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HEADLINE: Small-business experts say GSA changes overdue

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BODY:

Small-business advocates say getting work through the General Services Administration's federal supply schedules is an uphill battle. It's hard for small businesses to get onto the schedules, which catalog products and services available for agency purchase, and once there, small enterprises have a hard time competing for business, they say.

But that may be changing. "Getting on the schedule has become easier. The [request for proposals] process that you need to respond to is shorter and it has been streamlined," said Steven Blinn of New York-based BlinnPR.

Blinn, for instance, put some of his services onto a schedule three years ago, and others just in the past year. The difference was night and day, he said.

"Three years ago the RFP itself was two inches thick," he said. Now it's roughly half that size. "You still have to provide all the same information, but it's as if the GSA has gotten its act together by taking this cumbersome process and making it easier, putting in fewer steps. It is more concise, more streamlined, more focused."

And there are other promising signs at GSA. With a new contract program called Alliant SB - SB stands for small business - coming on line, some say small businesses will soon find it easier than ever to participate in government contracting via GSA.

Some changes are under way. In the wake of Hurricane Katrina, for example, GSA allowed a special application of a small business set-aside contract - the 8(a) Streamlined Technology Acquisition Resources for Services (STARS) contract - to offer customer federal agencies a variety of emergency technology products and services for under \$3 million.

Likewise, GSA's Center for Acquisition Excellence has an online training course on the basics of governmentwide acquisition contracts, or GWACs. The agency expects to put additional training modules online in the coming months, in an effort to help small businesses get up to speed.

Perhaps as a result of these and other initiatives, small-business participation on the GSA schedules remains strong. About 36 percent of schedule spending came from small businesses in 2005, a figure that exceeds the governmentwide small business contracting goal of 23 percent, according to Paul Murphy, president of research firm Eagle Eye Publishers in Fairfax, Va.

Small businesses owned by service-disabled veterans had an especially good year as a result of Operation Breakout, a GSA initiative beginning in 2004 to encourage such businesses. Their revenue from GSA schedules generated \$600 million in 2005, up from \$120 million in 2004, according to GSA.

Meanwhile, plans for the new Alliant SB contracting mechanism could change the small-business landscape still further.

The Alliant SB program is a \$15 billion GSA set-aside vehicle for small businesses interested in selling such items as information systems engineering and systems operations and maintenance services. GSA expects to award Alliant contracts in summer 2007 to replace its Millennia and ANSWER contracts.

The program "is designed to assist agencies in reaching their small business procurement goals," said Jeffrey Koses, director of GSA's Contract Management Center. Through the program, "GSA's initiatives include attempting to meet or exceed the procurement preference goals."

Observers say the program could indeed give a boost to small businesses looking toward the big time.

"This program gives a small business the opportunity to become a prime contractor for these types of services, where they may have had to subcontract for similar services in the past," said Beverly Arviso, a Virginia Beach, Va., partner at accounting and consulting firm Cherry, Bekaert & Holland.

In such a role, "the small business prime may also be able to demonstrate it can manage a team," she said. As a result, "this program can open doors and opportunities for small businesses that may not otherwise have been available as a subcontractor."

Some say Alliant SB could help set right mistakes of the past. Guy Timberlake, chief executive officer of Columbia, Md.-based American Small Business Coalition, points to longstanding allegations of larger companies misusing GSA schedules by misrepresenting their size in order to win small-business contracts.

Perhaps Alliant SB will be different, he said. "If the contract award is made to a group of small businesses based on a reasonable size standard, then it will ultimately provide a benefit to the small business community," he said. In the big picture, he said, "any contract that is provided to the small business community is beneficial."

Others however say Alliant SB may prove yet another bandage on a hemorrhaging system that GSA alone cannot stanch.

Murphy talks about a "Michael Jordan" complex, in which buyers throughout government may comparison-shop, but will always pick the biggest, strongest player, thus cutting out the smaller companies.

"If the agencies were doing what they were supposed to be doing, you have to ask whether Alliant would even be needed," he said.

On the plus side, Murphy said the presence of a vehicle specific to small businesses may help simplify matters for agencies looking to do business with smaller contractors. "If they know they need to do something with a small business, at least this tells them where to go," he said.

Even if Alliant SB proves a hit with small businesses, it will still be only a beginning. Despite GSA's steady flow of seminars, brochures and online tutorials, the biggest challenge in making money through a GSA schedule remains that of marketing.

"The schedule is a license, not a guarantee," said Mark Amtower, author of "Government Marketing Best Practices" and a parent at marketing advisory firm Amtower & Co. of Highland, Md. Success lies in knowing "that you still have to go out and find buyers for what you sell, and convince them you are a better source than whoever they are currently buying from."

Koses says his agency is working hard to help small businesses overcome this common stumbling block by offering them training, support and information on how to do business with the government.

But some say the ultimate responsibility lies with the businesses themselves.

"You have to understand how your product fits into the federal contracts that are coming out. Then you have to figure out who is making the buying decision, and who the integrators are that are involved," said Evan Scott, president of executive search and consulting firm Evan Scott Group International of Plymouth Meeting, Pa., and Washington.

The best way to get up to speed? Get someone in at ground level.

"The information is very readily available, but not if you are sitting in San Jose and Boston," he said. "You have to be smart enough to hire the right consultants or the right executives in Washington. You have to have people there who have relationships."

NOTES: 2 COLOR PHOTOS.

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