

# Get Government Gigs!

*Seasoned integrators weigh in on how to land that elusive federal contract*



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In government work, the first contract is typically the hardest to get. The learning curve is steep. Competition is brutal. That said, government work can be rewarding. It is like navigating a mine field, says Michael S. Rogers, CEO of SecurityHunter, Baltimore: you have to be careful not to get blown up. "It is very painful to learn federal contracting," Rogers says. "You have to go all-in...otherwise you will get mauled in this market. You will learn the hard way — nobody teaches you this. Still, it is a good market for those who tough it out." "The first contract is the hardest to get because you have to make sure you

have proven via past performance that you have the experience to be successful on the job," explains Keith Jernigan, director of government programs at G4S Technology, a firm with a solid track record with ports, federal, state, local and municipal markets.

"The best way to ensure recurring revenue is with superior performance, so that when the contract is re-bid you have an outstanding reputation to leverage," adds Jim Cotter of Kratos Public Safety & Security Solutions, which gets about 80 percent of its \$1 billion in annual revenue from government security work.

## The Current Landscape

There are often specific considerations when bidding government projects, including contract administration, wage determination and security, Cotter says. "It is important that the technical staff have the specific certifications in place to support the security systems that are planned or already deployed at government sites," he says. "In the case of government contracts, it is also important to have contract vehicles, such as GSA Schedule 84, in place. In addition, it is critical for bidders to have infrastructure in place such as government-approved purchasing and accounting systems."

Even with all the certifications in place, the current economic climate and budget infighting on Capitol Hill makes government security contracting difficult. "The industry is feeling the strain of the government operating

with no approved or signed budgets, sequester and debt-ceiling limitations," says Brian K. Holmes, director/government and special programs, Honeywell Security Group. Many RFPs and RFQs are now issued with the understanding that they are not yet funded or that only a certain number of contract line items will be awarded or executed.

Trying to accurately evaluate how to best spend bid and proposal (B&P) funds without knowing how probable it is that an entire contract will be awarded also creates uncertainty from the bidder's perspective, Holmes adds. "Operating in a state of uncertainty is challenging at best for both the procurement activity and bidders," he says.

## How Federal Government Contracting Works

One key to federal success is to get a Blanket Purchase Agreement (BPA). Federal purchasing of security — or anything — is like launching a missile: Two keys are required and both must be turned. In purchasing, the two people are typically a procurement person with money in their budget and a contract officer. — the first has budget money; the second has the right to spend money and need for a service. Get them both to "turn the key" at the same time and the project launches.

A simple analogy might be government's need for office furniture. Bidding on every desk or bookshelf would drive both the government purchasing agents and office supply vendors crazy; so, instead

the Feds issue a BPA that states publicly that they may buy an indefinite amount of a certain product or service (whether desks or video monitoring systems). The bidder tells the government what it will provide for each and every instance that the service is needed, including delivery terms, guarantees, installation costs or discounts.

The winner takes all — once the BPA is awarded, there is no longer any competition. Securityhunter, for example, has a \$500 million sole award contract. While that is a mind-boggling figure for a small integrator, keep in mind that there are no orders behind it. The BPA is simply the right for program managers or facilities managers who need physical or logical security to order from Securityhunter. As local federal agencies incur security needs, they check for BPAs on file, and the integrator is in business. For Securityhunter, that has meant projects in Hawaii, Guantanamo, Florida, Texas and New York.

Bids are not always awarded on “low price.” There are some that are awarded on “best value,” Jernigan notes. Holmes agrees: “While prices should also be reasonable for the effort, typically in today’s environment ‘best value’ proposals carry a lot of weight,” Holmes says.

Good references and a good history of past performance can give an integrator an edge, Holmes adds. He says it is important that the proposal or quote should indicate to the evaluators that an integrator has a good grasp of the effort. “The proposal should offer a simple-to-understand solution,” he says. In fact, overly complicated proposals and solutions that require a lot of effort to evaluate will typically get shuffled to the bottom of the pile or immediately eliminated.

There are two major types of government contracts. Both can

provide a security integrator a good piece of revenue, but it is important to understand the differences:

- **ID/IQ contracts (indefinite delivery/indefinite quantity)** essentially provide for an indefinite quantity of some security service during a fixed period of time. With ID/IQs, a program manager has available money to spend on specific needs.

- **GWAC contracts (Government-Wide Acquisition contracts)** are multi-agency or multi-department contracts available for bid, Cotter explains.

## Getting Started

“I recommend someone new to the process review the Federal Acquisition Regulations (FARS) to better understand the requirements,” Holmes says. “Once you have gained familiarity with the FARS, you will find the first step in the procurement process is that the government must advertise and publish in an open and public forum, its requests for quotes and proposals (RFQ/RFP).”

