

GovWin+Onvia
from Deltek

Meeting the Village

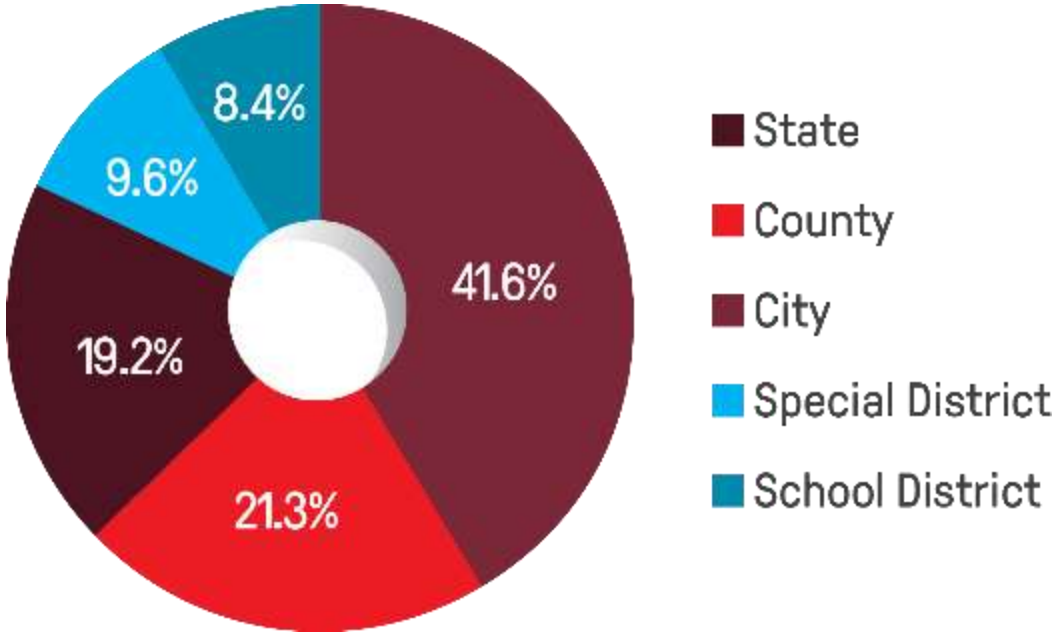
— Descriptions of Buyers
and Sellers in the SLED
Marketplace

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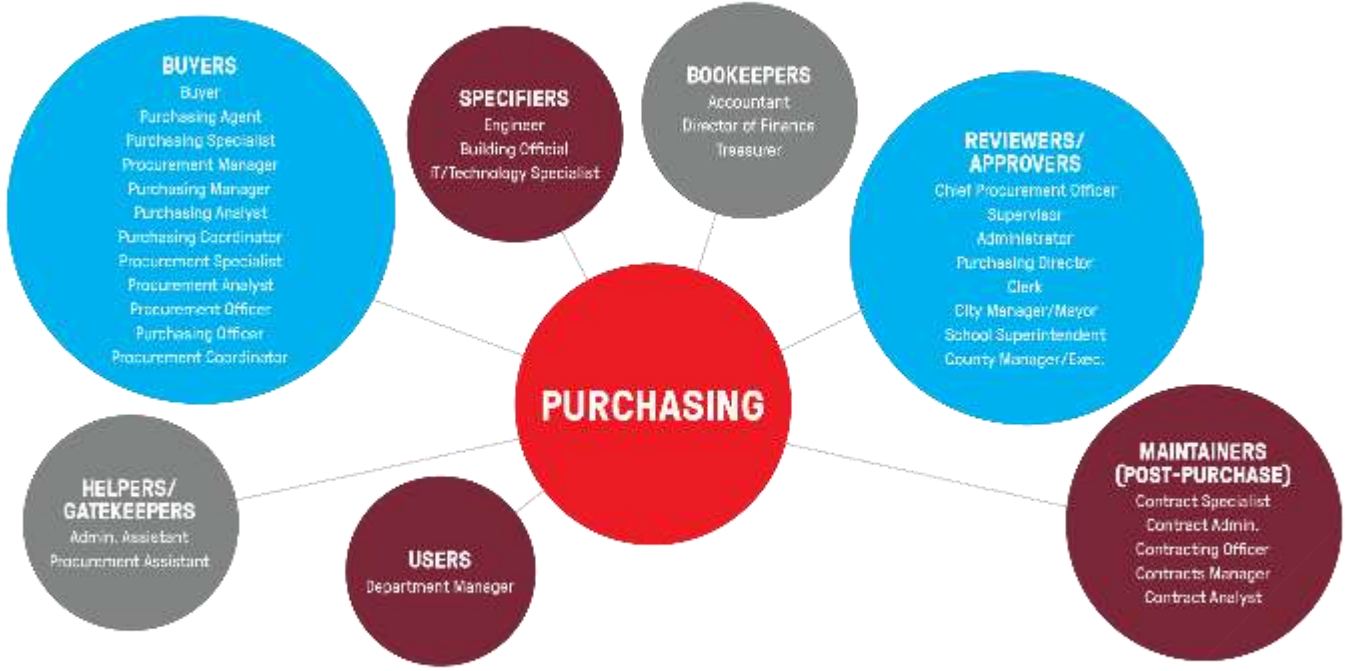
Meet the Buyers – Demographics of SLED Agencies

