



2013 annual review of government contracting



Bloomberg
GOVERNMENT

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Fiscal year 2013 data is not incorporated into the Federal Procurement Data System (FPDS) until as late as February 2014. This report reflects the most recent contracting data available as of May 2014.

Introduction

Dear Members,

Welcome to the first edition of yet another new member benefit. The National Contract Management Association (NCMA) is the world's leading professional resource for those in the field of contract management. This inaugural version of the *Annual Review of Government Contracting* comprises a collection of the latest data, trends, and analyses in government contracting and was inspired as a result of the continued refinement of the strategic planning process undertaken by the NCMA Board of Directors.

This report serves as an example of the increased involvement of NCMA in implementing its mission of advancing the ever-growing and dynamic profession of contract management through collaboration with senior acquisition leaders within academia, industry, and the executive and legislative branches of government. Special thanks are due to our partners at Bloomberg Government for their support in providing the data for this report.

We trust that by reviewing this annual report, you will better understand and adapt to the ongoing changes occurring within government contracting and our profession, from the strategies and approaches being used to develop, award, and manage government contracts to the trends of who is developing, awarding, and receiving those contracts.

A handwritten signature in black ink, reading "Michael P. Fischetti". The signature is fluid and cursive, with a prominent "M" and "F".

Michael Fischetti
NCMA Executive Director

About NCMA



The National Contract Management Association (NCMA) is the world's leading professional resource for those in the field of contract management. The organization, which has over 22,000 members, is dedicated to the professional growth and educational advancement of procurement and acquisition personnel worldwide. NCMA strives to serve and inform the profession it represents and to offer opportunities for the open exchange of ideas in neutral forums.

NCMA is committed to principled professional conduct and achievement as dictated by our Code of Ethics. The organization understands the challenges our members face and NCMA provides the tools, resources, and leadership opportunities to enhance each member of the profession's performance, career, and accomplishments. Through more than 40 programs and services, NCMA provides value to members. You are invited to learn more by visiting www.ncmahq.org.

About Bloomberg Government



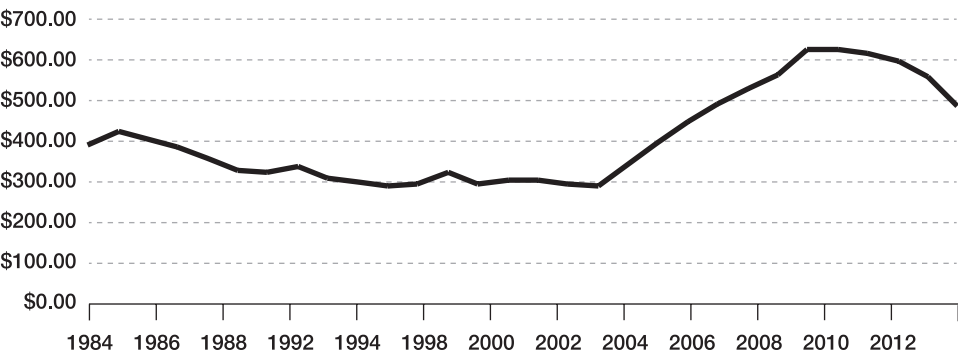
Bloomberg Government is the most comprehensive Web-based information service for professionals who interact with or are impacted by the U.S. federal government. Through rich data, in-depth analysis, news, directories, and integrated analytical tools, Bloomberg Government helps congressional staffers, government relations and business development professionals, C-level executives, and agency officials stay at the top of their game.

Bloomberg Government's policy and contracting experts continually produce original, unique content focused on the issues important to organizations doing business with the government. Through the Web-based application, users can examine all federal legislative, regulatory, and contracting activities in an easily searchable format. This provides clients with all the information they need to perform their work within one easy-to-navigate tool, allowing them to move quickly and efficiently with a clear understanding of the ever-evolving, complex government landscape. Bloomberg Government eliminates the need for multiple information services and the associated costs, saves time, and delivers the insights clients need to make better, faster decisions.

U.S. Government Prime Contract Spending

U.S. government prime, unclassified contract spending peaked in 2008 amid the wars in Iraq and Afghanistan and discretionary spending growth for civilian and defense agencies. The drawdown of the wars, along with sequestration and budget controls, have pushed contract spending lower than in any year since 2004. Contract spending previously experienced a period of decline in the late 1980s and 1990s amid the end of the Cold War and budget restraints.

U.S. Government Prime Contract Spending



Source: Federal procurement data compiled by Bloomberg Government

Year	Then-Year Dollars	Inflation-Adjusted Dollars
1984	\$168,101,724,000.00	\$376,905,421,731.17
1985	\$188,189,177,000.00	\$407,434,815,115.14
1986	\$183,681,583,000.00	\$390,418,891,705.58
1987	\$181,752,068,000.00	\$372,714,934,023.56
1988	\$176,601,516,000.00	\$347,764,660,716.92
1989	\$172,671,625,000.00	\$324,395,675,363.91
1990	\$179,408,812,000.00	\$319,774,587,735.91
1991	\$193,671,272,000.00	\$331,256,083,049.22
1992	\$183,898,252,000.00	\$305,348,432,581.35
1993	\$185,717,040,000.00	\$299,405,428,977.72
1994	\$183,242,774,000.00	\$288,041,072,218.07
1995	\$192,829,564,000.00	\$294,757,196,461.60

1996	\$214,537,508,000.00	\$318,534,188,981.24
1997	\$202,639,122,000.00	\$294,119,638,278.84
1998	\$212,073,812,324.00	\$303,092,509,800.99
1999	\$217,079,996,532.00	\$303,543,245,810.96
2000	\$218,152,090,972.72	\$295,122,280,236.54
2001	\$220,710,668,663.76	\$290,322,389,835.71
2002	\$261,144,502,803.81	\$338,162,534,406.15
2003	\$302,711,032,354.19	\$383,253,554,152.91
2004	\$346,977,530,762.30	\$427,902,830,247.71
2005	\$392,802,064,329.55	\$468,540,657,962.21
2006	\$432,756,767,324.68	\$500,068,046,853.45
2007	\$470,074,761,175.96	\$528,147,727,615.57
Year	Then-Year Dollars	Inflation-Adjusted Dollars
2008	\$542,079,378,627.18	\$586,527,757,657.13
2009	\$538,579,689,737.56	\$584,821,773,317.39
2010	\$541,109,828,468.15	\$578,086,924,049.12
2011	\$540,572,555,555.74	\$559,841,382,884.24
2012	\$518,646,221,459.56	\$526,243,141,425.97
2013	\$462,069,194,623.32	\$462,069,194,623.32

Year-Over-Year Contract Spending Change

Federal contract spending fell in each of the past five years, with the greatest drop in 2013 as sequestration reduced agencies' budgets. The end of the war in Iraq also contributed to the 2011 and 2012 reductions.

Year-over-Year Contract Spending Change



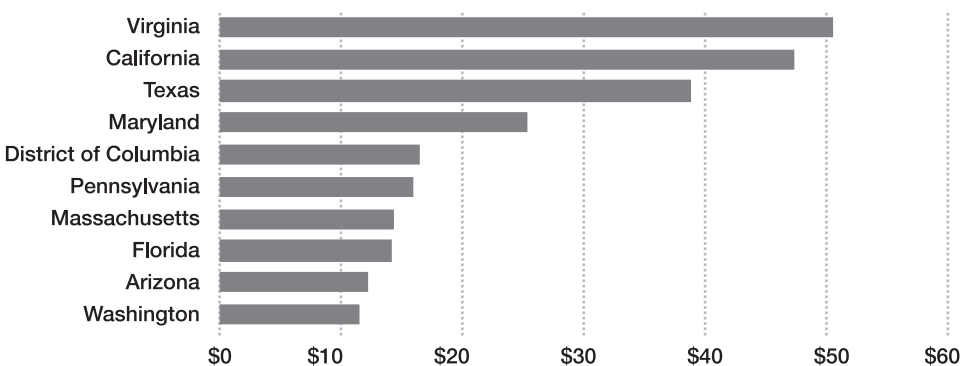
Source: Federal procurement data compiled by Bloomberg Government

Year	Inflation-Adjusted Dollars	Year-Over-Year Change
2003	\$383,253,554,152.91	—
2004	\$427,902,830,247.71	12%
2005	\$468,540,657,962.21	9%
2006	\$500,068,046,853.45	7%
2007	\$528,147,727,615.57	6%
2008	\$586,527,757,657.13	11%
2009	\$584,821,773,317.39	0%
2010	\$578,086,924,049.12	-1%
2011	\$559,841,382,884.24	-3%
2012	\$526,243,141,425.97	-6%
2013	\$462,069,194,623.32	-12%

Top States for Federal Contracts

Virginia was the place of performance for more than 10% of federal contracts by value in 2013—more than any other state or the District of Columbia. Department of Defense, Department of Energy, and NASA work landed California and Texas in second and third place, respectively.

