

# The Spend to the End – of the Fiscal year!

By Marc Violante, WPI

The federal fiscal year ends in just over a month on September 30<sup>th</sup>. However, that doesn't mean that they have concluded their spending for the year. For most federal agencies, their budget dollars are only available for the specified federal fiscal year – October 1 through the end of the following September. Funds that are not spent (obligated) in most cases have to be returned to the Treasury – in other words they are lost. As a result, there is a well-known saying – “use it or lose it.” Therefore, each September, as can be seen by the following figures brings exciting opportunities for both large and small businesses.

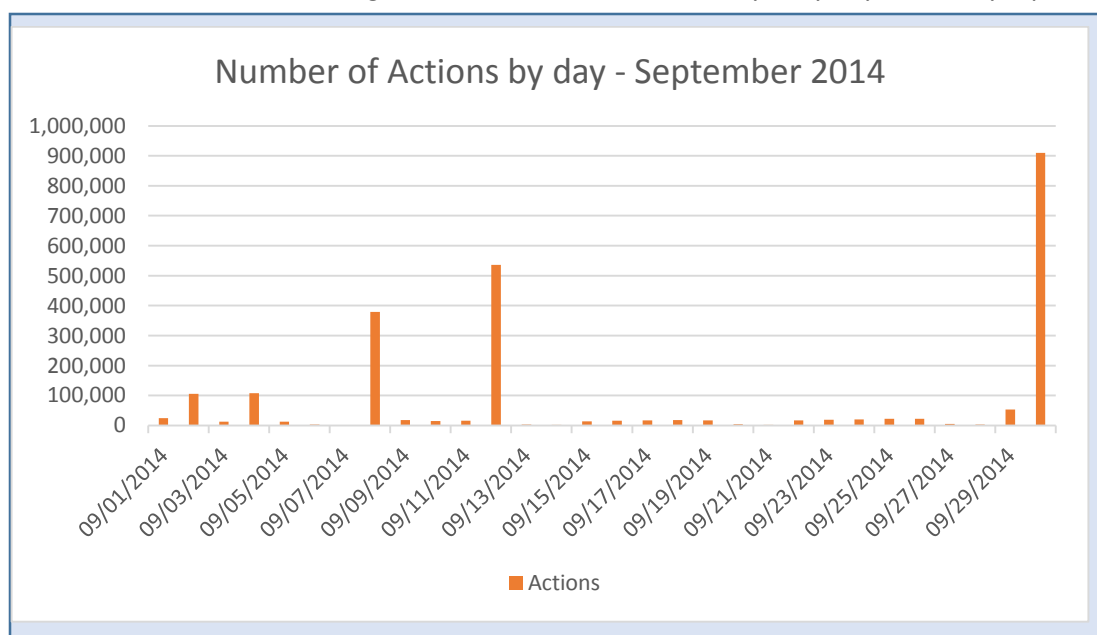
**TABLE 1- SMALL BUSINESS AWARDS DURING SEPTEMBER 2014**

|                                  |                             |             |
|----------------------------------|-----------------------------|-------------|
| <b>OTHER THAN SMALL BUSINESS</b> | <b>\$ 50,544,168,528.45</b> | <b>66%</b>  |
| <b>SMALL BUSINESS</b>            | <b>\$ 26,493,008,976.77</b> | <b>34%</b>  |
| <b>Grand Total</b>               | <b>\$ 77,037,177,505.22</b> | <b>100%</b> |

To put the amount of contracts awarded in September 2014 into context, during the entire federal fiscal year, contracts valued at - \$444,887,355,011.20 were awarded.

The value of contracts awarded last September represent – **17.3%** of all contracts awarded. If the federal budget was spent uniformly, with one twelfth spent each month, then 8.3% of the budget would be spent each month. The amount spent in September is more than twice that amount.

As can be seen in the following chart there are some extremely busy days and busy equates to opportunities.



The large number of contract actions at the end of the year and the other few days make most of the days in September look like they don't matter. The following is information for a day which is hardly noticeable on the graph -September 26, 2014. On this date, 22,627 contract actions were registered in the Federal Procurement Data System. Of these, 4,613 were adjustments (cancellations, modifications) to deobligate funds. The following table shows a breakdown of awards by dollar values and indicates that there is real opportunity for small businesses. The following are key figures. There were 888 actions at or below the micro-purchase (credit card) threshold. There were also 6,866 contracts awarded which were not required to be posted on Fedbizops ([www.fbo.gov](http://www.fbo.gov)). Unless a special program was used, these requirements must have competition. Being registered in SAM, having your DSBS profile up to date and/or having a solid Capabilities Statement might make the difference between being contacted or overlooked for September opportunities.

