

## Cloud Spending on GSA's Alliant Large and Small Business Contracts

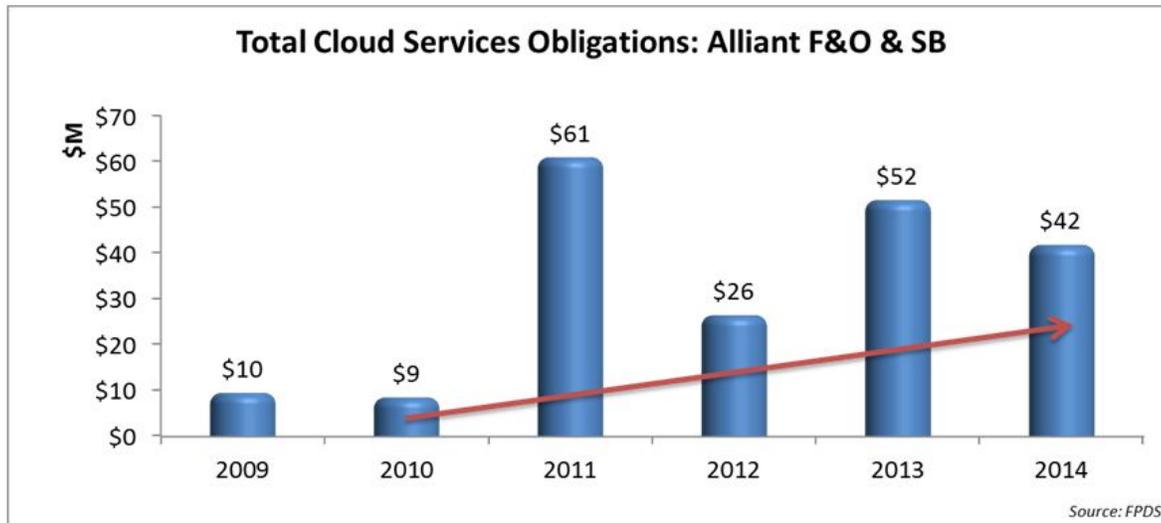
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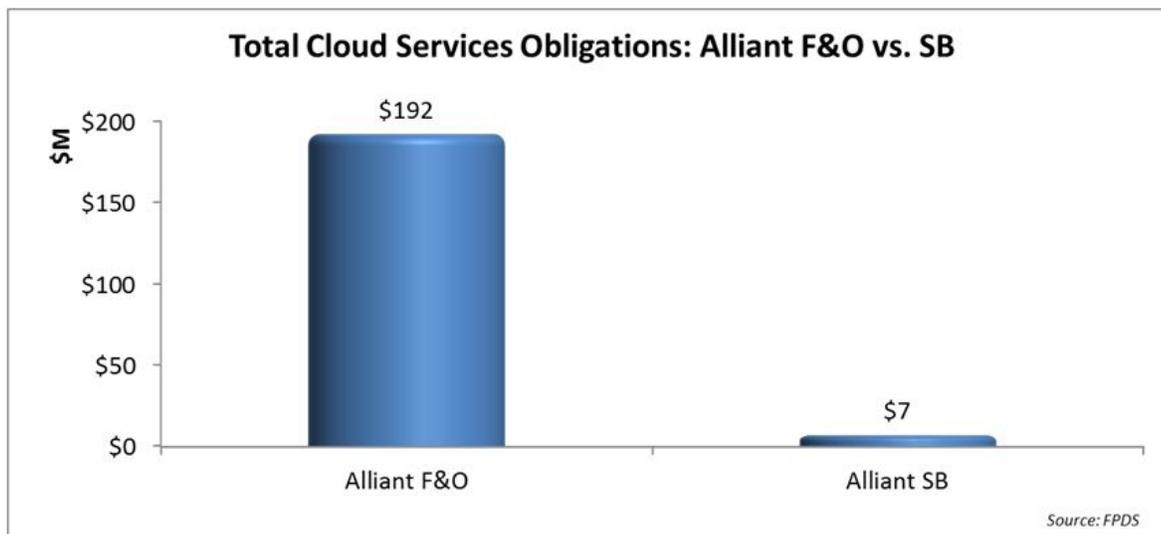
Last week's post provided a brief analysis of spending on cloud products and services procured through four Army-specific contract vehicles. This week expands the view a bit to examine spending on cloud services through the General Services Administration's massive Alliant Large and Small Business Government-Wide Acquisition Contracts, or GWACS.

