

Federal Translation and Interpreting Services Market Overview

February 04, 2011





Overview

- An overview of the federal market for translation/language services
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Market Trends & Drivers

- Government contracts for translation/language services are on the rise.
- Federal spending on language contracts increased from nearly \$14.9 million in 1990 to more than \$1 billion in 2009. FY2010 data is not fully reported yet.
- Between FY2007 and FY2008, translation/language services spending has more than doubled.
 - ❖ This could be due to heavier infuses on agencies to procure outside of schedules (see slide 4 vs. slide 8)
- An increase in spending for translation/language services can also be a result of the heavy enforcement of Title VI of the 1964 Civil Rights Act, which prohibits discrimination in federally funded programs.
 - ❖ This means agencies are relying more on language contracts to translate documents and serve as interpreters.
- The increasing immigrant populations have created a civilian need for language services.

Source: Government Executive: *Civilian agencies help fuel growth in translation contracts* article February 2010; FedSources Analysis



Market Trends & Drivers (Continued)

- Translation services contracts often are more cost-effective than establishing in-house language programs, causing an increase in federal spending on these services.
- President's programs for foreign trade, diplomacy and domestic multiculturalism urge the federal government increasingly cause needs for translation/language services.

Source: Government Executive: *Civilian agencies help fuel growth in translation contracts* article February 2010;



Prime Contracts Analysis

- The following slides include data pulled from the Federal Procurement Data System (FPDS) for the related NAICS Codes and Product Service Code (PSC) as follows:
 - ❖ R608 – Translation and Interpreting Services (Including Sign Language)

OR:

 - ❖ NAICS: 541930 – Translation and Interpretation Services
 - ❖ NAICS: 611630 - Language Schools
- Consequently, these totals only account for prime contract spending where the reported PSC/NAICS pertains directly to Interpretation/Language Services. They do not include Interpretation/Language Service activities that may be rolled up under prime contracts with a broader scope.
- While these following slides should not be considered a comprehensive view of the U.S. government market for Interpretation Services, it should serve as a good indicator of the overall market direction



Federal Market Spending Trend (\$000)



Source: FedSources analysis of FPDS contract data. *FY10 data may not be fully reported as of February 2011.



Top 20 Agency Customers (\$000)

Top Agency Name	FY2006	FY2007	FY2008	FY2009	FY2010*	Grand Total
Army	\$37,409	\$190,298	\$796,804	\$1,168,056	\$566,569	\$2,759,137
Department Of Defense	\$147,574	\$49,162	\$76,273	\$96,699	\$73,604	\$443,311
Justice	\$46,949	\$46,384	\$68,026	\$83,546	\$86,227	\$331,133
State	\$22,452	\$22,588	\$36,569	\$54,792	\$48,648	\$185,048
Homeland Security	\$7,569	\$11,557	\$27,360	\$30,711	\$37,193	\$114,389
Air Force	\$15,062	\$19,090	\$23,542	\$17,744	\$15,088	\$90,527
Social Security Administration	\$4,193	\$6,489	\$5,800	\$7,105	\$10,493	\$34,080
Navy	\$3,311	\$4,530	\$6,911	\$6,336	\$1,413	\$22,500
Commerce	\$3,503	\$4,197	\$4,848	\$2,624	\$2,756	\$17,929
Treasury	\$0	\$2,191	\$2,511	\$4,271	\$2,618	\$11,591
General Services Administration	\$5,759	\$459	\$662	\$619	\$3,811	\$11,309
Health And Human Services	\$609	\$1,747	\$2,195	\$1,602	\$1,803	\$7,957
NASA	\$1,467	\$1,389	\$1,363	\$1,571	\$1,741	\$7,532
Veterans Affairs	\$804	\$441	\$259	\$3,059	\$548	\$5,111
Agency For International Development	\$1,502	\$805	\$506	\$1,012	\$1,181	\$5,006
Transportation	\$321	\$376	\$548	\$2,171	\$420	\$3,836
Agriculture	\$605	\$1,030	\$456	\$859	\$856	\$3,807
Labor	\$439	\$543	\$1,082	\$880	\$827	\$3,772
Interior	\$419	\$365	\$614	\$544	\$479	\$2,420
Education	\$11	\$8	\$35	\$718	\$934	\$1,706

Source: FedSources analysis of FPDS contract data. *FY10 data may not be fully reported as of February 2011.