**TABLE 2 - OPPORTUNITIES BY DOLLAR AMOUNT - SEPTEMBER 26, 2014**

|                 |       |
|-----------------|-------|
| \$ 3,000.00     | 888   |
| \$ 15,000.00    | 5,111 |
| \$ 25,000.00    | 1,715 |
| \$ 50,000.00    | 1,954 |
| \$ 150,000.00   | 2,336 |
| \$ 500,000.00   | 1,663 |
| \$ 1,000,000.00 | 660   |
| More            | 1,066 |

The following are suggested actions to take in order to make sure that you are not overlooked due to your SAM registration being expired or your Dynamic Small Business Search profile is incomplete or something else such as not opening your bidmatch email and missing a great opportunity.

## **September – “DO’s and DONT’s”**

1. Register in the System for Award Management ([www.sam.gov](http://www.sam.gov))
2. If you are registered, make sure your registration is current and active
3. Review and update your SBA profile (Dynamic Small Business Search) profile
  - a. Access using SAM
  - b. SBA general login system
4. Create/Update your Capability Statement
5. If you have a GSA/VA schedule contract consider setting a Temporary Discount Price – “a sale price.” This price must be lower than your awarded price and you can set the start and end date of the “sale price.”
6. Have your set up and are you reviewing your WPI bidmatch email on a daily basis?
  - a. Review these notices
  - b. Call a WPI staff member to discuss these opportunities or to modify your bidmatch search criteria.
7. Time is of the essence – treat all calls and inquiries from the federal government with a sense of urgency.
8. When you price, use a sharp tipped pencil and make sure that your price is fair and reasonable.
9. Start your planning for 2016! Schedule a meeting with a member of the WPI team to review your efforts in 2015 and discuss what may be beneficial changes for the upcoming year. **Call today – 414-270-3600!!!**

## Top level thoughts to take away from the following data –

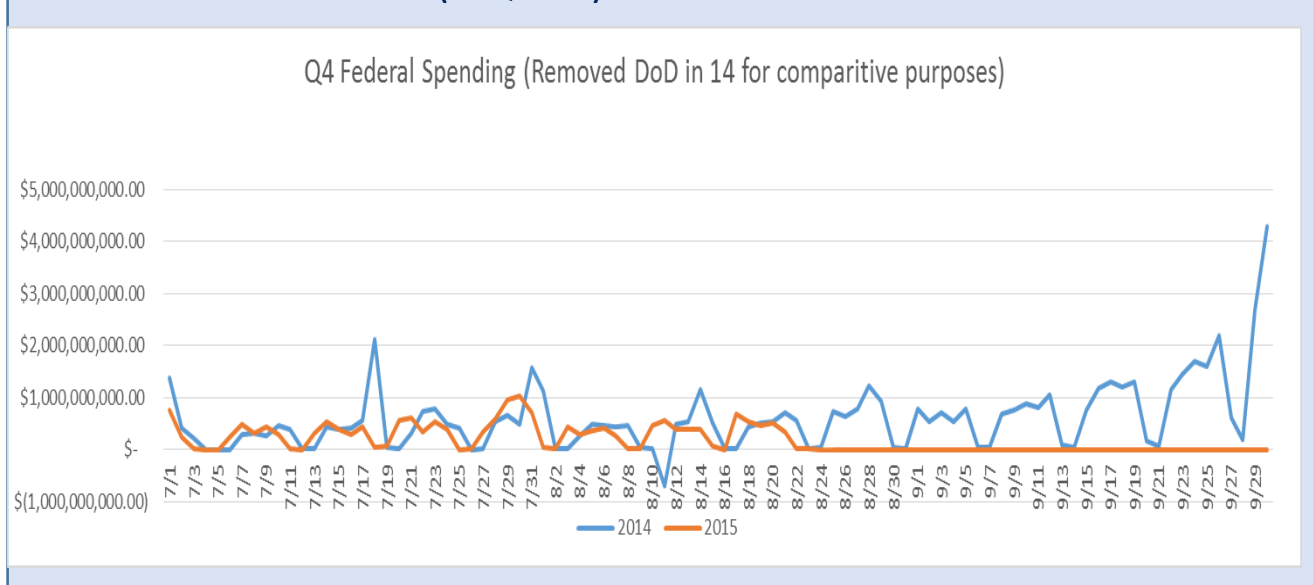
1. We may be coming up to the last month of the year but for some the opportunities are just beginning. See Tables 3 and 4
2. Small Businesses that are prepared and engage can successfully compete – Table 5
3. Companies that hold schedules (FSS – GSA/VA) or other Indefinite Delivery Vehicles – Table 6 should increase their efforts and be ready to respond and perform.
4. Credit cards are increasingly being used, be prepared. Table 7 If you have decided to accept credit cards and this is a change, please update your capability statement and other registration information as applicable.
5. The use of Commercial Item procedures and the emphasis on purchasing commercial items continues to grow and gain increased popularity due in part to the streamline procurement requirements which makes the process quicker and easier for both the vendor and contracting officer. If you are unsure whether your item qualifies as a Commercial Item or if you are unfamiliar with these regulations please contact a member of the WPI staff for assistance.

