LEAN MEAN FIGHTING MACHINE.
WINNING MORE BUSINESS AT SOCOM.

Bloomberg
GOVERNMENT
Special Operations Command (SOCOM) is unique among Defense Department combatant commands. It has its own budget and its own acquisition authority, and it is very business friendly – often needing new gear in a hurry. Here’s what you need to know about doing business with American special forces.

By Robert Levinson

SOCOM’s complex buying structure can make it challenging for contractors looking to identify opportunities and win new business. But, for those who do know the market and capture process, opportunity appears to be on the rise.

These five charts, generated using Bloomberg Government’s new on-demand reports tool, help you visualize the growing importance of SOCOM and the potential business opportunities in this expanding market.
STEADY IN THE FACE OF DECLINE

Despite a steady downward trend in overall defense contracting in recent years, SOCOM contracting has remained relatively steady. SOCOM operations in the Middle East and Africa probably will keep spending robust in fiscal 2016.

SOCOM prime contracts

STREAMLINED AND DIVERSE

SOCOM, unique among the combatant commands, has its own procurement authority. That means SOCOM buys some of its own special operations-specific equipment. Still, the majority of its contracting dollars are spent on support services rather than hardware.

SOCOM supports a diverse market
THE TOP 20 SOCOM CONTRACTORS

Top defense contractors such as Lockheed Martin, General Dynamics, L-3 and Raytheon also dominate the SOCOM market. Several smaller niche companies like Purple Shovel, Universal Manufacturing Co. and Culmen International have risen rapidly in recent years.

<table>
<thead>
<tr>
<th>FY 2015 rank</th>
<th>Parent vendor</th>
<th>FY 2015 obligations</th>
<th>FY 2014 rank</th>
<th>FY 2013 rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lockheed Martin Corp.</td>
<td>$531,647,393</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>General Dynamics Corp.</td>
<td>$192,627,847</td>
<td>3</td>
<td>3</td>
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<tr>
<td>3</td>
<td>L-3 Communications Holdings Inc.</td>
<td>$179,369,522</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Raytheon Co.</td>
<td>$112,683,293</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>Boeing Co.</td>
<td>$109,248,670</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Boeing Sikorsky Aircraft Support</td>
<td>$104,047,727</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>7</td>
<td>Harris Corp.</td>
<td>$101,371,380</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>Booz Allen Hamilton Holding Corp.</td>
<td>$75,319,897</td>
<td>9</td>
<td>11</td>
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<tr>
<td>9</td>
<td>Finmeccanica SpA</td>
<td>$67,654,191</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>Jacobs Engineering Group Inc.</td>
<td>$64,547,342</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>11</td>
<td>CACI International Inc.</td>
<td>$61,190,645</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>12</td>
<td>Purple Shovel LLC</td>
<td>$60,981,773</td>
<td>48</td>
<td>1251</td>
</tr>
<tr>
<td>13</td>
<td>Vigor Industrial LLC</td>
<td>$60,039,081</td>
<td>15</td>
<td>72</td>
</tr>
<tr>
<td>14</td>
<td>Worldwide Language Resources Inc.</td>
<td>$49,387,562</td>
<td>13</td>
<td>122</td>
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<tr>
<td>15</td>
<td>MA Federal Inc.</td>
<td>$45,405,389</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>16</td>
<td>GATR Technologies Inc.</td>
<td>$41,315,108</td>
<td>29</td>
<td>20</td>
</tr>
<tr>
<td>17</td>
<td>ViaSat Inc.</td>
<td>$37,991,501</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>18</td>
<td>Universal Manufacturing Co.</td>
<td>$31,332,233</td>
<td>1154</td>
<td>1205</td>
</tr>
<tr>
<td>19</td>
<td>ManTech International Corp/VA</td>
<td>$31,126,579</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>20</td>
<td>Culmen International LLC</td>
<td>$29,141,679</td>
<td>308</td>
<td>1251</td>
</tr>
</tbody>
</table>
**COMPETITION DOWN, BUT AN INCREASE IS BREWING**

The portion of contracts and task orders competed has been trending downward in the last few years, while the average number of bidders has seesawed. Preliminary data for fiscal 2016 shows competition increasing, but the trend may not last throughout the year.

**SOCOM contracts increased in average size and length from fiscal 2012 through fiscal 2014, but then declined substantially in fiscal 2015. The trend thus far in fiscal 2016 is upward again, though data for the full year may change the picture.**
Agreements (CRADAs), to multiyear contracts across a vast array of capability areas. A CRADA is an agreement between SOCOM and a non-federal party to perform collaborative research and development in any area that is consistent with SOCOM’s mission.

