

Multiple-Award Contracts: How Small Business Can Get in the Game, and Win

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**Bloomberg
Government**

Executive Summary

Agencies will continue using multiple-award contracts to meet small-business goals

- MACs allow agencies to get money on contract more quickly and easily

Government-wide acquisition contracts (GWAC) and federal supply schedules (FSS) are the main sources of MAC awards for small businesses

- Seven of the top 10 small business MACs have been either a GWAC or an FSS

Business developers can build a robust opportunity pipeline and maintain a competitive advantage by applying best practices:

- Search using keywords in your market
- Pore over procurement forecast documents
- Analyze expiring task orders well ahead of a recompetete solicitation

Agency spending patterns and cycles are predictable

- Federal agencies will almost certainly experience a spending surge in the last month of the fiscal year; small businesses should target strategically

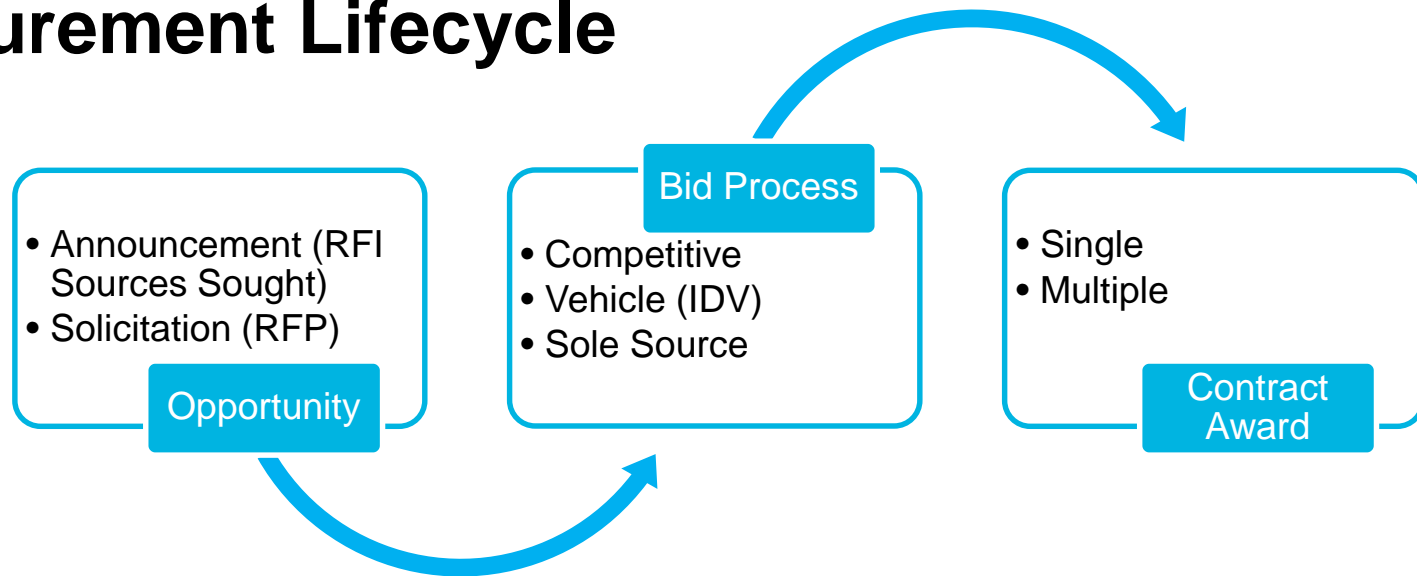
Major small business MACs are coming up for competition

- GSA OASIS Small Business and Navy's Seaport NxG are two vehicles coming up for bid that may offer small businesses the best chance to win

Overview of Today's Webinar

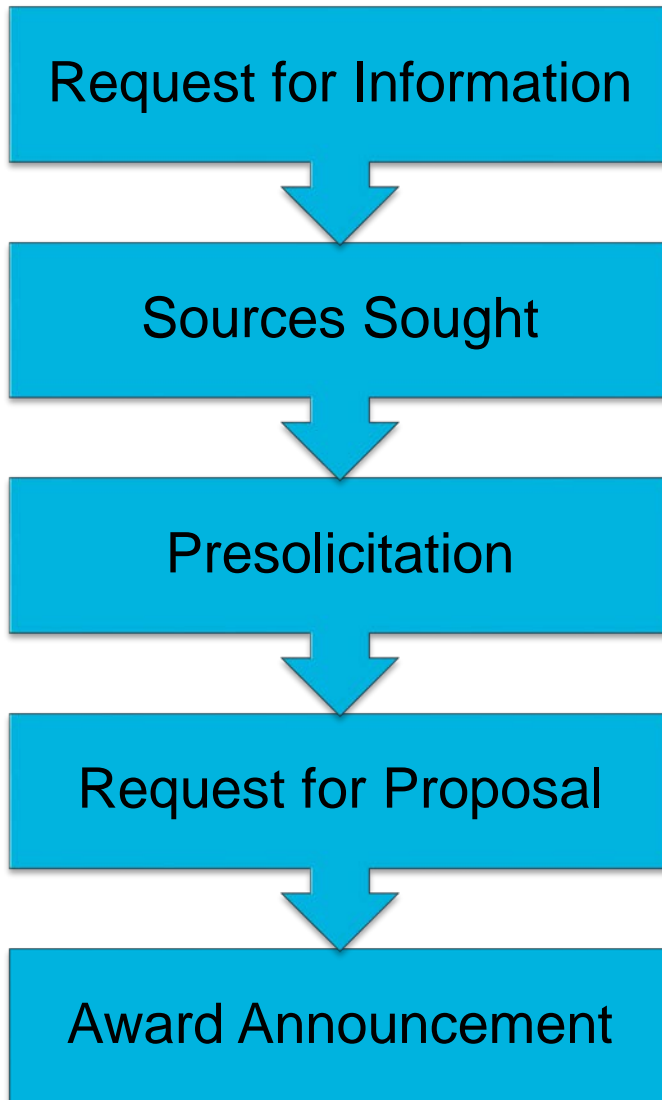
- Explanation of multiple-award contracts (MACs), including:
 - Governmentwide Acquisition Contracts (GWACs)
 - Federal Supply Schedules (FSS), also known as GSA Schedules
 - Blanket Purchase Agreements (BPAs)
 - Other indefinite delivery/indefinite quantity contracts (IDIQs)
- How MACs are competed and managed by federal agencies
- Techniques for identifying and responding to MAC solicitations
- Top MACs used by federal agencies for acquiring goods and services
- Market research tactics for pricing your contract
- Forecasting upcoming opportunities to build your pipeline

