

Top Federal IT Contracts to Watch for in 2017

By Frank Konkel

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If 2016 was the biggest year for federal IT contracts in a decade, 2017 might well be the most competitive.

On the backs of several high-ceiling governmentwide contracting vehicles, approximately \$200 billion in IT contracts hit the street last calendar year, spread across 300 various opportunities, according to the contracting experts at Deltek.

Two of those opportunities—the General Services Administration’s Alliant 2 and Enterprise Infrastructure Solutions—had a collective ceiling of more than \$100 billion, but those types of opportunities don’t come around often.

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This year will offer more contracting opportunities valued at far less than the number of contracts that went out to bid in 2016.

Deltek’s data suggests industry will be able to compete on approximately 1,400 federal IT opportunities this year valued at approximately \$100 billion—or about half of last year’s total.

“Those large contracting vehicles are cyclical, and contractors have to watch the cycle of when they end and when re-competition begins,” said Jennifer Sakole, research manager at Herndon, Virginia-based Deltek. “Last year was a big year for that. This year, it’s just more your regular opportunities.”

The Veterans Affairs Department will be among the most active agencies in 2017. In addition to dropping a request for proposal on its \$64 billion community care network for professional services, VA expects to release a request for proposal for a follow-on to its Commodity Enterprise Contract by midway this year.

The IT follow-on is expected to be similar in nature to a 5-year contract VA awarded in 2013 through which the agency purchases mobile tablets, end-user devices, servers and an array of other hardware and software capabilities. The existing contract’s ceiling of approximately \$5.3 billion is a likely baseline for the follow-on, according to Deltek.

GSA will look to build on 2007’s Veterans Technology Services governmentwide acquisition contract, which received a 5-year add-on after its initial 5-year run in 2012. This year, that add-on is set to end, “giving GSA a chance to reboot the program,” according to Brian Friel, founder of One Nation Analytics.

VETS is a vehicle composed of service-disabled, veteran-owned small businesses, yet it is doing far less business—\$100 million to \$200 million—than allowed by its \$5 billion ceiling. Friel said VETS 2 has the potential “to see a lot more” and will pick vendors based on a scorecard methodology used successfully by GSA in creating Alliant 2. ([Friel has written about this methodology for *Government Executive*.](#))

The scorecard approach has also caught the attention of the U.S. Air Force, which is planning to release an RFP this year for its [Small Business Enterprise Application Solutions](#). This will be a follow-on to the Air Force’s Network Centric Solutions-2 small business companion contract, awarded back in 2012 with an original ceiling of \$960 million. It’s not yet clear what the proposed ceiling would be, but analysts at Deltek estimate it will be in the ballpark of the original contract, or \$960 million.

Other individual agencies will also release or award a few IT contracts of importance.

Final RFPs for the U.S. Navy's \$3.5 billion Next Generation Enterprise Network Re-compete are due in July, with an expected award date of mid-2018. The contracts will provide hardware, services and management for the Navy Marine Corps Intranet—which supports 700,000 users at 2,500 sites—over the next five years. The Navy is still tweaking its acquisition strategy, but it appears NGEN-R will bid out two separate components, one being end-user hardware and the other being service management, integration and transport.

The Social Security Administration is expected to award a follow-on to its IT Support Services Contract, which the agency used to build out its IT infrastructure beginning in 2010. The contract, awarded to Accenture, CSC, Lockheed Martin and Northrop Grumman, had a 1-year base and six 1-year options. The agency plans to expand the number of contractors this time around, but the ceiling value is not yet clear.

The Justice Department plans to revamp its IT infrastructure with its \$1.4 billion IT Support Services 5 contract, which offers standard hardware, software, communications and other IT services. The agency released a draft RFP more than a year ago and Matt Hummer, director of analytics and professional services for Govini, said an RFP could come by the third quarter of 2017.

But this won't be a typical IT services contract, Hummer said, because DOJ's recent focus on big data and other emerging technologies in support of law enforcement may attract companies outside the Beltway, like Palantir.

"DOJ is interesting because they've been under the radar investing aggressively in big data and analytics technology to support their law enforcement mission," Hummer told *Nextgov*. "It's no surprise that you'll see some very different names in competition there."

The National Oceanic and Atmospheric Administration, too, is in the midst of releasing a series of lucrative opportunities valued at approximately \$3 billion. NOAA, which monitors the world's environmental heartbeat from space to the ocean floor, began releasing RFPs this month for its Professional and Technical, or ProTech, services contracts. The multibillion-dollar contracts will cover IT and professional support for five domain areas: satellite, ocean, fisheries, weather and enterprise operations.

The Defense Information Systems Agency—the IT arm of the Defense Department—is expected to release an RFP for its Systems Engineering Technology Innovation, or SETI, contract, which will provide support to the Pentagon's IT systems. Worth an estimated \$7.5 billion, it's a kind of companion contract to the \$17.5 billion Encore III that DISA tweaked and released last year after bid protests.

Unlike Encore III, which uses a lowest price, technically acceptable selection process, SETI employs a best-value methodology. An RFP for SETI may not come until the second half of 2017, but Hummer said it will be an important contract for DOD when it arrives.

"DISA wants to be more of an operational player as opposed to an acquisitional player," Hummer said. "They no longer want to build a lot of their systems; they're passing the torch over the industry for that."

As mentioned above, Encore III will be one of a few high-profile, high-value contract vehicles awarded in 2017.

In addition, GSA will begin evaluating bids for Alliant 2 and its small business component after the Government Accountability Office sided with the agency following a series of bid protests. Alliant 2 could bring the government as much as \$65 billion worth of IT services over the next decade. Awards could come within the next few months.

Awards could come any moment for EIS, GSA's follow-on to Networx. EIS attracted bids from a who's who of telecommunications providers and has a ceiling value of \$50 billion.

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