

FEDERAL SPENDING OUTLOOK

TBK GOVCON VIRTUAL SUMMIT



FEDERAL SPENDING DATA MADE EASY

Immensely Powerful

Intelligently connects
key data points

Win more business, and
go beyond the ordinary

DEC 16, 2020

Fedmine: Assessment of the budget, policy, and key initiatives of the new incoming administration of Joe Biden

Created By:
Founder & CEO Ashok Mehan

DISCUSSION OUTLINE

Brief Introduction to the:
FY 2020-21 Budget

And what you can expect
from a **Biden Administration**

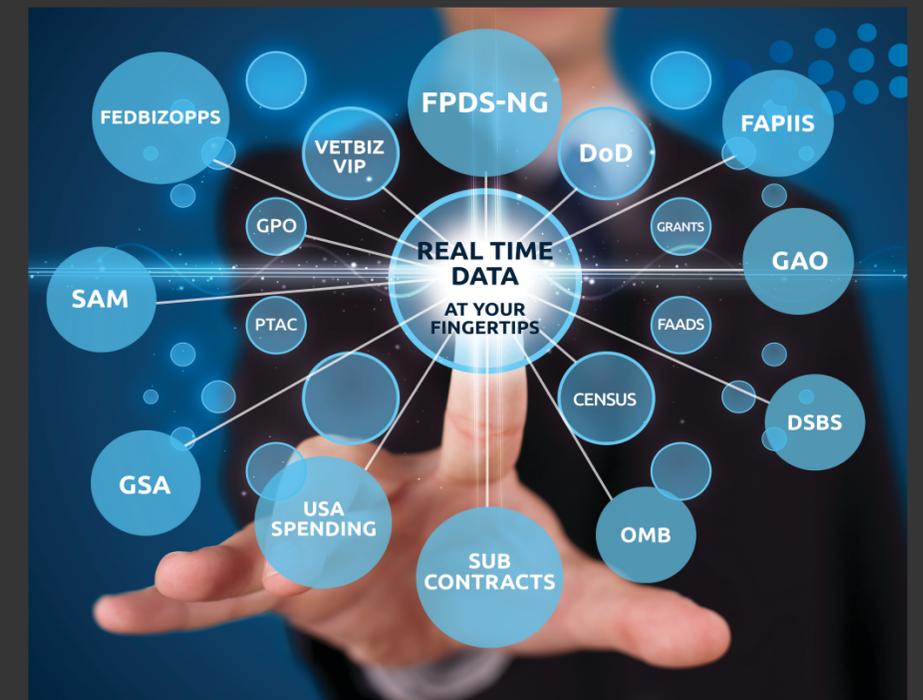
AGENDA



It's no surprise here - the government is big, and you can't know which door to open first. Or Do You?

There are well over 1,000 agencies, bureaus and sub components within the federal government in the US.

Source: theguardian.com



OUR SPEAKER



A Serial Entrepreneur, Ashok founded Fedmine in 2003 based on his experiences in the federal contracting industry, and his take on what's missing.

A recognized authority in federal contracting, Ashok has been quoted in trade journals such as WBJ, Washington Technology, The Government Executive and more.

He enjoys spending time with his family, his dog and reading about astronomy and the science of life!

ASHOK MEHAN

Founder & CEO

Fedmine

Fedmine's mission is to bring accurate information, unmatched transparency and clear accountability to the world of government contracts. We provide the shortest path to conducting mutually beneficial relationships between government and industry.

Founded in 2004, we provide agencies, prime contractors and support firms convenient, simplified access to the most comprehensive federal contract data sets available anywhere.



Who received the PPP money - and which agencies spent the most? Did you receive any money?

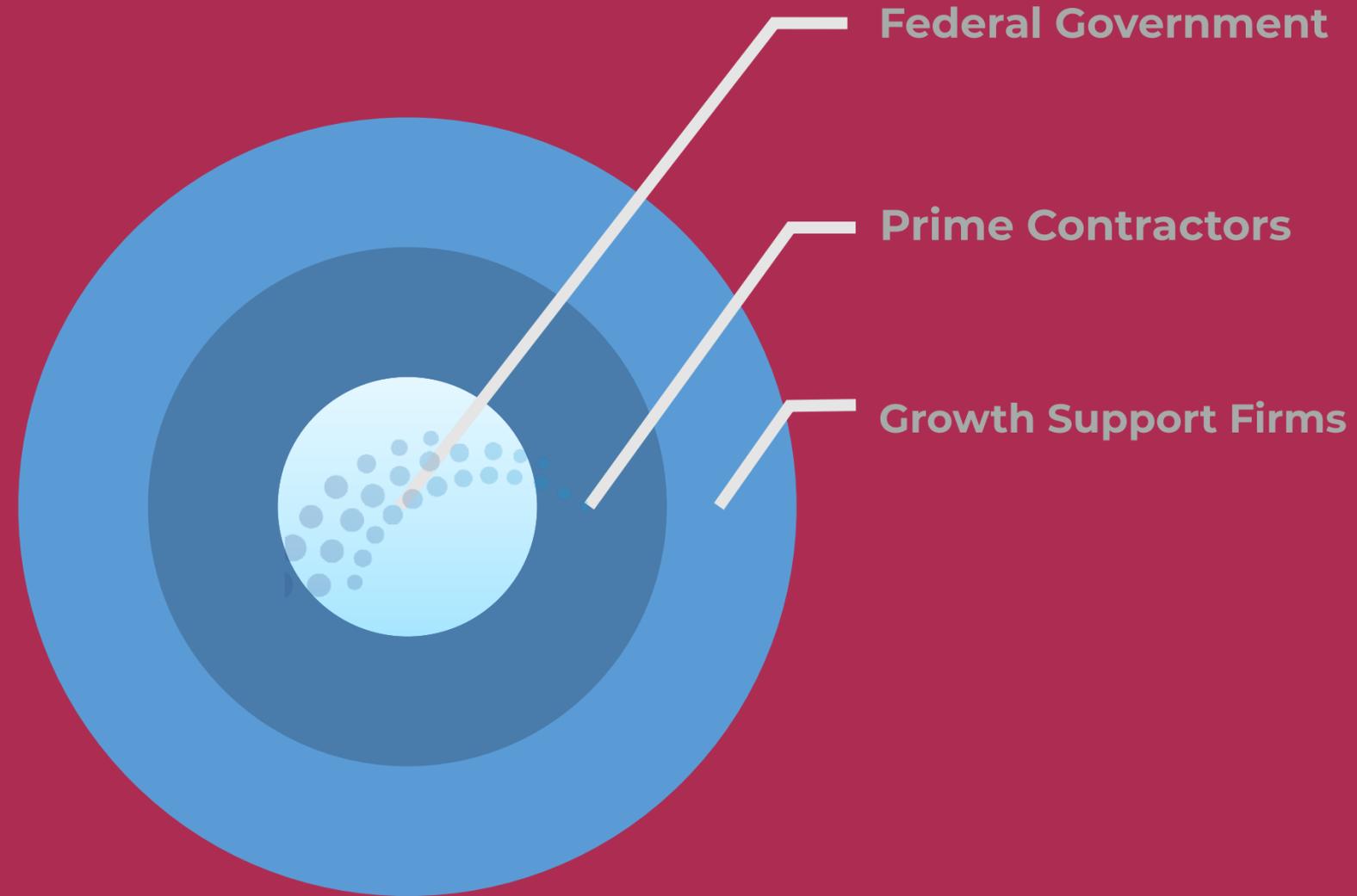
Agencies received some \$2.13 Trillion in April 2020? **Which Ones?**