Procurement Lifecycle



- In the basic federal procurement process:
 - Agency acquisition personnel determine their agency's requirements (goods and services needed by the agency), and post a solicitation on the Federal Business Opportunities (FedBizOpps) website
 - Companies respond to the solicitation by preparing offers (or subcontracting or teaming with a bidder)
 - Agency personnel evaluate the offers in accordance with Federal Acquisition Regulation (FAR)
- Most procurement opportunities use traditional methods, but nontraditional methods, including agency-sponsored contests, venture capital funds, and other transaction authority, can be used for research and development
- To be eligible to compete for government contracts, a company must obtain a Data Universal Numbering System (DUNS) number and register with the federal government's System for Award Management (SAM)
- Several agencies, such as the General Services Administration (GSA), assist potential government contractors

Types of Procurement Notices



UNIFORM CONTRACT FORMAT OF RFP

Part I – The Schedule	
Section	Title
A	Solicitation/contract form
B	Supplies or services and prices/tools
C	Description/specifications/ statement of work
D	Packaging and marking
E	Inspection and acceptance
F	Deliveries or performance
G	Contract administration data
H	Special contract requirements
Part II – Contract Clauses	
I	Contract clauses
Part III – List of Documents, Exhibits, and Other Attachments	
J	List of attachments
Part IV – Representations and Instructions	
K	Representations, certifications, and other statements of offerors or respondents
L	Instructions, conditions, and notice to offerors or respondents
M	Evaluation factors for award

Types of contracts

Definitive contract:

- A commitment by an agency to pay for a product specified by the contractor

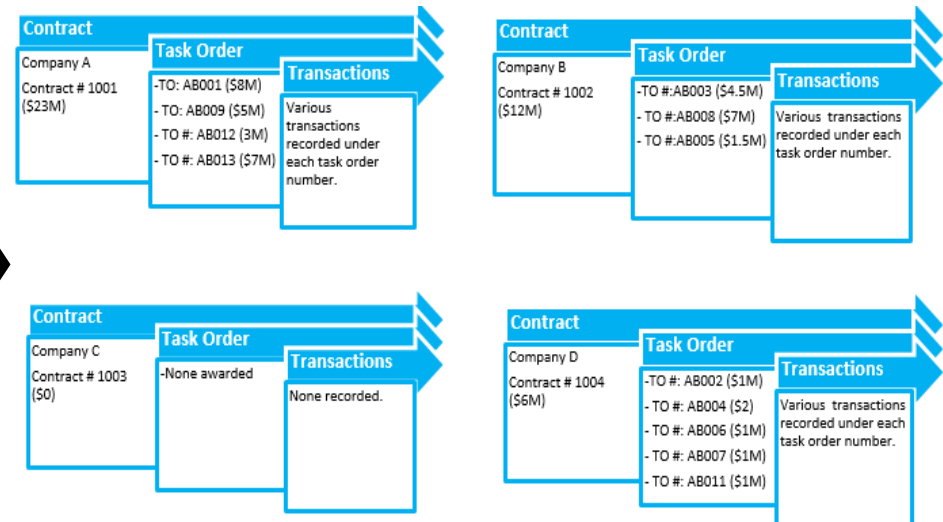
Indefinite delivery vehicle (IDV):

- An agreement an agency can use to make repeated orders of products specified by the contractor
- Indefinite Delivery Contracts (IDC)
 - Task or delivery orders
 - Indefinite Delivery / Requirements
 - Indefinite Delivery / Indefinite Quantity (IDIQ)
 - Indefinite Delivery / Definite Quantity
 - GWACs, MACS, and enterprisewide contracts are all IDIQ contracts awarded by (contracting) agencies for use by (funding) agencies
- **Governmentwide acquisition contract (GWAC)**
 - To date OMB has authorized five (contracting) agencies to award GWACs
 - DOC, EPA, GSA, HHS, NASA
 - Collectively, they have established 13 GWACs
 - Established for information technology purchases
- **Multi-Agency Contracts**
 - Established by one agency for use by another agency to purchase goods and services
- **Enterprisewide Contract**
 - Enterprisewide contracts are established within an agency for its own use. However, awarding agencies *may* make them available for use by other agencies

Source: Bloomberg Government

Note: DOC- Commerce Department, EPA – Environmental Protection Agency, GSA – General Services Administration, NASA – National Aeronautics Space Agency

Competition and Management of MACs



- The **Contracting Office** manages and administers the contract
- The **Funding Office** is the customer that is providing the funding for the good or service

Source: Bloomberg Government
Notes: Example is for informational purposes only

How to Identify and Respond to Upcoming MACs

Identifying MACs:

- Establish solicitation alerts in your relevant market classification(s) by:
 - Setting filters for classification code search. Such as:
 - ‘A’ for research and development; ‘D’ for information Technology; ‘R’ for professional services
 - Establish keywords. For example:
 - “Multiple Award”; “ID/IQ”; “Indefinite Delivery”; “GWAC”; etc.

