

Federal AEC Contracting Outlook

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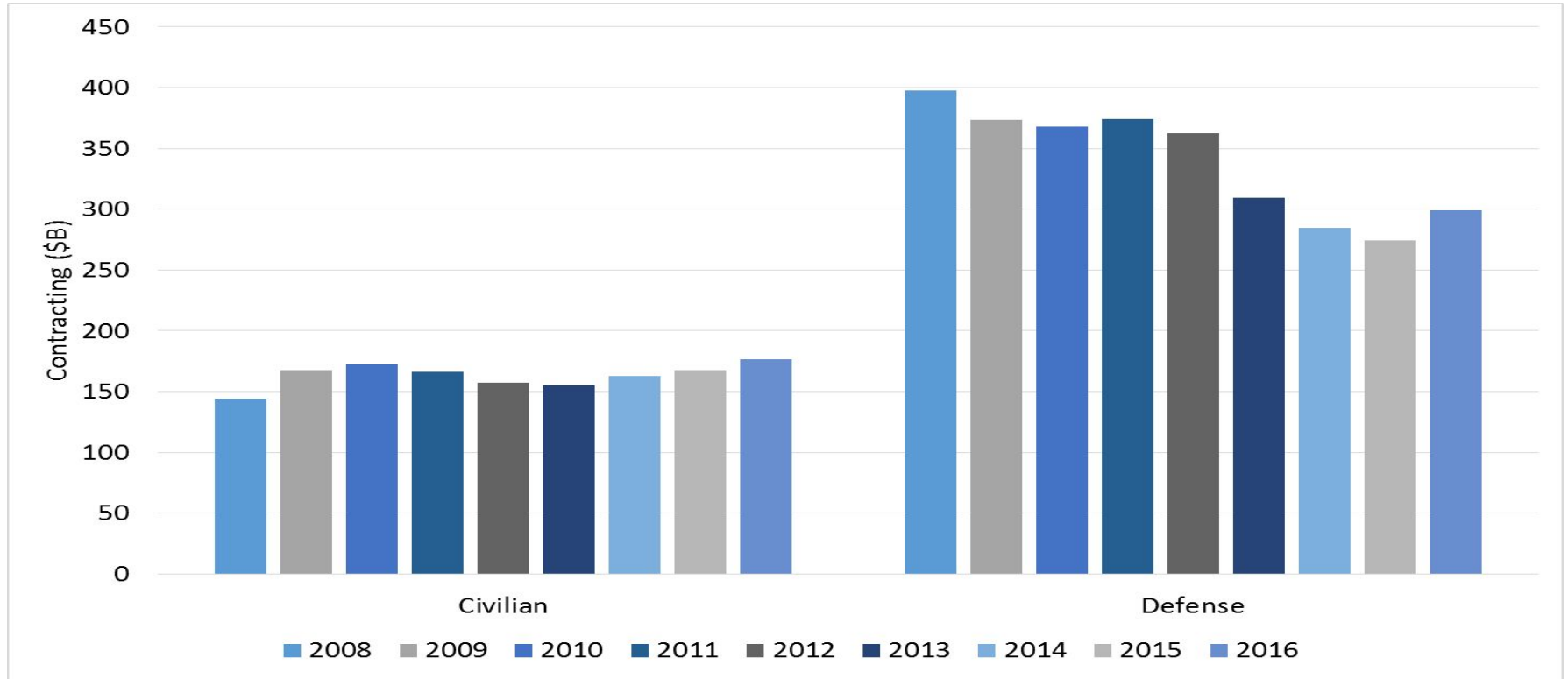
Carey Webster
Senior Director, Federal Research
Deltek, Inc.