A CIRCULAR REALITY



FEDCIRCLE™



**INTEGRATED CURATED DATASETS ARE KING
IN TODAY'S DISINFORMATION ENVIRONMENT**

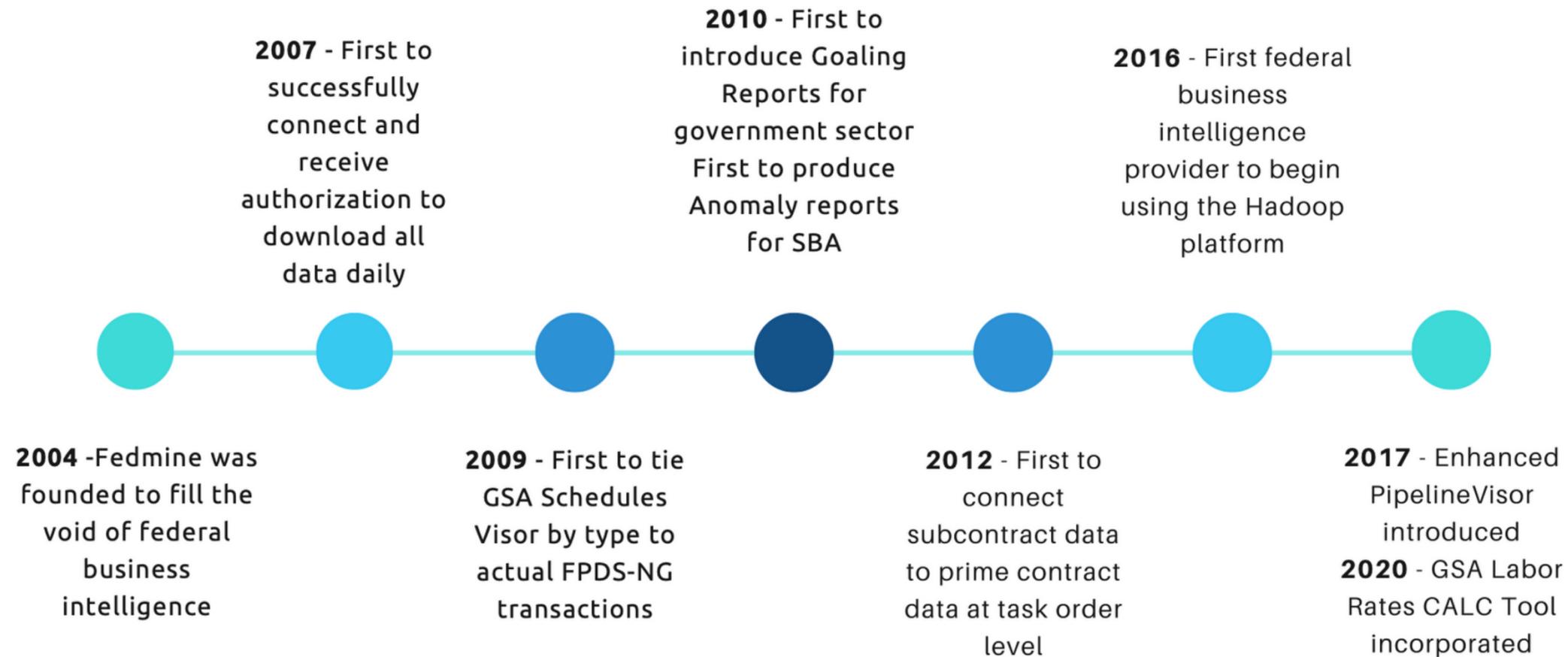
ANATOMY OF MONITORING FEDERAL SPENDING IN REAL-TIME

- ⦿ Conduct fast Super Searches, create custom keyword alerts
- ⦿ Discover subcontractors at the task order level, with complete comprehension of what matters most
- ⦿ Receive daily alerts based on awarded contracts within your addressable market
- ⦿ Build a pipeline with addressable re-compete and newly forecasted solicitations
- ⦿ Dissect competition, quickly view agency markets, drill down to key contacts and download information for marketing needs



OUR ONLINE PLATFORM
ANALYZES AND SIMPLIFIES
THE INCREASINGLY
COMPLEX FEDERAL
BUSINESS LANDSCAPE IN
REAL TIME, PROVIDING YOU
THE VISIBILITY YOU NEED
INTO YOUR ADDRESSABLE
MARKET OF BUSINESS
OPPORTUNITIES.

Fedmine Timeline of Achievements



**A TRUE LEADER IN
PROVIDING
FEDERAL BUSINESS
INTELLIGENCE TO
INDUSTRY AND
GOVERNMENT**

THE BUDGET PROCESS



Every fiscal year, congress decides how much money to give the federal government through its budgeting and appropriations process. These funds, or appropriations, are then designated for specific purposes and placed in specific federal accounts for each agency to use.



Federal agencies are responsible for spending these funds to carry out their programs and operations, which the treasury department assists with by managing the federal government's accounts.



All federal agencies have their own financial accounting systems to track money flowing in and out of accounts, and the treasury department is responsible for maintaining current and accurate information about the balances of agency accounts. This applies to accounts designated for paying individuals receiving social security, providing medicare reimbursements, or paying for grants for roads and bridges.



TOTAL FEDERAL SPENDING BY FISCAL YEAR

Total federal spending YTD in FY 2021 (*the government's fiscal year starts October 1*).

As of December 11, 2020 stood at: **\$1.43 TRILLION.**

AVERAGE DAILY SPENDING IN FY 2021 IS CLOSE TO \$20 BILLION

Fiscal Year	Obligations
2021	\$1.21T
2020	\$6.91T
2019	\$5.03T
2018	\$4.71T
2017	\$4.56T
2016	\$4.50T
2015	\$4.33T
2014	\$4.19T
2013	\$4.20T
2012	\$4.18T

DEFICIT FINANCING



To pay for a deficit, the federal government borrows additional funds, which increases the debt. The total debt that the federal government owes is essentially the accumulation of deficits over time, minus debt repaid by any surpluses, plus debt that the Treasury owes to other parts of the federal government such as the Social Security program. Other activities contribute to the change in federal debt, such as changes in the Treasury's operating cash account and federal student loans.

IN FY 2020 THE
FEDERAL
GOVERNMENT
SPENT **\$3.13**
TRILLION MORE
THAN IT
COLLECTED
RESULTING IN A
DEFICIT

BY THE
END OF FY 2020
THE GOVERNMENT
ACCUMULATED A
STAGGERING
\$26.95 TRILLION
IN TOTAL
FEDERAL DEBT

BETWEEN FY
2019 -2020 THE
GOVERNMENT
ADDED \$4.3
TRILLION MORE
IN DEBT

OVERVIEW OF THE FY 2020 - 21 BUDGET





**THE FY 2021
BUDGET IS
PROJECTED TO
FALL SHORT BY
\$966B (DEFICIT)
FROM AN
OVERALL BUDGET
OF **\$4.829**
TRILLION**

**MANDATORY SPENDING - \$2.96
TRILLION**

This spend includes programs such as Social Security, Medicare & Unemployment

**DISCRETIONARY SPENDING - \$1.49
TRILLION**

This spend is appropriated based on the President's budget

**INTEREST ON NATIONAL DEBT
STANDS AT - \$378 BILLION**

This spend is appropriated based on the President's budget

Actual FY 2020 Spend

Based on a joint statement released by the Treasury and OMB released on Nov 2020 the government spent \$6.55 trillion in FY 20

This is \$1.76 trillion more than budgeted. The deficit was \$3.13 trillion

In response to the pandemic, programs and laws were put in place to support hard hit industries, small businesses and families and individuals



CORONAVIRUS PREPAREDNESS AND RESPONSE SUPPLEMENTAL APPROPRIATIONS ACT, 2020 (PUBLIC LAW 116-123)



FAMILIES FIRST CORONAVIRUS RESPONSE ACT (FFCRA, PUBLIC LAW 116-127)



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES ACT, PUBLIC LAW 116-136)



PAYCHECK PROTECTION PROGRAM AND HEALTH CARE ENHANCEMENT ACT (PPHCE ACT, PUBLIC LAW 116-139).

EFFECTS OF THE PANDEMIC



Table 1. Total Receipts, Outlays, and Deficit (in trillions of dollars)

	Receipts	Outlays	Deficit
FY 2019 Actual	3.462	4.447	-0.984
FY 2020 Estimate:			
2021 Budget	3.706	4.790	-1.083
FY 2020 Actual	3.420	6.552	-3.132

Note: Detail may not add to totals due to rounding.

Outlays were \$2.105 trillion more than expected, namely by Dept of Health and Human services, Dept of Labor, Dept of Treasury and the Small Business Administration

[HHS Spend Report](#)

[SBA Spend Report](#)

[Dept of Labor Spend Report](#)

[Dept of Treasury Spend Report](#)

To aid the nation's recovery from the coronavirus disease 2019 (COVID-19) pandemic, the U.S. Congress passed **four** special appropriations laws and Economic Security (CARES) Act, which provides approximately **\$2.09 trillion**, the largest supplemental appropriation in American history.

In this analysis, we explore the COVID-19 supplemental appropriation laws passed by the U.S. Congress, starting with the amount of funding budgeted for agencies and how that money provided financial relief.

