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U.S. Federal Government Spend on COVID-19 Response

Insights for Agency Leaders and Policy Makers

March 13, 2020 – April 8, 2020

Executive Summary

This analysis covers the period from 3/13/20 (when the government starting reporting COVID-19 spend) through 4/8/20 – we will update the analysis and findings periodically



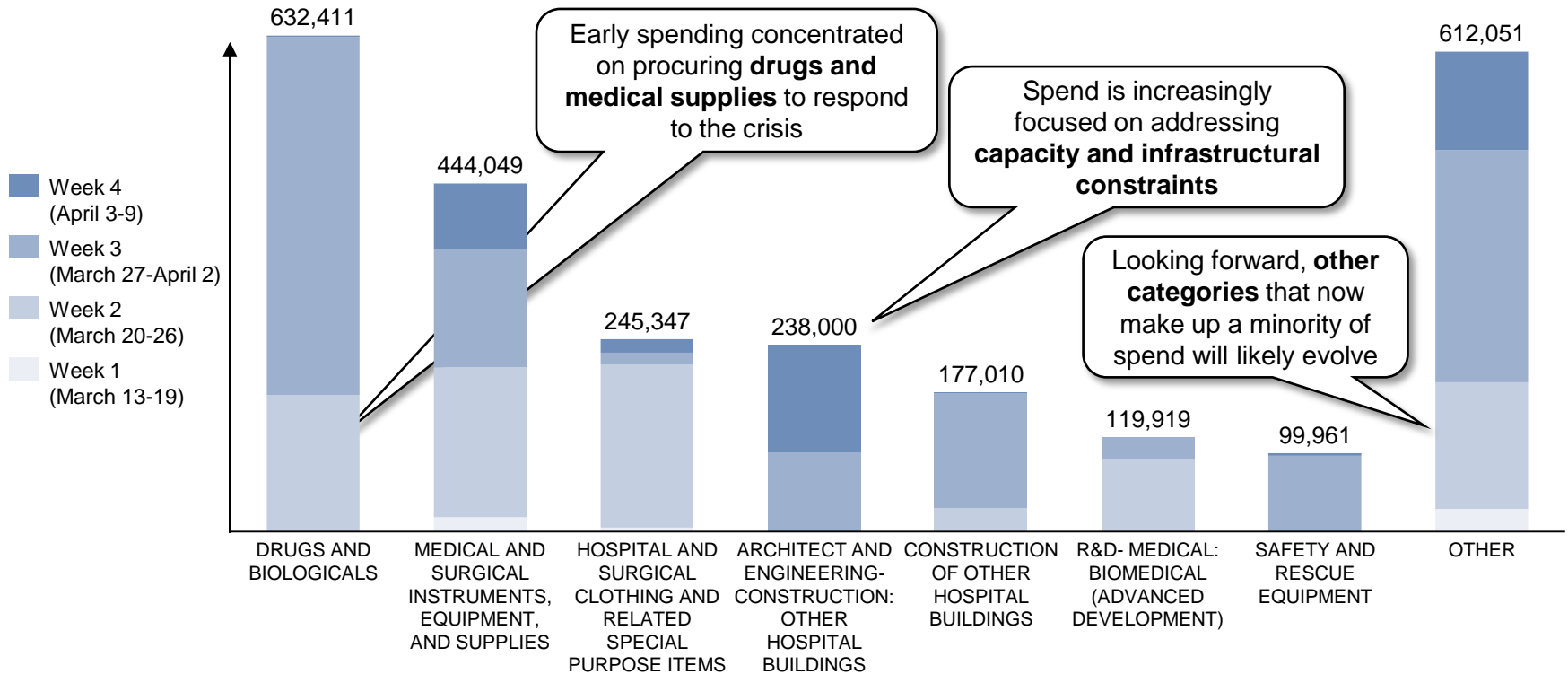
- On March 13, the Office of Management and Budget introduced guidance stipulating that agencies must report COVID-19 spend within 2 weeks of issuance. Given the urgency of the current crisis, there is an opportunity for real-time data reporting to drive actionable, and potentially life-saving insights.
- Federal government spending priorities seem to be shifting in response to the evolving demands of the COVID-19 response, with early spending concentrated on procuring drugs and medical supplies and a growth in recent weeks on spend addressing capacity and infrastructural constraints. Looking forward, other spend categories that now make up a minority of total federal spend will likely evolve in response to the changing demands of the crisis.
- Initial spending has primarily been driven by agencies on the front-line of the response to the crisis, but over time spending related to COVID-19 is expected to increase across all agencies, especially as each agency executes the CARES Act.
- Over the past four weeks, the federal government has relied on a few large vendors in order to meet immediate demand, with the top 3 vendors often accounting for nearly 90% or more of total spend across the top spend categories – suggesting that as the crisis evolves, agencies will need to investigate alternative sources of supply, including small businesses.

