

Government spending spotlights NeoCon East market

By Melissa McGuire

BALTIMORE—The contract market may be in the midst of a downturn, but it doesn't mean there aren't any bright spots. For those involved in government work or General Services Administration (GSA) schedules, last week's NeoCon East could have been the center of the universe. To illustrate, Merchandise Mart Properties, Inc. (MMPI), show owner, billed it as "the only design expo and conference for government interiors and the most efficient and effective way to see thousands of [GSA] products all under one roof."

Thousands of professionals attended the two-day event to peruse the many products, resources and services, in not only government sectors, but also corporate, hospitality, healthcare, retail and education/institutional.

"We're seeing an uptick in all areas" said Mark Falanga, senior vice president of MMPI. "This has been demonstrated here with attendance up over last year as more companies are bringing more people with them."

On the exhibitor side, not only did the numbers mirror last year, but those interviewed by

FCNews were pleased with traffic. Crossville was a case in point. "We've had a great show," said Laurie Lyza, director of marketing. "Our booth hasn't seemed to slow down."

Doug Freeman, of Tandus, agreed. "I'm very happy with the turnout. We had a lot of interest which made for a busy two days."

By all accounts, the commercial market is still declining and many economists predict a slow recovery. But the key word is recovery. "2010 will be much better for the industry," Falanga predicted. "Even though commercial is down, the pain is easing because the government is buying."

To illustrate, in the first half of its 2009 fiscal year, the federal government spent about \$3.6 billion—a 156% increase over all of 2008's expenditures. "Much has to do with the new administration," he said. "Every time an administration changes, there's a spending spike. This time, there's also a party change."

In fact, federal stimulus money has already been allocated toward many agencies responsible for specifying and overseeing multi-million dollar projects. Therefore, NeoCon

East exhibitors showcased many GSA products. For those without GSA contracts, they learned about qualifying for them at sponsored seminars and visiting GSA's Integrated Workplace Acquisition Center.

According to Richard White, author of "GSA Schedules," GSA is the favored purchasing mechanism "for most federal buyers and an ideal vehicle for vendors. Large federal contractors can have sales exceeding \$100 million annually."

To be an approved GSA supplier, a vendor must go through an arduous application process. Negotiating fair and reasonable prices is the most important aspect of the process.

"Before 2000, a lot of work was flowing into tech companies," Falanga said. "When that bubble burst and went away, manufacturers started focusing on the government, which has really become a leader in design, building and sustainability. There was a time when they'd get three or four quotes and go with the lowest one. Now, they look at productivity, quality and longevity of a company's products."