Agenda

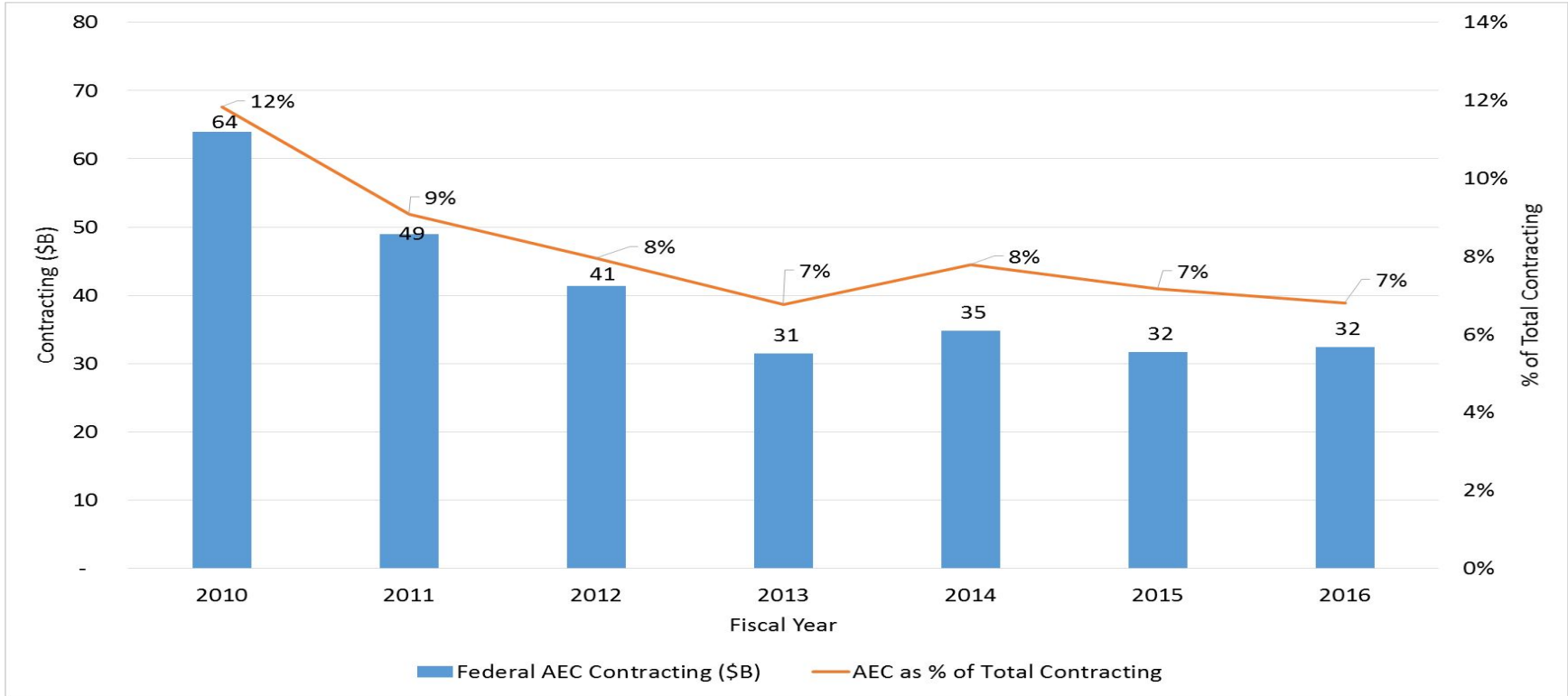
- Trends in AEC Contracting
- Budget Outlook
- Wrap Up
- Q&A