Responding to MACs:

- Refer to sections L and M of solicitation to determine past performance qualifications and degree of difficulty for meeting the evaluation
 - Key trends and factors to consider:
 - How many estimated contract awards are there?
 - If I win a slot on the contract will I be competitive or receive no orders?
 - What is the evaluation – scorecard, tradeoff, LPTA?
- After weighing factors, then make an informed bid/no-bid decision

Competitive Assessment and Price-to-Win

Phase 1: Customer Assessment

- What is the customer seeking? What challenges, issues, motivators are behind a potential solicitation?

Phase 2: Competitive Assessment

- What is the competitive landscape associated with the opportunity and program? Who will compete? Why? What might they offer?

Phase 3: Price to Win Analysis

- What is the historical spend on this program if it is a re-compete? What has been budgeted? Forecasted?

Pricing a Contract for Bid

Background research about program or contract

- Is spending on the program forecasted to grow?
- What companies are likely to be part of the competitive landscape?

Pricing a contract based on these assumptions

- No recompetete information is available in either the Exhibit 300 or procurement forecasts released by the agency
- Company believes a recompetete is probable despite formal documentation released by agency
- Task order likely includes labor hours for: program manager; enterprise architect; information specialist; network administrator

Labor Category	Number of Rates	High	Median	Low
Program Manager	537	\$173.79	\$165.66	\$146.32
Enterprise Architect	250	\$189.02	\$161.60	\$133.49
Information Specialist	250	\$139.72	\$119.28	\$124.16
Network Administrator	574	\$90.40	\$88.62	\$78.28
Total x 5 years		\$4,422,849.60	\$3,339,398.40	\$3,009,239.40

Forecasting Opportunities; Building Pipeline

Agency procurement forecasts

- By law, agencies must issue information about upcoming projects planned
 - Agency recurring procurement forecasts are available at [acquisition.gov](https://www.acquisition.gov)

Expiring orders

- Qualify future recompetes opportunities on upcoming contracts by searching for expiring task orders

Exhibit 53s and Exhibit 300s

- Each agency IT investment has an Exhibit 53 that provides a budget estimate;
- Major IT programs have Exhibit 300s, which are capital asset plans

Federal IT dashboard

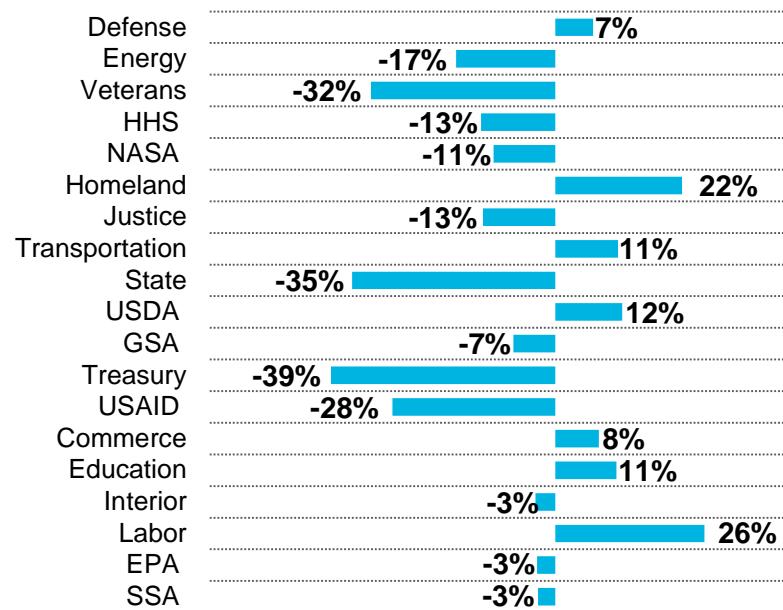
- itdashboard.gov provides access to the details and timelines of federal IT investments
 - Includes 7,000 federal IT investments and detailed data for more than 700 investments that agencies classify as "major"

Most Agencies Have Spent Less in Fiscal 2018

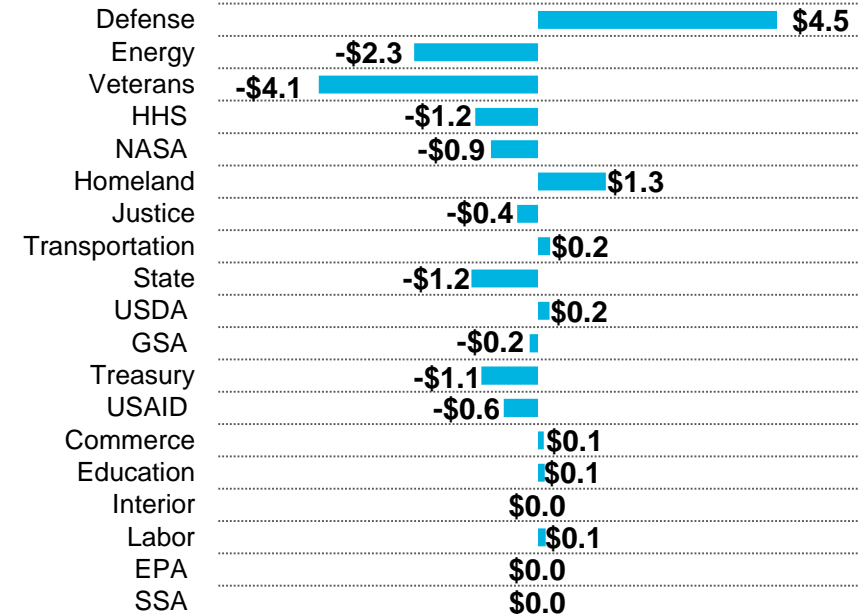
Defense contract spending up in first quarter; most civilian agencies down in the first half

