

**The Hidden Truth About
Government Contracting**

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**FREE
E-BOOK**

FREE E-Book

“The Hidden Truth about Government Contracting”

WARNING:

DON'T WASTE YOUR TIME AND RESOURCES TRYING TO WIN GOVERNMENT CONTRACTS. MOST BUSINESSES WILL FAIL. 99.5% OF ALL BUSINESSES NEVER WIN A GOVERNMENT CONTRACT.

IF YOU WANT TO BE PART OF THE .5%, READ ON!

MUST READ eBook: Get the hidden truth about government contracting from over 10,000 hours of research and years of practical experience.

The Hidden Truth about Government Contracting

By Abraham Xiong

INTRO: The Question You Must Consider

Uncle Sam loves spending money. In fact, the US government spends more money than any company or country on Earth. In 2012, Uncle Sam spent over \$450 billion* on products and services—from cleaning services and cell phones to computers. Through these contracts, thousands of companies feasted from the \$450 billion steak. Yet, how much of those dollars came to you? (*see Figure 1)

Since you're reading this book, I assume you're interested, curious, or eager to understand more about the government contracting market. After all, government contracting is an oasis paradise for those who make it there. It's an industry rich with million dollar contracts that can boost your business. But before reading any further, let me ask you a question:

“CAN YOU HANDLE THE TRUTH?”

In a few minutes, you're going to learn the hidden truth about government contracting. I've walked this path before, as a business owner, consultant and contractor in this industry, so I speak from experience. Ultimately, as you begin your journey into government contracting, I don't want you to get lost, packing the wrong tools or map, as I did. So, if you're seeking the truth about federal contracts, keep reading. But if you can't handle the truth or not ready for the truth, then put down this book and put on a pair of rose-colored glasses.

TRUTH #1: UNCLE SAM FAVORS BIG COMPANIES

Since the dawn of government contracting, big companies like Lockheed Martin and Northrop Grumman have won the juiciest contracts.** In fact, 78% of all federal contracts—roughly \$350 billion***—were awarded to big companies in 2012. That's great if you're a big company. But to small and medium-sized businesses, perhaps like yours, this could be a frustrating fact. (**see Figure 2 & ***see Figure 3)

So, why do big incumbent companies feast on the juiciest steaks, while smaller companies struggle to grab a bite? Well, this happens for two reasons:

1. **Uncle Sam Buys in Bulk:** Again, like I mentioned, the US government is the largest consumer in the world. So, naturally, Uncle Sam buys in bulk. He buys colossal amounts of everything—from IT services to construction. In fact, because Uncle Sam buys so much in bulk, the average size of a federal contract is \$160,000 (****see Figure 4).

Let's assume Uncle Sam needs 500,000 uniforms for the US Navy. Sarah has a small clothing manufacturing business. She makes uniforms for local schools and clubs. Sarah is interested in entering the government market as a woman owned small business. She finds the project on the FBO.gov website and wants to fulfill the requirement. After buying more equipment and hiring a proposal writer to put her response together, her company was not

chosen. Sarah asked for a debrief to find out why she didn't win. The contracting officer informs Sarah that she didn't appear to have the proper capacity to make half-a-million shirts in a timely manner. The contracting officer also tells her that the government is risk averse and that since her company has never delivered on a project over 10,000 units, her company was too risky for them. A larger company was chosen because they had relevant past performance and adequate staff and manufacturing capacity. Sadly, Sarah missed out on a \$15 million project.

2. **Uncle Sam Bundles Contract:** The practice of bundling contracts is a dis-service to smaller businesses. Take for example, instead of managing ten smaller construction contracts, each valued at \$1,000,000—Uncle Sam bundles these contracts into one \$10 million contract. Steve has a small construction company that can handle a \$1 million contract. His bonding capacity has a limit of \$2 million so he can't take on any larger project than that. Since Uncle Sam bundled ten contracts together, Steve doesn't have the bonding capability and resources to handle the project. The bundled project is eventually awarded to a large firm.

TRUTH #2: YOU DON'T HAVE WHAT IT TAKES TO BE SUCCESSFUL

While the government market is a cash oasis, few companies are persistent enough to find it. In the next section, we'll explore four reasons why you should walk away from federal contracting.

Reason #1 - Working with Uncle Sam is Hard Work: Imagine—you just earned your HUBzone, or 8a Certification. Congratulations! You're certified, but this is just a verifying step, indicating that you met one of many criteria which Uncle Sam required from you. Many companies assume that because they're certified, they're ready to do business with the government. But certifications alone don't imply that you're versed in doing business with Uncle Sam. Again, this explains why in 2009, fewer than 200,000 American businesses, out of 31 million, won a federal contract. As a business owner, not only do you have to get registered and qualify for certifications, you also have to know how to find opportunities, find the proper agency to work with, market to that agency, build relationships, write proposals, identify exact cost estimates and many other activities. The proper contracting team is made up of at least seven roles: contracting specialist, proposal writer, capture manager (biz dev), research specialist, cost estimator, compliance officer and legal staff***** (see figure 5). Working with Uncle Sam is hard because it is expensive. It cost money to acquire these skill sets.