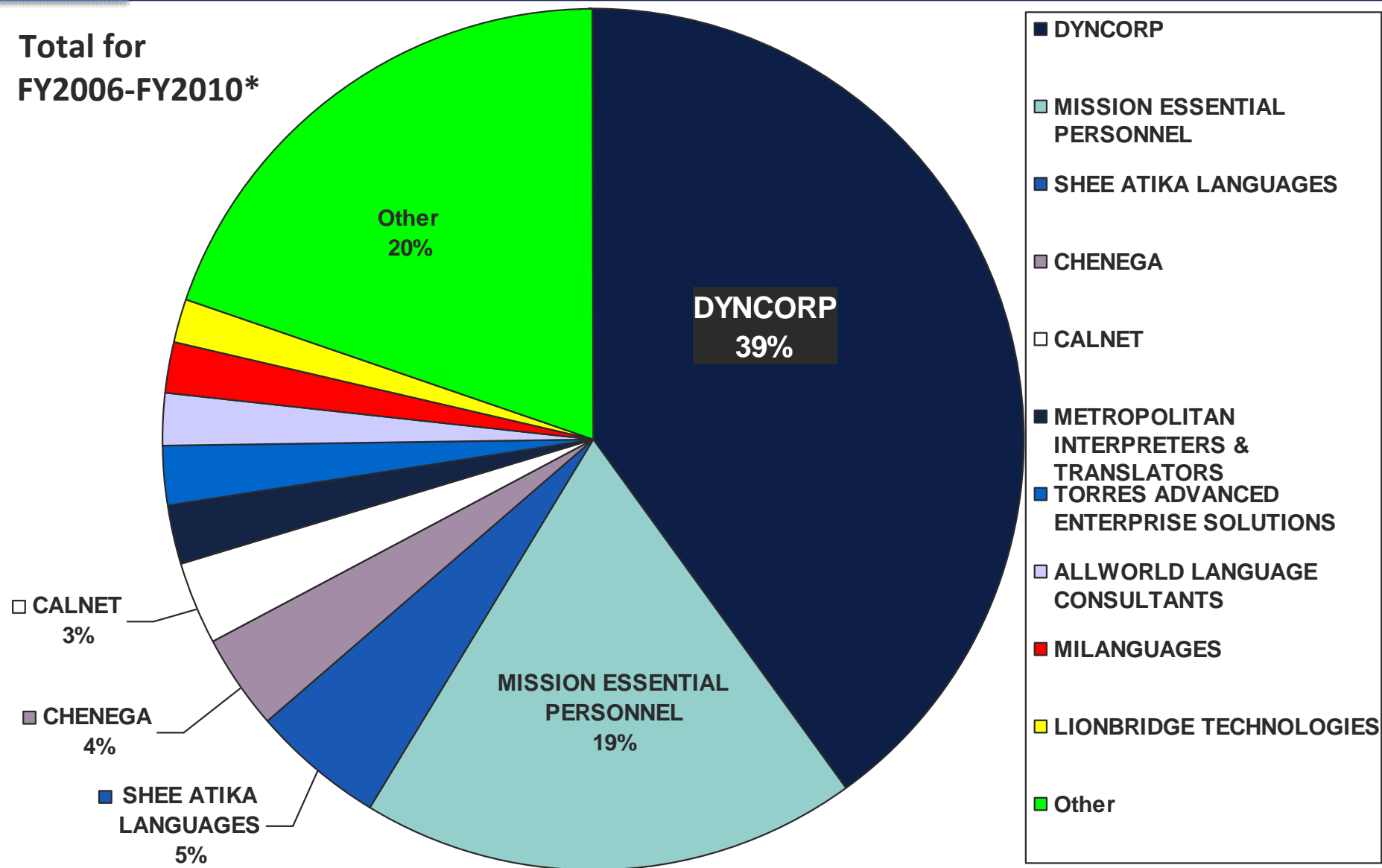
Top 20 Prime Contractors (\$000)

Parent Company Name	FY2006	FY2007	FY2008	FY2009	FY2010	Grand Total
DYNCORP INTERNATIONAL INC.		\$49,023	\$481,579	\$723,126	\$380,262	\$1,633,990
MISSION ESSENTIAL PERSONNEL, LLC		\$76,231	\$204,398	\$332,973	\$144,744	\$758,347
SHEE ATIKA LANGUAGES, LLC		\$32,477	\$47,848	\$63,786	\$52,556	\$196,668
CHENEGA CORPORATION	\$21,408	\$33,554	\$43,091	\$51,922	\$1,567	\$151,543
CALNET, INC.		\$11,382	\$53,297	\$39,320	\$15,623	\$119,622
METROPOLITAN INTERPRETERS & TRANSLATORS INC	\$5,032	\$14,415	\$14,782	\$26,633	\$35,164	\$96,026
TORRES ADVANCED ENTERPRISE SOLUTIONS LLC	\$11,260	\$11,441	\$23,530	\$22,327	\$19,013	\$87,570
ALLWORLD LANGUAGE CONSULTANTS INC.	\$41,855	\$7,291	\$11,389	\$10,229	\$11,492	\$82,257
MILANGUAGES CORP		\$5,417	\$23,771	\$29,080	\$16,345	\$74,613
LIONBRIDGE TECHNOLOGIES, INC.	\$17,999	\$464	\$17,768	\$20,429	\$8,100	\$64,759
SAIC, INC.	\$49,049	\$2,813	\$3,325	\$5,478	\$2,800	\$63,465
SOS INTERNATIONAL LTD.	\$12,532	\$4,247	\$10,869	\$8,570	\$13,710	\$49,928
NORTHROP GRUMMAN CORPORATION	\$14,713	\$8,624	\$10,034	\$9,070	\$7,093	\$49,534
VERITAS CAPITAL FUND II, L.P.	\$23,905	\$3,071	\$807	\$2,489	\$1,121	\$31,393
M V M, INC.	\$352	\$3,362	\$5,226	\$6,539	\$11,212	\$26,691
MISCELLANEOUS FOREIGN CONTRACTORS	\$3,733	\$3,513	\$5,257	\$6,050	\$6,023	\$24,575
THOMAS COMPUTER SOLUTIONS, L.L.C.	\$3,273	\$2,587	\$6,114	\$5,800	\$5,376	\$23,149
CONDUIT LANGUAGE SPECIALISTS, INC.	\$1,690	\$2,268	\$4,219	\$6,306	\$6,562	\$21,045
UNIVERSAL LANGUAGE CORPORATION	\$1,918	\$1,114	\$3,675	\$5,367	\$8,647	\$20,722
RICHARD MILBURN HIGH SCHOOL INC		\$0	\$5,640	\$8,515	\$4,050	\$18,206