Level of Government



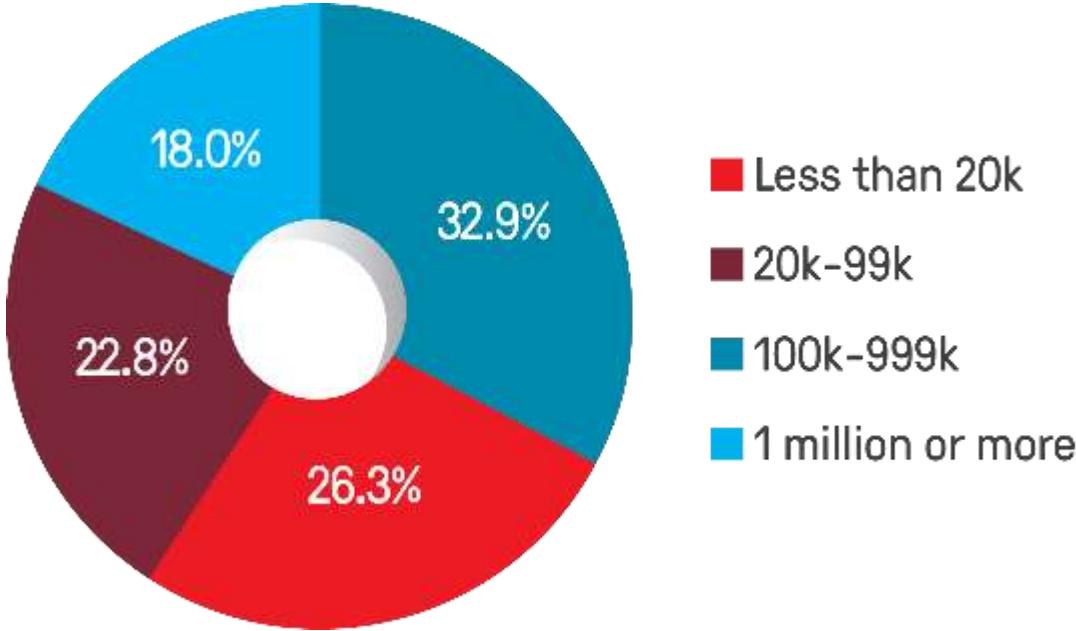
Meet the Buyers

– Examples of Govt. Job Titles



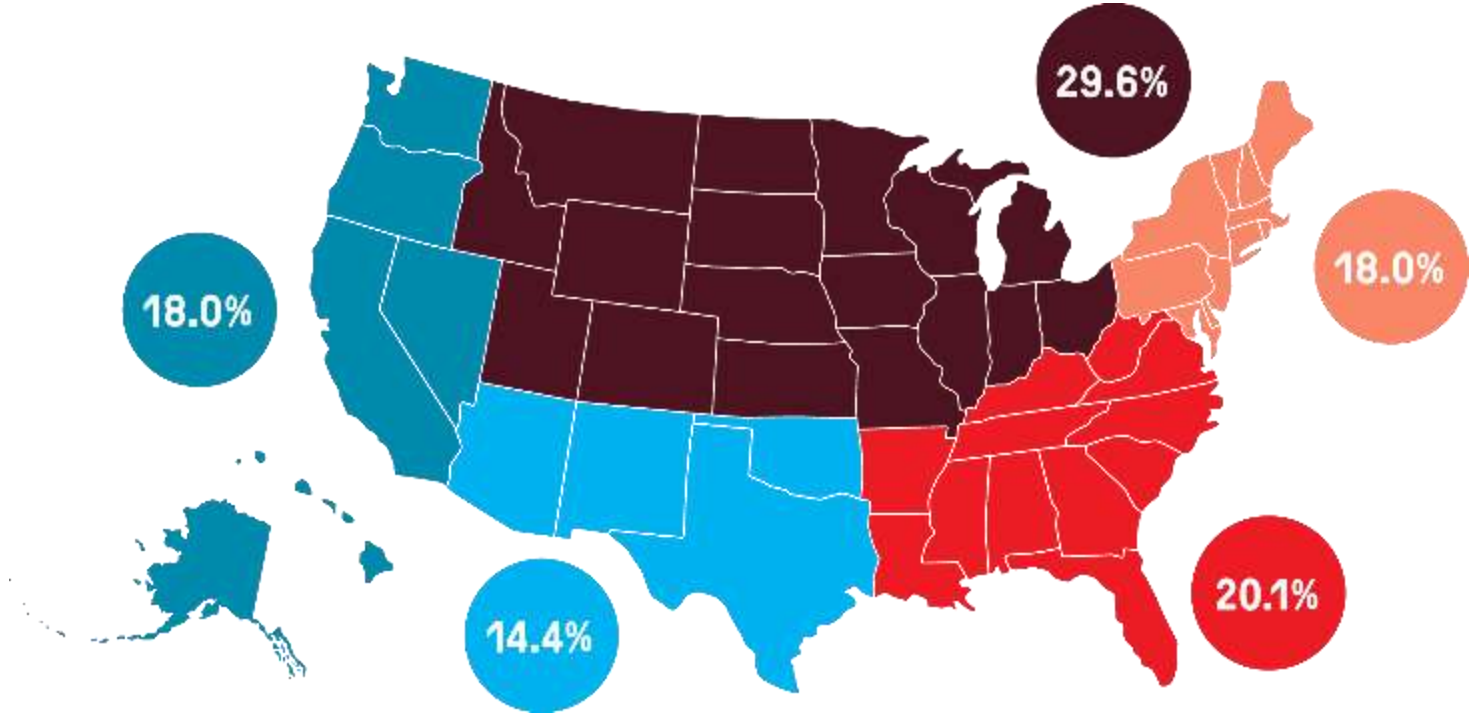
Meet the Buyers – Demographics of SLED Agencies

Population Served



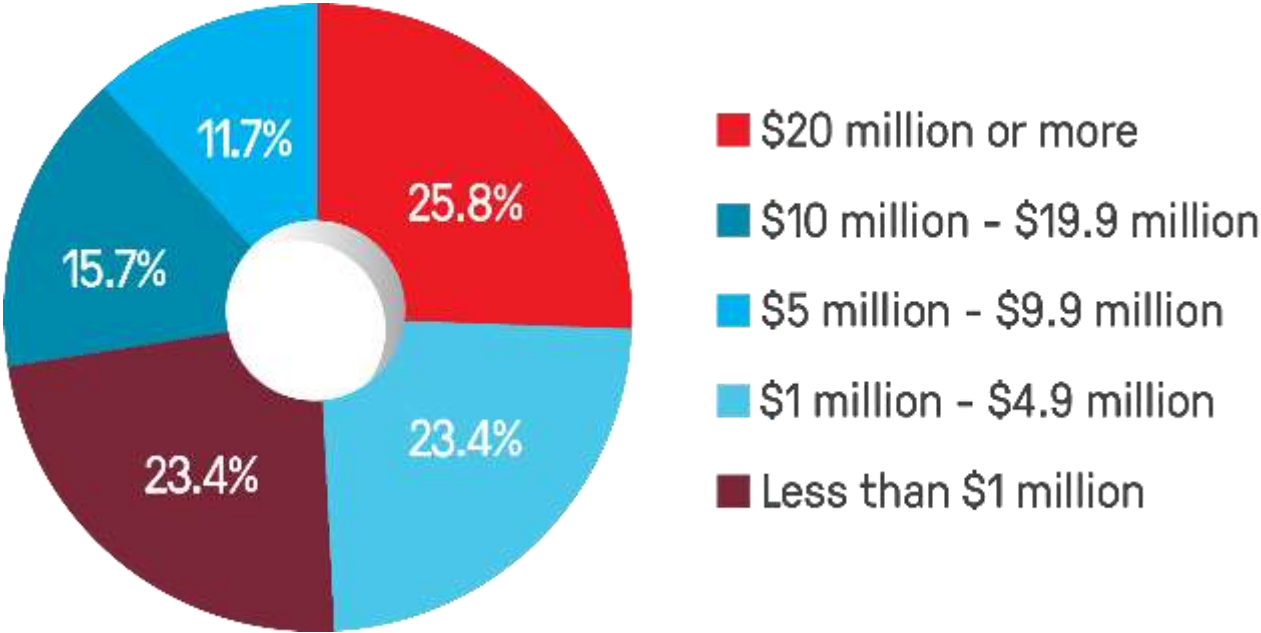
Meet the Buyers – Demographics of SLED Agencies