Since their inception in fiscal 2009, federal agencies have obligated more than \$8.6 billion for IT services through the Alliant GWACS. Procurements for cloud services over that time span total more than \$199 million (2.3%) of this spending. Two-plus percent isn't a lot of money in the grand scheme of things, but it is a significant start considering that the broad adoption of cloud services by federal agencies didn't really begin until fiscal 2011. Nit-pickers are asked to keep in mind that "broad adoption" is a relative term used here to denote growth in government cloud spending from practically nothing in FY 2009 to nearly \$1 billion overall in total awarded contract value in FY 2011.

Returning to spending on cloud services that has gone through the Alliant vehicles specifically, the chart below provides a look at the available data sorted by fiscal year.

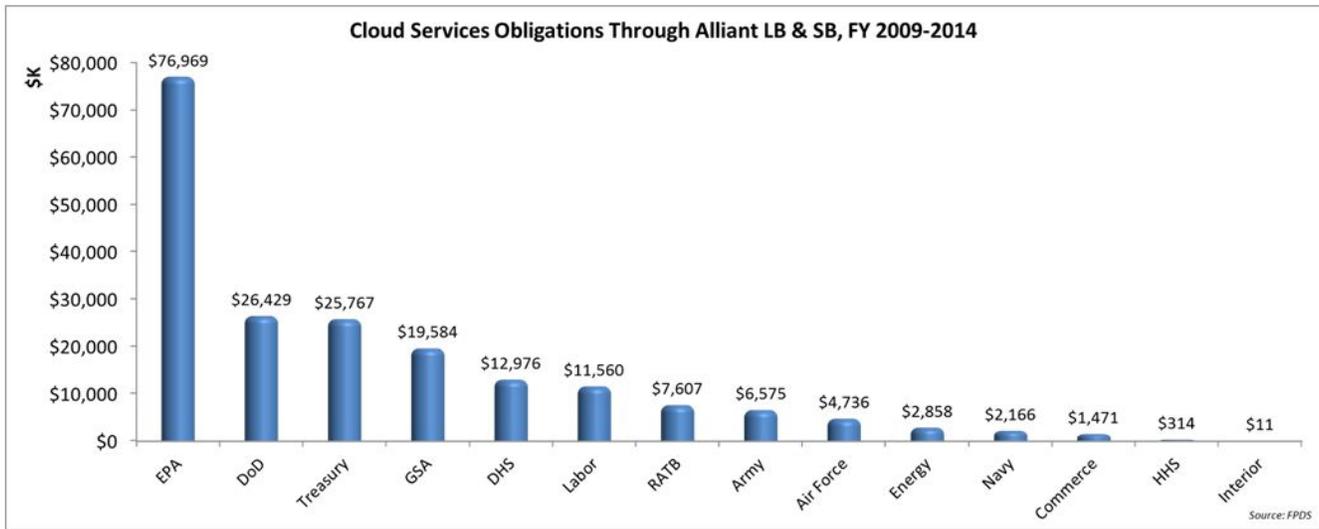


As we can see, spending on cloud services jumped significantly in fiscal 2011, establishing a pattern of overall higher annual spending per year that continues to this day. In fact, with data for the Department of Defense still trickling in for Q2, it looks like fiscal 2014 will end up seeing the highest spending on cloud services ever through the Alliant vehicles. This spending breaks down as follows in the large vs. small business contracts.

