



Contracts for Essential Services, Cost Reduction and Constituency Services will grow in the Stingy Federal Market

The stingy and much maligned federal market is still well over \$ 500 billion annually. The core functions of government still need to happen, although probably slower than before the tightening of the purse strings.

Layoffs and furloughs of federal employees will soon be happening. Who will they turn to perform what's needed to keep the government operating. Service contracts because service levels can be adjusted with the stroke of a pen.

And how will they buy the required services with an already overburdened contracting staff? With multiple award contracts known as "IDIQ contracts".

In an IDIQ contract a number of contractors are pre-qualified based on experience and prices and awarded large, five-year umbrella contract without any funding of work. Services are ordered and funded through task orders as the need arises during the five-year period.

Theoretically, the competition for an individual task order (funded work) is limited to the winners of the IDIQ contract (awardees). In practice, the real number of competitors for a task order is usually considerably less than the total number of awardees.

And what will they do when they don't have enough contracting staff to write, publish, evaluate, IDIQ contracts? Award IDIQ contracts for acquisition services. In other words, hire contractors to assist in awarding contracts. A well-kept secret in federal contracting is that around one billion dollars a year are spent on acquisition contracts.

And what will be the upcoming IDIQ contracts for services?

1. Government-wide Acquisition Contracts (known as GWACs) for information technology services and products
2. GSA Schedules for professional and operating support services GSA schedules are GWACs.
3. Agency specific IDIQ contracts for professional, information technology, engineering, and technical services
4. Construction and facility maintenance IDIQs let by facility construction and service agencies like the Corp of Engineers

And what will be the hot service areas for the next several years?

- Funds recovery
- Health program services
- Productivity improvement services
- Transaction processing
- Constituency Services

Even congress knows that transactions still need to be processed, constituency checks still must be written. Government services still have to be provided even though they may be slowed down for political purposes.

If you have any questions about this article or would like more information on this topic please contact us at (888) 661 – 4094, Ext.2. Or call the author of this article, Richard White, directly at (301) 908 – 0546, or at rwhite@fedmarket.com.