For further information about the data and insights in this report, please contact
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Federal government spending priorities seem to be shifting in response to the evolving demands of the COVID-19 response



Reported US Federal Government Spend of ~\$2.5B to Combat COVID-19*
Weekly Spending March 13 – April 8 (in thousands of dollars)



On March 13, the Office of Management and Budget introduced guidance stipulating that agencies must **report COVID-19 spend** within 2 weeks of issuance. Given the urgency of the current crisis, there is an opportunity for **real-time data reporting** to drive actionable, and potentially life-saving insights. Over the coming weeks, Censeo will continue to **monitor the latest federal government spend data** and report on additional insights as federal spending requirements continue to evolve in response to COVID-19.

*Data was obtained from FPDS-NG and filtered using the "COVID-19" flag introduced on March 13, 2020. The above data highlights the seven Product or Service Codes (PCs) with the greatest federal government spending from March 13 – April 8, last updated April 9, 2020. Due to the nature of the disaster response, the existing data likely represents only a portion of the work that has been awarded to date.

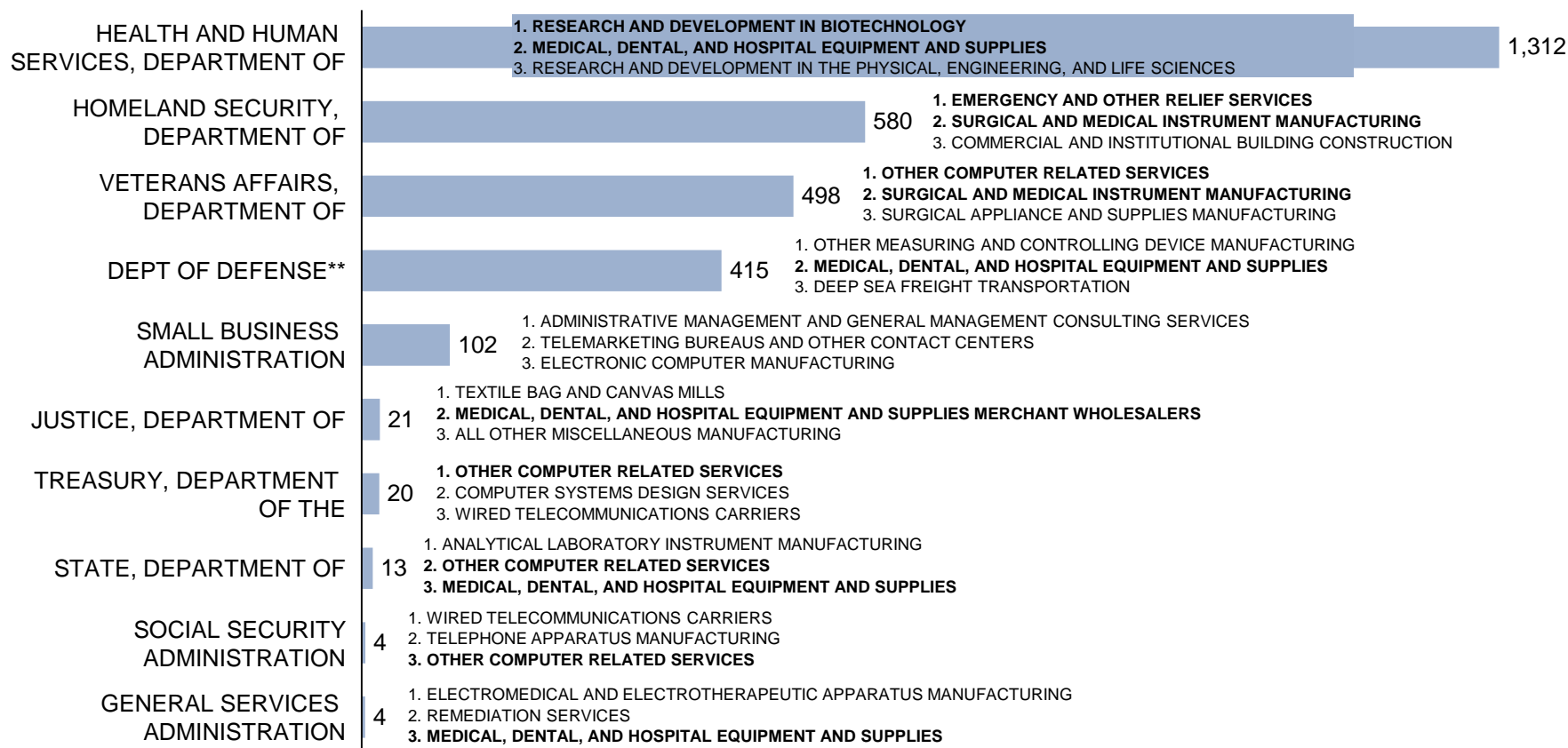
Initial spending has primarily been driven by agencies on the front-line of the response to the crisis