Trends in Federal AEC Contracting

Federal Contracting Trend

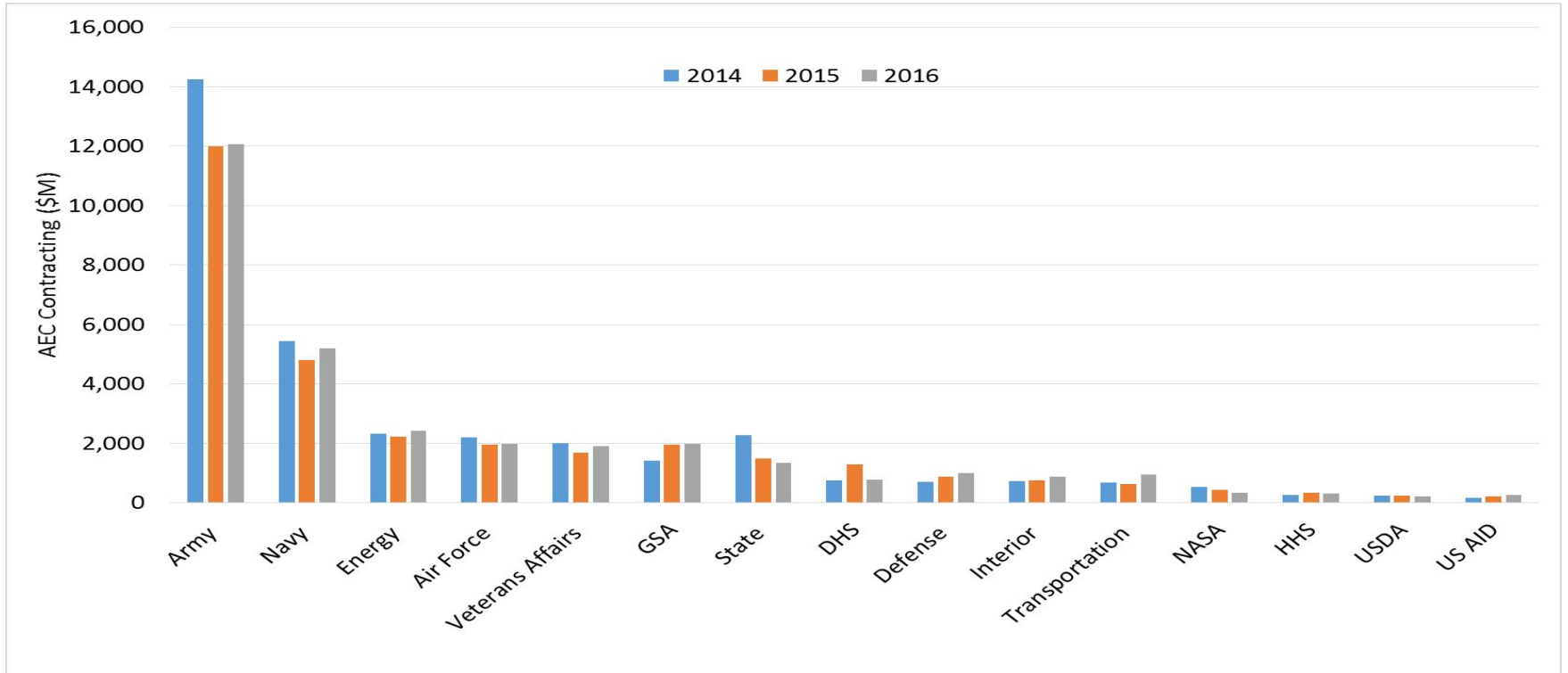


Federal AEC Contract Spending Trend



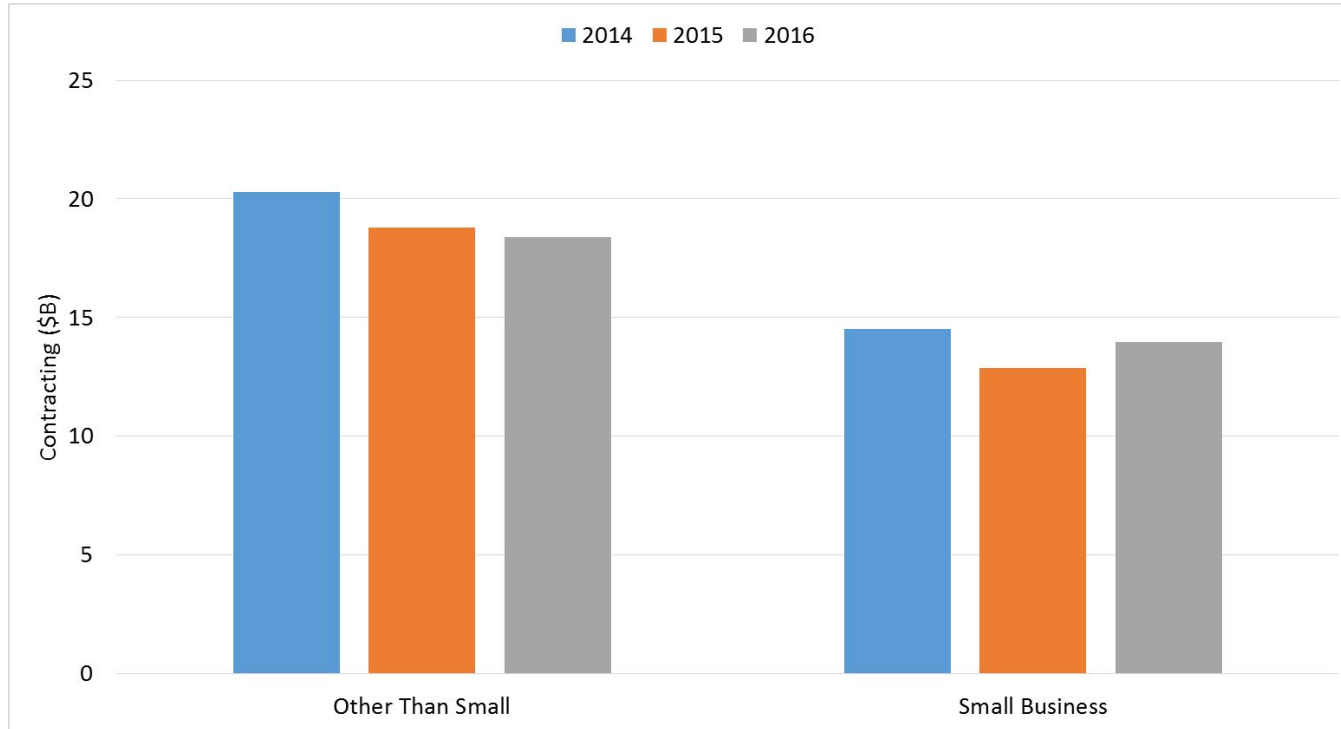
Source: FPDS, Deltek

Department Trends in AEC Contract Spending



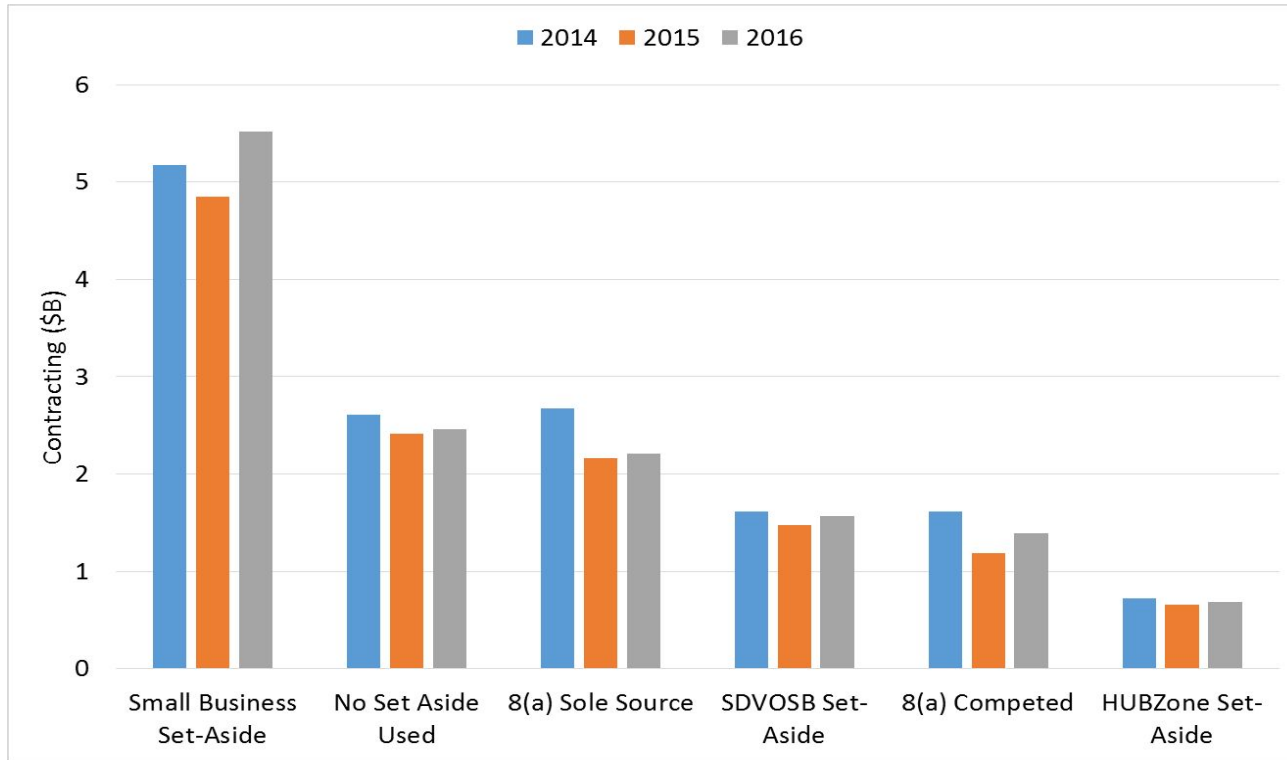
Source: FPDS, Deltek

Small Business AEC Spending



