

# **Strategic Trends in the Federal Professional Services Market**

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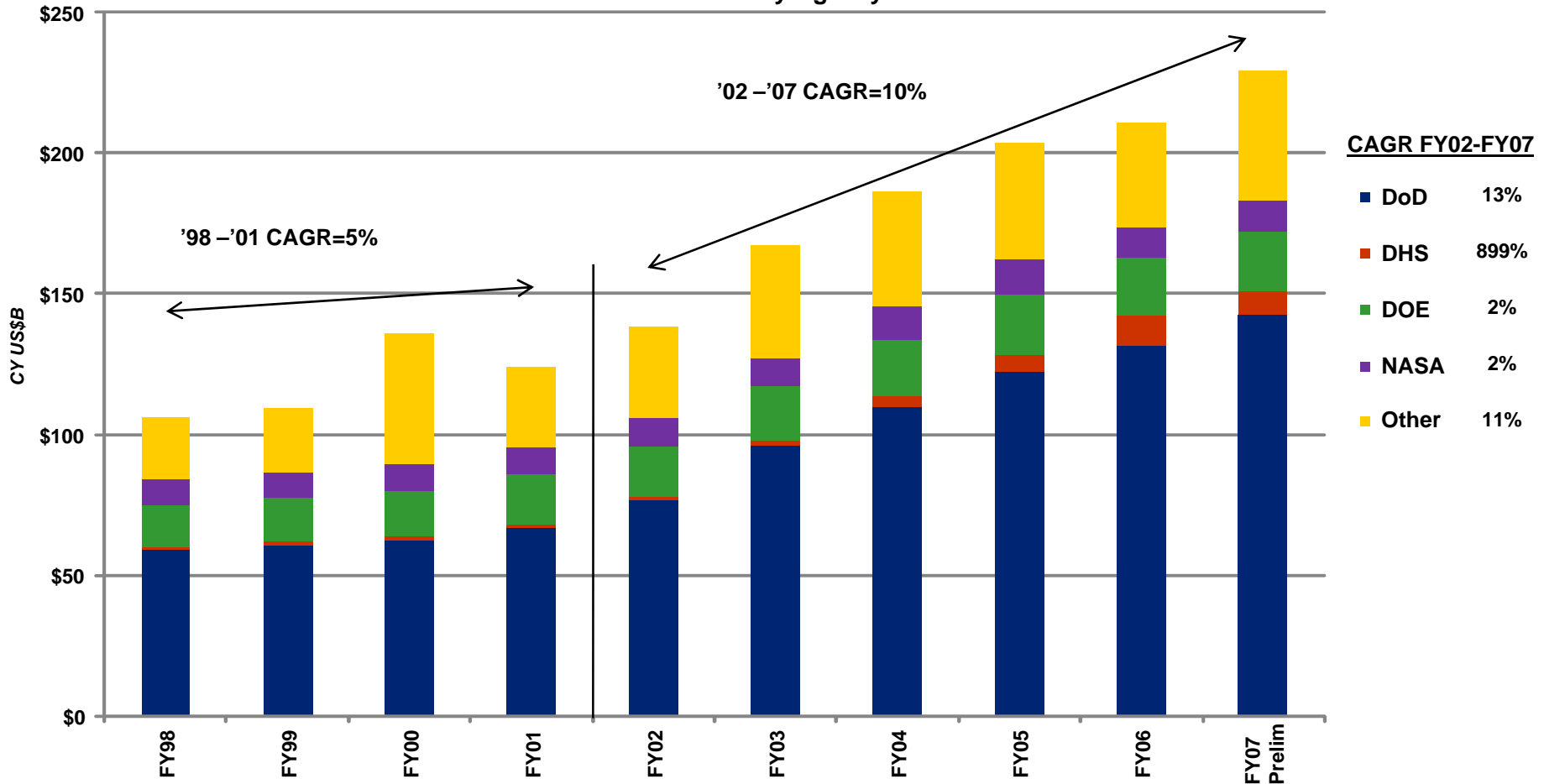
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Federal professional services market was relatively flat until 2001, and then accelerated post 9/11 and Iraq/Afghanistan. Growth driven by complexity challenges (Y2K) or need for surge capacity (Iraq/Afghanistan)...when federal workforce retirement driven outsourcing trend begins is key strategic question

