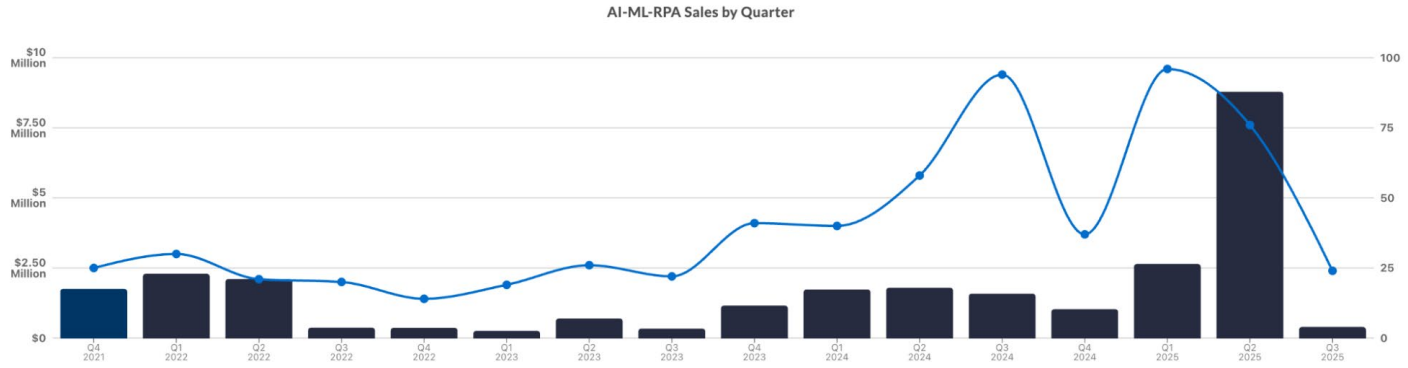
AI, ML, and RPA: A SLED Market Overview

GovSpend's 2025 data reveals an emerging market defined by both rapid expansion and recent recalibration. The AI, machine learning (ML), and robotic process automation (RPA) segment has become one of the fastest-evolving areas of public sector technology, reflecting a shift toward data-driven operations, automation, and improved citizen service delivery.

After a period of accelerated growth, the market reached a peak in Q2 2025 with more than $8.7 million in sales—a sharp increase from prior years. However, this was followed by a notable downturn in Q3 2025, when total sales fell to just over $381,000. These fluctuations suggest a market characterized by large, high-value contracts that are awarded and fulfilled in concentrated periods rather than steady, incremental growth.