## Additional details concerning September spending and opportunities

DoD data in the Federal Procurement Data System is delayed by 90 days. Therefore, for comparative purposes, DoD award amounts for 4<sup>th</sup> quarter FY 2014 data, the blue line, have been subtracted.

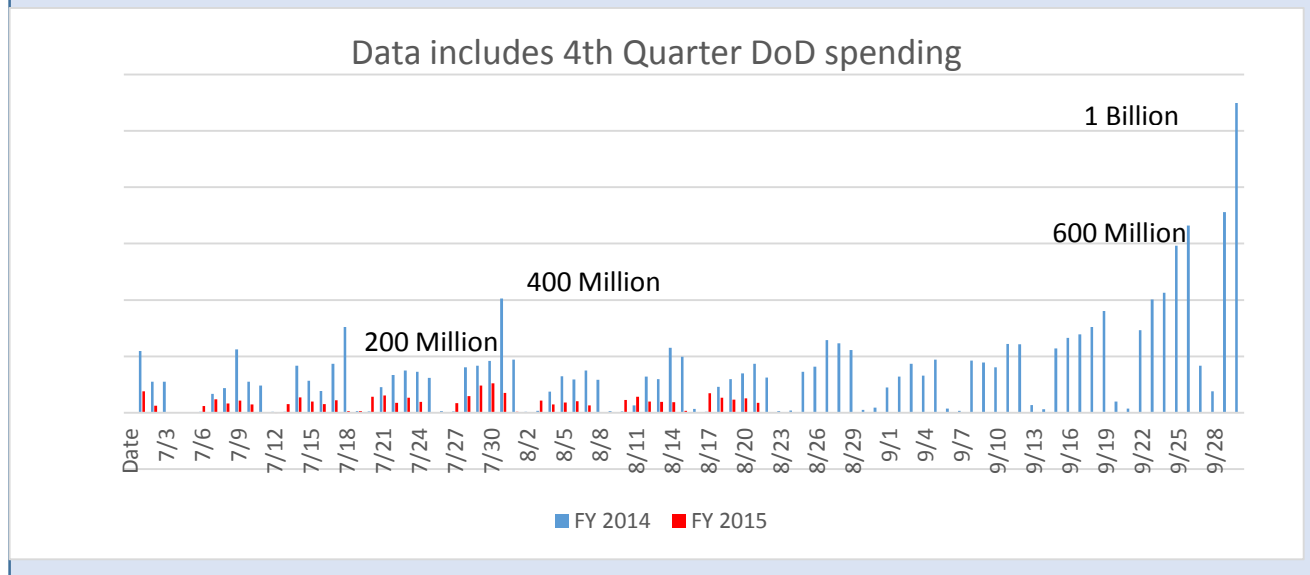
While 2015 data, golden line, doesn't match 2014 perfectly there are similarities in the overall trend and it is likely that end of fiscal year spending will continue to increase through the last month of the fiscal year.

**TABLE 3 - NON-DoD FEDERAL SPENDING (4TH QUARTER)**



When DoD spending data is included the magnitude of the opportunities is much easier to see.