DOD outpaces nondefense agencies such as USAID and Energy, which may be experiencing repercussions from planned cuts in fiscal 2018 budget request

Percentage change in obligations, year-over-year



Dollar change in obligations, year-over-year



Note: Defense Department contract data is reported with a 90-day delay. Values shown compare first fiscal quarter for Defense and first half for all other agencies.

Higher Budget Caps Signal More Spending

Congress raised fiscal 2018 and fiscal 2019 caps on discretionary budgets prior to omnibus

Fiscal 2018 Budget Caps

Budget authority in billions

	New	Old	Change
Defense	\$629	\$541.9	+ \$79.9
Nondefense	\$579	\$515.7	+ \$63.3

- This change creates an enormous tension between year-to-date spending and goals for the entire fiscal year

Fiscal 2019 Budget Caps

Budget authority in billions

	New	Old	Change
Defense	\$647	\$562	+ \$85
Nondefense	\$579	\$529.1	+ \$67.9

- This change provides the illusion of stability in budgets and contracting. The president does not have to request to these levels, but such new limits were previously a floor, not a ceiling

Source: Bloomberg Government

Agencies Far Behind in Spending

Congress provided many agencies with additional funding not requested by the president

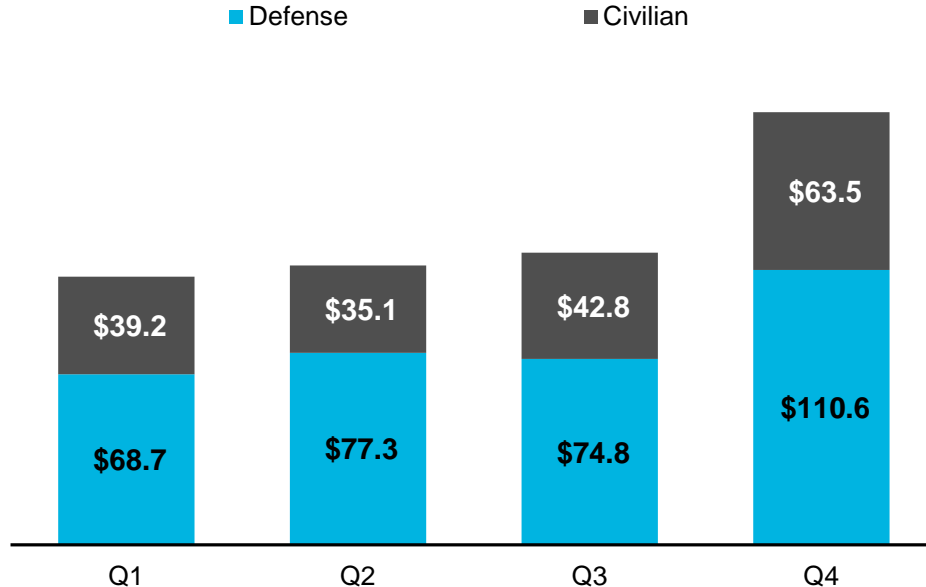
Agency	FY18 appropriation	Change from request	Change from FY17	Appropriations percentage change from FY17	YTD obligation change, FY17 to FY18
Commerce	\$11.1	\$3.3	\$1.9	17%	8%
Energy	\$34.5	\$6.7	\$3.8	11%	-17%
HHS	\$177.1	Unavailable	\$16.0	9%	-13%
Homeland	\$47.7	\$3.7	\$5.3	11%	22%
HUD	\$42.7	\$11.3	\$3.9	9%	-8%
Interior	\$13.1	\$2.5	-\$0.9	-7%	-3%
Justice	\$30.3	\$2.0	\$1.4	4%	-13%
NASA	\$20.7	\$1.6	\$1.1	5%	-11%
NSF	\$7.8	\$1.1	\$0.3	4%	3%
State	\$54.2	\$13.5	\$3.4	-6%	-35%
Transportation	\$86.2	\$11.1	-\$10.0	12%	11%
USACE	\$6.8	\$1.8	\$0.8	12%	31%

Notes: Defense Department contract data is reported with a 90-day delay. USACE – US Army Corps of Engineers. Values shown compare first fiscal quarter for defense and first half for all other agencies.