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PANDEMIC SUPPLEMENTAL SPEND

\$1.27 TRILLION

allocated to fund
loan and loan
guarantee

\$2.59 TRILLION

appropriated to
four agencies -
Treasury, Health &
Human Services,
Labor & SBA

\$483 BILLION

appropriated to
the PPP program,
of which 30% was
not spent

PHASE 1: Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 *(Enacted March 6, 2020)*

NEW AGENCY FUNDING (\$7B):

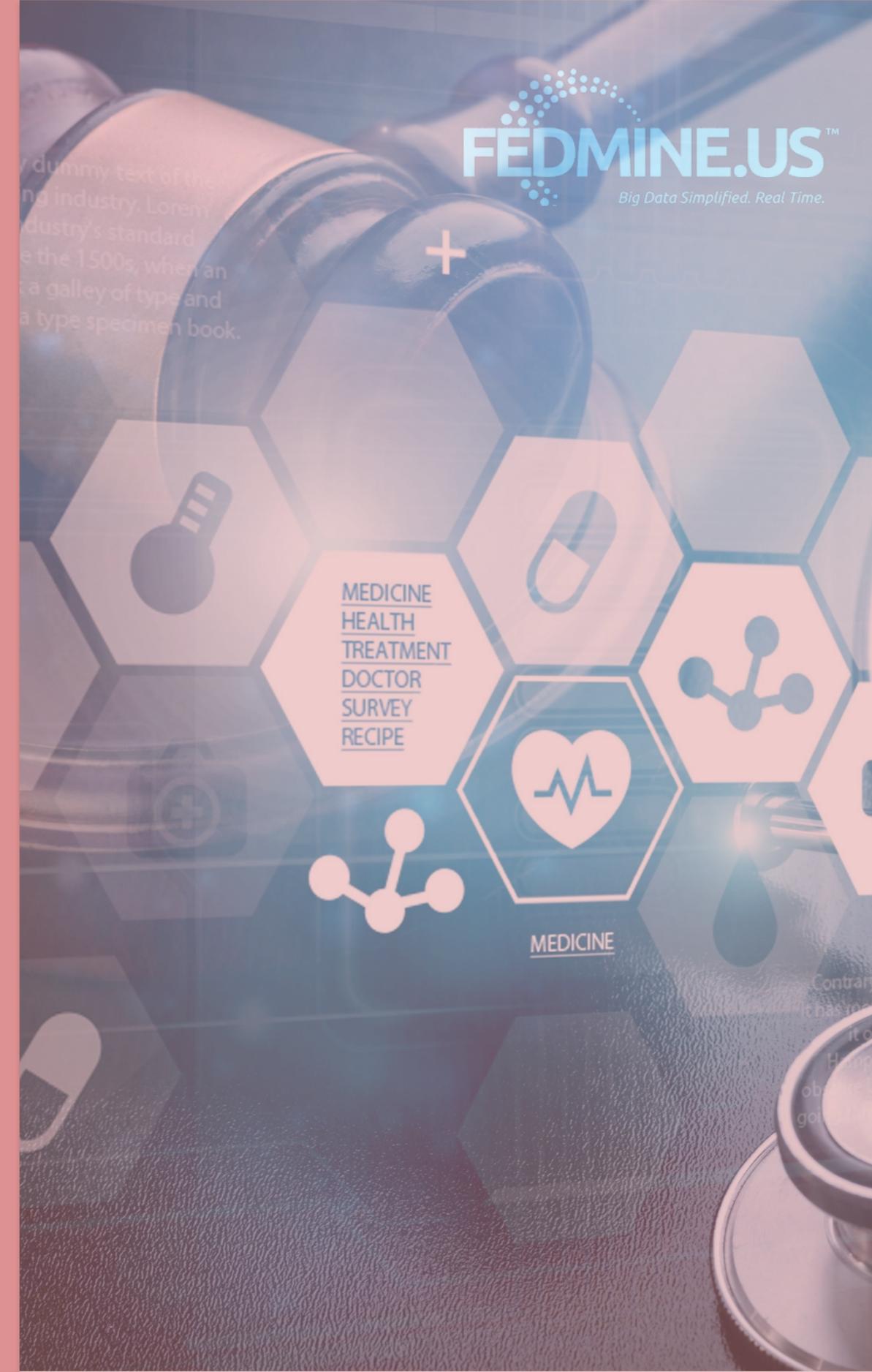
Medical Care & Research

- Over \$5B in medical care and research including development of vaccines and therapies
- Funding for epidemiology, infectious disease control and mitigation

Business, Government & Institutions

- Emergency preparedness for the Department of State consular programs
- \$1B in economic assistance to other countries

AGENDA



HOW MUCH SUPPLEMENTAL FUNDING HAS BEEN SPENT?

Ninety-two percent of the \$2.59 trillion in COVID-19 funding was appropriated to four agencies: The Treasury, Health and Human Services, Labor, and the Small Business Administration (SBA).

Of those funds, roughly half, or \$1.27 trillion, were allocated to fund loan and loan guarantee programs.

These funds could be used to generate an estimated \$3.92 trillion in loans and loan guarantees to businesses and individuals.

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As of September 1, 2020, roughly **\$2.59 trillion in new budgetary resources** have been made available for federal agencies to respond to the pandemic. Agencies can use this funding for contracts, grants, loans, and other assistance, as well as direct payments like the Economic Impact Payments (EIP) appropriated in Phase 3.

The PPP program was only \$483 Billion, and 30% of it was not spent

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PRESIDENT TRUMP'S FY 2021 BUDGET - PRE-PANDEMIC

Key
Takeaway

Source – https://www.whitehouse.gov/wp-content/uploads/2020/02/budget_fy21.pdf.

FY 2021 BUDGET

PRE-PANDEMIC

In February 2020, the FY 21 budget was released, which placed emphasis on:

- R&D - \$142B in Federal Research & Dev
- Non-Defense AI & Quantum Information Science
- Beyond R&D – investments in education and job training to support industries of the future

This is expected to change with changes in priority with the new administration and pandemic efforts

FY 21 Budget - Feb 2020 (Pre-Pandemic)		
Agency	Budgeted Outlay in Billions	increase/decrease over previous year in Billions
DoD	\$705.40	\$0.80
Dept of VA	\$105.00	\$12.90
HHS	\$94.50	(\$10.50)
Dept of Ed	\$66.60	(\$5.60)
DHS	\$49.70	\$1.60
HUD	\$47.90	(\$8.60)
Dept of State	\$40.80	(\$11.70)
Dept of Energy	\$35.40	(\$3.10)
Dept of Justice	\$31.70	(\$0.73)
NASA	\$25.20	\$2.70
USDA	\$21.80	(\$1.90)
Dept of Transportation	\$21.60	(\$3.20)
Dept of Treasury	\$15.70	\$0.29
Dept of Interior	\$12.70	(\$2.50)
Dept of Labor	\$11.10	(\$1.30)
Dept of Com	\$7.90	(\$7.29)
EPA	\$6.70	(\$2.40)
USACE	\$6.00	(\$1.70)
SBA	\$0.74	(\$0.24)

source: https://www.whitehouse.gov/wp-content/uploads/2020/02/budget_fy21.pdf

FY 2021 BUDGET

PRE-PANDEMIC

NIST TO RECEIVE \$718M

to advance innovation
and tech.

development
including AI, 5G,
quantum information

[Download Fedmine Report](#)

HBCU TO RECEIVE \$749M

in discretionary
funding for support

FEMA GRANT

elimination of \$535M
in unnecessary grant
and training
programs

FUND LEADING EDGE INNOVATIONS

SECRET SERVICE TO BE TRANSFERRED TO DEPT. OF TREASURY

FY 2021 BUDGET

PRE-PANDEMIC

**BORDER
SECURITY A
TOP PRIORITY**

**PRIORITIZE
WILDLAND FIRE
RISK
MITIGATION**

**RETURN
AMERICAN
ASTRONAUTS
TO THE MOON
BY 2024**

**ELIMINATION OF
THE ECONOMIC
DEVELOPMENT
ADMINISTRATION**

FY 2021 DoD BUDGET REQUEST WAS FOR \$705B, A 0.1% GROWTH OVER FY 2020

Focus is on implementation of the National Defense Strategy (NDS):

- improve military readiness and invest in modernization
- strengthen alliances and deepen interoperability
- reform department for performance and accountability
- support service member and families

[DoD spend](#)

[Airforce Spend by CO](#)

[Army Spend by CO](#)

[Navy Spend by CO](#)

FY 2021 DEFENSE SPEND

Sources:

<https://www.defense.gov/Explore/Spotlight/FY2021-Defense-Budget/>

OVERVIEW OF THE DEFENSE BUDGET SPEND

Objective: Build a ready, agile all domain joint force

Nuclear Modernization	\$ 28.9B
Missile Defeat & Defense	\$ 20.3B
Space Domain	\$ 18.0B
Cyberspace	\$ 9.8B
Air Domain	\$ 56.9B
Maritime Domain	\$ 32.3B
Land Domain	\$ 13.0B
Munitions	\$ 21.3B



Tip: Use Exhibit 53s and 300s to understand the IT investments!

\$106.6B is budgeted towards RDT&E and is focused on the development of crucial emerging technologies. DoD is making investments in these Advanced Capabilities Enablers (ACE) which are focused on "high end fight". Investments include:

- Hypersonics - \$3.2B ([Report on Spend for previous years](#))
- Microelectronics/5G - \$1.5B ([Report on Microelectronic Spend](#))
- Autonomy- \$1.7B ([Report on Autonomy spend for previous years](#))
- AI - \$841M ([Report on AI Spend for previous years](#))

OVERVIEW OF THE DEFENSE BUDGET SPEND – CONT'D.

Objective: Maximize Readiness

Army Readiness	\$ 30.9B
Navy & Marine Corp Readiness	\$ 47.5B
Air Force Readiness	\$ 37.1B
Special Operations Command Readiness	\$ 9.5B



Objective: Support Service Members & their Facilities

The budget includes:



- 3% military pay raise
- Increase in military basic allowance for housing & allowance for subsistence
- \$8B investment for family support program

OVERVIEW OF THE DEFENSE BUDGET SPEND –CONT'D.