Top States for Federal Contracts
FY 2013, in Billions



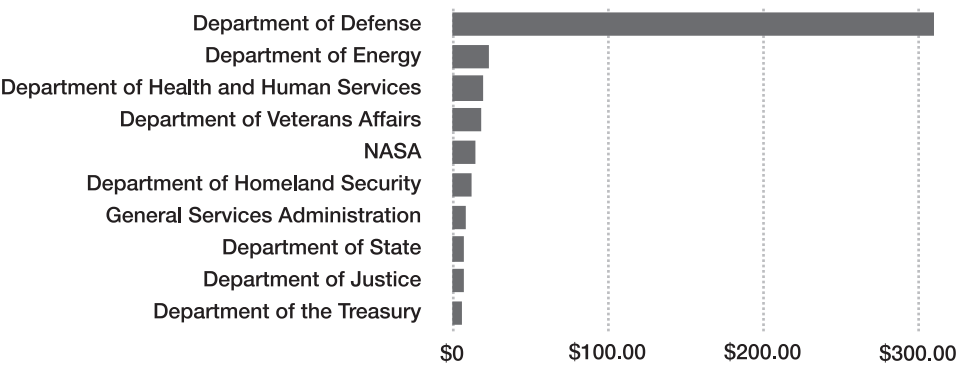
Source: Federal procurement data compiled by Bloomberg Government

State	2013 Contracts
Washington	\$11,746,466,937
Arizona	\$12,376,753,957
Florida	\$14,306,502,404
Massachusetts	\$14,589,170,786
Pennsylvania	\$16,191,988,427
District of Columbia	\$16,634,338,357
Maryland	\$25,645,214,569
Texas	\$39,332,609,168
California	\$47,924,256,046
Virginia	\$51,193,824,633

Top 10 Contracting Agencies, 2013

The top 10 departments and agencies accounted for 93% of federal contract obligations in 2013. The Department of Defense alone obligated two-thirds of federal contract dollars.

Top 10 Contracting Agencies, 2013 In Billions



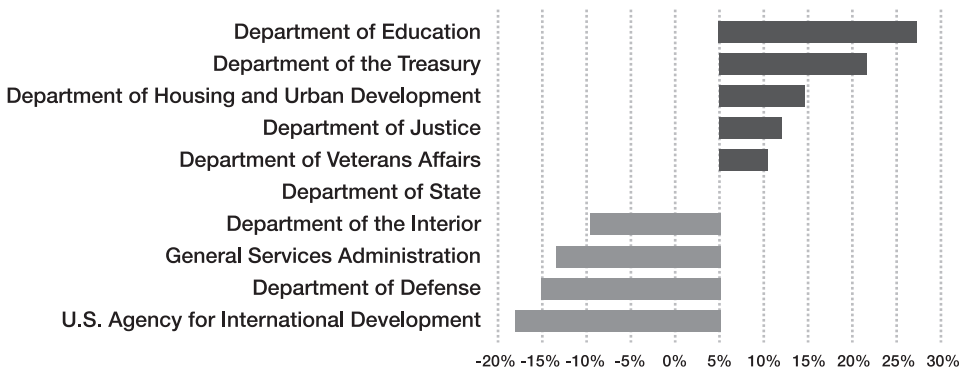
Source: Federal procurement data compiled by Bloomberg Government

Rank	Agency	2013 Contract Obligations
10	Department of the Treasury	\$6,876,155,412.02
9	Department of Justice	\$7,082,383,199.81
8	Department of State	\$7,312,281,943.37
7	General Services Administration	\$8,547,136,180.38
6	Department of Homeland Security	\$12,696,754,499.97
5	NASA	\$15,579,018,555.26
4	Department of Veterans Affairs	\$18,212,978,821.88
3	Department of Health and Human Services	\$19,942,762,123.87
2	Department of Energy	\$23,854,690,655.69
1	Department of Defense	\$308,015,501,385.46

Year-Over-Year Contract Agency Spending Change

Sequestration and the drawdown of overseas operations cut contract spending at the Department of Defense, the Department of State, and the U.S. Agency for International Development most. The General Services Administration and the Department of the Interior handle contracting for Defense. A shift to direct lending for federal student aid is increasing contract spending at the Department of Education faster than at any other agency.

Year-over-Year Contract Agency Spending Change



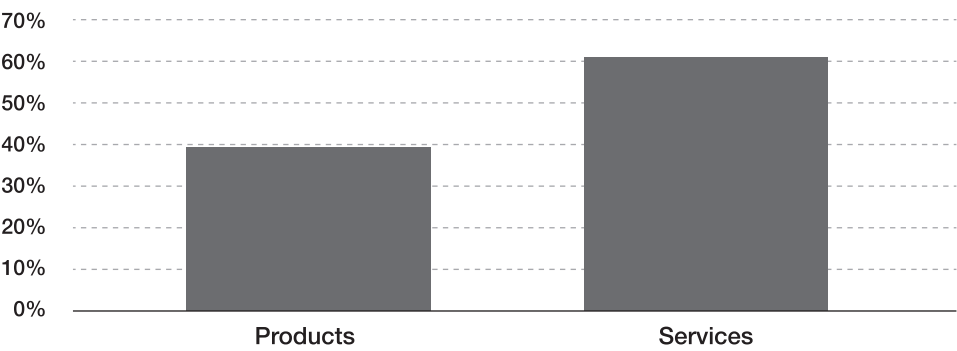
Source: Federal procurement data compiled by Bloomberg Government

Agency	2013–2013 Contracting Change
U.S. Agency for International Development	-17%
Department of Defense	-15%
General Services Administration	-14%
Department of the Interior	-11%
Department of State	-10%
Department of Veterans Affairs	5%
Department of Justice	7%
Department of Housing and Urban Development	10%
Department of the Treasury	16%
Department of Education	27%

Products Versus Services

Six of every 10 federal contract dollars in 2013 were spent on services such as healthcare administration, equipment maintenance, and construction. Aircraft, ships, medical supplies, and fuel are among the products that made up four of every 10 dollars in federal purchases.

Products vs. Services



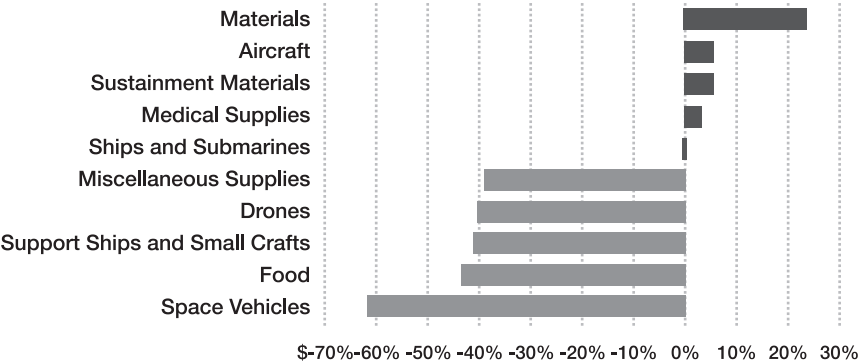
Source: Federal procurement data compiled by Bloomberg Government

Category	Spending	Percent
Products	\$181,649,775,950	39%
Services	\$280,419,418,674	61%
Total	\$462,069,194,623	

Year-Over-Year Contract Category Spending Change

Contracting fell for most categories of products and services in 2013 due to sequestration. Must-have products such as sustainment materials and medical supplies defied the year-over-year trend. The drawdown of U.S. military operations overseas reduced the need for drones, support crafts, and food.

