GENERAL SERVICES ADMINISTRATION

The General Services Administration's Information Resources Management Service (IRMS) will represent the U.S. federal government. IRMS establishes the policies that regulate and support technology projects and procurements throughout the Federal government. In FY92, IRMS delegated contracting authority to other agencies valued over $26 billion. IRMS also establishes schedule contracts for computers, software, telecommunications equipment, and services. In FY92, agencies purchased nearly $2 billion of products and services under these schedules.

The U.S. Federal Market for Information Technology

The U.S. federal government forecast expenditures of over $19 billion (CDN) on information technology products and services in the fiscal year beginning in October 1992. The U.S. federal government buys hardware and software sold on the commercial market. The Electronic Industries Association reports that eighty percent of this budget is spent on complex integrated systems or on large commodities purchases by a single agency. Many major systems acquisitions are co-ordinated by agency headquarters offices in or near Washington D.C. Spending on hardware, software and systems and services in civilian departments is predicted to grow at about two percent a year through 1997, while Department of Defense budgets in this sector are forecast to shrink three percent per year.

In fiscal 1992, the federal government is expected to spend on:

computer services	$ 6.8 billion
systems integration	$ 3.9 billion
telecommunications	$ 4.7 billion
large systems	$ 2.8 billion
microcomputers	$ 1.4 billion
mid sized systems	$ 1.3 billion
software	$ 1.2 billion
workstations	$ 0.5 billion

It is possible to begin by selling computer products and services to a few good prospects in order to develop a customer base. However, the selling cycle is typically twelve to eighteen months for products other than the most basic commodities. Requests for Proposals (RFP's), the principal contracting vehicle for the large systems, are often in development for years.