Objective: Restore, sustain, replace and build critical facilities

Over \$21B is invested in Military Construction and Facilities, Sustainment, Restoration, and Modernization.

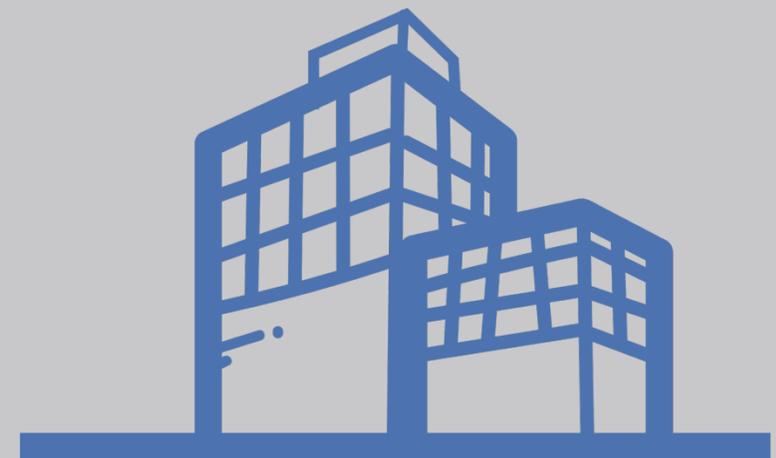
The amount includes \$446M for disaster recovery efforts for all known disaster requirements through 2025

Objective: Overseas Contingency Operations

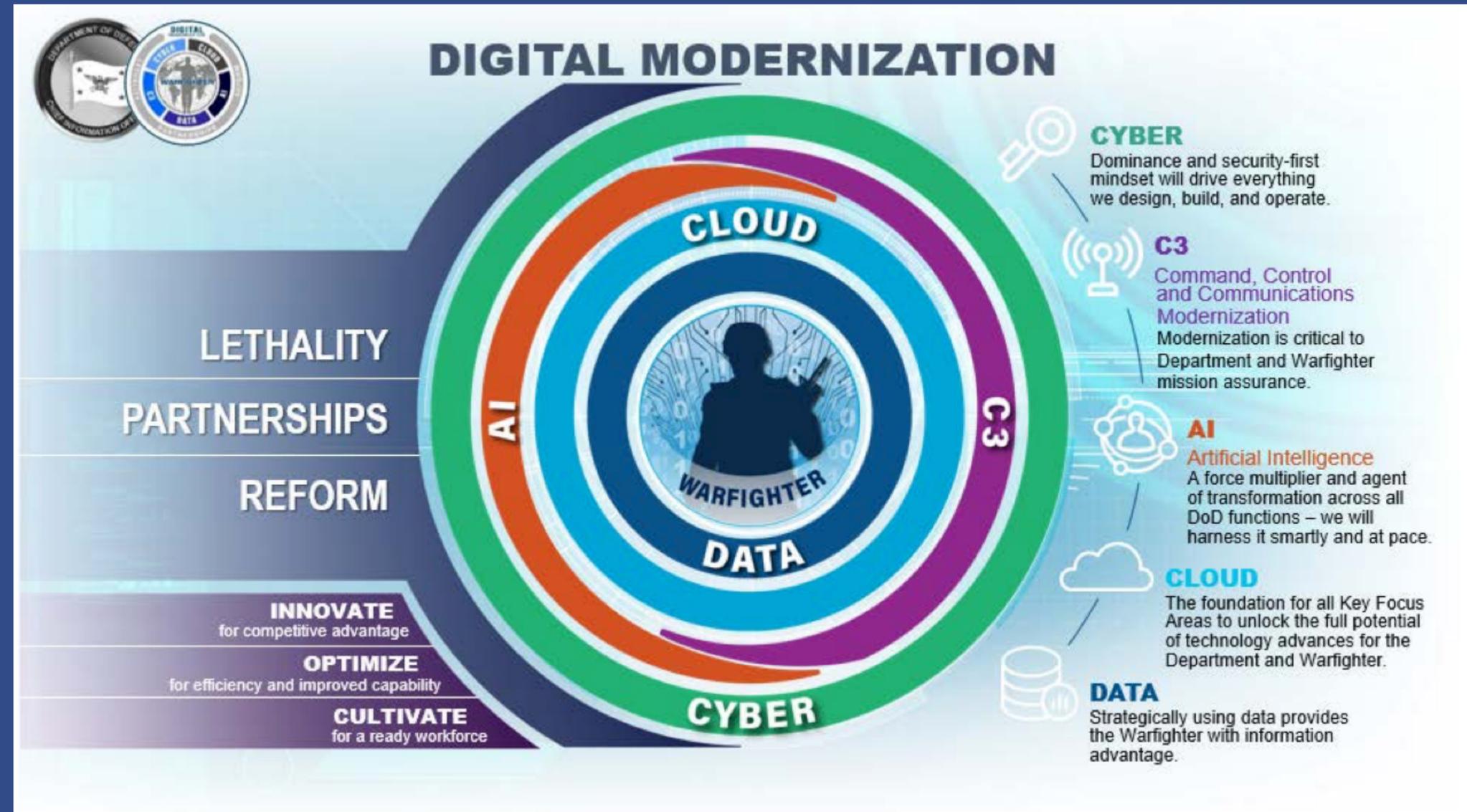
The budget requests \$69B for OCO including:

- \$20.5B for direct war requirements
- \$32.5B for enduring requirements
- \$16.0B for base requirements

Note - The budget and additional documents can be found at <https://comptroller.defense.gov/Budget-Materials/>



DOD INFORMATION TECHNOLOGY & CYBERSPACE ACTIVITIES OVERVIEW



Source: <https://www.cape.osd.mil/content/SNAPIT/BudgetDocs2021.html>

<https://dodcio.defense.gov/>

DOD INFORMATION TECHNOLOGY/CYBERSPACE ACTIVITIES (IT/CA) BUDGET - FY 2021



The total budget request for FY 21 is \$49.5B which includes \$11.8B in classified investment and expense. This amount is an overall 1.64% increase over the FY 2020 budget.

The table below shows the unclassified IT budget, (reflected in Fedmine's Ex.53 table for our users), the classified IT/CA spend, and the spending associated with National Security systems which is not made public.

Table 1: DoD Unclassified IT/NSS and Classified IT/CA Breakout
(dollars in thousands)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Unclassified IT Budget *	\$ 17,254,895	\$ 18,334,729	\$ 18,738,166	\$ 19,015,333	\$ 18,514,339	\$ 18,014,368	\$ 17,072,397
Unclassified NSS Budget**	\$ 18,081,854	\$ 18,262,017	\$ 18,981,141	\$ 18,258,726	\$ 18,556,295	\$ 18,939,755	\$ 18,161,618
Classified IT/CA Budget ***	\$ 9,868,095	\$ 12,068,966	\$ 11,792,858	\$ 12,388,493	\$ 12,238,068	\$ 12,494,066	\$ 12,413,838
Total FY 2021 PB	\$ 45,204,844	\$ 48,665,712	\$ 49,512,165	\$ 49,662,552	\$ 49,308,702	\$ 49,448,189	\$ 47,647,853

* Publically available on the OMB ITDB
 ** Not publically available on the OMB ITDB
 *** Details not publically available

Numbers may not add due to rounding

DIGITAL MODERNIZATION STRATEGY

The Digital Modernization Strategy provides the roadmap to implement the National Defense Strategy.

Key Focus areas include:

- Cloud - DoD has an enterprise cloud strategy, DoD Enterprise Cloud Environment (DECE) - multi-cloud, multi-vendor ecosystem
- Artificial Intelligence - The Joint Artificial Intelligence Center (JAIC) is the focal point of carrying out the strategy - refer to FY 2019 NDAA Section 238
- Command, Control and Communications Modernization (C3) - Includes Modernizing Tactical Radio Communications; Assuring Electromagnetic Spectrum (EMS) Access, Use, & Maneuver; Modernizing and Protecting Positioning, Navigation, and Timing (PNT) Information; and Improving Senior Leadership Communications Resiliency
- Cybersecurity - Implementation of the First Four Cyber Initiatives, Supply Chain Risk Management, and the Joint Regional Security Stack (JRSS)

Joe Biden plans to cut taxes, boost health care and reduce college debt during his first term

Business
**'Our industry knows Joe Biden really well':
Defense contractors unconcerned as Biden
clinches victory**

**What a Joe Biden administration will
mean for the economy**
Last Updated: Nov 9, 2020, 1:40 PM
Biden has a bold agenda, but a divided Congress could
constrain him
By Jeffrey Mervis | Nov. 9, 2020, 1:40 PM

