#25 - Artificial Intelligence in Federal Construction: Risk, Governance, and Delivery

Summary

This session explores AI in DoD construction as a governance and risk issue, examining European regulatory models and the heightened implications for data security, contracting, and compliance. It highlights risks from AI handling sensitive government information and offers practical guidance on disclosure, data boundaries, policy, and oversight in project delivery.

Full Description

Artificial intelligence is rapidly entering the construction and project delivery ecosystem—not just through new software tools, but through changes in how projects are estimated, managed, procured, and documented. For U.S. Department of Defense projects in Europe, the implications extend well beyond productivity gains and into areas of policy, security, contracting risk, and compliance. Federal engineers, contracting officers, and program managers are increasingly faced with questions about where AI is being used, how decisions are influenced, and what risks are being introduced into delivery programs.

This session examines AI in construction and contracting as a governance, compliance, and risk management issue rather than a technology demonstration. Drawing on UK and European Union regulatory frameworks governing AI, data protection, and contractor accountability, the discussion highlights how these regimes are already more developed and more stringent than those currently applied in the United States. The panel will provide real-world perspective on how advanced AI governance expectations are being implemented in practice across Europe and how they differ from U.S. norms.

A central focus of the discussion will be government data security. One of the most immediate and underexamined risks is the use of AI tools that ingest sensitive U.S. government information—drawings, schedules, specifications, correspondence, or

operational data—without clear authorization, disclosure, or controls. The panel will explore how organizations are addressing risks related to data residency, data leakage, intellectual property ownership, and inadvertent disclosure when AI tools are used in construction management and contracting environments.

Rather than promoting specific platforms, the session will focus on practical questions:

- When AI use should be permitted or restricted,
- What disclosure is appropriate,
- How data boundaries can be enforced contractually, and
- How policy and oversight can keep pace with industry adoption while protecting mission-critical information.

Learning Objectives

- Understand how AI is currently being used in construction, project management, and contracting environments.
- Identify governance, liability, and compliance risks associated with AI-assisted project delivery in Europe.
- Recognize differences between U.S. and European approaches to AI policy, data protection, and contracting.
- Apply practical oversight and risk-management principles to AI adoption on OCONUS projects

Speakers

David Derstine, Vice President of Services: David Derstine serves as Vice President, Services for Centrica North America, where he oversees delivery, governance, and risk management for Centrica's government and IT sector commercial clients. His role requires practical oversight of how digital tools are used in real project environments. David is responsible for Centrica's federal IT compliance initiatives, including CMMC, CUI handling, and related cybersecurity and data-protection requirements. His experience operating within regulated UK and European frameworks, combined with U.S. federal delivery experience, gives him a grounded, practitioner-focused perspective on AI governance, contracting risk, and protection of sensitive government data in construction and project management contexts.