Location of Government Agency



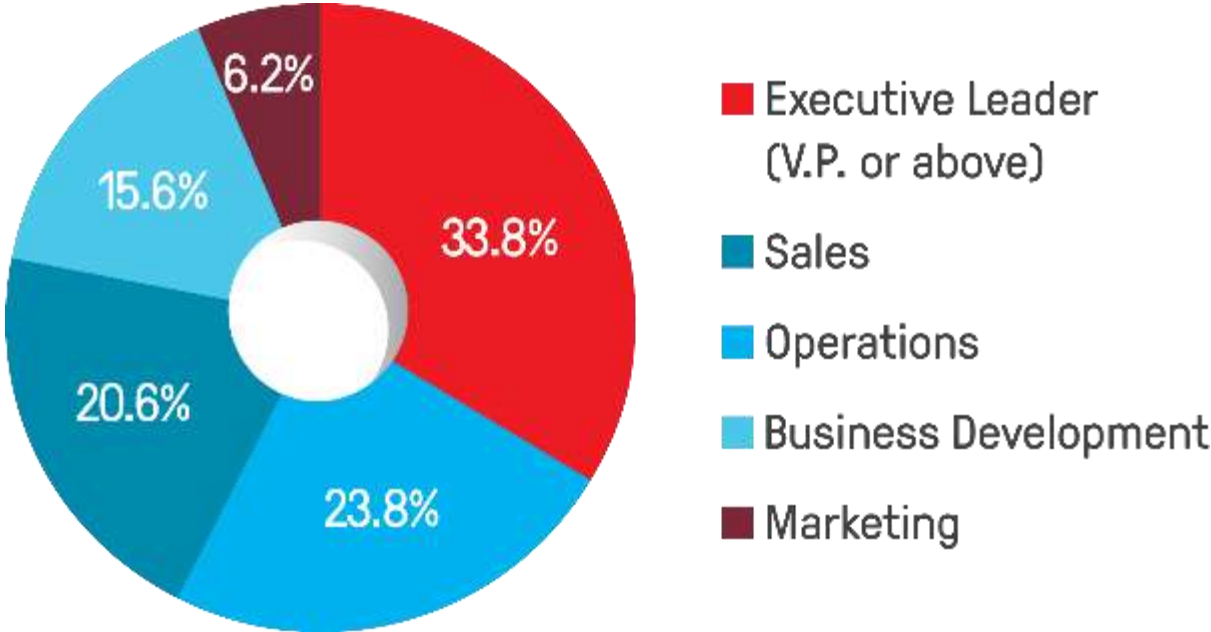
Meet the Sellers

Current Government Revenue



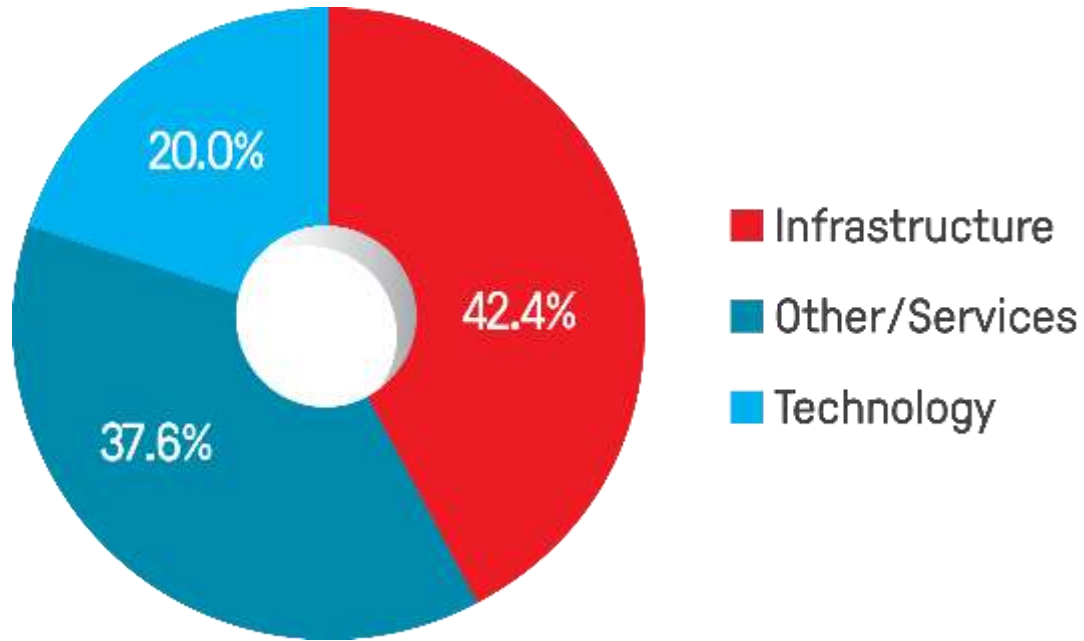
Meet the Sellers

Job Title/Role



Meet the Sellers

Major Industry



Meet the Sellers – Levels of Government Served



STATE



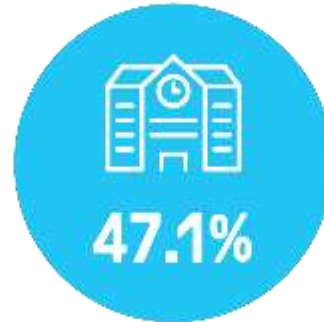
FEDERAL



CITY



COUNTY



SCHOOL DISTRICT



SPECIAL DISTRICT

Three Trends in Contracting Affecting Buyers and Sellers

1

Stable market with slightly less favorable outlook; sensitive to the economy

2

Expectations of buyers and sellers generally positive with some constraints

3

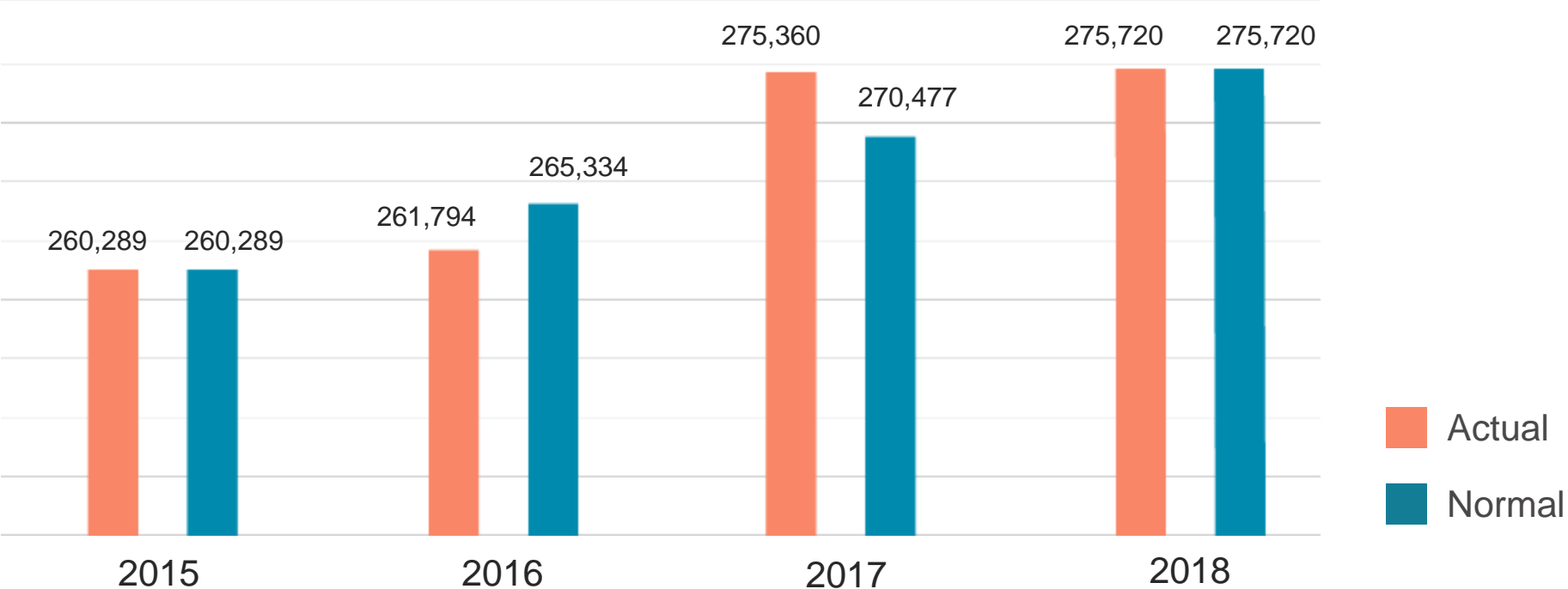
Movement toward efficient purchasing continues



OBSERVATION #1

Some uncertainty, but an overall healthy, stable market for contracting and government spending

Relatively Flat SLED Bids in 2018 “Normal” in Historical Context



Source: GovWin+Onvia

Buyers Note that This Market is Sensitive to Economic Confidence

Buyer Perspective (2018)

“The general outlook of growth will depend on the economy; should the stock market go down and prices increase, then our growth will decrease.”