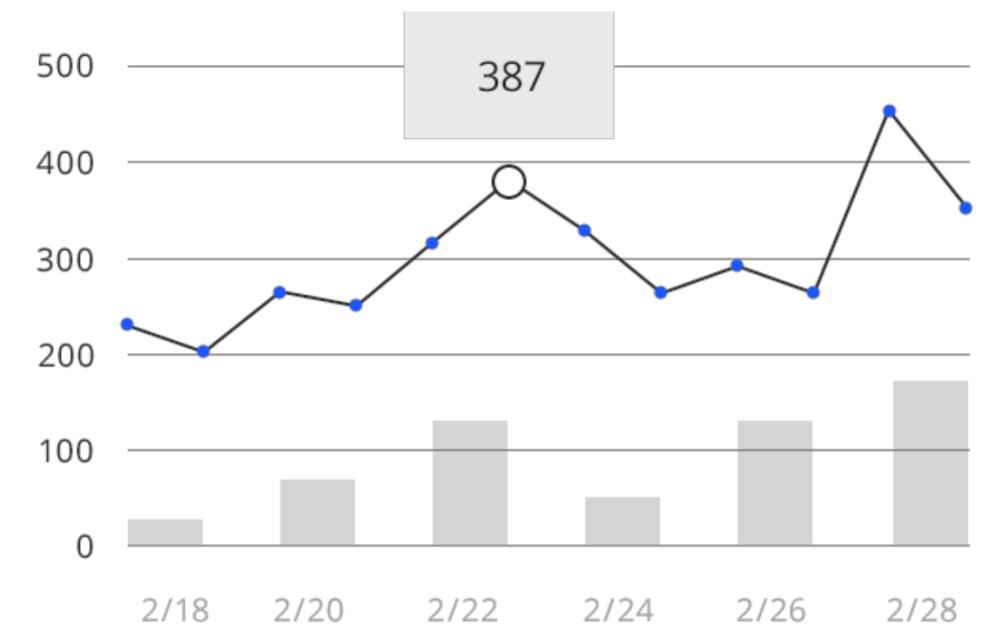
**NEW
ADMINISTRATION=NEW
BUDGET**

With the pandemic and the new administration, the budget will change. Administration priorities will affect budget

Federal Bust

Key Points

- Over fiscal years **2021 – 2030**, the Biden platform would raise **\$3.375 trillion** in new tax revenue while **increasing spending by \$5.37 trillion**.
- Under the Biden tax plan, households with adjusted gross income (AGI) of \$400,000 per year or less would not see their taxes increase directly but would see lower investment returns and wages as a result of corporate tax increases. Those with AGI at or below \$400,000 would see an average decrease in after-tax income of 0.9 percent under the Biden tax plan, compared to a decrease of 17.7 percent for those with AGI above \$400,000 (the top 1.5 percent).
- **The largest areas of new net spending are education at \$1.9 trillion over ten years and infrastructure and R&D at \$1.6 trillion over ten years.**
- In total, including macroeconomic and health effects, the Biden platform increases federal debt by 0.1 percent in 2030 before decreasing debt by 1.9 percent in 2040 and 6.1 percent in 2050; GDP decreases by 0.4 percent in 2030, sees no change in 2040, and increases by 0.8 percent in 2050.



Earlier initiatives that still continue to get funded will affect the new administration's ability to change them if they don't like them

- Timing when agencies report their spending data to FPDS varies significantly; sometimes it's reported as it is recorded in their procurement systems, while others report it periodically in a batch
- Due to matters of national security, the Defense Department is supposed to hold back their spending data for 90 days before it is released to FPDS
- Agencies may make changes to their data months, so if you look up recent information, it may change within 3-4 months after the spending obligations occurred
- Companies with expiring/expired 8(a)s will have the most intel on contracts they hold; we just need to know enough so that they take you seriously as a knowledgeable/competent potential partner ready to do strong BD



Questions to ask:

Do we know enough about this work to decide to take all of it, instead of sharing with an incumbent?

Is it worthwhile to check if the incumbents are favored at the agency?

What is their reputation for getting the work done?

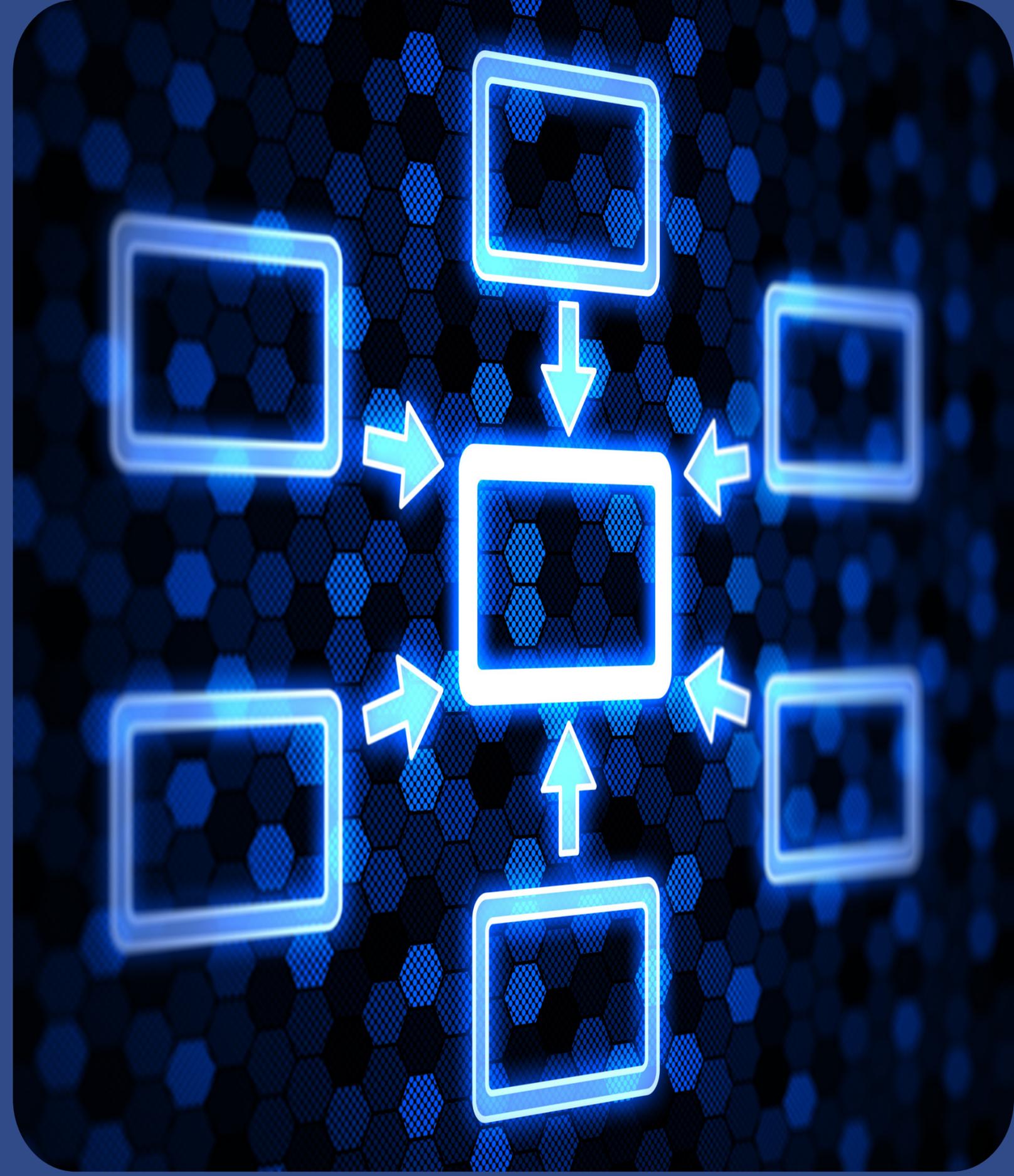
What is our approach for that?

Who will be responsible on ICMS team?

COMING TO TERMS WITH REALITY

- Presidential candidate Joe Biden's campaign has released a substantial list of policy proposals.
- Over the 10-years from 2021 – 2030, the Biden platform would raise additional tax revenue to the tune of \$3.375 trillion, and **increase spending by \$5.37 trillion.**
- Including macroeconomic and health effects, by 2050 the Biden platform would **decrease** the federal debt by **6.1%** and increase GDP 0.8% relative to current law. Almost 80% of the increase in taxes under the Biden tax plan would fall on the top 1 percent of the income distribution.
- productivity plummeted costing the company dearly.
- This is because the company's overall throughput was negatively impacted, while client expectations to meet deadlines remained disproportionately higher than normal.

BIDEN PLAN – KEY EXPECTATIONS



BIOTECH

Covid-19 is a top priority for the Biden-Harris Administration and will lead to funding for Research.

Expect to see increased spending in Biotech

CLEAN ENERGY

Increases with a Biden administration. His energy plan calls for the largest investments in clean energy technology ever set forth by any previous president

INNOVATION R&D

Biden calls for \$300B in new investment in R&D and breakthrough technologies over 4 years

DEFENSE SPENDING

Biden Administration does not foresee any major reduction in the US Defense Budget

EDUCATION SPENDING

Expect an increase based on Biden-Harris initiatives and investments

INFRA-STRUCTURE

Infrastructure outlays are expected to increase



HOUSING ASSISTANCE

Expected to increase in the wake of the pandemic

TAXES

Might rise, but so will accountability.
Changes to Corporate Tax rate expected to climb, but things will be more certain and less sporadic as with the previous administration

PANDEMIC

Spend related to the pandemic will be a major factor with increased funding for testing, contract tracing and measures to support the sick. New funding to be provided to return country to normalcy, such as educational institutions.