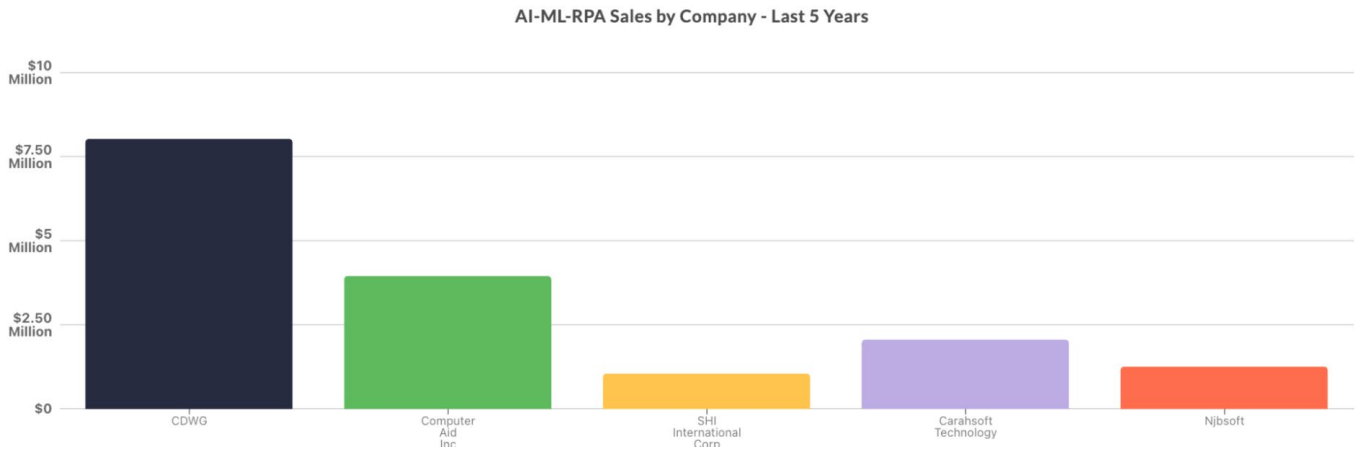


	Q 1 2022	Q 2 2022	Q 3 2022	Q 4 2022	Q 1 2023	Q 2 2023	Q 3 2023	Q 4 2023	Q 1 2024	Q 2 2024	Q 3 2024	Q 4 2024	Q 1 2025	Q 2 2025	Q 3 2025	Total
	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price
CDWG	$0	$0	$0	$0	$0	$0	$11,798.36	$576.30	$517.58	$6,182.99	$109,170.18	$262,579.50	$44,690.11	$7,711,668.63	$104,809.15	$8,251,992.80
Boston Consulting Group	$0	$0	$0	$0	$0	$0	$0	$0	$720,000	$856,800	$464,100	$0	$0	$0	$0	$2,040,900
Computer Aid Inc	$941,224.96	$544,170	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,813,323.36
Directapps	$0	$0	$30,000	$123,600	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,487,400
Njbsoft	$0	$0	$102,000	$0	$0	$0	$0	$0	$98,000	$0	$0	$0	$1,036,000	$0	$0	$1,236,000
SHI International Corp	$6,074.40	$93,921	$170,885.69	$2,132.05	$5,353.98	$193,997.34	$81,970.15	$36,123.76	$326,820.63	$18,937.40	$82,184.75	$0	$9,900.96	$101,470.38	$0	$1,129,772.48
Accenture	$0	$986,120	$0	$0	$0	$0	$0	$0	$0	$100,000	$25,000	$0	$0	$0	$0	$1,111,120
Carahsoft Technology	$748,098.28	$0	$0	$0	$34,628.85	$20,400	$94,085.28	$0	$0	$67,093.28	$32,800	$0	$29,200	$25,872	$0	$1,052,177.69
Svam International	$0	$125,000	$0	$0	$0	$225,000	$0	$0	$264,625	$0	$0	$0	$0	$0	$183,993	$813,618
Insight Public Sector	$1,702.36	$52,610.34	$709.30	$1,092.96	$0	$20,766.30	$2,547.06	$21,468.50	$0	$282,110.92	$931.38	$1,207.60	$0	$250,272	$0	$635,418.72
Show More Results																
Grand Total	$2,280,355.90	$2,094,516.88	$357,565.04	$351,333.86	$241,355.13	$684,034.82	$324,364.48	$1,144,737.11	$1,720,073.16	$1,779,547.20	$1,569,839.49	$1,017,032	$2,629,341.35	$9,081,962.71	$391,502.11	$27,410,407.55

Over the last five years, state and local agencies have spent more than $228 million on AI-ML-RPA technologies, underscoring the government's continued investment in automation, data analytics, and artificial intelligence to improve efficiency and service outcomes.

Key Providers and Market Share

GovSpend data shows a competitive yet concentrated marketplace. CDW-G leads with more than $8 million in total sales across the past five years—driven largely by a surge in 2025. Computer Aid Inc. ranks second with nearly $4 million, followed by Carahsoft Technology Corp. and SHI International Corp., which have exceeded $2 million and $1 million, respectively.