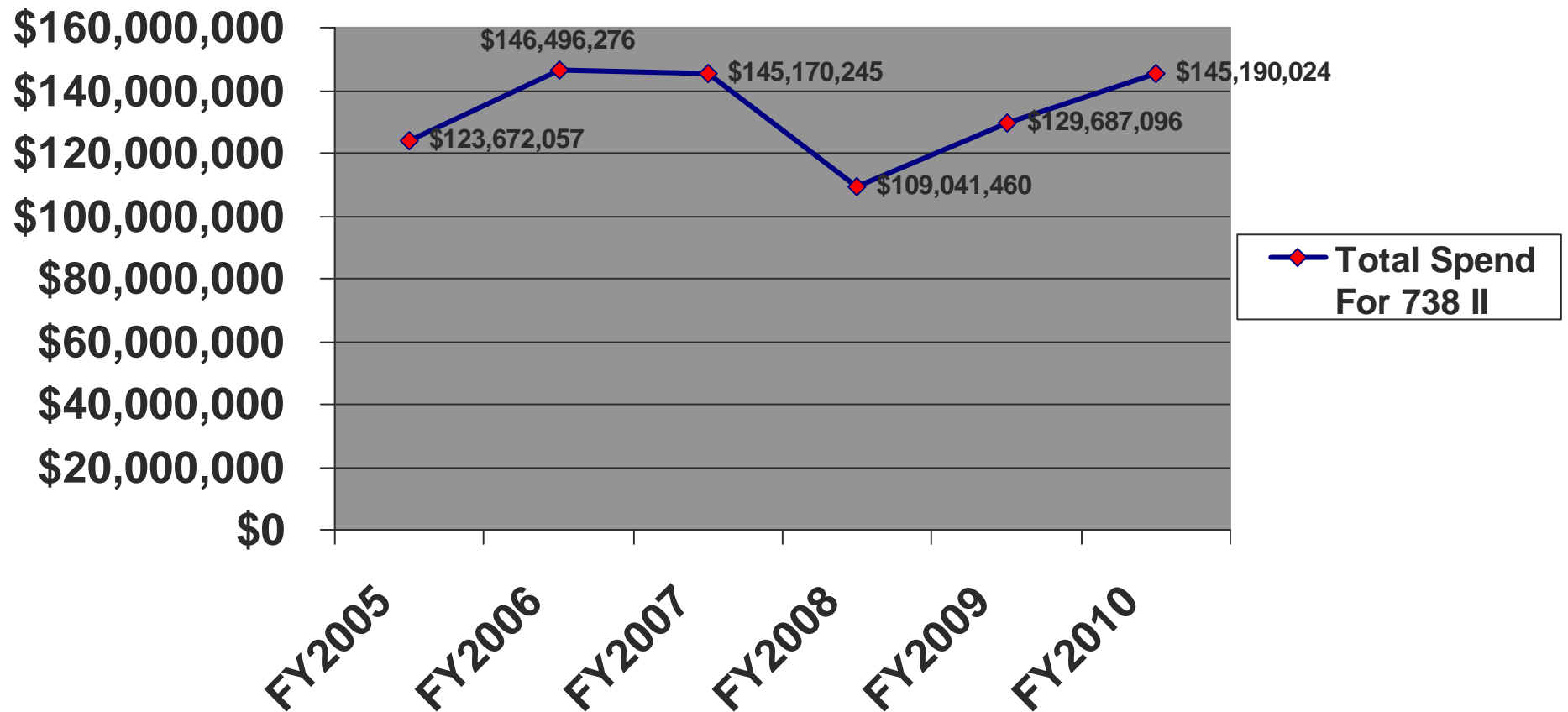
Top 10 Prime Contractors by Share (\$000)

- Total for FY2006-FY2010*





GSA Schedule 738 II Sales Trend



Schedule 738 II Provides contract support for translation, interpretation, and language training.

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