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## As GSA consolidates \$5 billion in contracts, who will win out and who will be left out in the cold?

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Right now, agencies have about eight ways to buy services from companies that hold schedule contracts from the General Services Administration. Soon it will have just one, and some companies could inevitably be left out in the cold.

The goal makes sense: GSA wants to make it easier and cheaper for agencies to buy all types of services from its schedule contracts, which are contracts agencies use to buy particular offerings for pre-negotiated prices and terms. And <u>as Federal News Radio reported</u> in <u>August</u>, one way it's doing that is to consolidate different professional services contracts into one, trimming the amount of oversight that comes with managing separate vehicles, while also providing a one-stop shop.

But what will it mean for contractors? The consolidation will result in a mega contracting vehicle valued at more than \$5 billion a year in contract spending, according to a Bloomberg Government analysis. Much of that is thanks to the contract dollars that filter through the Mission Oriented Business Integrated Services program, or MOBIS, which accounted for almost \$2.5 billion in contract awards in fiscal 2013. Also lucrative to the contracting community are the Financial and Business Solutions vehicle, or FABS, and the Professional and Engineering Services contract, or PES.

And which companies dominate? Bloomberg Government tallied the awards made from 2011

to 2013 under the contracts in question and found that **Booz Allen Hamilton** Inc., **Leidos Holdings** Inc., and Deloitte & Touche collected the most, with \$279 million, \$222 million and \$146 million in contract dollars awarded, respectively.

Chances are they'll dominate the consolidated vehicle, while those that have brought in few contract dollars under the programs might not land a spot. As noted by Bloomberg Government's analysis, about 45 percent of companies on the eight schedules being merged did not generate any sales in fiscal 2013, and 52 percent won less than \$25,000. That is GSA's threshold of minimum annual sales for maintaining a contract on a schedule.

We'll see soon enough. By Feb. 28, 2015, GSA will close the eight existing multiple-award contracts, and will begin accepting offers under the new consolidated vehicle on March 1, 2015. According to the agency, the transitions to the Professional Services Schedule, as it's been dubbed, will be "substantially complete" by Nov. 1, 2015.

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