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PRESENTATION

Operator

Welcome to the ICF International First Quarter 2007 Conference Call.

(OPERATOR INSTRUCTIONS)

And now I would like to turn the program over to Douglas Beck, Senior Vice President of Corporate Development. Please go ahead.

Douglas Beck - ICF International - SVP of Corporate Development

Thank you. Good afternoon, everyone, and thank you for joining us to review ICF’s first quarter 2007 performance. With us today from ICF International are Sudhakar Kesavan, Chairman and CEO, Alan Stewart, CFO and John Wasson, COO.

During this conference call we will make forward-looking statements to assist you in understanding ICF management’s expectations about our future performance. These statements are subject to a number of risks that could cause actual events and results to differ materially and are referred to our May 14, 2007 press release and our SEC filings for discussions of those risks.

In addition, our statements during this call are based on our views as of today. We anticipate that future developments will cause our views to change. Please consider the information presented in that light. We may, at some point, elect to update the forward-looking statements made today, but we specifically disclaim any obligation to do so.
During this call, we refer to non-GAAP financial measures such as backlog and EBITDA. A reconciliation of these measures to the most directly comparable GAAP measures is available in the investor relations section of our website.

I will now turn the call over to our CFO, Alan Stewart, to discuss first quarter 2007 financial highlights. Alan?

Alan Stewart - ICF International - CFO

Thank you, Doug, and good afternoon all. Our revenue for the first quarter ended March 31, 2007 was $151.7 million, up 33.2% sequentially from the $113.9 million reported in this year’s fourth quarter.

This quarter, direct cost increased as a percentage of gross revenue to 71.3% from 68.6% in the prior quarter, primarily due to increased levels of subcontract and other direct costs, primarily the unit cost work associated with the Road Home contract.

Gross profit for the quarter was 28.7%, slightly below the 31.4% reported in the prior quarter. This resulted in an increase in the first quarter in revenue, direct costs and gross margin over the fourth quarter of last year of $37.8 million, $30.1 million and $7.7 million respectively.

The major quarter-over-quarter cost variance from the fourth quarter of 2006 to the first quarter of 2007 was for indirect and selling expenses, which were approximately $7.8 million higher. This resulted primarily for more normalized and direct labor costs, accounting and SarbOx related costs, public and government affairs related costs and other indirect expenditures.

Gross interest expense for the first quarter of 2007 was $324,000 compared to $163,000 for the fourth quarter of 2006.

The effective tax rate for the first quarter of 2007 was 40.6%, compared to a rate of 39.4% effective rate in the fourth quarter of 2006. The fourth quarter rate reflected a substantial reduction in the previously reported rate for the previous 9 months due to tax credits and other adjustments that favorably impacted the fourth quarter for a year to date tax benefit.

As a net, this resulted in first quarter 2007 net income of $8.7 million net income, or $0.60 per fully diluted common share. This compares to net income of $9.2 million, or $0.65 per fully diluted common share in the fourth quarter.

Fully diluted shares for the first quarter includes 13,753,000 for basic weighted average common shares and 662,000 common stock equivalents for a fully diluted share count of 14,415,000.

It should be noted that we issued 16,500 restricted stock units and 210,000 options in the first quarter of 2007. Non-cash stock compensation expenses, as required under FAS 123R, were $619,000 in 2007 first quarter, as compared to $512,000 in the fourth quarter of 2006.

In reviewing our balance sheet as of March 31, 2007, there are several points to note. Our net accounts receivable balance was $155.4 million representing 92 days of sales outstanding at quarter end compared to 87 days at December 31, 2006. If you deduct the amount of deferred revenue for these periods, the adjusted day sales outstanding would be 83 days and 73 days respectively.

The increase in DSOs is primarily attributable to ICF and the significant surge of unit price activity late in the quarter. We do anticipate DSOs in the long term to follow our more traditional 75 to 85 day historical average.

At the end of the first quarter our revolving bank debt was approximately $18.9 million.

