Literacy — Agencies: The Department of Defense

The largest single purchaser of goods and services on earth. If federal contracting has a center of gravity, it is the Department of Defense — the department whose rulebook, vehicles, and set-aside machine define what most people mean by "government contracting." This profile maps the defense market so you can walk into a defense solicitation knowing the altitude you are flying at.

Culture: the acquisition machine

The DoD is not one buyer. It is a **federation of buyers** sharing one rulebook and one mission. When you pursue a defense opportunity, you are always pursuing a *component* — the Army, the Navy and Marine Corps, the Air Force and Space Force, the Defense Logistics Agency (DLA), the Defense Information Systems Agency (DISA), the Missile Defense Agency, the Special Operations Command (SOCOM), the research agencies like DARPA — each with its own priorities, its own offices, and its own acquisition culture layered on top of the common one.

Three durable facts about the culture:

1. **The mission is warfighting readiness.** Every dollar is traced to a mission need — a capability the warfighter must have. "Military value" and "mission effectiveness" are not slogans in defense evaluation; they are the first questions an evaluator asks.
2. **The rulebook is the tallest in government.** Defense buying runs on the FAR plus the **DFARS** (Defense FAR Supplement), plus each component's own FAR supplement. The altitude matters because it means more mandatory clauses, more compliance, more security and supply-chain requirements — and a market where the people who know the rules have a real edge.
3. **It buys at every maturity level.** The DoD is simultaneously a research funder (DARPA, the service laboratories, SBIR/STTR), a prototype buyer (using **Other Transaction Agreements, OTAs**, to move fast on new capability), a services buyer (IT, engineering, logistics), and a commodities buyer (DLA buys everything from rations to spare parts). Where you fit depends on what you sell.

The rulebook altitude: FAR, DFARS, and the supplements

From industry-standard-canon you know the two rulebooks by name. In the defense market they are inseparable:

- **FAR** — the government-wide acquisition regulation. Part 15 governs negotiated procurements (the RFP game); Part 13 governs simplified acquisitions below the simplified threshold; Part 12 governs commercial items.

- **DFARS** — the DoD's supplement, layered on top. It is where the defense-specific requirements live: cybersecurity (the **CMMC** — Cybersecurity Maturity Model Certification — for contractors handling controlled unclassified information), supply-chain security, specialty metals and domestic-source rules, and hundreds of mandatory clauses.
- **Component supplements** — the Army, Navy, Air Force, and DLA each add their own layers under the DFARS.

The practical lesson: a defense solicitation is *longer* and *more clause-heavy* than a civilian one, and the compliance reading (doctrine/02) is correspondingly more punishing. The compliance matrix is not optional in this market.

Solicitation shapes

The DoD uses the full federal toolbox, but with defense textures:

- **RFP (FAR Part 15)** — the full competition, evaluated on stated factors.
- **RFQ (FAR Parts 12/13)** — for commercial and simpler buys, often price-led.
- **BAA (Broad Agency Announcement)** — the research shape; the agency invites ideas within an area of interest rather than one specific product. DARPA and the service research offices live here.
- **OTA (Other Transaction Agreement)** — the fast, flexible shape for prototyping and research, used heavily by DARPA, the Defense Innovation Unit, AFWERX, and SOFWERX to move at commercial speed. OTAs are exempt from most of the FAR.
- **SBIR/STTR solicitations** — the small-business R&D set-asides, run through the **Defense SBIR/STTR Innovation Portal (DSIP)**, the DoD's mandatory submission portal. See the SBIR/STTR profile.

Evaluation emphasis: the tradeoff

Defense source selections are usually **best-value tradeoffs**: the agency states factors (technical, management, past performance, cost/price) with relative weights, and picks the offer that represents the best value to the government — which can be a higher-priced offer if its technical superiority justifies it. Lowest-price-technically-acceptable (LPTA) exists but is reserved for simpler, well-understood buys; for capability work, the tradeoff is the norm.

Three emphases to internalize:

1. **Technical merit is almost always the swing factor** — but the *adjectives* matter. Read the evaluation language the way doctrine/02 teaches: does the agency say "highly qualified," "significant discriminators," "mission-critical"? Those adjectives tell you what the evaluators are braced to reward.
2. **Past performance is weighted heavily and checked mechanically.** The defense record is the **CPARS/SPRS** system — see below. A defense

evaluator reads your past-performance volume looking for *relevant, recent, rated* performance on similar work.

3. **Cost realism and price reasonableness are real gates.** The DoD checks not just whether your price is competitive but whether it is *realistic* for the work — a too-low price can fail a cost-realism analysis on cost-reimbursement work.

OCI sensitivities. Defense work is acutely sensitive to **Organizational Conflict of Interest** — the risk that a firm's other roles (say, writing the requirements, or providing technical direction on the same system) compromise its impartiality or give it an unfair advantage. The FAR and DFARS have extensive OCI rules, and the DoD enforces them aggressively. A firm that does systems-engineering-and-technical-direction work on one side of a program is often barred from the supply side of the same program. Before you pursue, ask: *does any of our other work create an OCI here?* It is a real reason a pursuit dies.