- *Clerk at a city*

“Our outlook is tenuous at best. We’re worried about the overall country’s economy. Gas prices and interest rates are on the rise. Construction prices have hit all-time highs.”

- *Department manager who specifies products/services for a city*

Source: GovWin+Onvia

Sellers Note that This Market is Sensitive to Economic Confidence

Seller Perspective (2018)

“There is substantial demand, but it’s tempered by spending uncertainty.”

- *Business Consulting Services firm*

Seller Perspective (2017)

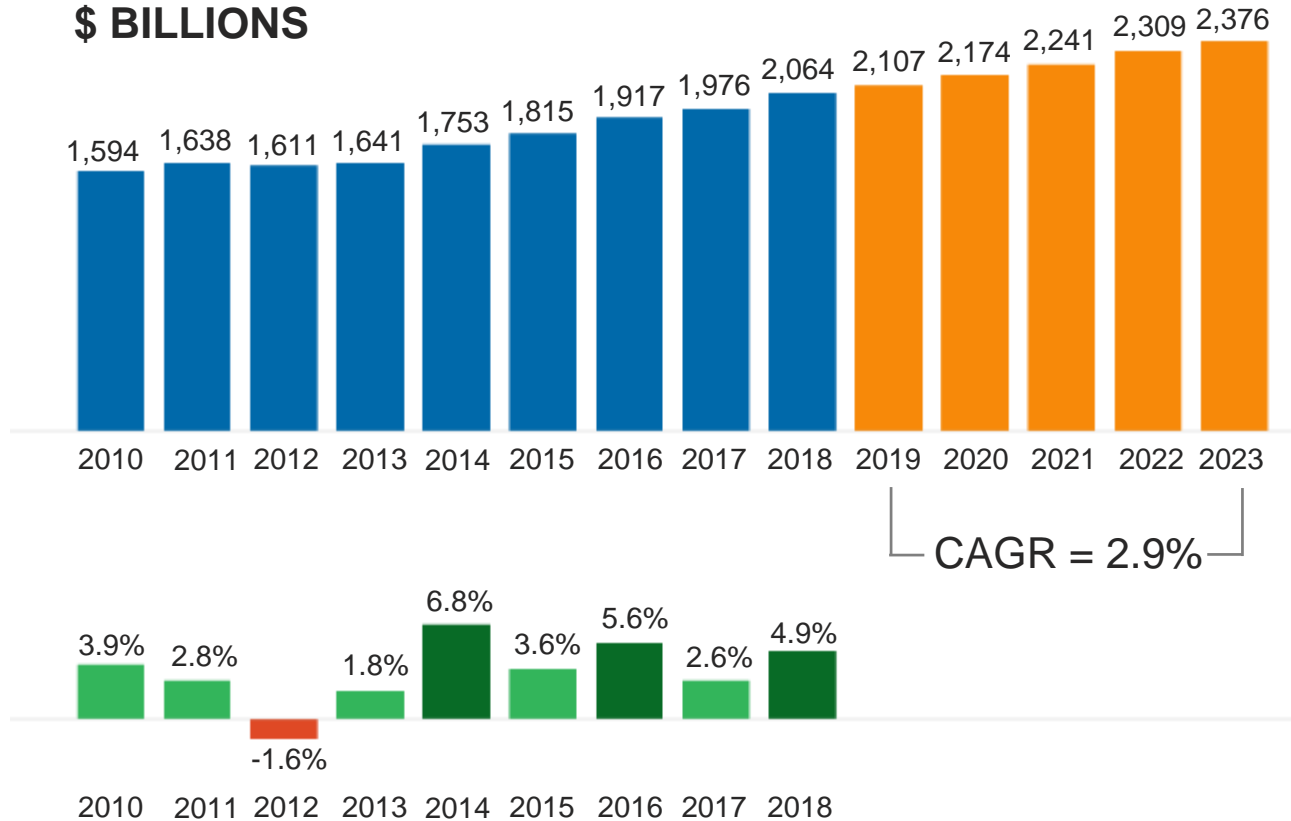
“While there is certainly uncertainty in the air, overall there is a sense of confidence in the economy, that I believe will translate into more tax revenue and larger budgets.”

- *Office equipment vendor*

Source: GovWin+Onvia

Total State Budgets by Year (Annual Totals, Forecast, & YoY Change)

\$ BILLIONS



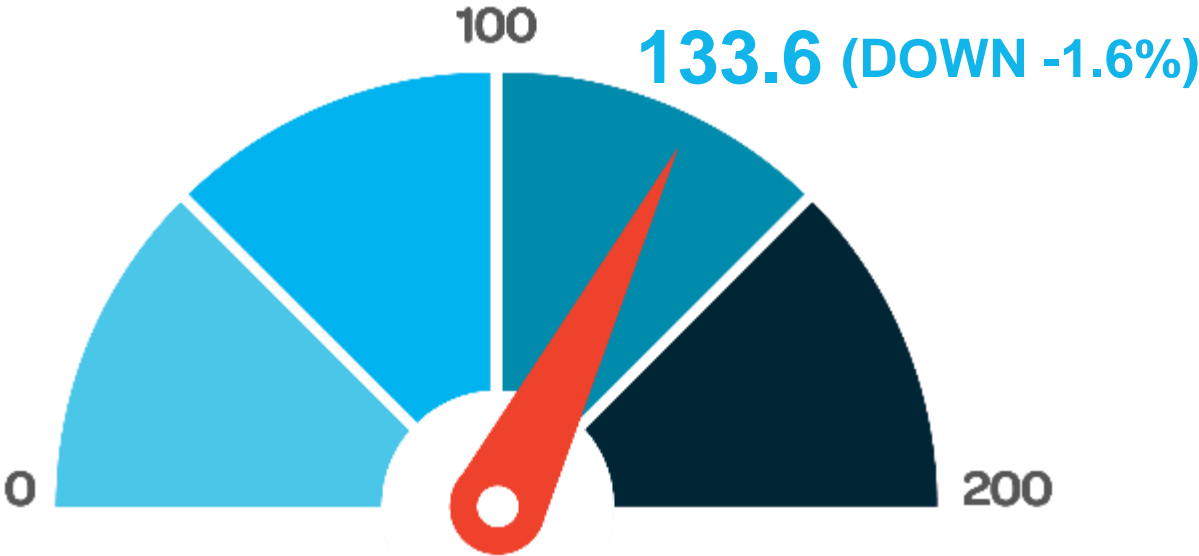
NOTE: Budget totals include all categories including purchases & contracts, wages, healthcare, pensions, welfare, etc.

