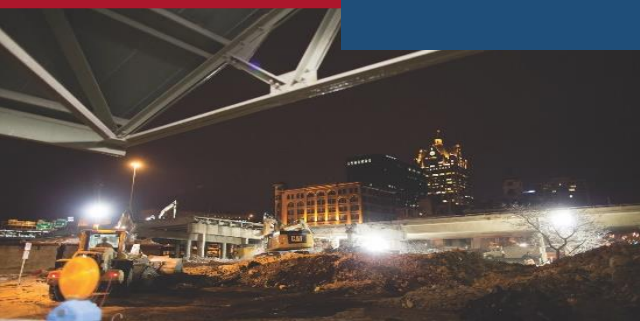


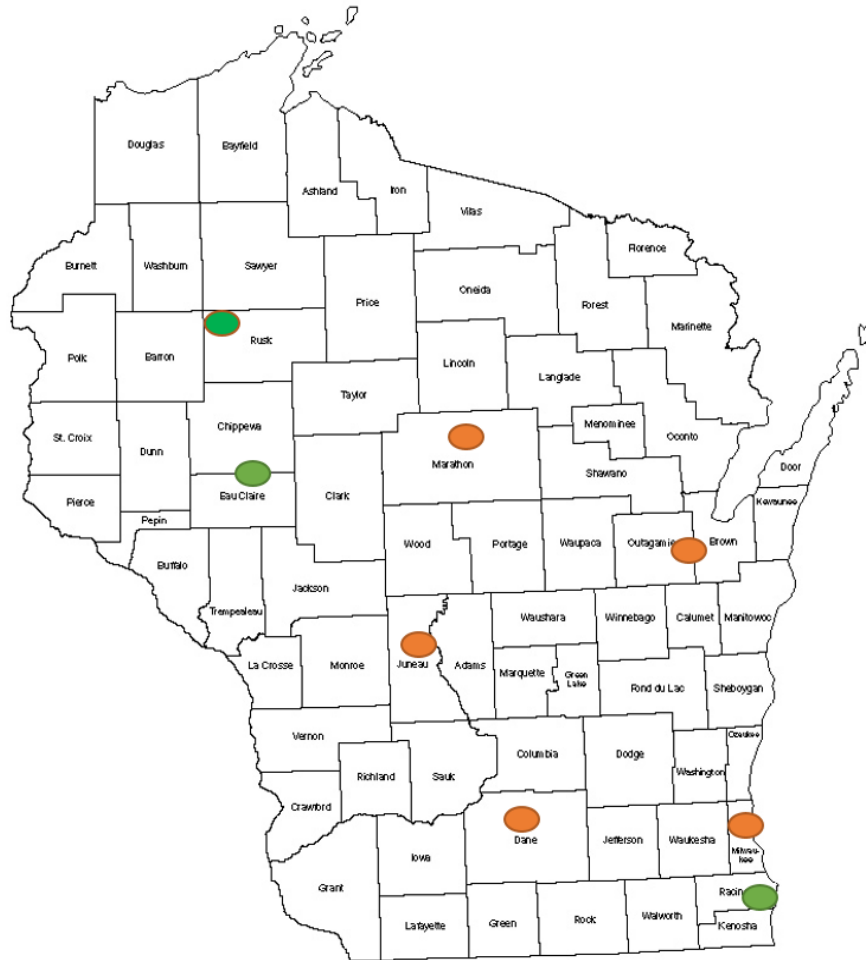


A Procurement Technical Assistance Center (PTAC)

What's Up with Federal Government End of Year Spending for 2016 ?

Acquisition Hour Webinar - June 29, 2016





LOCATIONS:

- **Primary office – Milwaukee** - Technology Innovation Center
- **Staffed Satellite offices**
 - Madison** (FEED – Food Enterprise & Economic Development / MEC – Madison Enterprise Center)
 - Camp Douglas** (Juneau County Economic Development Corporation)
 - Wausau** (Wausau Regional Chamber of Commerce)
 - Appleton** (Fox Valley Technical College)
- **Active Partnerships**
 - Racine** – LaunchBox
 - Eau Claire** - Western Dairyland
 - Ladysmith** – Indianhead Community Action

**GOVERNMENT
MANUFACTURING
CONFERENCE - SUPPORTING
THE FEDERAL DEFENSE
SUPPLY CHAIN - MAY 19 -
GREEN BAY, WI**

www.wispro.org

UPCOMING EVENTS

MAY 3 2018
INTERSECWI 2018
CAMP DOUGLAS, WI »

