

Defense Contract Trends: U.S. Department of Defense Contract Spending and the Supporting Industrial Base

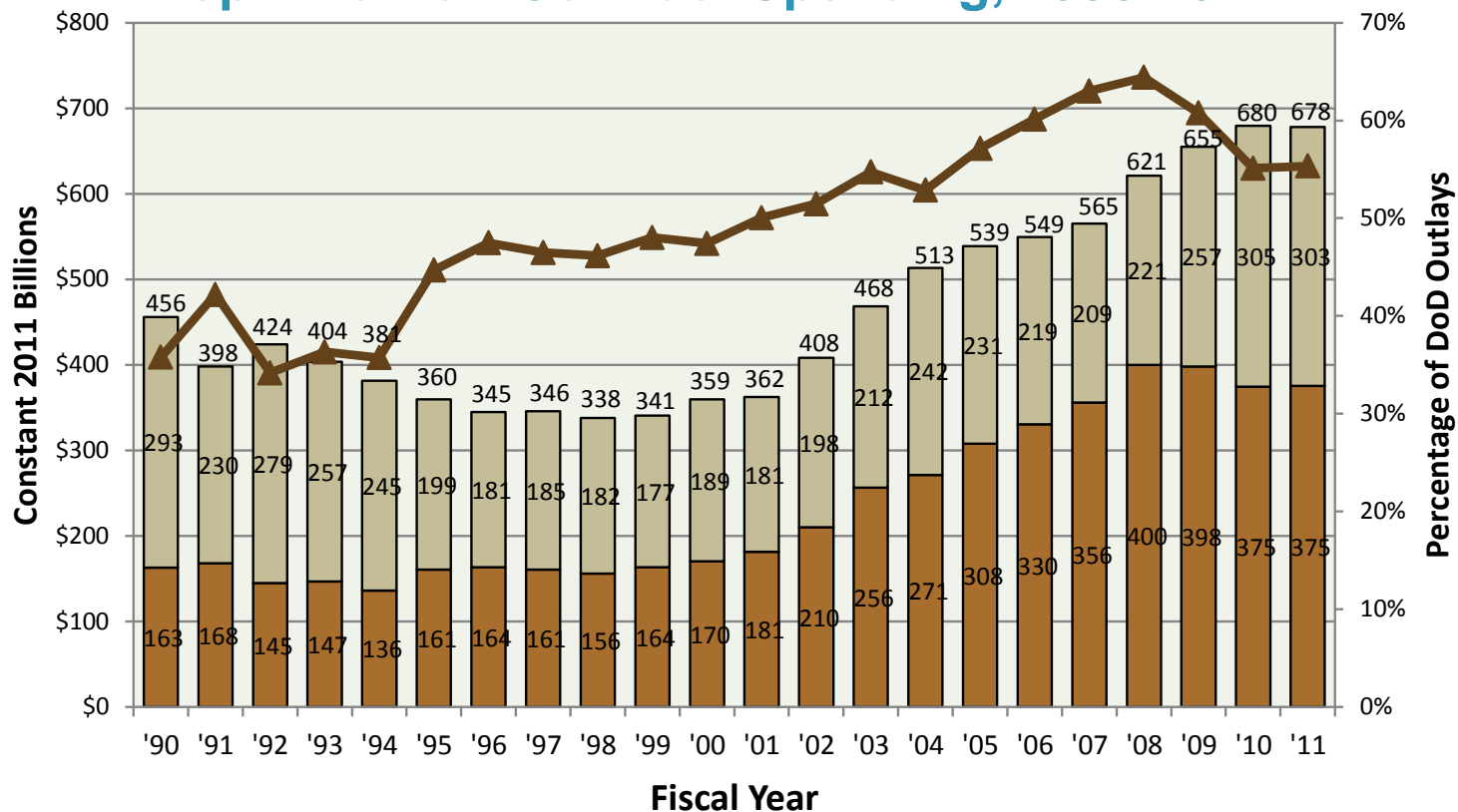
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Methodology

- The Federal Procurement Data System (FPDS) was the primary source for this report.
- FPDS data are constantly being updated, including those for back years. As a consequence, the dollar totals for a given year can vary between reports.
- Contract classifications sometimes differ between FPDS and individual companies, resulting in some contracts that a company considers as services being labeled as products by FPDS and vice versa.
- Reporting regulations only require that unclassified contracts be included in FPDS.
- Supplementals are not separately classified in FPDS.
- All dollar figures are in constant 2011 dollars.

Top Line DoD Contract Spending, 1990-2011



- Non-Contract DoD Outlays (0.2% 21-year CAGR)
- Total DoD Contract Spending (4.0% 21-year CAGR)
- Contracts as a percentage of DoD Outlays

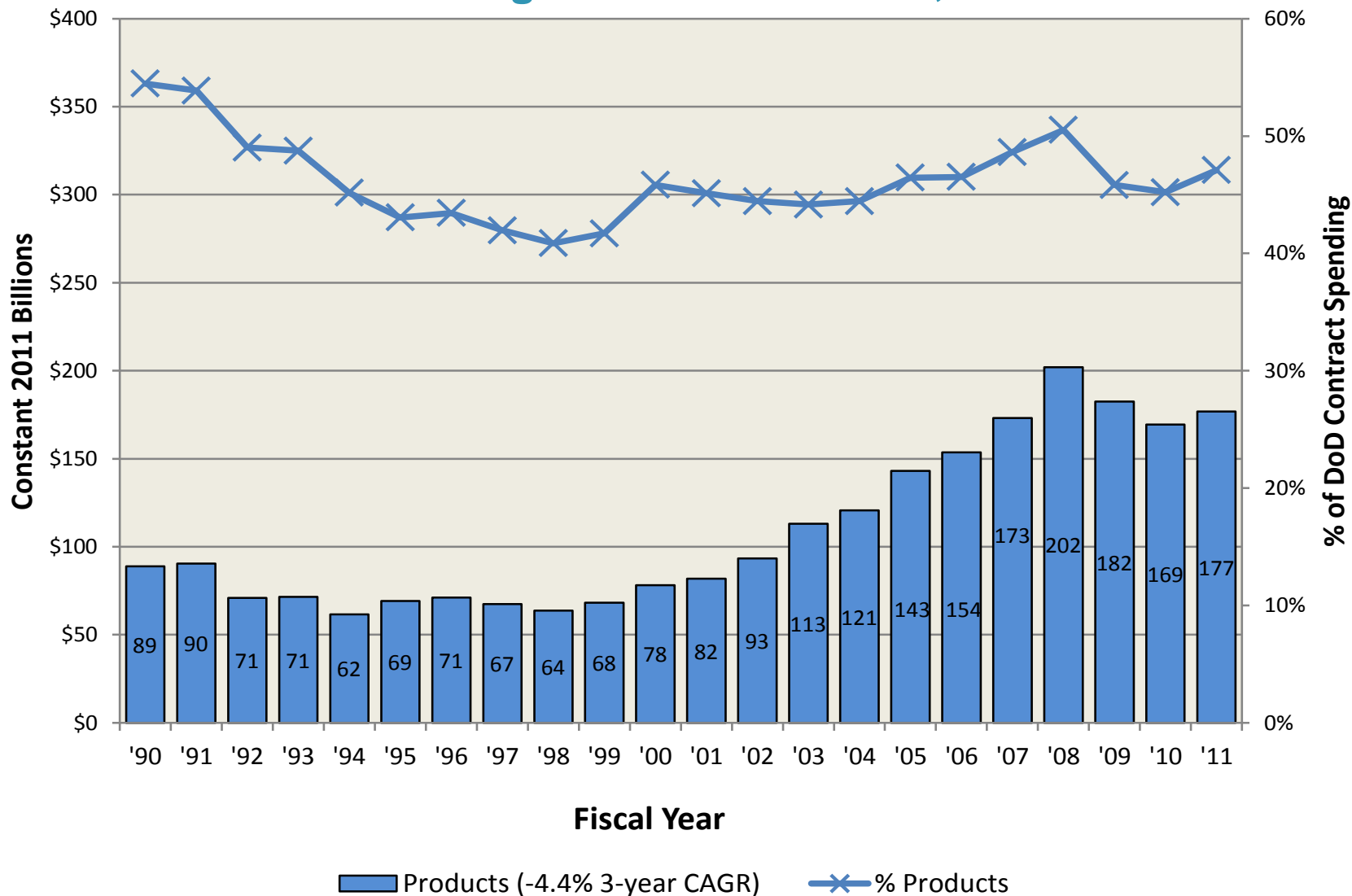
Note: Dollar figures may not sum to total due to rounding.

Source: FPDS; CSIS analysis

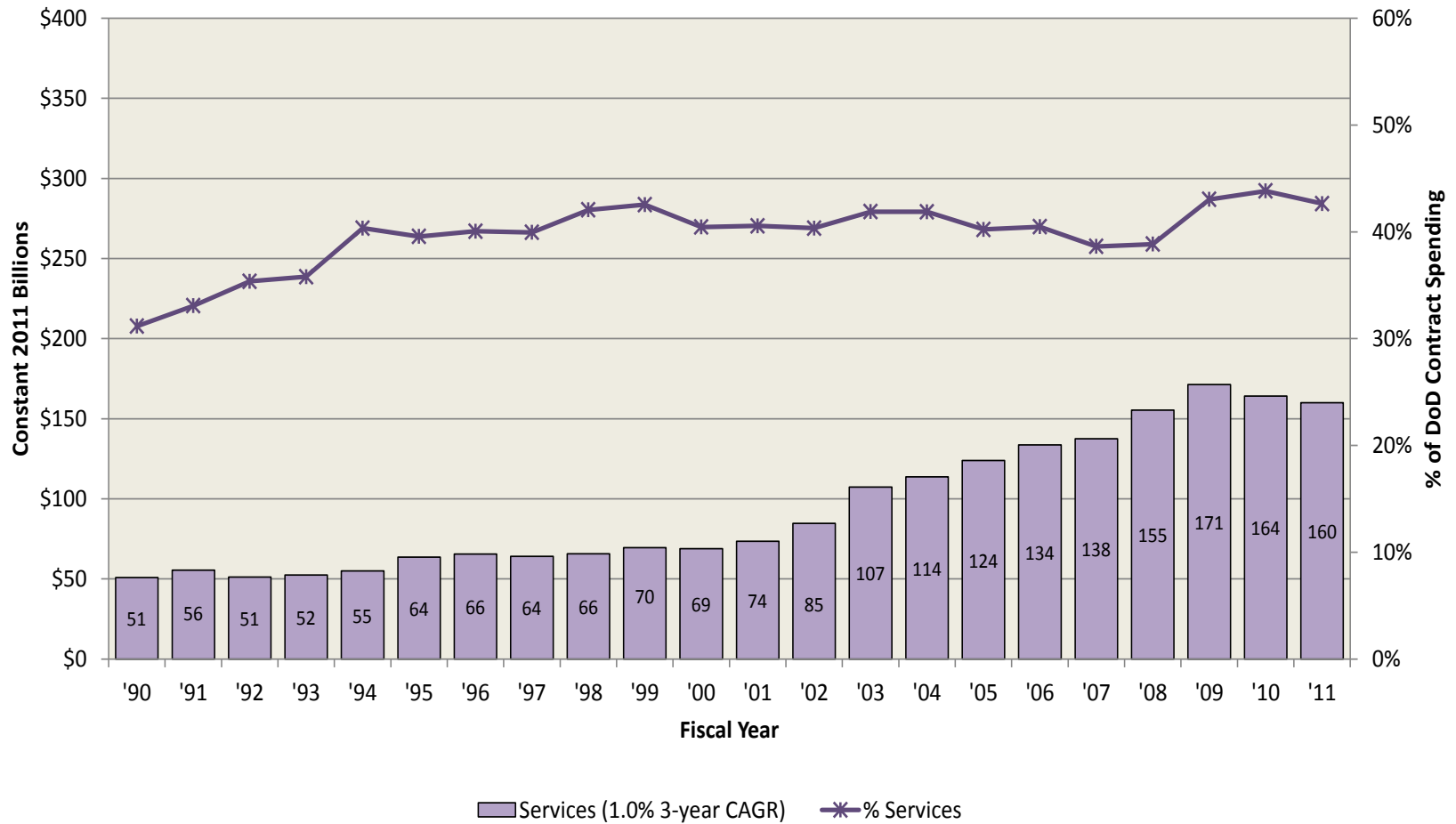
Organization of the Presentation

- Overall DoD Contract Obligations
 - Products
 - Services
 - R&D
- Contract Obligations by DoD Component
 - Army
 - Navy
 - Air Force
 - Other DoD
- DoD Contract Characteristics
 - Competition
 - Funding Mechanism
 - Vehicle
- The Industrial Base Supporting DoD
 - Top 20 Companies
 - Market share of small, medium and large companies

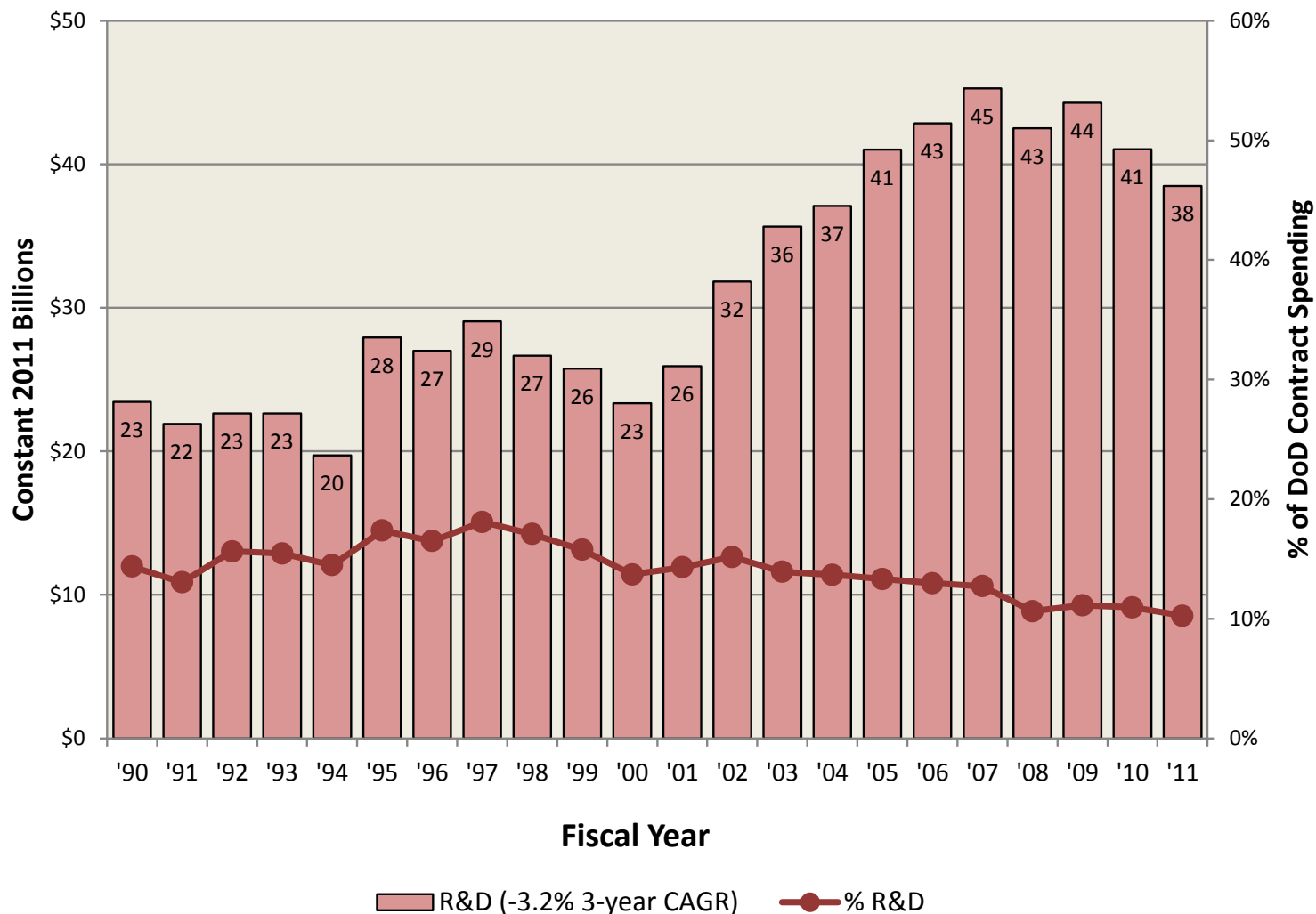
DoD Contract Obligations for Products, 1990-2011



