

Diana Mukitarian:

Thank you and once again welcome to all of you. The good news is that all the products and services described here this morning the NIH does buy. I'm delighted to be able to introduce Diane Fraiser, she is the head of the contracting activity here at the NIH. She came on board about 7 years ago and has heralded this organization through many changes, and—quite a spurt of growth, not just in the NIH mission—it's activities—but also all of the supporting contracts that helped NIH carry out it's mission objectives.

Diane Fraiser:

Good morning.

Audience:

Good morning.

Diane Fraiser:

How are you?

Diane Fraiser:

I'd like to thank all of you for coming out. Those of you who came across the bridge from Virginia give yourself a hand of applause—you made it across. I come across every morning, so this morning wasn't too bad, thank goodness. I'd like to welcome you all to this very historic day, the first recording of Diana's monthly seminars. These seminars provide a wealth of information, as you will learn as you go through this mornings program. You've heard a little bit about the NIH. You've seen the film. So you understand what our mission is—that we are the premiere biomedical and behavioral research organization, not only in the United States but also in the entire world. And how we do that is that presently we are 27 different institutes and centers. The population here at the NIH—the official population is roughly around 17,000 staff, supplemented by various scientists who come and go, providing the benefits of their expertise to enhancing the research that is actually done at the NIH. We are presently about a \$27 billion agency. Most of our research is done in the grants arena, but as far as acquisition is concerned, we have obligated over \$3 billion each year. How does that stack up among the other agencies? Well, the Federal government awards approximately \$250 billion. I think in FY 2002 those were the numbers. The Department of Defense accounts for well over 50% of that amount, but among the civilian agencies we have NASA, Energy, and EPA as the leaders, and then the Department of Health and Human Services. We are the fourth largest civilian agency in acquisition obligations.

Where does the NIH stack-up in that you're wondering? Well, we are over 60% of those obligations. So, when one talks about the NIH in relation to the Department of Health and Human Services, one should realize that the NIH—I don't want to go as far as to say *is* the Health and Human Services—but we are definitely the major player; we are the big gorilla. And so, as the NIH goes so does the Department and that is why we have perhaps the most aggressive—I know the most aggressive program in the Department of Health and Human Services—but I would like to say we have one of the most aggressive

small business programs within the Federal government. And this seminar is just one aspect of our small business program.

Now, why are we so energetic, so aggressive in our small business program? It's because we recognize that innovation, new ideas—basically, you are the folks who employ the majority of the United States population—come from small business. And this country, and certainly this agency, didn't get to where it is today without the small business community. So we want to make sure that you play a viable part in our NIH acquisition portfolio.

Now, we are undergoing major changes in acquisition, regulations and the entire acquisition process. And some of these changes, you may think, have not been beneficial to the small business. And we have folks who—up on the Hill, as well as folks in the Office of Management and Budget—who are looking at specific issues regarding small businesses and their relationship to the acquisition program, their involvement in the acquisition program and to see if, in the last 10 years, some of the changes have caused harm to small businesses. But that's an ongoing effort, and for us to say that we're going to stop what we're doing to wait to see what happens with Congress and the folks at OMB—that would be a disservice to you and certainly a disservice to the NIH because, as I said earlier, we need your efforts, we need your services. And so, at NIH and certainly supported by the DHHS OSDBU, we are looking at other ways that we can make sure that small businesses continue to be a major player in our acquisition portfolio. This seminar is one—outreaching to small businesses. This monthly seminar is held the first Wednesday of every month. I would ask that you tell your colleagues about this seminar, as well as your competitors because the more competition we have, the better off we are in getting the best services. Another aspect of our program—you all have our handy-dandy booklets—and let me say that there's a lot of effort that goes into putting those booklets together and getting them published and having them available to you and your colleagues. Diana has also spent a good deal of time on the small business website. It is probably the best website that the NIH has to offer in the administrative area in providing you with a wealth of information about what's going on, not only at the NIH but also Federal-wide. Diana and her staff also go to various outreach programs that are sponsored by congressional members, as well as local communities. So, if you go to any small business conferences you're bound to see the NIH SBO.

Now, I've spoke about some of the changes that are going on, some of the challenges that we face here at the NIH in the acquisition community as well as that you face in trying to do business with the NIH. I heard that a number of you are in the area of IT. And that has probably been one of the areas that has been most impacted by some of the changes that were introduced to us in the 1993-1994 acquisition streamlining and reform era. With the advent of more government-wide acquisition contracts and more reliance on the general services administrations Federal supply schedules, we have seen more reliance on these types of vehicles as opposed to awarding single contracts for a specific mission or effort, or specific agency. Now why is this a good thing for the agencies? Because, in the sense of timing, we have reduced an acquisition process that might have taken over a year—in some cases, it took sometimes two years to produce a contract with—by the

time it was awarded—an out-of-date statement of work, so that the equipment that was actually received by the government was technically unacceptable. It didn't fit the need, given the changes that are going on in technology. And so, recognition was that we need to do something that would speed up this process, and so the government did away with the old Brooks Act and introduced the Information Technology Management Reform Act, which became part of the Federal Acquisition Reform Act, and really gave incentives to agencies to award these government-wide acquisition contracts.

Now, how many of you are familiar with the NITAAC program here at the NIH? Oh, that's a bad thing [chuckle]. That's a really bad thing, because the NITAAC program is a program—these are for you who are in the information technology field—is a program that covers hardware—from the whole array of manufacturers—it covers imaging, and it also covers, what we want to say, solutions. And the names of the three major vehicles are the Electronic Computer Store III—it's on its third generation; shows you how successful that program has been. The Image World II, and the Chief Information Officer and Partners II. All of them—the information about those programs are available on the NITAAC website, and I don't know if you include that in your booklet. It is in the book?

