

# Maximizing Q4 Opportunities: BGOV Webinar

**Cameron Leuthy**, Senior Budget Analyst

**Daniel Snyder**, Director, Government Contracts Analysis

## Featured Guests:

**Paul Bowen**, Director of the Center for GWAC Programs Enterprise Acquisition Division, GSA

**Glynis Fisher**, Senior Contracts and Acquisition Support Consultant, NITAAC

**Joanne Woytek**, Program Manager, NASA SEWP

July 9, 2020

**Bloomberg Government**

# AGENDA

- 2:00 • **Opening Remarks**
- 2:05 • **Speaker 1: Joanne Woytek**
- **Speaker 2: Glynis Fisher**
- **Speaker 3: Paul Bowen**
- 2:25 • **BGOV Analysis**
- 2:45 • **Q&A**
- 3:00 • **Webinar Concludes**

# Executive Summary

## Contract Overviews

- Spotlight on major, multi-billion governmentwide acquisition contracts (GWACs) used often in fourth quarter including: NASA SEWP, HHS CIO-SP3, and GSA Alliant 2

## Governmentwide fourth-quarter spending analysis

- Fourth-quarter is expected to total \$194 billion in fiscal 2020
  - Veterans Affairs (\$11.9 billion) and Homeland Security (\$7.2 billion) are among the civilian agencies with highest amount of spending obligations yet to be disbursed
  - Army (\$71.2 billion) and Air Force (\$47.8 billion) are among the defense agencies with highest amount of spending obligations yet to be reported
- The share of fourth-quarter spending is higher on multiple-award contracts than single award contracts
- IT spending is expected to be \$28 billion in the fourth quarter of fiscal 2020
- Professional services obligations could top \$32 billion in the fourth quarter

## What's ahead

- Most agencies may give preference to schedules, governmentwide acquisition contracts, set-asides, and sole-source contracts in the fourth quarter
- Your contacts, partners, and vehicles may help you win more end-of-year work



# Contract Overview: NASA

Photo credit: Bloomberg media



**SEWP V**  
[www.sewp.nasa.gov](http://www.sewp.nasa.gov)

# Solutions for Enterprise-Wide Procurement

End of Fiscal Assistance



# What is SEWP?

## **SEWP is a:**

- Multi-award suite of contracts
  - 140+ Contract Holders / 110+ small businesses
  - 7500 Product and Service Providers
- Government-Wide Acquisition Contract (GWAC)
  - Authorized by OMB
  - Utilized by every Government Agency
- Contract Vehicle for ICT (Information and Communication Technology) and Audio/Visual Solutions (Products and Services)
- Program Management Office (PMO) to provide support and information throughout the Acquisition Process



# Product/Service Availability

## Dynamic Catalog

- 'Catalog by Request' not 'Request by Catalog'
- Providers and products and services added daily
  - Primarily based on Customer requirements
  - Millions of Unique Products & Services
- Quotes verified against contract catalog for pricing and availability

## Static Catalog

- Contract-level items and pricing in support of Agency requirements
- Strategically-sourced items
- Click-to-Order functionality or consolidated bundling options



# September Assistance

## Extended Customer Service Hours

- Weekdays
  - Aug 31 to Sept 29            7:30am – 8:00pm EST
  - September 30                7:30am – 11:59pm EST
- Saturdays
  - Sept 19 and 26                10:00am – 2:00pm EST
- Phone (301) 286-1478
- Online Chat
- Assistance Anytime: [help@sewp.nasa.gov](mailto:help@sewp.nasa.gov)

## RFQ (Request for Quote)

- RFQs can close on Saturday / Sunday in September
- Week of Sept 19 and 26: RFQs can be open for less than a day



# End of Fiscal Stats (FY19)

## RFQs

- August is the busiest month
  - 170 RFQs a day
  - 14% of all RFQs for the year
- July and Sept = 150 RFQs a day

## Orders

- 54% of FY dollars spent in last quarter (47% of the number of orders)
- 33% of the FY dollars spent in Sept
- 17% of the FY dollars spent in the last week of Sept
- Sept percentages were lower than in previous years

Side note: SEWP is currently 35% ahead of last year in usage.  
Anticipating between \$8 and \$9 Billion in FY20 obligated spend



Photo credit: Federal Communications Commission (enhanced)



# NITAAC: End of Year Spending Trends



National Institutes  
of Health



A Program of the NIH | OMB Executive Agent

# NITAAC Overview

## Who we are

NIH Information Technology Acquisition & Assessment Center (NITAAC)

## What we do

Administer three “Best in Class” Government-Wide Acquisition Contracts (GWACs) for information technology (IT) services, solutions, and commodities, as well as a full-service Assisted Acquisition program.

## How we do it

We provide low-cost, high-quality IT products and services to every government agency through the efficient and economical use of innovative government-wide acquisition contracts.

