

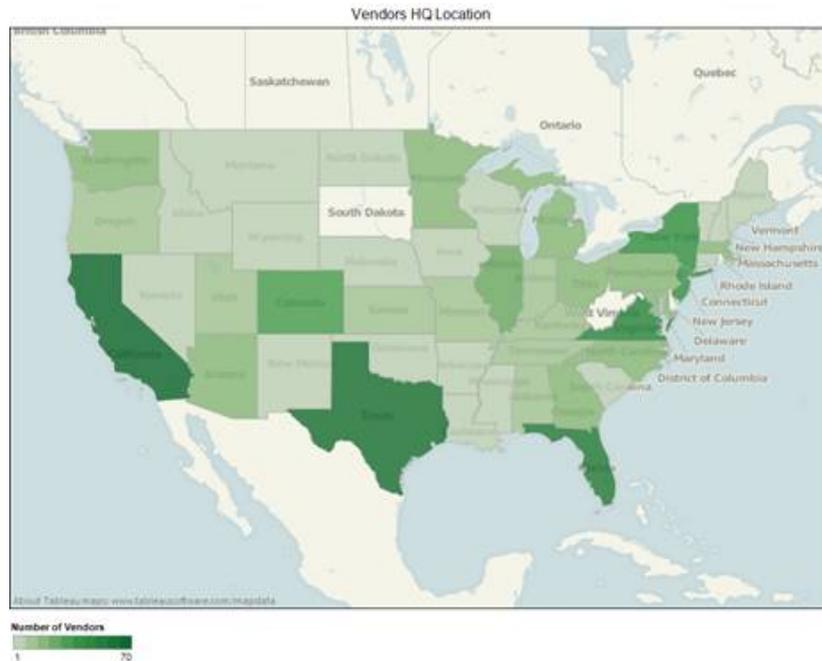
## Vendor landscape in relation to JPS contracts won

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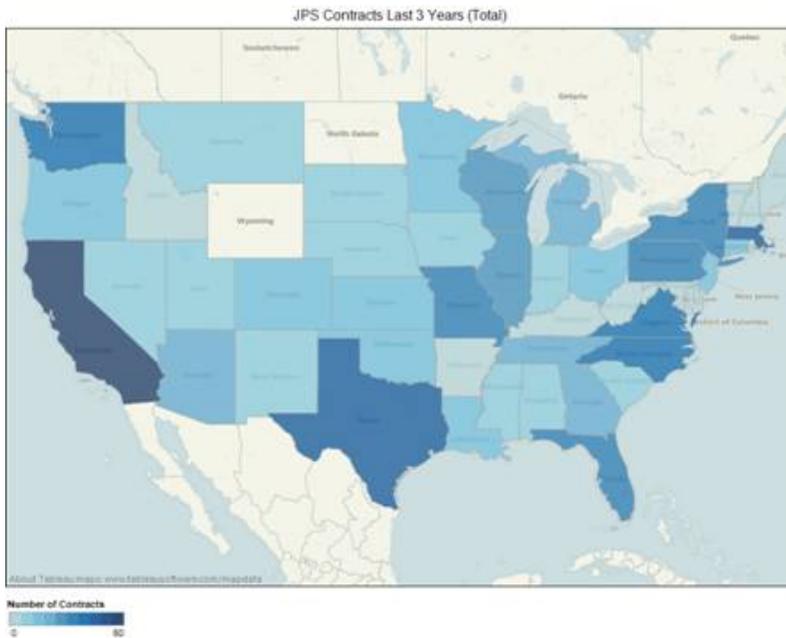
Vendors looking for business opportunities in the justice/public safety (JPS) market are more likely to turn their heads toward California and Texas. According to Deltek's database, a majority of JPS contracts awarded over the last three years have taken place in these states. Vendors seem to have picked up on this trend, as California and Texas are also home to many JPS vendors' headquarters.

Deltek compiled a list of vendors who sell a multitude of JPS technologies, including radio communications, 911, surveillance and analytics. Most vendors who sell these technologies are primarily located in California, Texas, Florida, Virginia and New York, as shown below.

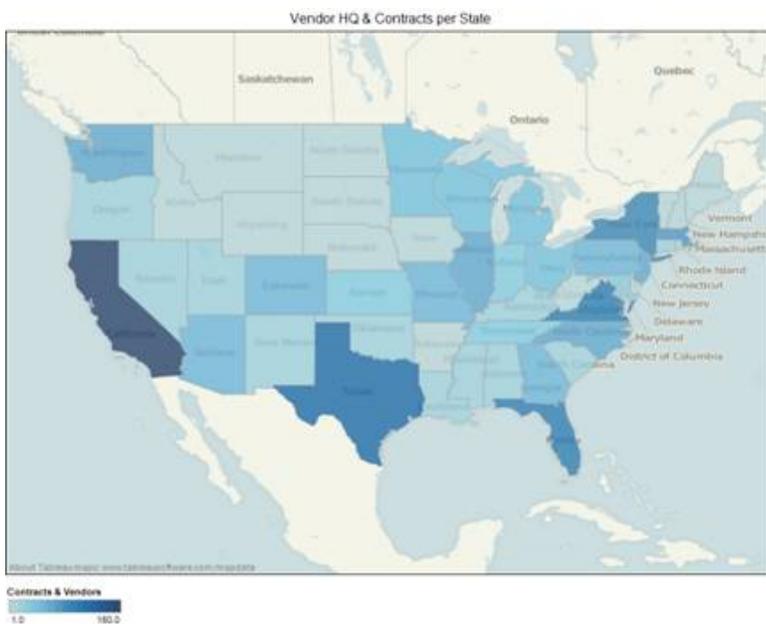


Over the last three years, the greatest numbers of awarded JPS contracts have come out of California, Texas, Washington state, Florida, Massachusetts, Virginia and New York. This is most likely due to the fact that these states have larger budgets and greater populations. Many of the darker-shaded states are home to some of the most populated cities in the United States. In addition, major cities within California, Texas, New York, and Massachusetts were among the top recipients of UASI grants in both FY 10 and FY 11, including New York City, Los Angeles, Houston, Dallas/Fort Worth and Boston. Allocations for 2012 show that cities in New York, California and Florida will be among top recipients.

There is also strong correlation between where JPS contracts are being won and where the majority of vendors' headquarters are located. This is likely due to vendors seeing greater business opportunities in these areas, and catering the majority of their marketing to these states.



The map shown below better depicts the correlation between vendor locations to contracts awarded in each state over the last three years. The vendor-to-contract ratio is pretty close, as shown by the darker states having the greatest number of both awarded contracts and vendors.



### Analyst's Take

Most vendors are focused on larger states such as Texas and California. Vendor location is highly important for business since vendors find greater benefit in locating where they can lobby for more contracts. Vendors looking to expand business, whether through relocation or setting up an additional office, may consider doing so in states that sign the most contracts.

Larger companies may have shied away from setting up headquarters within some of the centrally located states, not because they can't win business, but because some of these states house small cities and counties that have an allegiance to home-based companies. The JPS market is traditionally more localized; therefore, smaller companies, though less likely to win a plethora of contracts, are more likely to win business with localized cities and counties. This also holds true nationwide. Many smaller governments like to localize their purchases, which in turn stimulates the economy and creates a ripple effect of generating more local business and creating more jobs.

Still, with most massive statewide initiatives such as radio communications, there is less of a trend toward vendor location, as states tend to consider top technology providers regardless of where they are located.