Reason #2 - Uncle Sam Speaks Governese, but do you? Like Venus and Mars, the private and public sectors are different planets. Uncle Sam, for example, comes from a different culture, where he speaks a bizarre language, full of strange words (acronyms), rules, regulations and red tape. I call this language, "governese."

Read this next section and see how much you understand. It is written in governese with instructions on what you should do to be successful in the government market.

For your business to be successful, you should start by researching federal procurement regulations. Read the FAR, DFARS, UCC, CFR and Federal Register. Next, attend a PTAC and SBA training session. As a small business, check out MBDA, SBDC, NDIA and NCMA for help. If you're a Native American, go to UIDA. Next, use FPDS, FFATA and USASpending to do research on past performances and contract awards. Find the

incumbents and benchmark after them.

After you've learned the basics, you will need to register your company. First, identify your SIC, PSC, NIGP and NAICS codes; then obtain a DUNS number through D&B. Next, register in the CCR, which by the way, is now called SAM. If you're in the CCR, you will need to migrate your information into SAM. Make sure you have your primary and secondary POCs' and corporate info.

To keep a competitive edge, learn what certifications you're qualified for. Check HUBzone, 8a, ED/WOSB, SDVOSB, VOSB, Section 3, MP and various other programs. If you're seeking local and state projects, consider DBE, SWUC, HUB, LSBE, FBE, APABE, HABE and MP. If you prefer a large commercial project, check into the MBE, AABE, WBE and LGBTBE programs.

Based on your business size standard, consider using a JV or teaming strategy, when pursuing a solicitation. Sometimes, the opportunity may come out as a pre-sol, sources sought, rfp, rfi, rfq, ifb, or other contracting methods. One strategy is to start as a subcontractor so you don't have to take on the responsibilities of being a prime. Another idea is to form an MP relationship with a prime. The prime is required to have a small business plan which can be an advantage to your company.

To find solicitations to bid on, use FBO, iSearch, eBuy, eMall and Fedbid. Also, use these contracting vehicles to help: IDIQ, MATOC, GWAC, BPA, STARS II, SATOC, GSA Schedules, ITES II, FSSI, Micro Purchases and SAP. Start promoting your company by meeting with the OSDBU, SADB, SBS, SBLO, and SBA BOS. By now, your Capability Statements should be complete, so send them to a few agencies.

Oh, and make sure you're DCAA compliant because GAO and OMB have stricter compliance measures now. If you want to get paid make sure you're not listed on EPLS. And finally, register with e-verify, WAWF and ESRS, as needed.

If you understood 70% of what you read, congratulations, you're fluent in governese! But if you couldn't grasp the governese above and had to "google" the acronyms for meaning, then, doing business with Uncle Sam will be hard. It would be equivalent to you trying to do business in Japan, but you don't speak Japanese, or have a translator.

Reason #3 - Uncle Sam Can't Teach You: Unfortunately, Uncle Sam's contracting officers are understaffed, so their time is limited; they don't have enough hours to teach businesses how to do contracting work. So, let's peak into a typical day of a contracting officer. In this story, his name is Carter.

Carter, with a black coffee in hand, dashes to his office. He sits down at his desk with 50 contracting projects which he needs to put out in the next 45 days. He's feeling overwhelmed, so instead of writing the solicitations, he takes a break and opens his email. His inbox welcomes him with two hundred new emails from the district director, inter-office correspondences and commercial businesses seeking his attention. He starts by responding to the director and inter-office emails. Hours passed by, then he gets to the emails from

businesses. The solicitations and proposal responses has to be opened and responded to. Finally, he looks at fifty or so marketing emails. Some of them have 10-page capability statements. He's overwhelmed again. He decides to file those emails and check his forty voice messages. Wow, the day is almost over and he hasn't put out a single solicitation. In all this, he bypassed the thirty appointment requests. With such a hectic schedule, Carter, our contracting officer, doesn't have enough hours to teach business owners how to win contracts. In fact, it's not his job to teach you how to do contracting work.... it's your job to learn it on your own.

Reason #4 - It Takes Time to Win Contracts: Yes, the opportunities are there in the government market, \$450 billion worth each year. Imagine a picture with Uncle Sam all dressed in his red, white and blue hat and uniform. His hands are stretched toward you with dollars falling out of it. You're grasping for the money but it just seems to always be out of reach. This is true for 99.5% of businesses in the US. You're frustrated. You have written over ten proposals but have not won any contract. Your best finish was coming in second place as the best valued proposal. Did you know that, on average, it takes 36 months to lay your foundation in the government market? Did you know that on average, it takes 22 proposals for a small business to win its first contract as compared to seasoned businesses, which win 30% of their submitted proposals.***** (see figure 6) So, if you've written ten proposals, you have twelve more to go. It does take time and most businesses don't have the patience or the resources to last long enough.

WHAT DOES IT TAKE TO BE SUCCESSFUL?

