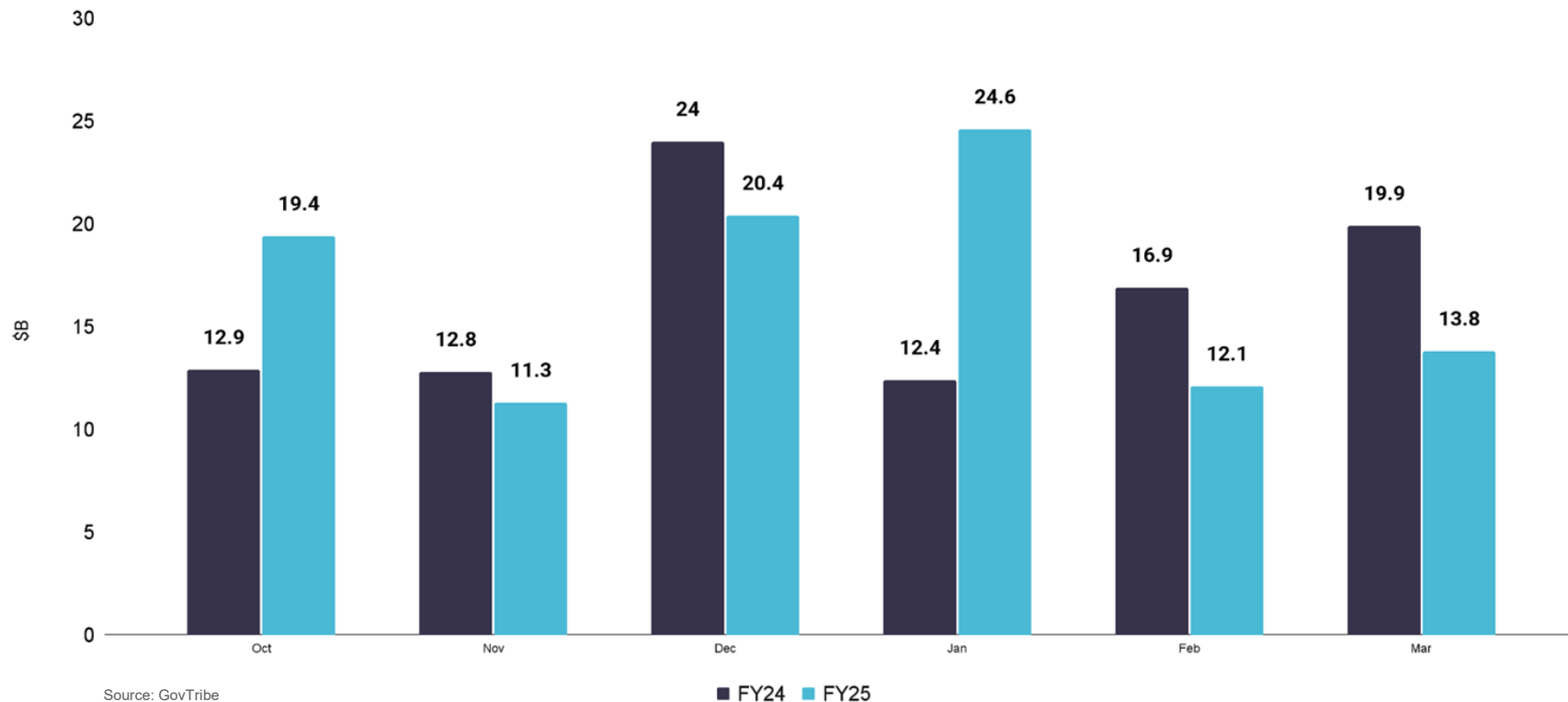


Contracting Signals in a New Administration

April 2025

Contract Spend (YTD) — FY24 vs. FY25

Civilian contract obligations from October to March in FY24 vs. FY25.