Spending Booms at the End of Year

Even in a normal year, it is extremely hard to predict fourth quarter obligations

Obligations in billions, fiscal 2017



Source: Bloomberg Government Contracts Intelligence Tool

2017 was an average year

The fourth quarter is by far when most of the money is spent

- Defense Department spent one third of its annual obligations in the fourth quarter of fiscal 2017
- Civilian agencies spent 35 percent of their annual obligations in the fourth quarter of 2017

Slowest quarter

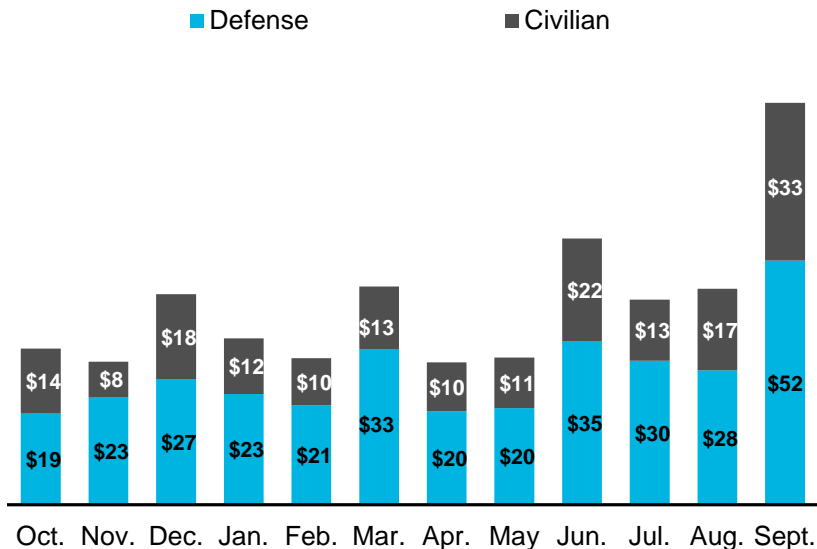
- DOD spent 21 percent of its annual obligations in the first quarter
- Civilian agencies spent 19 percent of their annual obligations in the second quarter

Spending Trends and Cycles Are Predictable

Patterns emerge, but aren't precise enough for market sizing

The fourth-quarter “race to the finish” starts as a marathon, but ends as a sprint on the last day of the year

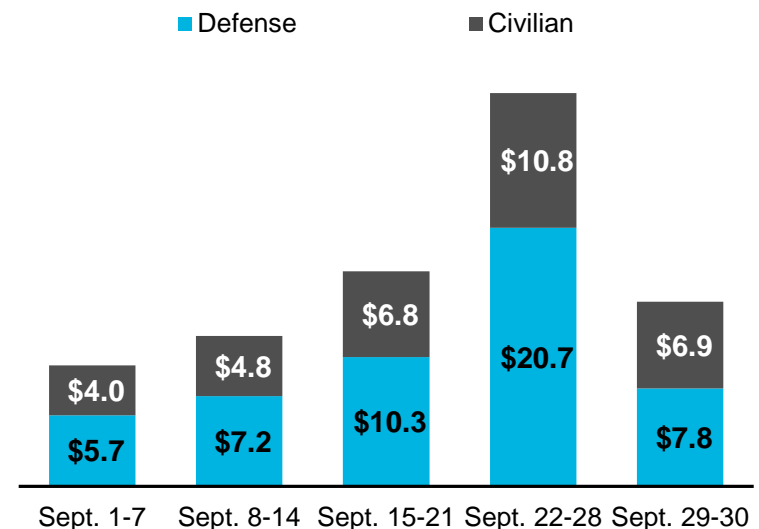
Obligations in billions, fiscal 2017



Fiscal quarters end on high notes

- June and September spending is 80 percent higher than prior months
- December and March spending is 45 percent higher than prior months