If you've read this far into this e-book, I'm convinced you're serious about doing government contracting work. You're willing to face the brutal facts; you're unafraid to step forward and find the oasis. But to get to this contracting oasis, you have to pack the right resources and have the right approach because the desert is hot and it could take many years to arrive.

It's a long journey to reach this contracting paradise filled with trees with money as palm leaves. So, what does it take to succeed in the government market? That's a great question. By revealing to you the hidden truths about government contracting, I had two goals in mind:

- 1) To get you to run from the government market because the odds are against you; and
- 2) If you do decide to enter the government market, you will realize that you need to make a full commitment to succeed.

COMMITMENT: If you're committed to growing your business in the government market, you **WILL SUCCEED**. The path through the desert may be arduous and long, but your commitment to learn "governese" and to learn the government culture will pay off—in millions in revenue that will flow into your business. So, what do I mean by commitment?

- **COMMITMENT IN TIME:** You must commit a minimum of 10 hours per week to support your government contracting initiative. One of the biggest mistakes business owners make is just putting their toes in the water. No, you must jump all in with your time. This human resource of time can come from you, your staff or a combination. Now, you're thinking, I run a small business and I'm already wearing multiple hats. I don't have any extra time. Well, if you don't have the time or you're unwilling to make the time, then government

contracting is NOT for you. Larger companies commit whole departments of many staff to lead their contracting endeavors. You have to do the same to have a chance for success. If you believe you do have time, then, make the commitment to use your time to immerse yourself into the world of contracting. Hang out with people in the government industry. Attend contracting and networking events. Learn a new language. Invest in the proper information and contracting tools. To accomplish these tasks requires your precious time. Your ability to speak governese is tied directly to your commitment of time invested into the contracting market.

- **COMMITMENT IN EFFORT:** Your effort is important for your success. It shows through your determination and personal focus. Why is effort needed? Because government contracting is hard as I shared earlier. Few businesses ever make it to this oasis. It is like trying to play professional football in the NFL. You have to train hard and put in the effort. You have to stay after hours to watch film and eat properly. And, if you put in the sweat and energy, it will be richly rewarded (read Sumi Krishnan's story below).
- **COMMITMENT IN MONEY:** Yes, you have to invest money if you plan to be successful. You have to invest money into revamping your website with a "government tab", attending pre-bidders conferences, hiring proposal writers, subscribing to bid match services and many other things. If you're not ready or willing to invest money into your endeavors in the government market, then you need to stop dreaming and get serious. Contracts will not drop from the sky just because you registered in CCR/SAM or you received your 8a certification. Of the 650,000 companies registered in CCR/SAM, remember, less than 200,000 are winning contracts. So, if you want to be among the successful companies, you have to consider hiring more staff, getting proper insurance, taking training courses, registering for networking events and putting in place lines of credit.
- **COMMITMENT TO BEING RESPONSIBLE AND RESPONSIVE (R&R):** Now R&R in the private sector means "rest & relaxation". However, in the government market, R&R means something completely different. Being responsible means doing what you said you will do. Being responsive means doing it in a timely manner. If a proposal is due at 12 noon, one minute after at 12:01 will not cut it. Your submission will be thrown away. If your project completion is 15 days, then finishing on the 16th day could mean that you will be debarred from future contract opportunities.
- **COMMITMENT TO RELATIONSHIP BUILDING:** Building the right relationship with the right agency is the **HIDDEN SECRET** to your government contracting success. Ask any seasoned company and they will say that it's all about the relationships. Now, establishing great relationships in the government market is about "KLT".
K = Know L = Like T = Trust
Old Standard: "It's about what you know."
Current Standard: "It not what you know but who you know."
New Standard: "It's not what you know or who you know, but who knows you back."

You can know people, but until they know, like and trust you back, there will be very little business opportunities. Understand that establishing relationships with government personnel is different than the commercial market. In the commercial market, it is

customary to invite someone to lunch and pay for their lunch. Well, in the government market, this can be construed as buying influence. There's a right way to do it and a wrong way. For the purpose of this ebook, I can't go too deep into marketing, business development, capture planning or relationship building. If you reach out to me, we can go into more depth. What I will say is that the KEY to unlocking the hidden secret of building a successful relationship is boiled down to two words: FOLLOW UP, FOLLOW UP, FOLLOW UP and FOLLOW UP. As I mentioned earlier, contracting officers and government personnel are busy. If you appropriately follow up multiple times, you will win favor with them. I once heard this story used to illustrate relationship building in the government market. It goes like this...

