

ALLIANT INDUSTRY DAY
QUESTIONS & ANSWERS
Oakland, CA - March 22, 2004

Q: You said you are “reserving” 20% of the contract awards for small business. Does this mean that 5 out of the 20 awards will be to small business?

A: Yes. We envision that 15 awardees will be other than small business and 5 will be small businesses or small business teams.

Q: How do you expect the \$150 billion dollars on the contract will be spent?

A: The \$150 billion number was determined by reviewing the history of ANSWER and the history maintained by OMB on what has been spent over a certain amount of time. We can provide the research we did to come up with this number. In today’s environment, we expect an average of \$10 billion a year will be spent on IT. We expect that there will be an uphill slope in spending at the beginning of the contract, a peak in the middle, and that spending will taper off towards the end of the contract period of performance as businesses want longer contracts than the Alliant GWAC will allow. A bell curve.

Q: Will Alliant primes also be able to subcontract under another Alliant prime?

A: We have not determined what types of combinations will be allowed. This issue will be finalized as we determine the evaluation criteria.

Q: What is the difference between the term “reserved” and “set-aside” (the legal terminology)? Will the contract have requirements competed between small businesses or will small business compete directly against larger business?

A: The Alliant contract is not being written specifically for the small business community. There are other Government contract vehicles for this. Alliant will give small business the opportunity to compete and win seats on the contract against large businesses. Our reference point is Millennia and ANSWER. The subcontracting goal under the ANSWER contract is 30%. ANSWER is currently exceeding that goal.

The subcontracting goal for Millennia is 35%, but the actual percentage is much higher at 52%. We plan on working closely with small business on this contract. We are looking at many factors, but have not determined a final structure yet.

Q: Please elaborate on your current thinking about mid-tier definitions.

A: We have asked industry what constitutes a mid-size tier. Most industry partners describe their own business as a response to this question. There does not appear to be a consensus out there. For the purposes of Alliant, internal GSA will provide a definition for the mid-size tier. We will do this collectively as a team.

Q: Explain the on-ramp off-ramp and how it will work with regard to past performance.

A: We may have to exercise the off-ramp if we find someone who is not performing. We don't anticipate needing to do this. Currently under ANSWER, we have past performance surveys on an annual basis. ANSWER past performance has stayed very high.

Q: You are encouraging small businesses to work together. What happens if one member of the team graduates?

A: The on-ramp, off-ramp feature will be structured according to the SBA designations. As small businesses graduate, we will replace them with other small businesses. We want to improve on the great record that ANSWER and Millennia have with small business. We will look at having some type of open season at the end of the first phase to replace those businesses that have graduated. After that, on-ramp activities will be at the discretion of the contracting officer. It may be possible to graduate the entire team if one member of the team graduates. We are working with the legal department to determine these guidelines.

Q: You plan on making 20 awards with 15 going to large business. Based on the current rates, you may end up with 11 large businesses due to subsequent mergers and acquisitions. The downward slide may be related to pre-marketing. Would you consider making more than 20 awards to ensure a large competition pool?

A: Good point. We'll have to look at that. We anticipate keeping the number of primes to the 20 or plus number that we've established. We think this number is adequate even with the current M&A rate of large businesses and re-certifications. However, that number is an approximation. We will make 25 awards if we get that many good proposals.

Q: How are you making awards, as small business awards or full and open awards? If they are full and open, you won't be able to have a set-aside for the on-ramp later on.

A: The contract has not been finalized yet. At the current time, we are working together with OMB to work out this and other details.



Q: Since Alliant is performance-based, has the government considered the award term contract mechanism with regard to ramp on and ramp off activities?

A: We will need to check the business case.

Q: What is the Alliant GWAC's definition of small business – \$10 million or less or 1,500 employees, etc?

A: SBA is in the process of restructuring its definition of small business. We will conform to the SBA ruling. Currently, we define small business as \$21 million or less.

Q: You indicated you are looking at 25% small business participation. Can you explain how this will work? Will 25% of the money go to small business?

A: We are proposing awarding 25% of the 20 awards, i.e. 5 to small business.

Q: Will you provide a master roster listing the Industry Day participants?

A: We will post an interested parties list and an Industry Day attendees list on the Alliant website. The interested parties list will include NAIC code information, prime or sub interest, etc. We will also post contractors from the FAST group. They are small business and a good source for teaming because they have experience obtaining government contracts. We will update these lists on a regular basis. We will also post a link to the upcoming small business conference in Orlando. They are expecting between 3,500 and 4,000 participants and will be a good event for finding teaming partners.

Q: Are you considering opening up the tech-refresh to outside contractors, i.e. contractors not on the Alliant GWAC?

A: No. Due to limits of time and space, we can only invite Alliant contractors and clients that use Alliant.

Q: I understand the ITOP 2 is being taken over by the Pacific Rim GWAC center. Is it possible that ITOP 2 will become a part of Alliant?

A: There is an internal procedure in place for determining if it would be in the best interest of the tax payer to consolidate ITOP 2 into Alliant. The CVRB will look at how ITOPS 2 works and determine if the contracts should be merged.

Q: Can you elaborate on pricing flexibility at the task order level? Will Alliant provide labor categories or leave it up to industry to propose what is needed for specific task orders?

A: Alliant will provide between 50 or 60 skill levels. Even though the contract is performance based, we need a pricing structure. We will provide a ceiling rate for one geographic area. Industry knows that if it goes into Shotgun Wyoming with New York City prices, they probably won't win the work. Industry will need to discount depending on the task order.

Q: Will this contract compete with Connections?

A: Connections and Alliant offer two totally different business lines. They will enhance each other.

Q: Will there be any HubZone requirements?

A: We have not identified any specific socio-economic group in our business case.

Q: What is an "RFC"?

A: Request for Comment

Q: Are you planning to issue a draft RFP?

A: We have not determined that yet.

Q: Are you planning on having Government on-site/off-site rates?

A: We have not finalized that yet.

Q: Can large businesses be on small businesses teams?

A: During our market research, industry has provided us with a number of different scenarios for large and small business participation on the Alliant contract. We will consider all these different combinations when we make a final determination for the contract.

Q: When a small business graduates, does it stay on the contract?

A: Yes.

Q: Have you determined how teams will be evaluated?

A: No. The evaluation criteria and method have not yet been determined.