

COVER STORY

LM Roundtable:

# WHY WORK



# FOR UNCLE SAM?



Arlington National Cemetery has been outsourcing grounds work for years.

**Maintaining federal properties poses unique challenges, but it may be the ideal fit for your organization. Our expert panel explains how to make it work.**

BY GEORGE WITTERSCHEIN

#### **Widely held landscape contractors' Belief**

**#1:** The federal government is grandfather and grandmother to The Customer From Hell.

#### **Widely held landscape contractors' Belief**

**#2:** For a select group of insiders, the federal government is the ultimate cream puff customer. Unfortunately, no one knows how to join this hidden circle of contractors, rumored to have signed secret documents in their own blood.

The truth lies well between the two extremes, so we've asked five insiders with federal work experience to explain how it really works.

#### **Our expert panel**

► George Gaumer, national sales and operations manager for the Commercial Services Division of The Davey Tree Expert Co. in Kent, OH. Gaumer's division does landscape maintenance and some of Davey's federal customers have included Arlington



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National Cemetery and the Pentagon.

► **Erik Dihle**, horticulturist at Arlington National Cemetery in Arlington, VA. He's an experienced federal government administrator of green industry contracts.

► **Jim Stamps Jr.**, president of JSM Services Inc., Tampa, FL. His company does about \$1.5 million worth of business a year, providing consulting services to landscape businesses and executing customized contracts for customers, including the federal government.

► **Joe Smith**, president of Embassy Lawn & Landscaping Inc. in Kansas City, MO. His \$4-million firm has a diversified customer base, including the Department of Defense at Petersen and Grand Forks Air Force Bases, and the Army Corps of Engineers.

► **Brad Boyajian** operates Golden Bear Arborists Inc. in Monrovia, CA, which he started in 1968 and then sold to LandCare

USA (now TruGreen-LandCare) in 1998. The company goes about \$14 million in annual sales. His federal government experience included tree trimming at El Toro Marine Air Station in the 1980s and early 1990s.

#### The questions

**Q:** Is working for the federal government as much of a hassle as it's cracked up to be?

**A:** Yes. It's different in any number of ways from private sector work.

**Gaumer:** Overall, the government is more difficult to work for. They have very strict rules of performance and a lot of paperwork. It's just a very difficult way of doing business. For example, they have an entire nomenclature all to themselves. Every "i" has to be dotted and every "t" has to be crossed or you don't even get through the proposal phase.

There are no handshakes over a hamburger and a beer. And this isn't bad — as a taxpayer you like to see that the government is run this way — although an inexperienced contractor might look at their rules and say, "This is insane!"

**Stamps:** There are some tough aspects to it and you have to understand the paperwork. If you do not fill the forms out right, you will get rejected. The basic bid process seems simple: The federal government advertises for the solicitation in a publication called the *Commerce Business Daily*, and the process is set up to take somewhere between 90 and 120 days. But I'd say in 90% of the cases, it takes much longer than that. There are always questions, follow-up, indefinite delays — a lot of bureaucracy.

The federal government wants the best job they can get. For the most part, they write good specifications and that can get somewhat confusing if you're not up to it. Everything is up front, in writing and it's very disciplined. That intimidates a lot of contractors.

One other reason why more contractors don't bid on government work is the current economy. While they would be going through the bid process, they could be making money out in the private sector. Why bother reading the *Federal Acquisition Regulations*, which is an 8-inch book?

**Smith:** Because of all the paperwork, it's the kind of work that requires a well organized contractor — very well organized. I would emphasize that.

**Q:** Just how bad is that paperwork and red tape?

**Gaumer:** They hold you to your promises. For example, you will have to contend with the Performance Work Statement. Within that, there's a Performance Requirements Summary, which is a

## Work the Web for work

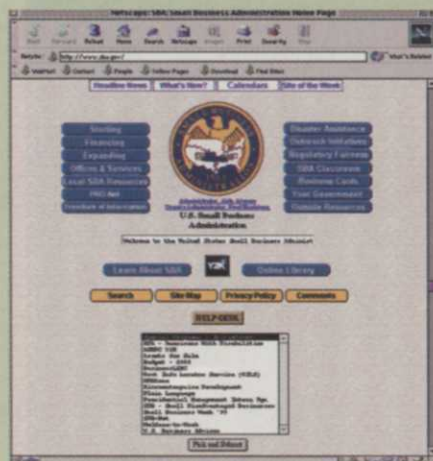
*The Small Business Administration.*

Their Web site [www.sba.gov](http://www.sba.gov) has a useful online library. Also, your nearest SBA office is a good source.