The Little Alley Kitten

There once was a little alley kitten. It was almost cute but the skinny ribs on it showed through the fur and the stench was too much. Day after day, it would come and purr at the door of the home owner, hoping that the home owner would notice and give it some milk. The home owner never noticed. He already has a nice fat cat inside the house. The house cat was tamed and well groomed. One day, the home owner was leaving the house and saw the little alley kitten purring at his feet. "Oh, how disgusting," he thought. "I don't want this stray kitten rubbing or licking on my pressed slacks." The home owner gently kicked the alley kitten to the side as he went to his car. Later that evening, he returned to find the stray kitten in front of his door again. He nudged the kitten out of the way and quickly closed the door behind him. Morning came again and the home owner heard the little kitten purring in front of the door again. He hadn't noticed the kitten until yesterday, but now he can't seem to dismiss it. A voice within urged him to do something. "Maybe that little kitten is hungry, it may even be motherless," he reasoned. On his way out this morning, the home owner put a little milk in a bowl and left it next to the stray kitten as he left the house. When he returned the little kitten purred at his feet as the home owner walked inside. The next day, he set down another bowl of milk for the alley kitten. After a few days, he noticed that the little kitten was actually cute. He reached down to mildly pet the kitten on the head. The small amount of milk had done its work. The ribs were no longer showing and the fur started to glisten. As the home owner grew more fond of the kitten, one day as he was coming home, he opened the door to the house and left it open inviting the little stray kitten to come in. Without hesitation, the little kitten humbly entered.

Relationship building is like this little alley kitten story. Your small company is the stray kitten. You have to keep purring in front of the right agency until you're noticed. The incumbent is the tamed and well fed house cat. The house cat is loved and honored by the home owner. The home owner represents the contracting officer. He is the gate keeper to the agency. He has contracting authority to award contracts. The milk represents a micro purchase. Micro purchases are usually less than \$3000. The house is the agency that you're interested in doing business with.

So, what's the moral of this story? The moral is to "purr", I mean purr a lot. Each purr is a follow up. You can follow up by email, by phone, mailing a capability statement, meeting up at a match making event or any other method. The key is to keep purring. Now purring is not rude. You have to follow up appropriately and with humility. Don't lead with, "I'm an 8a certified company and I know you need my company to help you meet your set-aside goals." Yes, the 8a is a cute tool to have, but you should let the contracting officer notice it

on his own, just as the home owner realized how cute the little stray kitten was. Also, keep in mind, the little kitten got gently kicked to the side a few times. In your marketing efforts, you probably won't get a red carpet rolled out inviting you to enter. In fact, you may even get shoved to the side many times. But be like the little kitten. Just keep purring. If you're persistent, you will be noticed eventually. Establishing "K.L.T." takes a little time. Lastly, your goal should be to get a little milk. Don't go after the multi-million dollar contracts. Just get a little milk or a micro purchase contract. By the way, your intention is not to displace the incumbent. All you want is to be noticed and get a little petting on the head. Work with the incumbent. There's enough space in the house for both of you. The truth is there's plenty of milk for everybody. If you do it right, you'll realized that co-opetition is the best path. When you're finally in the house, you'll see that the house is full of cats everywhere. You'll see that it's a cat sanctuary full of stray kittens which have found their way home.

Light at the end of the Tunnel

I want to close out this eBook with a story about a young lady who committed her time and resources in the federal market. She took the journey to find the contracting oasis at a very young age.

K4 Solutions, Inc.: At the age of nineteen, Sumi Krishnan entered the government contracting industry. She incorporated K4 Solutions in 2001 and took a few years to land her first federal contract. In 2004, she won her first contract worth \$39,980. Not much to sing about, but as a young person, it was an incredible start. In 2005, her revenue increased to \$198,961 and followed that year with 9 contracts worth over \$6 million. Today, her commitment and hard work has earned her more than \$72 million as a prime contractor. If a 19-year-old can find the oasis, you can too.

K4 Solutions, Inc. CONTRACT AWARD HISTORY		
Year	# Contracts	Dollars
2004	1	\$39,980
2005	5	\$198,961
2006	9	\$6,671,071
2007	8	\$6,207,082
2008	8	\$7,247,116
2009	21	\$6,483,449
2010	41	\$14,534,284
2011	39	\$13,515,870
2012	62	\$17,621,774
Total	194	\$72,519,587

To read Sumi's story as chronicled in *INC. Magazine*:
<http://www.inc.com/30under30/2008/profile/2-krishnan.html>

e-Book Author:

Abraham Xiong is President of Government Contractors Association, Inc., a professional association dedicated to supporting businesses in the contracting market. He is a social entrepreneur, a business coach, and an avid advocate for small and disadvantaged businesses.

*Mr. Xiong is also the author of the software program called **"Government Contracting Fast Track Program"**. It is available to help businesses approach government contracting through a step-by-step methodology.*

You can check out the program here:

www.GovFastTrack.com

REFERENCES:

FIGURE 1: Total Federal Spending 2012

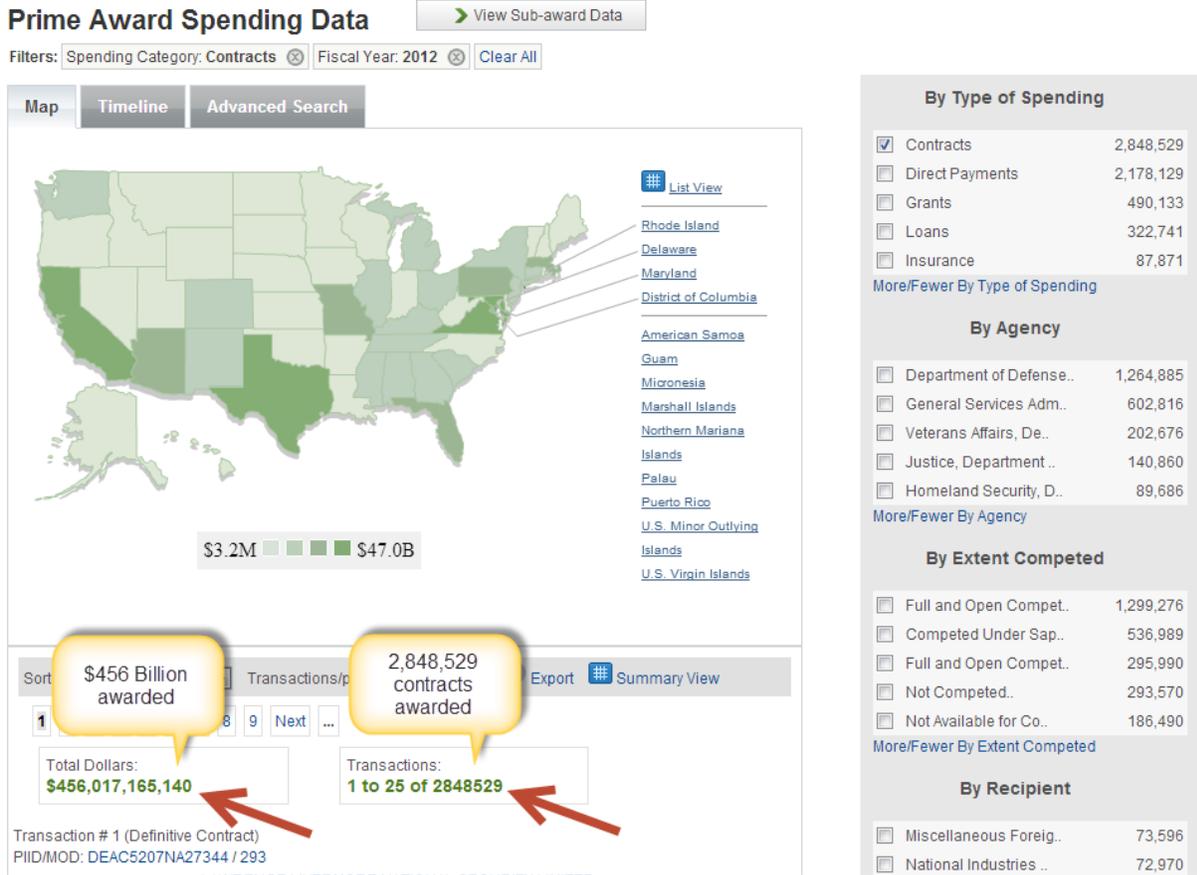


FIGURE 2: TOP 100 FEDERAL CONTRACTORS

Global Vendor Name	Number Of Actions	Dollars Obligated	%Total Actions	% Total Dollars
LOCKHEED MARTIN CORPORATION	23,477	42,446,866,959.53	0.1418%	7.9960%
THE BOEING COMPANY	17,148	21,599,245,643.25	0.1036%	4.0688%
GENERAL DYNAMICS CORPORATION	18,326	19,442,764,028.59	0.1107%	3.6626%
NORTHROP GRUMMAN CORPORATION	15,867	15,020,080,455.00	0.0959%	2.8294%
RAYTHEON COMPANY	11,872	14,771,086,834.84	0.0717%	2.7825%
UNITED TECHNOLOGIES CORPORATION	15,336	7,908,114,454.95	0.0926%	1.4897%
SAIC INC.	25,451	7,378,984,631.81	0.1538%	1.3900%
L-3 COMMUNICATIONS HOLDINGS INC.	15,240	7,357,742,515.71	0.0921%	1.3860%
BAE SYSTEMS PLC	13,802	6,876,349,891.22	0.0834%	1.2954%
OSHKOSH CORPORATION	4,658	4,942,070,285.97	0.0281%	0.9310%
MCKESSON CORPORATION	58,784	4,706,074,199.76	0.3551%	0.8865%
COMPUTER SCIENCES CORPORATION	5,938	4,508,806,684.37	0.0359%	0.8494%
BECHTEL GROUP INC.	286	4,498,784,380.16	0.0017%	0.8475%
URS CORPORATION	5,879	4,408,521,876.54	0.0355%	0.8305%
HUNTINGTON INGALLS INDUSTRIES INC.	3,855	4,039,859,714.67	0.0233%	0.7610%
BOOZ ALLEN HAMILTON HOLDING CORPORATION	9,234	3,934,916,899.60	0.0558%	0.7413%
ITT CORPORATION	4,286	3,862,570,373.17	0.0259%	0.7276%
VERITAS CAPITAL FUND II L.P. THE	973	3,843,256,690.87	0.0059%	0.7240%
HUMANA INC.	586	3,445,346,245.92	0.0035%	0.6490%
HEALTH NET INC.	382	3,145,318,720.85	0.0023%	0.5925%
TRIWEST HEALTHCARE ALLIANCE CORP.	227	3,093,464,842.27	0.0014%	0.5827%
HEWLETT-PACKARD COMPANY	20,880	2,942,364,958.09	0.1261%	0.5543%
GENERAL ELECTRIC COMPANY	9,233	2,847,482,485.43	0.0558%	0.5364%
FLUOR CORPORATION	688	2,774,277,927.99	0.0042%	0.5226%
BELL BOEING JOINT PROJECT OFFICE	1,586	2,665,731,454.92	0.0096%	0.5022%
CACI INTERNATIONAL INC	4,659	2,615,272,987.54	0.0281%	0.4927%
TEXTRON INC.	5,358	2,514,587,565.20	0.0324%	0.4737%
LOS ALAMOS NATIONAL SECURITY LLC	26	2,504,962,182.54	0.0002%	0.4719%
KBR INC.	633	2,277,007,732.81	0.0038%	0.4289%
HONEYWELL INTERNATIONAL INC.	9,640	2,193,177,643.11	0.0582%	0.4131%
BATTELLE MEMORIAL INSTITUTE INC	2,395	2,148,856,165.01	0.0145%	0.4048%