BIDEN

ADMINISTRATION -

EFFORTS TO

SUPPORT SMALL

BUSINESS

"BUILD BACK BETTER"

EFFORTS TO PROMOTE SMALL BUSINESS



Create a national network of federally funded small business incubators

Military spouse entrepreneurship pilot program

Enforce laws and regulations to ensure markets work for all so small businesses have a fair shot.

Protect Native Artisans

Assist disadvantaged businesses to participate in the global marketplace.

Tax breaks for small businesses to start a retirement plan

CONTRACTS FOR CERTIFIED SMALL DISADVANTAGED BUSINESS

We expect to see an increase in the use of the 8a program under the new administration.

Over the past 3 fiscal years \$80b has been awarded to 8a program participants, only \$29b has been awarded 8a sole source and 8a competed awards. Interesting to note that the dollar value awarded to 8a companies has been decreasing year over year.

[\(Fedmine Report\)](#)

Require prime contractors to develop and execute plans to increase subcontracting opportunities for disadvantaged businesses.

Subcontracts reported have increased year over year, with \$232b reported in fy 20, compared to \$159b in FY 19.

[Fedmine report by NAICS](#)

It is important to remember that a contract at award has subcontract plan requirements, but not all subcontracts are reported in ESRS!

[\(Fedmine report on subawards\)](#)

EMPHASIS ON SUBCONTRACTING

MINORITY BUSINESS DEVELOPMENT AGENCY

Increased funding and stature of the minority business development agency to assist the growth of minority owned small businesses.

In FY 20 the MBDA provided grants of \$77M, down from \$89M in FY 19. We expect this to increase

[Grants awarded report](#)

Investment in the diverse talent at HBCU, Tribal Colleges and Minority Serving Institutions by creating 200 centers of excellence that serve as research incubators.

Further, expect priority funding for grants and contracts for HBCU & MSI.

Will require 10% minimum subcontract with an HBCU, MSI or TU when any grant is provided to a university with more than \$1 billion in endowment.

[HBCU Contracts report.](#)

HISTORICAL BLACK COLLEGE AND UNIVERSITIES

WOMEN AND MINORITY OWNED BUSINESSES

The administration plans to improve and expand SBA programs that support women and minority owned businesses.

While most agencies meet their Women Owned Businesses goals, the percent of contracts that are set-aside for women owned businesses is miniscule.

[WOSB Contracts Awarded profile](#)

BUY AMERICAN

By making investments in manufacturing & technology and giving American workers & companies the tools they need to succeed. Emphasis will be placed on small manufactures owned by women & people of color. The \$300b investment in R&D is expected to spur high value manufacturing.

Use tighter domestic content rules, crack down on waivers, strengthen and enforce the rule are some ways the Biden administration expects to follow through this commitment.

INCREASED OPPORTUNITIES FOR NATIVE-OWNED BUSINESSES

The Biden administration wants to strengthen implementation of the **Buy Indian Act**. In **FY 20 only \$41M** was awarded to 116 companies using the Buy Indian set aside program.

In FY 20 YTD only \$773m was awarded to Native American owned firms, a drop of \$50m from the previous year.

See [report here](#)

Veteran owned business account for less than 5% of federal spending. The new administration will promote corporate mentorship to support Veteran Entrepreneurship!

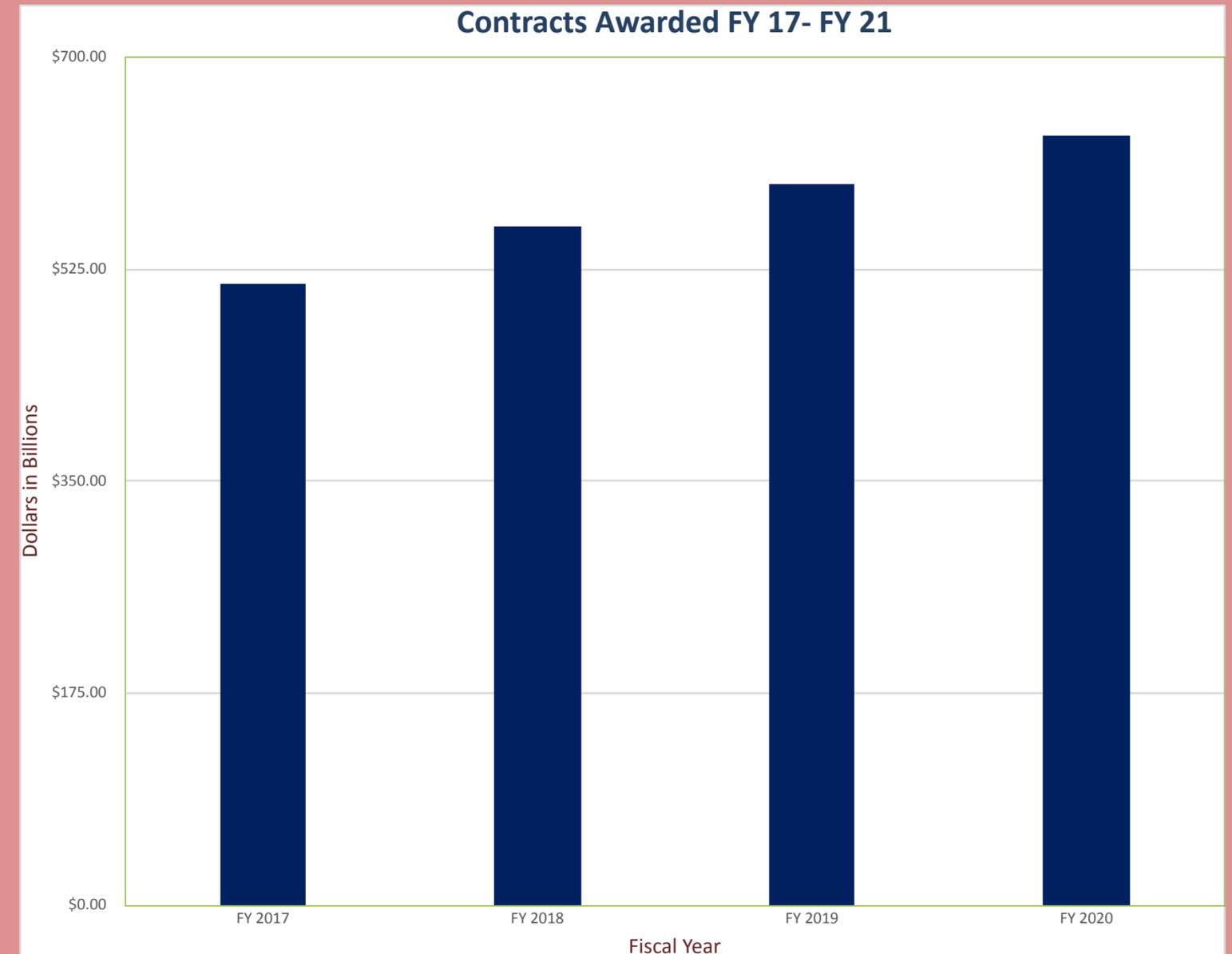
[Report on awards to Veterans FY 21](#)
[Dept of VA profile](#)
[Verified Veteran Contracts Profile](#)

VETERAN ENTREPRENEURSHIP

FEDERAL CONTRACTS AWARDED

FY 20 Contracts awarded reached \$642B, which included \$32B in COVID related contracts. We expect spend to remain or grow over the next two fiscal years.

[All agency spend report](#)



COVID-19 NIA CONTRACTS

- No surprise that HHS along with the VA are the top agencies
- Contracts awarded under this NAICS include those starting with 54, 42 & 23
- 32% of the contracts were awarded as small business
- SBA contracts awarded were for administrative management related to the PPP loan program

[\(Fedmine Report on COVID Spend\)](#)