GSA MAS Rightsizing

Objective: Enhance the effectiveness of the MAS Program by:

- Allowing contracts that fail to meet minimum sales thresholds to expire
- Addressing contractor non-compliance and performance concerns
- Reducing redundancies across procurement channels
- Eliminating low-demand items that do not deliver meaningful procurement benefits
- Streamlining management and oversight processes to improve efficiency and user experience

FAR Overhaul

Objective: Reform the Federal Acquisition Regulation (FAR) to create a more agile, effective, and efficient procurement system by:

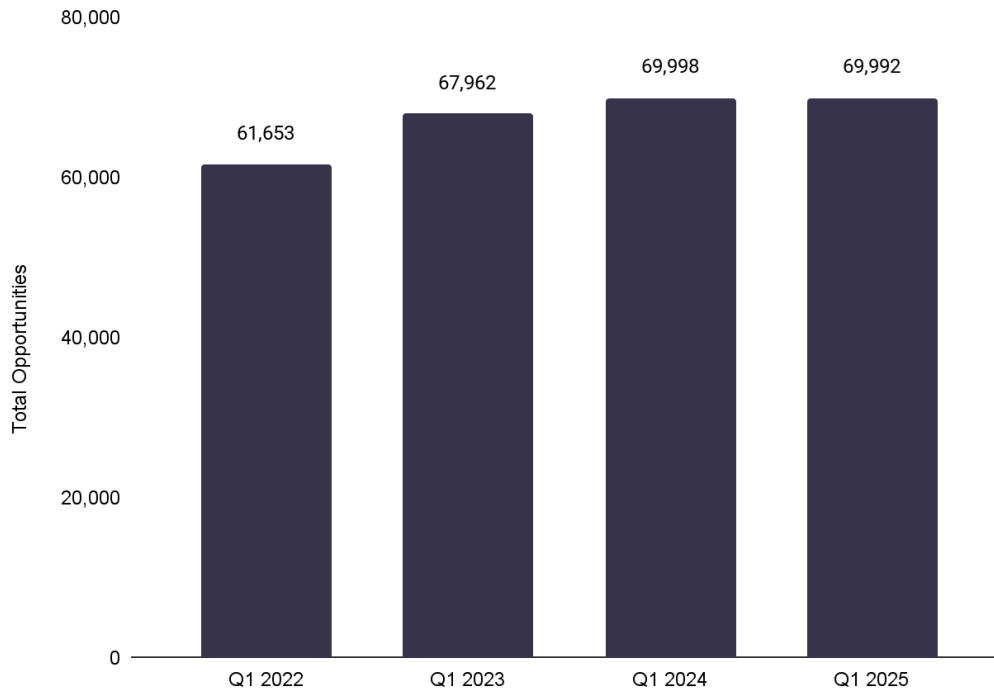
- Removing unnecessary regulations and retaining only provisions required by statute or essential to sound procurement
- Reducing regulatory barriers to expand the national and defense industrial bases
- Aligning agency-specific regulations with the reformed FAR to ensure consistency
- Implementing a regulatory sunset provision for non-statutory FAR provisions, expiring after four years unless renewed
- Strengthening procurement simplicity, usability, and protection of economic and national security interests

FedRAMP 20x

Objective: Redesign the FedRAMP assessment process through collaboration with industry and agencies by:

- Automating 80%+ of security requirement validations without narrative explanations
- Reducing new documentation by leveraging existing commercial security investments
- Implementing continuous, automated monitoring of critical security decisions
- Strengthening trust by promoting direct business relationships between providers and agencies
- Enabling rapid innovation through automation, removing outdated manual checkpoint.