# NITAAC's Three Best-in-Class GWACs

**CIO·SP3**  
SMALL BUSINESS  
IT SERVICES/SOLUTIONS

**CIO·SP3**  
IT SERVICES/SOLUTIONS

**CIO·CS**  
IT COMMODITIES/SOLUTIONS

# CIO-SP3 and CIO-SP3 Small Business: At a Glance

**\$20 Billion  
Ceiling**

**10 Year  
Ordering Period  
(2012 – 2022)**

**15 Year  
Performance  
Period  
(2012 – 2027)**

**Commercial &  
Non-Commercial  
IT Solutions**

# Meeting Agencies' Goals

- Ability to meet small business goals
- Fully-vetted contractors in all functional categories
- Agencies can select from 5 socioeconomic categories
  - Small Business
  - HUBZone
  - SDVOSB
  - 8(a)
  - Women Owned



**CIO·SP3**  
SMALL BUSINESS  
IT SERVICES/SOLUTIONS

# CIO-CS At a Glance

**\$20 Billion  
Ceiling**

**10 Year Ordering  
Period  
(2015 – 2025)**

**15 Year  
Performance  
Period  
(2015 – 2030)**

**Commodity-  
Enabling  
Solutions**

# Extended Hours

In anticipation of the busy buying season, NITAAC will extend the hours for NITAAC Support to accommodate end of year procurement needs.

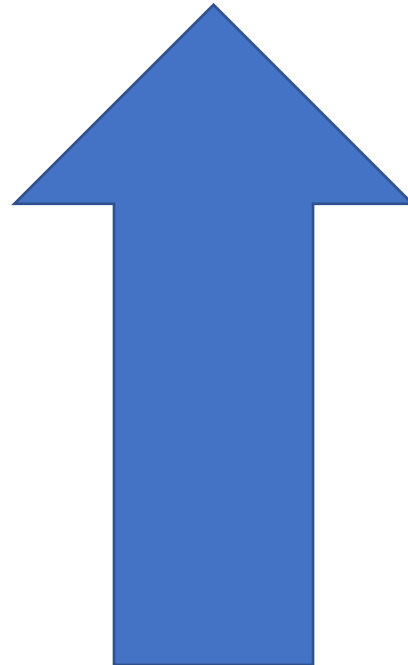
Starting on September 1, our hours will be as follows:

- **Monday through Friday: 8 am - 8 pm EST**
- **September 19, 20, 26 and 27: 8 am - 4 pm EST**

# Volume of Spend in 4<sup>th</sup> Quarter

We anticipate the volume of spend will be comparable to what we have seen in the past, around **57%**.

**57%**



# Areas of Increase

**We expect an uptick as agencies work to meet their category management/SUM goals by leveraging our three Best in Class GWACs.**



# Anticipated Areas of Spend

- **Cloud**
- **AI**
- **Cyber**
- **RPA**
- **End-to-end security solutions**
- **IT infrastructure**
- **Data analytics**

# Thank You!



**nitaac.nih.gov**

**1.888.773.6542**

**NITAACsupport@nih.gov**

**CIO-SP3**  
IT SERVICES/SOLUTIONS

**CIO-SP3**  
IT SERVICES/SOLUTIONS  
SMALL BUSINESS

**CIO-CS**  
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**CIO-SP3**  
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**CIO-SP3**  
IT SERVICES/SOLUTIONS  
SMALL BUSINESS

**CIO-CS**  
IT COMMODITIES/SOLUTIONS



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
National Institutes of Health