This year we’ll begin hosting monthly capability collaboration events where we will seek to bring together key stakeholders from the SOCOM staff, academia, other government agencies, and industry to focus on a specific capability area, such as biometrics/forensics, precision munitions, intelligence, surveillance, reconnaissance, etc. These are all great opportunities for contractors to collaborate with SOCOM.

Mr Geurts, as you think about your current priorities, what are some of the best opportunities contractors can pursue with SOCOM?

Geurts: There are numerous opportunities for contractors, at various levels of effort, to collaborate with SOCOM. We execute roughly $3 billion per year in contracts with approximately 1,150 different industry partners. Competition is extremely important to us, as we seek to provide best value both in terms of capability for our operators and value for the taxpayer. We competed 73.5 percent of all contracts awarded in FY 2015. Of the contracts awarded, 33.1 percent were awarded to small businesses, including 10.8 percent to Service-Disabled Veteran-Owned Small Business, 10.5 percent to Small Disadvantaged Business, 4.6 percent to Woman-Owned Small Business, and 2.3 percent to Historically Underutilized Business Zones (HUBZone).

These metrics are important to us, not only because we exceed Department of Defense (DOD) goals, but also because we fully believe competition and partnering with small business are key to achieving agile, affordable and innovative results for our operators. Opportunities for contractors can range from technology information exchanges, to Cooperative Research and Development

We talked with SOCOM Acquisition Executive James Geurts about upcoming contract opportunities, key technologies for the war fighter of the future and SOCOM’s uniquely nimble acquisition process.

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This interview has been edited for clarity.
What is your advice for contractors pursuing work with SOCOM?

Geurts: SOCOM is “open for business” and has many different avenues to provide industry with opportunities to participate and support the command.

For small businesses, we recommend you contact the small business Office directly at 813-826-9475, Christopher.Harrington@socom.mil. The Small Business Office is one conduit into the command. Their charter is to ensure small businesses are represented, within the command when acquisition strategies are being developed to ensure maximum participation for small businesses either as a prime contractor or as a subcontractor.

The Technology and Industry Liaison Office (TILO) supports the command through interface with large and small businesses, educational institutions and think tanks. The TILO looks for SOF-specific solutions. Once received, the information will then be reviewed and staffed to the various HQ SOCOM Program Executive Offices responsible for the development, acquisition, production and sustainment of HQ SOCOM material and technology platforms and other HQ personnel that support our Special Operations Forces, to include our Science and Technology Advisor.

SOCOM conducts Technical Experimentation (TE) events throughout the United States with government, academia, and private industry representation. TE provides a unique opportunity for technology developers to interact with the SOF community in a collaborative environment. TE identifies potential Technology Readiness Level (TRL) 3 or greater technology solutions, impacts, limitations and utilities to meet SOF technical objectives and thrust areas.

The Command also has a Small Business Innovation Research Program (SBIR). The SOCOM SBIR program supports the DOD SBIR Program’s overall mission to leverage small business technology innovation for the warfighter, and is focused on providing funding for the development of advanced technology that provides increased capability for the SOF warfighter.

The command also issues Broad Agency Announcements (BAAs). This BAA is intended to solicit extramural research and development ideas. The announcements provide a general description of SOCOM’s research areas of interest, general information, evaluation and selection criteria and proposal/application preparation instructions. Projects must be for scientific study and experimentation directed toward advancing the state-of-the-art or increasing knowledge or understanding. Projects that are for the development of a specific system or hardware procurement will not be considered.

What are the key technologies the SOCOM warrior of the future will need?

Geurts: After 14 years of sustained combat operations, SOCOM has reassessed its capability requirements in light of rapid changes occurring in the strategic operating environment. The Future Special Operator (FSO) is SOCOM’s solution to the challenges posed by the increasing velocity of human change.

In an increasingly interconnected world, a broadening array of state and non-state actors employing irregular and hybrid approaches challenge U.S. interests. For SOCOM, the future operating environment will be characterized by an increasingly complex set of challenges in every part of the world. Beyond the employment of improved technology, adversaries will continue to blend traditional and irregular techniques, capabilities and resources to execute hybrid approaches in the “gray zone,” the space between peaceful competition and war. The operational challenge for SOF will be to deter “gray zone” emerging security challenges rather than responding to them once a crisis erupts.
Is SOCOM’s reputation for having a more nimble acquisition process, compared to the other services, well deserved?