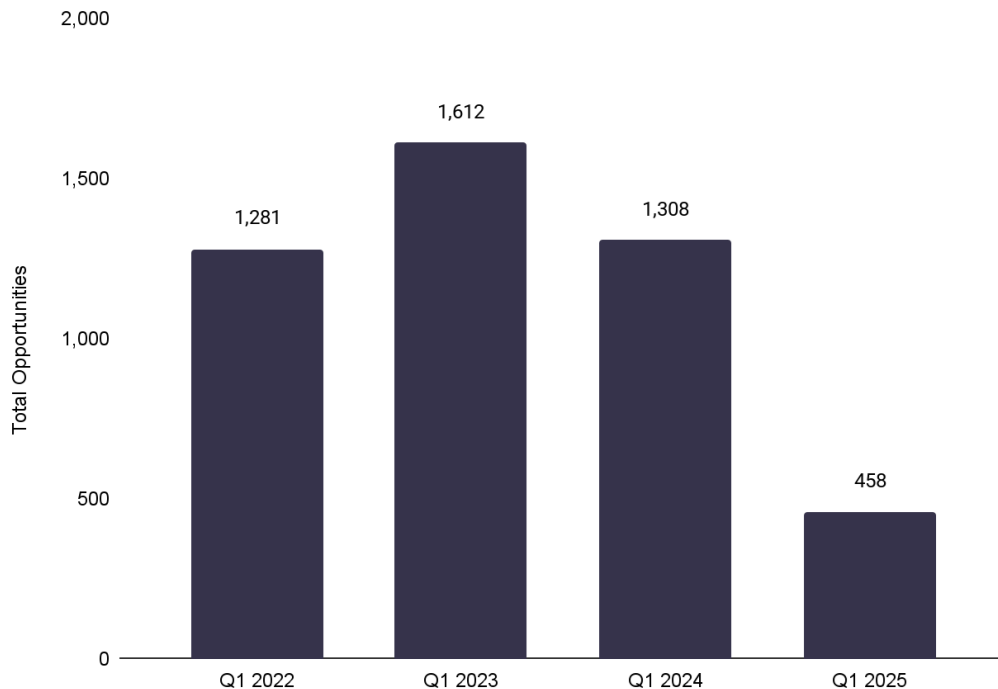
Federal Contract Opportunities



Source: GovTribe

Takeaways : Q1 federal contract opportunities have steadily increased each year, with 2025 nearly matching the total from Q1 2024, suggesting strong consistency or a possible plateau. The sharp growth from 2022 to 2024 (+13%) appears to have leveled off in 2025 , which may reflect market saturation or the impact of recent policy changes.

Federal Grant Opportunities

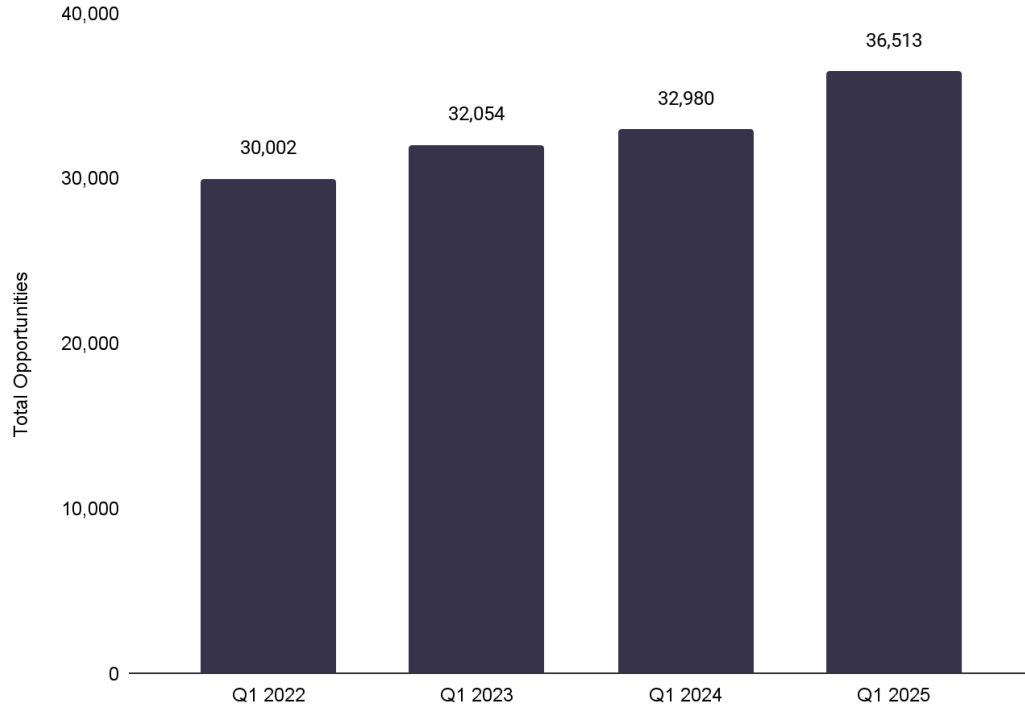


Source: GovTribe

Takeaways: Grant opportunities spiked in Q1 2023 but declined in 2024 and dropped sharply in 2025. With just 458 grants posted in Q1 2025, **activity is down nearly 65% from 2023**, suggesting shifting funding priorities or posting delays. **Contracts remain steady, but grants have fallen significantly.**

- **Possible reasons:** Delayed appropriations, increased scrutiny, or a shift toward contract funding, particularly in infrastructure and defense.
- **Impact:** Organizations reliant on federal grants (e.g., nonprofits, research institutions) may face tighter competition and fewer funding opportunities in 2025.

