



**ALLIANT PLUS
A GSA GWAC FOR SMALL BUSINESSES THAT EXCEEDS
THE \$21 MILLION SIZE STANDARD IS NEEDED**

The General Services Administration (GSA) maintains around 16 GWACS, the largest of any Federal agency. Presently, GSA maintains no GWACS for small business prime contractors. This agency takes credit for small business participation as prime contractors because it maintains the STARS GWAC but this program is for 8(a) Program participants. 8(a) Program participants make up 19% of the small business community, leaving 81% of small business concerns without a small business GWAC in which to compete. Most recently, GSA set-aside a portion of the Alliant GWAC for small businesses that are qualified to perform under the \$21 million size standard. We applaud GSA for re-thinking its procurement strategy for this procurement and setting-aside a portion of this procurement for small businesses with revenue of \$21 million or less.

However, it is very important to note that our national membership and the members of our sister trade associations are deeply concerning that GSA offers no other small business GWACS for small businesses that have revenue over the \$21 million size standard. These small and minority businesses are unfairly forced to compete against multi-billion dollar IT companies for any of GSA GWACS in a prime contracting capacity.

There is evidence that small businesses can perform on large, complex task orders. Federal agencies have conducted market research and found that small businesses can perform on these types of procurements. For example, the Air Force awarded 2 multi-million dollar procurements to small businesses: 1) Vandenberg AFB WROCI Procurement (\$430 million) and 2) Air Force Space Command C4I2TSR Procurement (\$800 million). In both instances the Air Force conducted its market research and found that there were small businesses with the capability of meeting the Air Force's need.

In addition, in order to ensure that GSA Program Managers have the ability to access, through the competitive procurement process, a wide range of small business firms have developed significant capability and expertise required to meet GSA's needs. It is for this reason that there needs to be healthy and robust competition for procurements. President Bush supports this view and states this in his Small Business Agenda.

As a result, we are deeply concerned that no GSA GWAC exists for small and minority businesses that exceed the \$21 million size standard. The current \$21 million threshold under the Alliant set-aside limits over 40% of the small and minority business community that has the proven sustainable infrastructure needed to meet the time sensitive, complex



technical solutions required by GSA. We have also found that DoD and Civilian Program Managers are willing to set aside procurements for small business when it is clear that mature small businesses with greater past performance are eligible to compete.

In order to resolve this issue, we would like for the size standard for the Alliant set-aside procurement to be changed to a 1500 NAICS (especially since a 1500 employee size standard is allowed under the GSA Schedules) or we would like to GSA establish a GWAC for small businesses that exceed the \$21 million size standard. Federal agencies in the past, as discussed earlier in this letter, recognizing that small and minority businesses have the maturity, infrastructure and technical expertise to compete have selected an all-inclusive 1500 employee size standard NAICS.