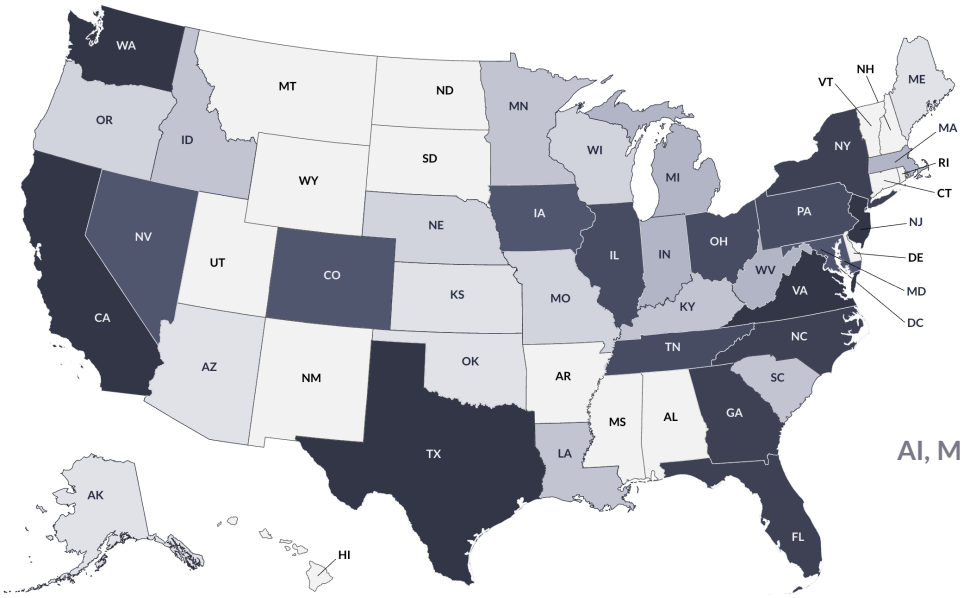


	CDWG	Computer Aid Inc	SHI International Corp	Carahsoft Technology	Njbsoft	··· More	Total
	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price		Sum of Total Price
2020	$0	$615,920	$0	$0	$0		$5,925,941.31
2021	$0	$1,831,255.40	$0	$0	$0		$47,713,285.33
2022	$0	$1,485,394.96	$269,504.62	$0	$102,000		$41,059,805.74
2023	$0	$0	$315,605.93	$239,114.13	$0		$21,027,290.89
2024	$374,839.68	$0	$0	$0	$0		$69,912,986.51
2025	$7,627,574.77	$0	$0	$0	$1,036,000		$42,759,777.53
Grand Total	$8,014,212.81	$3,932,570.36	$1,028,498.47	$2,039,741.91	$1,236,000		$228,399,087.32

While these companies dominate in overall volume, the broader ecosystem remains fluid. Emerging providers are finding entry points through specialized implementations, pilot programs, and AI-driven enhancements to existing digital infrastructure. This mix of established and newer players illustrates a market still defining its long-term structure and procurement cadence.

Geographic Trends

Spending is concentrated among a handful of innovation-focused states. California, Texas, and Washington lead the nation in AI-ML-RPA adoption, with Florida and New York also demonstrating significant activity. These states continue to pilot and deploy AI-driven projects that streamline internal processes and improve public-facing services.