Total Defense Solicitations and Pre-Solicitations



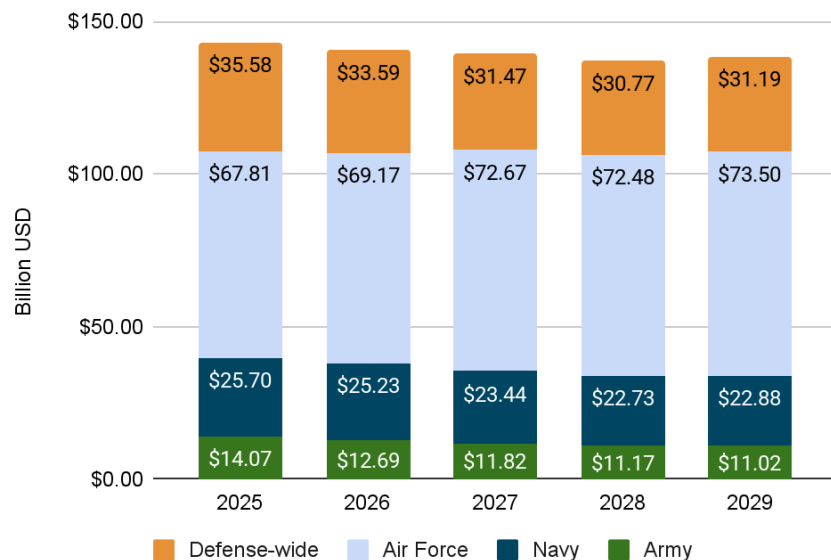
Source: GovTribe

Takeaways: DOD contract opportunities have **grown steadily** over the past four years, with Q1 2025 posting the highest volume yet at 36,513 opportunities — a **22% increase** compared to Q1 2022. The concentration of solicitations in key PSC and NAICS codes suggests **continued investment in modernization, readiness, and supply chain resilience.**

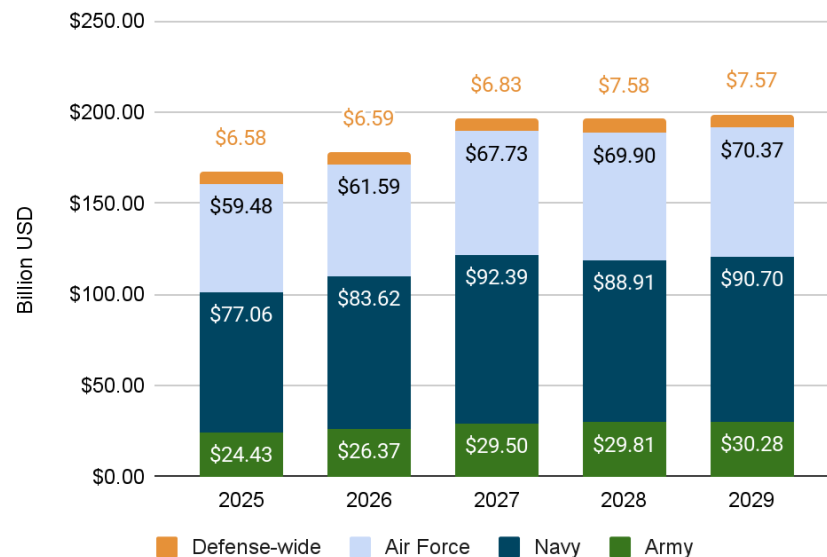
DOD Future Years Defense Program Funding

The DOD plans to spend approximately \$170B on procurement and \$140B on RDT&E in FY25.

DOD FYDP RDT&E Funding



DOD FYDP Procurement Funding



Critical Tech - Focused Funding Priorities

Artificial Intelligence & Machine Learning



- \$1.8 billion for AI in FY25 request
- Presidential issued EO on AI development and called for an AI action plan

Uncrewed & Autonomous Systems



- \$674.8 million requested for Collaborative Combat Aircraft (CCA) in FY25
- UGVs, USVs, UUVs, drone swarms

Cyber



- \$7.4 billion for cybersecurity | \$6.4 billion for cyber operations | \$629.4 million for cyber RDT&E requested in FY25
- Funding for cyber activities has grown 8.6% per year between FY20-FY25

Directed Energy



- GAO estimates DoD is spending ~\$1 billion annually on directed energy programs
- Includes High-Energy Lasers, High-Powered Microwaves