# Contract Overview: GSA

Photo credit: GSA

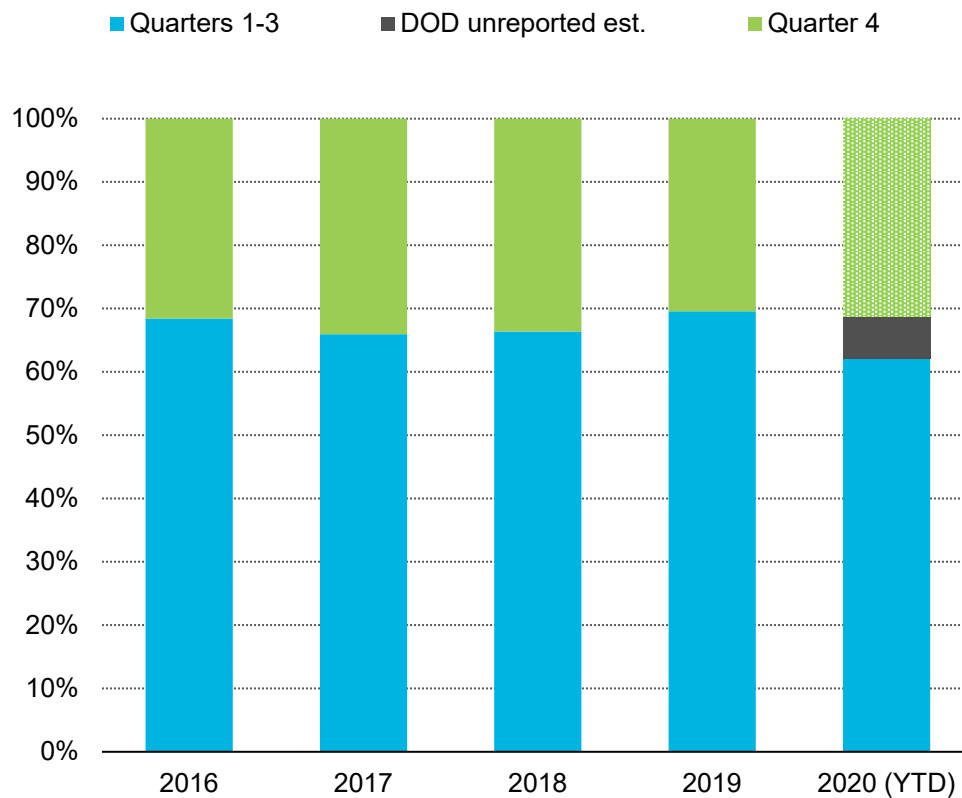


# Governmentwide Fourth Quarter Spending Trends

Photo credit: Bloomberg media

# About One-Third of All Contracting Dollars Are Obligated in the Fourth Quarter

Share of spending obligations by fiscal year. Fiscal 2020 estimated.



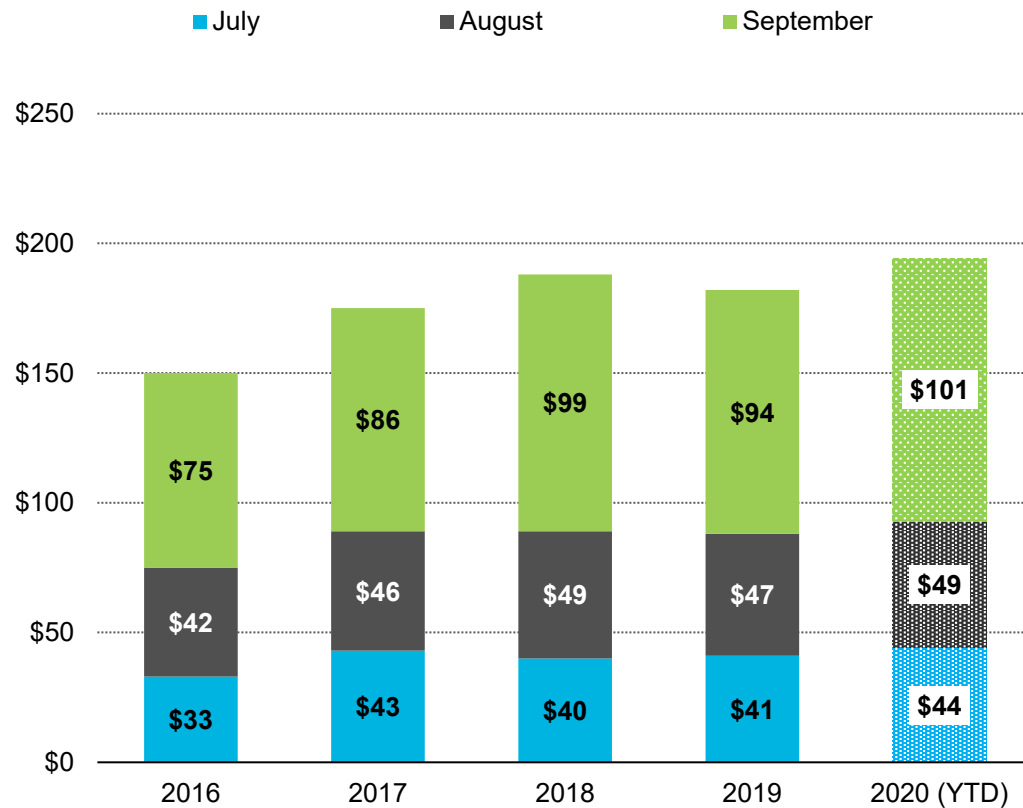
## Annual end-of-year rush to get money on contracts

- On average, a third of all contract dollars are obligated between July 1 and Sept. 30
- A large share of those are in September, with a huge influx of obligations just before Sept. 30
- The end-of-year rush is a key part of vendor and government contract planning

Note: Fiscal 2020 spending projections are based on historical fiscal year obligation amounts  
Source: Bloomberg Government

# September Rush to Put Funds on Contracts

Dollars obligated, in billions. Fiscal 2020 forecasted.



