

SPECIAL REPORT: TOP GWACs CONTRACTORS**In IT market, some contracts rise as others fall**By **DAN DAVIDSON**

It's probably more accurate to think of governmentwide acquisition contracts (GWACs) not as contracts but rather as marketplaces. And like any market, a GWAC can be busy as a blue light special one day and dead as a frozen custard stand in January the next day.

Such is the case with one GWAC that once was the busiest in the field: the General Services Administration's Millennium, which offers customer agencies a wide range of information technology services. Once GSA's pride and joy, this contract, for some years, led all GWACs in total sales. In 2005, Millennium's sales peaked at \$1.35 billion. But the next year, sales plummeted to half that: less than \$700 million, according to figures compiled for *Federal Times* by FedSources, a market research and consulting firm based in McLean, Va.

Experiencing different trajectories entirely are two other GWACs: the National Institutes of Health's CIO-SP2i, (Chief Infor-

mation Officer-Solutions & Partners 2 Innovations), which offers chief information officer support services; and GSA's 8(a) STARS (Streamlined Technology Acquisition Resources for Services), which offers information technology services from small, disadvantaged businesses.

The ups and downs of various GWACs reflect changing buying trends and sometimes outside events, such as policy changes affecting interagency contracting. These changes have had an especially heavy impact on GWAC use by the government's biggest purchaser of goods and services: the Defense Department.

Millennia: On the wane

But also, each contract vehicle has a life of its own, said Ray Bjorklund, senior vice president of FedSources.

"Millennia was a great contract vehicle, but now, approaching its expiration in April 2009, it no longer serves all of today's needs," Bjorklund said. "So people are moving to other vehicles, such as GSA STARS, where they can meet



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Jim Ghiloni, GSA's acting director of the Alliant program, says much of the interest directed at Millennium has shifted to Alliant, its replacement.

their social and economic goals. Or they are waiting for GSA's Alliant and Alliant Small Business [to be awarded later this year], which will better meet their needs."

Jim Ghiloni, GSA's acting director of the Alliant program, agrees.

"Millennia is coming close to the end of its life cycle, and that means many of its ongoing proj-

ects were started two and three years ago and spending on new projects is on the way down," Ghiloni said. Much of the interest once directed at Millennium has shifted to Alliant, which will replace both Millennium and ANSWER, another aging GSA IT services procurement vehicle, Ghiloni said.

Millennia also has suffered from recent moves by the Defense Department to make greater use of its own in-house contracts as a way to save money and avoid continued criticism from auditors about its misuse of interagency contracts.

"The Defense Department has employed its own contracts over the past few years to get more control over their operations," said Paul Murphy, president of Eagle Eye Publishers, a market research and consultant firm based in Fairfax, Va.

This doesn't mean Millennium is gathering dust. Lockheed Martin of Bethesda, Md., a prime contractor on Millennium, says it continues to see its sales increase on that contract and has nothing but praise for it.

"It is a unique vehicle, set up for large-scale system integration-type of programs, and it is one of the few GWACs that held quarterly meetings with its industry partners to discuss changes in the acquisition world or any other is-

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Top 10 in sales**1. COMPUTER SCIENCES CORP.**

Headquarters: El Segundo, Calif.
CEO, chairman: Van Honeycutt
2006 revenue: \$14.6 billion
Services offered through GWACs include: Infrastructure support, interagency data exchange and portal development, shared services, simulations, health care systems
Top agency customers: Environmental Protection Agency, NASA, Army
GWAC awards: Millennium, Millenia Lite, ANSWER, CIO-SP2i, Connections, Seat Management

Statement on GWAC plans: "These contracts are very important to us. . . . We find that GWACs are a very good opportunity to find channels to more business. [The General Services Administration] has done some things that will make it more strategic for [the Defense Department] and civilian agencies to use. We think Alliant [a GWAC that GSA plans to award later this year] will be good also. Alliant uses terminology included in the Federal Enterprise Architecture and Department of Defense Enterprise Architecture, and GSA aligned the contracts around the architecture; and [the contracts] will be very appealing to many people and will make them even more successful. GWACs that don't have specific functional areas but are general are the most successful."

2. GENERAL DYNAMICS

Headquarters: Falls Church, Va.
CEO, chairman: Nicholas Chabreja
2006 revenue: \$24.1 billion
Services offered through GWACs

include: Information systems integration, information system engineering, systems operations and maintenance, logistics management services, medical communications, legacy information systems modernization, training development
Top agency customers: Coast Guard, Federal Emergency Management Agency, Army
GWAC awards: ANSWER, Millennium Lite, CIO-SP2, COMMITS NexGen, Connections,

Statement on GWAC plans: "General Dynamics has access to additional GWAC and GSA schedule contracts as a result of the Anteon acquisition in 2006. General Dynamics will increase its federal GWAC business by actively marketing those vehicles across the wider General Dynamics customer base. . . . Customers are looking for larger-scale integrated information technology and telecom solutions that are effective and save money. The Alliant and Networx GWACs, to be awarded in 2007, will be great vehicles for implementing effective solutions that encompass information technology and telecom."