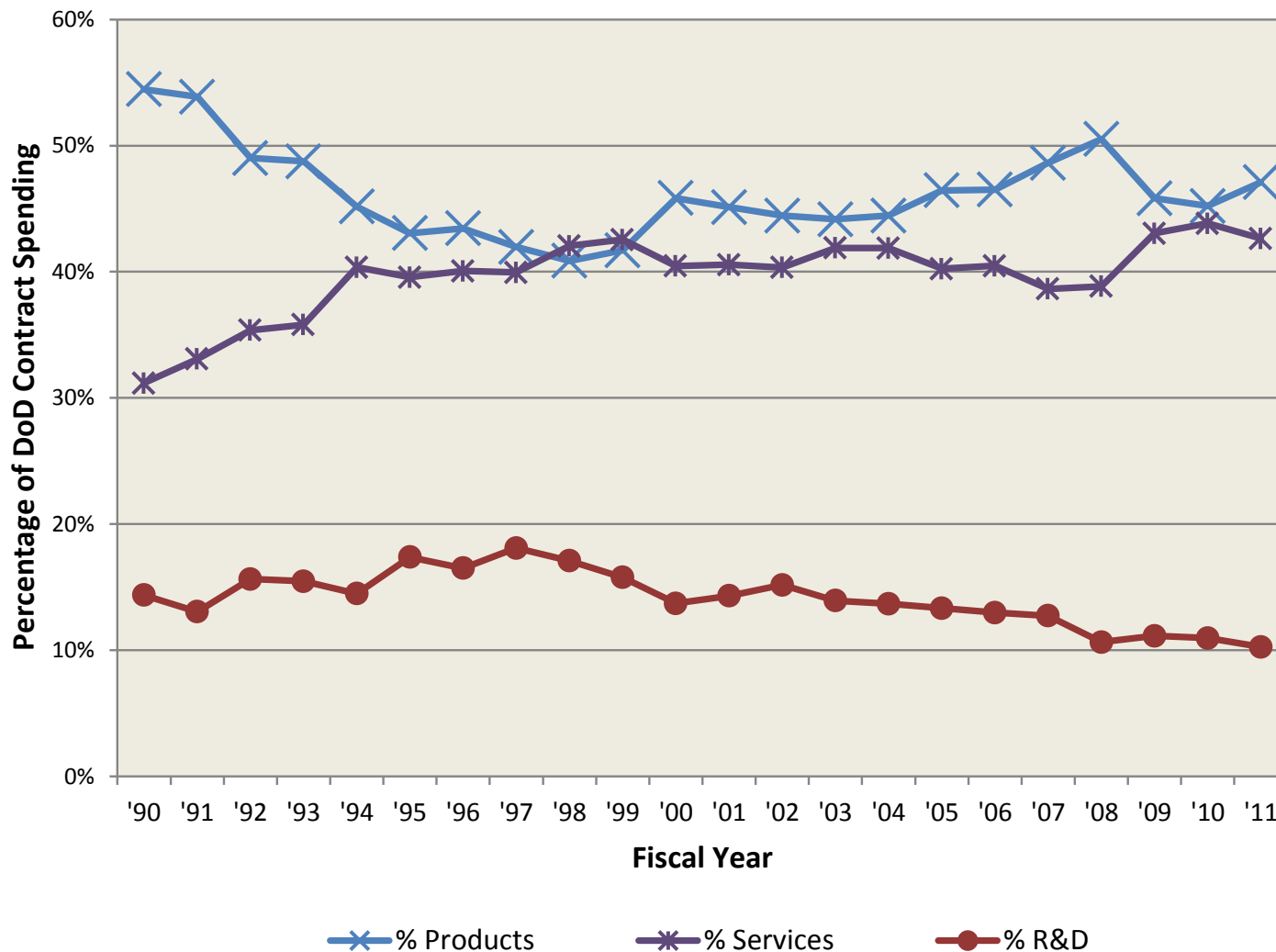
DoD Contract Obligations for Services, 1990-2011



DoD Contract Obligations for R&D, 1990-2011



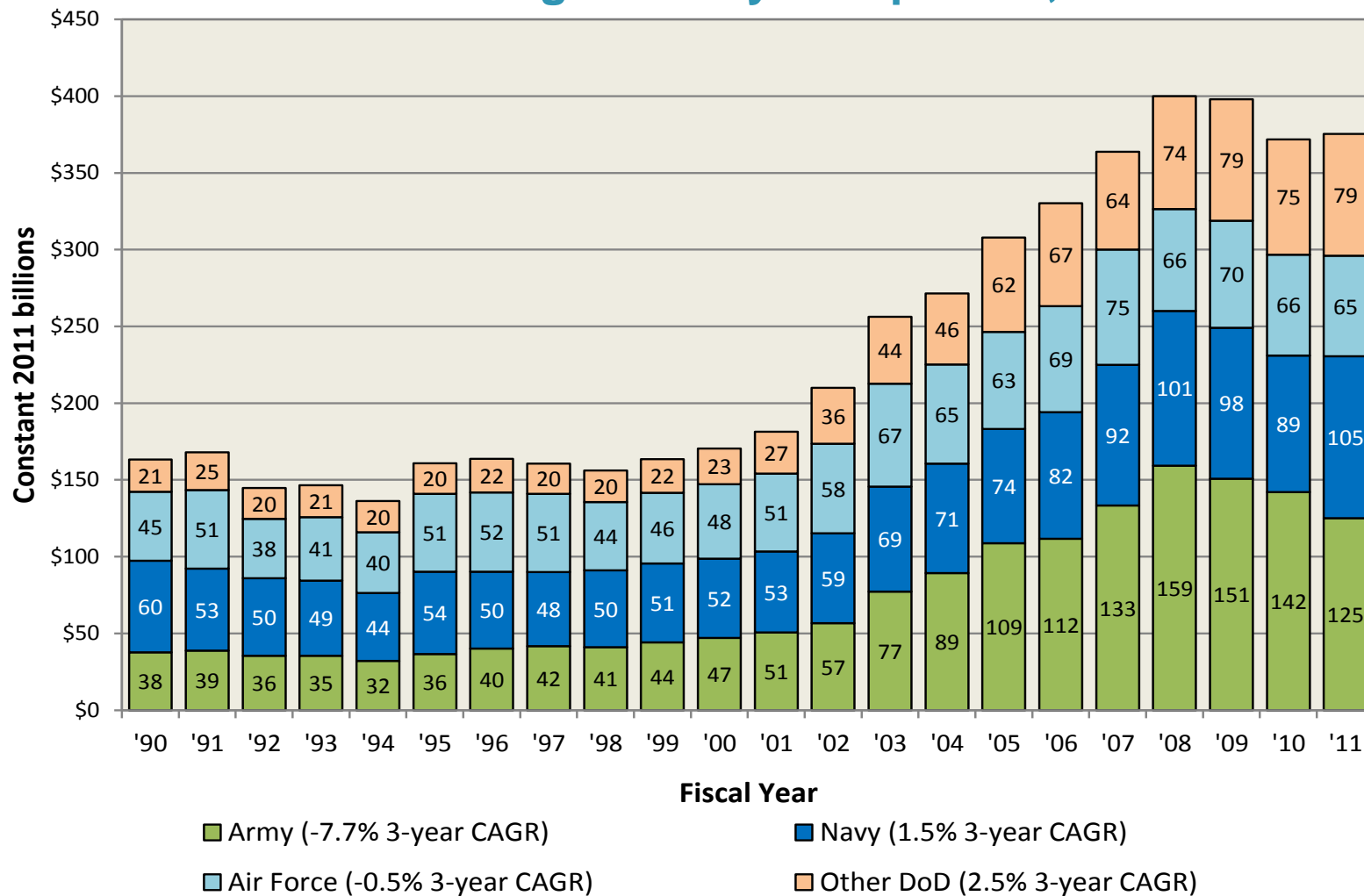
DoD Contract Obligations by Category in Percentage Terms, 1990-2011



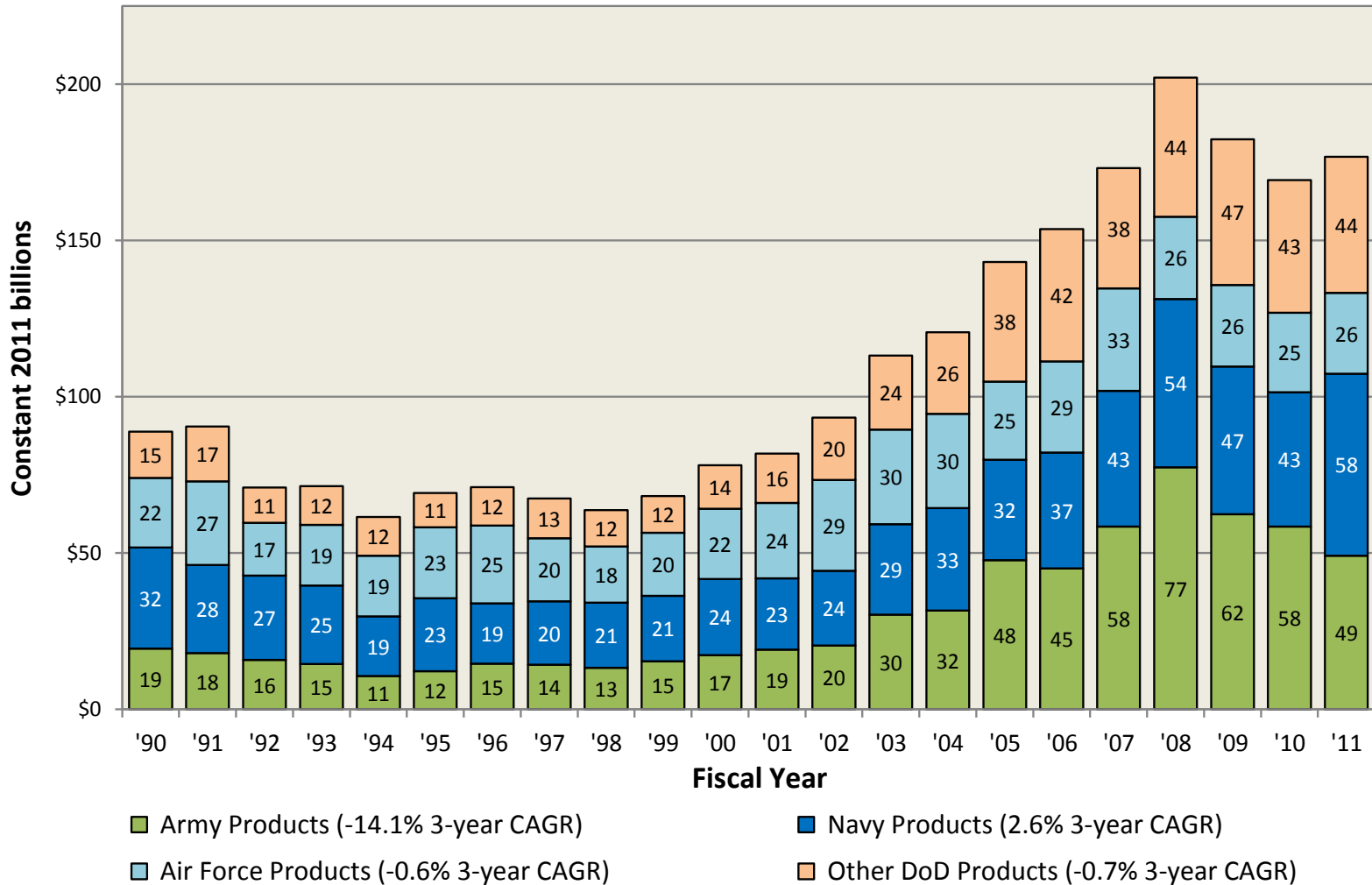
Note: The “unlabeled” category, which accounts for less than 0.1% of DoD contract obligations, was excluded from this chart.