## Q4 spending dipped slightly in fiscal 2019 following three straight years of increases

- The \$182 billion in Q4 FY 2019 spending obligations is about a \$7 billion decrease from 2018
- Fiscal 2019 represents about a \$30 billion increase since 2016

## September dominates in 4<sup>th</sup> quarter

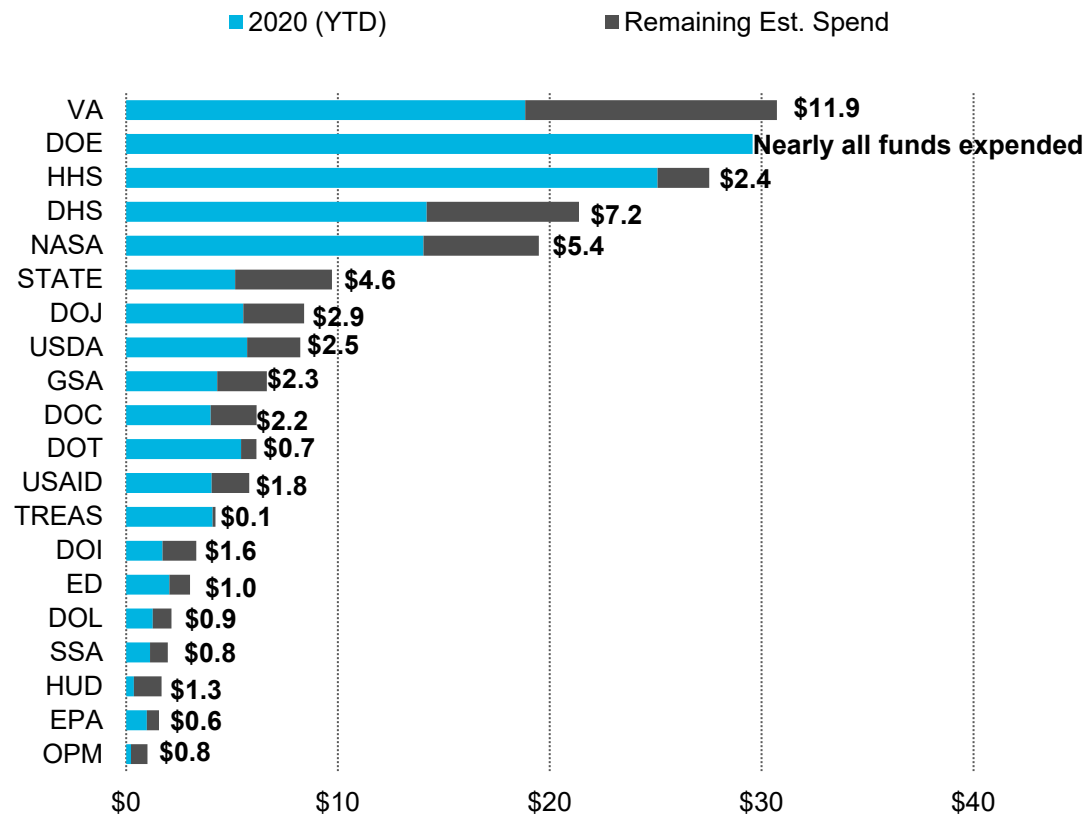
- Spending in the last month of the fiscal year is usually more than that of July and August combined

Note: Fiscal 2020 spending projections are based on historical fiscal year obligation amounts  
Source: Bloomberg Government

# Civilian Spending Patterns Are Vastly Different

## Top civilian agencies' remaining spending levels

Obligations in billions. Fiscal 2020 reported obligations to date. Remaining spend is forecasted



## Four agencies are expected to obligate about \$29 billion before the end of fiscal 2020

- They include:
  - Veteran Affairs Department: \$12 billion
  - Homeland Security Department: \$7 billion
  - NASA: \$5 billion
  - State Department: \$5 billion

## Some agencies are forecasted to spend about half of spending obligations in fourth quarter.

- They include:
  - Housing and Urban Development – forecasted to distribute a remaining \$1.3 billion of its \$1.7 billion fiscal 2020 total
  - Interior – forecasted to distribute a remaining \$1.6 billion of its \$3.3 billion total