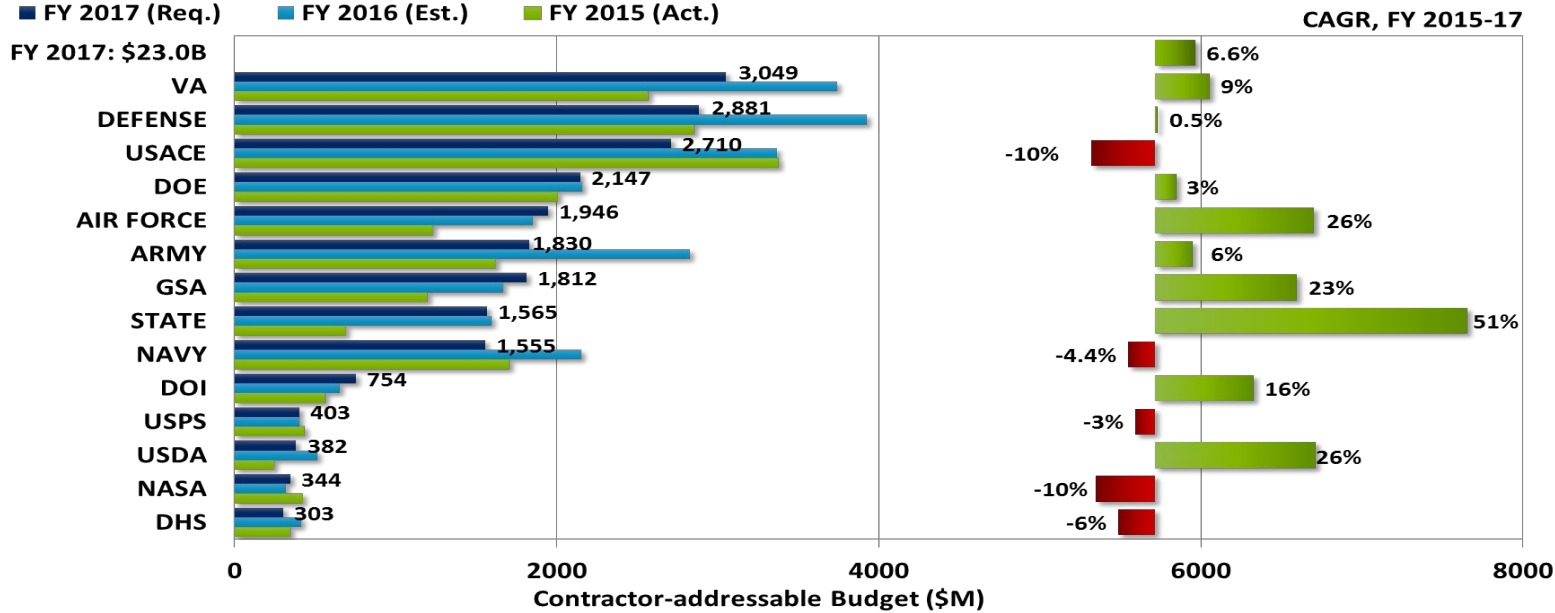
Source: FPDS, Deltek

How Agencies Are Making Awards to Small Business



Budget Outlook

Department AEC Contractor Addressable Budget Outlook, FY 2017



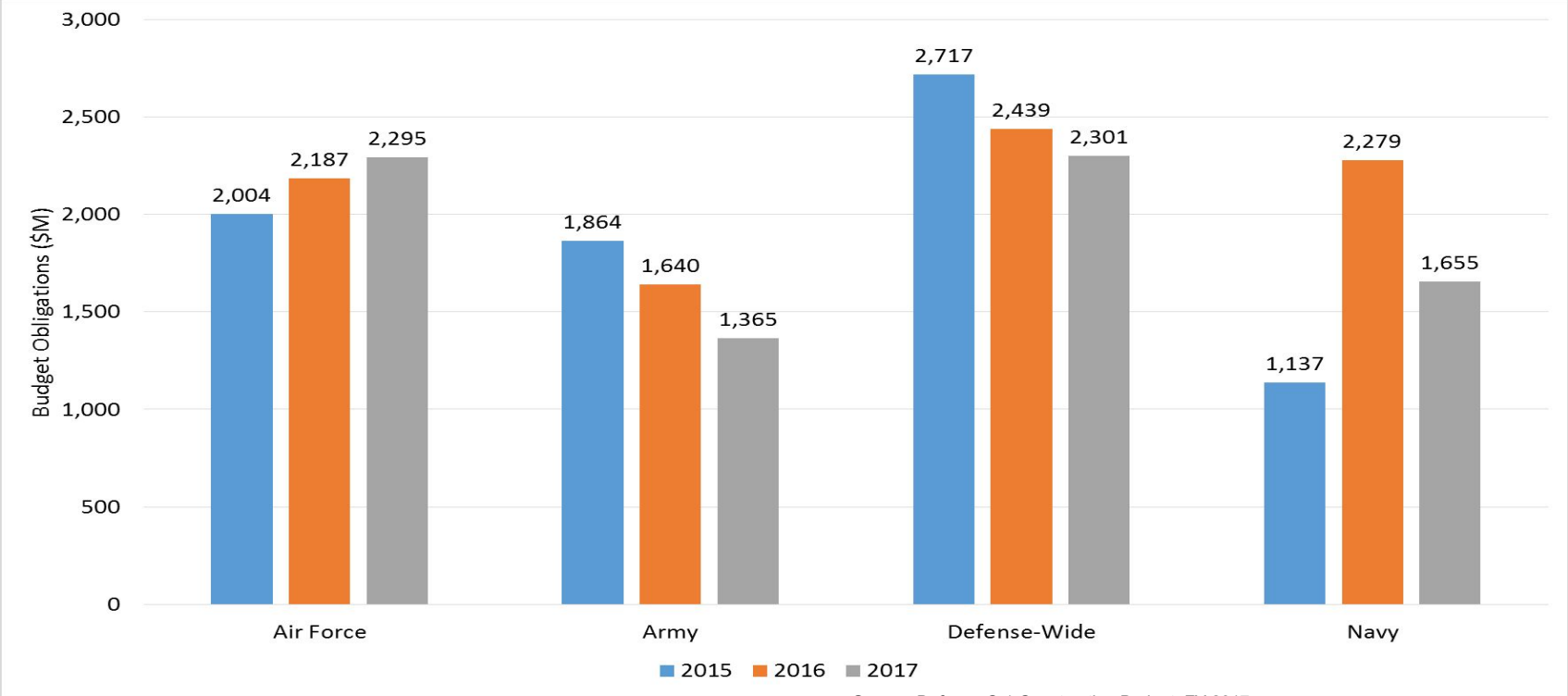
Source: President's Budget, FY 2017

Federal Direct Major Physical Capital Investment in FY 2017 President's Budget Request

		Budget Authority (\$M)		
Defense		FY 2015	FY 2016	FY 2017 (Req)
	Military Construction & Family Housing	5,156	6,672	6,274
	Atomic energy defense activities	138	145	190
	Total Defense	5,294	6,817	6,464
Civilian				
	International Affairs	1,731	1,602	1,752
	General Science, Space, and Technology	1,173	1,219	1,254
	Water Resources	2,935	2,990	2,010
	Other Natural Resources/Environ	1,093	1,161	1,518
	Energy	5,986	5,593	4,596
	Postal Service	429	402	402
	Transportation	291	385	274
	Veterans Hospitals and health facilities	3,385	3,635	3,005
	Administration of Justice	1,959	2,561	1,456
	GSA Real Property	1,361	2,343	2,172
	Other construction	3,292	5,171	11,894
	Total Civilian	23,635	27,062	30,333
Total		28,929	33,879	36,797