A popular location for advertisements and announcements is at [www.fbo.gov](http://www.fbo.gov), but it is not the only place projects and programs are advertised. “It is important to have a good relationship with the end-user and their contracting office to understand specifically where they advertise their business opportunities,” Holmes says.

Just as with anything else, a good place to start is on the Internet. Look at sites like [gsa.gov](http://gsa.gov) or [fbo.gov](http://fbo.gov) for contracts coming up. GSA schedules are an efficient way for government organizations to quickly obtain pricing from commercial firms; however, a GSA contract is not required. “Although Kratos has several GSA contracts, there are multiple paths to being awarded a federal contract, including direct awards from

government agencies and other ID/IQ contracts,” Cotter explains.

One tip Rogers would offer the newbie is to move away from project work and look for programs. He finds that federal projects have “a gazillion” people bidding, and competition gets extreme. “It becomes irrational. You’ll never win,” Rogers states. He prefers to look at programs and works with GSA Advantage.

“It is very beneficial to have a GSA schedule as it offers several advantages for you as a supplier, and more importantly, it holds many benefits for the procurement activity as well,” Holmes says, noting that a GSA Schedule is effectively a contract with the government, where the government has analyzed your pricing



and found it to be fair and reasonable. Accepted items go on a Federal Schedule. This means that, in some special circumstances, an opportunity does not have to be bid competitively in a full and open environment, which immediately enhances your probability of securing new or additional business.

In addition to vigilant website monitoring, Cotter says his firm employs a variety of tools and resources to help identify and pursue bids, including paid subscription services which collect and integrate potential opportunities from thousands of resources, including websites, agency procurement plans, capital spending plans, etc. Other strategies include leveraging relationships with industry partners who will recommend Kratos; and participation in industry events such as ASIS, ISC West and Govsec to maintain awareness of opportunities and trends in the market.

## Understanding Government Needs

"The biggest change in the market over the last 10 years is the increased focus on enhancing the physical security presence at facilities," Jernigan says. Another significant issue is the quick pace of technology change: "This has often caused some confusion as government entities consider new technology," Jernigan adds.

The use of access control and video surveillance has taken on a prominent role at government facilities. "These also happen to be the two technologies that have gone through the greatest technological enhancements," Jernigan says. "This

allows our customers to gain a broader security presence while analyzing behaviors and potentially predicting outcomes.

"We have also noticed that the government is beginning to implement policies and protocols for protecting infrastructure critical to security," Jernigan continues. "Some of these policies drive the new technology that we see."

Rogers says he went into the marketplace to help secure the nation. "It's a life mission for me," he says. He was fortunate to get started before 9/11, after which the space became very crowded. He targeted military opportunities in the 1990s — a time when a lot of security integrators shied away from government work because the Feds had a reputation of slow pay.

"In the wake of Sept. 11 and other terrorist attacks, we have seen increased spending on security across government agencies to protect assets and critical infrastructure," Cotter says. "But with recent budgetary challenges, we also have seen an increase in procurement cycle times," Cotter says.

## Repeat Business

Finding government work is a lot like being a fishing boat captain, Rogers says. If a captain finds a hot spot, a lot of other boats will flock around. "You have to keep moving," he says.

There are ways to build RMR — most commonly through maintenance/service agreements and by offering monitoring services, Jernigan explains, noting that maintenance/service agreements require a strong technical competency of various systems and technology.

"There are not many integrators that have this type of expertise, particularly as technology is changing at such a rapid rate," Jernigan says.

Doing scheduled preventative maintenance checks puts them in a position to recommend system upgrades as the agency's security partner. "Monitoring intrusion, fire, and video is another critical RMR model," Jernigan says.

Still, "there is not a lot of RMR in this sector," Rogers says. While his firm has a few ongoing maintenance contracts for the Army, they are staffing contracts (known inside the Beltway as "butts in seats" jobs), wherein the integrator provides maintenance rather than monitoring services. Recurring accounts like this mainly fall to giant contractors like General Dynamics who make their money from the recurring staffing jobs in all areas of the federal domain.

Kratos' Cotter says many government contracts include both installation and follow-on service as required, often awarded as-needed on a task order basis over a three- to five-year period. One of the most exciting trends Cotter sees is the continued convergence of physical and cyber security. "As a company with both a strong physical security presence as well as cyber and network security capabilities, we are excited about the market transition," Cotter says.

"Building a successful track record is critical toward gaining credibility within the government space," Jernigan says. "We utilize multiple lead-generating resources which help us identify projects that are a good fit for G4S, including referrals from satisfied customers or partners."