



SMALL BUSINESS ACTION ALERT

GSA, a FRIEND or FOE to Small Businesses?

If you are a small company that has been doing business in the Information Technology industry, the future of the growth of your business in the Federal government market is at risk as a result of the GSA ALLIANT RFP.

ALLIANT is a 15 year, \$150 Billion government wide acquisition vehicle which will be let in the Spring of 2006 with NO small business set-aside.

The GSA is misleading the small business community by stating there will be a 25% reserve for small business. As of this juncture, the GSA is unable to GUARANTEE that small businesses will be awarded 25% of this contract because they are not presenting a clear strategy on what process will be used to guarantee that 25% of the contract will go to small businesses.

Also, this alleged reserve is limited to small businesses with receipts equal to or less than \$21 million which excludes a significant number of small and small disadvantaged businesses. However, even if a company were to meet this significant requirement successfully, within a few years, this same business would more likely be forced out of the procurement as a small business because it would have exceeded the \$21 Million threshold.

However, from a common sense and practical business perspective, after coalitions are formed and significant investments are made in proposals, if a small business is forced out of the procurement because it exceeded the \$21 Million threshold, then the coalition and that small business could be adversely affected by the loss of investment that was participated in the GSA ALLIANT competition.

*Carlyle Crescent Center, 1940 Duke Street, Suite 200, Alexandria VA 22314
703.684.3150, 703.548.9446*



In addition, with respect to ALLIANT, GSA is urging small businesses to form coalitions (not teams) in order to compete. GSA is attempting to limit small business participation, while giving large businesses an unrestricted 15 year opportunity to compete. This procurement should have a small business set-aside with NAICS of 500, 1000 or 1500 and small businesses should be grandfathered into the contract like the large corporations.

GSA has also failed to demonstrate their ability to sanction individual LARGE prime contractors for not meeting their small business subcontracting commitments. The GSA hides delinquent prime contractors who fail to fulfill the mandates of their small business subcontracting plan under the umbrella of the aggregate dollar of amounts that large prime contractors claim to report on any given GWAC contract vehicle. The result is that a few prime contractors that meet the goals of their subcontracting plan make up for the other prime contractors who are negligent by millions of dollars for not fulfilling the mandates of these plans. GSA's present approach allows prime contractors to avoid their responsibilities with respect to adhering to their small business subcontracting plans. Although some small businesses may benefit from this strategy, the majority of small businesses are adversely affected by GSA's failure to hold large businesses accountable on every single contract awarded under the GSA GWAC for failing to adhere to their subcontracting small business plans.

Let's take action!

In order to protect the interest of your company to assure that small businesses do not lose market share of the IT Federal business, you must take action. A small business interested in ensuring small business competition and a small business set-aside for the ALLIANT procurement, should do the following:

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- 1) A small business attending the GSA ALLIANT Industry Day, on March 29, 2004 at 8:00 a.m. at the Ronald Regan Building and International Trade Center, 1300 Pennsylvania Avenue, NW in Washington DC, should address the issue during the question and answer session and demand that a portion of this procurement be set-aside for small business; the NAICS used for this procurement should be 500, 1000 or 1500 and/or and that small businesses should be grandfathered and be allowed to compete for the life of the contract;
- 2) Small business owners should share this information with fellow small businesses and contact the following individuals to express their concern and demand that a portion of this procurement be set-aside for small business; the NAICS used for this procurement should be 500, 1000 or 1500 and small businesses should be grandfathered and allowed to compete for the life of the contract.



A) Stephen Perry
GSA Administrator
1800 F Street, NW
Washington DC 20405
202-501-0800
202-219-1243 fax
judy.cooley@gsa.gov

B) Hector Barreto
SBA Administrator
409 3rd Street, NW
Washington DC 20416
202-205-6605
202-481-4600 fax
kathy.mitchell@sba.gov

- 3) That GSA hold Large businesses accountable for not adhering to their small business subcontracting plans on a contract by contract basis; and
- 4) That GSA demonstrate how it will guarantee that \$37.5 billion of the ALLIANT procurement will go to the small business community.