



Federal Government Procurement Market Analysis

Prepared for: Med Tech Manufacturing

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Purpose/Intent: The purpose of this analysis is to focus your company's efforts and resources on marketing to those federal agencies most interested in buying your products. In order to reach that outcome, historical buying patterns of the federal government were analyzed over the past 3 years. The results and conclusions of this analysis are provided for your consideration. *(It should be noted that past purchasing behavior is no guarantee of future purchasing intent, but is more of a guideline of those agencies that should be considered for marketing efforts. In addition, this data changes frequently as updates are entered by federal agencies and totals should be used more for determining priorities of marketing efforts.)*

NAIC/PSC Codes Analyzed for this Study: Med Tech Manufacturing has an updated SAM listing which includes three different NAICS (North America Industry Classification System) codes and no PSC (Product Service Codes). It is recommended that Med Tech Manufacturing add a few PSCs to its SAM listing, in order to broaden the potential 'hits' by contracting officers searching for products similar to Med Tech Manufacturing's:

PSC codes to add: 6510 Surgical Dressing Materials
 6515 Medical Supplies
 6530 Hospital Supplies

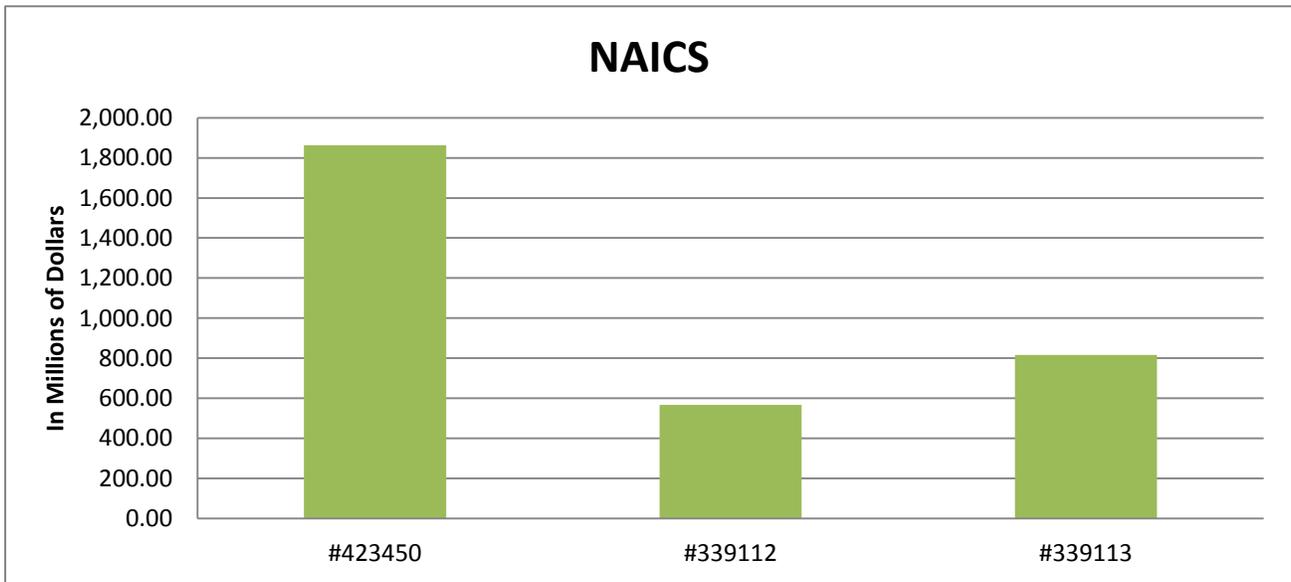
The NAICS codes from Med Tech Manufacturing's SAM listing were used in searching through subscription based Proximity System and FPDS.gov (Federal Procurement Data System) database for historical data. The subset of Med Tech Manufacturing's codes listed below were determined to be the most relevant and frequently used by the federal purchasers:

339112 – Surgical and Medical Instrument Manufacturing

339113 – Surgical Appliance and Supplies Manufacturing

423450 – Medical, Dental, and Hospital Equipment and Supplies Manufacturing

Below is a chart showing how much money is spent total for each NAICS code over the last 3 years. This list is comprehensive and includes all agencies purchasing in these NAICS codes.



Targeting Federal Agencies

NAICS	Agency Name	Total Spending
339112 – Surgical and Medical Instrument Manufacturing	Defense Logistics Agency	\$475,338,084
“	Department of the Army	\$66,352,264
“	Federal Prison System	\$16,957,786
“	Department of the Navy	\$5,434,695
339113- Surgical Appliance and Supplies Manufacturing	Department of the Army	\$387,657,880
“	Defense Logistics Agency	\$294,901,287
“	Department of the Air Force	\$25,189,217
“	Department of the Navy	\$23,537,047
423490- Medical, Dental, and Hospital Equipment and Supplies Manufacturing	Defense Logistics Agency	\$657,579,388

“	Department of the Army	\$130,482,802
“	Department of the Navy	\$16,035,039
		Total: \$2,099,465,489

All federal agencies worldwide were queried for the codes listed above. Purchases are detailed by the top buying agency and total dollar volume per purchase, spanning activity during the previous three years. (This will indicate which federal agencies are the largest consumers of products similar to those that Med Tech Manufacturing sells.) In the analysis for Med Tech Manufacturing, the top identifiable agencies include: DLA, Army, and the Navy. More agencies beyond those listed above do make purchases in Med Tech Manufacturing’s product codes, however, this listing easily represents 85% – 90% of the federal market for these products in the past 3 years. The vast majority of this listing represents the Department of Defense and the Defense Logistics Agency.