Source: FPDS; CSIS analysis

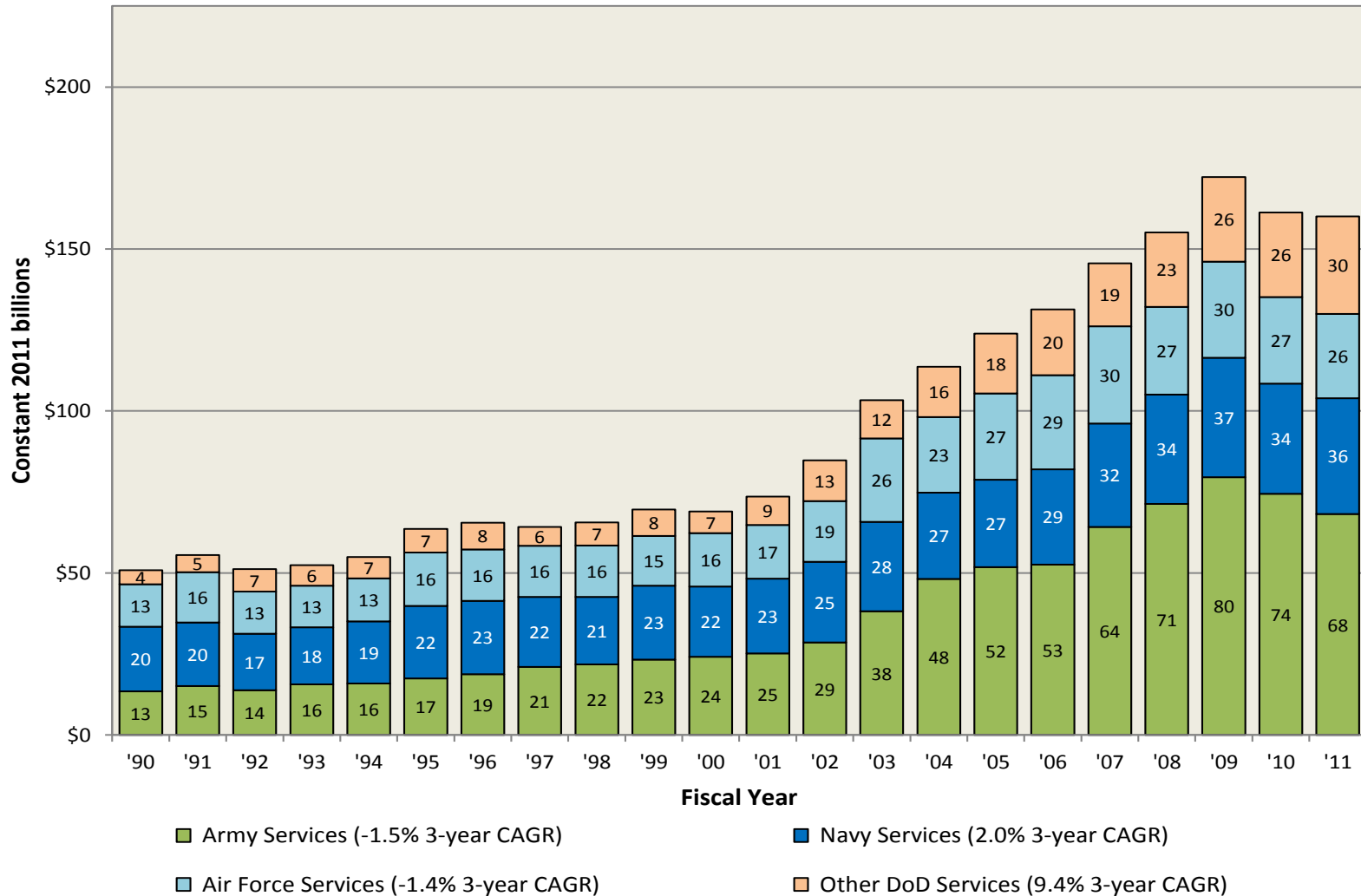
DoD Contract Obligations by Component, 1990-2011



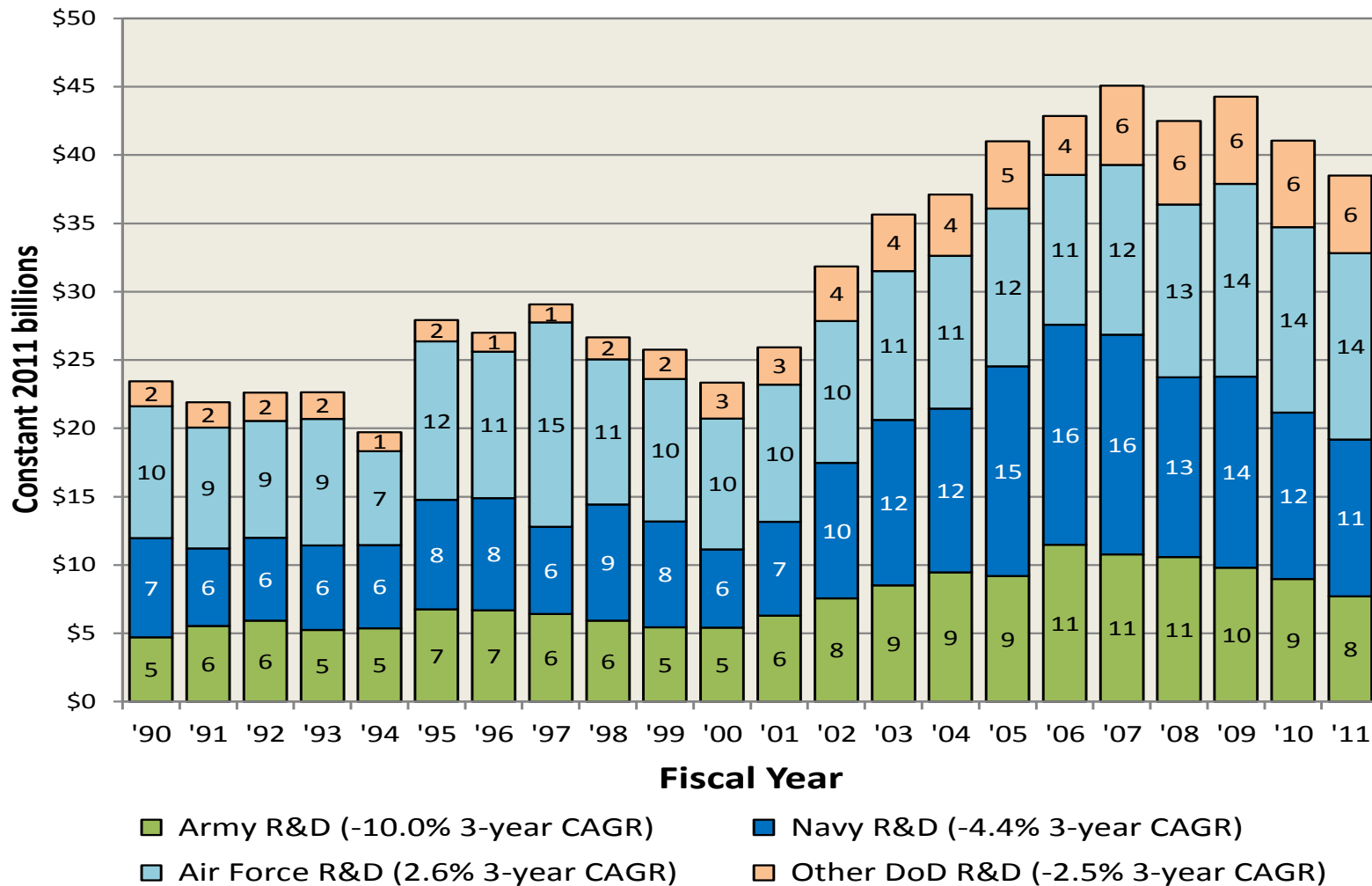
DoD Obligations on Products by Component, 1990-2011



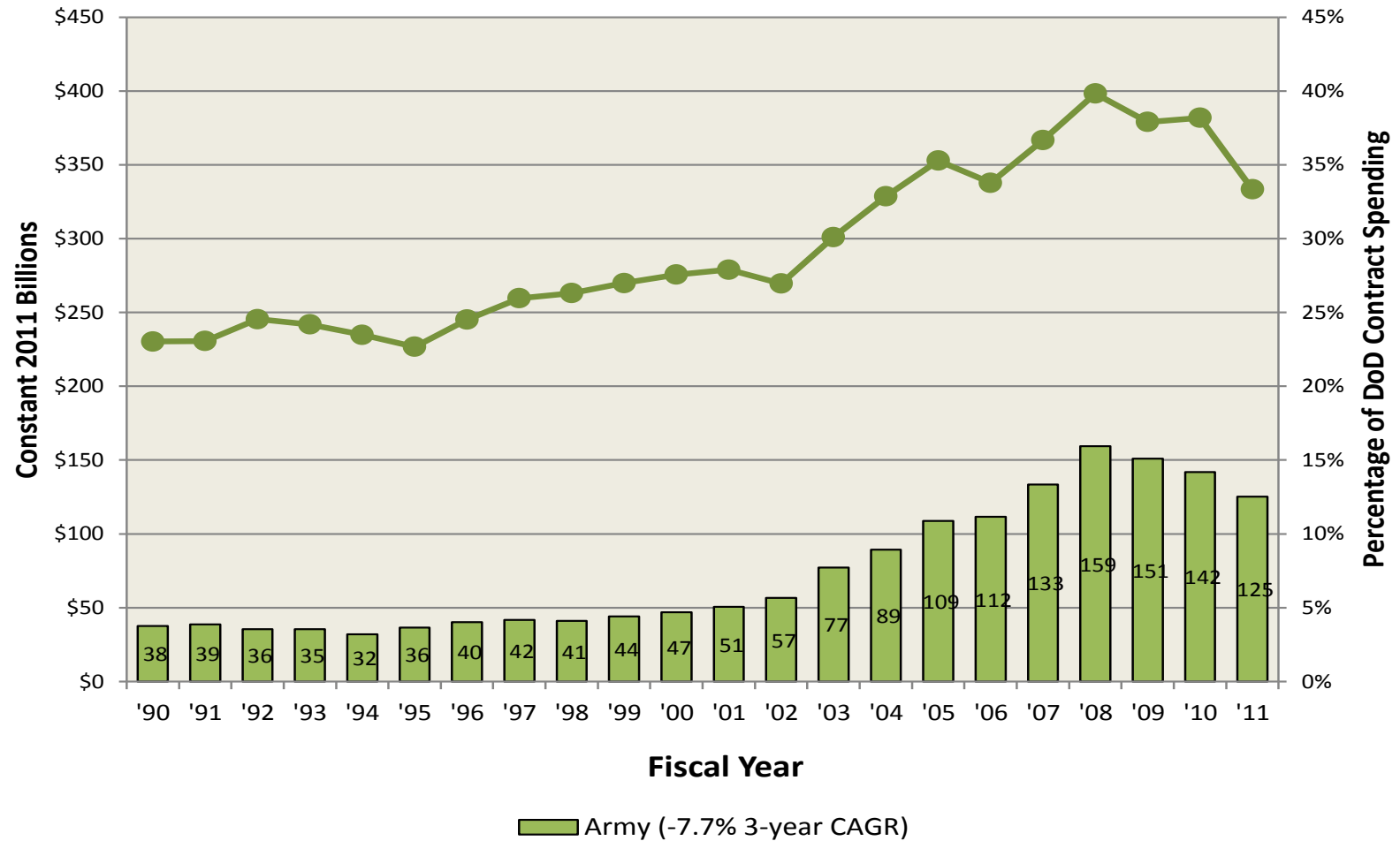
DoD Obligations on Services by Component, 1990-2011



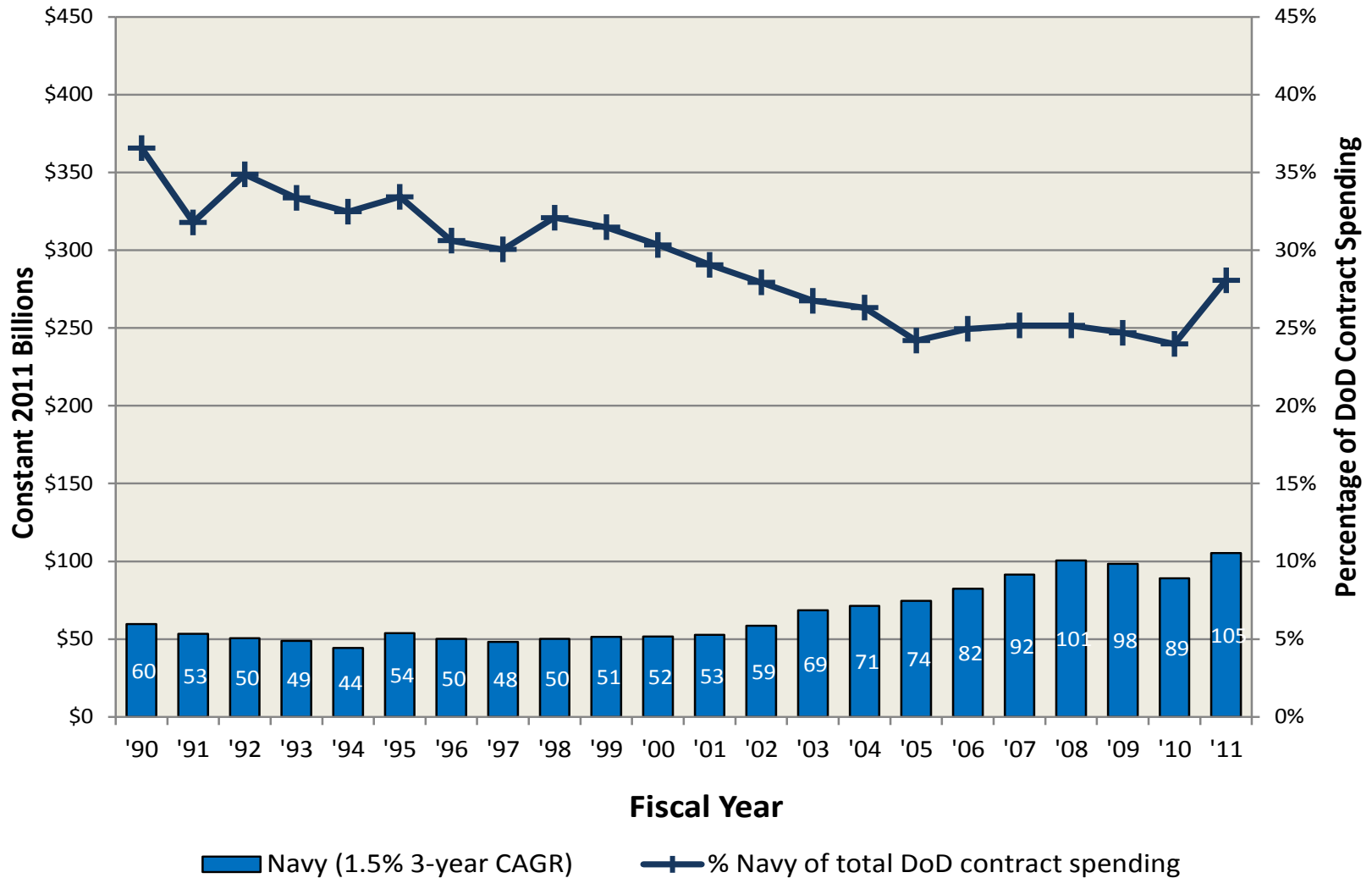
DoD Obligations on R&D by Component, 1990-2011