Year-over-Year Contract Category Spending Change



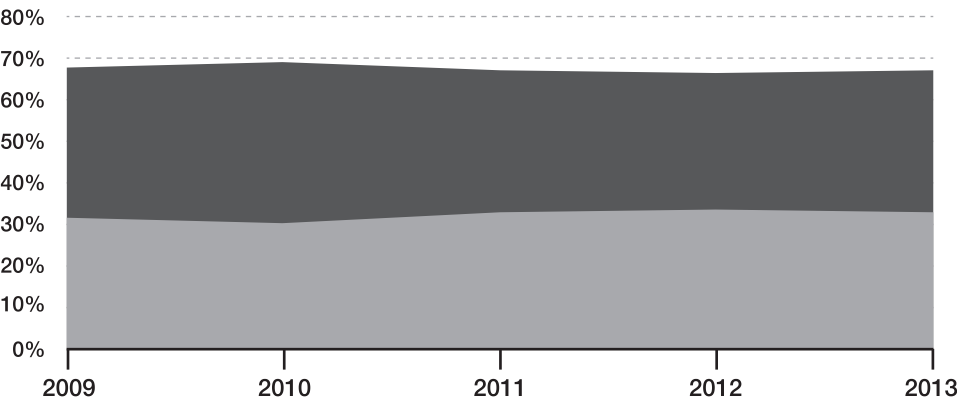
Source: Federal procurement data compiled by Bloomberg Government

Category	2013–2013 Contracting Change
Space vehicles	-62%
Food	-44%
Support ships and small crafts	-41%
Drones	-41%
Miscellaneous supplies	-39%
Ships and submarines	0%
Medical supplies	3%
Sustainment materials	5%
Aircraft	5%
Materials	23%

Extent of Competition, Trend

About two-thirds of federal contract dollars are awarded competitively, a percentage that has remained fairly consistent during the past five years.

Extent of Competition, Trend

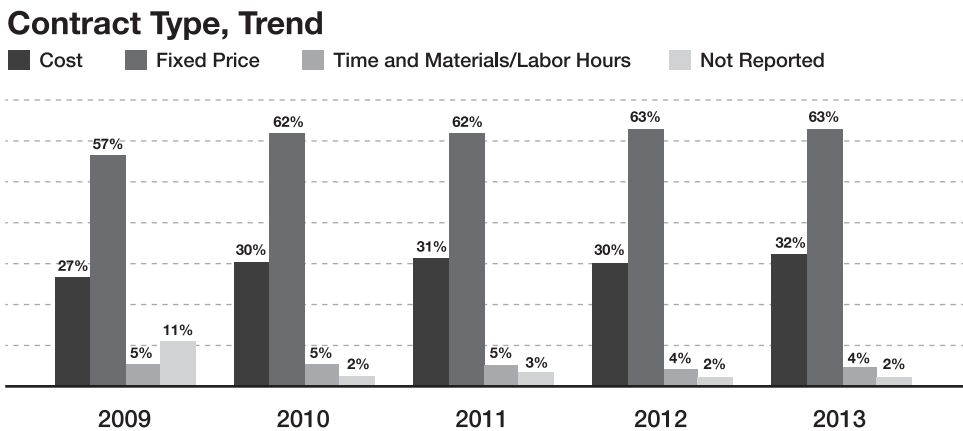


Source: Federal procurement data compiled by Bloomberg Government

	2009	2010	2011	2012	2013
Competed	68%	69%	67%	66%	67%
Not Competed	32%	31%	33%	34%	33%

Contract Type, Trend

Fixed-price contracts, long the dominant contract type, has edged up during the past five years, in large part due to more consistent reporting. Time-and-materials contracts have fallen out of favor, shifting a greater percentage of dollars to cost-type and fixed-price.



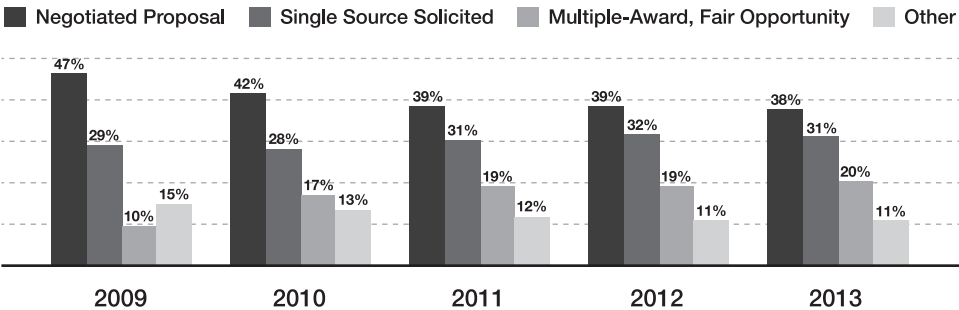
Source: Federal procurement data compiled by Bloomberg Government

	2009	2010	2011	2012	2013
Cost	27%	30%	31%	30%	32%
Fixed-Price	57%	62%	62%	63%	63%
Time & Materials/ Labor Hours	5%	5%	5%	4%	4%
Not Reported	11%	2%	3%	2%	2%

Solicitation Procedure, Trend

One in five federal contract dollars were awarded using multiple-award, fair-opportunity solicitation procedures in 2013. The percentage of dollars awarded through multiple-award procedures has risen as negotiated proposal usage has fallen. Single-source solicitations have ticked up slightly.

Solicitation Procedure, Trend



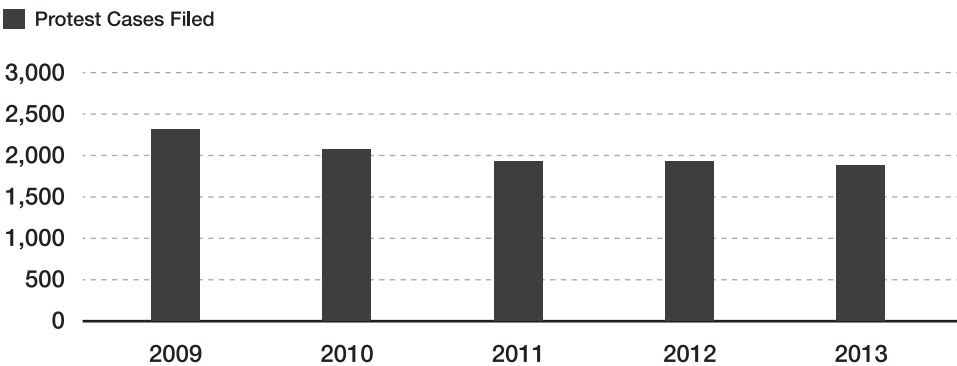
Source: Federal procurement data compiled by Bloomberg Government

	2009	2010	2011	2012	2013
Negotiated proposal	47%	42%	39%	39%	38%
Single source solicited	29%	28%	31%	32%	31%
Multiple-award, fair opportunity	10%	17%	19%	19%	20%
Other	15%	13%	12%	11%	11%

Protests by Fiscal Year

Protest filings fell for the first time in five years in 2013, reflecting the decline in overall contracting activity because of sequestration. The Government Accountability Office estimates that 43% of protests are effective in that the agency either voluntarily takes corrective action or the office sustains the protest.

Protests by Fiscal Year



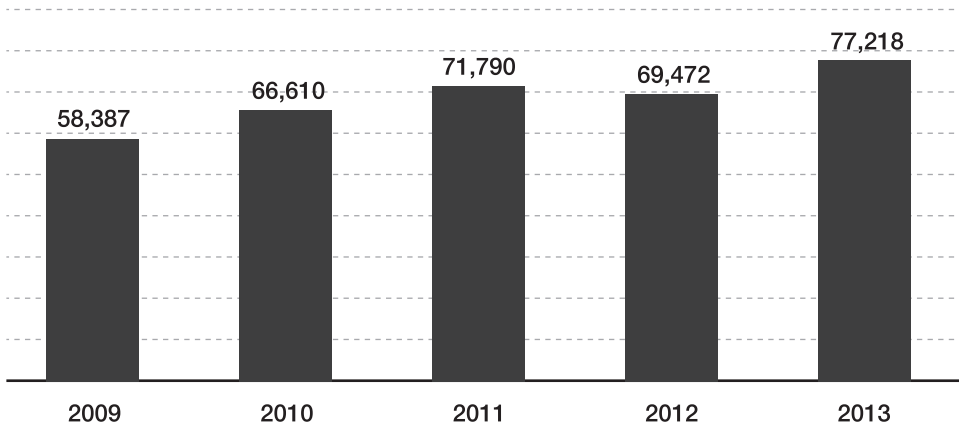
Source: Federal procurement data compiled by Bloomberg Government

Fiscal Year	Protest Cases Filed
2009	1,989
2010	2,299
2011	2,353
2012	2,475
2013	2,429

Solicitations by Fiscal Year

The number of solicitations posted on FedBizOpps (FBO), the government’s central opportunities site, has trended upward during the last five fiscal years, even as contract dollars have fallen.