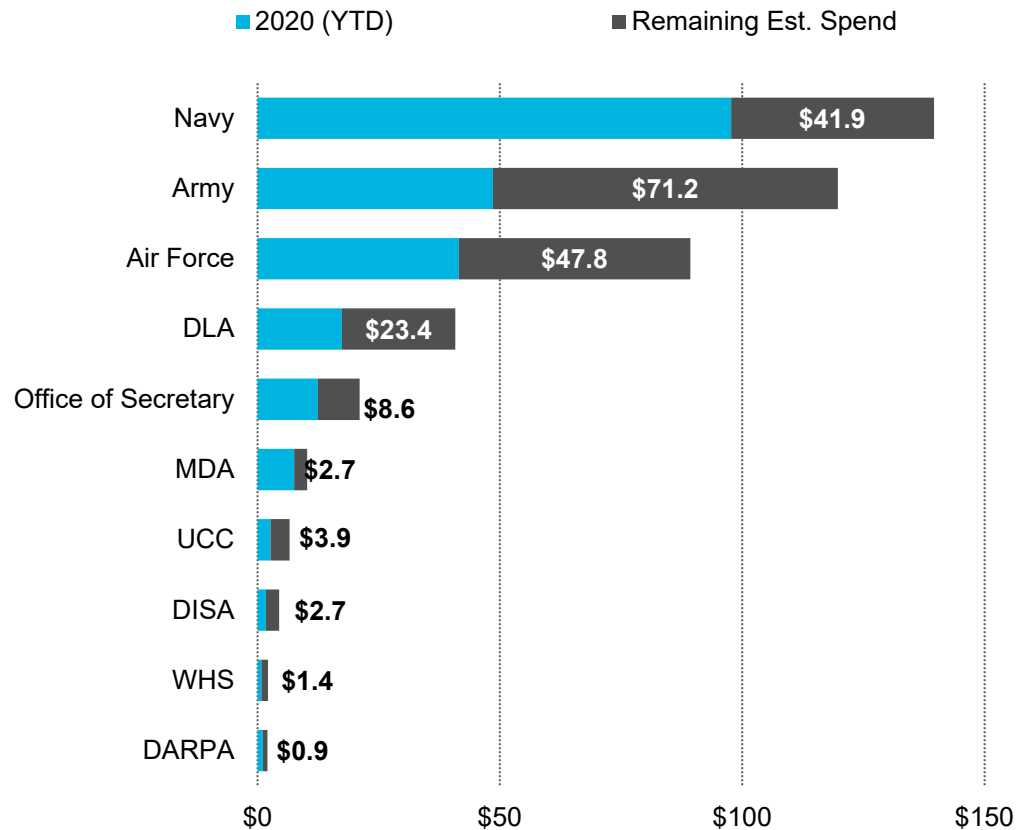
Note: Charts shows estimated fiscal 2020 obligations remaining based forecast of historical spending analysis for fiscal year 2016 through 2019. Data as of July 5.

SSA- Social Security Administration; HHS – Health and Human Services Department; EPA – Environmental Protection Agency; USAID – U.S. Agency for International Development; DHS – Homeland Security Department; VA – Veterans Affairs Department; HUD – Housing and Urban Development Department; GSA – General Services Administration; NASA; OPM – Office of Personnel and Management, National Aeronautics and Space Administration; NSF – National Science Foundation.

Source: Bloomberg Government proprietary contracts database

# DOD Agencies Have Similar Shares Remaining

Obligations in billions. Fiscal 2020 reported obligations. Remaining spend is forecasted



## Billions remain to be obligated at Pentagon in fiscal 2020

- Navy, Army, Air Force account for \$161 billion
- DOD estimates may be overstated because the agency's spending reports are delayed by about 90 days
- Other defense agencies include:
  - Defense Logistics Agency (\$23 billion)
  - Missile Defense Agency (\$2.7 billion)
  - Unified Combatant Command (\$3.9 billion)

Note: Charts shows estimated fiscal 2020 obligations remaining based forecast of historical spending analysis for fiscal year 2016 through 2019. Data as of July 5.  
 DLA – Defense Logistics Agency, MDA – Missile defense Agency, UCC – Unified combatant Command, DISA – Defense information Systems Agency, WHS – Washington Headquarters Service, DARPA - Defense Advanced Research Projects Agency, DFAS - Defense Finance and Accounting Service, DTRA - Defense Threat Reduction Agency, DCSA - Defense Counterintelligence and Security Agency, DoDEA - Department of Defense Education Activity, DHRA - Defense Human Resources Activity, DCMA - Defense Contract Management Agency, DeCA - Defense Commissary Agency, OJCS - Organization of the Joint Chiefs of Staff, NGA - National Geospatial-Intelligence Agency, DSCA - Defense Security Cooperation Agency

# IT Spending Projected to be Record Year

Click [here](#) for the full analysis

## Federal IT Could Hit \$27.7B in Q4

Total IT spending obligations by quarter; dollars in billions



Note: Values for Q3 and Q4 of FY 2020 are projected using a five-year timeseries regression.  
Source: Bloomberg Government data