Turning to our cash flow statement for the first quarter of 2007. Our cash flow from operations utilized $7 million, due to the build up, primarily, of accounts receivable of $41.7 million, heavily influenced by the Road Home program. In addition, accounts
payable and accrued expenses increased approximately $10.8 million and $16.5 million respectively, which is primarily attributable to the growth of the Road Home contract and the significant increase in unit price activity in the first quarter. And we had cash capital expenditures of $0.9 million for the quarter.

Before turning the call over to Sudhakar, I'd like to review our guidance for the second quarter and full year. We anticipate the Road Home program acceleration will continue in the first half of the year. In quarter one we performed a significant amount of home evaluations, title work and closings. Due to changes in the program, the revenue mix will change in the second quarter. We anticipate fewer home evaluations, limited title work and increased appraisals and closings.

As noted in today's release, we expect second quarter revenue to range between $135 million to $145 million and full year calendar 2007 revenue to be between $530 million and $540 million -- sorry, $550 million. For both periods we are targeting a net income margin of 5% and with that, I'd like to turn the call over to Sudhakar.

Sudhakar Kesavan - ICF International - Chairman and CEO

Thank you, Alan. As Alan detailed, ICF completed another quarter of solid financial results and I'm pleased to report that we executed well on a number of fronts building our competitive position in key markets and winning new business while accelerating the implementation of the Road Home program.

Let me start by giving you an update on the Road Home contract. As you know, this is a 3-year contract with the office of community development of the State of Louisiana that was awarded to ICF in mid-June 2006 and is aimed at compensating homeowners and rental housing owners for losses suffered during hurricanes Katrina and Rita.

Road Home is the largest single housing recovery program in US history, it is complex in design, has gone through several changes during this implementation phase and has the attention of many interest groups as well as the media.

In the first quarter we recorded revenue from the Road Home contract of $96.8 million, which reflected a significant program acceleration. As of the 7th of May, one week ago, we had received over 134,000 applications or approximately 10% above the original estimate and more than 18,000 closings had been held or scheduled.

First quarter revenues, for the historical business, without Road Home, were $54.9 million, some 3% higher than the fourth quarter of 2006. A number of the company's legacy staff are currently working the Road Home contract, which temporarily impacts growth of the company's historical business. The revenue accrued on Road Home represented by these employees in the period was approximately $6.5 million.

The company has been actively hiring Louisiana based personnel in that place. As the staff return to their traditional tasks, they will be able to exploit the increased backlog in the historical part of the business. This will increase revenue growth in the historical business to the 8% to 10% targeted level.

In the first quarter we continued to work on a wide range of advisory and implementation services related projects across our historical business. For example, we were engaged with three large Silicon Valley based Internet companies assisting them with carbon strategies, including managing carbon tenders and recommending internal strategies to reducing their carbon emissions.

We also began advising one of the world's largest media companies on planet strategy, hoping to prepare the company's first global, carbon and energy footprint.

In the environmental arena, ICF completed a multimillion dollar environmental impact statement on the expansion of the strategic petroleum reserve, analyzing 8 proposed sites and hundreds of miles of pipeline across certain southern states.
At the Department of Health and Human Services, we manage a number of information clearing houses. During the first quarter we passed the 1.3 million user mark at the Children's Bureau Clearinghouse, which provides web based information to professionals across the United States.

Also, ICF kicked off a new phase of implementation support for the Assets for Independence, the AFI program that allows low income individuals to start savings accounts that build assets towards purchase of a home, to start a business, or to go back to school for higher education.

In homeland security we are continuing our work and supporting the 17 critical infrastructure sectors in the US for the Department of Homeland Security, winning the recompete valued at $22.1 million, that was highlighted in today's news release. We're also delivering a wide range of training and exercise projects on health and medical issues for their Office of Preparedness and Response.

Additionally, ICF is working with DHS and other federal agencies to develop a standard incident command system so that multiple organizations can respond appropriately to an incident, no matter what their geography or agency affiliation.

At the Transportation Security Administration, we're helping PSA solve one of the most intractable management challenges in the federal government, the brain drain due to the retirement of the baby boom generation. There's a volunteer TSA succession leadership program to accelerate the development of its next generation of leaders.

In terms of new business, ICF was awarded contracts valued at $83 million in gross revenues during the first quarter. The contracts highlighted in today's news release represent key competitive wins in markets where ICF has deep domain expertise and are good examples of our ability to sell -- increasingly sell our services to commercial energy markets and clients outside the United States.