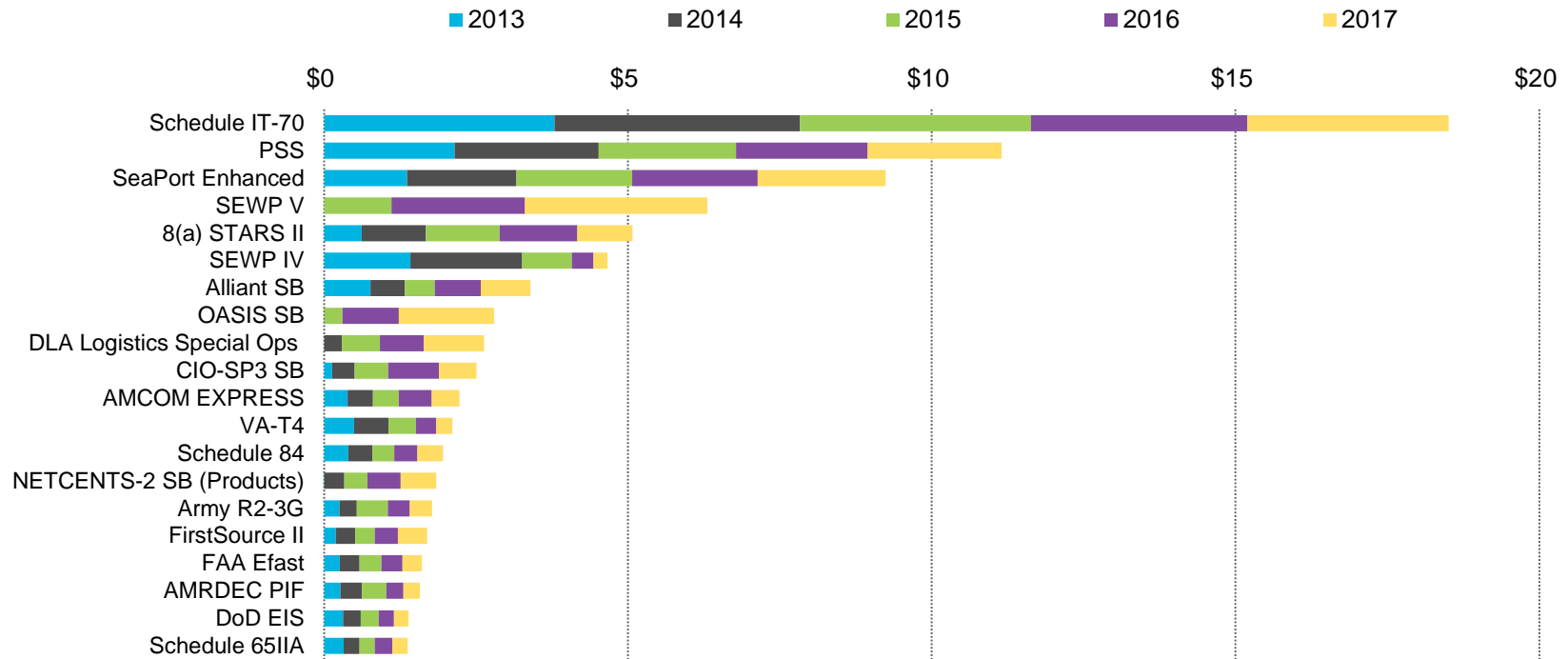
Obligations in billions, September 2017



Major Small-Business MACs

- Agencies will likely continue to satisfy requirements using many of the same multiple-award contracts that have been used since fiscal 2013
 - Some existing vehicles such as Alliant SB, Seaport-e, VA-T4, and others are being eclipsed by follow-ons

Dollars obligated, in billions, by fiscal years

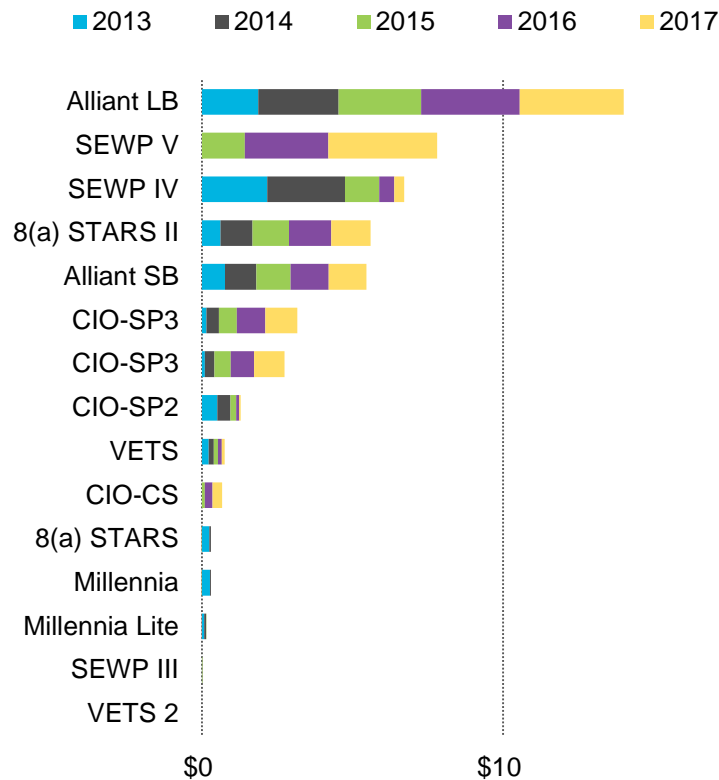


IT 70 - Schedule 70: General Purpose Commercial Information Technology Equipment, Software, and Services; PSS – Professional Services Schedule; SEWP - Solutions for Enterprise - Wide Procurement; OASIS - One Acquisition Solution for Integrated Services; DLS Logistics Special Ops - DLA Special Operational Equipment Tailored Logistics Support Program IDIQ; CIO-SP3 SB - Chief Information Officer - Solutions and Partners 3 Small Business; AMCOM EXPRESS - Army Aviation Missile Command Expedited Professional and Engineering Support Services; T4-NG - Transformation Twenty - One Total Technology; Schedule 84 - Total Solutions for Law Enforcement, Security, Facilities Mgmt, Fire, Rescue; NETCENTS-2 SB - Network Centric Solutions 2: Products (Small Business); Army R23G - Rapid Response Third Generation; eFAST - Electronic FAA Accelerated and Simplified Tasks; ARMDEC PIF - Aviation and Missile Research, Development, and Engineering Center Prototype Integration Facility; EIS - Enterprise Software Initiative; Schedule 65IIA: Medical Equipment and Supplies