3. SCIENCE APPLICATIONS INTERNATIONAL CORP.

Headquarters: San Diego
CEO, chairman: Ken Dahlberg
2006 revenue: \$7.8 billion
Services offered through GWACs include: IT requirements and design research, analysis and definition; system development and software maintenance; technical support; network system operations support; systems installation and integration; information center and help desk support; hardware
Top agency customers: Homeland Security Department, GSA, Navy
GWAC awards: ANSWER, Millennium, Millennium Lite, HUBZone, Connections,

Seat Management

4. SRA INTERNATIONAL INC.

Headquarters: Fairfax, Va.
CEO, president: Stanton Sloane (as of April 1)
2006 revenue: \$1.2 billion
Services offered through GWACs include: Systems integration, software development, critical infrastructure protection, information assurance, knowledge management
Top agency customers: Health and Human Services Department, Defense Department (CIO-SP2i); Defense Department, Federal Deposit Insurance Corp., Agency for International Development (Millennia); Justice Department, Defense Department (Millennia Lite)
GWAC awards: CIO-SP2i, Millennium, Millennium Lite

5. LOCKHEED MARTIN CORP.

Headquarters: Bethesda, Md.
CEO, chairman, president: Robert Stevens
2006 revenue: \$39.6 billion
Services offered through GWACs include: chief information officer support; outsourcing; IT operations; integration services; critical infrastructure protection; digital government; enterprise resource planning; clinical support, research and studies
Top agency customers: General Services Administration, Navy
GWAC awards: CIO-SP2i, ITOP II, ECS II, Millenia, Millenia Lite

6. NORTHROP GRUMMAN CORP.

Headquarters: Los Angeles
CEO, board chairman: Ronald Sugar
2006 revenue: \$30.1 billion
Services offered through GWACs include: Software engineering, communications, systems integration, modernization of legacy systems,

software development, network computing, data warehousing, critical infrastructures
Top agency customers: GSA, Defense
GWAC awards: ANSWER, CIO-SP2i, ECS III, Seat Management, ITOP II, Millenia, Millenia Lite

7. BOOZ ALLEN HAMILTON

Headquarters: McLean, Va.
CEO, chairman: Ralph Shrader
2006 revenue: \$3.7 billion
Services offered through GWACs include: Design research, analysis and definition; system development; software maintenance; facilities management, infrastructure and operations; information systems; telecommunications; chief information officer support, operations and maintenance; integration services; critical infrastructure protection and information assurance; digital government; enterprise resource planning; clinical support, research and studies
GWAC awards: Millenia, ANSWER, CIO-SP2i, Connections

8. WORLD WIDE TECHNOLOGY INC.

Headquarters: St. Louis
CEO: James Kavanaugh
2006 total revenue: \$2.1 billion
Services offered through GWACs include: personal computers, workstations, networking equipment, peripherals, software, warranty, maintenance, security, training, professional services, leasing
Top agency customers: Navy
GWAC awards: SEWP III, ECS III

9. CACI

Headquarters: Arlington, Va.
CEO, chairman, president: J.P. London
2006 revenue: \$1.8 billion
Services offered through GWACs include: Systems integration, systems

management, network management, wide-area networks, support for legacy systems

Top agency customers: Defense Department, Navy, State Department
GWAC awards: Millennium Lite, ANSWER

10. GTSI CORP.

Headquarters: Chantilly, Va.
CEO, president, director: Jim Leto
2006 revenue: \$882 million
Services offered through GWACs include: Servers, workstations and software; data storage; network and communications equipment; desktops; laptops; IT peripherals and supplies
Top agency customers: Justice Department, Veterans Affairs, Homeland Security
GWAC awards: SEWP III, ECS III
Example of how company services helped a customer agency: Under SEWP III, GTSI has been able to help the Homeland Security Department do enterprise server consolidations for Customs and Border Protection using many new technologies not available through the GSA.

Statement on GWAC plans: "GTSI intends to grow our business by building on our Technology Lifecycle Management approach to technology-based infrastructure solutions delivered through industry-leading professional and financial services. We will offer a wide range of services to complement our product offerings making it easy for our customers to get affordable, scalable and repeatable solutions that meet their needs."

Biggest growth market through GWACs: Security because of mandates of HSPD-12, enterprise computing, server and storage consolidation; networking; voice over Internet Protocol; unified communications.

Compiled by **Fiona Clem**