Diana Mukitarian:

There's information in the booklet and also NIH links under our library and I'll show them that--

Diane Fraiser:

OK. Good. For you who are in IT, these are 10 year contracts and we have, let's say approximately 60 or 70—no it's more than that—it's probably about 100 primes all together, if you add all three programs together. All of the primes have a lengthy list of subcontractors, but the way that the contracts are constructed, if you have something that you can offer a prime contractor, you will be welcomed by that prime contractor to be one of their subcontractors. So, what I'm saying is that it's not locked in stone. There are opportunities out there for you to be subcontractors. But I want to point out something. From the show of hands—and I also heard that some of your companies have been in business for quite some time—you need to make sure that you're looking at not only the FedBizOpps but also looking at the NIH website, looking at our contracts page, coming to our seminars, talking to Diana and her staff, talking to my staff as well as the currently 18 awarding contracting offices that are here at the NIH. And you'll be going through that providing information, actually—who has a contracting office here at the NIH. You need to keep on top of our marketplace. It's a constantly evolving marketplace. The agency has grown in the last 5 years—I believe that many of you are familiar with the commitment that was made by President Clinton, that the NIH would grow by 50% in the next 5—when he said it, in 5 years, and it has doubled to the amount that we are talking about now. We are seeing, in the area of biodefense, that the National Institute for Allergy and Infectious Diseases will probably grow significantly with all the dollars that are being geared towards biodefense and trying to combat terrorism and various afflictions and diseases that are out there such as SARs and the continued support of

AIDS, but definitely looking at the various—small pox, anthrax and all of the other bioterrorism that is reported every night on the news, unfortunately.

So, you need to make sure that you pay attention to our marketplace so that you are aware of what the NIH is buying. And one thing that you should get from this seminar is that—and I recommend this for anyone that comes and talks with me—the contracting officer is really a conduit to program. Program is your customer, and program will be the folks who have the actual requirements. So you need to get to program. But when you get to program—when you get your little foot in the door, you need to make sure that you know what they consider a priority. And in this age of information that—what is a priority to that project officer is available on that institute's website. So, I implore all of you to visit not only the NIH home page, but to also go through and target a specific institute and become very familiar with their budget—which is publicly available information—to become familiar with the programs that they are interested in—what their priorities are for that program—and, from then, to meet with that program official and tailor your presentation to his or her specific needs. Because again, I said we are facing many challenges in the acquisition field as well as you are in trying to get business with the NIH. We now—we know that these GWACs are out here, and they're out here primarily in the IT arena but there are contracts also in the area of communications that we have here at the NIH, logistical support, and so you need to make sure you're aware of when those contracts go up for renewal and what the subcontracting possibilities are. But then you also need to be aware that there are areas that you can target your specific niche—your specific expertise, and talk—find that project officer, because once you get your foot in the door, and once you've had that half hour meeting with that person you are so many steps ahead of your competitors in getting that project officer to understand that, yes, 1) a small business can take care of my needs, so that when I am thinking of this requirement—when I make a recommendation to the contracting officer I can say, "Yes I have found a small business who can fulfill my needs." And we can go into the small business arena without having Diana's office to have to go back to program and say are you sure there are no small businesses out there? And for her to really—I don't want to say "sit on", but to go to bat for small businesses. So you can actually be your own advocate by going out and marketing and making sure that you instill in that project officer your expertise and that he understands that you can do the job.

Now we also have the issue of A-76—that is prime on everybody's mind. In A-76, we're doing major buys—major studies, of work that has been done by Federal employees. In some cases these will be massive requirements that, perhaps on onset, you could not tackle as a prime—but you should be looking for subcontracting opportunities. But there may be some out there where you do have the expertise and they may be presented in a way which is welcoming to small businesses. So again, you need to be on top of what's going on, not only by looking at the FedBizOpps but also by keeping track of what's going on here at the NIH. And so, by doing that you'll be getting that information and you will make sure that your expertise becomes part of the NIH portfolio, because in the end, what this seminar is about—it's about giving you the information that you can take back to your company and say, "Look, this is how they advised us on marketing to the NIH." Not broad emails to everybody and their brother, because it gets read and

probably in a lot of cases deleted—maybe in some of the cases not even read just deleted. Better that you target your audience, you target your institute, you target your program if you could even do that, and that you then sit down with that program person and explain to him your service—your product, and get that person to buy-in that it's something that is really needed—that it will fulfill his or her requirement. And through that—that is the best marketing that can be done. Because once you get your foot in the door in one institute and you do well—and I'm sure all of you will do well—then that information will flow from project officer to project officer to project officer and you will become a returning business to the NIH.

I will close with just a session that I had with Diana and a contractor about a couple of months ago. And when they were making their presentation, they were talking about all the contracts that they had at the NIH—and it was a requirement that my office had, and so I asked the question, "How do you have all these contracts with the NIH?" They, I don't believe, are even on the GSA schedule. And the response was, "Well, we did work for Dr. so-and-so and he was really pleased with our work, and so he was talking to his counterparts and they brought us on board; they were really pleased with our work..." and so on and so on and so on. So, that is the key to getting business here: get your foot in the door, do well, and then the word of mouth will go on.

So, with that I will close and I will return the program to Diana and to the Small Business staff. I, unfortunately, can't spend more time with you. I have to get back for more meetings, but I do want to wish you all the best of luck and thank you again for coming out.