

epipeline's Eye on Computer Systems Design Services, NAICS 541512

As the Business Development Manager responsible for creating the business plan for your company, it can be very challenging to gain a perspective of opportunities over the several years; and from that, determine the specific opportunities to pursue.

This week we are going to look at the opportunities for Computer Systems Design Services (NAICS 541512):

1. Who issues the contracts?
2. Who wins the contracts?
3. Where are these contracts?

NAICS 541512 is used when the requirements of the contract involve planning and designing computer systems that integrate computer hardware, software, and communication technologies. The hardware and software components of the system may be provided as part of integrated services or may be provided by third parties or vendors. These often include installation of the system and training and supporting users of the system.

This NAICS covers many specific topics as they relate to computer system design. These topics are listed below, broken out by their old Standard Industrial Classification (SIC) Code, the precursor to the North American Industrial Classification System.

Formerly represented under SIC 7373:

- CAD (computer-aided design) systems integration design services
- CAE (computer-aided engineering) systems integration design services
- CAM (computer-aided manufacturing) systems integration design services
- Computer systems integration analysis and design services
- Computer systems integrator services
- Computer-aided design (CAD) systems integration design services
- Computer-aided engineering (CAE) systems integration design services
- Computer-aided manufacturing (CAM) systems integration design services
- Information management computer systems integration design services
- Local area network (LAN) computer systems integration design services
- Network systems integration design services, computer
- Office automation computer systems integration design services
- Systems integration design consulting services, computer
- Systems integration design services, computer

Formerly represented under SIC 7379

- Computer hardware consulting services or consultants
- Computer software consulting services or consultants

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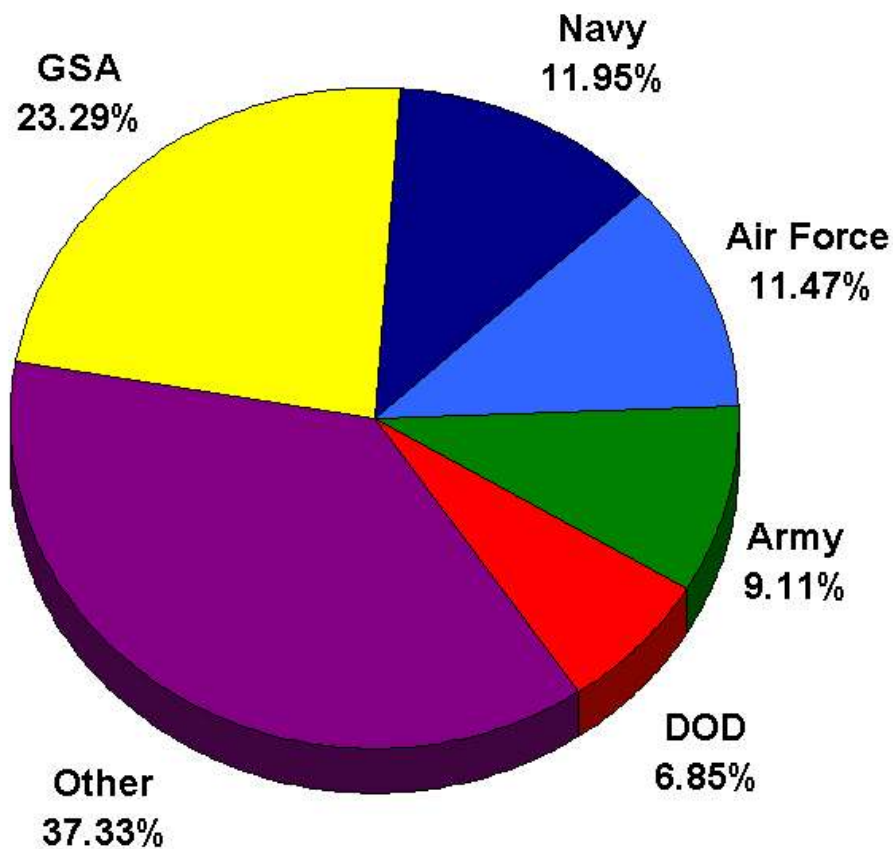
- Computer systems integration design consulting services

The size standard for this NAICS is \$21,000,000.