**TABLE 4 - FEDERAL 4TH QUARTER SPENDING WITH 2014 DoD DATA**



As shown in Table 5, small businesses spending exceeded the federal goal of 23%. Table 6 provides information on the strong showing of businesses that participate in the major socio-economic programs.

**TABLE 5- SMALL BUSINESS V. LARGE BUSINESS SEPTEMBER 2014**

|                           |                      |      |
|---------------------------|----------------------|------|
| OTHER THAN SMALL BUSINESS | \$ 50,544,168,528.45 | 66%  |
| SMALL BUSINESS            | \$ 26,493,008,976.77 | 34%  |
| Grand Total               | \$ 77,037,177,505.22 | 100% |

**TABLE 6 - SOCIO-ECONOMIC PROGRAM AWARDS, SEP 2014**

| SBA 8(a)            | HUBZone             | SDVOSB              | WOSB                |
|---------------------|---------------------|---------------------|---------------------|
| \$ 8,079,298,443.65 | \$ 2,521,562,738.05 | \$ 4,036,324,994.82 | \$ 2,487,478,072.11 |

**TABLE 7- MAJOR PURCHASE TOOLS USED DURING SEPTEMBER 2014**

|                     |                     |
|---------------------|---------------------|
| BOA                 | \$5,583,972.00      |
| BPA                 | \$16,252,586.36     |
| BPA CALL            | \$2,556,127,363.36  |
| DEFINITIVE CONTRACT | \$26,722,846,901.73 |
| DELIVERY ORDER      | \$43,249,536,307.79 |
| FSS                 | \$0.00              |
| GWAC                | -\$940,205.17       |
| IDC                 | \$1,023,876,485.27  |
| PURCHASE ORDER      | \$3,463,894,093.88  |

Overall the majority of contracts awarded during September are written under an Indefinite Delivery Vehicle (IDV) such as a GSA schedule which are only one of many types of IDVs. The second largest source of awards are related to FBO-type opportunities that are competed as either Full and Open or Set aside for Small Business or one of the other socio-economic programs.

When purchase cards were utilized during September of 2014 Small Business that accepted government credit cards and could perform the work benefitted. For these purchases small businesses earned the majority of dollars spent.

**TABLE 8- SEPTEMBER CREDIT CARD PURCHASES**

| Purchase Payment Description | Card as Method | Contracting Officers Business Size Selection | Action Obligation | Percentage of Awards |
|------------------------------|----------------|--|-------------------|----------------------|
| YES                          |                | OTHER THAN SMALL BUSINESS                    | \$ 233,415,780.61 | 41%                  |
|                              |                | SMALL BUSINESS                               | \$ 335,957,913.53 | 59%                  |
| YES Total                    |                |  | \$ 569,373,694.14 | 100%                 |

Lastly, do not overlook the opportunities related to purchases made using Commercial Item Procedures. Acquisitions using these procedures are being emphasized as indicates by the large use of these procedures in September 2014. The Commercial Item Test program has been made permanent which will likely help to increase the number of purchases made using these procedures and the total amount of contract dollars awarded.

**TABLE 9 - COMMERCIAL ITEM PURCHASES**

| Commercial Item Acquisition Procedures Description | Action Obligation   | Percentage |
|--|---------------------|------------|
| COMMERCIAL ITEM                                    | \$20,640,255,108.09 | 27%        |
| SUPPLIES OR SERVICES PURSUANT TO FAR 12.102(F)     | \$808,329,099.10    | 1%         |
| SERVICES PURSUANT TO FAR 12.102(G)                 | \$388,998,513.60    | 1%         |
| COMMERCIAL ITEM PROCEDURES NOT USED                | \$55,040,749,435.57 | 71%        |
|  | \$158,845,348.86    | 0%         |
|  | \$77,037,177,505.22 | 100%       |

**Please contact the Wisconsin Procurement Institute if you have questions concerning this information or if we can provide other technical assistance.**

The **Federal Procurement Data System (FPDS)** is a treasure trove of information. The information in this report skims the surface. WPI staff can assist with developing detailed data research to help you answer specific questions related to past federal spending. Check out the FPDS training (webinar) September 23 and October 7 2015!

**DON'T FORGET – OUR GOALS ARE THE SAME – YOUR SUCCESS!**