Growth Trends in the Overall Federal Professional Services Market, FY98-FY07  
Shares by Agency

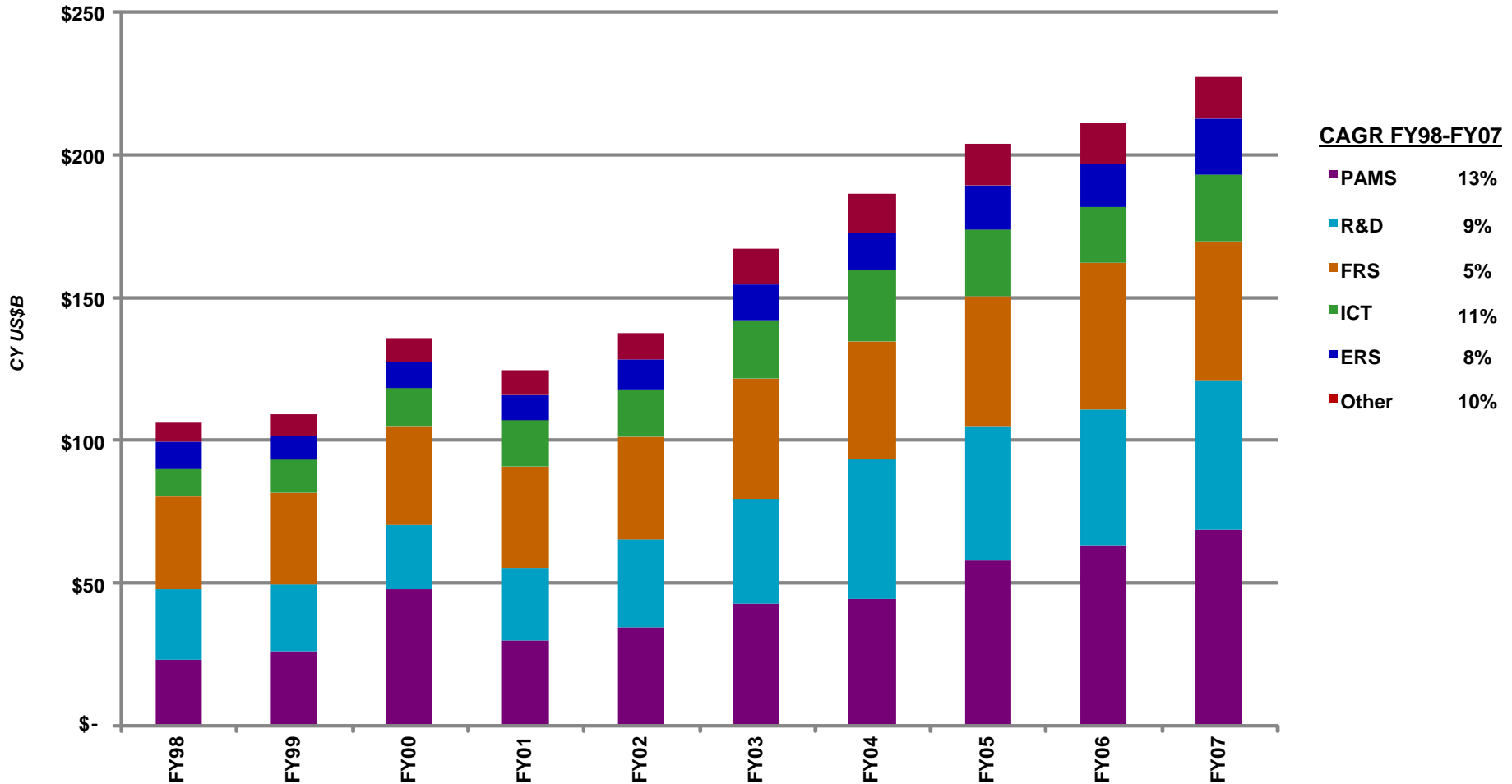


Source: Federal Procurement Data Systems, RSA Analysis

The high growth segments have been in Professional Admin Management Services (PAMS) and IT/Comm services (ICT); Facilities Related Services a large but slower growing market; Equipment Related Services (ERS) driven by the war