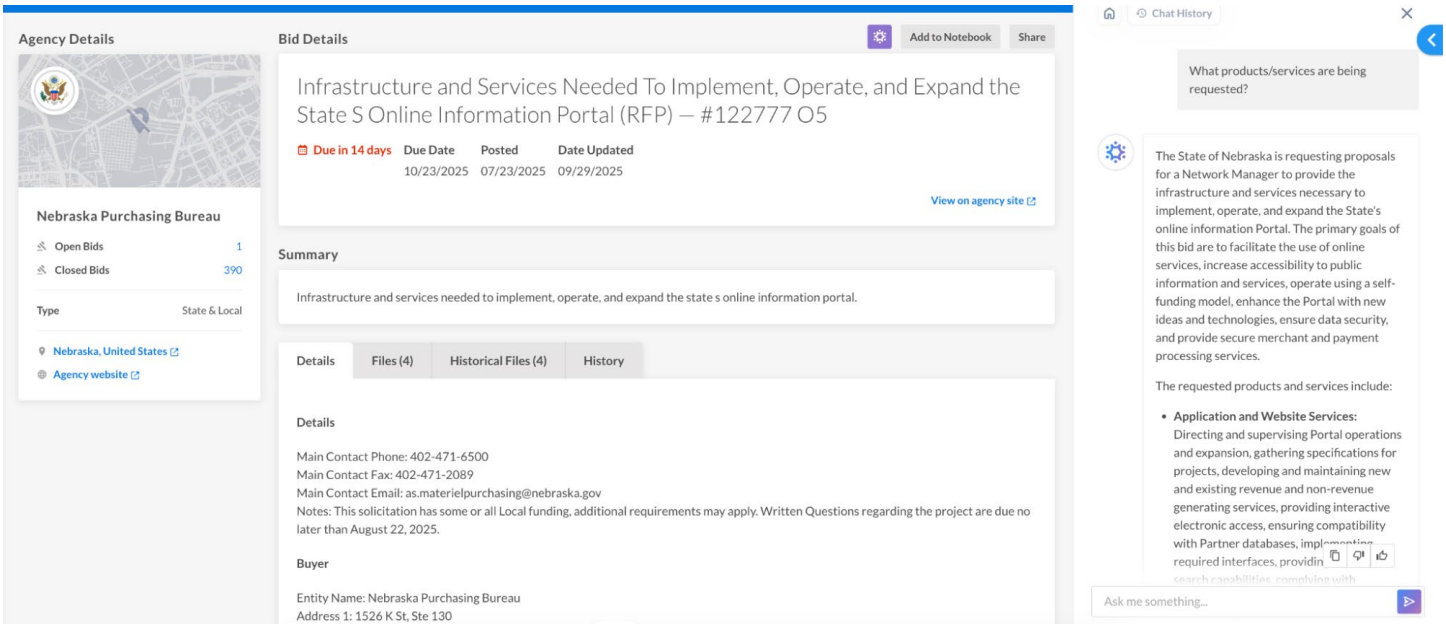


AI, ML, and RPA Spending

	California	Texas	Virginia	Florida	New York	Georgia	Ohio	New Jersey	North Carolina	Washington
	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price	Sum of Total Price
CDWG	$44,735.17	$1,658,493.72	$0	$3,339.30	$102,084	$29,755.12	$50,513	$11,684.25	$8,160	$6,981,124.54
Computer Aid Inc	$0	$0	$3,677,277.36	$0	$0	$591,299	$0	$0	$0	$0
Directapps	$0	$3,604,446.55	$0	$0	$0	$0	$0	$0	$0	$0
Cambria Solutions	$3,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Kpmg	$2,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Boston Consulting Group	$0	$0	$0	$0	$0	$0	$0	$2,040,900	$0	$0
Svam International	$0	$0	$0	$0	$1,238,618	$0	$0	$0	$0	$0
Njbsoft	$1,236,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
SHI International Corp	$0	$0	$7,946.40	$20,772.05	$0	$75,793.26	$10,419.15	$160,552.86	$743,629.70	$10,195.03
Accenture	$0	$0	$0	$0	$0	$986,120	$0	$0	$0	$0
Show More Results										
Grand Total	$8,929,234.77	$7,446,492.34	$3,920,762.28	$2,319,072.50	$1,443,092.54	$1,901,106.23	$306,215.68	$2,445,341.72	$877,448.06	$7,775,834.04

That said, almost all states are starting to prioritize automation. For example, Nebraska recently issued a bid for a “Network Manager” to enhance its statewide online information portal, incorporating AI tools to improve search functionality. This kind of initiative reflects the growing demand for applied AI solutions that directly improve accessibility and usability in government systems.

Geographic Trends Cont...