*The Commerce Business Daily* is a massive U.S. Commerce Department publication listing most of the government's solicitations for bids (for everything from guided missiles to safety pins). Perhaps the most useful version of is online at <http://cbdnet.access.gpo.gov>.

It is free. (The print version costs \$324 annually for first-class postage; \$275 for regular postage).

*General Services Administration.* Web site: [www.gsa.gov](http://www.gsa.gov) (Click on "Public Buildings Service.") The PBS owns or leases 8,300 buildings, and is one of the largest property managers in the country.





► **DIHLE:** Good companies approach doing federal government work as they would their most visible and demanding private sector customers.

method of surveillance. The Quality Assurance Evaluator (QAE) will inspect your work, probably by doing a random sample.

You have to stay within a posted level of defects allowed per plot. A plot may be a one-acre area, depending on what kind of task you've defined. That can be set in the contract as one, two, three or zero defects per inspection. Your payment for that monthly billing period is docked for any defects beyond that. The QAE can be like a state patrolman on a radar gun, and can nail you for 36 in a 35 zone. Often, they will do that early on in a contract to whip the you into shape. Clearly, there are teeth in this that you generally don't see in a commercial contract.

It's a different world, a different environment with different terminology, and it's full of rules that are so difficult to comprehend.

**Dihle:** The government is under a lot of pressure, as are we, to make very efficient use of our money and put quality first. You can expect to encounter government managers who will ask the tough questions more often and who want you to meet tough, professional, industry standard specifications on contract work. Good companies approach doing federal government work as they would their most visible and demanding private sector customers. The days of shoddy grounds at federal installations are over.

**Stamps:** Most defense bases are like small cities. You've got several people with a different understanding of what you're supposed to be doing. You have to satisfy all of them — the civil service people, public works, engineering and of course, your QAE.

**Smith:** One of the oversights I made when I got into one of my first contracts is that typically, they are bid with extensions

— there's a base period and several extension periods. The entire contract might be based on a five-year period, but that's at the government's option to extend. Hopefully for the contractor, it will work out so that it is a nice long-term contract. But if you don't cover your costs up front, it could be terminated after a year. Or you get renewed, and you could be working at a loss.

**Boyajian:** As a general rule, the government will accept bids that are too low, and if you're down there too low, you're forced to cut corners and maybe not keep up to your normal standard of work. This results in the inspectors becoming predisposed to dealing with someone who is not doing a good job. They overcompensate by making things difficult.

**Q:** If it's that bad, why does anybody ever do this work?

**A:** If you can master it, there are some real pluses to government contracting.

**Gaumer:** They are very good payers. If you can complete the work to their satisfaction, they pay you instantly. Once you get the job, you know you've got it for a specified period of time, and if you do a good job in most cases, you have a good shot at keeping the contract.

**Dihle:** There's a lot of growth and opportunity for contractors. At Arlington National Cemetery, our in-house work is being phased out and we are expanding our contracts. We had around 30 people on our grounds payroll, and now we're down to 15 and shrinking.

We contract for mowing, trimming, leaf removal, sodding the gravesites, picking up trash and debris and refilling sunken graves. That has been outsourced for the last 20 to 30 years. The contract is currently around \$1.2 million per year. We have a contractor weeding and mulching, and that's



Inspectors regularly make sure maintenance work is performed on schedule and according to specifications.

worth around \$250,000 a year; ditto for the turf applications, also at \$250,000.

**Smith:** If you want to diversify your product and customer mix, government work is a way to do that. For the sake of stability, I recommend you not make it your whole focus. But if you go into another geographic location and do a federal contract successfully, you develop a whole new set of vendor accounts and relationships, maybe to the point where you can develop a satellite office. We did.