Geurts: SOCOM has several distinct advantages that are derived directly from the authorities, written into our creation by Congress. We are the only Combatant Command with acquisition authority. For me to execute my Service-like responsibility to “man, train and equip” Special Operators, we were empowered to acquire Special Operations-peculiar (SO-P) products and services. That same language legislated that I have an Acquisition Executive (AE) directly responsible to me for the acquisition of those SO-P products and services. I believe this unique language provides three distinct advantages for SOF acquisition.

1 The fact that the SOCOM AE works for me directly greatly enhances our process. As a key member of my staff, the SOAE can proactively initiate action on my intent and the intent of my subordinate commanders without reactively waiting for formal requirements. This allows for a parallel pursuit of capability as we also line up the requirements and the funding.

2 The second advantage is the limitation to focus on SO-P products and services. By the nature of SOF, the quantity and unit cost of most SO-P acquisitions allow us to manage the programs at much lower levels than the major acquisition programs typical in the services.

3 Finally, and probably most importantly, SOF acquisition benefits a great deal by the excellence of our SOF operators. It’s simply a fact that the average SOF operator is older, and has received more training and more educational opportunities. Our nation has invested a great deal in these men and women and, because of that, we tend to get better requirements up front. This also means we often get better feedback during testing and after we put a piece of equipment in the field.

I do believe there is a challenge to how SOF acquisition has evolved and how we retain agility into the future. Post-9/11, our budget and force size increased commensurate with the relevance of the SOF capability to the global security environment. We have had growing pains keeping up with the sustainment and readiness of increasing amounts of equipment. We’re committed to leaning out our processes and policies so that the cost of maintaining, accounting for and storing our existing equipment doesn’t erode our investment in future capabilities. To this end, we’re always exploring new means of collaborating with Interagency, DOD, international and industry partners – both traditional defense contractors and commercial industry that may have demonstrated a reluctance to team with the DOD in the past.
WHAT MAKES SOCOM DIFFERENT?

Field guide: Five facts business development pros need to know.

Understanding SOCOM’s organization is the key to understanding how to win new business.

By Cameron Leuthy

The following contains essential facts, organization charts you can combine with Bloomberg Government’s service to identify areas of strategic advantage, and the insights you need to inform your marketing, business development, pipeline build-out and capture strategies.

1

**SOCOM isn’t like other combatant commands**

SOCOM has both direct appropriations and procurement authority – regional commands like European Command don’t, and Transportation Command buys but doesn’t get direct funding.

2

**SOCOM doesn’t do all the buying – military services support SOCOM acquisition**

SOCOM buys modifications to service-procured equipment to meet unique requirements (See National Defense Magazine’s article on how SOCOM uniquely bypasses acquisition red tape).

3

**The SOCOM acquisition process is centralized through its Acquisition, Technology, and Logistics (AT&L) office but is geographically dispersed**

SOCOM has 20 contracting offices located throughout the continental U.S. and also relies on military service contracting units for “contingency contracting.”

4

**SOCOM buying is often faster than the military services – as quick as 180 days**

SOCOM is more focused on near-term requirements than the other military services.

5

**While some SOCOM contracts are for a small number of units, SOF AT&L is busy**

AT&L delivers 100 aircraft, 700 tactical vehicles, 4,000 weapon systems, 20 million munitions, 3,000 radios, 2,000 C4I items and 600 ISR kits a year.
SOCOM components have buying roles, contributing to requirements development.

Here's a high-level look at how SOCOM is structured:
AT&L is organized into Program Executive Offices (PEOs) based on what they buy. Knowing these offices is crucial to positioning the unique services you want to offer. Here’s a look at how the PEOs are organized, and what each has focused on buying recently.

