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GREETINGS! This is.... Proposal Service Monthly!

This newsletter is prepared by Organizational Communications Inc. (OCI) to provide news, information, and training to B&P professionals. OCI provides best-in-industry value proposal service. For more information, visit us at <http://www.orgcom.com> or call 1-703-689-9600.

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FY 2004 Federal IT Spending Request Increases Nearly 14%

Courtesy of CapITal Reps

The Office of Management and Budget (OMB) recently released the President's FY 2004 request for federal information technology spending. At \$59.3 billion, the proposed FY 2004 IT budget is a **significant increase, nearly 14%**, over last year's FY 2003 IT budget request of \$52.1 billion. According to the FY 2004 budget, the rapid growth in IT spending will be most dramatic during FY 2003, increasing more than \$8 billion (17%) over reported actual IT spending of \$49.8 billion in FY 2002. Several factors contribute to this increase in FY 2003:

1. OMB is including in the FY 2003 IT spending estimate \$1.6 billion of previously unreported IT spending.
2. IT spending for the new Department of Homeland Security is expected to increase from \$1.8 billion in FY 2002 to \$3.0 billion in FY 2003.
3. IT spending for the Department of Defense is expected to increase from \$23.4 billion in FY 2002 to \$27.7 billion in FY 2003.

The three factors listed above account for a \$7.1 billion increase in reported federal IT spending and more than 85% of the total increase in spending from FY 2002 to FY 2003. Comparatively, the FY 2004 IT budget is only a modest increase of \$1.3 billion (2%) over the estimate for FY 2003. With the dramatic increase in the federal government's budget deficit, market research firm INPUT believes this indicates a potential slow-down in FY 2005 and beyond of the nearly double-digit growth rates that have characterized federal IT spending over the past three fiscal years.

Considering the two-year interval from FY 2002 to FY 2004, the average annual increase in federal IT spending, according to OMB's data, is 9.1% per year.

Two clear “winners” stand out in the FY 2004 IT budget request – the Department of Homeland Security in terms of percent increase from FY 2002 to FY 2004, -- and the Department of Defense in terms of total increase from FY 2002 to FY 2004. IT spending at the newly created Department of Homeland Security is increasing from \$1.8 billion in FY 2002 to nearly \$3.8 billion in FY 2004 – more than a 100% increase.

Naturally, this increase is due in large part to the implementation of the new departmental organization and the transition of established agencies into DHS from other federal departments. However, it also demonstrates the continuing commitment of the current Administration and the federal government to the Homeland Security strategy.

IT spending at the Department of Defense is requested to increase from \$23.4 billion in FY 2002 to \$27.9 billion in FY 2004 – a \$4.5 billion increase, which by itself is more than the FY 2002 IT budget of any single civilian department. The homeland security mission of the DoD and the potential war with Iraq are two of the primary factors contributing to the increase in DoD IT spending.

The “losers” in the FY 2004 IT budget are actually few and far between. Only one agency, the Department of State, shows a decrease from FY 2002 to FY 2003, and that slight decrease is eliminated by a subsequent increase in FY 2004. Several agencies show slight decreases from FY 2003 to FY 2004, but these generally still result in FY 2004 IT spending being higher than FY 2002 IT spending. The only exception is the Army Corps of Engineers which shows an \$80 million decrease in its FY 2004 IT spending request as compared to its FY 2003 estimate.

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Integrated Acquisition Environment – Unifying and Simplifying the Acquisition Process Through Shared Services

By Lisa Cliff

Proposal professionals are familiar with the effort to streamline the federal acquisition process starting with FASA in 1994. A new and important movement to further streamline procurement is now taking place. It is called the “Integrated Acquisition Environment (IAE).” Whereas the efforts of the 1990s mostly focused on processes *within* individual agencies, IAE focuses on integrating processes *across* different agencies.

The IAE initiative is a part of the President’s well known Management Agenda, which includes “expanding E-Government” to make it more responsive and efficient. Overall, the president’s agenda aims to accelerate government response times from weeks down to minutes and save billions of dollars now spent to operate paperwork-intensive processes. The outcome will transform how business is done internally and how the government interacts with its citizens and suppliers.

The vision of the IAE initiative is to develop an environment that enhances the capability of agencies to perform common acquisition functions. This includes things like searching for suppliers, and managing them as shared services. By addressing these functions as government-wide shared services, existing acquisition capabilities within agencies can be leveraged, and the acquisition lifecycle will become a more streamlined business process.