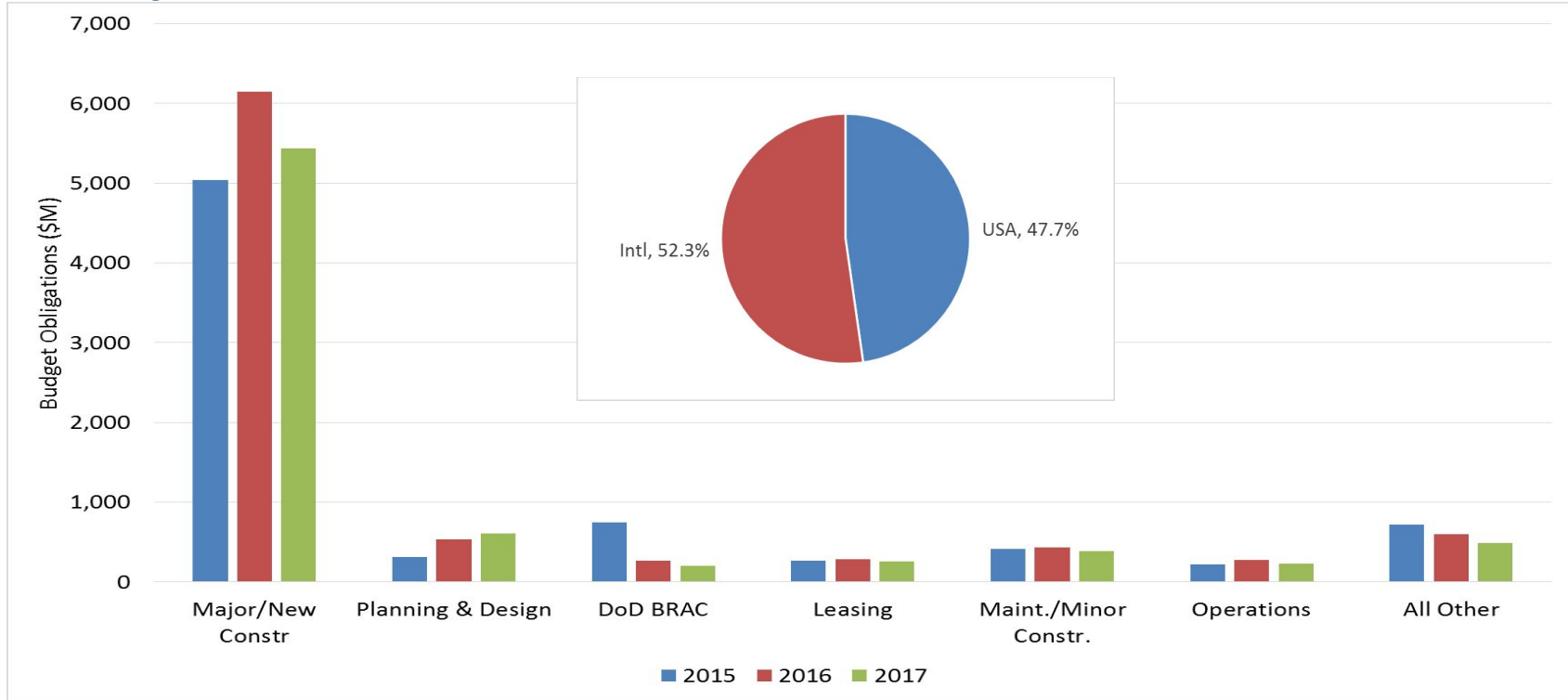
Source: President's Budget, FY 2017

Defense Construction Budget Request by Component, FY 2017



Source: Defense C-1 Construction Budget, FY 2017

Defense Construction Budget Request by Category, FY 2017



Source: Defense C-1 Construction Budget, FY 2017

Next Steps for the Budget

Defense Budget

- 1/27- President issued Memorandum to Build Up Military calls for DoD to
 - Conduct readiness review in 30 days
 - Budget amendment for FY17
 - Budget request for FY18
- 1/31-Secretary Mattis issued guidance on the budget which requires
 - FY17 budget amendment to OMB by Mar 1
 - FY 18 budget request by May 1

Civilian Budget

- Multiple reports of Trump administration preparing budget with major cuts to Civilian discretionary spending
- Reportedly based on Heritage Foundation Blueprint

Proposed Infrastructure Plans

Senate Democrats

- \$1 Trillion
- 15M new jobs over 10 yrs
- Include: roads and bridges, national broadband network and VA hospitals
- Federally funded