HARRIS CORPORATION	7,791	2,124,553,971.04	0.0471%	0.4002%
ALLIANT TECHSYSTEMS INC.	2,487	2,121,990,671.05	0.0150%	0.3997%
GENERAL ATOMIC TECHNOLOGIES CORPORATION	748	2,067,542,619.47	0.0045%	0.3895%
BABCOCK & WILCOX COMPANY THE	214	2,057,437,846.97	0.0012%	0.3829%
SUPREME GROUP HOLDING SARL	28,234	2,032,630,151.76	0.1706%	0.3740%
MANTECH INTERNATIONAL CORPORATION	2,279	1,953,181,391.53	0.0138%	0.3679%
COINS 'N THINGS INC.	282	1,894,425,872.61	0.0017%	0.3569%
JACOBS ENGINEERING GROUP INC.	4,628	1,843,268,962.08	0.0280%	0.3472%
INTERNATIONAL BUSINESS MACHINES CORPORATION	3,581	1,744,946,303.95	0.0216%	0.3287%
CALIFORNIA INSTITUTE OF TECHNOLOGY	2,411	1,646,415,790.27	0.0146%	0.3101%
FEDEX CORPORATION	7,602,482	1,592,045,527.90	45.9277%	0.2999%
LAWRENCE LIVERMORE NATIONAL SECURITY LLC	63	1,574,894,073.96	0.0004%	0.2967%
BP P.L.C.	179	1,472,932,600.87	0.0011%	0.2775%
DELL INC.	12,674	1,422,945,371.07	0.0768%	0.2681%
AMERISOURCEBERGEN CORPORATION	65,104	1,416,479,196.07	0.3933%	0.2689%
NAVISTAR INTERNATIONAL CORPORATION	1,285	1,406,677,393.37	0.0078%	0.2650%
EVERGREEN INTERNATIONAL AIRLINES	1,023	1,399,697,533.38	0.0062%	0.2637%
COMPUTERSHARE LIMITED	36	1,365,049,191.90	0.0002%	0.2571%
MERCK & CO. INC.	4,204	1,330,979,011.58	0.0254%	0.2507%
THE MITRE CORPORATION	768	1,293,897,638.90	0.0046%	0.2437%
UT-BATTELLE LLC	138	1,287,711,820.70	0.0008%	0.2426%
SUNSHINE MINTING INC.	94	1,247,307,556.51	0.0006%	0.2350%
CH2M HILL COMPANIES LTD.	2,374	1,240,841,699.77	0.0143%	0.2337%
PFIZER INC.	4,455	1,239,779,693.05	0.0269%	0.2335%
ATLANTIC DIVING SUPPLY INC.	8,490	1,211,040,587.43	0.0513%	0.2281%
MACANDREWS & FORBES HOLDINGS INC.	1,122	1,172,138,741.66	0.0068%	0.2208%
UNITED SPACE ALLIANCE LLC	88	1,140,088,823.72	0.0005%	0.2148%
UNITED LAUNCH ALLIANCE L.L.C.	102	1,125,545,058.17	0.0006%	0.2120%
ROCKWELL COLLINS INC.	2,443	1,082,187,470.15	0.0148%	0.2039%
CARDINAL HEALTH INC.	85,504	1,074,256,733.22	0.5165%	0.2024%
JOHNS HOPKINS UNIVERSITY	2,021	1,052,401,697.42	0.0122%	0.1982%
ROLLS-ROYCE GROUP PLC	1,593	1,051,711,528.15	0.0096%	0.1981%
STATE OF CALIFORNIA	2,321	1,037,934,290.61	0.0140%	0.1955%
STERLING PARENT INC.	2,643	1,035,554,751.42	0.0160%	0.1951%
CERBERUS CAPITAL MANAGEMENT L.P.	2,186	1,000,381,782.75	0.0132%	0.1884%
