

YOUR FEDERAL MARKET EXPERTS

RIDER LEVETT BUCKNALL

At Rider Levett Bucknall (RLB), our approach allows us to deliver successful outcomes to property and construction projects by tailoring our services to match client goals and needs. Our team specializes in creating, evaluating, and managing project controls that address the critical issues of time, cost, scope, and quality in the built environment.

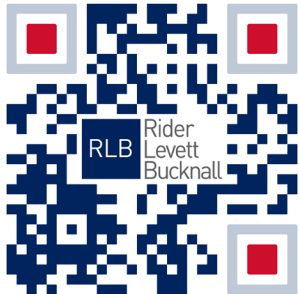
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FEDERAL MARKET INSIGHT THINGS TO WATCH OUT FOR

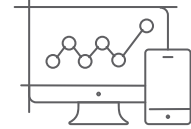


PRIORITIZING SUSTAINABILITY

The federal government is putting considerable efforts to promote sustainability initiatives, such as the Infrastructure Investment and Jobs Act (IIJA) and aggressive net-zero commitments. These initiatives are significant on the government's agenda, as evidenced by the allocation of contracts and expenditure data towards them.

TRENDING

- California, followed by New York and Florida, has the most **electric vehicle charging stations**.
- Federal buildings are to transition to **carbon pollution-free electricity by 2030 and achieve net-zero emissions by 2050**.
- The U.S. Army's Climate Strategy Implementation Plan for FY 2023-2027 includes plans to **build microgrids and complete power generation projects**.



EMERGING TECHNOLOGY

Under the Advanced Digital Construction Management Systems (ADCMS) grant program, the federal government is encouraging modern best practices in the construction industry. This \$85 million-dollar grant pushes the use of computer modeling, 3D designs, and other advanced technology for federally funded projects. This program will award up to \$17 million each year, from FY 2024 through FY 2026.

BENEFITS

- Effective information-sharing
- Increased productivity and reduction of construction duration
- Efficient coordination with the use of real-time sharing
- Reduce overall construction cost
- Improve quality control measures



\$28 M

Funding under the AFFECT grant will create energy cost savings, avoiding more than 82,600 metric tons of greenhouse gas emissions



37,000

Projects awarded from the Bipartisan Infrastructure Law (as of August 7, 2023)



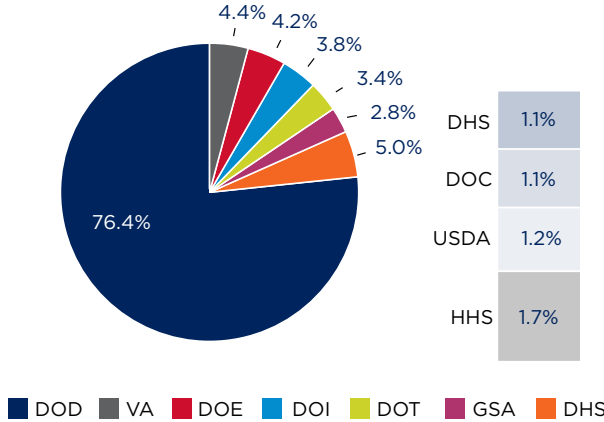
\$2 B

DoD investment for the Shipyard Infrastructure Optimization Program

FEDERAL MARKET INSIGHT

ABOUT THE CHARTS

The chart below represents the top 10 federal agency's construction spending for FY 2023 as of June 2023.



CONSTRUCTION COST DRIVERS

5.91%

National YOY Escalation Rate



SELECT MATERIALS	APPROX. CHANGE Q3-Q4 2023	APPROX. CHANGE YEAR-OVER-YEAR
Rebar	▼ -4.4%	▼ -10.4%
Structural Steel	▲ 0.3%	▲ 5.6%
Ready-Mix Concrete	▲ 3.0%	▲ 10.6%
Copper Wire	▼ -0.9%	▼ -3.6%
Copper Tube	▼ -3.2%	▼ -8.7%
Electrical Conduit	▲ -4.4%	▲ -22.5%
Diesel	▲ 30.3%	▼ -18.5%
Aluminum	▼ -2.5%	▼ -4.2%
Aluminum Wire	▼ -0.1%	▲ 4.9%
AHU Equipment	▲ 1.3%	▲ 3.9%
Sheet Metal	▲ 0.1%	▼ -0.5%
Generators	▲ 2.5%	▲ 5.6%

2024 BUDGET OUTLOOK

- House approves a \$155.7 billion military construction and veteran affairs bill
- FY 2024 Budget includes \$1.9 billion to modernize the Veteran's Affairs Information Technology (IT)
- Investment of \$335 million to expand Registered Apprenticeship opportunities for training future workforces in construction, clean energy, and other growing industries

WHAT IT MEANS FOR YOU

Staying informed about the latest market trends is essential for success in the federal market sector. With the current administration's focus on sustainability and resiliency, it's necessary to adopt sustainable design practices. Additionally, there is a growing emphasis on implementing efficient and collaborative construction methodologies with the use of advanced technology.