Total Reported Spending by Top 10 Federal Agencies to Combat COVID-19*

March 13 – April 8 (in millions of dollars)

*Includes Top Three Spend Categories (NAICS) by Agency**



Over time, spending related to COVID-19 is expected to increase across all agencies, especially as each agency executes the CARES Act

***Bolded text** represents the top 5 spend categories (NAICS) across all 10 federal agencies reported from March 13 to April 8. Please note: the above analysis references NAICS spend categories, rather than Product and Service Code spend categories (previous slide), to provide additional detail on agency spending.

**For military operational security concerns, the availability of DOD FPDS data is subject to a 90-day delay for non-DoD users. The DoD FPDS data in this report is delayed.

Over the past four weeks, the federal government has relied on a few large vendors in order to meet immediate demand



Reported US Federal Government Spend to Combat COVID-19 Primary Vendors March 13 – April 8

Top 6 Product / Service Codes*	Total Spend	# Vendors	Top 3 Vendors	Top 3 Vendors % Spend**
DRUGS AND BIOLOGICALS	\$632,411,086	14	1. Janssen Pharmaceuticals Inc. 2. Genentech, Inc. 3. McKesson Corporation	99.80%
MEDICAL AND SURGICAL INSTRUMENTS, EQUIPMENT, AND SUPPLIES	\$444,048,576	226	1. Honeywell Safety Products USA, Inc. 2. First Nation Group, LLC 3. Venergy Group, LLC	52.26%
HOSPITAL AND SURGICAL CLOTHING AND RELATED SPECIAL PURPOSE ITEMS	\$245,346,615	12	1. 3M Company 2. Draeger, Inc. 3. Moldex-Metric, Inc.	94.83%
ARCHITECT AND ENGINEERING-CONSTRUCTION: OTHER HOSPITAL BUILDINGS	\$238,000,000	4	1. Turner Construction Company 2. Parsons Corporation 3. Fluor Federal Solutions, LLC	87.00%
CONSTRUCTION OF OTHER HOSPITAL BUILDINGS	\$177,009,650	5	1. AECOM Technical Services, Inc. 2. New York Convention Center Operating Corporation 3. Haughland Energy Group LLC	99.99%
R&D- MEDICAL: BIOMEDICAL (ADVANCED DEVELOPMENT)	\$119,918,596	10	1. Regeneron Pharmaceuticals, Inc. 2. Battelle Memorial Institute 3. Southern Research Institute	90.50%

As the crisis evolves, agencies will need to investigate alternative sources of supply, particularly small businesses

*Please note: the above analysis references Product and Service Code spend categories, rather than NAICS spend categories (previous slide) to provide a broader overview of federal spending.

**Reliance on a small subset of vendors presents substantial risk as federal agencies respond to the urgent, unpredictable demands of COVID-19.



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