

State of the Industry – Where Do We Go from Here?

Stanley J. Rosenblum
Vice President
Jacobs, New York, NY



2010 ANNUAL MEETING

State Of The Industry: The Good

- Pre 2009 Backlog/Contracts Provide Some Stability
- ARRA Funding Keeps Pipeline Flowing
- Federal Policies And Programs Drives Opportunities
- Constrained Public Budgets Expands Private Sector Role

State Of The Industry: The Bad

- ARRA Benefits Not Broad-Based
- Existing Large Project Commitments Consume Shrinking Resources
- Competitive Market Driving Down Pricing
- Constrained Public Budgets Delay Contract Awards or RFPs

The State Of The Industry: The Ugly

- Decreased Reliance Of Brooks Act As a Procurement Tool
- Increased Contractual Risk Provisions Placed On Private Sector
- Required Revisions To Contracts Reduce Fee, But Not Scope or Cost
- Delayed Reauthorization Creating Paralysis

State Of Industry: The Impact

- Costs Continue To Increase As Revenues Decline
- Willingness To Win Work With Razor Thin Bids
- ARRA Is Drying Up The Pipeline
- Greater Risk Expected; But Increased Reward Not Forthcoming
- Employee Growth Opportunities Constrained

The Industry's Response

- A More Agile Private Sector
- Increased Public Sector Innovation
- Consolidation And Realignment Of Firms
- Redirected Focus Outside U.S.

Bottom Line:

We Will Be Stronger And Smarter When The Up Turn Occurs