MASSACHUSETTS INSTITUTE OF TECHNOLOGY	408	984,668,771.76	0.0025%	0.1855%
ACCENTURE PUBLIC LIMITED COMPANY	782	967,995,181.72	0.0047%	0.1823%
VERIZON COMMUNICATIONS INC.	32,456	955,663,089.50	0.1961%	0.1800%
GOVERNMENT OF CANADA	1,539	952,901,679.23	0.0093%	0.1795%
SIERRA NEVADA CORPORATION	633	941,363,007.17	0.0038%	0.1773%
THE AEROSPACE CORPORATION	236	916,328,109.65	0.0014%	0.1726%
ROYAL DUTCH SHELL PLC	217	913,444,445.62	0.0013%	0.1721%
WYLE LABORATORIES INC.	1,368	905,850,346.28	0.0083%	0.1706%
VALERO ENERGY CORPORATION	39	905,295,800.78	0.0002%	0.1705%
GROUPE CGI INC	1,417	904,063,313.31	0.0086%	0.1703%
HENSEL PHELPS CONSTRUCTION CO	647	900,755,631.52	0.0039%	0.1697%
DELOITTE LLP	1,935	865,389,203.88	0.0117%	0.1630%
THE SHAW GROUP INC	1,387	853,288,739.13	0.0084%	0.1607%
FINMECCANICA SPA	3,078	835,922,875.25	0.0186%	0.1575%
KUWAIT PETROLEUM CORPORATION	15	805,182,602.80	0.0001%	0.1517%
A.P. MOLLER - MARSK A/S	10,489	794,079,063.59	0.0634%	0.1496%
SANOFI	447	789,246,506.17	0.0027%	0.1487%
ARCTIC SLOPE REGIONAL CORPORATION	3,180	785,517,488.13	0.0192%	0.1480%
SAVANNAH RIVER NUCLEAR SOLUTIONS LLS	98	764,492,140.05	0.0006%	0.1440%
NANA REGIONAL CORPORATION INC.	3,724	762,756,136.99	0.0225%	0.1437%
QINTEQ GROUP PLC	1,760	759,576,120.73	0.0106%	0.1431%
EUROPEAN AERONAUTIC DEFENCE AND SPACE COMPANY EADS N.V.	1,607	751,895,864.01	0.0097%	0.1416%
AT&T INC.	14,516	742,995,059.06	0.0877%	0.1400%
B.L. HARBERT HOLDINGS L.L.C.	192	742,684,914.15	0.0012%	0.1399%
UCHICAGO ARGONNE LLC	173	733,135,095.41	0.0010%	0.1381%
UNITED PARCEL SERVICE INC.	1,304,971	700,943,468.67	7.8835%	0.1320%
HIGHMARK INC.	73	692,505,672.07	0.0004%	0.1305%
MISSION ESSENTIAL PERSONNEL LLC	143	690,938,429.57	0.0009%	0.1302%
CHEMONICS INTERNATIONAL INC	228	686,612,314.39	0.0014%	0.1293%
CBY DESIGN BUILDERS A JOINT VENTURE OF CDM BRASFIELD & GORRIE AND YATES CO	1	674,998,555.36	0.0000%	0.1272%
TETRA TECH INC.	3,408	665,394,125.10	0.0206%	0.1253%
BROOKHAVEN SCIENCE ASSOCIATES LLC	84	661,570,275.22	0.0005%	0.1246%
MCDONNELL DOUGLAS HELICOPTER COMPANY	118	647,938,823.85	0.0007%	0.1221%
ANHAM FZCO	10,800	638,281,632.37	0.0652%	0.1202%
		294,768,495,268.64		