MAY 4 2018
MADISON NIGHT IN MILWAUKEE
MILWAUKEE, WI »

MAY 5 2018
FOR MANUFACTURERS: BECOMING A SUPPLIER TO
THE MILITARY AND THEIR PRIME CONTRACTORS
EAU CLAIRE, WI »

MAY 10 2018
ACQUISITION HOUR - THE GROWING NEED FOR
FEDERAL CONTRACTORS TO IMPROVE THEIR
COMPANY'S OVERALL CYBER-IQ

MAY 11 2018
ACQUISITION HOUR - IMPLEMENTING SMALL BUSINESS
SUBCONTRACTING PLAN AT YOUR COMPANY
WEBINAR »

CURRENT OPPORTUNITIES (7)

GET STARTED WITH THE BASICS

Questions & answers on how to get started.

GET STARTED

SIGN-UP FOR OUR NEWSLETTER

Stay up-to-date with the latest WPI news.

SIGN UP

HAVE A QUESTION? WE'RE HERE
TO HELP.

One of our staff of experts is available to answer your
questions.

GET HELP

What we will Cover Today

- Cost-Cutters Act
- Use It or Lose It
- What Happens Within the Government
- What can a Business Do to be Ready
- Bona Fide Need Rule
- Availability of Funds

End of the Fiscal Year

September 30th is the end of the
Federal Government Fiscal Year

Cost-Cutters Act

Bonuses for Cost-Cutters Act

- Provides bonuses to federal employees who save taxpayer money by finding and reporting unnecessary federal spending. The bonus is worth 10% of the savings, up to \$10,000.
- Program would be expanded to include “unneeded or surplus” end-of-year funds.
- Spending at federal agencies in the last week of the fiscal year is 4.9 times higher than the weekly average the rest of the year. However the quality of spending is lower than the rest of the year.

Use It or Lose It

Where the government agencies race to spend unused budget authority before it expires at the end of a fiscal year, often on unneeded goods and services.

Agencies are encouraged to burn through their appropriations by the fact that they run the risk of having their budgets cut if they leave money unspent.

Use It or Lose It

This spending may not be wasteful, if the department is delaying spending throughout the fiscal year to ensure that it has enough funds to cover necessary end-of-year spending.

What Happens Within the Government

Procurement officers work long weeks anywhere between July 1st and September 30th. Many work long days, weekends, and even holidays.

Agencies may have different cut off days to allow actions to process prior to September 30th.

Some agencies even push funds from time zone to time zone on the last day.

As September 30th approaches procurement turn around time is reduced. Agencies must make the award prior to the last day available to spend.

End of Year Use of GSA Schedules

Many agencies will purchase off of existing contracts at the end of the year.

GSA Schedule purchases are common. Government only needs to compare pricing of three contract holders and make a best value determination.

Businesses should make sure their GSA schedule is up to date with contract terms and pricing readily available on GSA.gov.

Agency Changes

Some agencies are trying to more evenly space out their spending over the entire fiscal year.

VA requires construction money to be spent over the entire Fiscal Year, with multiple cut off dates.

Fort McCoy has moved to quarterly spending.

This results in multiple end of year type close outs.

What Can a Business Do?

Understand your market.

What are your competitors doing?

Know when the agency cut off day is.

If appropriate, staff longer days, weekends.

Be ready to process orders via email, phone, and fax.

Accept Credit Card payment.

If you have a GSA schedule make sure all your products are included

Business Strategy

Find out what they want to purchase, who they currently buy from, when, and how

Monitor competitors closely during end-of fiscal year

Emphasize what makes you different

Consistent look and message in the various medias used, website, flyers, etc.

Exploit your best accounts. If an agency likes you, spend more time there than elsewhere

Business Strategy

Include information to help make decisions such as prices, specs, website address, 800 number, contract vehicles

Include a government theme – let them know you understand their business.

Extend business hours and communicate it.

Answer the phone with a real person.

If you need to use hold music, put specials on it and tell about your extended hours.

Additional Tips

Limit vacation time for key staff members.

Have dedicated staff for government orders.

Realize it is not just your business competing for federal dollars, the contracting office can also be competing with other offices for money to place the order with.

Be responsive.

Election or major event can change federal agency priorities.

Additional Tips

Agencies use all available procurement vehicles including BPAs, GWACS, NASA SEWP

On long contracts funding may be pulled for the next contract period.

Cut off date can change year to year based on where September 30 falls on calendar.

Additional Tips

If you receive a handshake deal make sure it is with someone authorized to commit the agency.