Existing Competition: Prime Contractors doing business with federal agencies were also queried for Med Tech Manufacturing’s codes. This will give Med Tech Manufacturing an updated snapshot of its greatest competitors already in the federal market. Prime contractors are typically well-positioned in the federal arena, have a positive government performance record, and consistently obtain the most frequent and the largest contracts. The vendors currently selling to the federal government are identified below:

NAICS	Company	Company Type	Total Awards	Avg Contract
339112 – <i>Surgical and Medical Instrument Manufacturing</i>	General Electric	Large Business	\$163,468,557	\$402,632
“	Philips Medical	Large Business	\$133,301,127	\$405,171
“	Zoll Medical	Large Business	\$44,016,572	\$46,480
339113- <i>Surgical Appliance and Supplies Manufacturing</i>	Atlantic Diving	Large Business	\$192,200,878	\$146,830
“	Ceradyne, Inc		\$53,743,395	\$2,149,735
“	Composix		\$48,984,494	\$1,194,743
423490- <i>Medical, Dental, and Hospital Equipment and Supplies Manufacturing</i>	Allied Joint Venture	Large Business	\$87,765,150	\$30,484

“	Siemens Medical Solutions	Large Business	\$79,322,084	\$550,848
“	Management and Technology Solutions	Large Business	\$59,097,517	\$738,718
“	AFGA	Large Business	\$46,087,626	\$343,938

The companies listed as Large Businesses means that they should be willing to partner with a small business like Med Tech Manufacturing for projects. The top 5 buyers for each NAICS code were above 40 million dollars over 3 years. This identifies a positive and a negative. The positive is that there is a substantial amount of money being made, but that the competition is well established and entry into the market would be tough. The results of the search indicated a variety of smaller businesses competing for the contracts under the \$100,000 mark. All of the companies on this list with the exception of Zoll and Allied Joint Venture are averaging between \$146,000 - \$2.15 million. This means that the smaller contracts will most likely not put Med Tech Manufacturing into direct competition with these larger companies.

It should also be mentioned that copies of actual contracts awarded to these companies can be requested through contracting officers. This is a FOIA request (Freedom of Information Act). The agency must provide the contract information unless it includes classified information. Some agencies allow this request to be made by email or phone, and some may require a formal written request. Contracting officers are unlikely to respond to a need for immediate information and will vary in response times. However, it’s a great way to better understand the competition, how they bid, and who they use for subcontractors.

Targeting Geographical Areas: The purchasing history data was also sorted by state to identify which geographical areas have received the highest amount of purchases in Med Tech Manufacturing’s codes during the previous 3 years. The results don’t indicate any particular geographical groupings with most NAICS codes having a state from the East, Midwest, and West. Due to the nature of manufacturing contracts, the place of performance does not have to be close to the agency purchasing the product.

NAICS	State	Total Spending
339112 – Surgical and Medical Instrument Manufacturing	Wisconsin	\$165,328,425
“	Washington	\$139,888,452
“	Massachusetts	\$51,699,669
339113- Surgical Appliance and	Virginia	\$217,565,143

<i>Supplies Manufacturing</i>		
“	California	\$95,782,946
“	Illinois	\$38,735,361
<i>423490- Medical, Dental, and Hospital Equipment and Supplies Manufacturing</i>	Florida	\$143,362,854
“	Illinois	\$50,827,447
“	Massachusetts	\$43,637,154

Procurement Forecasts by Federal Agencies: While reviewing historical patterns is helpful, knowledge of upcoming purchase plans can be an even better method of positioning a company to obtain a contract. Procurement forecasts are available online from federal agencies earlier cited:

The Department of Defense combines their forecasts under a webpage for the OSBP – Office of Small Business Programs: <http://www.acq.osd.mil/osbp/sb/opportunities.shtml>. Unfortunately, each agency has their own format and level of detail for forecasts and it requires a certain amount of time to review each report and identify possible contracts. Once an upcoming contract is identified, the contracting officer should be contacted for further information and a copy of the previous awardees information.

Networking/Conferences:

Medical Devices Summit:

When: Wed, Oct. 9-10, 2013

Where: Minneapolis, MN

Topic: “We will be bringing together industry professionals to discuss how medical devices will be impacted by the changing healthcare system in our country, how the current business model is changing and who the new players will be, how to be involved in the rapid globalization of the industry and how to foster innovation and plan for compliance” (Website review).

Website: www.opalevents.org/p/74/medical-devices-summit-midwest

Measurement, Design, and Analysis Methods for Health Outcomes and Research:

When: Mon, Aug 19-21, 2013

Where: Boston, MA

Topic: “Participants will learn to design, implement, and analyze health outcomes studies and critically review and use outcomes research data for clinical decision-making, health care planning, and technology development. Who Should Participate?: Pharmaceutical, health care technology, and biotechnology researchers desiring to measure patient-reported outcomes, such as quality of life and treatment satisfaction, to support the benefits of their products” (Website review).

Website: <https://www.govevents.com/details/8833/measurement-design-and-analysis-methods-for-health-outcomes-research>