

Where the Stimulus Package Meets Business Opportunities: CBP's Non-Intrusive Inspection Systems

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Many vendors are wondering A). are the opportunities in the stimulus package real, and B). how is GovWin matching up stimulus spending with database opportunities. Well, let me try to use [Customs and Border Protection's \(CBP\) Large Scale Non-Intrusive Inspection Systems](#) opportunity as an example. We are currently tracking the re-compete of a \$750 Million multiple-award contract which will expire in September 2010. Non-intrusive inspection (NII) has become higher profile at border crossings and ports of entry as it allows DHS to scan baggage, individuals and cargo through scanning and detection rather than physical searching. This is the type of technology which allows efficiency, cost-savings and security to improve simultaneously.

Stimulus Spending Implications

When the stimulus legislation was finalized in the joint committee conference this week, DHS had received additional funding to the tune of \$100 Million for NII technology. Having worked on DHS opportunities for about 2 years here, I immediately thought of the CBP NII contract mentioned above. It wasn't a stretch to let vendors know if their organizations are interested in NII technology, they should be aware of the \$100 M in the stimulus package. Since it will be at the discretion of CBP officials to delegate this spending, it is hard to know at this point whether this will be a unique contract opportunity or rolled into the NII contract. The Obama administration would like this money to enter the economy as quickly as possible which means, it could be in the hands of a private company through an established contract very quickly. However, he also has been promoting competition and openness/fairness in government contracting so, a market competition while taking longer would be a better way to get the money to the vendor community.

Contract Spending Implications

The other interesting note about this contract is the value vs. the total ceiling value. As of 4QFY08, this contract has obligated almost \$200 M of the allowed \$750 M ceiling value allowed. Would adding \$100 M into this contract really stimulate the economy? I'm not an economist, so I probably shouldn't be speculating. If this money is rolled into this contract, a few of the vendors would win tasks for this technology, hire more workers and record profits (presumably) which they'd pay taxes on. Ultimately, it would take the spending from \$200 M to \$300 M overnight, but how much difference does that make in the overall economy?

Bottom Line

Ok, enough speculation. The point is, even with that boost and two more years on the contract, it's unlikely that this contract will reach the \$750 M ceiling value. When it comes time to evaluate a re-compete strategy, CBP will have to decide whether they want to continue the multiple-award, task order structure or move to a more specific type of contract activity. Meaning, CBP might try to identify niche technologies, services-related requirements and/or equipment requirements thus creating a contract or several contracts which target these specific areas more intently. Regardless of what they choose, we can track this requirement because we know that border security and detection systems will remain a hot topic in Congress and some form of business opportunity will materialize as this set of contracts expires.

These are all issues and questions that arose from a conversation between Jason Miller and I while recording GovWin's Opportunity Tracking segment with Federal News Radio. Listen for the segment this Monday, February 23rd on your drive home from work (around 5:30 PM). For more information on this opportunity please visit [GovWin Opportunity ID #43656](#) (log-in required), on the economic stimulus visit GovWin's [Economic Stimulus Knowledge Center](#) and remember to listen to [Federal News Radio](#) for breaking news and insight.