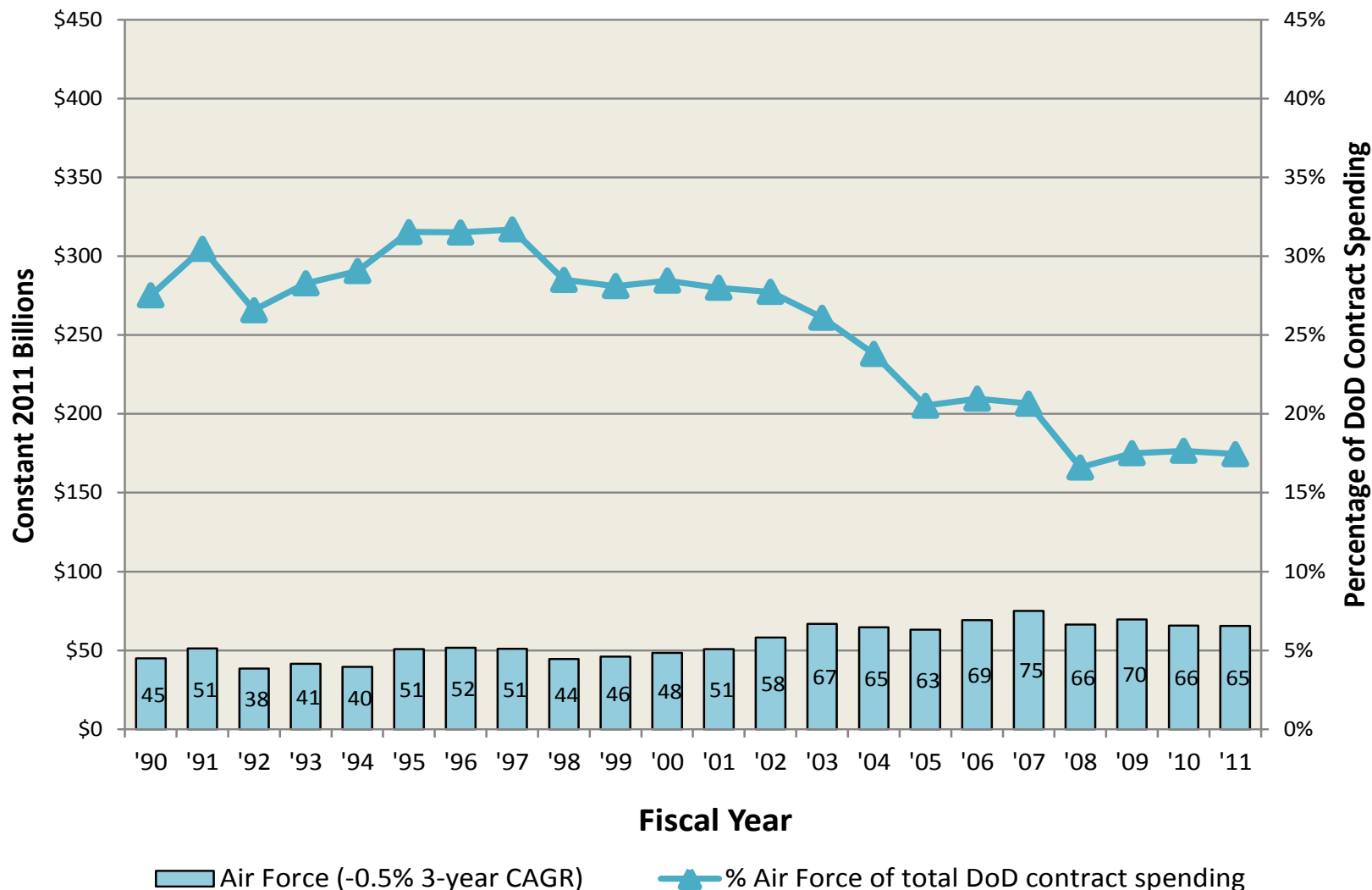
Army Contract Obligations, 1990-2011



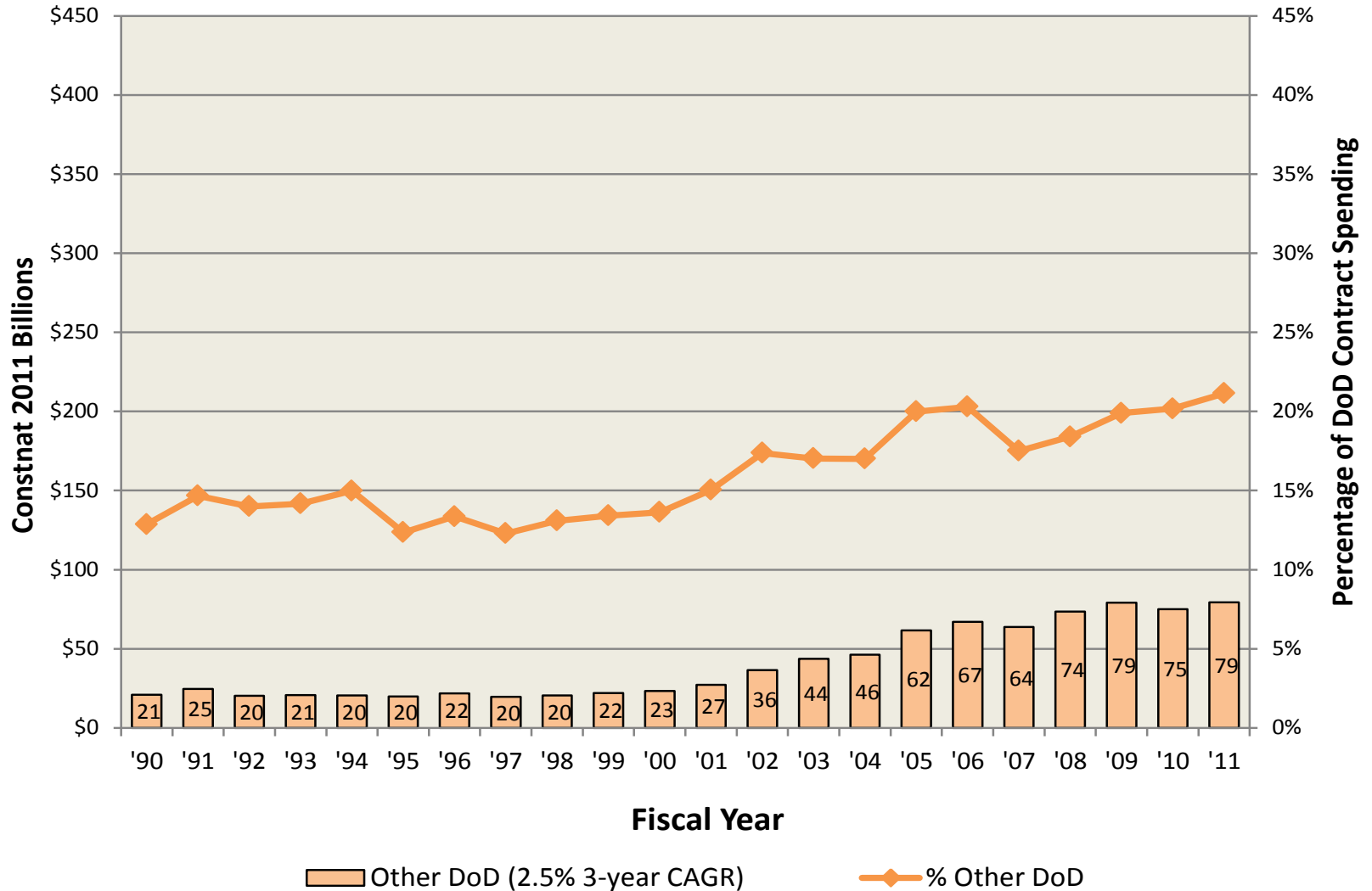
Navy Contract Obligations, 1990-2011



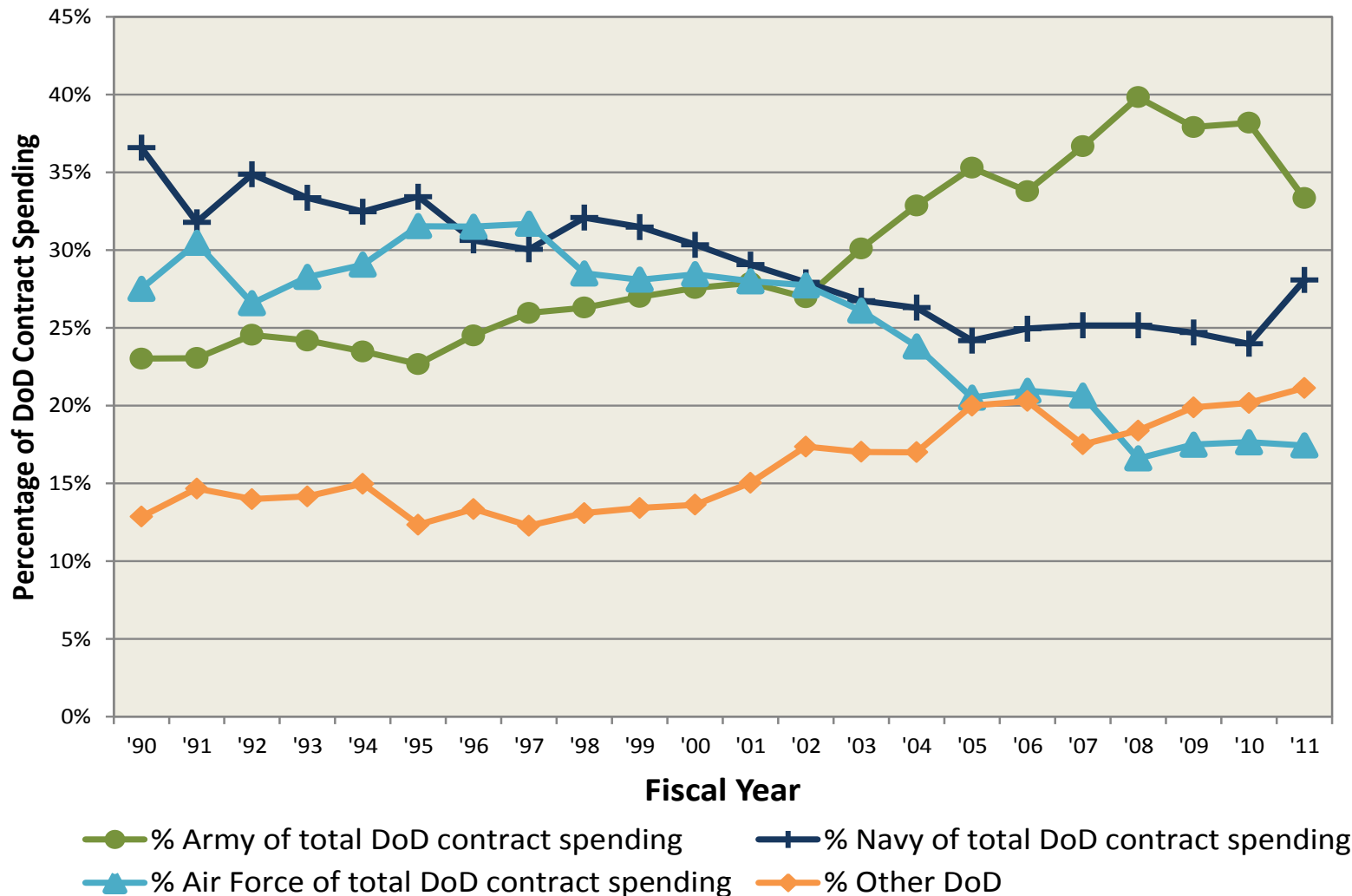
Air Force Contract Obligations, 1990-2011



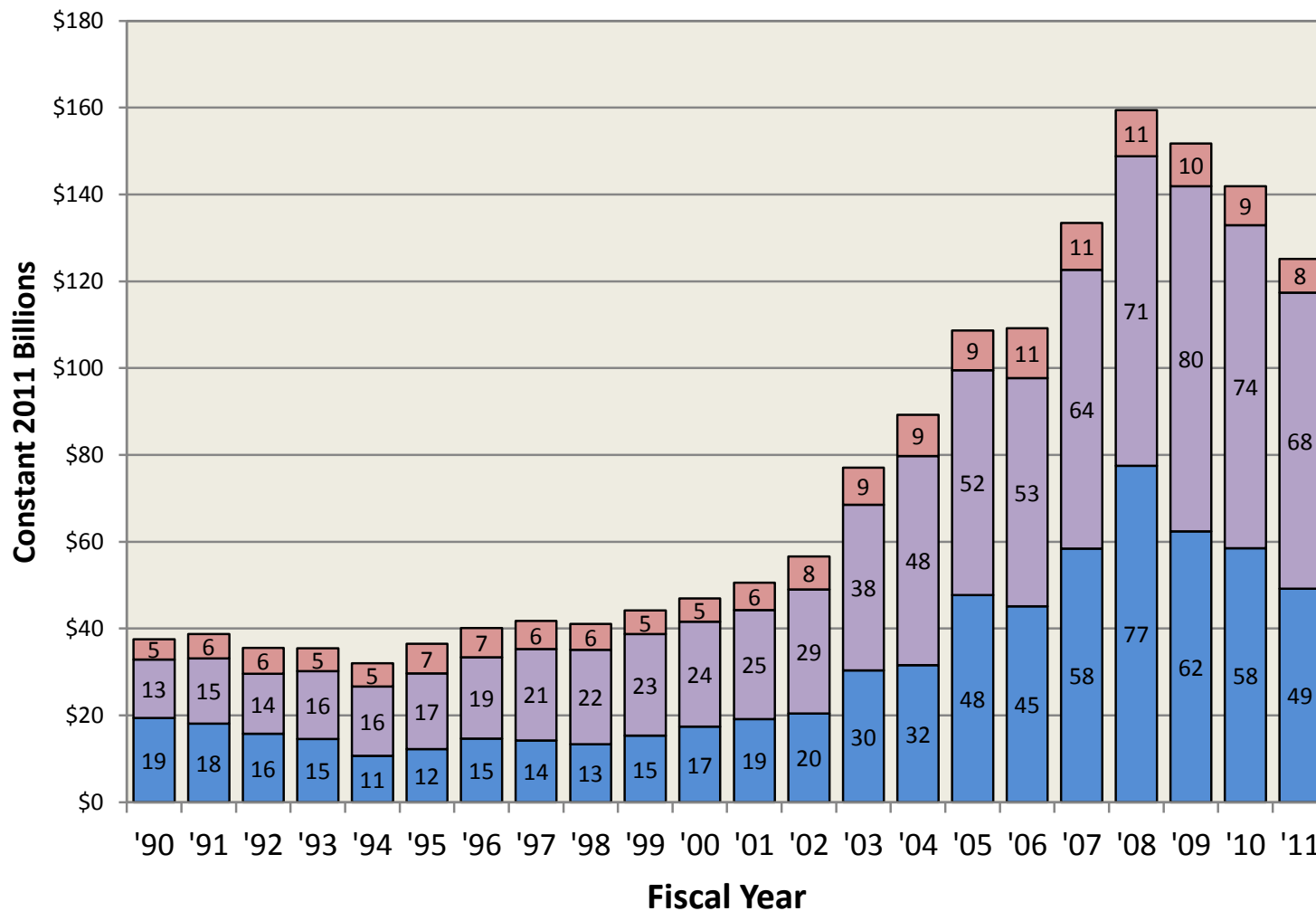
Other DoD Contract Obligations, 1990-2011



DoD Contract Obligations by Component in Percentage Terms, 1990-2011



Army Obligations by Category, 1990-2011



■ Army Products (-14.1% 3-year CAGR)