Solicitations by Fiscal Year



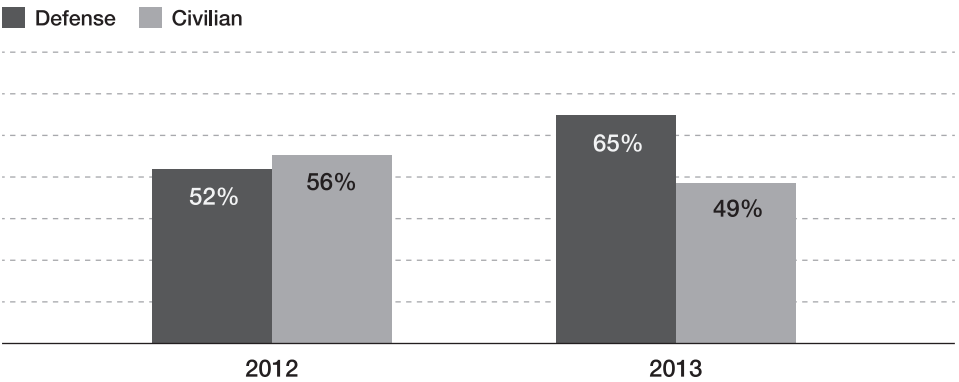
Source: Federal procurement data compiled by Bloomberg Government

Year	Solicitations Posted on FedBizOpps
2009	58,387
2010	66,610
2011	71,790
2012	69,472
2013	77,218

Incumbent Win Rate on Procurements Over \$100 Million

Incumbents won the majority of re-competes for contracts worth more than \$100 million in 2012 and 2013, a Bloomberg analysis found. Challengers had better luck unseating incumbents at civilian agencies than at the Department of Defense in 2013. Contract restructuring is an indicator of incumbent risk. Six of seven significantly restructured contracts were won by challengers in 2013.

Incumbent Win Rate on Procurements Over \$100 Million



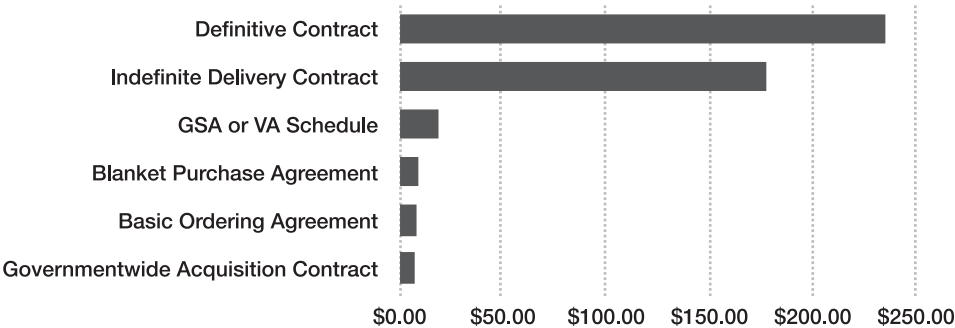
Source: Federal procurement data compiled by Bloomberg Government

	2012	2013
Defense	52%	65%
Civilian	56%	49%

IDV Type, 2013

Indefinite delivery contracts accounted for 48% of 2013 obligations reported to the Federal Procurement Data System. Governmentwide acquisition contracts, used for IT purchases, are gaining in popularity, but still comprised less than 2% of obligations for the year.

IDV Type
FY 2013, in Billions



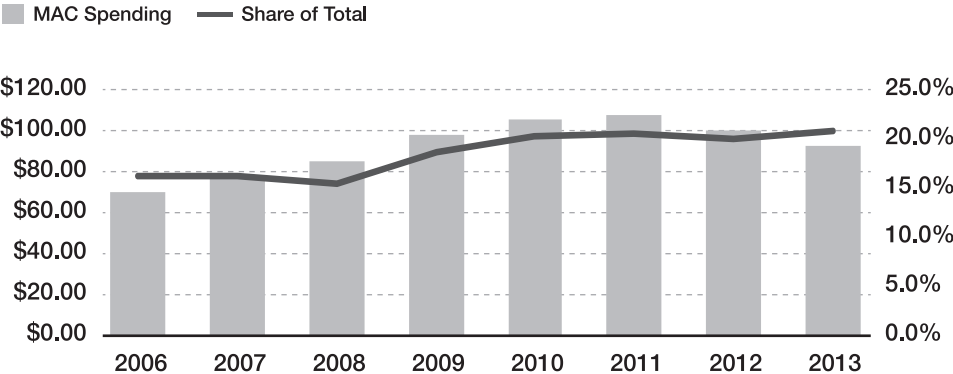
Source: Federal procurement data compiled by Bloomberg Government

IDV Type	2013 Contracts (in billions)
Governmentwide Acquisition Contract	\$6.96
Basic Ordering Agreement	\$8.03
Blanket Purchase Agreement	\$9.02
GSA or VA Schedule	\$19.11
Indefinite Delivery Contract	\$178.07
Definitive Contract	\$236.28

Multiple-Award Contract Spending

Multiple-award contracts (MACs) accounted for 21 percent of total contract spending in fiscal year 2013, up from 20 percent in fiscal year 2012, even as total federal procurement continues to decline. Federal agencies are consolidating work that was previously performed on single-award contracts and recent legislation requires task-order contracts with a potential value of at least \$100 million to be awarded through MACs.

Multiple-Award Contract Spending In Billions



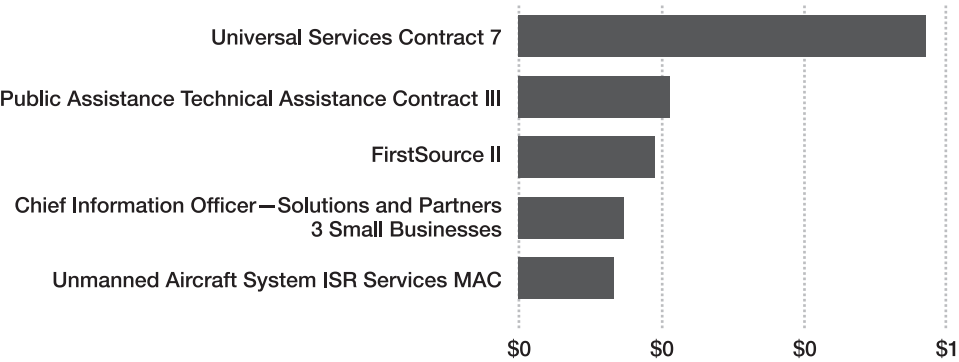
Source: Federal procurement data compiled by Bloomberg Government

	MAC Spending	Share of Total Spending	Total Contract Spending
2006	\$71,535,907,869	17%	\$429,065,288,088
2007	\$77,200,425,851	17%	\$466,547,326,347
2008	\$85,954,761,994	16%	\$537,641,255,900
2009	\$99,831,672,387	19%	\$533,620,810,549
2010	\$107,235,957,312	20%	\$534,919,958,378
2011	\$108,920,712,846	20%	\$534,461,402,744
2012	\$102,217,495,804	20%	\$512,938,802,413
2013	\$93,975,836,993	21%	\$456,956,050,231

Fastest-Growing Multiple-Award Contracts

The fastest growing multiple-award contracts (MACs) in 2013—those with the highest year-over-year growth rate—reflect U.S. government priorities. Contracts for ocean shipping, disaster relief support, IT products, health IT services, and drones had the highest growth rate compared to 2012.

Fastest Growing Multiple-Award Contracts FY 2013



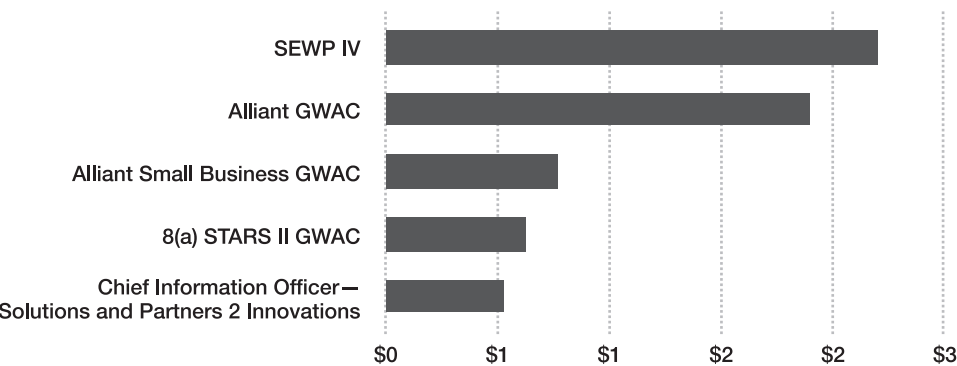
Source: Federal procurement data compiled by Bloomberg Government

MAC	2013 Orders
Unmanned Aircraft System ISR Services MAC	\$134,290,203
Chief Information Officer—Solutions and Partners 3 Small Business	\$149,748,153
FirstSource II	\$193,897,565
Public Assistance Technical Assistance Contract III	\$214,002,064
Universal Services Contract 7	\$579,851,047

GWACs

Federal agencies used governmentwide acquisition contracts (GWACs) for about \$7 billion in orders in 2013. The top GWAC is NASA’s Solutions for Enterprise-Wide Procurement IV (SEWP IV), used by dozens of agencies for IT software, hardware, and related services.