Source: GovWin+Onvia State Budget Report, FY 2018

OBSERVATION #2

Expectations of buyers and sellers generally positive with some constraints or pain points

2018 contractor confidence shows stability, almost as high as last year's record



| | |
|---------|-------|
| 2018-19 | 133.6 |
| 2017-18 | 135.8 |
| 2016-17 | 129.4 |
| 2015-16 | 135.1 |

Source: GovWin+Onvia Survey of Government Contractor Sales Expectations, 2018-19

Slower 2018 market still
expected to be positive in
dollars, but more like
2016 than 2017

3.1%

Forecast of realistic
change in sales,
next 12 months

Source: GovWin+Onvia Survey of Government Contractor Sales Expectations,
2018-19



A sample of nagging issues and business constraints among sellers

FEWER FIRMS POSITIVE ON
ECONOMY



FEWER FIRMS POSITIVE ON OVERALL
AGENCY BUDGETS



MORE FIRMS NEGATIVE ON
GOVERNMENT REGULATIONS

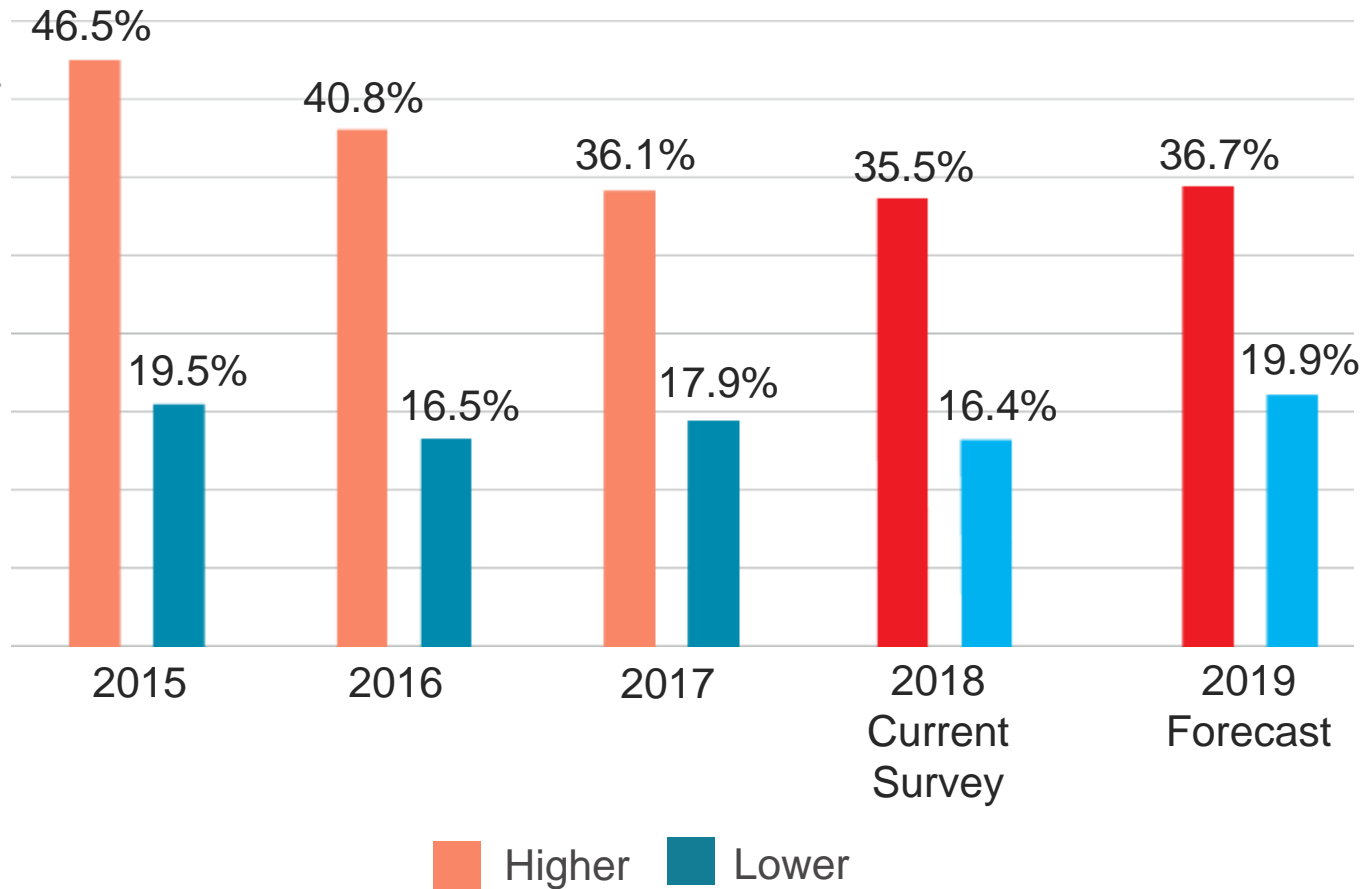


MORE FIRMS NEGATIVE ABOUT LABOR
MARKET CONSTRAINTS



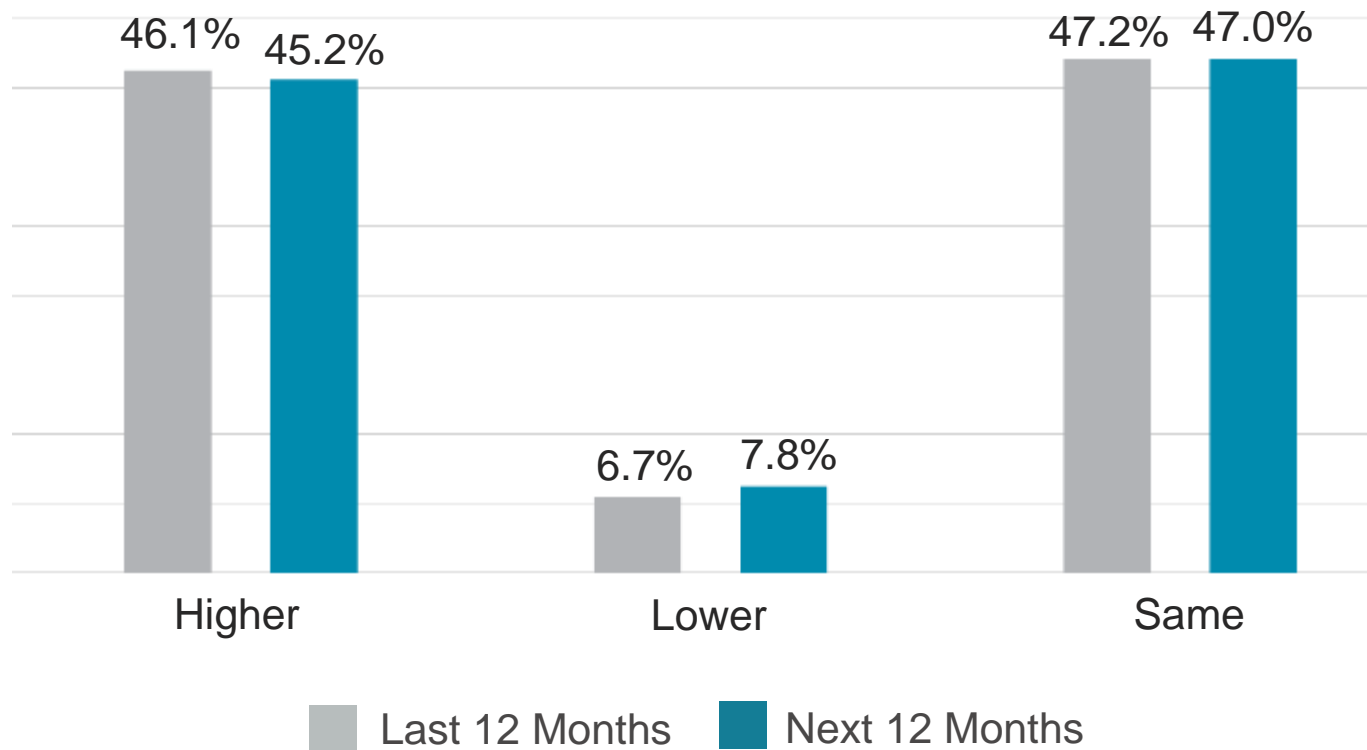
Source: GovWin+Onvia Survey of Government Contractor Sales Expectations, 2018-19