Note delivery dates. Some agencies may require delivery of supplies/services prior to September 30.

Some agencies may cancel orders in October that were not delivered in a timely manner.

What not to do

- Do not stall the negotiation process. The Government is in a hurry to make the award.
- Do not cold call procurement staff from August 1 through September 30. This includes email, phone, snail mail, etc. They are too busy. However, if they contact you, respond quickly, as the window of opportunity may be very small.
- Do not use agency logos without permission.
- Do not imply an agency endorses your product/service.

Bona Fide Needs Rule

Rule of Appropriations Law

Mandates that a fiscal year's appropriations be obligated only to meet a legitimate or bona fide need arising in the fiscal year for which the appropriation was made. It restricts this year's appropriated funds from being used to fund next year's requirements.

Service Contracts and Bona Fide Needs

Service Contracts are also subject to Bona Fide Needs Rule depending on whether the services are considered severable or nonseverable.

Severable – Services that are continuing and recurring in nature, such as lawn maintenance, janitorial services or security services, and from which the agency realizes a benefit at the time services are provided even if the contract has not been performed to completion. Services are considered severable if they can be separated into components that independently provide value to meet an agency's needs.

Service Contracts and Bona Fide Needs

Nonseverable – Services representing a single undertaking that cannot feasibly be separated into components, but will be performed as a single task to meet a need of the Government. If the services produce a single or unified outcome, product, or report, the services are considered nonseverable. An example would be a consulting study, conducted over several months, but culminating in the delivery of a final report.

Service Contracts and Bona Fide Needs

For nonseverable services, agencies may obligate this fiscal year funds to cover the services for the full contract.

For severable services, agencies may obligate this fiscal year funds to cover the services for a maximum period of performance of one year.

Agencies using multiyear obligations can obligate funds for longer than a year, as long as the period of contract performance does not exceed the period of availability.

Is Funding Available?

Review solicitation document

- When is delivery or service required by
- Before September 30th - should be using current year funding – money should be available
- After October 1st - should be using next year funding – money may not be available
- Is agency using multi-year or no year funding

Availability of Funds

FAR 52.232-18 – Availability of Funds (APR 1984)

Funds are not presently available for this contract. The Government's obligation under this contract is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise until funds are made available to the Contracting Officer for this contract and until the Contractor receives notice of such availability, to be confirmed in writing by the Contracting Officer.

Availability of Funds for the Next Fiscal Year

FAR 52.232-19 – Availability of Funds for the Next Fiscal Year (1984)

Funds are not presently available for performance under this contract beyond _____. The Government's obligation for performance of this contract beyond that date is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise for performance under this contract beyond _____, until funds are made available to the Contracting Officer for performance and until the Contractor receives notice of availability, to be confirmed in writing by the Contracting Officer.

What Happens if there is no Money?

- The solicitation results in no contract awarded.
- The solicitation proposals are held and results in a contract awarded with funds from next fiscal year.
- Contractor assumes all cost of preparing responses even if no contract is awarded.

Summary

Government agencies end of year purchasing can be opportunities for small businesses, provided they are ready to meet the Government's needs.

Resources

- FAR: <https://www.acquisition.gov/?q=browsefar>
- Air Force FAR: <http://farsite.hill.af.mil/>
- Acquisition.gov is: <https://www.acquisition.gov/>
- Federal Business Opportunities (FedBizOpps) website - <https://www.fbo.gov/>
- Wisconsin Procurement Institute
Phone: 414-270-3600
www.wispro.org



Upcoming WPI Events

- ***Acquisition Hour Live Webinar Series - Tuesdays and Wednesdays***
- ***Doing Business with the National Park Service – July 20, 2016 – Munising, MI***
- ***How to do Business with the Department of Veterans Affairs – August 3, 2016 – Iron Mountain, MI and August 4, 2016 – Green Bay, WI***
- ***Small Business Contracting Series – September 15, 2016, October 13, 2016, and December 15, 2016 – Milwaukee, WI***
- ***Fort McCoy Acquisition Open House – October 18, 2016 – Fort McCoy, WI***
- ***Marketplace 2016 – November 16 - 17, 2016 – Milwaukee, WI***



questions?

Continuing Professional Education



CPE Certificate available, please contact:

Benjamin Blanc

benjaminb@wispro.org

For Assistance or Additional Information - Contact

Wisconsin Procurement Institute (WPI)

Carol Murphy

10437 Innovation Drive, Suite 320

Milwaukee, WI 53226

414-270-3600 or carolm@wispro.org