ICF’s business backlog, excluding the Road Home contract, was $359 million at the end of the first quarter, up 9% sequentially over the comparable number of $329 million reported the end of the 2006 fourth quarter and 25% above the $286 million reported the end of last year's third quarter, further indication of the favorable trends in our markets and ICF’s strong competitive position. The Road Home backlog at the end of the first quarter was $542 million.

Our personnel retention rates continue to exceed the industry average. Total turnover for the quarter came out at a little over 3% or with rounding, 13% annualized. If we exclude the turnover on the Road Home contract, our turnover rates were even lower at 2% or 8% annually.

I’m also very pleased that in the last several months ICF has succeeded in attracting senior industry talent specializing in strategic planning, development of information technology based solutions, early education research, emergency management, natural gas markets and business development focused on the federal government. Reinforcing ICF’s domain expertise and bringing additional experience to our professional staff.

We look forward to leveraging this talent to accelerate the organic growth of our historical business, at the same time we are continually evaluating potential acquisition candidates that would be strategically complementary. I believe that ICF’s corporate culture and our record with prior acquisitions gives us a competitive advantage in this regard.

At this point, operator, I would like to open the call to questions.
QUESTIONS AND ANSWERS

Operator

(OPERATOR INSTRUCTIONS)

Your first question comes from the line of Jason Kupferberg with UBS. Please proceed, sir.

Jason Kupferberg - UBS - Analyst

Thanks and a good afternoon, guys. Congratulations.

Sudhakar Kesavan - ICF International - Chairman and CEO

Thanks.

Jason Kupferberg - UBS - Analyst

I want to ask the question on Louisiana here. Obviously you had the acceleration in Q1. I was hoping you could give us an idea of how you see the revenue trajectory trending out on Louisiana for the remaining three quarters of the year, understanding that you clearly had a surge here in Q1, now there are some new elements, there are some changed elements to the program implemented in Q2. Anyway we can put numbers around that?

Sudhakar Kesavan - ICF International - Chairman and CEO

We are trying to get a sense of the numbers. We obviously have give you guidance for the year. We think that second half of the year there are some specific downward pressures on rates, the program is constantly changing. The guidance we gave you for the second quarter reflected some of the changes, even though the program is accelerating. You’ve seen that the guidance that we’ve given is slightly lower primarily because the mix of the work, the unit price levels of work we do in each quarter make a big difference to our revenue and its been difficult for us to estimate how the program changes, and therefore, it’s difficult for us to make these estimates and give you good guidance.

We certainly think that in the first half revenue for Louisiana will be greater than the second half revenue for Louisiana. I think that is something, which we are reasonably certain of. Now having said that, there is certainly upside given that there would be -- that the number of applicants is greater than we thought, depending on how things play out there. We might have to do more unit price activities, like appraisals, closings et cetera. But it’s still in a bit of flux, the program changed last month, as some of you know, and so we are in the process of coming up with a better sense. But I think at the moment we just say that the second half revenues will be lower than the first half.

Jason Kupferberg - UBS - Analyst

Okay. That’s helpful. Just a follow up on that. There have been some press articles, obviously suggesting that the Road Home program could face a funding shortfall just based on the monies that have been handed out so far and the surge we saw in applicants once they moved to the upfront, lump sum payment. If this is in fact the case, what is ICF’s perspective on that some of the proposed solutions might be out there, does it potentially impact the period of time over which you guys may earn revenue on this contract. Does it push the whole contract out over a longer schedule? Any idea there yet?
Sudhakar Kesavan - ICF International - Chairman and CEO

The state is, as you can imagine, [sees] of the problem, given the increased number of applicants and given that the average award has been greater than what was budgeted, the state is assessing how to solve the problem. We have received instructions from the state to continue to do what we are doing. The money is projected to run out, you should understand, it’s not running out any time soon -- in the next month or something. We have to do a lot of closings.

And so, the state basically told us we should continue to work on it and if the number of applicants increases, obviously the amount of work to be done on the contract also goes over a longer period of time, or at least goes up. So this is a new issue that has just come up over the last week, or has been made public over the last week and I think the state is seeing to the problem and it has instructed us to keep going and we just have to see how it pans out.