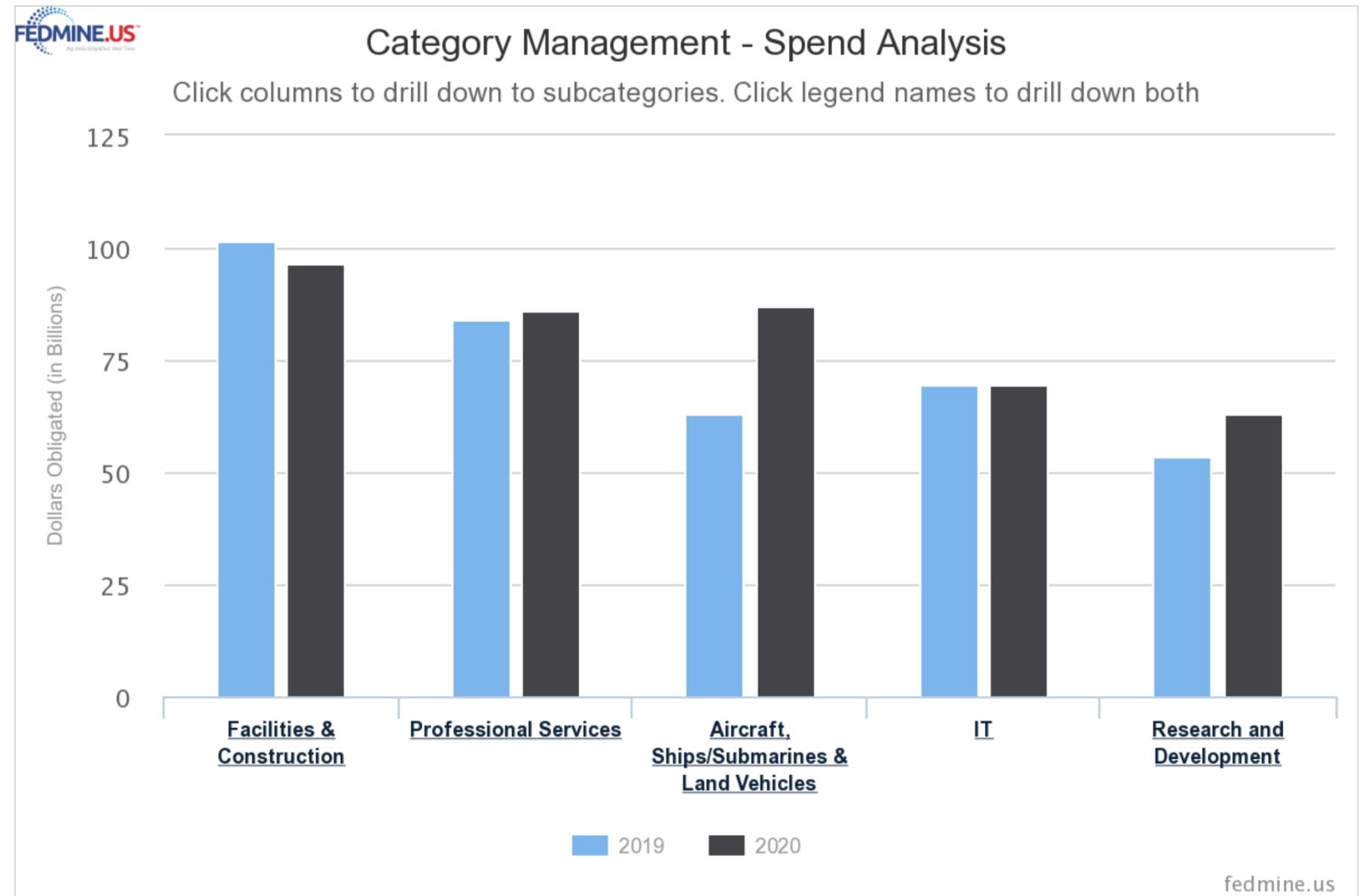
Top Federal Contracting Agencies - COVID NIA	
Agency	FY 2020
7500 - HEALTH AND HUMAN SERVICES	\$ 13,188,427,473
2100 - ARMY	\$ 3,771,842,699
3600 - DEPARTMENT OF VETERANS AFFAIRS	\$ 3,014,281,211
1200 - AGRICULTURE, DEPARTMENT OF	\$ 2,773,119,666
7000 - HOMELAND SECURITY	\$ 1,807,052,614
97AS - DEFENSE LOGISTICS AGENCY (DLA)	\$ 1,628,015,144
7300 - Small Business Administration	\$ 1,283,371,826
5700 - AIR FORCE	\$ 1,250,543,094
8900 - ENERGY, DEPARTMENT OF	\$ 1,120,165,741
7200 - AGENCY FOR INTERNATIONAL DEVELOPMENT	\$ 901,648,252
9700 - DEFENSE, DEPARTMENT OF	\$ 384,210,932
1700 - NAVY, DEPARTMENT OF	\$ 345,079,836
1300 - COMMERCE, DEPARTMENT OF	\$ 308,499,312
1900 - STATE, DEPARTMENT OF	\$ 274,060,174
2000 - TREASURY, DEPARTMENT OF	\$ 207,852,574
GRAND TOTAL	\$ 32,804,914,092

Source: Fedmine, data as of 12/8/2020

CATEGORY MANAGEMENT FY 19-20

A look at the various categories shows the top 5 categories for FY 19 and FY 20. Note the increase in Aircraft, Ship/Submarines & Land Vehicle Categories which has seen a substantial increase in FY 20

[\(Fedmine Full Report\)](#)

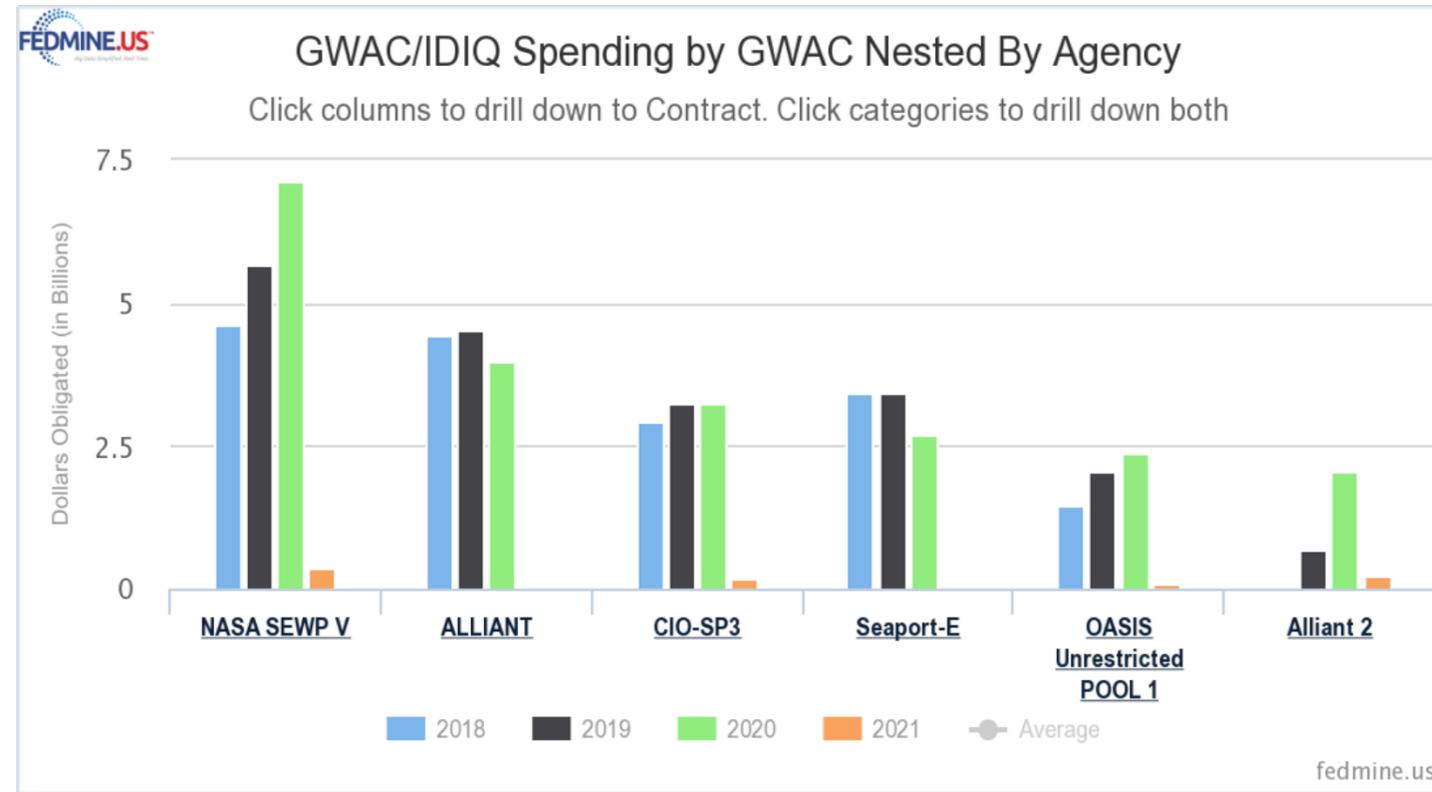


FUTURE FEDERAL CONTRACTING ACTIVITY - EXPECTATIONS

Overall increase in federal spending, grants and contracts, to control the pandemic and revive the economy.

STRATEGIC SOURCING

The use of government wide acquisition vehicles will increase with the increased adoption of category management.



- Expect the small business dollars to fall, the number of small businesses winning awards to decrease
- Companies with vehicles, esp. in key agencies, are a good acquisition or teaming target

[\(Fedmine GWAC report\)](#)

OTHER TRANSACTION AUTHORITY CONTRACT AWARDS AND SBIRS WILL INCREASE

The incoming administration's agenda of Buy America, Controlling the pandemic and "Build Back Better" includes increased funding towards research and development across IT, health, clean energy to name a few.

We expect to see an increased use in OTAs and SBIRs to help the administration achieve its goal.