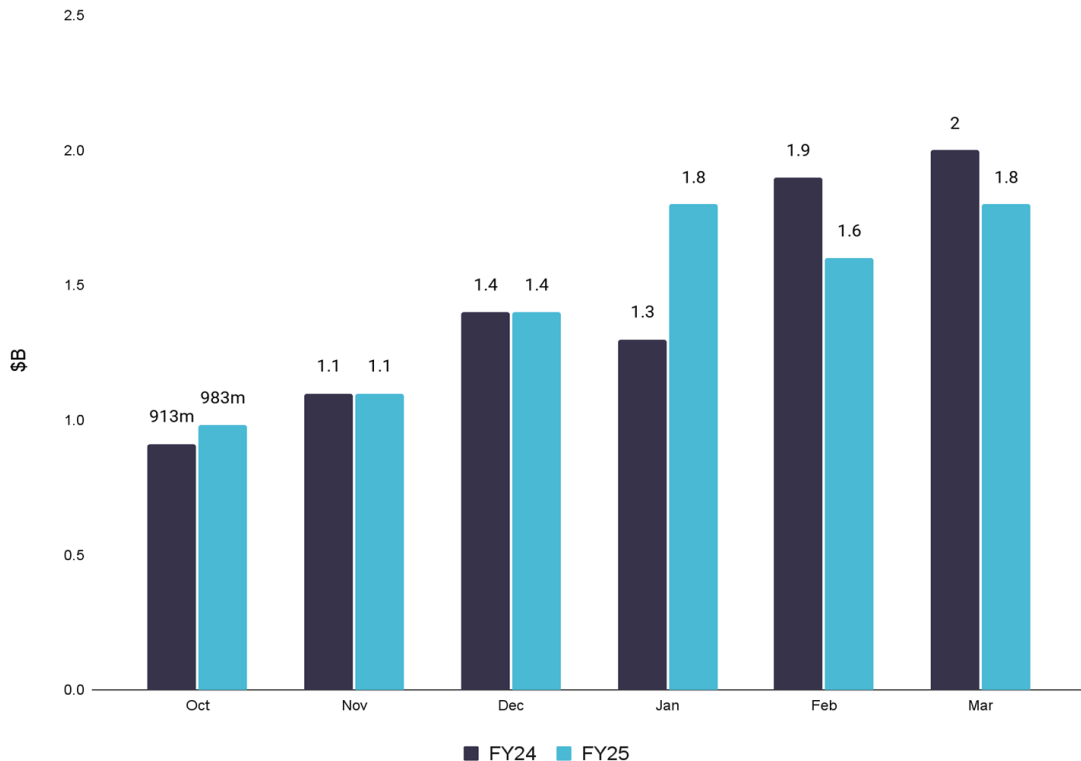
Microelectronics



- \$2.5 billion requested in FY25, plus \$400 million from the CHIPS Act
- DOD partnered with Commerce Department on \$3 billion effort to bolster microelectronics supply chain

Small Business Contract Spend — FY24 vs. FY25

Civilian contract obligations awarded through small business set asides from Oct to Mar in FY24 vs. FY25.



Source: GovTribe

Takeaways: Small business set-aside spending remained strong overall but showed shifts in timing, with **slower obligations early in FY25** and a stronger January push. The **slight drop-off in February and March** may reflect increased competition, new administrative priorities, or delayed awards. Contractors should focus on building strong teaming relationships early to stay competitive as agencies adjust to new budget priorities under the new administration.

Key Takeaways for Q1 2025

1

Contracting activity remains strong and stable. Contract opportunities have risen steadily since 2022, with Q1 2025 matching the record high from 2024, suggesting stability — or a potential ceiling — under current market and policy conditions.

2

Grants are significantly lower, which may signal tighter budgets or changes in programmatic priorities.

3

Policy environment is likely influencing both trends, particularly:

- The rollback of DEIA requirements in federal contracting.
- A push for cost-cutting and efficiency (via DOGE).
- Emphasis on domestic sourcing and fixed-price contracts.
- Increased interest in technology-driven solutions (AI, automation).

Recommendations

- 1 Conduct **sales analysis** .
- 2 Ensure **compliance** .
- 3 Evaluate **offerings** .
- 4 Engage with **buyers** .
- 5 Prepare for **reviews** .
- 6 Stay **informed**.
- 7 Follow the **money**.

The Q1 2025 landscape is defined by a **leaner, efficiency -driven federal agenda** : fewer grants, stricter oversight on contracts, and a continued push for domestic and innovative solutions. While this environment supports a high volume of contracting opportunities, it favors vendors who can move fast, price competitively, and align with shifting administrative priorities.

Thank You