GWACs In Billions



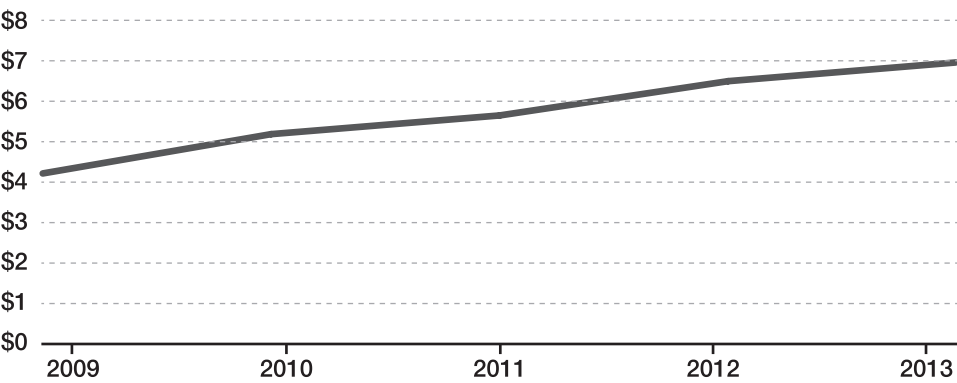
Source: Federal procurement data compiled by Bloomberg Government

GWAC	2013 Contracts
Chief Information Officer—Solutions and Partners 2 Innovations	\$515,117,038
8(a) STARS II GWAC	\$612,013,979
Alliant Small Business GWAC	\$759,230,720
Alliant GWAC	\$1,868,076,769
SEWP IV	\$2,167,743,014

GWACs Trend

Agencies have reported increased usage of governmentwide acquisition contracts (GWACs) every year since 2009, even as overall federal contract spending has declined. GWACs are used for IT services and products purchases.

GWACs Trend
In Billions



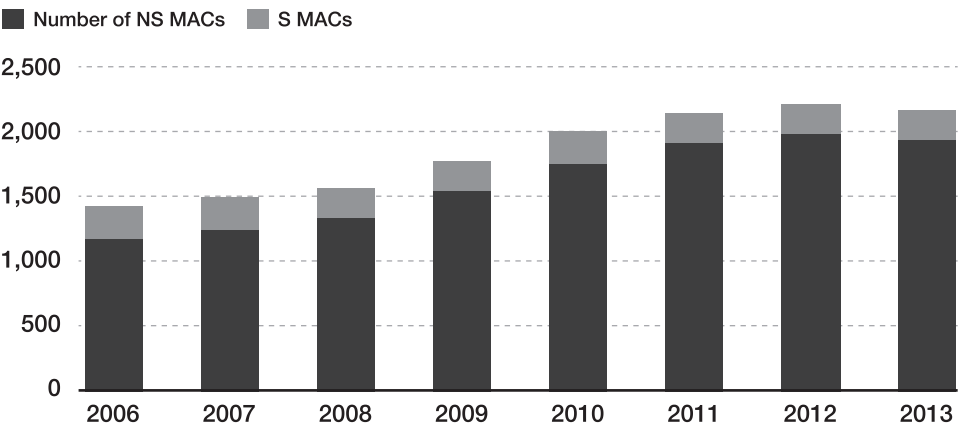
Source: Federal procurement data compiled by Bloomberg Government

	2009	2010	2011	2012	2013
GWAC Usage	\$4,334,017,935	\$5,261,592,518	\$5,704,742,182	\$6,506,299,268	\$6,957,019,138

Number of Multiple-Award Contracts

Agencies created dozens of multiple-award contract (MAC) vehicles each year through 2012. The number of vehicles declined in 2013 as agencies consolidated underutilized vehicles and turned more to GWACs.

Number of Multiple-Award Contracts



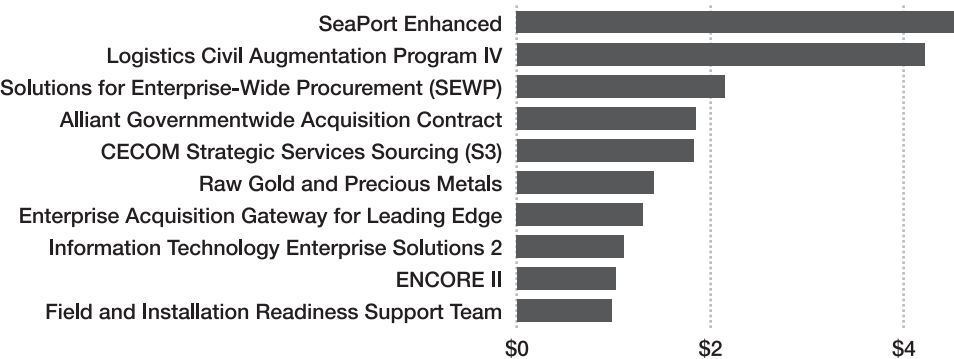
Source: Federal procurement data compiled by Bloomberg Government

	Number of NS MACs	S MACs	Total
2006	1,133	245	1,378
2007	1,193	245	1,438
2008	1,284	234	1,518
2009	1,499	220	1,719
2010	1,699	231	1,930
2011	1,846	229	2,075
2012	1,914	225	2,139
2013	1,873	213	2,086

Top 10 Non-Schedule Multiple-Award Contracts

Information technology, professional services, and logistics vehicles were the most-used non-Schedule multiple-award contracts (MACs) in 2013. The U.S. Navy’s Seaport-Enhanced for professional services had the highest level of obligations.

Top 10 Non-Schedule Multiple-Award Contracts
Dollars Obligated, In Billions



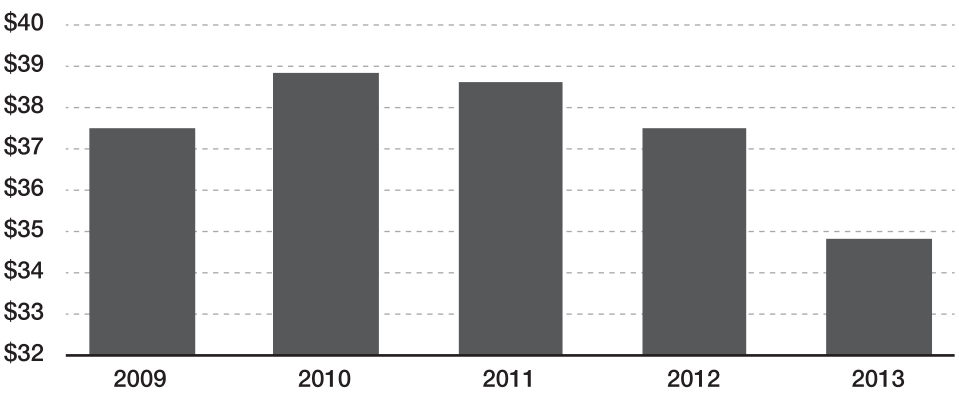
Source: Federal procurement data compiled by Bloomberg Government

MAC	2013 Dollars Obligated
Field and Installation Readiness Support Team (FIRST)	\$990,915,888
ENCORE II	\$1,034,573,458
Information Technology Enterprise Solutions 2 (ITES-2S)—Services	\$1,124,984,051
Enterprise Acquisition Gateway for Leading Edge Solutions (EAGLE I)	\$1,316,804,229
Raw Gold and Precious Metals	\$1,417,153,268
CECOM Strategic Services Sourcing (S3)	\$1,838,295,449
Alliant Governmentwide Acquisition Contract	\$1,865,101,188
Solutions for Enterprise-Wide Procurement (SEWP) IV	\$2,166,709,522
Logistics Civil Augmentation Program IV	\$4,247,500,264
SeaPort Enhanced	\$4,581,056,388

GSA Schedule Spending by Fiscal Year

The General Services Administration (GSA) compiles sales data from Schedule vendors that includes micropurchases not reported to the Federal Procurement Data System. GSA's data shows Schedule sales have been declining since a 2010 peak of \$38.8 billion, with the biggest drop of 7% in 2013 as sequestration took effect.