Jason Kupferberg - UBS - Analyst

And just one last question to clarify, Sudhakar, you mentioned the 8% to 10% target for organic growth in the base business, ex-Louisiana, I think last quarter you’d talked about a rough late ‘07, kind of exiting ‘07 time frame to achieve that kind of organic growth rate. Is that still the expectation based on when you’re expecting some folks to roll off of Road Home, back to the core business?

Sudhakar Kesavan - ICF International - Chairman and CEO

Yes. That is still the expectation.

Jason Kupferberg - UBS - Analyst

Great. Thanks for the comments.

Operator

Your next question comes from the line of Bill Loomis of Stifel Nicolaus. Please proceed.

Bill Loomis - Stifel Nicolaus - Analyst

Hi, thanks. Great quarter. Just looking at your comments on the unit pricing going lower and the first half revenue being higher than the second half. In the first quarter, just looking first quarter, second quarter, first quarter, you also had some headwinds with the delays with the HUD rule changes and the software upgrade. Closings will be dramatically higher in the second quarter than in the first quarter, yet the revenue guidance reflects a sequential decline. Just how -- what’s the magnitude of the unit pricing reductions that would cause that to happen?

John Wasson - ICF International - COO

Hi, this is John Wasson. I guess, Bill, there’s several things going on here. I think first as we go from Q1 to Q2, we do expect the number of home evaluations to go down significantly by about half or so from Q1. So we are -- have gotten a large majority of the homeowners through the home evaluation phase at the end of Q1. So that will drop off in Q2.

The title work, as you know, we are no longer required to do title work. So in Q1 we did 21,000 units of title work. We expect that to be down to an de minimus level Q2, going forward.
On the flip side, we do expect the number of appraisals to increase going into Q2. We'll do about 30,000 more appraisals in Q relative to Q1. We expect to do about 20,000 more closings in Q2, relative to Q1. And so you have these kind of four different per unit activities, two going down, two going up, as you go from Q1 to Q2.

**Bill Loomis - Stifel Nicolaus - Analyst**

Okay, and as far as the new rates, how much does the rate -- the per unit rate changes that you've renegotiated impacting this? Or is that -- when does that become effective?

**Sudhakar Kesavan - ICF International - Chairman and CEO**

That has not been renegotiated, Bill. This is Sudhakar. We are in the process -- we are expecting that to start some time in this quarter, but the state is still in the process of doing the audits and coming up with their position. So we expected it to happen, we expect it to happen some time this quarter. So that's not gone into effect yet. So we still have the historical rates. But the state is certainly proceeding toward that negotiation towards the end of this quarter or so.

**Bill Loomis - Stifel Nicolaus - Analyst**

Okay, and the changes you talked about, John, as far as looking at the profitability of the different components, title work versus appraisals and so forth. How does that impact on the profit/mix side?

**Sudhakar Kesavan - ICF International - Chairman and CEO**

I think the profitability of all these unit price elements is sort of the same. The numbers is what is different, Bill. If you do tens of thousands of home evaluations. We don't have to do them in the second quarter, so the profitability aspects are not different, it's just the numbers which differ greatly from one quarter to the next and it's usually difficult to estimate some of them because of the very -- like the number of home evaluations, a whole bunch of them came in -- and appraisals a whole bunch of them came in towards the end of the quarter because of the fact that we have hundreds of people out there doing home evaluations and as they do them and complete them they send them through the subcontractor who then sends the invoices to us and it's kind of hard to estimate when they are coming. So that's, I think, the thing that you are struggling with here.

**Bill Loomis - Stifel Nicolaus - Analyst**

Okay. Thank you.

**Operator**

Your next question comes from the line of Joseph Vafi with Jefferies and Company. Please proceed.

