


*Effects of the
Stimulus Package on
federal technology spending*

update V.5

A close-up photograph of two hands shaking in a firm grip, symbolizing a business agreement or partnership. The background shows a blurred office setting with computer monitors.

February 17, 2009

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- A photograph of several business professionals in suits standing in a grassy field under a blue sky with scattered clouds. They appear to be looking at something on the ground or in the distance, possibly a large document or a project site.
- **Obama signs \$787B US stimulus package into law**
 - **The American Recovery and Reinvestment Act of 2009**

- **The federal information technology community must still be pinching themselves to make sure they are not dreaming. Almost every administration has relegated IT to the back administrative offices, thinking of the computer guys as propeller heads and chief information technology officers as someone who was there to [fix the secretary's BlackBerry](#).**
- **Now comes Barack Obama, who has mentioned technology and the Internet almost every week since he took office. The latest opportunity to see how much the administration is sold on tech came in the form of Obama's [budget](#), released on Thursday. In the 140-page document, the word "technology" is mentioned 45 times, not counting when it appears as part of an agency name, such as the National Institute of Standards and Technology. The word "cybersecurity" is mentioned seven times and the word "computer" appears four times. Quote from Federal Computer Week**



IDC est. 100B\$ in new
investments



- Significant investment in
 - Health care solutions
 - Cyber security
 - Modernization projects
 - Energy efficiency (green computing) energy management, renewable energy technologies
 - Broadband growth



Govt. CIO agenda

- Govt. CIO Vivek Kundra –announces his agenda as five pillars of technology focus:
 1. Transparency and open govt.
 2. Engaging citizens (web 2.0)
 3. Lowering the cost of Govt. Operations
 4. Find an innovative path –try something new
 5. Ensure citizens transactions with govt. are secure



Companies are taking action

- 1105 media article
- At GTSI, officials have beefed up the company's bids and proposals office. "We've been hiring for the better part of four months in preparation for the economic stimulus," Friedlander said. "Because infrastructure is a core capability of ours, it all makes sense."
- GTSI sees potential stimulus money in cybersecurity and physical security systems, not only in the federal arena but also in the state and local markets, he added.
- Microsoft Corp. officials have been laying the groundwork for new government business since the election, and as a result, the company is set to robustly seek stimulus funds, said Carolyn Brubaker, the company's chief transition officer.
- Both IBM and Microsoft said they see prospects for business in health IT, which is slated to receive \$19 billion in stimulus spending. IBM recently launched an electronic health records exchange project with MedVirginia and the Social Security Administration, and Microsoft has developed health IT tools such as HealthVault, an electronic health record system.
- By all accounts, contractors will need to react quickly when agencies issue requests for proposals. According to a white paper on the stimulus package by the Professional Services Council, companies will have an unusually short period of time to submit well-constructed proposals. For instance, Pennsylvania officials say contractors bidding for work will have 30 days to respond to RFPs instead of the typical 90 days.
- Friedlander said he expects an average turnaround time of about 90 days from RFP to award. "That's a relatively short window to make sure that solutions are defined," he said.



Agency focus

- The IT spending initiatives specified in the Act include:
- \$19 billion for electronic health records that will provide incentives for clinics, hospitals and private health care providers to adopt electronic records
- \$16.8 billion to the Energy Department for its energy-efficiency and renewable energy program
- \$6 billion to expand broadband Internet access to rural and underserved areas
- \$1 billion to TSA for airport explosives detections systems
- \$1 billion to SSA to address backlog of disability and retirement claims
- \$400 million to NASA to develop climate research missions and increase supercomputing capabilities
- \$290 million to the State Department for an IT security upgrade
- \$170 million to NOAA for climate modeling
- \$160 million to Customs and Border Protection for nonintrusive inspection systems and tactical radios
- \$150 million to NASA to research the NexGen air traffic control system.



Timelines

- May 1 – agencies must submit plans for stimulus stimulus funded projects
- May 3 Plans publicly available, begin reporting allocations for entitlement programs
- May 5 Agencies provide ARRA assistance transactions (grants, loans, etc.) in usaspending.gov format
- May 8 Monthly reports due detailing financial data
- July 1 OMB issues guidance on how agencies identify wasteful contracts
- July 15 Recipients of funds begin reporting use of funds



Small window of opportunity

- Requires use of the FAR
- Competitive, fixed price contracts
- Use existing contracts (GSA other GWACs)
- Priority given to programs that can execute quickly, have little risk, will complete a project phase/project
- Transparent (www.recovery.gov) reporting requirements are extensive
- Funds provided to IGs to support oversight
- Spend the money NOW! With oversight





Now is the time to
invest in this
market!

FedResults

- **Not time to hesitate**
- **Window will not last forever (\$ spent by 2010)**
- **Need to be able to talk to agency personnel with the \$\$**
- **Need to articulate solutions that show benefit to the government for program measurement, ROI, fund tracking, cybersecurity, agency efficiencies, infrastructure upgrades**
- **Need to be able to respond to quotes, delivery, proposals, sole source justifications, contract flexibility quickly**
- **Need to be able to understand and respond to reporting requirements**



This is how FedResults can help:

FedResults

- Develop a strategy to reach right agencies
- Map client products and services to requirements
- Provide introductions of your solution to those agencies with need and \$\$
- Support quotes, contracts, flexibility to ensure timely responses
- Support reporting requirements
- Close business!
- Quote from 1105 media: “No one company is going to be able to do all things,” he added. “Companies that are flexible and can move with speed with other companies and work in good strategic partnerships will be the ones that really serve the [stimulus] customer best.”



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