Growth Trends in Overall Federal Professional Services Market, FY98-FY07

Shares by Services Category

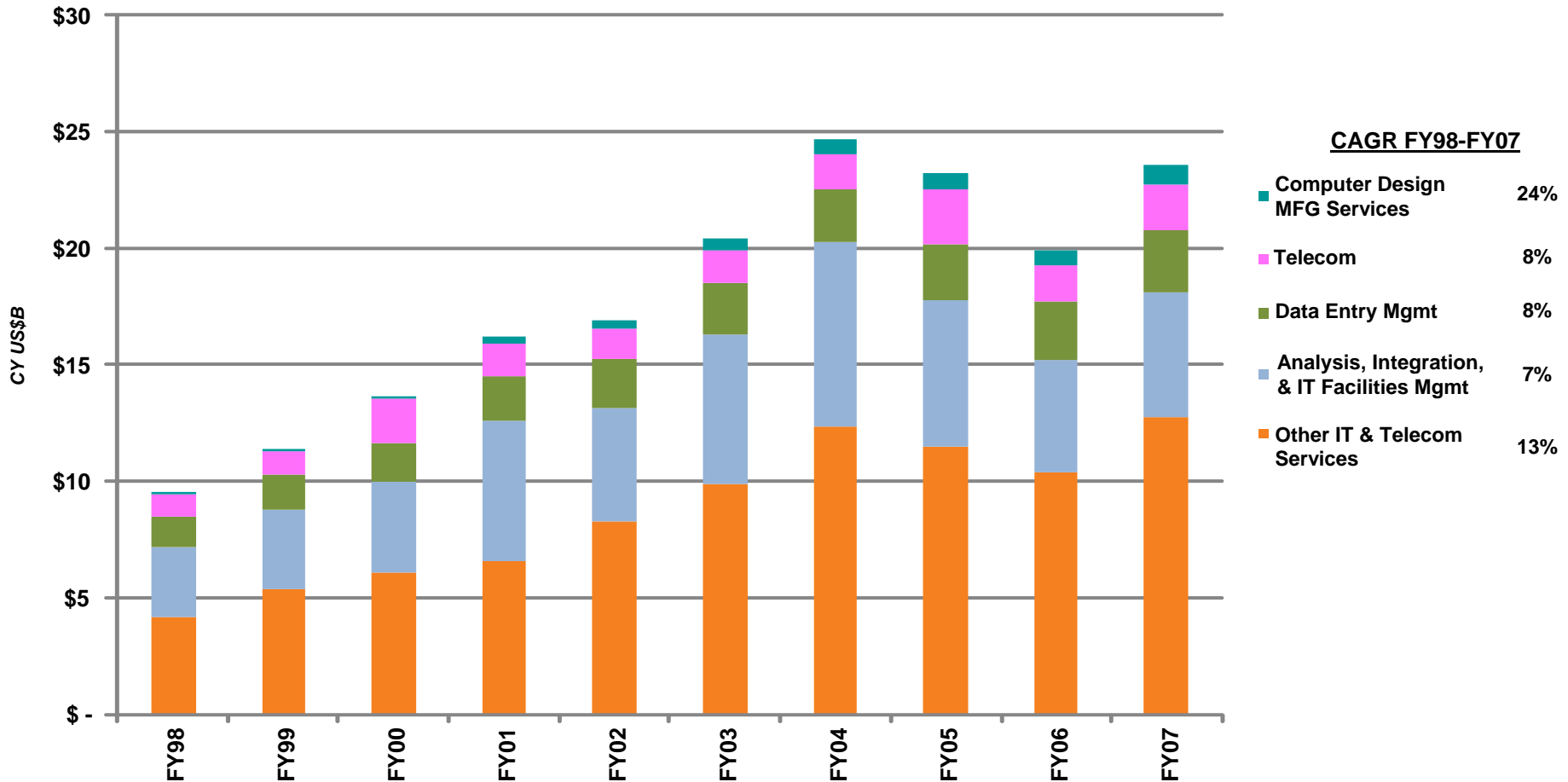


Source: FPDS, RSA Analysis

However, the IT segment has already seen a flattening of growth

### Growth Trends in IT Services Market, FY98-FY07

Shares by Services Category

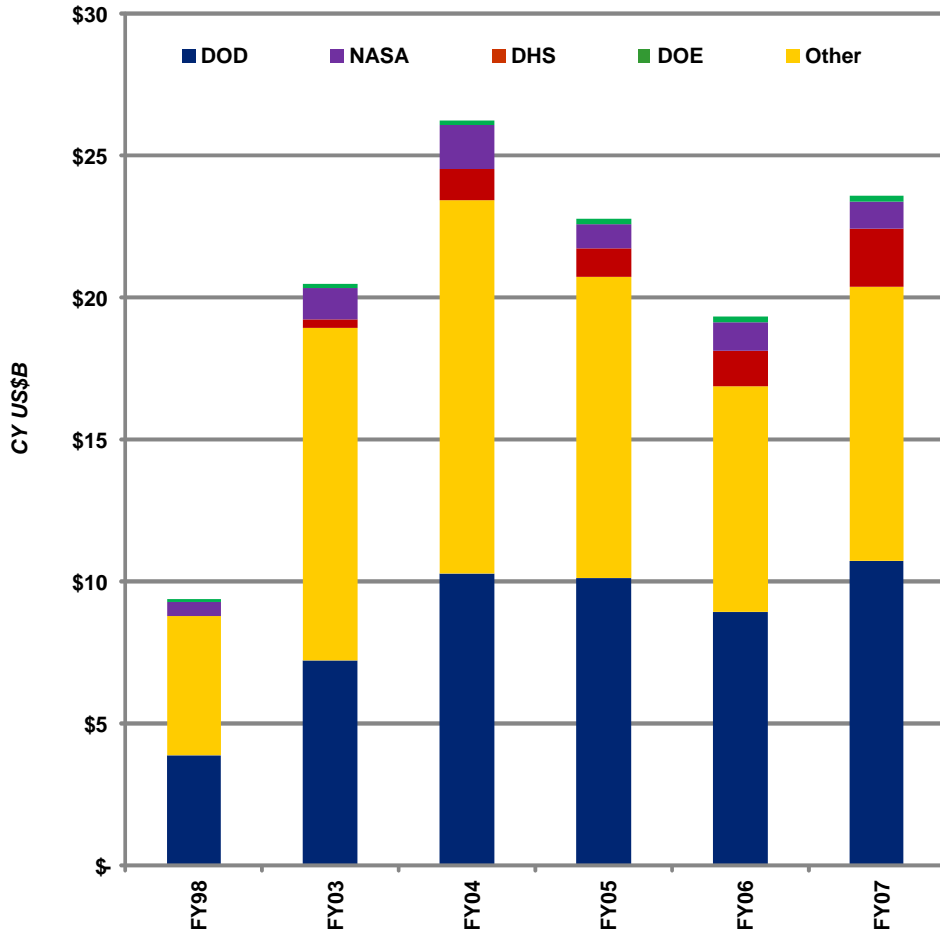


Source: FPDS, RSA Analysis

**Non-DoD Federal agencies a bigger IT market, and signs of growth reaccelerating appearing with those customers (where the retirement induced outsourcing is really showing up?)**

**IT Services Contracts, FY98 vs. FY03-FY07**

By Government Department



**IT Annual Growth Rates**

By Government Department

	CAGR FY98-FY03	CAGR FY03-FY07
DoD	17%	10%
DHS	N/A	63%
DOE	11%	11%
NASA	20%	-3%
Other	24%	-5%

Source: FPDS, RSA Analysis