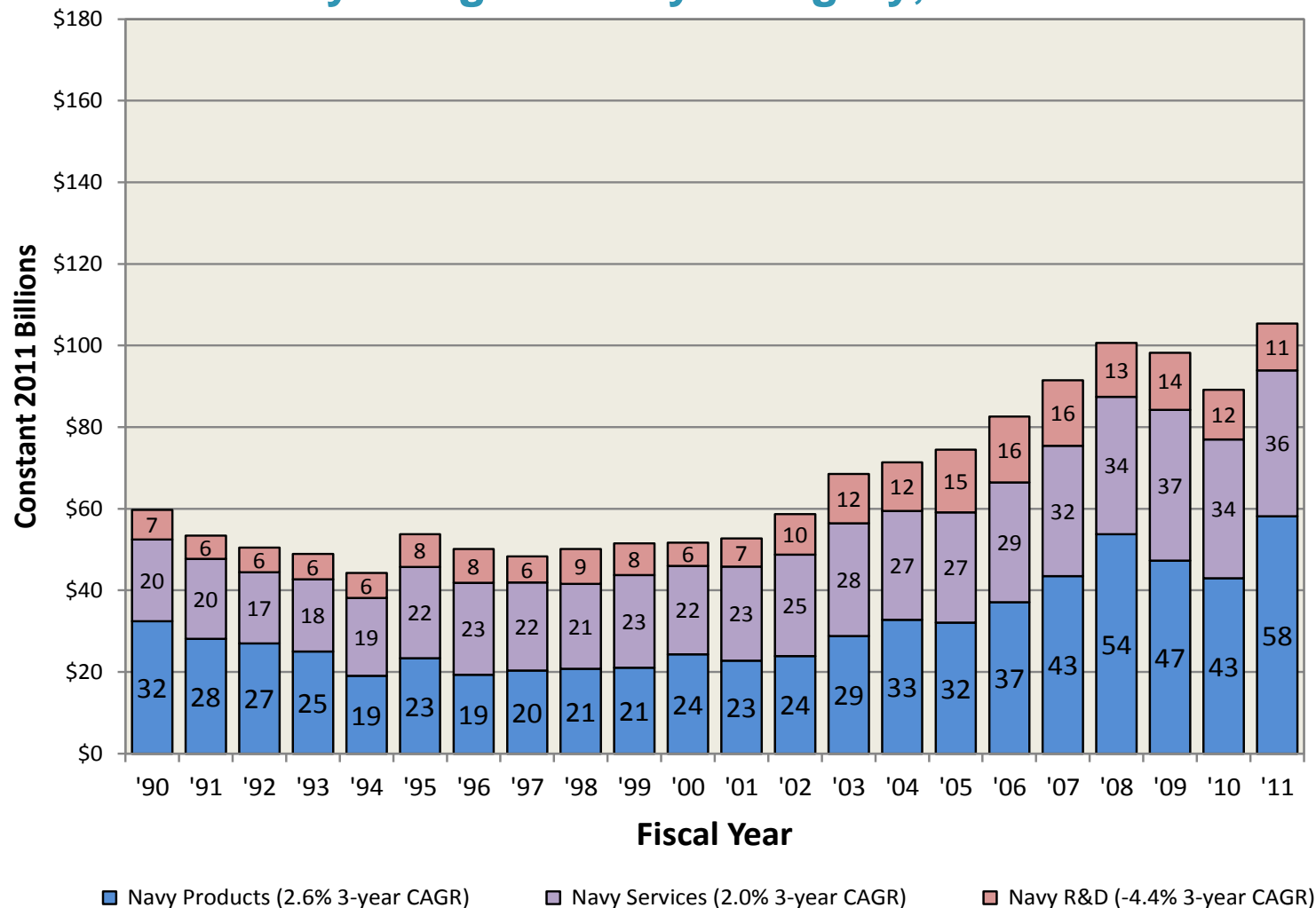
■ Army Services (-1.5% 3-year CAGR)

■ Army R&D (-10.0% 3-year CAGR)

Note: The “unlabeled” category, which totals less than \$1 billion per year, was excluded from the figure

Source: FPDS; CSIS analysis

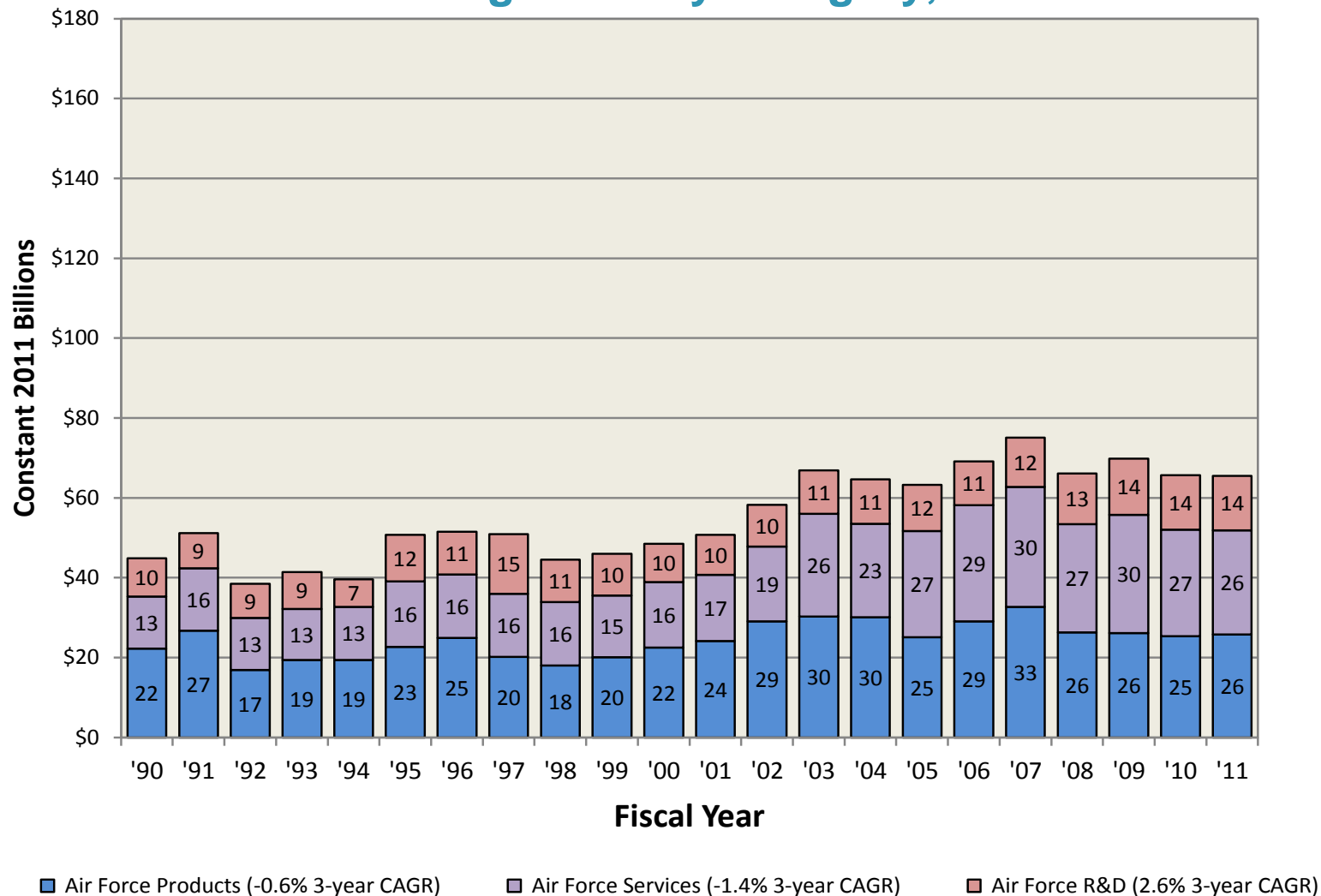
Navy Obligations by Category, 1990-2011



Note: The “unlabeled” category, which totals less than \$1 billion per year, was excluded from the figure

Source: FPDS; CSIS analysis

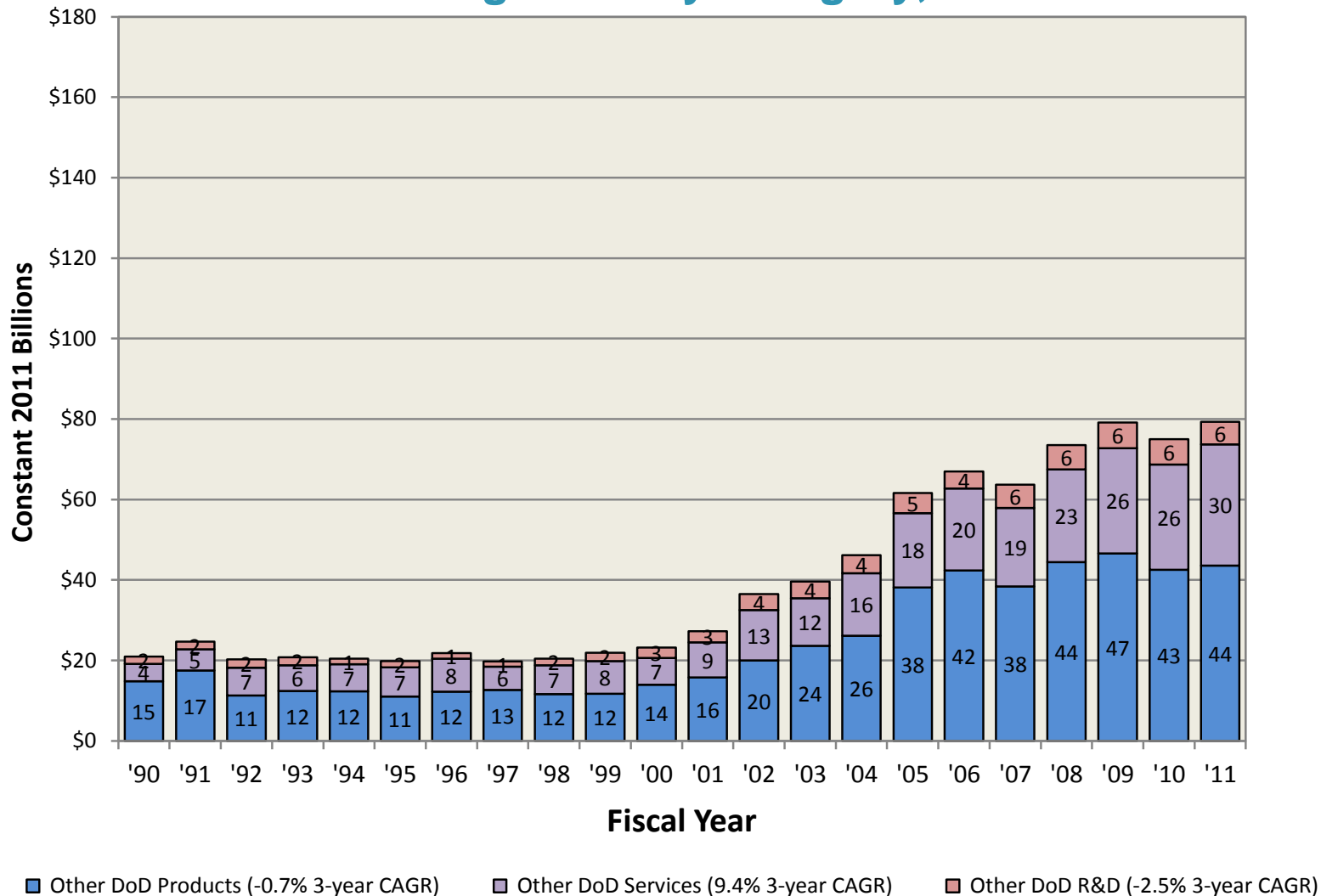
Air Force Obligations by Category, 1990-2011



Note: The “unlabeled” category, which totals less than \$1 billion per year, was excluded from the figure

Source: FPDS; CSIS analysis

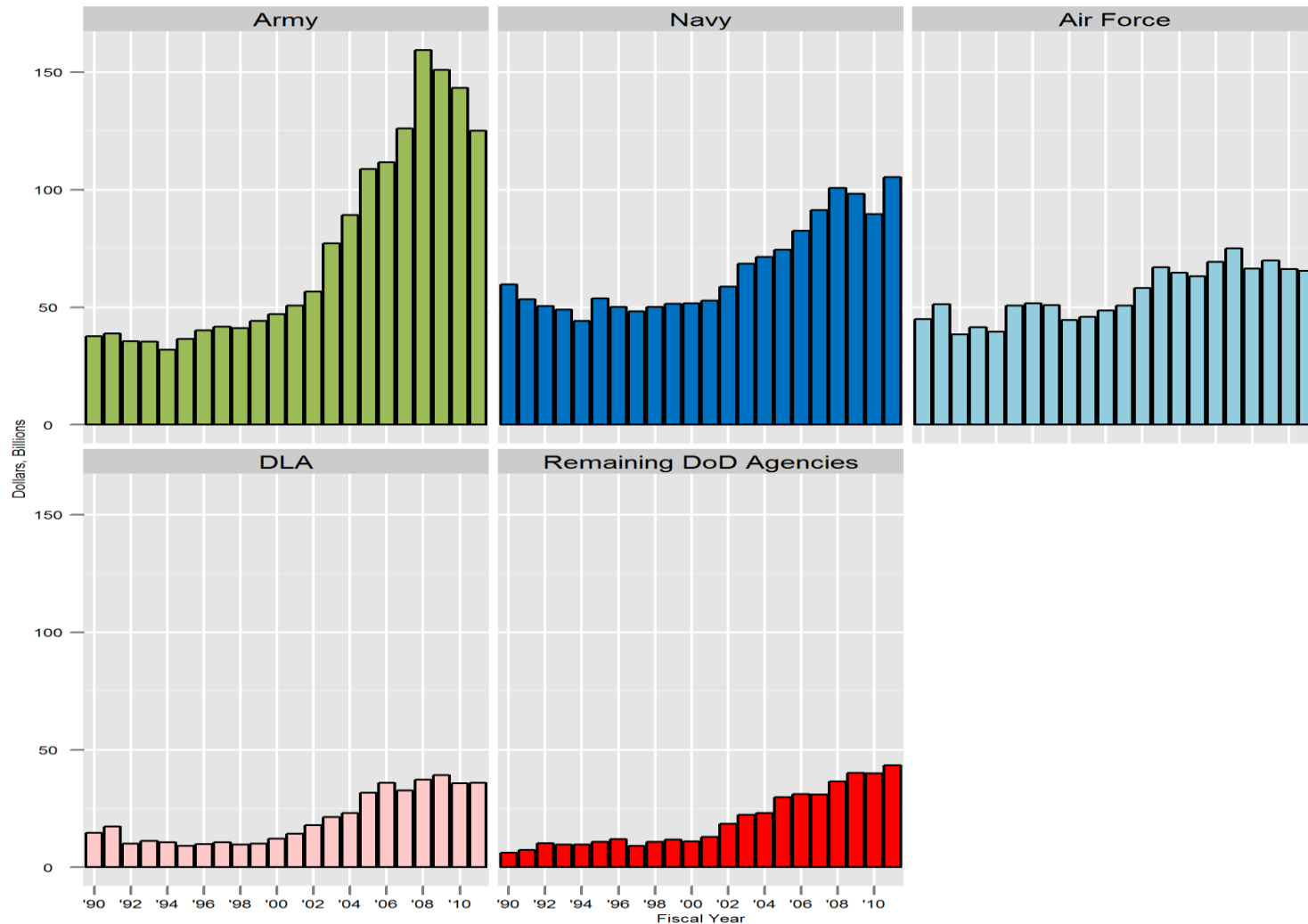
Other DoD Obligations by Category, 1990-2011



