

Study: Feds to spend \$250B on IT contracts next year

Opportunities abound for small companies

BY PATRICK RUCKER
Examiner Staff Writer

The federal government is likely to sign a record-breaking \$250 billion worth of information technology contracts next fiscal year, according to a new study by a Virginia consulting firm.

The study was conducted by INPUT, a Reston-based research firm that advises vendors on how to win federal contracts.

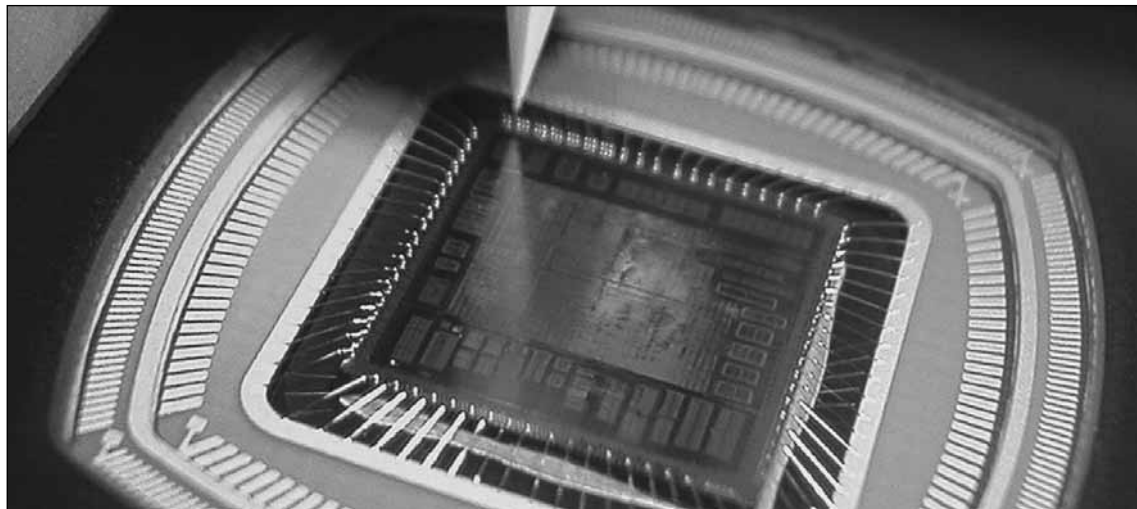
Twenty of the largest contracts alone should be worth at least a billion dollars each, INPUT concluded. The new contracts also represent a huge opportunity for smaller companies.

Next year "looks to be a banner year for small business awards with nearly all acquisitions setting aside a significant amount of contracting dollars," the report concluded.

Dollars for defense

A quarter of the contracts will be with the Department of Defense, the report says, with much of the rest of the money being spent to defend against all manner of terror attacks.

"A lot of this spending has to do with reorganization at the De-



Agere Systems/NYT

A microchip is built at Agere Systems in Allentown, Penn., in this undated photo. The federal government is likely to sign \$250 billion worth of information technology contracts during the next fiscal year.

"A lot of this spending has to do with reorganization at the Department of Homeland Security. After the [London bombings], they are looking at vulnerability [in D.C.]"

— Evan Scott, of the Evan Scott Group International, on federal contracts

partment of Homeland Security," said Evan Scott, whose firm Evan Scott Group International recruits executives to top tech companies. "After the [bombings] in London, they are looking at vulnerability here."

Even more than physical defense, federal officials are trying to protect vulnerabilities in the infor-

mation network, Scott said.

"The whole economy is run through cyberspace today," he said. "If that network is breached, it could be disastrous — and that is probably a likely scenario."

In the meantime, the technology industry is "sizzling" like the wireless industry did several years ago, Scott said.

FEDERAL IT SPENDING

■ Three of the top IT contracts for the Department of Homeland Security could be worth as much as \$50 billion next year.

■ Some of the largest contracts will deal with border security and wireless communications for use in the event of a terrorist attack.

Source: INPUT

The INPUT report recommends that small businesses pay close attention and position themselves to bid for the contracts.

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LOCAL

Errors cause Verizon directory problems

Discrepancies in Virginia telephone directories compiled by Verizon Communications Inc. were likely a result of both computer and human errors, according to a preliminary report released Wednesday by the State Corporation Commission in Richmond.

The four-page report said there is sufficient evidence to suspect that the directory problems are "largely Virginia-specific."

Oct. 6 vote looms in proposed \$8.6B MCI-Verizon merger

MCI Inc. shareholders will vote Oct. 6 on a proposed \$8.5 billion acquisition by Verizon Communications Inc., as the two companies seek to complete their deal by the end of the year, according to a filing Wednesday with the Securities and Exchange Commission.

The merger has been controversial with some MCI shareholders who believed the company should have accepted a \$9.85 billion bid from Qwest Communications International Inc. Qwest has since rescinded its offer.

Flexcar gains Case investment and Iacocca insight

Revolution LLC, a Washington-based investment firm owned by AOL co-founder Steve Case, has bought a controlling interest in Flexcar, a Seattle vehicle-sharing service. Lee Iacocca, former chairman of the Chrysler Corp., will also become involved with Flexcar as a senior adviser and investor/director.

From Wire Reports

FDA official resigns in protest

Morning-after pill decision prompted exit

BY LAURAN NEERGAARD
Associated Press

A high-ranking Food and Drug Administration official resigned Wednesday in protest of the agency's refusal to allow over-the-counter sales of emergency contraception.

Susan Wood, director of FDA's Office of Women's Health, announced her resignation in an e-mail to colleagues at the agency.

The FDA on Friday postponed indefinitely its decision on whether to allow the morning-after pill, called Plan B, to sell without a prescription. The agency said it was safe for adults to use without a doctor's guidance but that young teenagers still needed a prescription and it couldn't determine how to enforce an age limit — a decision

contrary to the advice of its own scientific advisers.

"I can no longer serve as staff when scientific and clinical evidence, fully evaluated and recommended for approval by the professional staff here, has been overruled," Wood wrote. "The recent decision announced by the commissioner about emergency contraception, which continues to limit women's access to a product that would reduce unintended pregnancies and reduce abortions, is contrary to my core commitment to improving and advancing women's health."

Debate has no end in sight

In a statement issued Wednesday, the FDA said it had made "significant strides" in advancing women's health under Wood's leadership, and that "her decision to leave is unfortunate as we work toward solving the complex policy and regulatory issues related to Plan B."

Plan B's maker has been trying for two years to begin nonprescription sales, and the FDA's lat-

WHAT IS PLAN B?

- The morning-after pill is a high dose of regular birth control.
- Plan B must be taken within 72 hours after unprotected sex.
- The pill can lower the risk of pregnancy by 89 percent.

est postponement was a surprise: Commissioner Lester Crawford won Senate confirmation for his job only after promising Congress to make a final decision by Sept. 1.

Crawford announced Friday that he would open for 60 days of public comment the question of how to enforce an age limit or even if FDA could authorize simultaneous prescription and nonprescription sales.

Plan B opponents, who consider the drug tantamount to abortion and have intensely lobbied the Bush administration to reject over-the-counter sales, praised Crawford's move, saying easier access to emergency contraception may encourage teen sex.

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