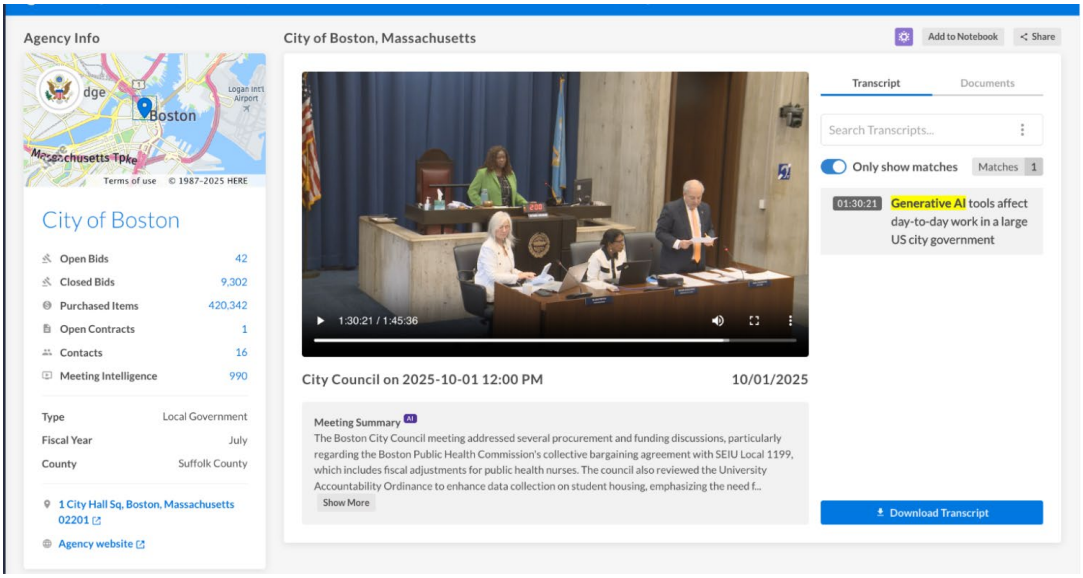
Overall, geographic data points to clusters of high investment tied to states with robust IT modernization agendas and established digital service teams.

Procurement Activity and Opportunity Outlook

The AI-ML-RPA market remains active, with 167 open bids across 96 SLED agencies and 288 contracts across 29 agencies set to expire within the next 24 months. In addition to these opportunities, GovSpend has tracked over $184.7 million in purchase orders, representing both formal procurement and discretionary spending in this emerging technology category.

Discussions around AI and automation are becoming increasingly common in government planning sessions. GovSpend has identified 4,025 agency discussions referencing AI, ML, or RPA over the past five years, including as recently as:

- The New Haven Unified School District Board of Education (CA) discussed and approved a new board policy on artificial intelligence during their meeting on October 7, 2025.
- During the Education and Policy Committee meeting of the Quakertown Community School District (PA) on October 6, 2025, Policy 815.1, "Generative Use of Artificial Intelligence in Education," a new PSBA-recommended policy, was discussed.
- On October 1, 2025, the City of Boston (MA) shared authorization to accept and expend a $10,000 grant to fund a project to gather the first randomized evidence on how generative AI tools affect daily work in a large U.S. city government.



This engagement reflects not only interest but a growing understanding among agencies of how automation can address key operational challenges. Providers that monitor these discussions and align offerings with agency priorities will be best positioned to capture early-stage opportunities and influence upcoming procurement cycles.

Market Priorities and Emerging Applications

The integration of AI into government operations is accelerating, with significant overlap across cybersecurity, risk management, and digital service delivery. Agencies are exploring AI to make citizen services faster, more accessible, and more personalized. Early use cases include AI-powered chatbots, multilingual support, and assistive technologies for people with disabilities, all aimed at improving accessibility and reducing service friction.

Internally, AI and RPA tools are being used to streamline workflows, detect anomalies, and identify fraud, waste, and abuse (WFA). Increasingly, AI is also being deployed to enhance cyber defense capabilities, helping agencies identify and respond to threats in real time. Most of these applications remain inward-facing for now, but they are laying the groundwork for broader, citizen-facing implementations as systems mature and policies evolve.

Looking Ahead

The AI-ML-RPA market within the SLED sector is poised for continued expansion, despite short-term variability in spending.
Agencies are balancing the urgency of innovation with the realities of procurement complexity, talent shortages, and evolving regulatory frameworks.

For vendors, the key to success lies in timing and alignment: understanding where AI fits into each agency's modernization roadmap and demonstrating measurable value in areas like accessibility, efficiency, and security. The data indicates that AI adoption is moving beyond experimentation and into operational integration, creating significant long-term opportunities for providers ready to deliver practical, scalable solutions.

The data provided in this report comes from the GovSpend platform. For a deeper dive into spending intelligence specific to your business or competitive landscape, request a personalized demo here.