Bloomberg Government

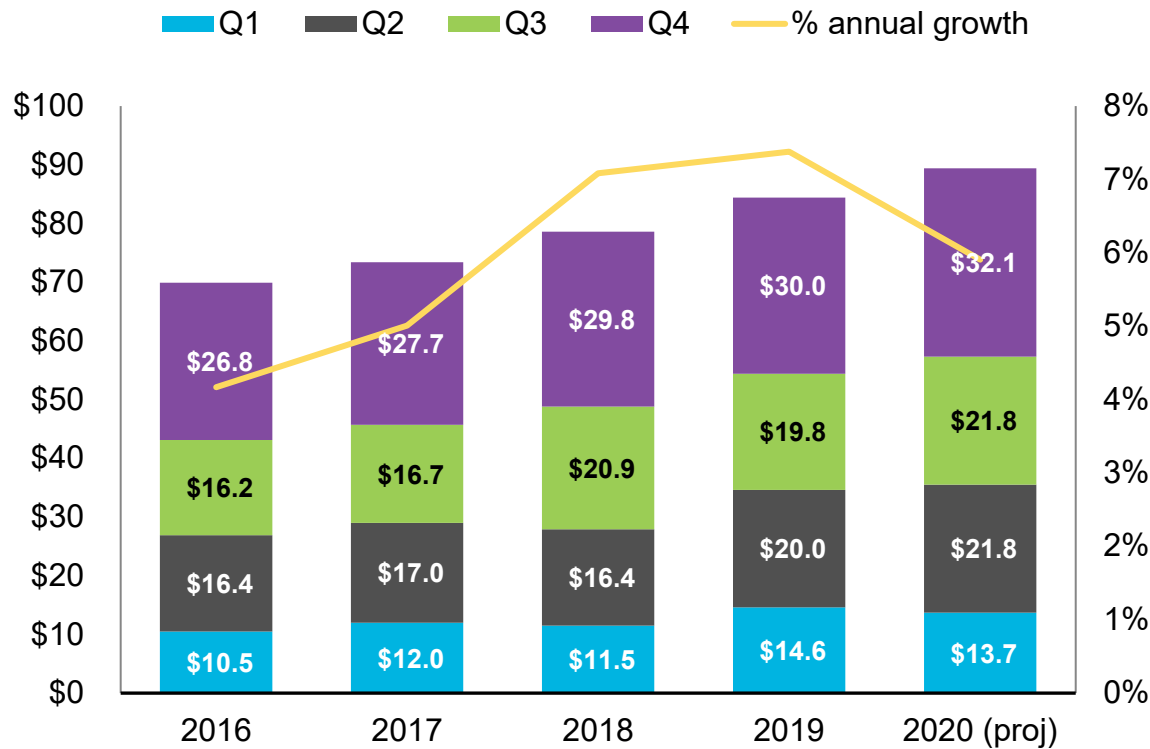
The federal information technology market is on track for record spending in the fourth quarter

- BGOV projects that federal agencies will obligate \$27.7 billion on unclassified IT contracts in Q4 of fiscal 2020, which would exceed the [\\$26.9 billion](#) agencies spent in the same period of fiscal 2019.

# Professional Services Spending: Q4 Surge Expected

## Prof Services May Hit \$32B in Q4

Professional services spending obligations by quarter; dollars in billions



Note: Values for Q3 and Q4 of FY 2020 are projected using a five-year timeseries regression.  
Source: Bloomberg Government data

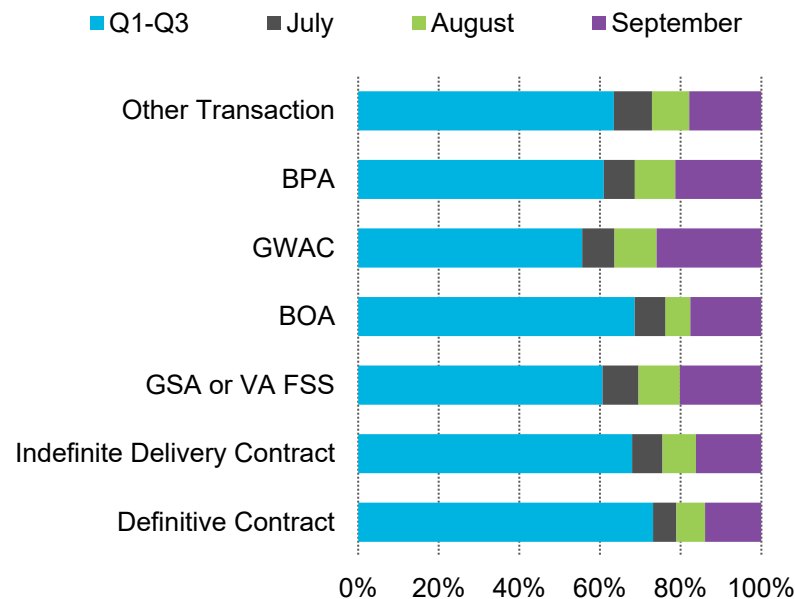
## Projected Q4 spend is \$32 billion

- Q4 professional services spending last year was 36% of the total
- Average Q4 spend since 2016 is about 37% per year

# Most Spending on FSS, GWACs and Indefinite-Delivery Vehicles Occurs in Q4

## Share of spending in Q4 is higher on MACs than on single-award contracts

Fiscal 2019 obligations in billions.



## Agencies rely on MACs because they can fulfill requirements more rapidly

### Almost one-third of the [\\$140 billion](#) spent on MACs in fiscal 2019 occurred in September

- At this point in the fiscal year, focus on the vehicles you're on. There's not enough time to start the process of getting on new ones

### Analyze your market in Q1 to fill your IDIQ portfolio gap for the future

- Many new contract vehicles and on-ramps will be competed in fiscal 2020 and offer opportunities for the fourth quarter of fiscal 2021