OTHER TRANSACTION AUTHORITY (OTA)



The use of OTAs has increased exponentially over the past few years and will continue to grow. The DoD is the primary agency that uses this transaction:

Top Federal Contracting Agencies using Other Transaction Authority Contracts				
	FY 2020	FY 2019	FY 2018	FY 2017
2100 - ARMY	\$12,413,299,937	\$4,957,169,284	\$2,961,911,914	\$1,543,434,235
5700 - AIR FORCE	\$1,227,645,124	\$1,654,066,662	\$526,724,347	\$246,367,132
9700 - DEFENSE, DEPARTMENT OF	\$810,482,674	\$684,482,981	\$448,395,065	\$382,340,889
1700 - NAVY, DEPARTMENT OF	\$365,987,537	\$173,948,491	\$31,955,708	\$50,000
7000 - HOMELAND SECURITY	\$247,079,548	\$185,222,589	\$248,268,079	\$168,140,901
1400 - INTERIOR, DEPARTMENT OF	\$104,151,379	\$152,601,331	\$46,651,086	\$0
97AS - DEFENSE LOGISTICS AGENCY (DLA)	\$330,000	\$600,000	\$0	\$0
GRAND TOTAL	\$15,168,976,198	\$7,808,091,338	\$4,263,906,200	\$2,340,333,157

It is important to remember that these transactions are awarded as a result of Broad Agency Announcement (BAA) or as sole source contracts and not as an RFP or RFI.

BROAD AGENCY ANNOUNCEMENT (BAA)



The Broad Agency Announcement (BAA) is a technique for government agencies to solicit proposals from outside groups for certain research and development. The agency will then select proposals to fund as contracts or grants.

BAA Spending has nearly doubled each year and we expect it to continue into 2021 and 2022.

[\(Fedmine reports on Contracts using the BAA Solicitation method\)](#)



Civil Agencies		Dollars Obligated Aggregated, Actual Figures			
		2020	2019	2018	2017
+	1400 - INTERIOR, DEPARTMENT OF	\$8.28M	\$6.33M	0.00	0.00
+	7000 - HOMELAND SECURITY	-14,109.00	\$5.87M	\$6.15M	\$2.61M
SECTOR TOTALS :		\$8.27M	\$12.20M	\$6.15M	\$2.61M
Defense Agencies		Dollars Obligated Aggregated, Actual Figures			
		2020	2019	2018	2017
	1700 - NAVY, DEPARTMENT OF	\$117.27M	\$42.66M	\$25.63M	\$50.00K
	2100 - ARMY	\$1.86B	\$1.61B	\$606.80M	\$187.34M
	5700 - AIR FORCE	\$142.70M	\$77.91M	\$354.03K	\$31.83K
+	9700 - DEFENSE, DEPARTMENT OF	\$196.83M	\$378.91M	\$375.15M	\$381.35M
SECTOR TOTALS :		\$2.32B	\$2.11B	\$1.01B	\$568.77M
GRAND TOTAL :		\$2.33B	\$2.12B	\$1.01B	\$571.38M

SMALL BUSINESS INNOVATION RESEARCH (SBIR)

SBIR program was created to support scientific excellence and technological innovation through the investment of federal research funds in critical American priorities to build a strong national economy – one business at a time.

SBIR spending has increased marginally year over year:

2017 - \$2.54B

2018 - \$2.75B

2019 - \$3.22B

2020 - \$3.78B

We do expect the SBIR Spending to increase at a faster rate in the future.

Fedmine Report on SBIR contracts awarded in FY 20

SUBCONTRACTING



Biden's plan calls for subcontracting to small and disadvantaged businesses as well as HBCUs. We do expect to see subcontracting requirements to increase with new contract award.

Unfortunately, reporting the subcontracts awarded by the prime is not as prolific as needed, and hence there is not adequate transparency in the subcontract dollars.

We expect subcontracting to increase, as well as requirements for subcontract reporting to change.

TEAMING, JOINT VENTURES AND MENTOR PROTEGES



The Biden administration has committed to help small businesses, especially women owned and disadvantaged businesses.

With the updated SBA rules that went into effect in November 2020, we expect to see an increased activity in teaming, joint ventures and mentor-protege relationships.

OTHER EXPECTATIONS

**IMMIGRATION
FRIENDLY
POLICIES**

**FOCUS ON
GLOBAL
STRATEGY**

**JOB &
EDUCATIONAL
OPPORTUNITY**

**REVITALIZE
AMERICAN
MANUFACTURING**

MORE EXPECTATIONS

**WIDESPREAD
DEBT/CREDIT/
LOAN
DEFAULTS**

scrutiny on low-
rated debt, Chinese
corporate debt and
loans

**CHANGES IN
REGULATORY
DECISIONS &
GUIDANCE**

**OIL & GAS
FUTURE IS
BLEAK**

Interest in data pays the least dividends, because the more you have, the more you realize you don't have. Gaining information from data is the only use it provides, leading to knowledge that might generate interest to know more.

ASHOK MEHAN

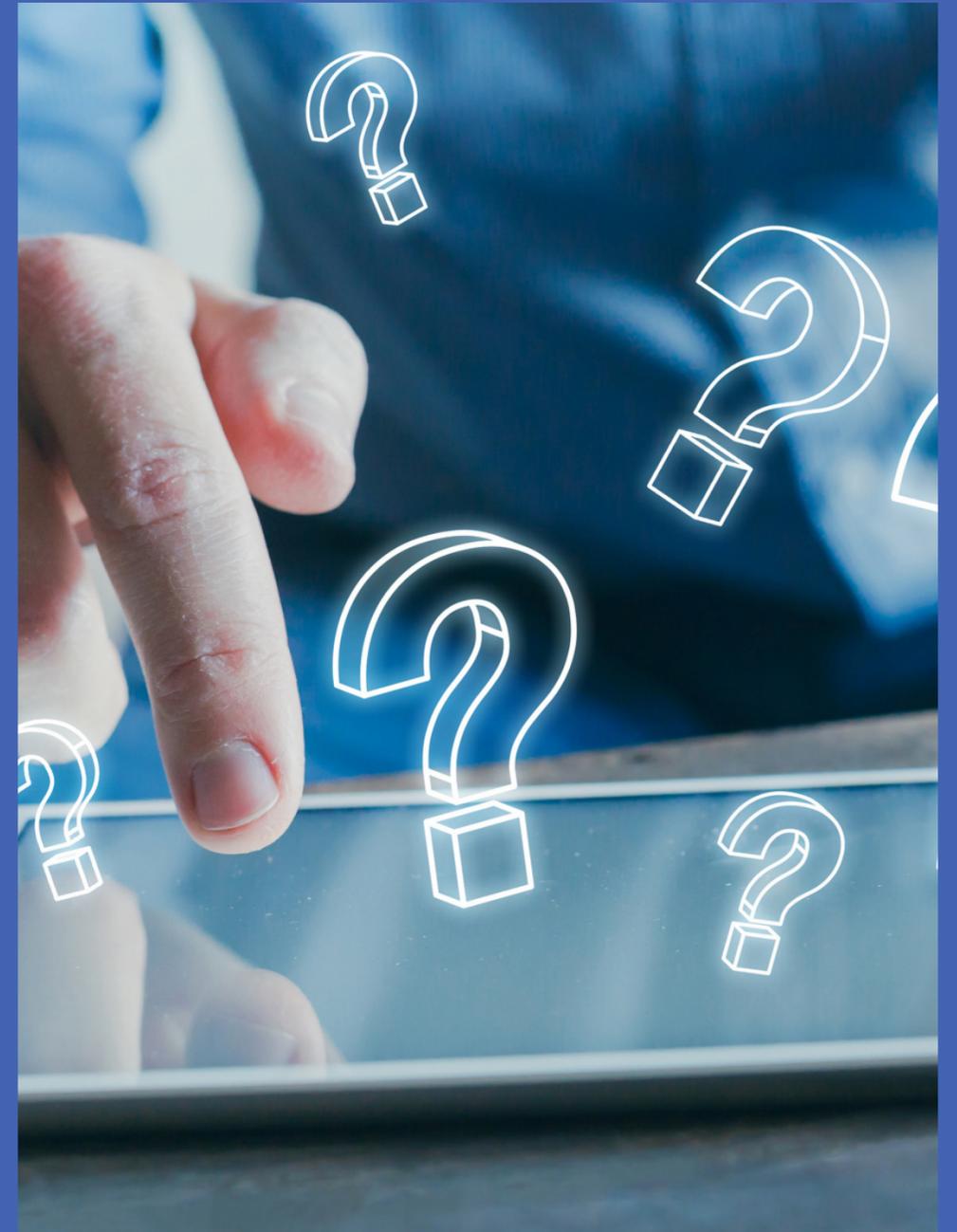
“ An investment in knowledge pays the best interest. ”

BENJAMIN FRANKLIN

Questions?

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GET IN TOUCH WITH US



MAILING ADDRESS

One Research Court, Ste 450
Rockville, MD 20850

PHONE NUMBER

301-279-7575

E-MAIL ADDRESS

amehan@fedmine.us