Share of contractors growing in revenue stabilizing at around 35-37%, vs. 16-20% that are declining



Source: GovWin+Onvia Survey of Government Contractor Sales Expectations, 2018-19

Share of SLED agencies growing in procurement spending at around 45-46%, vs. 7-8% that are declining



Source: GovWin+Onvia Survey of Government Procurement Professionals 2018

Top Agency Challenges in Procurement

1

Budgets/funding issues

2 Cumbersome bureaucratic process

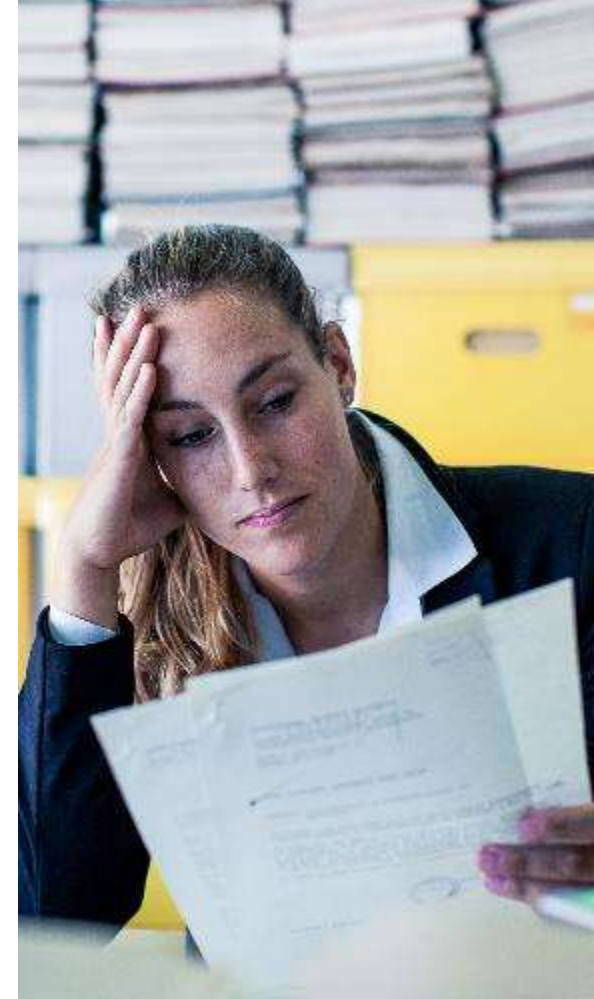
3 Workload/staffing limitations

4 Getting participation from vendors

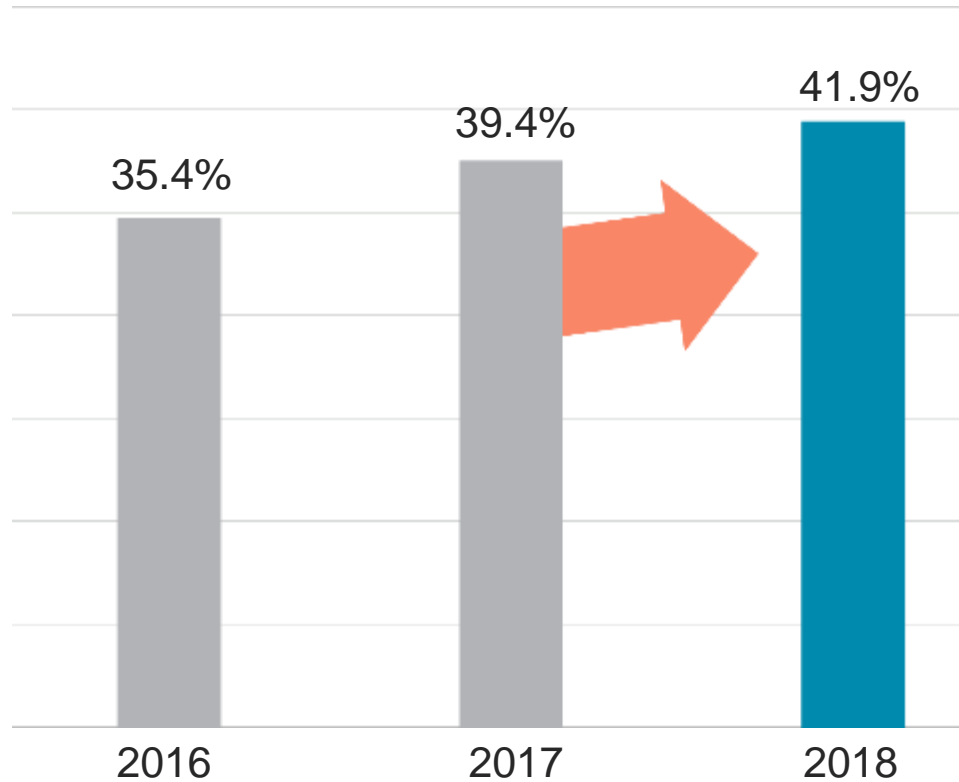
5 Working with users/stakeholders

6 Pre-bid Research & Planning

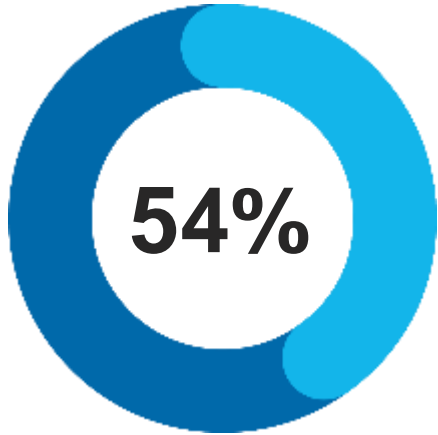
Source: GovWin+Onvia Survey of Government Procurement Professionals 2018