**Joseph Vafi - Jefferies and Company - Analyst**

Gentlemen, good afternoon. Terrific results here in Q1. Maybe just one more Road Home question on the pricing, just sort of for clarity purposes. And as, at least as I think I understand it, we've got a different -- a few different pieces of the contract somewhere. You're getting paid per unit, let's call it and then there's, I think, some that are just kind of ongoing more like time and materials work for people manning the centers and the call centers and the like. And as we look forward, we're seeing a lot more unit activity obviously and we're kind of talking about changes in pricing and the like, if you could provide a little more
clarity if we're kind of talking about across the board changes in pricing versus the elements that might just be subcontractor related where the margins might be a little bit lower would be helpful.

Sudhakar Kesavan - ICF International - Chairman and CEO

We are talking primarily about when Bill Loomis referred to rate negotiations we're primarily talking about ICF labor, those are labor rate negotiations.

In terms of the unit pricing, the unit pricing is likely to remain the same, it's just that certain unit pricing activities are a higher per unit cost. Like titles were a higher per unit cost than appraisals. So I think that when you look at those and if you do less titles and more appraisals then that changes the net numbers. So I think that in terms of the downward pressure of -- on pricing it's primarily on ICF labor rates.

Joseph Vafi - Jefferies and Company - Analyst

Okay. That's helpful. And then if we kind of look out over the contract, we noted, obviously Road Home was kind of slated to be a three year contract. But at the -- obviously at the run rate we're at then we're going to finish off the contract funding well before then. I guess the question becomes if we kind of look out a little bit farther past '07 and obviously you've talked a little about the second half being a little bit lower than the first half. Do we see, at this point, with all the activity that's going on and how things are going and precluding extra funding, how would we kind of -- how would you look at that kind of forward kind of trail off of Road Home. Is it gradual or is it steep as we kind of look out into '08 and '09?

Sudhakar Kesavan - ICF International - Chairman and CEO

It's -- Joe, it's a good question. As you have noticed this program has changed every -- sort of a -- every time we have spoken to you there have been some significant changes in the program. And we are -- the latest is this whole thing about funding and as the program progresses. There are also changes to the number of applicants. So there's a whole host of changes going on currently in the whole scenario of what is the applicant pool, therefore how many people are likely to be compensated and therefore how much money do we need and the state is working through these issues. And as we know more we will let you know and I think over the next month or two we will get a better sense so we will be able to give you more sense of '08 in the next time we speak to you in August. And I think that when we give you our second quarter numbers.

So, I'm not trying to dodge the question. It's just that it's very hard for us to assess exactly what and how the program is going to proceed. If the number of applicants goes up and the state is able to procure additional funding, obviously we're going to continue to work on making sure that all these additional qualified and legible candidates get compensated.

So it's -- all these things are sort of in flux and we will know more as the state tells us move over the next few months because they're certainly working on it quite vigorously as we speak.

Joseph Vafi - Jefferies and Company - Analyst

Okay. That's helpful. And then maybe just one final one for Alan on margins. Obviously, the margin guidance is -- it is what it is relative to Q1 and we've talked a little bit about pricing and the like, are there any other moving parts to the scenario on margin guidance other than the unit pricing that we should be aware of relative to where you're guiding to here on net margin?
Alan Stewart - ICF International - CFO

I think the unit pricing is going to be big as well as the unknown impact of labor rate negotiations on the Road Home contract. But probably, primarily affect the last half of the year. So we'll just have to see as that unfolds where state and we go on those negotiations.

Joseph Vafi - Jefferies and Company - Analyst

Okay. Very good. Thank you so much gentlemen.

Operator

(OPERATOR INSTRUCTIONS)

Your next question comes from the line of Sam Hoffman with ADAR Investments. Please proceed.

Sam Hoffman - ADAR Investments - Analyst

Hi, can you please update us on the progress with the integration of the two acquisitions that you may have -- at the end and the beginning of this year?

Alan Stewart - ICF International - CFO

Sure. I'll take the first half. Both companies were fully integrated into our books and records in January and closed during the quarter, I think, on the operational business development front and I'll hand it over to Sudhakar to -- or John to speak to.

John Wasson - ICF International - COO

I would say the integration has gone well. I think both businesses are performing as we expected and I think we see opportunities for ways to leverage the acquisitions in terms of business development by marrying ICF qualifications with those of EEA and APCG. So I think we're quite pleased and think the integrations are going quite smoothly.