GSA Schedule Spending by Fiscal Year
In Billions



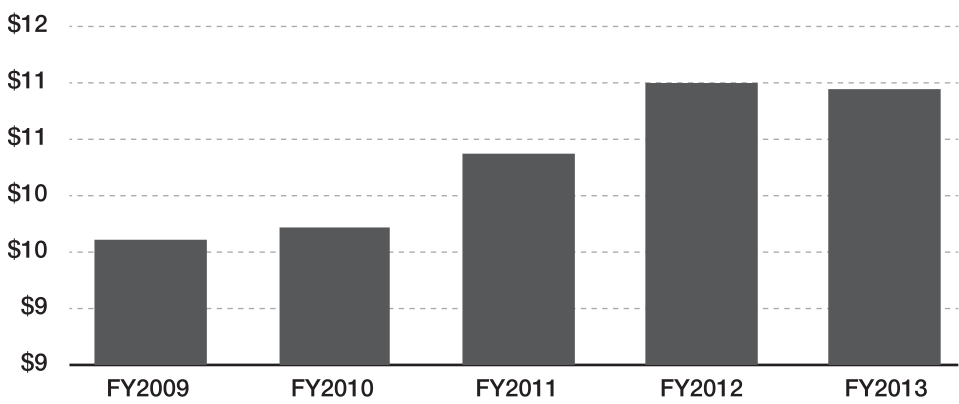
Source: Federal procurement data compiled by Bloomberg Government

2009	2010	2011	2012	2013
\$37,458,488,958	\$38,808,709,365	\$38,591,532,579	\$37,469,603,822	\$34,816,300,621
	4%	-1%	-3%	-7%

VA Schedule Sales

Most sales through the Department of Veterans Affairs (VA) Schedules for pharmaceuticals, medical equipment, and medical services are not reported to the Federal Procurement Data System. VA Schedule sales grew from 2009 to 2012 and dipped slightly in 2013. They were largely unaffected by sequestration because the VA was the only cabinet department exempt from the mandated budget cuts.

Veterans Affairs Schedule Sales In Billions

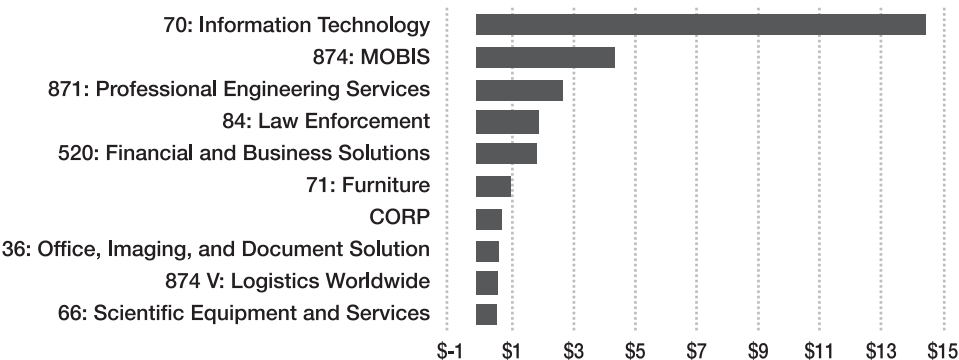


Source: Federal procurement data compiled by Bloomberg Government

Top 10 GSA Schedules in Fiscal Year 2013

IT Schedule 70 is the dominant General Services Administration (GSA) Schedule by sales, accounting for more than 40% of 2013 volume. MOBIS, a management and professional services program, was second.

Top 10 GSA Schedules in FY2013 By Total Sales, In Billions



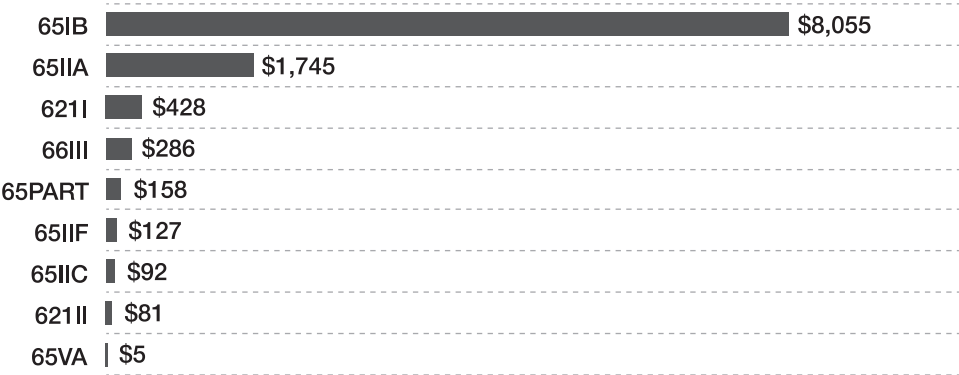
Source: Federal procurement data compiled by Bloomberg Government

GSA Schedule	2013 Sales
66: Scientific Equipment and Services	\$656,707,103
874 V: Logistics Worldwide	\$669,104,160
36: Office, Imaging, and Document Solution	\$723,454,615
CORP	\$808,532,883
71: Furniture	\$1,036,485,420
520: Financial and Business Solutions	\$1,914,127,170
84: Law Enforcement	\$2,011,629,701
871: Professional Engineering Services	\$2,801,631,367
874: MOBIS	\$4,445,445,865
70: Information Technology	\$14,434,856,538

VA Schedule Rankings

Pharmaceuticals make up 73% of Department of Veterans Affairs (VA) Schedule sales. Medical equipment and professional medical services are the next most used among the nine Schedules maintained by the VA.

VA Schedules by 2013 Sales In Millions



Source: Federal procurement data compiled by Bloomberg Government

VA Schedule	2013 Sales
65VA (X-ray Equipment and Supplies)	\$4,786,821
621II (Medical Laboratory Testing and Analysis Services)	\$80,997,691
65IIC (Dental Supplies)	\$92,065,306
65IIF (Wheelchairs)	\$127,440,450
65PARTVII (Invitro Diag, Reagents)	\$158,003,898
66III (Cost per Test)	\$285,611,543
621I (Professional Medical Healthcare Services)	\$428,133,317
65IIA (Medical Equipment and Supplies)	\$1,745,382,666
65IB (Pharmaceuticals)	\$8,055,115,497
TOTAL	\$10,977,537,189

Top 10 SINs Across all GSA Schedules, 2013

The General Services Administration (GSA) organizes the Schedules into Special Item Numbers (SINs) that provide more insight into the products or services procured. The fastest-growing SINs among the top 10 SINs in 2013 were debt collection and acquisition management.

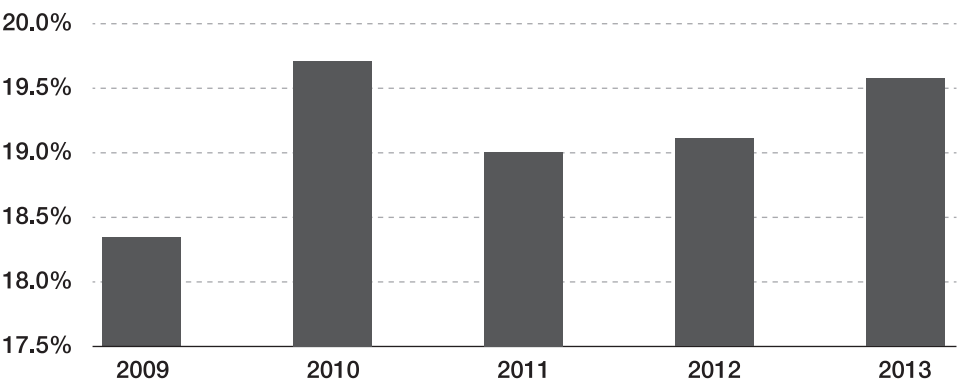
Rank	SIN	SIN Description	Schedule	FY 2013 Sales
1	132 51	Information Technology Professional Services	70: IT	\$6,968,000,000
2	874 1	Integrated Consulting Services	874: MOBIS	\$2,891,000,000
3	132 33	Perpetual Software License	70: IT	\$2,383,000,000
4	132 8	Purchase of New Equipment	70: IT	\$1,475,000,000
5	132 34	Maintenance of Software as a Service	70: IT	\$929,000,000
6	871 6	Acquisition and Life Cycle Management	871: Professional Engineering Services	\$816,000,000
7	520 4	Debt Collection	520: FABS	\$797,000,000
8	871 3	System Design, Engineering and Integration	871: Professional Engineering Services	\$769,000,000
9	874 7	Construction Management	874: MOBIS	\$740,000,000
10	246 54	Protective Service Occupations	84: Law Enforcement	\$678,000,000

Source: Federal procurement data compiled by Bloomberg Government

Small Business Contracting Percentage

The Federal Procurement Data System identifies vendors as small businesses or “other than” small businesses. Using that lens, just under one in five federal procurement dollars were won by small businesses in 2013, and in each of the last five years.