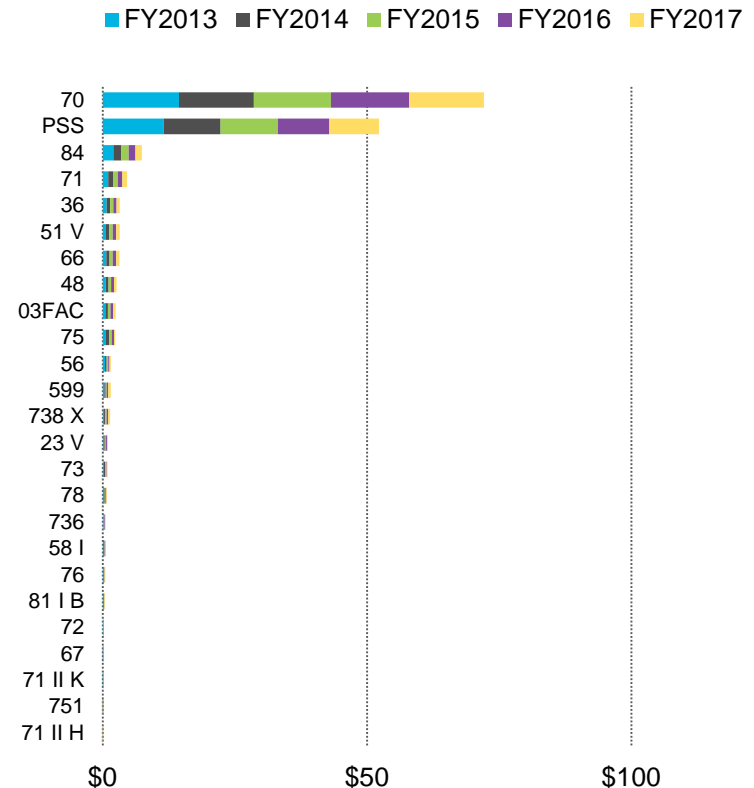
GWACs and GSA Schedules

Dollars obligated, in billions.

GWAC Spending
Dollars obligated, in billions.



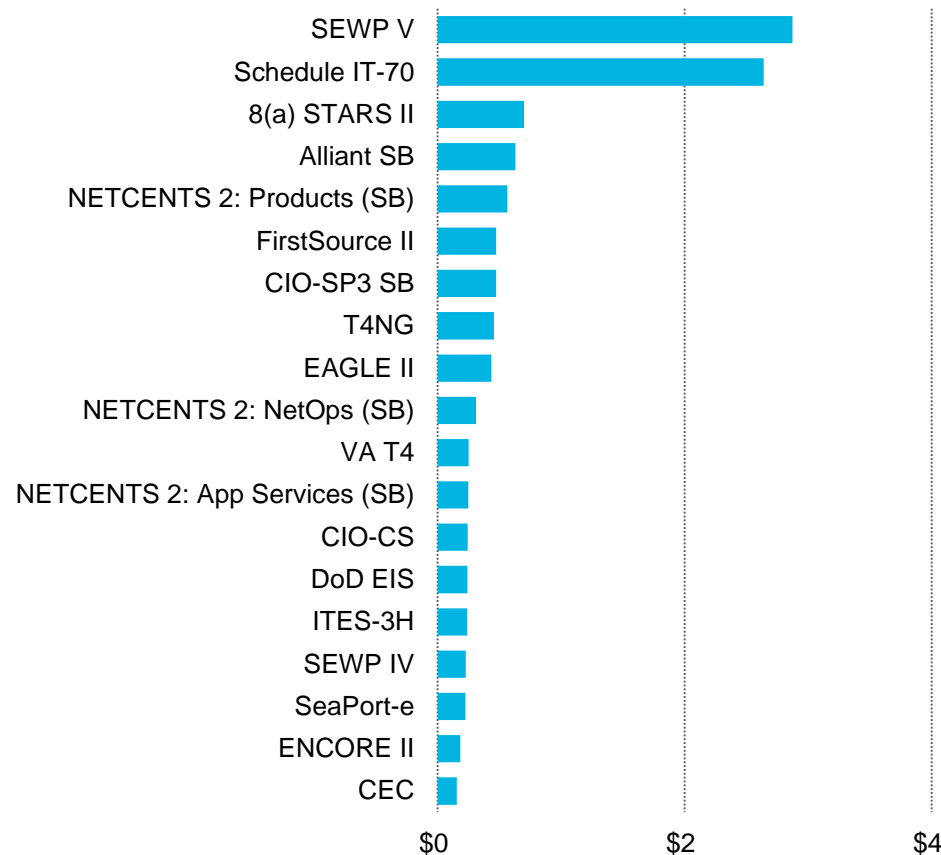
GSA Schedule Sales
Dollars obligated, in billions.



Source: Bloomberg Government and GSA Schedule Sales Query (SSQ)

Top Information Technology MACs

Fiscal 2017 dollars obligated, in billions



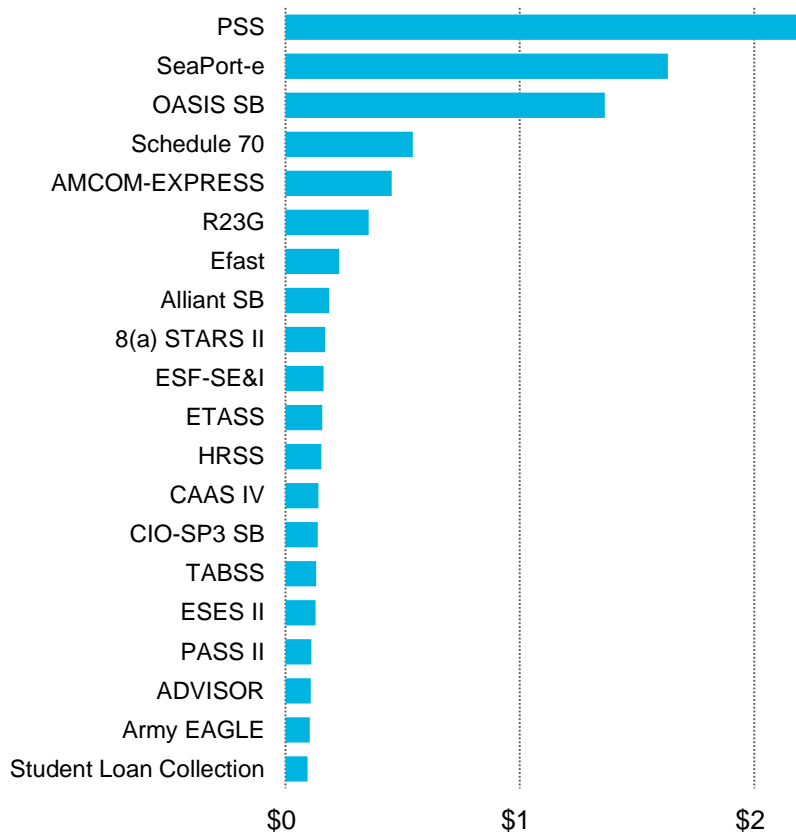
- The top information technology vehicles in fiscal 2017 include:
 - NASA SEWP V (\$2.9 billion)
 - GSA's Schedule IT-70 (\$2.6 billion)
 - GSA 8(a) STARS II (\$700 million)

