

Are you ready for the peak season of MACs and GWACs?

By Bob Lohfeld

I'm sure everyone is familiar with the government's annual buying cycle where purchases peak in the fourth quarter of the fiscal year, but did you know there's a similar cycle for multiple award (MACs) and government wide acquisition contracts (GWACs)—and the cycle for these contracts peaks every 10 years.

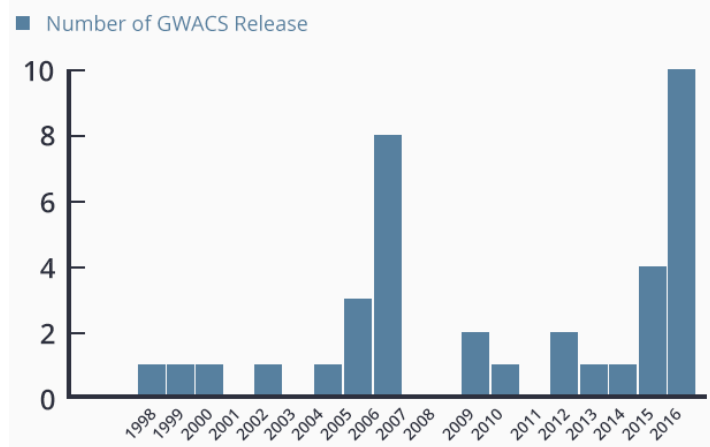
For those who are deeply involved with MACs and GWACs, it will come as no surprise that 2015 and 2016 straddle the 10-year buying peak with more than a dozen major vehicles being competed or re-competed now. For companies that depend on these contracts for access to the market, now is a critical time to renew vehicles and/or gain market access through the award of new vehicles.

Once the peak buying cycle passes, the competition for these vehicles will slow to a trickle with one or maybe two vehicles competed each year until the next peak comes in 2025 and 2026. That is a long time, and companies who fail to secure key MAC and GWAC vehicles may find themselves largely shut out of certain markets for the next decade.

Historical buying cycle

To show you how prominent the peak is in the MAC and GWAC buying cycle, I asked Nicole Barcic from the research team at Govini, a business intelligence firm that leverages a big data approach to federal procurement, to pull data on major competitions going back to 1998 and plot the number of major vehicle competitions each year based on RFP release date. The data below shows the RFP release dates for the top 25 GWACs and large agency-specific vehicles that have been competed between 1998 and 2015.

Number of GWACS Released



This chart includes data for both GWAC and MAC contracts.

The figure shows that the norm for MAC and GWAC competitions is one or two vehicles competed each year, and in some years no vehicles are competed. In the 7-year period from 1998 to 2004, there were just five competitions, and these were spaced out so that no more than one vehicle was competed each year. These vehicles were GSA Millennia and Millennia Lite, NIH CIO-SP 2, Army D/SIDDOMS 3, and Air Force NETCENTS 1. In 2001 and 2003, no major MACs and GWACs were competed. On average, during non-peak periods, about 0.7 vehicles were competed per year.

First peak buying cycle

Everything changed in 2005 when the first MAC and GWAC peak buying cycle began, and it continued into 2006. During this 2-year period, 11 major vehicles were competed. These were Army ITES-2S, ITES-2H, ADMC-2 and WWSS; DHS Eagle; DISA Encore II; NASA SEWP IV and SEWP IV SB; CMS ESD; and GSA Alliant and Alliant SB.

Following the 2005/2006 peak, the market ebbed back to its normal rate with one or two MAC and GWAC procurements being competed most years. In the 8-year lull between the 2005/2006 peak and the beginning of 2015, only seven vehicles were competed and in three of these years, no major vehicles were competed.

Second peak buying cycle

The second MAC and GWAC peak began in 2015—10 years following the first peak—and will run through most of 2016. In 2015, four major RFPs were released. These included Army RS3, DOE ESPC, GSA/OPM HCaTS, and EIS not counting the on-ramp for GSA 8(a) Stars. In early 2016, we are expecting 10 RFPs. These include GSA Alliant 2, Alliant 2 SB, and VETS 2; Army ITES-3S, HRS, and ADMC 3; DISA Encore 3 and SIA 3; NOAA ProTech; and MDA IRES. In all, over the 2-year peak, we expect to see more than 14 vehicles competed in contrast to the years between peaks where we average less than one major competition per year.

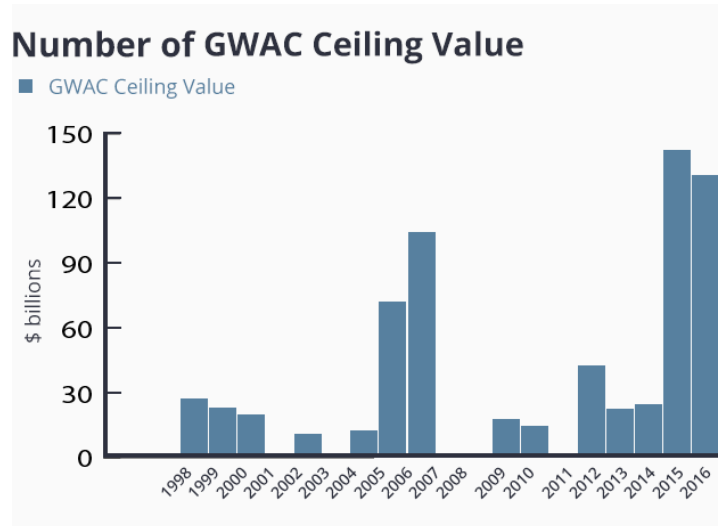
Once the 2015/2016 peak passes, the competitions for these vehicles will slow to a trickle until the next market peak in 2025.

Dollar value of MACs and GWACs

In the 2015/2016 peak, the ceiling value on the 14 major vehicles is expected to be \$268 billion.

This chart includes data for both GWAC and MAC contracts.

In comparison, during the first peak in 2005/2006, the 12 vehicles competed had a combined ceiling value of over \$190 billion. Two hundred and fifty-eight contracts were awarded as a result of the 2005/2006 competitions and by obligated spending, Alliant and Millennia top the list of contracts with a combined value of over \$25 billion.



From 1998 through 2016, the ceiling value for 37 MACs and GWACs that were competed or will be competed is expected to exceed \$632 billion. Clearly, these contracts are playing an ever-increasing role in the government market.

As we look toward 2016, the 10 major competitions are expected to have a combined ceiling value of \$128.6 billion, so there is still plenty of market access in play.

The proposals you submit over the next 12 months in these MAC and GWAC competitions will have long-lasting consequences and will divide the government contractor market into two camps—those contractors who won these vehicles and will enjoy access to the highly competitive MAC and GWAC market and those contractors who fell short or didn't play in these competitions and find themselves sitting on the sidelines watching a quarter of a trillion dollars in task orders being competed in competitions where they cannot play.

If you are planning to bid for one or more MACs and GWACs, it is time to hunker down and go at it with your best effort. Much of your company's success can ride on the results.

This article was originally published December 11, 2015 in WashingtonTechnology.com.