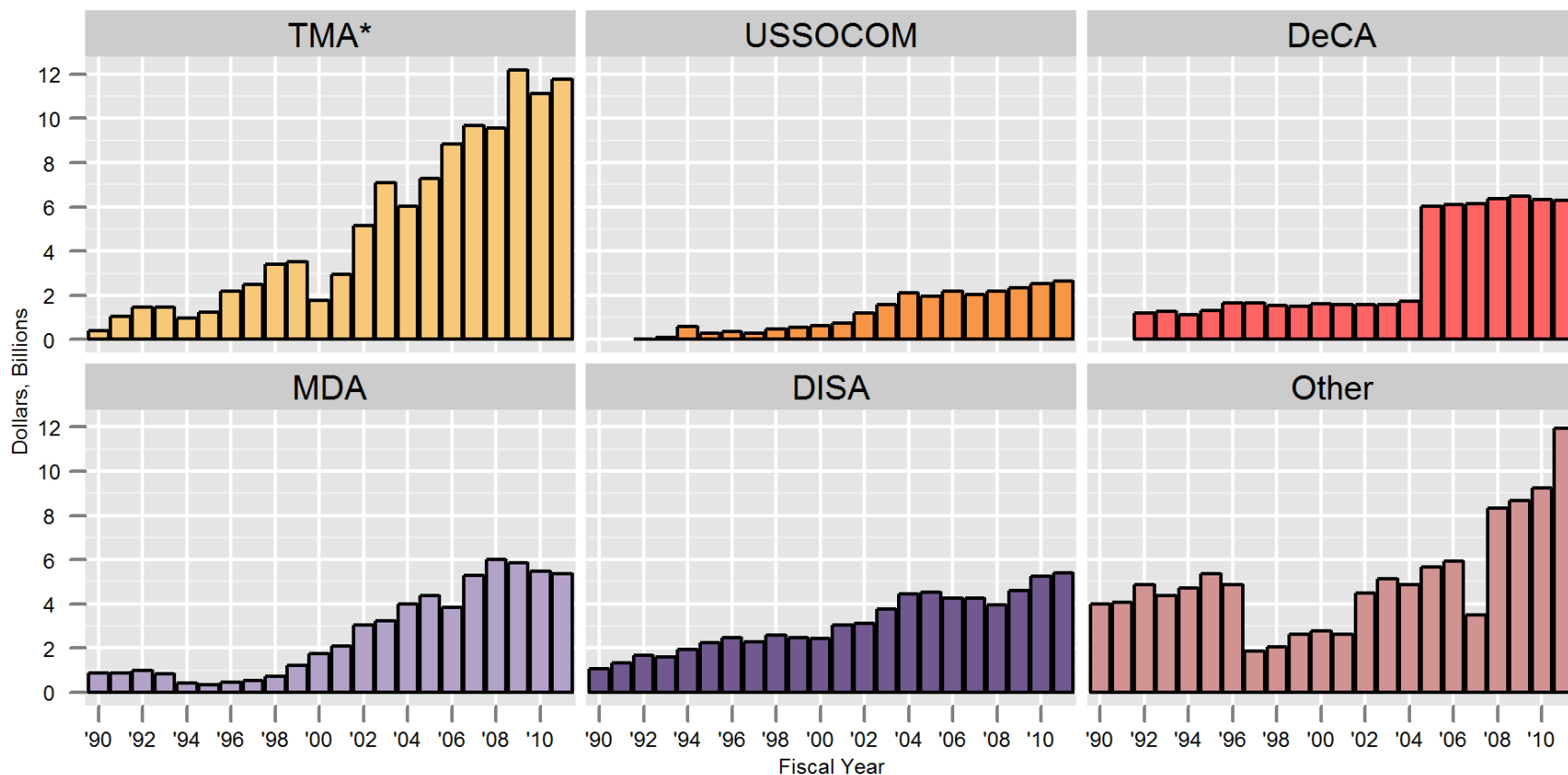
Note: The “unlabeled” category, which totals less than \$1 billion per year, was excluded from the figure

Source: FPDS; CSIS analysis

Overall DoD Contract Obligations by Detailed Component



Contract Obligations for 'Remaining DoD Agencies' by Detailed Component



* TMA also includes the Office of the Civilian Health and Medical Program of the Uniformed Services

Source: FPDS; CSIS analysis

FPDS vs. CSIS Categories for Competition

• FPDS Categories:

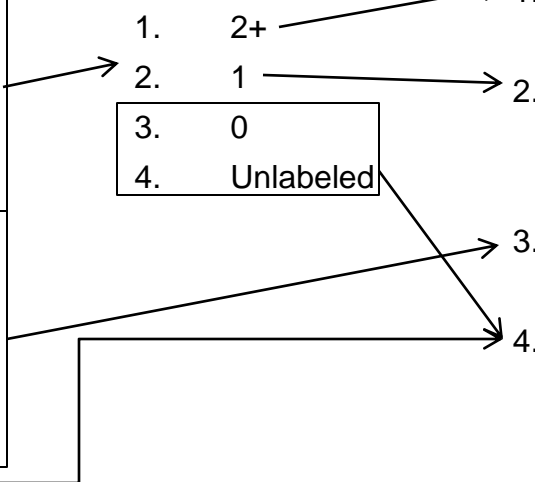
1.	Full and Open Competition
2.	Full and Open Competition after exclusion of sources
3.	Competed under SAP
4.	Competitive Delivery Order
5.	Follow On to Competed Action
6.	Not Competed under SAP
7.	Not Competed
8.	Non-Competitive Delivery Order
9.	Not Available for Competition
10.	Blank

Number of Offers

1.	2+
2.	1
3.	0
4.	Unlabeled

• CSIS Categories:

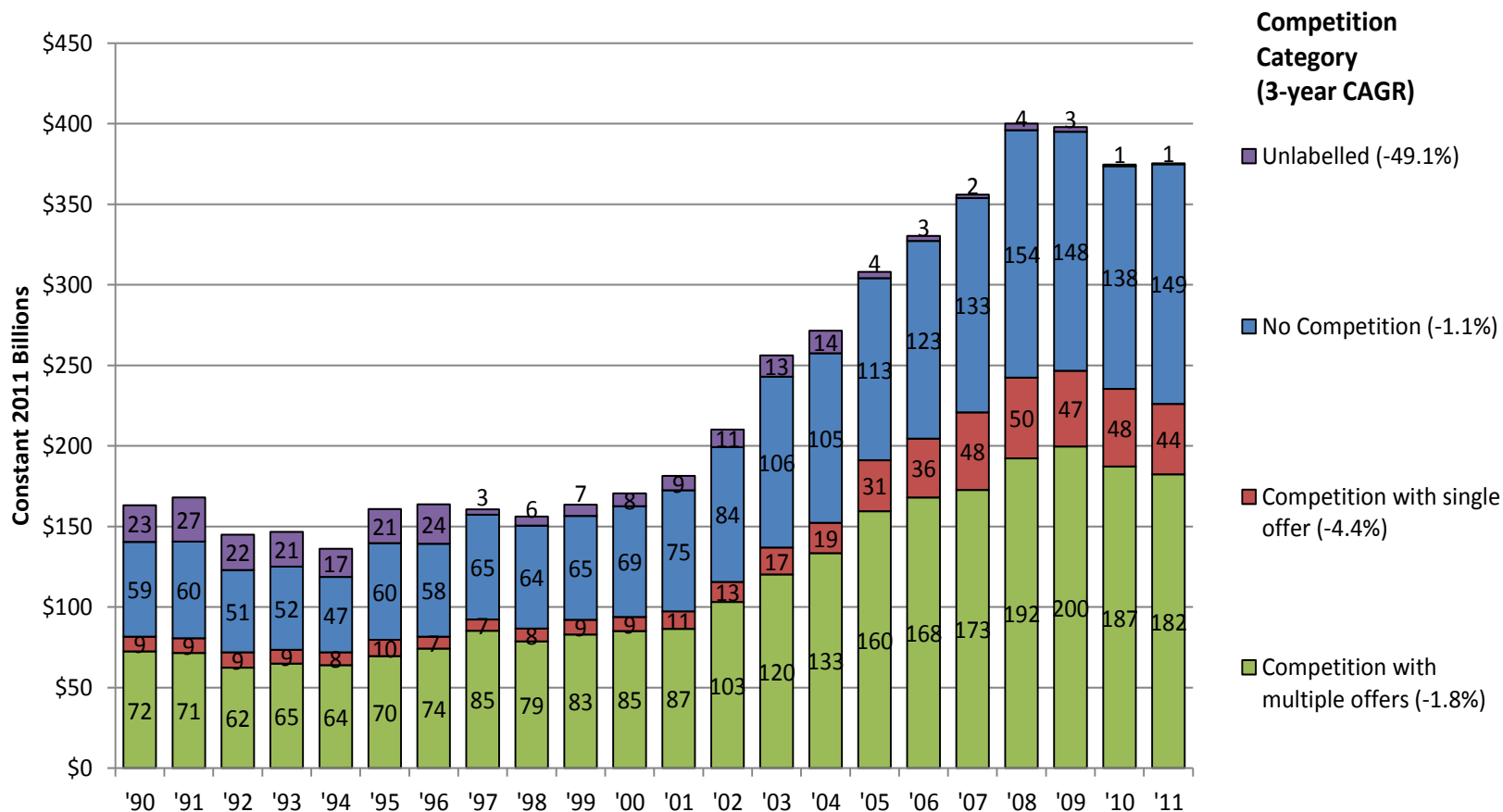
- 1. Competition with Multiple Offers
- 2. Competition with Single Offer
- 3. No Competition
- 4. Unlabeled



Note: CSIS determines whether multiple or single offers were received for a contract by referring to the “Number of Offers Received” column in FPDS. Thus, contracted competed (or not) under SAP, a follow on to competed action, or a competitive delivery order, can be either competed with a single or multiple offer.

Source: FPDS; CSIS analysis

Defense Contract Obligations by Competition, 1990-2011



Note: Data on Fair Opportunity/Limited Sources are not included; as a result, totals may vary from those listed in government publications.

Source: FPDS; CSIS analysis

FPDS vs. CSIS Categories for Funding Mechanism

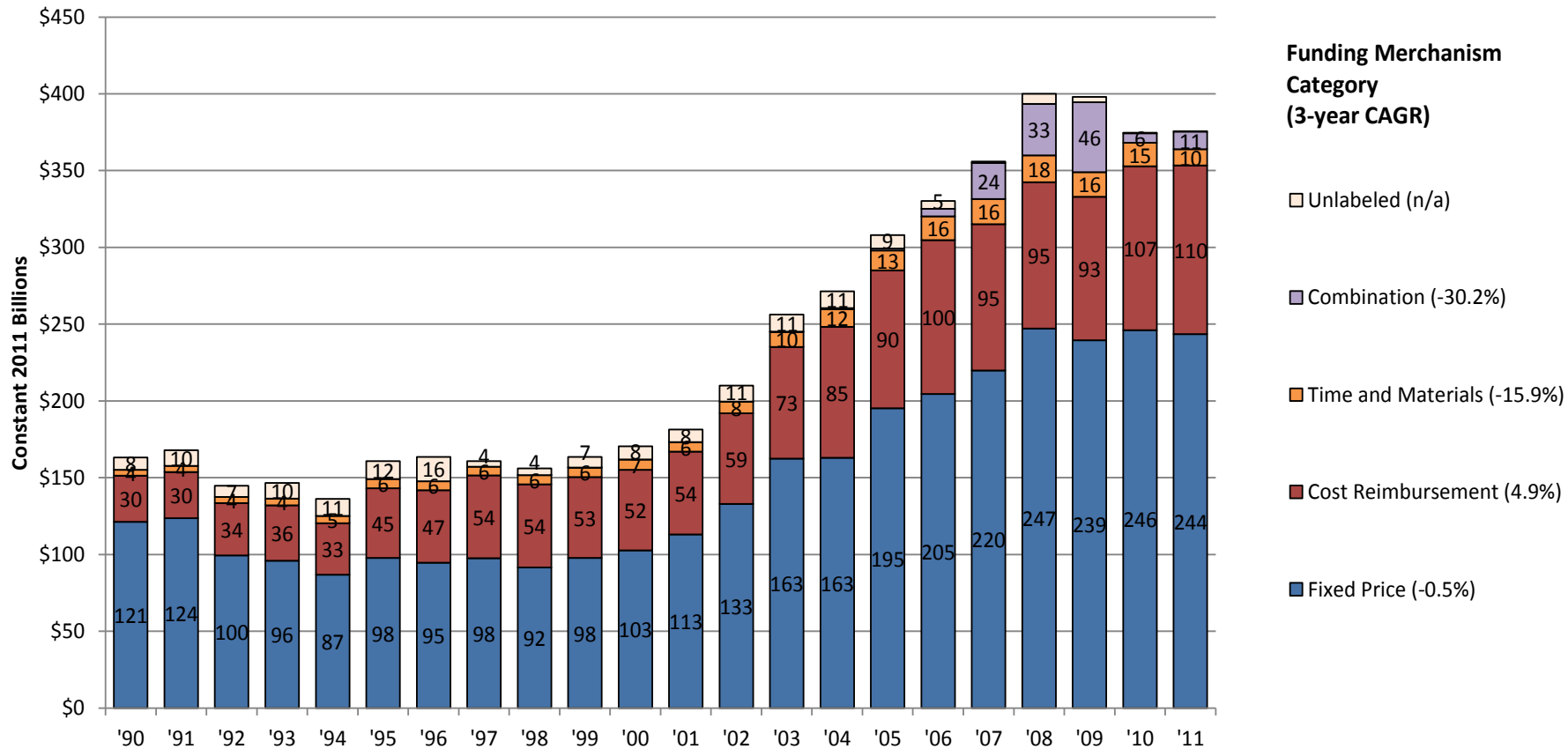
• FPDS Categories:

1.	Fixed Price
2.	Fixed Price Award Fee
3.	Fixed Price Incentive
4.	Fixed Price Redetermination
5.	Fixed Price with Economic Price Adjustment)
6.	Fixed Price Level of Effort
7.	Cost No Fee
8.	Cost Plus Award Fee
9.	Cost Plus Fixed Fee
10.	Cost Plus Incentive
11.	Cost Sharing
12.	Time and Materials
13.	Labor Hours
14.	Combination (applies to awards where two or more of the above apply)
15.	Order Dependent (IDV allows pricing arrangement to be determined separately for each order)
16.	Other* (applies to awards where none of the above apply)
17.	Blank

• CSIS Categories:

- 1. Fixed Price
- 2. Cost Reimbursement
- 3. Time and Materials
- 4. Combination
- 5. Unlabeled

Defense Contract Obligations by Funding Mechanism, 1990-2011



Note: The "other" category, which totals less than \$20 million a year, was excluded from the figure.