The trend of over-worked, short-staffed procurement teams continues



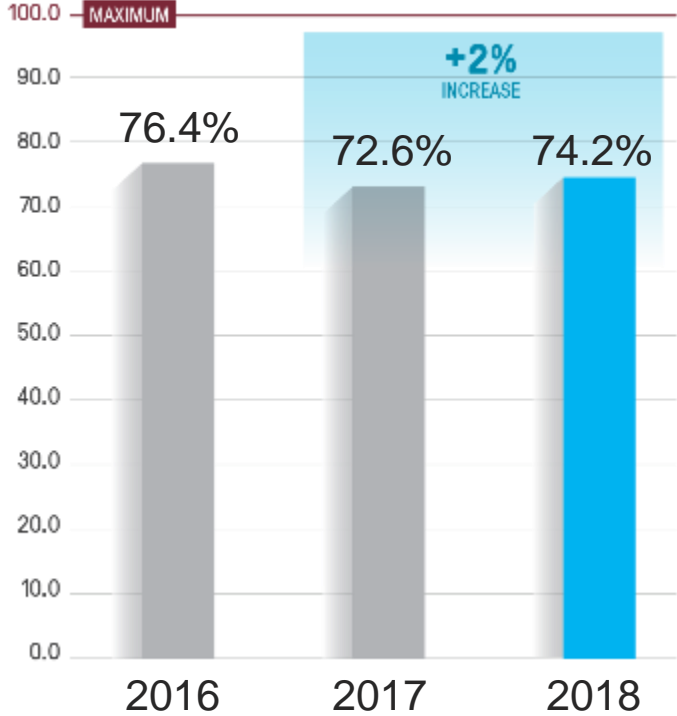
Struggling to Hit Their Goals



of agencies and staff are not attracting enough bidders

Source: GovWin+Onvia Survey of Government Procurement Professionals 2017

How buyers/agencies are performing in providing quality procurement services

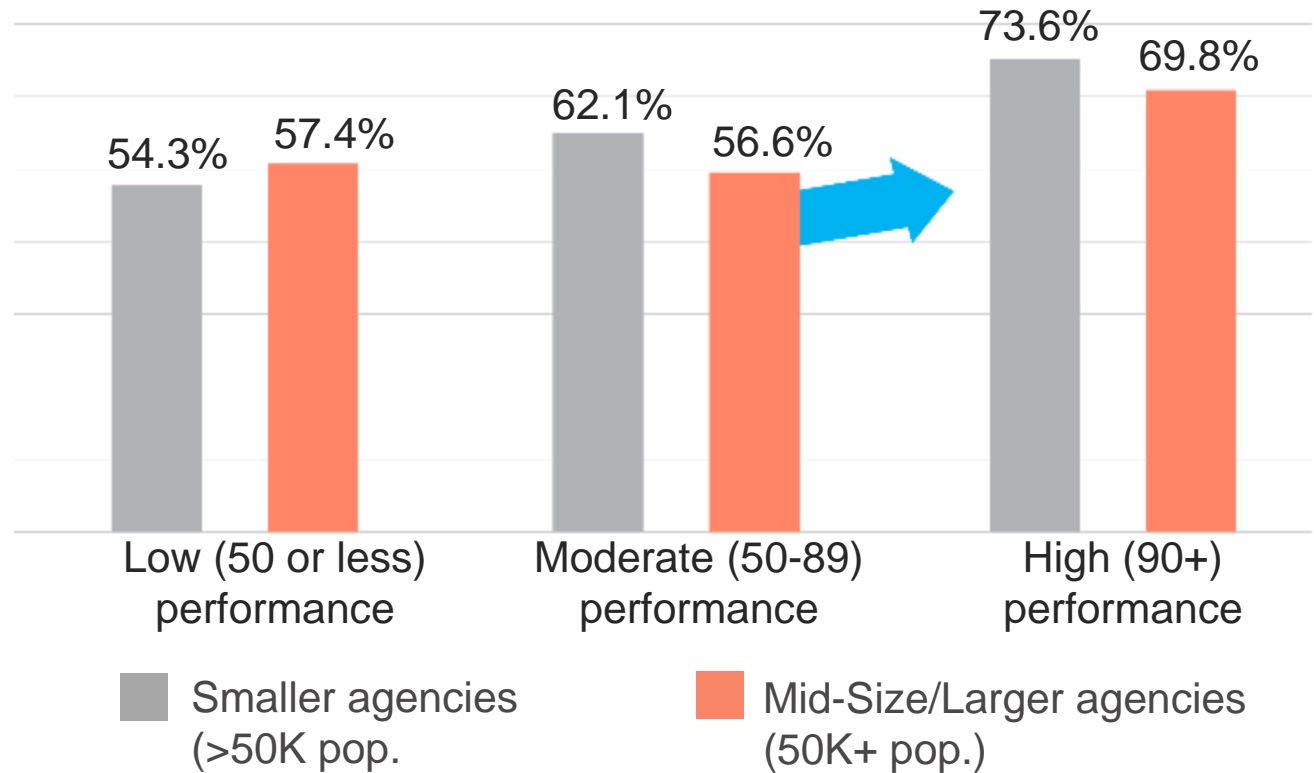


| COMPONENT | 2016 | 2017 | 2018 | % Chg. |
|------------------|------|------|------|--------|
| Response Agility | 72.7 | 68.2 | 67.7 | -0.7% |
| Customer Service | 76.4 | 72.4 | 76.7 | 5.9% |
| Trust | 80.5 | 77.6 | 78.8 | 1.5% |

Source: GovWin+Onvia Survey of Government Contractor Sales Expectations, 2018-19

How buyers perform in procurement can encourage more vendor participation, regardless of agency size

Percent of Agency Staff Reporting “Enough Bidders”



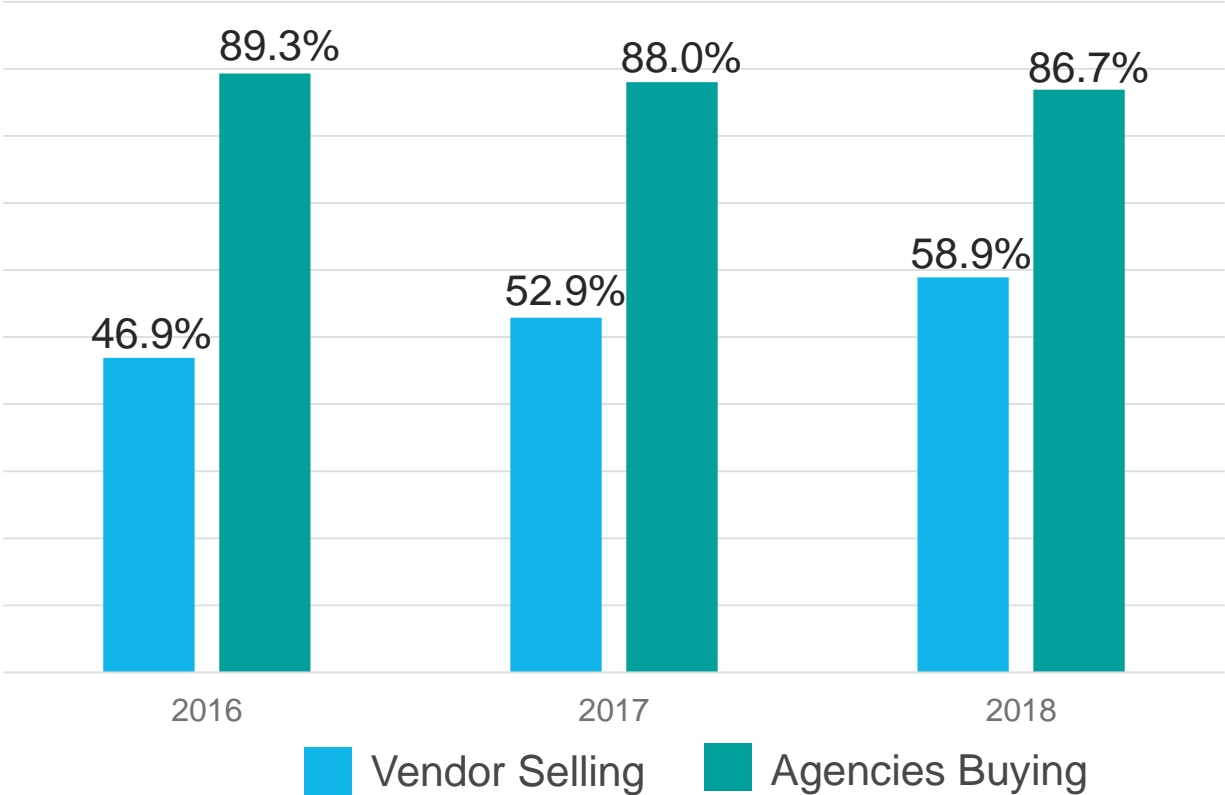
Source: GovWin+Onvia Survey of Government Procurement Professionals, 2017