Vehicles: the IDV landscape

Defense buying leans heavily on **standing competitions you win once and then chase orders against** — the IDIQ/task-order model from doctrine/02:

- **Component IDIQs** — the big multi-award vehicles each service runs for its core needs: the Navy's SeaPort (professional support services), the Army's ITES (IT enterprise solutions) and its family of MATOCs (multiple-award task-order contracts), the Air Force's IT vehicles, DLA's supply vehicles. Winning a place on one of these is a market-entry event for a services firm.
- **GWACs** — government-wide acquisition contracts, mostly run by GSA (Alliant, Polaris, and the OASIS family) and NASA (SEWP), which the DoD also uses. See the GSA profile.
- **Task orders** — once you are on the vehicle, the real competition is the *task order*, which can itself be competed among the vehicle's awardees. The win is a doorway, not a contract; the orders are the work.

The strategic lesson: for a small firm, the question is often not "which solicitation do I answer" but "**which vehicles must I be on** so that the solicitations can reach me."

Past-performance expectations: CPARS, SPRS, and SAM

The defense past-performance system is the most formalized in government — and the acronyms have churned, which is itself a lesson:

- **CPARS** — the **Contractor Performance Assessment Reporting System**, where the government writes a structured rating (quality, schedule, cost control, management, regulatory compliance, business relations) for each qualifying contract. This is the *record* your past-performance volume is built on.

- **SPRS** — the **Supplier Performance Risk System** (which replaced the old PPIRS statistical module), the DoD's automated source of **Quality and Delivery ratings** across three years of performance history. A contracting officer checks SPRS before and during source selection; a poor or absent record in your commodity code is visible.
- **FAPIIS** — the **Federal Awardee Performance and Integrity Information System**, the integrity record (bad-news items: suspensions, debarment, performance problems) folded into SAM.
- **SAM** — the **System for Award Management**: your registration, UEI, and CAGE code. No SAM registration, no award — ever. See further-reading.

The lesson for the pursuer: in defense, your past-performance record *precedes* your narrative. The proposal volume is the marketing of the record; the record itself is scored mechanically. Keep it clean, keep it current, and challenge inaccurate entries when you can — the systems allow it.

The set-aside landscape

Congress has decided a share of defense dollars must reach small business, and the DoD is one of the most set-aside-friendly markets in government:

- **Small business set-asides** — competitions restricted to small business under the SBA size standard for the NAICS code.
- **8(a)** — the SBA's business-development program for socially and economically disadvantaged firms; 8(a) firms can take sole-source and set-aside awards.
- **HUBZone** — the Historically Underutilized Business Zone program; Ravonics' certification (case-study/ravonics.md) is a HUBZone credential, and the DoD is a major HUBZone set-aside buyer.
- **Service-Disabled Veteran-Owned Small Business (SDVOSB)** and **Veteran-Owned Small Business (VOSB)** — since the move of certification to the SBA, SDVOSB/VOSB status is **SBA-certified** for non-VA agencies like the DoD (the VA runs its own separate verification; see the VA profile).
- **WOSB / EDWOSB** — woman-owned and economically disadvantaged woman-owned small business set-asides.

The government-wide statutory goal is **23 percent of prime-contracting dollars to small business**, and defense components carry their own sub-goals and reporting. For a small firm, the set-aside pool is often the friendlier pool: you are competing against peers of similar size, not against the industrial primes — though the primes arrive anyway as *subcontracting* opportunities (which is why a small firm's prime-and-subcontract strategy is one decision, not two).

The DSIP/SAM registration preconditions

Before any of this can happen, the prerequisites are fixed: **SAM registration with a current UEI and CAGE code**, and — for the small-business R&D set-asides — submission through **DSIP**, the Defense SBIR/STTR Innovation Portal, the mandatory system of record for DoD SBIR/STTR proposals. Proposals submitted any other way are disregarded. The same pattern repeats across the market: *the portal is a hard gate, and "submit early, portals jam" is the standing rule* from doctrine/02.

Learning pointers

> **Learning pointers.** The DoD profile teaches the defense half of doctrine/01 (where the money lives) and the set-aside detour. - **Doctrine** — doctrine/02 (solicitation shapes, including OTA), doctrine/09 (best-value positioning and OCI as a capture question). - **Literacy** — industry-standard-canon (FAR/DFARS, CPARS), acronym-decoder (DFARS, IDIQ, OTA, CAGE, OCI, LPTA), further-reading (SAM.gov, the FAR, FPDS). - **Case study** — Ravonics' CAGE code `20DS8` and its HUBZone status are DoD-relevant credentials; its NAICS codes (541512, 541330, 541715, 518210) all sit in defense-adjacent services and R&D lanes. - **Course** — the procurement-law course (undergraduate-301) teaches FAR/DFARS altitude; the capture course (undergraduate-210) exercises vehicle-and-set-aside strategy. - **Verify** — vehicle names (SeaPort, ITES, Alliant, Polaris), the CMMC threshold, and the current set-aside certification rules all change; check the live solicitation and the SBA/SAM guidance before committing.