Small Business Contracting Percentage



Source: Federal procurement data compiled by Bloomberg Government

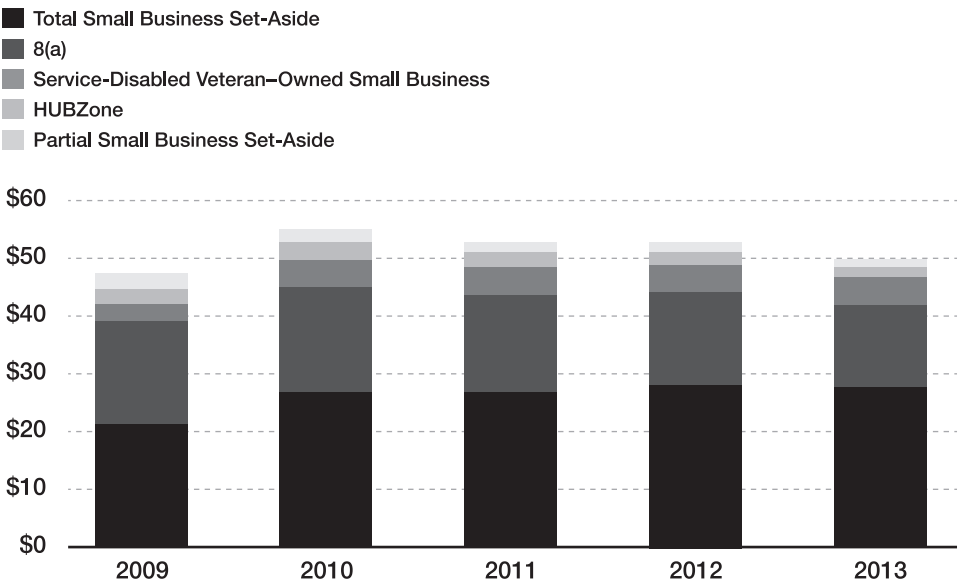
	2009	2010	2011	2012	2013
Small Business	\$100,451,948,232	\$105,590,013,761	\$101,645,328,418	\$98,137,608,331	\$89,653,555,313
Total	\$547,572,556,825	\$535,034,550,824	\$534,577,210,066	\$513,070,789,927	\$457,485,858,139
%	18.3%	19.7%	19.0%	19.1%	19.6%

Set-Asides Trend

8(a) set-aside usage has shrunk since 2009, from \$17.5 billion in obligations to \$14.1 billion in 2013, according to the Federal Procurement Data System. Historically underutilized business zone (HUBZone) set-asides have also declined. General small business set asides and service-disabled veteran–owned business set asides have grown.

Set-Asides Trend

In Billions



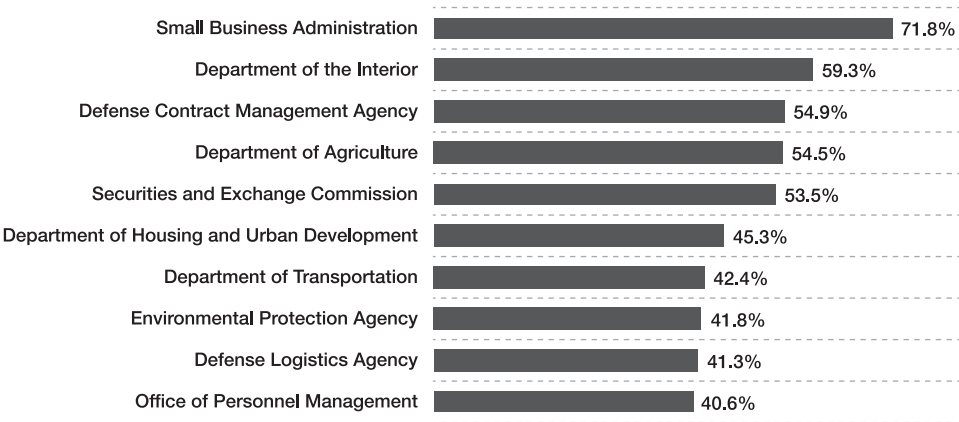
Source: Federal procurement data compiled by Bloomberg Government

	Total Small Business Set-Aside	8(a)	Service-Disabled Veteran–Owned Small Business	HUBZone	Partial Small Business Set-Aside
2009	\$21,556,442,460	\$17,454,646,175	\$3,083,299,442	\$2,701,072,822	\$2,470,353,639
2010	\$26,782,948,578	\$18,378,756,558	\$4,622,270,523	\$3,101,404,853	\$2,157,944,251
2011	\$26,815,329,090	\$16,965,484,879	\$4,626,258,658	\$2,561,670,012	\$1,615,625,705
2012	\$28,121,416,135	\$16,120,856,278	\$4,649,742,104	\$2,022,130,751	\$1,965,552,311
2013	\$28,045,383,991	\$14,132,767,726	\$4,536,521,066	\$1,729,897,649	\$1,386,422,582

Top Small Business Contracting Agencies

Among the 33 agencies covered by Bloomberg Government’s real-time small business utilization tracking tool, the U.S. Small Business Administration had the highest percentage of contracts by obligated dollars awarded to small businesses in 2013.

Top Small Business Contracting Agencies



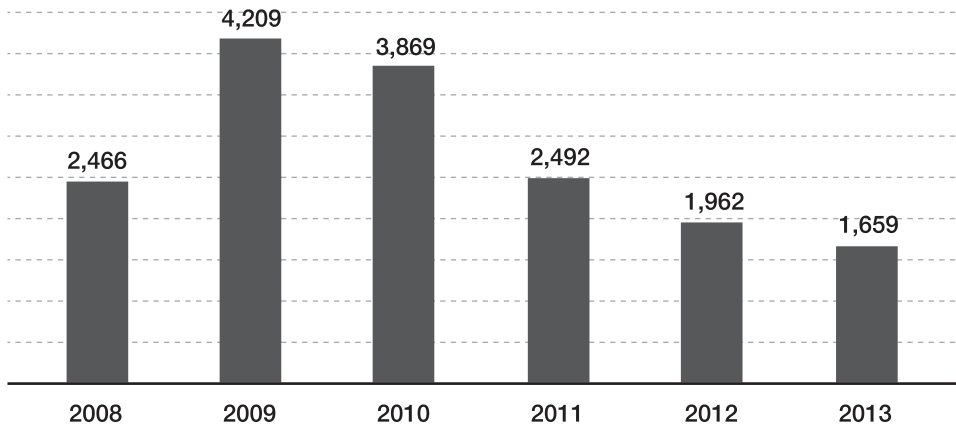
Source: Federal procurement data compiled by Bloomberg Government

Agency	2013 Actual Small Business Contracting %
Office of Personnel Management	40.6%
Defense Logistics Agency	41.3%
Environmental Protection Agency	41.8%
Department of Transportation	42.4%
Department of Housing and Urban Development	45.3%
Securities and Exchange Commission	53.5%
Department of Agriculture	54.5%
Defense Contract Management Agency	54.9%
Department of the Interior	59.3%
Small Business Administration	71.8%

1102 Hires Trend

The federal government ramped up hiring of contracting professionals in 2009 and 2010. Hiring leveled off from 2011 through 2013.

1102 Hires Trend



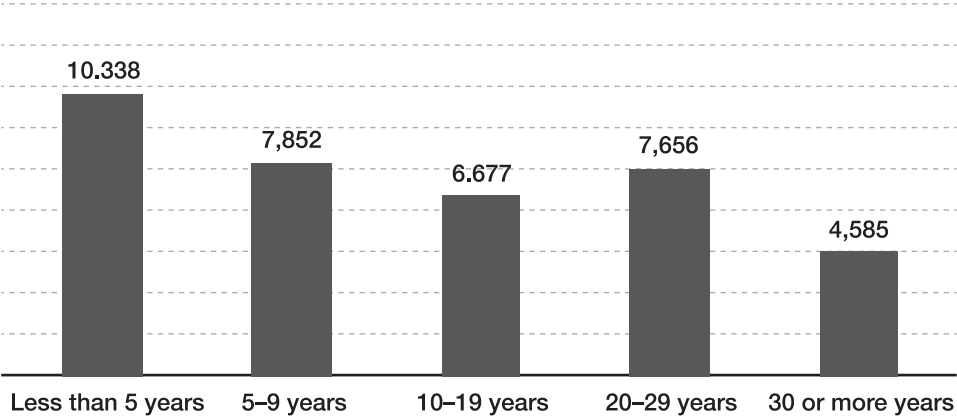
Source: Federal procurement data compiled by Bloomberg Government

Year	1102 Hires
2008	2,466
2009	4,209
2010	3,869
2011	2,492
2012	1,962
2013	1,659

Length of Service for 1102s

Thanks to recent hiring, the largest cohort of U.S. government contracting professionals has less than 5 years of federal service.