Figure 3: SBA Small Business Goaling Report 2011

SBA Small Business Goaling Report 2011			
Available for Small Biz	Small Biz Actions	Awarded to Small Biz	Small Biz %
\$422,524,926,150	2,546,864	\$91,467,620,208	21.65%

See full report here:

https://www.fpdsng.com/downloads/top_requests/FPDSNG_SB_Goaling_FY_2011.pdf

Figure 4: 25 FACTS ABOUT FEDERAL SPENDING

1. The federal government's budget is **\$3.8** trillion in 2012, which represents the largest consumer in the world.
2. The federal government awarded over **\$456** billion in contracts for 2012.
3. The federal government issued **\$531** billion in grants for 2012.
4. Government expenditures account for **25%** of the Gross Domestic Product.
5. Over **\$800+** billion have been issued as Stimulus money or Recovery spending.
6. There are over **93** major Federal Agencies and over **1175** sub-agencies.
7. There are over **85,000** government entities in the US: 1 federal, 50 states, 3042 counties, 14,566 districts, 31,131 special districts, 35,963 cities and townships, 512 Native American Tribes and 5 US territories.
8. Women own **41%** of US companies but only **3.68%** of federal contracting dollars are awarded to woman owned businesses.
9. There are over **31** million businesses in the US (Census 2007).
10. Only **640,000** businesses have registered to do business with the federal government.
11. On average **180,000** businesses win federal contracts annually.
12. Less than **1%** of US companies are currently winning federal contracts.
13. The local/state/federal governments in the US employ over **20,000,000** full-time workers.
14. **23%** of all federal contracts are set-aside for small businesses.
15. GSA Schedules accounted for **\$39** billion for 2010 or **7%** of federal government contracts.
16. There are over **12,000** GSA contracts on **43** GSA Schedules with over **11,000** vendors/contractors.
17. Large corporations which win contracts over **\$650,000** must sub-contract **35%** to small businesses.
18. **\$47** billion was awarded under this category: *"Everyone could compete, but only **ONE** bid or offer was received."*
19. The federal government awarded over **2,828,843** contracts in 2012.
20. The average federal contract is worth **\$160,000**.
21. Every **7** minutes, a federal government contract is awarded.
22. **\$20** billion was spent through Smart Pay cards (for products, not travel or fleet).
23. Credit card purchases under **\$3000** do not go through a contracting or procurement process.
24. The Dept of Defense maintains over **571,000** facilities or installations worldwide.
25. In 2012, the federal government awarded:
 - **\$1.2** billion every day
 - **\$52** million every hour
 - **\$860,000** every minute
 - **\$14,000** every second

Figure 5: Relationship Building Triangles

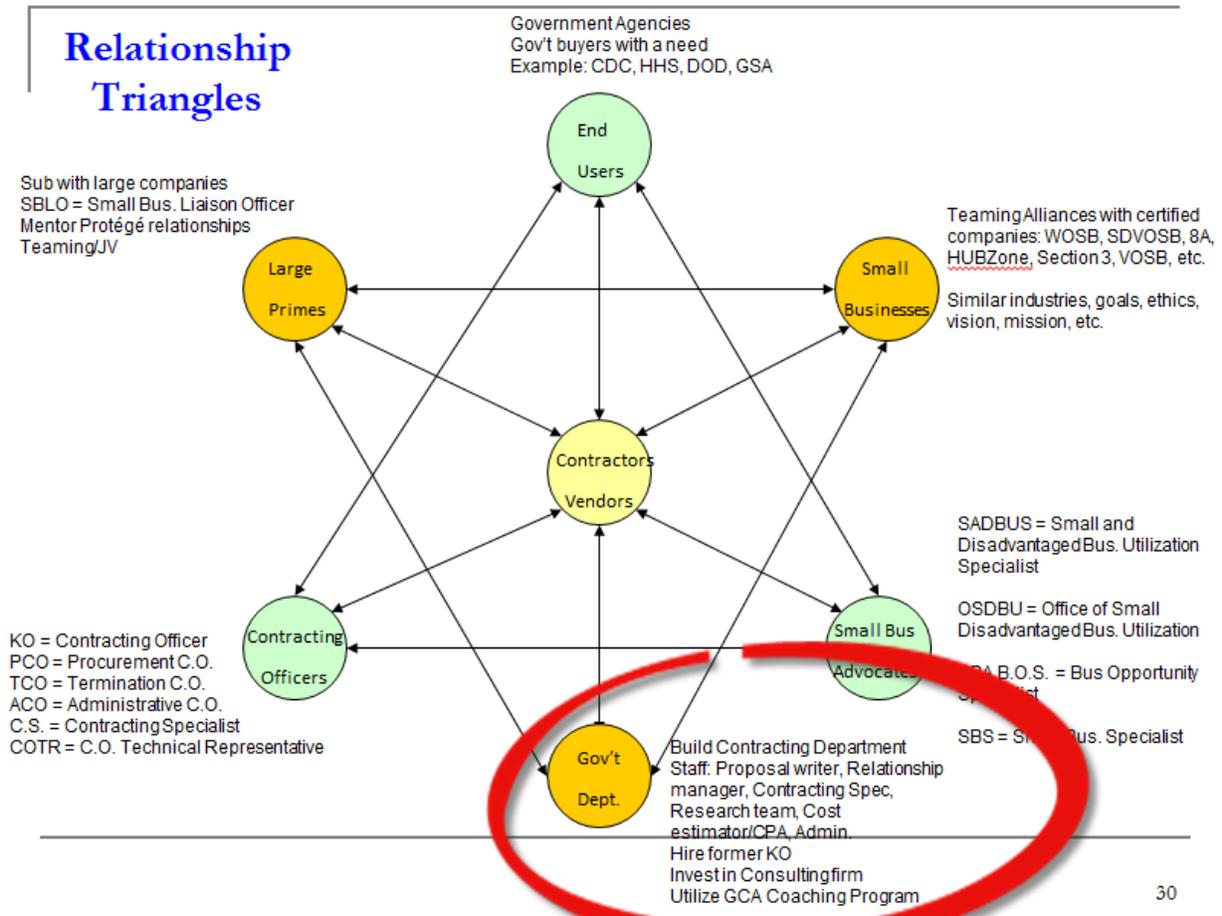


Figure 6: Grant Thornton Survey 2011



Find more government contracting resources here:

www.GovContractors.net

www.GovContractors.org

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