

# Federal Busy Season – Which Agencies are Ramping Up to Spend in September?

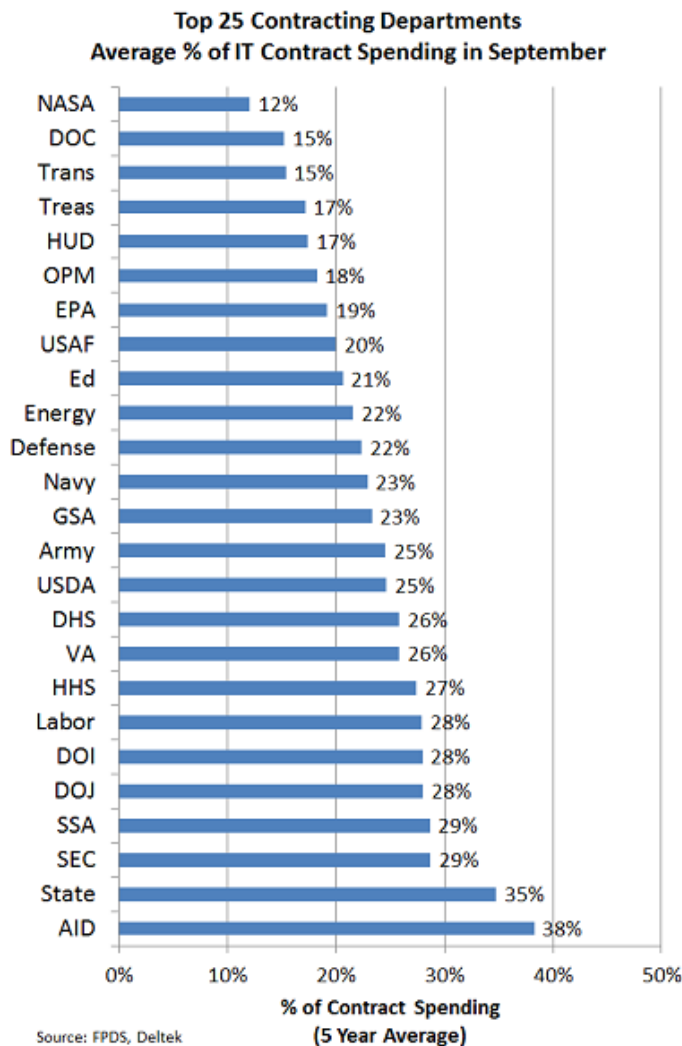
Posted At : August 21, 2014 10:22 AM | Posted By : John Slye

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August is here and that puts us right at the mid-point of the fourth and final quarter of the fiscal year – the federal “busy season.” But that doesn’t mean that half of this business is already accounted for. In fact, historical spending trends suggest that things are just ramping up for its climax in September and several agencies will have billions of dollars to spend on IT before they face expiring funds.

Recently, I showed how federal agency spending trends in Q4 accounted for an average of **39% of agency contracted IT spending** for the year, translating into an average of \$30 billion in IT products and services contracted during the fourth quarter. Yet, the spending is even more concentrated than that. Upon further analysis, we can see that federal contract spending is **disproportionately large in September**, the final month of the fiscal year. Agencies obligate 18% of their *total* contract dollars across all goods and services and 23% of their yearly contracted *information technology* spending in September alone. That works out to nearly 60% of Q4 IT contract spending and means that **about \$17.3 billion in IT is likely to be contracted in the month of September.**

Twenty five federal departments and agencies account for about 99% of this IT spending. So which of these biggest spending departments and agencies will have the largest percentage of their IT dollars likely to go out next month? See the chart below.



Twelve of the 25 highest spending departments – roughly half – will obligate 25% or more of their FY 2014 IT contract dollars in September, based on a 5-year average. State and AID will obligate more than a third! The FY 2009-2013 average September contract spending for these 12 agencies is provided below.

**Average September IT Contract Spending****FY 2009-13**

Dept	\$M	Dept	\$M
Army	\$4,344	Navy	\$3,067
Defense	\$1,739	USAF	\$1,582
DHS	\$1,047	HHS	\$831
GSA	\$692	VA	\$540
DOJ	\$459	State	\$429
NASA	\$405	Trans	\$334
Treas	\$306	DOI	\$255
SSA	\$243	USDA	\$179
DOC	\$157	Energy	\$107
AID	\$99	Labor	\$69
Ed	\$62	EPA	\$61
HUD	\$46	SEC	\$41
OPM	\$32		

Source: FPDS, Deltek

Again, we are looking at an average of over \$17 billion in IT spending at these agencies in September. Not all of these funds will necessarily expire at the end of the fiscal year, but the historical spending data averaged over the last five years still supports the trend that these agencies will spend at or near these levels, as it reflects some of the spending impacts of recent trends like shifting and tightening budgets, program delays, and sequestration.

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Originally published in the [GovWin FIA Analysts Perspectives Blog](#). Follow me on Twitter [@GovWinSlye](#).