**Boyajian:** Once you have a certain amount of government business acumen and are able to understand the system, it starts working for you. It can even become exclusionary. We did government work until we hit the small business set-aside



► **BOYAJIAN:** Establish credibility as a good guy. Once they know who you are and that you are a solution and not a problem, they are easier to deal with.

limit in the early 1990s. We were in a select group of contractors who understood the system and worked with it. The paperwork, and getting paid promptly, just followed. The difficult process that everybody perceives is something you can master. If you're doing what you need to be doing, the roadblocks are not really that difficult.

Once you establish a certain credibility and they perceive you as one they can depend on not to compromise them in any way, the doors start opening.

**Q:** Sounds like some contractors should look into doing government work and others should not. How can I tell which group I belong to?

**A:** First, do you qualify as a small business for the federal set-aside? The definition of a small business has changed over the years, and it is best to check with the federal agency's contracting office or your local Small Business Administration office.

Don't give up if your company doesn't qualify — the set-aside requirement is waived on occasion because of the size of the facility or the scope of work. Also, subcontracting work may be available through

a general contractor (construction projects often include landscape, turf installation and maintenance for at least one year). (See sidebar below.)

Second, all of our sources agreed overwhelmingly on the characteristics the ideal federal government contractor should have: discipline, organization, patience and persistence.

"You have to have a good strong administrative staff, because you do not want to lag behind with your paperwork. That can be a death knell," adds Stamps.

**Q:** If I do decide on bidding on these jobs, what advice do you have for me?

**Smith:** First, gain experience. The government sector is a specialized niche area within the landscape industry. Start at the small end. Work at the local community level, maybe for a couple of parks and recreation departments.

Second, follow contracts until you understand them. We are doing Petersen Air Force Base now, and that is a contract I followed for seven years before we bid on it.

Focus on contracts that you would like to get. Follow them for a couple of years

and see what it takes to do the projects.

**Boyajian:** There is a tremendous amount of information available now on the Internet (see sidebar "Work the Web for work"), but it's still a good idea to attend the Small Business Administration seminars.

Also, establish credibility as a good guy. Once they know who you are and that you are a solution for them and not a problem, they become easier to deal with. Once you prove yourself, they tend to leave you alone. They're not out there telling which branch to prune or doing soil tests to make sure you applied fertilizer.

Communicate with your government clients. Let them know when things change or when something happens in the field. Tell them: "This is what happened and this what I'm going to do about it. Do you agree?"

**Gaumer:** Get in your truck and visit the local federal contracts sites themselves.

**Smith:** Even if a project isn't bidding right now, you can watch the contractor, observe what they're doing and document it. See what it takes to do the job and how many employees it takes.

**Dihle:** Understand the facility's purpose. For example, Arlington is a unique place. We have 3,000 ceremonies of various kinds per year and about five to six million annual visitors. Corny as it may sound, the contractors who do the best here are the ones who realize the significance of Arlington cemetery — that it has a strong emotional tie for millions of Americans. Contractors who understand that a federal site is a place with purpose, and that the job is not just a money issue, will have the most success with federal contracts.

*The author is a contributing editor based in Mendham, NJ.*

## The Big BOSS

In an attempt to gain efficiencies, save money and make life simpler for itself, the federal government is increasingly using Base Operating Support Service contracts.

What are they? These are *big* contracts that combine all the different things a facility needs to operate into one bid. Huge corporations specialize in doing these contracts, which can include everything from air conditioning to coffee machines to FM antennas. The contractor then breaks the contract down into its component parts, which also include landscaping, tree work, lawn work, etc.

Will these huge contracts drive you out of the government market? Not necessarily. Green industry work is a relatively small part of the whole, and you may be able to grab that work as a subcontractor, especially if you can position yourself as taking a minor but annoying burden off the general contractor's shoulders.

The silver lining for BOSS: the general contractor handles most of the interface with the government bureaucracy, including much of the paperwork/red tape hassle factors.