Source: FPDS; CSIS analysis

FPDS vs. CSIS Categories for Contract Vehicle

• Award Type:

1. Definitive Contract
2. Purchase Order
3. Delivery Order
4. BPA Call

Type of IDV:

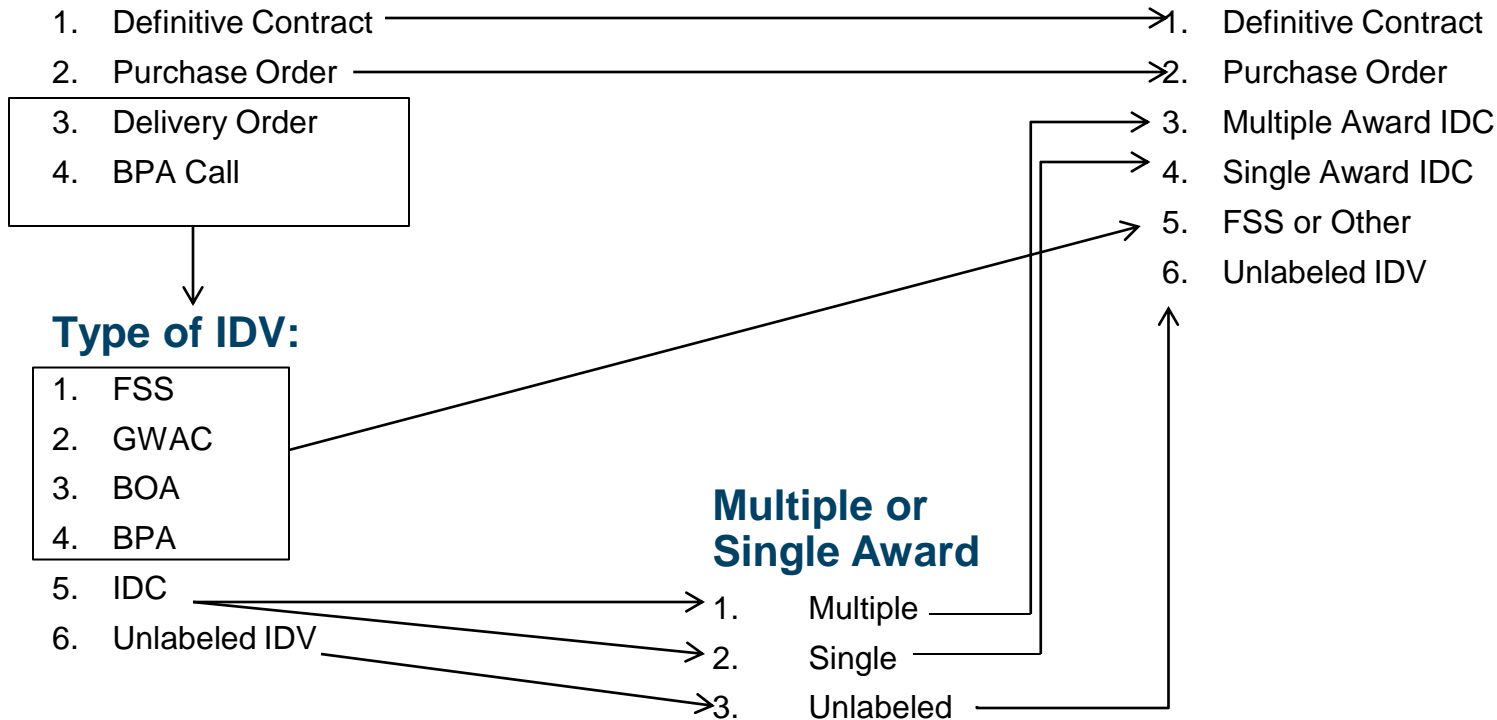
1. FSS
2. GWAC
3. BOA
4. BPA
5. IDC
6. Unlabeled IDV

Multiple or Single Award

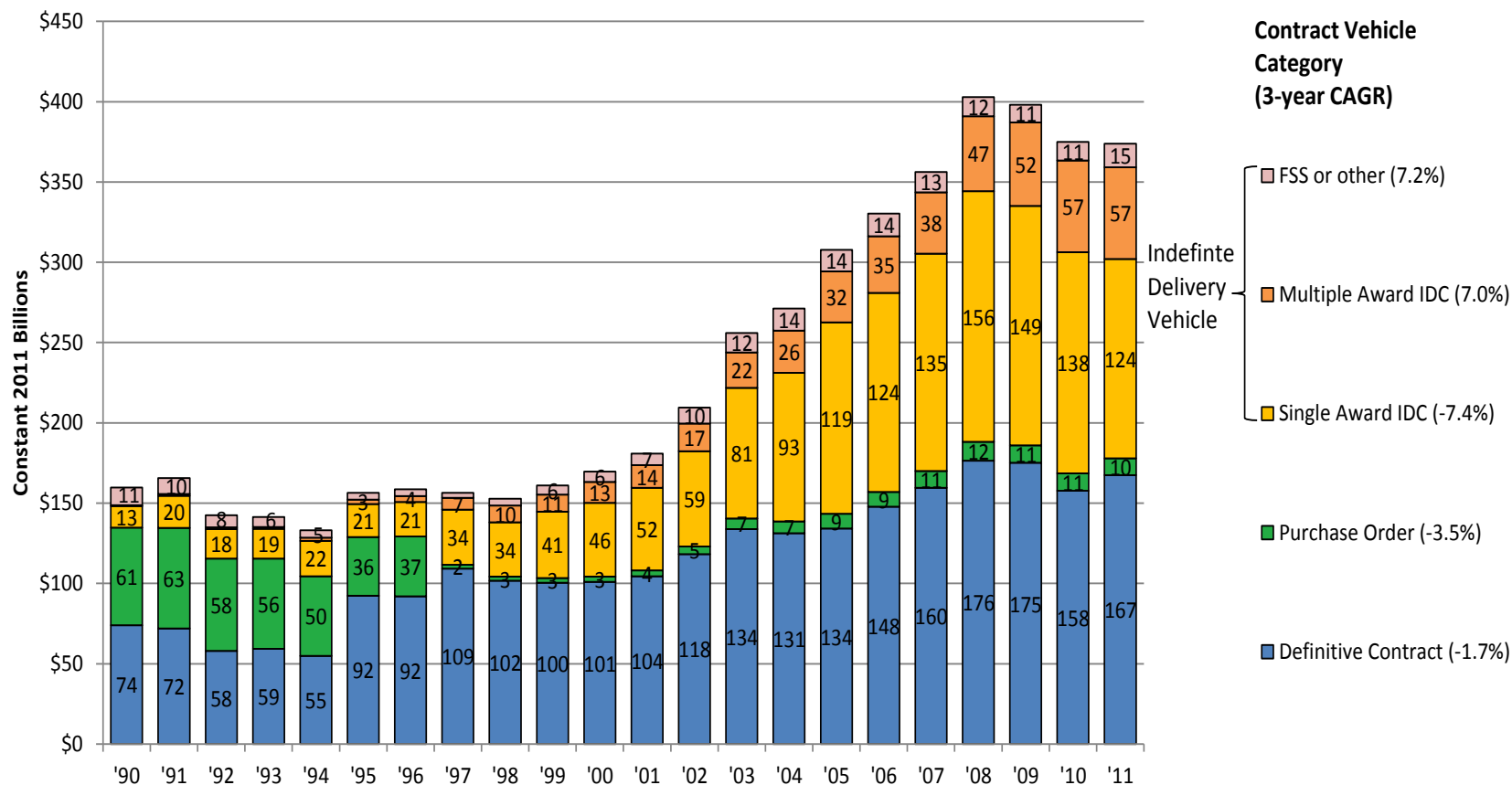
1. Multiple
2. Single
3. Unlabeled

• CSIS Categories:

1. Definitive Contract
2. Purchase Order
3. Multiple Award IDC
4. Single Award IDC
5. FSS or Other
6. Unlabeled IDV



Defense Contract Obligations by Contract Vehicle, 1990-2011



Note: The “unlabelled IDV” category, which totals less than \$3 billion a year, was excluded from the figure.

Note: Total obligations vary from other figures by up to \$3.5 billion due to differences in download date and variation between USAspending.gov and FPDS.gov.

Source: FPDS; CSIS analysis

Top 20 DoD Contractors, 2001 and 2011

Rank	Top 20 Contractors in 2001	Obligations in 2011 Millions	Top 20 Contractors in 2011	Obligations in 2011 Millions
1	Lockheed Martin	\$17,993	Lockheed Martin	\$35,760
2	Boeing	\$14,770	Boeing	\$20,485
3	Newport News Shipbuilding	\$7,241	General Dynamics	\$17,984
4	General Dynamics	\$7,062	Raytheon	\$13,572
5	Raytheon	\$6,258	Northrop Grumman	\$11,881
Total for Top 5		\$53,325		\$99,683
6	United Technologies	\$3,841	BAE Systems	\$7,352
7	Northrop Grumman	\$3,158	United Technologies	\$6,873
8	SAIC	\$2,316	L3 Communications	\$6,832
9	Litton Industries	\$2,082	Huntington Ingalls Industries	\$5,482
10	TRW	\$2,028	SAIC	\$5,270
11	General Electric	\$1,874	Oshkosh	\$4,741
12	Textron	\$1,608	ITT	\$3,549
13	Health Net	\$1,173	Humana	\$3,439
14	Computer Sciences Corp.	\$1,072	TriWest Healthcare	\$3,093
15	ITT	\$1,005	Health Net	\$2,963
16	Bechtel	\$973	Computer Sciences Corp.	\$2,953
17	Exxon Mobil	\$821	Dyncorp International	\$2,867
18	BAE Systems	\$748	Fluor	\$2,722
19	TriWest Healthcare	\$692	Bell-Boeing Joint Project Office	\$2,666
20	Oshkosh	\$692	Booz Allen Hamilton	\$2,613
Total for Top 20		\$77,408		\$163,100
Total for DoD		\$181,351		\$375,317

*Joint Venture

Source: FPDS; CSIS analysis

Top 20 DoD Contractors for Products, 2001 and 2011

Rank	Top 20 Contractors in 2001	Obligations in 2011 Millions	Top 20 Contractors in 2011	Obligations in 2011 Millions
1	Boeing	\$10,130	Lockheed Martin	\$22,171
2	Lockheed Martin	\$9,696	Boeing	\$14,467
3	Newport News Shipbuilding	\$5,005	General Dynamics	\$13,946
4	Raytheon	\$4,037	Raytheon	\$8,004
5	General Dynamics	\$3,823	United Technologies	\$5,331
Total for Top 5		\$32,691		\$63,920
6	United Technologies	\$2,766	Huntington Ingalls Industries	\$5,154
7	General Electric	\$1,796	Oshkosh	\$4,709
8	Litton Industries	\$1,665	BAE Systems	\$4,462
9	Northrop Grumman	\$1,443	Northrop Grumman	\$3,422
10	Textron	\$1,421	L3 Communications	\$3,197
11	Exxon Mobil	\$821	Bell-Boeing Joint Project Office*	\$2,612
12	Royal Dutch Shell	\$673	Textron	\$2,264
13	Stewart & Stevenson	\$521	General Electric	\$2,126
14	Oshkosh	\$517	Supreme Group	\$2,032
15	United Defense Industries	\$511	General Atomics	\$1,461
16	Longbow LLC	\$497	Navistar	\$1,389
17	Cardinal Health	\$491	Alliant Tech Systems	\$1,385
18	Alliant Tech Systems	\$417	AmerisourceBergen	\$1,371
19	Dell	\$393	Austal	\$1,365
20	Motorola	\$389	BP	\$1,260
Total for Top 20		\$47,012		\$102,129
Total for Products		\$81,837		\$176,781

*Joint Venture

Source: FPDS; CSIS analysis

Top 20 DoD Contractors for Services, 2001 and 2011

Rank	Top 20 Contractors in 2001	Obligations in 2011 Millions	Top 20 Contractors in 2011	Obligations in 2011 Millions
1	Lockheed Martin	\$3,021	Lockheed Martin	\$5,588
2	Newport News Shipbuilding	\$2,236	Northrop Grumman	\$4,634
3	Raytheon	\$1,743	SAIC	\$3,894
4	General Dynamics	\$1,462	Humana	\$3,439
5	SAIC	\$1,344	L3 Communications	\$3,224
Total for Top 5		\$9,806		\$20,780
6	Boeing	\$1,316	TriWest Healthcare	\$3,093
7	TRW	\$1,308	Health Net	\$2,963
8	Health Net	\$1,173	Dyncorp International	\$2,861
9	Northrop Grumman	\$991	Computer Sciences Corp.	\$2,817
10	Computer Sciences Corp.	\$769	General Dynamics	\$2,741
11	TriWest Healthcare	\$692	Fluor	\$2,715
12	Bechtel	\$670	Raytheon	\$2,704
13	Dyncorp International	\$661	ITT	\$2,605
14	Halliburton	\$556	BAE Systems	\$2,412
15	URS	\$550	KBR	\$2,250
16	BAE Systems	\$546	Boeing	\$2,036
17	MCI/Worldcom	\$501	CACI	\$1,926
18	Humana	\$500	Hewlett-Packard	\$1,746
19	Jacobs Engineering Group	\$493	URS	\$1,731
20	ITT	\$473	Bechtel	\$1,544
Total for Top 20		\$21,006		\$56,925
Total for Services		\$73,569		\$160,037

*Joint Venture

Source: FPDS; CSIS analysis

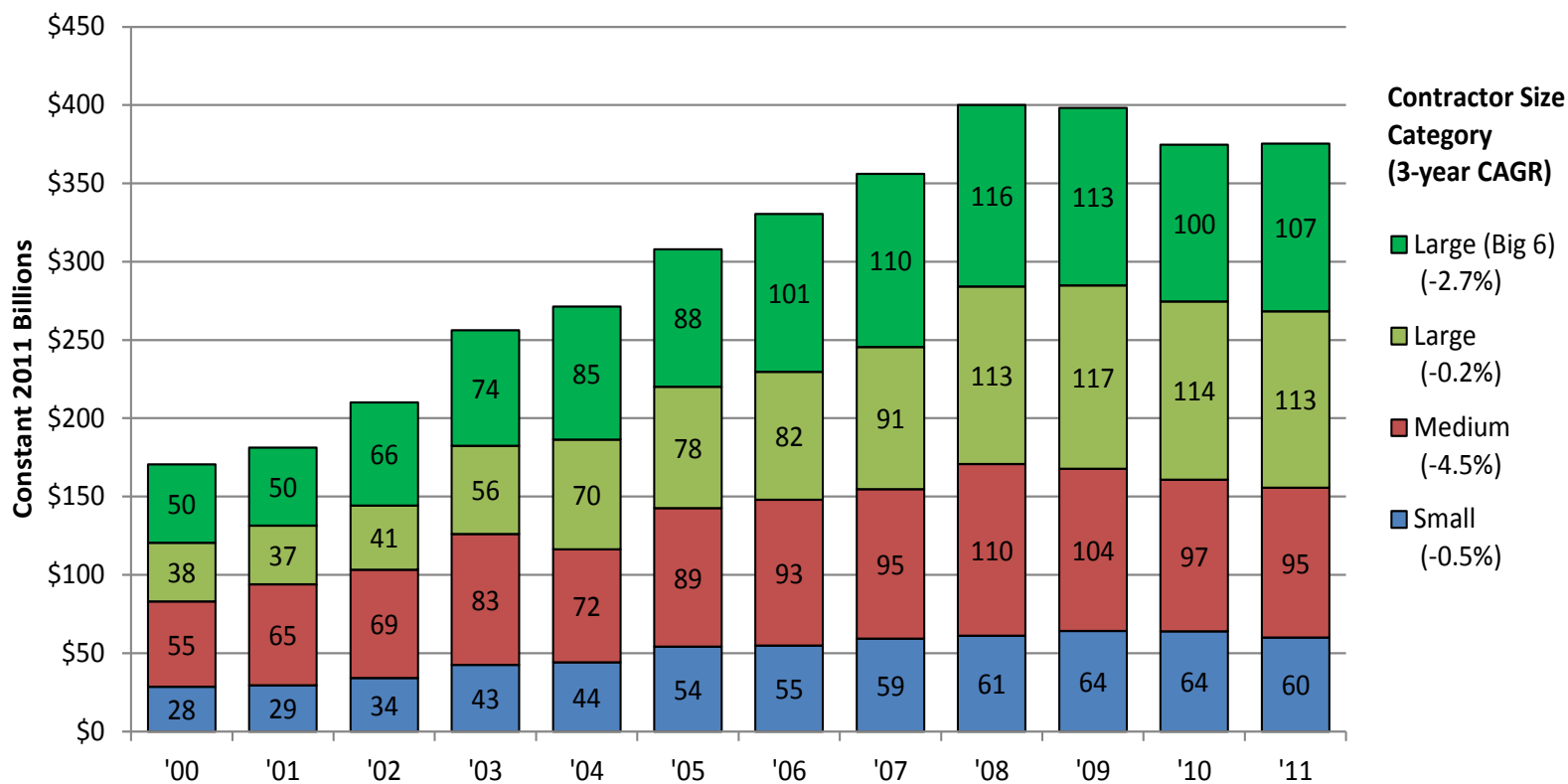
Top 20 DoD Contractors for R&D, 2001 and 2011