Length of Service for 1102s



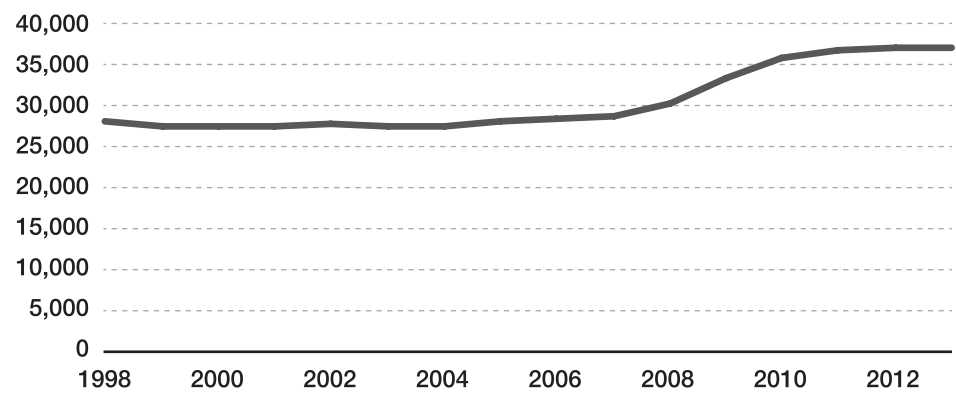
Source: Federal procurement data compiled by Bloomberg Government

Length of Service	Number of 1102s
Less than 5 years	10,338
5-9 years	7,852
10-19 years	6,677
20-29 years	7,656
30 or more years	4,585
TOTAL	37,108

Total Number of 1102s, 1998–2013

After remaining flat at about 28,000 for a decade, the number of 1102 series contracting professionals in the U.S. federal government began climbing noticeably in 2008. There are now 30% more 1102 series employees than there were in 2007.

Total Number of 1102s



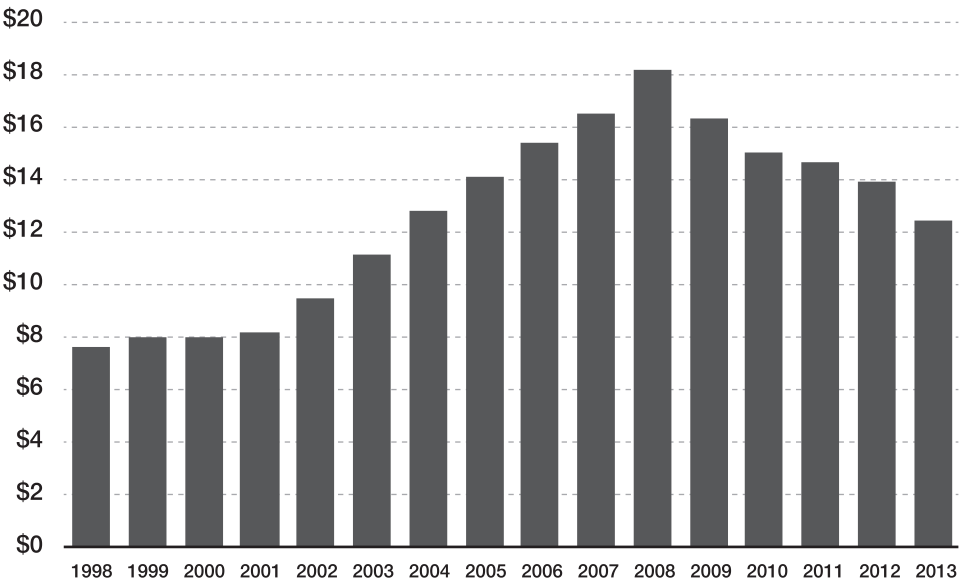
Source: Federal procurement data compiled by Bloomberg Government

Year	Number of 1102s
1998	27,817
1999	27,233
2000	27,230
2001	27,141
2002	27,409
2003	27,285
2004	27,068
2005	27,709
2006	28,096
2007	28,607
2008	29,928
2009	33,155
2010	35,855
2011	36,841
2012	37,128
2013	37,109

Average Number of Contract Dollars Obligated Per 1102

Year	1102s	Contract Dollars
1998	27,817	\$7,623,892
1999	27,233	\$7,971,211
2000	27,230	\$8,011,461
2001	27,141	\$8,132,002
2002	27,409	\$9,527,692
2003	27,285	\$11,094,412
2004	27,068	\$12,818,735
2005	27,709	\$14,175,974
2006	28,096	\$15,402,789
2007	28,607	\$16,432,159
2008	29,928	\$18,112,783
2009	33,155	\$16,244,298
2010	35,855	\$15,091,614
2011	36,841	\$14,673,124
2012	37,128	\$13,969,140
2013	37,109	\$12,451,675

**Average Number of Contract Dollars Obligated per 1102
In Millions**



Source: Federal procurement data compiled by Bloomberg Government

Top Contractors, 2013

Lockheed Martin has been the No. 1 U.S. government contractor by annual dollars obligated since its formation in 1995. Defense contractors hold the top nine spots. The Department of Veterans Affairs' top pharmaceutical distributor is No. 10.

Rank	Contractor	2013 Contracts
1	Lockheed Martin Corp.	\$44,267,634,041.98
2	Boeing Co.	\$21,648,697,124.41
3	General Dynamics Corp.	\$13,998,625,516.02
4	Raytheon Co.	\$13,707,007,765.50
5	Northrop Grumman Corp.	\$10,827,851,597.21
6	Huntington Ingalls Industries Inc.	\$6,362,627,351.69
7	United Technologies Corp.	\$6,059,192,417.76
8	L-3 Communications Holdings Inc.	\$5,161,691,873.17
9	BAE Systems PLC	\$4,938,384,246.76
10	McKesson Corp.	\$4,733,741,338.08

Source: Federal procurement data compiled by Bloomberg Government

BGOV70CO Index

The BGOV70CO Index, a U.S. government revenue-weighted index of 70 stocks designed to measure performance of the largest U.S. government contracting companies, has risen since January 1, 2012, along with the broader market, as measured by the S&P 500 index. As of early April 2014, the BGOV70CO index had recovered from a notable drop at the start of the October 2013 government shutdown.

The BGOV70CO Index

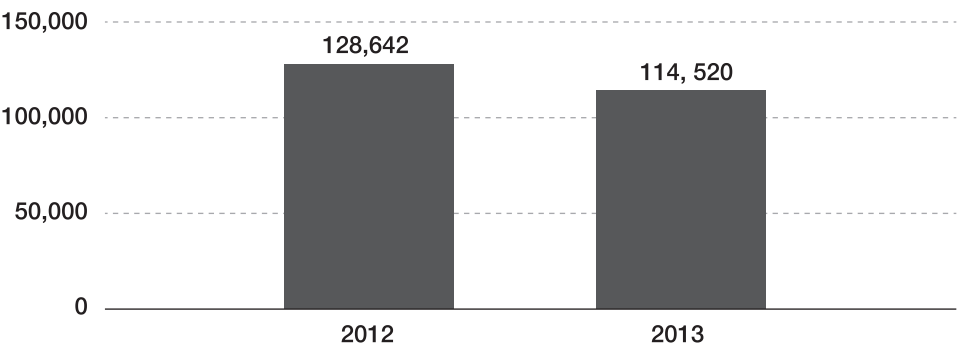


Source: Bloomberg Analysis of Financial Data

Number of Contractors Winning Federal Dollars

The number of contractors winning federal dollars declined 11 percent in fiscal year 2013 from fiscal year 2012, as sequestration contributed to a 12% reduction in contract spending.

Contractors Winning Federal Dollars



Source: Federal procurement data compiled by Bloomberg Government

Fiscal Year	Contractors Winning Federal Dollars
2012	128,642
2013	114,520



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