



Top Reasons to do Business with the Federal Government

Spending power of the federal government is second to none. The federal government is the world's largest buyer of products and services. It buys just about every category of commodity and service available, in fact, the federal government discretionary spend for 2016 was \$1.15 trillion. The Department of Defense is the largest government contractor, awarding \$31 billion in IT contracts in FY 2017. Rounding out the top five are: • Department of Health and Human Services, \$14 billion • Department of Homeland Security, \$6.8 billion • Department of Veterans Affairs, \$4.4 billion • Department of Veterans Affairs, \$4.3 billion • Department of Transportation, \$3.4 billion (Source: itdashboard.gov)

Government spending is consistent. Unlike spending in the private sector, government spending is somewhat predictable year over year. For example, in FY 2014, federal agencies spent nearly \$75.6 billion on government IT contracts. In FY 2015, agencies spent \$80.4 billion, and in FY 2016, that number was \$82.8 billion.

The government pays its bills on time. While slow collections and some unpaid debts are part of working in the private sector, the government typically pays within 30 days. In addition, some almost all agencies use electronic funds transfers to speed payment.

Location doesn't matter. Federal offices are located around the country, so you typically do not have to live and work near Washington, DC, to do contracting work for the federal government. State and local governmental entities — including cities, counties and school districts — actually purchase more goods and services cumulatively than does the federal government. In fact, there are over 85,000 government entities in the US: 1 federal, 50 states, 3042 counties, 14,566 districts, 31,131 special districts, 35,963 cities and townships, 512 Native American Tribes and 5 US territories.

Average deal size is higher. One of the largest federal contracting vehicles (NASA SEWP V) recently reported that \$165.7 million across 827 DoD contracts were awarded in the month of August...that's an average deal size of ~\$200 thousand.