Source: Bloomberg Government

Notes: SB – Small Business; SEWP – Solutions for Enterprise – Wide Procurement; Schedule 70-General Purpose Commercial Information Technology; NETCENTS – Network Centric Solutions; EIS – Enterprise Software Solutions; CIO-CS – Chief Information Officer Commodity Solutions; T4NG - Transformation Twenty-One Total Technology; EAGLE – Enterprise Acquisition Gateway for Leading Edge Solutions; ITES-3H – Information Technology Enterprise Solutions CEC – Commodities Enterprise Contract

Top Professional Services MACs

Fiscal 2017 dollars obligated, in billions



- The top professional services vehicles in fiscal 2017 include:
 - GSA's Professional Services Schedule (\$2 billion)
 - Navy's SeaPort-e (\$1.6 billion)
 - GSA's OASIS SB (\$1.3 billion)

Source: Bloomberg Government

Notes: SB – Small Business; PSS – Professional Services Schedule; OASIS – One Acquisition Solution for Integrated Services; Schedule 70-General Purpose Commercial Information Technology; AMCOM EXPRESS – Army Aviation Missile Command Expedited Professional and Engineering Support Services; R23G – Rapid Response Third Generation; Efast – Electronic FAA Accelerated and Simplified Tasks; ESF SE&I – Multi-tiered Acquisition Framework for Systems Engineering and Integration; ETASS – Engineering and Technology Acquisition Support Services; Human Resources Solutions Support; CAAS – Contracted Advisory and Assistance Services; CIO-SP3 – Chief Information Officer – Solutions and Partners 3; TABSS – Technical, Acquisition and Business Support Services; ESES – Electronic Systems Engineering Services; PASS – Professional Acquisition Support Services; ADVISOR – Agile Delivery of VA Imminent Strategic and Operational Requirements; EAGLE – Enhanced Army Global Logistics Enterprise;

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Major MACs Coming Up for Bid

Total value of top 20 programs \$226.0 billion
Estimated RFP and award dates

Top 20 Details		Agency	Potential value	FY18 Q3	FY19 Q1	FY19 Q3	FY20 Q1
OASIS	One Acquisition Solution for Integrated Services On-Ramps	GSA	\$60.0	█			
Seaport-NxG	Seaport Next Generation	Navy	\$52.5	█	█		
NQIIC	Network Of Quality Improvement And Innovation Contractors	CMS	\$25.0	█	█		
SIA III	Solutions for Intelligence Analysis III	DIA	\$18.0	█			
JEDI	Joint Enterprise Defense Infrastructure	DOD	\$10.0	█			
DEOS	Defense Enterprise Office Solutions (DEOS)	DISA	\$8.0	█			
AFCAP V	Air Force Contract Augmentation Program V	Air Force	\$6.4	█	█	█	
CAF ADAIR	Combat Air Forces Adversary Air	Air Force	\$6.0	█	█		
CEC-NG	Commodities Enterprise Contract-Next Generation	VA	\$5.3	█	█		
GTACS II	Global Tactical Advanced Communication Systems II	Army	\$5.0	█			
ITSSS-2	Information Technology Supplies and Support Services 2	FBI	\$5.0	█			
GSM-O	Global Information Grid Services Management – Operations	DISA	\$4.6	█	█		
FTI-2	FAA Telecommunications Infrastructure 2	FAA	\$3.5			█	█
NGEN II	Next Generation Enterprise Network II	Navy	\$3.5	█	█		
RMADA	Research, Measurement, Assessment, Design, and Analysis	CMS	\$3.5			█	█
NMITS	NOAA Mission IT Services	NOAA	\$2.5		█	█	
US Contact II	USA Contact II	GSA	\$2.5	█			
CMMARS	Contracted Maintenance, Modification, Aircrew, And Related Services	Navy	\$2.0	█	█		
AFASS	Asset Forfeiture Administrative Support Services	DOJ	\$1.7	█	█		
SDI-NG2	Software Development And Integration Next Generation 2	DOC	\$1.0	█			

Small Business MACs Coming up for Bid:

- GSA's OASIS Small Business On-ramps
- Navy's SeaPort-NxG
- CMS' NQIIC
- VA's CEC-NG

What's Ahead

Agencies will continue using multiple-award contracts to meet small business goals

- MACs allow agencies to get money on contract more quickly and easily

Government-wide Acquisition Contracts and Federal Supply Schedules are the main sources of MAC awards for small businesses

- Schedule IT-70, PSS, SEWP, and other contracts will continue to be among the top vehicles agencies use to satisfy small business goals

Agency spending patterns and cycles are predictable

- Contractors can begin taking action now to prepare for the federal spending race-to-finish that occur in the final months of the fiscal year