The Integrated Acquisition Environment is being developed under the management of the GSA. Providing the hands-on work are five cross-agency teams from 21 agencies. Their intent is to develop uniform methods of acquisition, develop cross-agency standards, and build bridges between existing islands of automation.

The ultimate goal of IAE is to bring about a revolution in acquisition procedures. When the new environment is implemented, multiple methods of acquisition will be replaced with uniform

methods of acquisition. Thus many of the processes used will be the same or similar, across agencies, for thousands of procurements involving millions of different products and services.

Five modules make up the Integrated Acquisition Environment (IAE):

1. Business Partner Network (BPN)
2. Intra-governmental Transactions (IGT)
3. Federal Procurement Data System (FPDS)
4. eCatalogs
5. Standard e-Transactions

A separate project team is working on each module. Once the work is finalized, it will be integrated into one acquisition environment.

1. The Business Partner Network (BPN)

The BPN will provide a web-enabled capability for identifying federal and industry trading partners <http://www.bpn.gov>. It will create a single source of information for buyers and sellers including Equal Employment Opportunity compliance checks, size status, the Excluded Parties List information, past performance evaluations, Small Business Administration's ProNet, and Department of Defense's (DoD) Central Contractor Registration (CCR). The BPN will include grantees, federal entities, and companies seeking to do business with the Federal government.

One of the essential systems that will be linked to the BPN is the Federal Past Performance Information Retrieval System (PPIRS). This is a shared data warehouse of review evaluations of vendor performance on current or completed contracts that is used in source selection.

2. Intra-governmental Transactions (IGT)

This team supporting this component of IAE is redesigning the process for reconciling inter-departmental transactions within Federal agencies for the consolidated U.S. Government Financial Statement. IGT straddles the line between finance and procurement. Standard procedures and common reference numbers will be required for storing data regarding ordering, acceptance, and payment that will result in fewer problems with eliminations. For example, when bills are paid by Treasury, common data elements stored in a central repository will make it easier to determine what account it goes to, who received it, and was it received, etc. The goal is to eliminate the stovepiped ordering process that exists now between agencies.

3. Federal Procurement Data System (FPDS)

The next generation of Federal Procurement Data System (FPDS) is one of the modules of the Integrated Acquisition Environment. The existing FPDS, which provides the central repository of statistical and management information related to government acquisitions, was built in 1978. FPDS processes, summarizes, and correlates information on transactions, such as the product or service purchased, the dollar amount, the contractor's name and address, whether the award was competitive or not, where the item was manufactured or the service was performed, the government contracting office and much more. The system database contains information on more than 5 million transactions with a cumulative dollar value exceeding \$2.1 trillion and dates back to Fiscal Year 1979. At this time, the data elements and functional requirements for the next generation system have been identified, and offers have been received.

4. eCatalogs

Another massive undertaking in the procurement process involves searching through current contracts to determine if there is a suitable existing federal contract that can satisfy a buyer's needs. The eCatalogs module is developing an electronic directory of Government Wide Acquisition Contracts (GWACs), Multiple Agency Contracts, and any other procurement instrument intended for use by multiple agencies to provide program managers and buyers information on existing contracts available for government-wide use. The goal is to help acquaint potential customers with possible options through organized and faster access to basic information about these vehicles. Presently there is no single place where this information resides. In the near future a rule change to the FAR will be issued to mandate the population of the directory for existing and newly awarded multiple agency contracts and to encourage the use of this directory as part of acquisition planning. Agencies will be able to begin submitting data into

the directory in January 2003. The directory is expected to be fully populated by July 2003.

5. Standard e-Transactions

Standard eTransactions is the foundation of the Integrated Acquisition Environment. The eTransactions Team modeled the acquisition process to identify activities and information exchanges. Agencies are validating these modules to ensure that all possible data interfaces are included. All data elements will be examined to ensure that they have the same meaning and convey the same information. A standard glossary is being developed to facilitate exchange of data between and within agencies. From this module will come the interfaces that will be used by all Federal agencies and vendors to successfully operate in the Integrated Acquisition Environment.

The Integrated Acquisition Environment (IAE) provides a huge opportunity to leverage the government's investment in IT as well as in human capital. Effective communication and change management is critical to ensure its successful adoption.