Sam Hoffman - ADAR Investments - Analyst

Can you give a big more color on your new business pipeline, both from the acquisitions and other -- and also talk about your acquisition pipeline as well.

Sudhakar Kesavan - ICF International - Chairman and CEO

Sam, I think that we are -- in terms of the acquisition pipeline, we are quite reasonably robust. We are looking at a variety of opportunities and are quite actively involved and obviously we'll -- the companies range from revenues of $50 million to much larger in the $150 million plus range. So we have a whole range of sizes we're looking at and it's something, which a number of us are engaged on.

In terms of the business development pipeline. It's doing -- we are quite focused on it. We -- our general rule of thumb has been that it should be 3 to 4 times our business. We traditionally have looked at the historical business and have said it should be 3 to 4 times [inaudible] Road Home, it should be 3 to 4 times our run rate. We are not quite there, but we don't -- we have a very
strict criteria for opportunities to get into the pipeline and so we have a pretty robust step one set of numbers. We have over $720 million in pipeline opportunities as of now. So we are making every effort to make sure that we make that more robust and keep increasing it. It’s just that we just need to work on them carefully because our business development dollars are reasonably scarce and we don’t want to fritter them away.

Sam Hoffman - ADAR Investments - Analyst
Okay. Terrific. Well great results this quarter.

Sudhakar Kesavan - ICF International - Chairman and CEO
Thank you.

Operator
Your next question comes from the line of Matt Liftin with William Blair and Company. Please proceed.

Matt Liftin - William Blair and Company - Analyst
Good afternoon.

Sudhakar Kesavan - ICF International - Chairman and CEO
Hey Matt.

Matt Liftin - William Blair and Company - Analyst
I know it’s difficult to parse them out exactly, but if you try to estimate how your operating margin might have looked in the quarter, if not for the positive influence of the Road Home contract?

Sudhakar Kesavan - ICF International - Chairman and CEO
It will be very hard. We -- there are so many - it’s going to be very hard to do that Matt.

Matt Liftin - William Blair and Company - Analyst
Would it be safe to say that it was a positive influence on your overall margin?

Sudhakar Kesavan - ICF International - Chairman and CEO
When you say -- you mean net margin?

Matt Liftin - William Blair and Company - Analyst
Yes, that’s fine.
Sudhakar Kesavan - ICF International - Chairman and CEO
Yes. I think so. That’s basically it.

Matt Liftin - William Blair and Company - Analyst
Okay. Also I wondered, if you -- as you look at this new 2007 annual guidance you’ve given. If you’re able to make those numbers where would you see free cash flow coming out for the year and if there’s kind of a range, that’s fine.

Alan Stewart - ICF International - CFO
Clearly through the first quarter and probably a little bit in April. I’m still building up receivables and using my revolver to help some of the growth of that, I would say, as we see the unit pricing start to move through the pipe right now I would see the cash being collected and that receivable number dropping to a more normalized rate. So I think we’re likely to generate a more reasonable amount of cash flow and I would probably judge the EBITDA as a rough level of net return on that after expenses as we get into the last three quarters.

Matt Liftin - William Blair and Company - Analyst
That’s helpful, Alan, thank you. And are you seeing any changes to the aging to your receivable at all?

Alan Stewart - ICF International - CFO
Not terribly. I mean it -- if you look at March, it's up a few days from the December, but we had a large volume of goings and activity literally hit in the last 10 to 15 days of the quarter. So we had a very big spike in billings. It happened to hit in the last half of March that worked its way through the pipe as John and Sudhakar talked about. But I would say, in terms of the payment cycles, it’s been reasonably close quarter to quarter.

Matt Liftin - William Blair and Company - Analyst
Okay. Great. Thank you very much. Congratulations on this strong quarter.

Alan Stewart - ICF International - CFO
Thank you.

Sudhakar Kesavan - ICF International - Chairman and CEO
Thank you.

Operator
Your next question is a follow up question from the line of Bill Loomis with Stifel Nicolaus. Please proceed.
Bill Loomis - Stifel Nicolaus - Analyst
Hi, thanks. I have a question on the sale pipeline, but first, Alan, just talking about the DSOs again. When -- so you had a build up and continuing negative cash flow in April, how do you see that playing out by the end of second quarter?