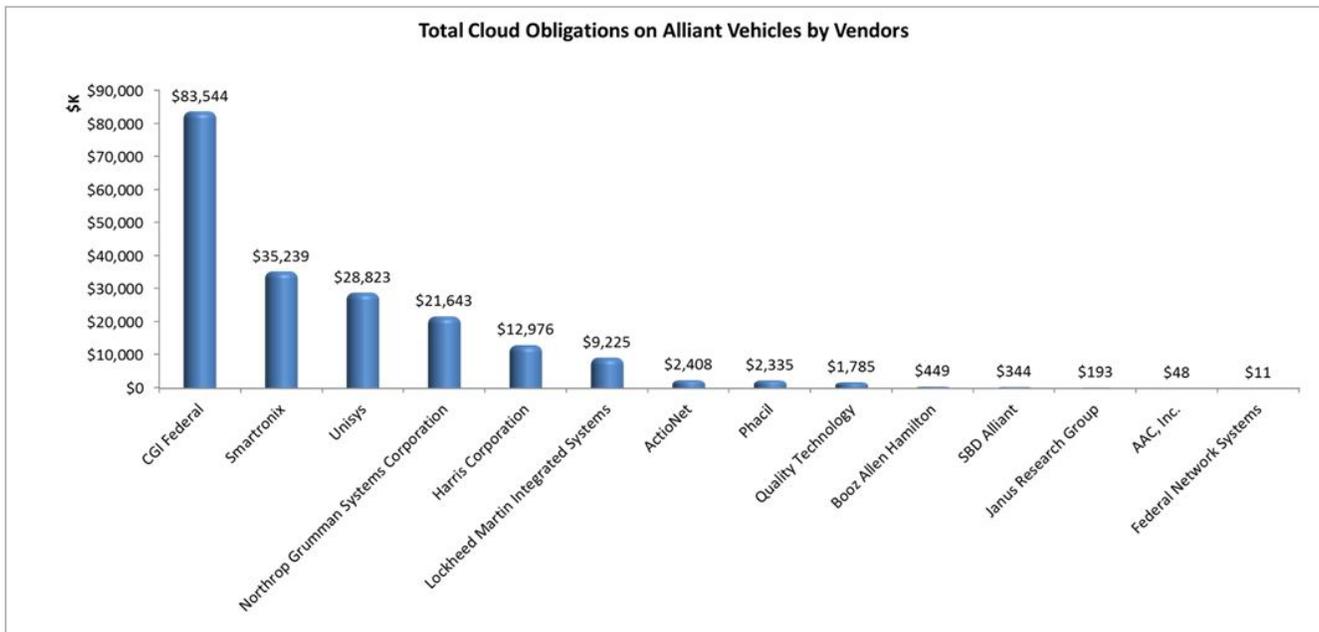


Surprised? I was. The talk in industry circles holds that government customers often issue market research for cloud procurements to Alliant large businesses and then compete the respective contracts to Alliant small businesses. The chart above demonstrates, however, that much more money goes through the Alliant Large Business vehicle than Alliant Small Business.

How did this spending break out by agency? As the chart below shows, both Defense and Civilian market sector customers make use of the Alliant GWACS. The EPA's spending here is the Central Data Exchange (CDX) program, which is in the process of integrating cloud computing concepts and strategies to gain operational efficiencies, reduce costs, and increase agility.



Finally, slicing the data by vendor, we see that CGI Federal has been the biggest earner on Alliant. This isn't surprising given that it is the prime for the EPA's CDX Program. An interesting trend worth noting is the weighting on the chart of large vs. small businesses. The top six vendors on the left of the chart are all large businesses while ActioNet, Phacil, Quality Technology, SBD Alliant, Janus Research Group, and AAC are all Alliant small businesses. Intermingled with them are Booz Allen Hamilton and Verizon, which owns Federal Network Systems.



So, what does this data tell us? It says that cloud spending on the Alliant GWACs is growing. In this sense it mirrors overall growth in the procurement of cloud services across the federal government. When compared to other data on the cloud market that FIA has provided elsewhere (see our [Report on Cloud, Data Center Consolidation, Big Data, and Mobility](#)), the Alliant data also tells us that agencies are relying on Alliant to procure cloud services in conjunction with several other acquisition approaches, including unrestricted and GSA IT 70 competitions. In short, striving to position cloud offerings on GWACs like the Alliant II follow-on should be part of every vendor's business development strategy. Federal customers will look to Alliant II for the cloud solutions they need. The question is will your company be positioned to compete when they come knocking.