OBSERVATION #3

Efficient purchasing is an agency solution that also works well for many vendors

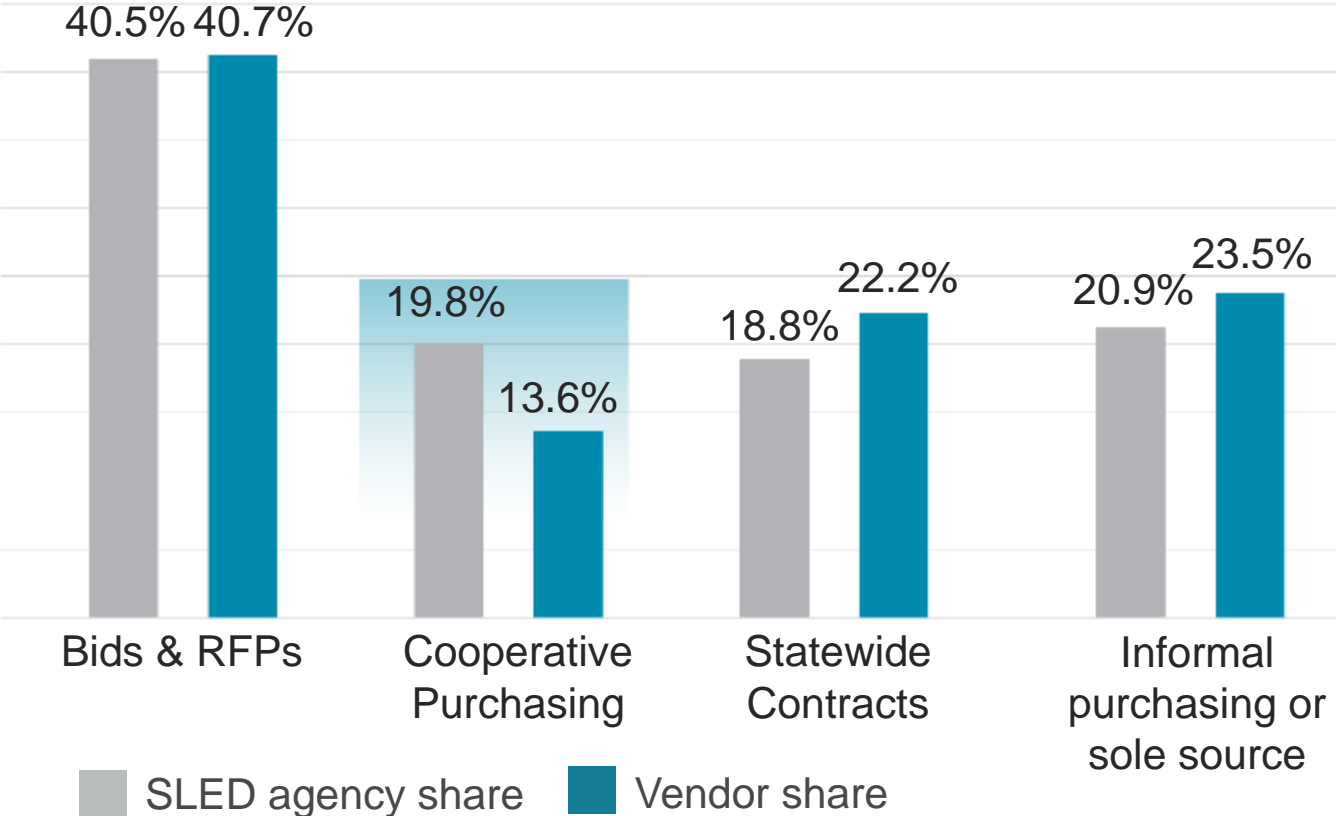
Adoption of Cooperative Purchasing

Cooperative purchasing is mainstream among agencies, with growing adoption by vendors



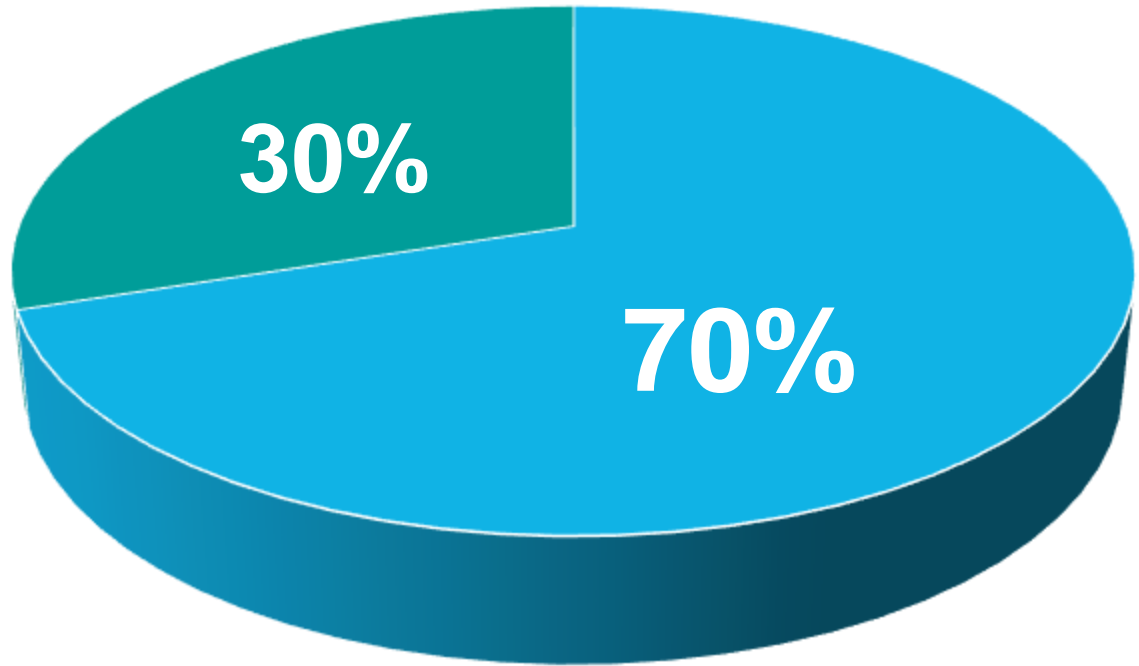
Source: GovWin+Onvia Survey of Government Contractor Sales Expectations, GovWin+Onvia Survey of Government Procurement Professionals

Removing subcontract income, sellers have a similar share by contract type as buyers



Source: GovWin+Onvia Survey of Government Procurement Professionals

Most SLED contractors think cooperative purchasing is important to their future growth



■ Important (Somewhat to Highly) ■ Not Important

Source: GovWin+Onvia Survey of Government Contractor Sales Expectations, 2018-19

Key Takeaways – National SLED Market

1

Outlook of stability, both for buyers and sellers

2

Expectations and sentiment reveals some constraints or challenges, as well as opportunities

3

Cooperative buying is mainstream for agencies, but still growing in vendor adoption

Thank You



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