Alan Stewart - ICF International - CFO
I would say if the -- and a lot depends on how these unit price activities hit our books. If they're spread more evenly in the quarter as opposed to back ended in the last 15 days, I would expect to see a fair amount go through the cash cycle and the payment side on the subcontractor bills as well. But if they -- it really depends on the level and where they hit them up. If I get a big bump in June where I get a massive amount of billing activity and invoices in the last 20 days of June as opposed to being spread evenly, I could have a bit of a build up in DSOs.

I would hope that we'd start to see a little bit more normalized trends but, it's been very difficult to predict the exact week or month or time when these things are going to come out because we're dealing with second tier subcontractors to first tier to ICF.

Bill Loomis - Stifel Nicolaus - Analyst
If you -- but if you expect Road Home revenues to be lower in the second half I mean unless there's credit issues, we'd certainly have to see a big jump in cash flow in the back half mathematically, right?

Alan Stewart - ICF International - CFO
Yes, I would say that's a reasonable assumption.

Bill Loomis - Stifel Nicolaus - Analyst
Is there any credit issues here? Should we be concerned about the quality at all?

Alan Stewart - ICF International - CFO
Quality of receivables seems to be very, very good. So no issues that I can see.

Bill Loomis - Stifel Nicolaus - Analyst
And jumping over to the sales pipeline. Sudhakar, did you say it was $729 million?

Sudhakar Kesavan - ICF International - Chairman and CEO
$722 million, Bill.

Bill Loomis - Stifel Nicolaus - Analyst
$722 million. And what was the activity that went on since the fourth quarter because that was a drop from the fourth quarter level. What was -- you had $83 million in awards, but was there some that was taken off the table or some you missed out on?
Sudhakar Kesavan - ICF International - Chairman and CEO

Right there was a large one where we were trying to unseat an incumbent.

Bill Loomis - Stifel Nicolaus - Analyst

Right.

Sudhakar Kesavan - ICF International - Chairman and CEO

Which was very cost competitive and we were not successful. So that was nearly $275 million came off that. We have replaced -- since then replaced more than half the value of that. But - and that’s only in our steps, 6 step process, the pipeline, we give you the numbers are primarily step two onwards. We still have some pretty strong qualified -- we are in the process of qualifying leads in step one. But it’s pretty encouraging and we think we would be able to add to the pipeline. But we have a pretty strict process, as I said, to add to the pipeline so we haven’t quite qualified them yet, but we think they’re encouraging. There’s -- we’re encouraged by the number of leads in step one.

Bill Loomis - Stifel Nicolaus - Analyst

So in the $861 million number in the fourth quarter you had the federal bid at $275 million in that number?

Sudhakar Kesavan - ICF International - Chairman and CEO

Right.

Bill Loomis - Stifel Nicolaus - Analyst

So you went from $586 million up to $722 million, taking that out in the first quarter.

Sudhakar Kesavan - ICF International - Chairman and CEO

Right.

Bill Loomis - Stifel Nicolaus - Analyst

Was there any other, bigger, multi-hundred million job that replaced that that was the bulk of the increase?

Sudhakar Kesavan - ICF International - Chairman and CEO

No. No. Those were jobs in the less than $100 million range.

Bill Loomis - Stifel Nicolaus - Analyst

And what is the pipeline on some of the say call it the $100 million plus total contract value jobs, if you will?
Sudhakar Kesavan - ICF International - Chairman and CEO

There are, actually one or two in that range. But we are trying to get more, it’s just that we don’t want to fill it up with all kinds of big leads if we have very little chance of winning them. So there aren’t as many as we would like, we are trying hard to get it but there aren’t -- there are fewer than we’d like.

Bill Loomis - Stifel Nicolaus - Analyst

Okay, thanks.

Operator

(OPENER INSTRUCTIONS)

There are no further questions. I would now like to turn the call back over to management for closing remarks.

Sudhakar Kesavan - ICF International - Chairman and CEO

Thank you, everyone, for your interest. We look forward to speaking with you again, after the second quarter. Thank you again.

Operator

Thank you for your participation in today’s conference. This concludes the presentation. You may now disconnect. Good day.