store III (ECS III)

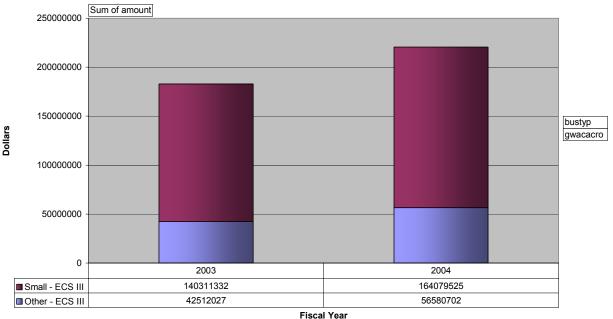
Executive Agent: National Institutes of Health

Start Date: 12/21/2000 End Date: 12/20/2010

Website: http://nitaac.nih.gov/downloads/ecs3/ecs3 primecontractors.html

ECS III is intended to provide government employees with access to computer hardware and software that can be configured into systems designed to meet the needs of the end users. This includes providing maintenance, training, and other forms of documentation.

ECS III Spending By Type of Business, FY03-FY04



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Image World 2-New Dimension (IW2nd)

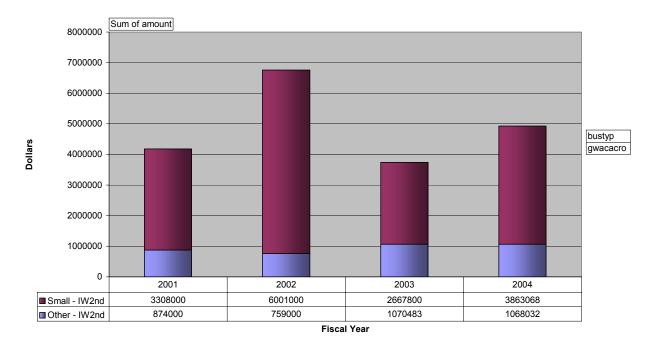
Executive Agent: National Institutes of Health

Start Date: 12/21/2000 End Date: 12/20/2010

Website: http://nitaac.nih.gov/iw2.asp

Image World 2 is intended to furnish the personnel, materials and services required to provide a variety of imaging supplies and services. This includes electronic document management and administrative correspondence workflow. Task orders are IDIQ, and the NIH anticipates awarding 50 percent of the contract to small businesses. The ceiling on this contract is set at \$15 billion.

Image World 2nd Spending By Type of Business, FY01-FY04



Scientific and Engineering Workstation Procurement II (SEWP II)

Executive Agent: National Aeronautics and Space Administration

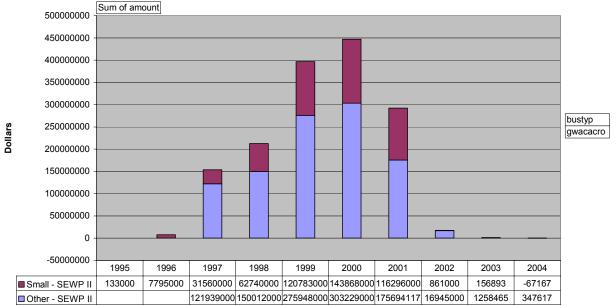
Start Date: 1/24/1997

End Date:

Website: http://www.sewp.nasa.gov/

This contract is an expired GWAC. It provided advanced technology UNIX workstations, peripherals, network equipment and services to NASA and other federal agencies. SEWP II was an IDIQ program comprised of thirteen contracts, each belonging to an individual vendor.

SEWP II Spending By Type of Business, FY95-FY04



Fiscal Year



Scientific and Engineering Workstation Procurement III (SEWP III)

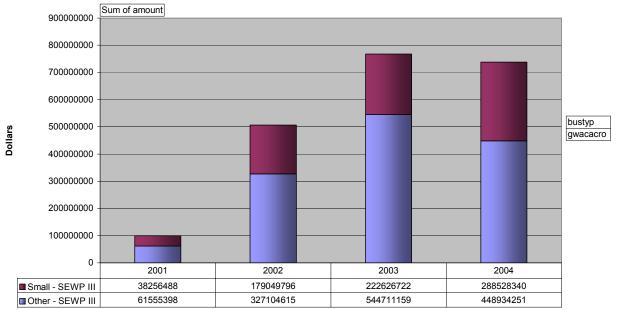
Executive Agent: National Aeronautics and Space Administration

Start Date: 7/31/2001 End Date: 7/30/2006

Website: http://www.sewp.nasa.gov/

SEWP III is a follow-on to SEWP II, and it provides computers, servers, mass storage devices, video, support, security systems, and maintenance to federal agencies. The main focus of the contract is on goods, with limited services available for purchase.

SEWP III Spending By Type of Business, FY01-FY04



Fiscal Year