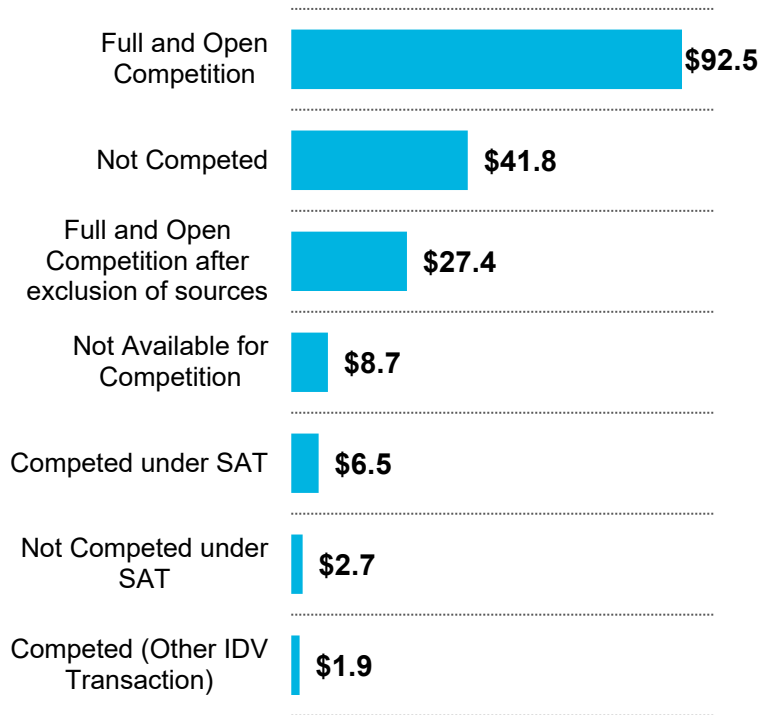
Notes: MAC spending is concentrated in contracts for indefinitely delivery contract, BOA, GSA and VA FSS, GWAC, BPA, and OTA  
BOA – Basic Ordering Agreement, BPA – Blanket Purchase Agreement, GSA – General Services Administration; VA – Veteran Affairs; FSS – Federal Supply Schedule;  
GWAC – Government-wide acquisition contract

Source: Bloomberg Government [Contracts Intelligence Tool](#)

# Extent of Competition and Set-Asides in Q4

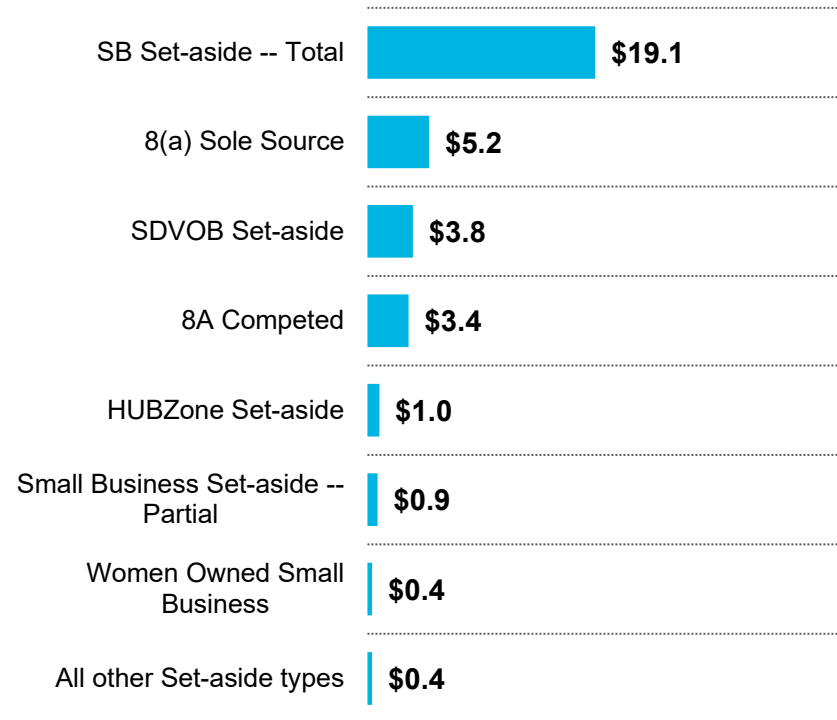
**More than \$92 billion of \$182 billion in 2019 Q4 competition was full and open**

Fiscal 2019 fourth quarter obligations by competition type.



**\$34.6 billion was obligated using small business set-asides**

Fiscal 2019 fourth quarter obligations by competition type.



Notes: SB – Small Business, SDVB – Service Disabled Veteran Owned, Dis – Disadvantaged, Econ. – Economic  
 Source: Bloomberg Government [Contracts Intelligence Tool](#)



**What's Ahead**

# What to Watch Before Sept. 30

## **Covid-19 spending and stimulus funds will likely provide a boost in spending**

- The government has disbursed over \$19 billion related to Covid-19 transactions and stimulus funding is likely to increase existing Q4 spending amounts

## **Existing contracts will dominate as agencies feel pressure to obligate funds**

- GSA VA Schedules, governmentwide acquisition contracts, as well as set-aside and sole-source contracts, may be favored at most agencies

## **New acquisition methods made an impact last year and could continue to affect end-of-year spending patterns**

- Other Transaction Authority (OTA)
- Commercial Solutions Opening

## **Assisted acquisitions may not be an option for most agencies**

- General Services Administration's FEDSIM and other agencies responsible for helping funding agencies with contracting activities may not be accepting new projects