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Federal Govt Awarded \$60 Billion in IT Deals in 2002

Courtesy of Potomac Tech Wire

The federal government awarded more than \$60 billion in information technology-related contracts in 2002, according to a report released on Friday by Chantilly, Virginia -based INPUT, a provider of market intelligence for companies doing business with government. The Department of Transportation led the way in technology contract awards by a wide margin, handing out \$24 billion in deals, driven largely by the Coast Guard's \$17 billion Deepwater Project. Deals valued at \$24.3 billion were awarded in the area of IT outsourcing services,

including applications operations, desktop services and data center operations, with another \$20.8 billion in the area of professional services. "In the top IT service sectors ... one or two large contract awards encompassed over half of the leading agency's total contract value for the sector," said Erik TerHaar, INPUT's manager of Federal Market Development Services.

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Proposal Training – March – April Schedule

Do you need to increase your proposal wins? Improve your proposal support team's professional capabilities- --try continuous process improvement with OCI's public training courses held once a month at our facility. For more information on our Training Program please visit our web site at <http://www.orgcom.com/training-services.html>.

PUBLIC WORKSHOPS

*** New Class * Performance Based Service Contracting – Objective:** To provide non-contracting personnel an understanding of Performance Based Services Contracts (PBSC), and give them techniques to increase their win rate in the rapidly growing PBSC environment. The workshop addresses how to market a PBSC opportunity; the pre-RFP activities involved in capturing a PBSC contract; how to develop a winning proposal in response to a PBSC solicitation; and the government perspective on PBSC. There is extensive discussion and "hands-on" participation by the students. All students receive a workbook with descriptive text, samples, and will participate in scenario solution development. This course is for proposal managers, proposal writers, marketing managers, business development managers, capture managers, program managers, project managers, and group executives. It is appropriate for large business, small business, and small disadvantaged business.

Customers wanting to request classes at their site should contact Silvia Morales via email at

smorales@orgcom.com or at 703-689-9600.

DETAILS ON PUBLIC WORKSHOPS

Dates:

Proposal Management: [\[TEACHING POINTS\]](#)

March 25 - 26, 2003

April 22-23, 2003

Proposal Writing: [\[TEACHING POINTS\]](#)

March 27, 2003

April 24, 2003

Performance Based Service Contracting (PBSC): [\[TEACHING POINTS\]](#)

March 13 - 14, 2003

April 3 - 4, 2003

Class hours: 9:00 AM – 4:00 PM

Location: OCI 11417 Sunset Hills Rd. Suite 230 Reston, VA 20190

4 miles east of Washington Dulles Airport

[Directions - http://www.orgcom.com/directions.html](http://www.orgcom.com/directions.html)

Class Fees:

Proposal Management - \$990.00 per person; "Early Bird Fee" pay \$790.00 if your paid registration is received 15 days prior to the class (unless otherwise stated on a promotion or newsletter).

Proposal Writing - \$495.00 per person; "Early Bird Fee" pay \$395.00 if your paid registration is received 15 days prior to the class (unless otherwise stated on a promotion or newsletter).

Performance Based Service Contracting (PBSC) - \$1090.00 per person; "Early Bird Fee" pay \$890.00 if your paid registration is received 15 days prior to class (unless otherwise stated on a promotion or newsletter).

Registration: To register please complete the [Registration Form](#) and fax it back to our office at 703.689.9606 or call Silvia Morales at 703-689-9600 you can also send an email to smorales@orgcom.com.

List of Proposal Personnel Available for Full-Time Work

OCI has recently had some outstanding personnel to become available for full-time work. These individuals

are people who are verified strong performers. They are looking for long-term contract or full-time work. The labor categories are listed below. For a summary of the individual capabilities, click on <http://www.orgcom.com/positions.html>. Personnel are available in the following labor categories:

- **Proposal Coordinator**
- **DeskTop Publisher**
- **Graphic Artist**
- **Proposal Manager**
- **Program Manager**
- **Tech Writer**
- **Business Development Manager**
- **Systems Sales Professional**

- **Pricing Analyst**

To see career summaries, click on <http://www.orgcom.com/positions.html>.

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Outstanding Contract Manager / Pricing Analyst / Program Mgr. Available for FT Work

Extremely talented and creative Contract Manager / Pricing Analyst / Program Manager available. Twenty-three years experience in managing contracts / programs valued at \$1 million to \$1 billion. Solid proposal pricing skills. This person is strong, shrewd and skilled -- can exceed expectations in making money for your company. Experience focuses on major telecommunications and IT services and products programs.

Exceptional performer, desires \$100K and worth a lot more. Contact Silvia Morales at smorales@orgcom.com or 703-689-9600.

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