<table>
<thead>
<tr>
<th>PEO</th>
<th>FOCUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maritime</td>
<td>More than $1 billion over the 2016-2020 Future Years Defense Program (FYDP) – operationally effective and sustainable surface and subsurface maritime mobility platforms and maritime equipment</td>
</tr>
<tr>
<td>Rotary Wing</td>
<td>$1 billion in procurement funding over the FYDP – MH-47G Chinook, three different models of the MH-60 Black Hawk, the A/MH-6M Little Bird, and developmental programs such as the YMQ-18A Vertical Lift Unmanned Aerial System</td>
</tr>
<tr>
<td>Fixed Wing</td>
<td>$2.4 billion in procurement funding over the FYDP – includes MC-130P Combat Shadow, MC-130H Combat Talon II, CV-22 Osprey, AC-130H Spectre, and AC-130U Spooky aircraft</td>
</tr>
<tr>
<td>SOF Warrior</td>
<td>More than $1 billion over the FYDP – ground mobility, visual augmentation systems, weapon systems, ammunition/demolition, soldier protection and survival, and medical systems</td>
</tr>
<tr>
<td>SRSE</td>
<td>Technical collection, intelligence support, and identity operations, supported by a uniquely organic and focused research and development program</td>
</tr>
<tr>
<td>SOFSA</td>
<td>Provides a wide range of tailored contractor logistics support services</td>
</tr>
<tr>
<td>Services</td>
<td>Effective and efficient management of more than $1.5 billion spent each year on contracted services</td>
</tr>
<tr>
<td>C4</td>
<td>$3.8 billion over the FYDP – enterprise networks, transport systems and tactical communications</td>
</tr>
<tr>
<td>S&amp;T</td>
<td>Works closely with the PEOs to identify technology risk and red teams to inform threat-related gaps</td>
</tr>
</tbody>
</table>
GET SMART, FAST.

Introducing on-demand reports.

Looking for more information on the SOCOM market? Bloomberg Government has engineered the market's only on-demand reports, helping you visualize the data you need, when you need it. Easily generate all the intel you need to do your job faster.

(Psst! - Want an example? The analysis on pages 2 - 5 of this report was created with on-demand reports)

1  MARKET REPORTS
Your market, visualized.

Summarize market spending over time by agency or bureau, with a list of top vendors in the market. Track market concentration and contract dynamics based on customized market definitions.

2  OPPORTUNITY REPORTS
See your next win, simply and easily.

Access a listing of the top contract and grant opportunities in specific congressional districts, or see contract opportunities by expiring and high-burn-rate contracts or task orders in any market.

3  GEOGRAPHIC REPORTS
Follow the money, anywhere.

Get an overview of the top markets and contract obligations at the city, vendor, major program, agency, bureau, budget and small-business level as well as opportunities in any particular location or congressional district.

4  VENDOR REPORTS
Competitive analysis, when you need it.

Review the top contracts, funding agencies or bureaus, places of performance, markets, set-asides, contract types and vehicle dynamics at a particular contractor. Additionally, view a snapshot of the past performance of the top five competitors in a given market.
Analytics, insights, advantage.
Opportunity, redefined.

If there’s one thing you need to know, it’s everything. Every opportunity, every market development and every move your competition makes. That’s why Bloomberg Government is custom built for those who live to the left of the RFP. Redefine opportunity with one solution built for your success. Here’s how we help:
YOUR DAY STARTS HERE

You’re always expected to be on. That’s why we are, too. Customize Bloomberg Government’s dynamic homepage to your exact specifications, making it your entry point to everything you need to do – all day long.

FILL YOUR PIPELINE

Set your profile, visualize your markets, explore suggested opportunities, review budgets and access exclusive analyst reports – all in a few clicks. Bloomberg Government’s pipeline builders isn’t just user-friendly, it’s user-tailored.

SEIZE THE (RIGHT) OPPORTUNITY

Get ahead of RFPs with an in-depth market overview. Search across opportunities – including title, requirements, amendments, SOWs and other related documents. If you’re not using Bloomberg Government, you’re only seeing half the picture.

KNOW YOUR MARKET

Analyze spending patterns across agencies, competitors and contracts. Size your market, identify procurement trends, view the competition and oversee your contracts with speed and precision.

PERFORM RESEARCH

Save time by doing all your business development research in one place. From procurement forecasts and GAO reports to budget justifications and Exhibit 300s, surface hidden opportunities, see where the market is headed and know everything about your competition.

KNOW EVERYTHING

You’re expected to know every detail about the market – from buying trends and competitive analysis to incumbent vulnerabilities and industry-specific news. That’s why you have the unparalleled breadth, depth and speed of Bloomberg’s thousands of Washington-area reporters and industry-leading analysts.

MANAGE YOUR NETWORK

Who you know matters. If you’re in the business of doing business with federal agencies, Bloomberg Government makes sure you always have the right name at the right time. From federal agencies to congressional staff, we offer Washington’s most comprehensive and accurate suite of contacts.

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