## **Fiscal 2021 outlook**

- Look for most agencies to be operating under a continuing resolution for the start of the fiscal year

# Intelligence Into Action: Steps to Take As Finish Line Nears

## Intelligence – gather information from all sources

- Relationships matter – it's not too early to engage program managers and contract officers
- How can your company provide a customer solution? What requirements haven't been met? What problem areas fit your service offerings? Check BGOV [Market Analyses](#)

## Market your contract vehicles

- Where do you have additional capacity or ceiling that remains?
- What IDIQs do you have in your portfolio?
- BGOV's [Contracts Intelligence Tool](#) can help identify best vehicles to pitch

## Round up your partners

- Do your subcontractors know to steer buyers to specific contracts?
- Do you know which subcontractors are strongest in key Q4 agencies?
- Use BGOV's [Partner Finder](#) relationship maps to make sure partners are carrying your message, too

## Contracts team

- Make sure your contracts team is ready to handle the Q4 surge
- What are your current burn rates? How much has been obligated so far? Are projects on schedule? BGOV [Contracts Search](#) can help

## 14 MACs Totaling \$172 Billion Coming Up for Bid

Agency	Program name	Acronym	Potential value	Estimated RFP date	Estimated award date
GSA	8(a) STARS III	STARS	\$50.0	Q4, FY 2020	Q2, FY 2021
NAVY	Seaport NxG Onramps	NxG	\$50.0	Q2, FY 2021	Q4, FY 2021
HHS	Chief Information Officer - Solutions and Partners 4	CIO SP4	\$40.0	Q1, FY 2021	Q3, FY 2021
DIA	Solution for the Information Technology Enterprise III	SITE III	12.6	Q4, FY 2020	Q1, FY 2021
CIA	Commercial Cloud Enterprise	C2E	10.0	Q3, FY 2020	Q3, FY 2021
GSA	ASTRO	ASTRO	10.0	Q3, FY 2020	Q2, FY 2021
DOD	IT Enterprise Services - 4 Hardware	ITES-4H	10.0	Q3, FY 2020	Q2, FY 2021
GSA	Civilian Enterprise Office Solution	CEOS	8.0	Q4, FY 2020	Q2, FY 2021
DIA	Solution for the Information Technology Enterprise III	SITE III	6.0	Q4, FY 2020	Q1, FY 2021
DOD	C5ISR Gateway to Sustainment	G2S	5.0	Q4, FY 2020	Q3, FY 2021
DOD	Investigative Fieldwork Services	IFS	4.0	Q3, FY 2020	Q1, FY 2021
Army	Common Hardware Systems-6	CHS-6	4.0	Q4, FY 2020	Q3, FY 2021
DHS	FirstSource III - IT Hardware and Software	FirstSource III	3.0	Q3, FY 2020	Q1, FY 2021
USPTO	Business Oriented Software Solutions	BOSS	1.0	Q3, FY 2020	Q1, FY 2021
NAVY	Fielded Training System Support	FTSS V	1.0	Q3, FY 2020	Q1, FY 2021
<b>TOTAL</b>			<b>214.6</b>		

# Q&A

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# About the Featured Speakers



Paul Bowen is GSA's Director of the Center for GWAC Programs, Enterprise Acquisition Division. He has held leadership positions in government, industry, and as an entrepreneur in technology. He was a founding partner of the Technology Educational Career Center of Maine, CTO of Oasis Systems, founder and developer of TSPCenter.com, Director of the North American Information Security group from 2004 through 2012, and joined GSA's Assisted Acquisition Service in 2005. Paul has taught information technology at Boston University, Northeastern University, University of Southern Maine, and Clark University.



Ms. Glynis Fisher is the former Deputy Director and is now currently serving as a Senior Contracts and Acquisition Support Consultant at NIH-NITAAC, U.S. Health and Human Services.



Ms. Joanne Woytek is the Program Manager for the NASA SEWP Program, a premier Government-Wide Acquisition Contract (GWAC) providing Federal Agencies access to the latest in Information & Communication Technology product solutions. From SEWP's inception, twenty-five years ago, through to the present, Ms. Woytek continues to be the key figure in the continuing evolution of the program, and in the management of strategic direction, day-to-day operations, and planning of the SEWP program.

# About the Analysts



Cameron Leuthy is a senior analyst with Bloomberg Government. He has more than 20 years of experience in analyzing budgets, policy, contracting, and legislation at the Office of Management and Budget, the Department of Defense, Battelle, and Booz Allen Hamilton. His expertise includes the federal budget and the nexus of national security policy, operational requirements and funding. He has a bachelor's degree from Western Washington University and an MPA from the University of Washington.

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Dan Snyder is Bloomberg Government's director of government contracting analysis. Prior to joining Bloomberg, he served as an analyst focusing on GSA/VA Federal Supply Schedule consulting. He holds an undergraduate degree in political science from Siena College, and a M.S. in government contracts and Master of Business Administration from The George Washington University.

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