Who issues the contracts?

The General Services Administration (GSA) is the largest buyer of services under NAICS 541512, though, it is actually through GSA Schedules; contract vehicles by which federal agencies can purchase pre-qualified products and services. According to Federal Procurement Data System (FPDS - source, epipeline's strategic partner, Eagle Eye), over fiscal years 2001-2003, GSA had a market share of over 23% under this code. The United States Air Force, Army, and Navy, and the Department of Defense comprise over one-third of the remaining market share for the same period. The break down of these five departments (agencies) is depicted in the pie chart below.

Market Share (FY01-FY03) by Agency



Source: FPDS information from epipeline's strategic partner, Eagle Eye.



Who wins the contracts?

Several companies hold a significant market share of federal spending under NAICS 541512. Computer Sciences Corporation (CSC) holds the largest market share, with 9.17%, based on the FPDS data (through Eagle Eye), FY01 through FY03. The top fifteen *parent* companies are listed below, along with the reported contract values for FY2003 and their market share, based on the combined contract spending for FY01, FY02 and FY03. The combined market share for the top ten companies comprise over 50% of the market share under this NAICS.

Top 10 Contractors by Market Share (FY01-03) for NAICS 541512

Rank	Parent Company	FY2003	Market Share FY01 thru FY03
1	Computer Sciences Corp. (CSC)	\$350,949,306	9.17%
2	Raytheon Co.	\$219,641,381	6.17%
3	Science Applications Intl Corp (SAIC)	\$345,375,814	5.91%
4	Booz Allen Hamilton Inc.	\$320,731,631	5.59%
5	Lockheed Martin Corp	\$307,876,664	5.48%
6	Northrop Grumman Corp.	\$237,174,458	5.41%
7	A C S	\$190,263,549	4.30%
8	SRA International, Inc.	\$188,230,854	3.40%
9	Accenture	\$219,881,379	3.40%
10	General Dynamics Corp.	\$166,426,133	2.81%
11	Bearingpoint, Inc	\$143,332,712	2.28%
12	Titan Corp.	\$108,253,974	2.27%
13	ITC	\$103,657,578	1.93%
14	IBM Corp.	\$122,599,400	1.31%
15	KPMG LLP	\$32,184,754	1.22%

Source: FPDS information from epipeline's strategic partner, Eagle Eye.

Where are these contracts?

According to reported contract information, the top five locations, based on contract spending over FY01 through FY03, are all in the Washington, DC metropolitan area. In fact, 9 of the top 10 locations are in Washington, DC, Maryland or Virginia; with the other location being San Diego, CA.

This speaks less to what agencies are purchasing these services, and more to the contractor's physical location. Computer systems design services are services that do not necessarily have to be performed on site, they can be at the specific contractor's office. The DC metro area is a primary location for government contractors, especially

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those in the Information Technology field, to base their company, given the proximity of the various federal agency and departmental headquarters. San Diego is home to one of the top ten contractors under this NAICS, SAIC.

epipeline's Information Technology (IT) verticals contain a significant number of opportunities which are identified by this NAICS code. To learn more about the NAICS 541212 opportunities or other opportunities that epipeline is tracking today; try the following search in the epipeline application:

Find FY05 "NAICS Computer Systems Design Services, NAICS 541512" Opportunities

1. Status - Select **Pre-RFP**;
2. Dates, RFP After - Type **10/01/2004**;
3. Dates, RFP Before - Type **09/30/2005**;
4. NAICS Code(s) - Type **54151** (for best results, drop the last number off a 6-digit code. Ex: **541512** becomes **54151**);
5. Click the **Search** Button (or hit the enter key on your keyboard).

**What NAICS Code Do YOU Want To See
in future epipeline newsletters?
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