Rank	Top 20 Contractors in 2001	Obligations in 2011 Millions	Top 20 Contractors in 2011	Obligations in 2011 Millions
1	Lockheed Martin	\$5,277	Lockheed Martin	\$8,002
2	Boeing	\$3,324	Boeing	\$3,982
3	General Dynamics	\$1,777	Northrop Grumman	\$3,825
4	United Technologies	\$958	Raytheon	\$2,864
5	Northrop Grumman	\$723	General Dynamics	\$1,297
Total for Top 5		\$12,059		\$19,970
6	Boeing / UTC Joint Venture	\$659	Booz Allen Hamilton	\$1,048
7	SAIC	\$641	MIT	\$947
8	Aerospace Corp.	\$553	United Technologies	\$903
9	TRW	\$533	Aerospace Corp.	\$886
10	MITRE	\$524	SAIC	\$835
11	Raytheon	\$478	Johns Hopkins University	\$727
12	MIT	\$433	Wyle Laboratories	\$527
13	Computer Sciences Corp.	\$290	JVYS*	\$481
14	Rockwell Collins	\$227	BAE Systems	\$479
15	ITT	\$212	L3 Communications	\$411
16	Johns Hopkins University	\$181	ITT	\$339
17	Oshkosh	\$171	MITRE	\$330
18	Textron	\$148	CACI	\$293
19	Spectrum Astro	\$124	Navmar	\$248
20	Institute for Defense Analysis	\$117	Battelle	\$221
Total for Top 20		17,352		\$28,646
Total for R&D		25,939		38,499

*Joint Venture

Source: FPDS; CSIS analysis

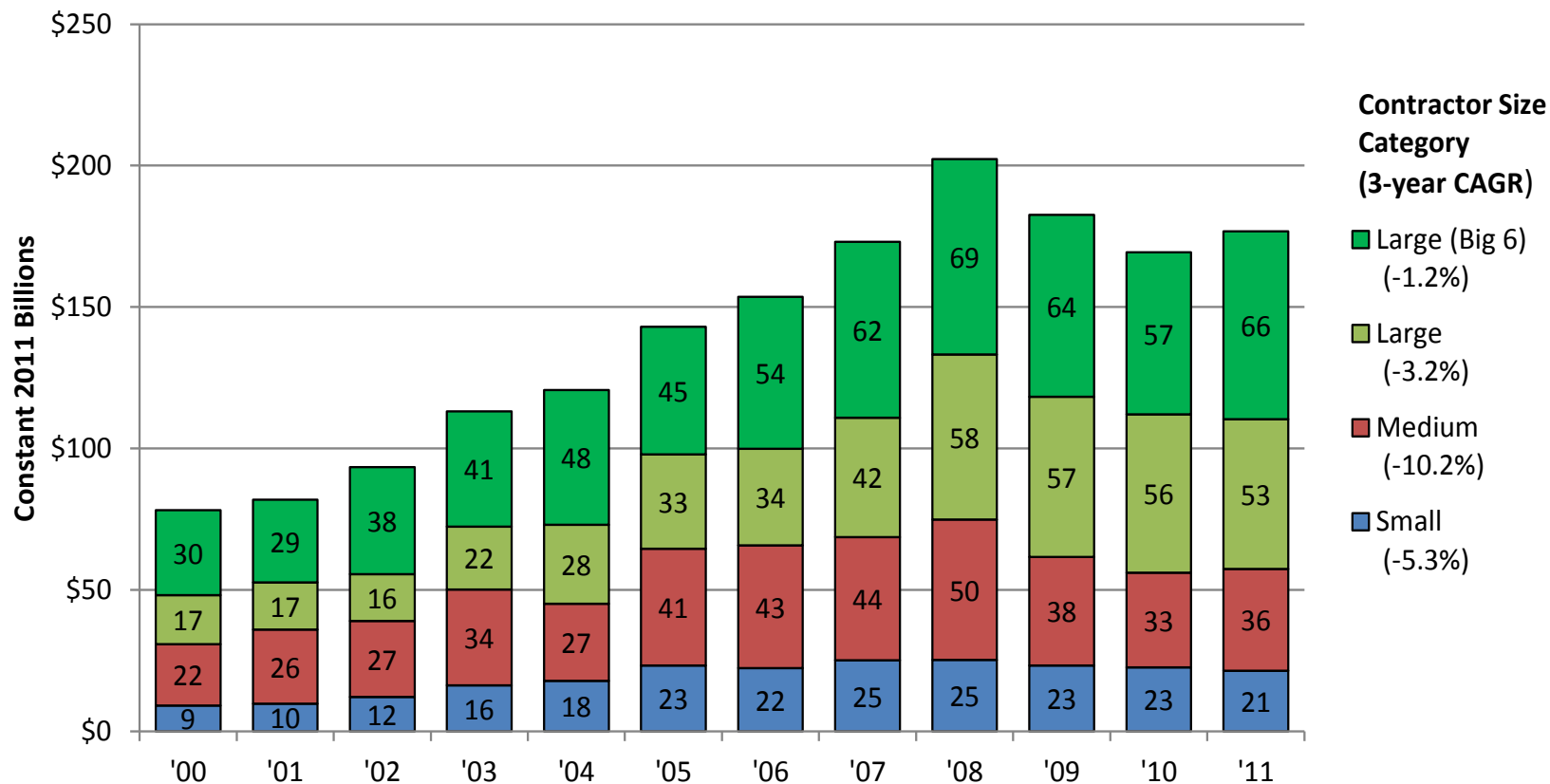
DoD Contract Obligations by Contractor Size, 2000-2011



Note: To calculate the market share of small businesses, CSIS divides the sum of obligations to small businesses by total obligations. As a result, the data will vary from other publications that report on small business set-asides.

Source: FPDS; CSIS analysis

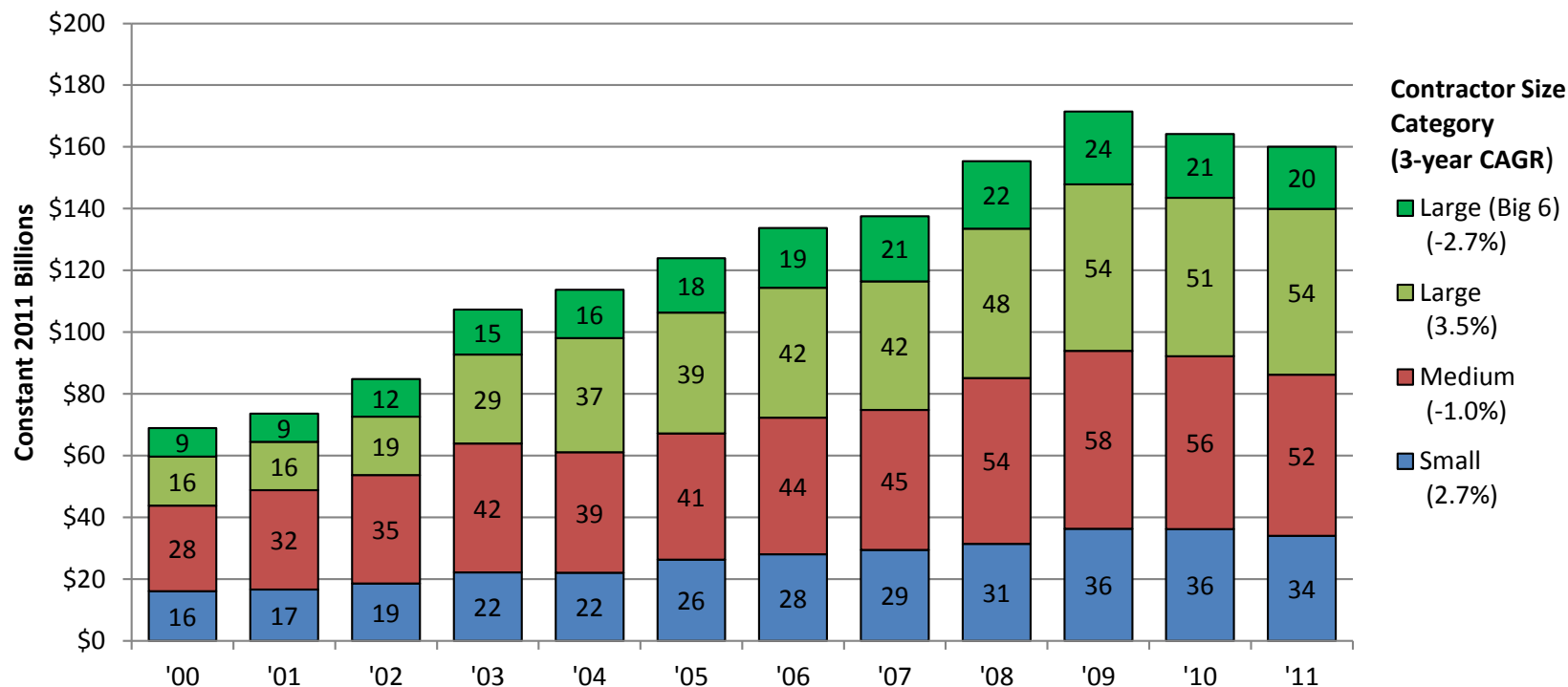
DoD Contract Obligations for Products by Contractor Size, 2000-2011



Note: To calculate the market share of small businesses, CSIS divides the sum of obligations to small businesses by total obligations. As a result, the data will vary from other publications that report on small business set-asides.

Source: FPDS; CSIS analysis

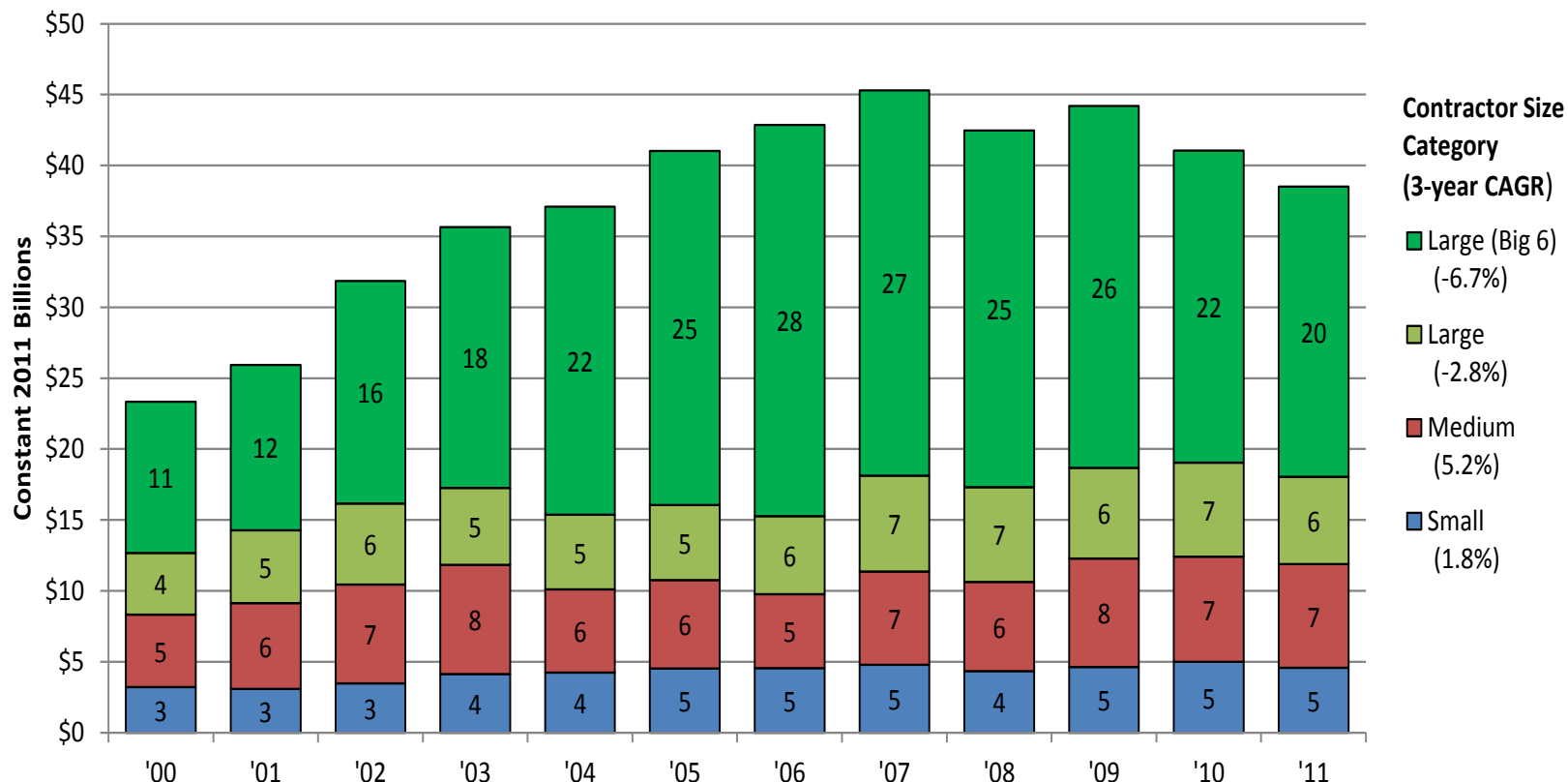
DoD Contract Obligations for Services by Contractor Size, 2000-2011



Note: To calculate the market share of small businesses, CSIS divides the sum of obligations to small businesses by total obligations. As a result, the data will vary from other publications that report on small business set-asides.

Source: FPDS; CSIS analysis

DoD Contract Obligations for R&D by Contractor Size, 2000-2011



Note: To calculate the market share of small businesses, CSIS divides the sum of obligations to small businesses by total obligations. As a result, the data will vary from other publications that report on small business set-asides.

Source: FPDS; CSIS analysis

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