National Governors Association

- 428 Projects; list of 50 projects released in Jan
- Includes: roads and bridges, air traffic control systems, hydro electric plants and water conservation
- Federally and privately funded

President Trump

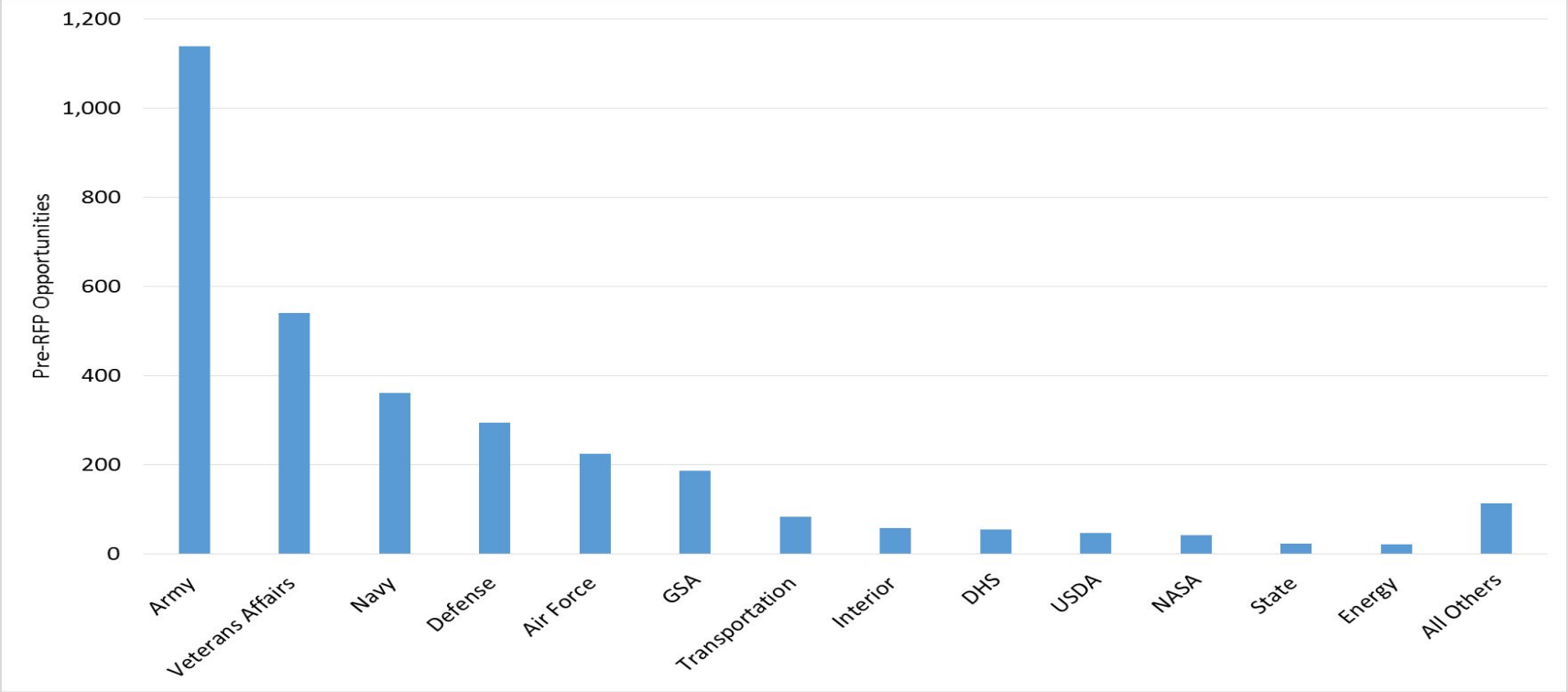
- Not released; expected in first 100 days of office
- Speculated cost: \$500B-\$1T
- Federally and privately funded

Source: *A Blueprint to Rebuild America's Infrastructure*

Source: *Washington Post and McClatchy*

Federal AEC Opportunity Outlook – GovWin IQ

Pre-RFP Opportunities



Source: Deltek GovWin IQ

Wrap Up

Issues to Watch

Budget Proposal for FY 2018

Political appointments and timing of Senate confirmations

Speed, Congressional receptivity and timing of impact of Trump legislative proposals

Executive Orders, Memos and Actions impacting Gov't contracting

Q&A