



The Bid Protest Mechanism: Effectiveness and Fairness in Defense Acquisitions?

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Transforming existing states into preferred ones.



Source Solicitation Wonderland





Key questions

- Is the bid protest mechanism effective?
- Is the bid protest mechanism fair?



Sources of Information

- 25+ interviews
- Bid protest decisions by GAO and COFC 2001-2009
- Government contracts from FEDMINE.US; FPDS; Hoovers



Interview Evidence

- Process perceived to be fair
- Unfair results due to inexperience more than bias
- Rejected offerors protest for reasons other than quality or fairness of the protest
- Size matters
- Complexity of projects invites protests



Hypotheses

- More bidders, more likelihood of protest: yes
- Greater complexity, more likelihood of protest: not confirmed
- Smaller the bidder, greater likelihood of protest: yes
- U.S. rejected offerer more likely to protest than international: yes

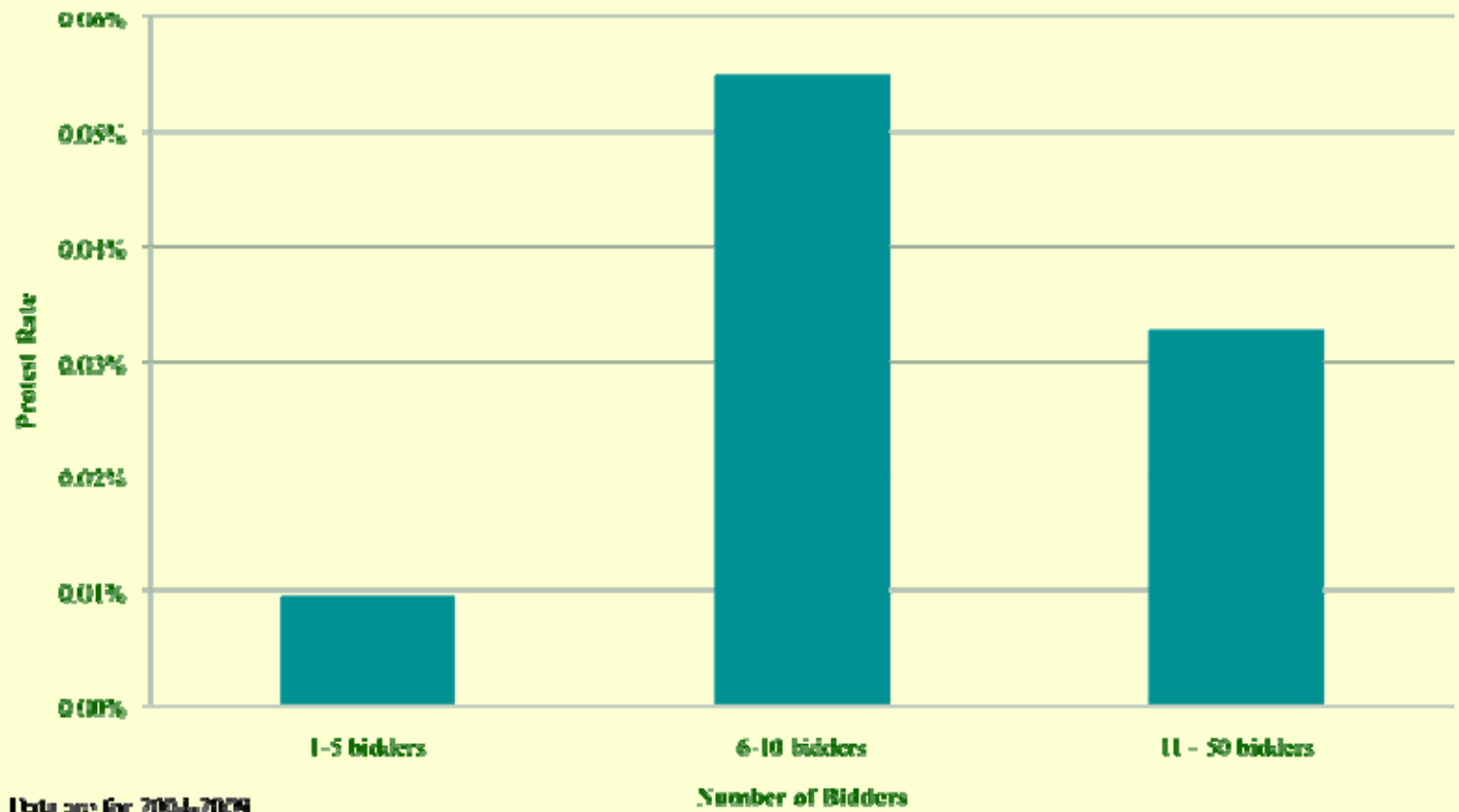


Corollaries

- Sustain rate unrelated to number of bidders: no, it is
- Greater the project complexity, greater the sustain rate: yes
- Small bidder protests less likely to be sustained than large bidder: yes
- Sustain rate unrelated to domestic vs. international protestor: No, it is

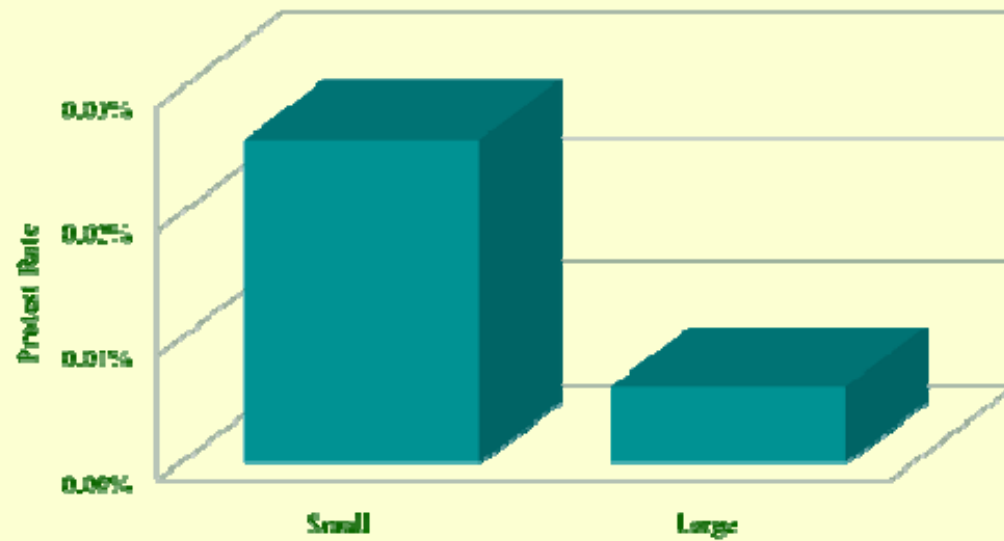


Distribution of Protest Rate by Number of Bidders





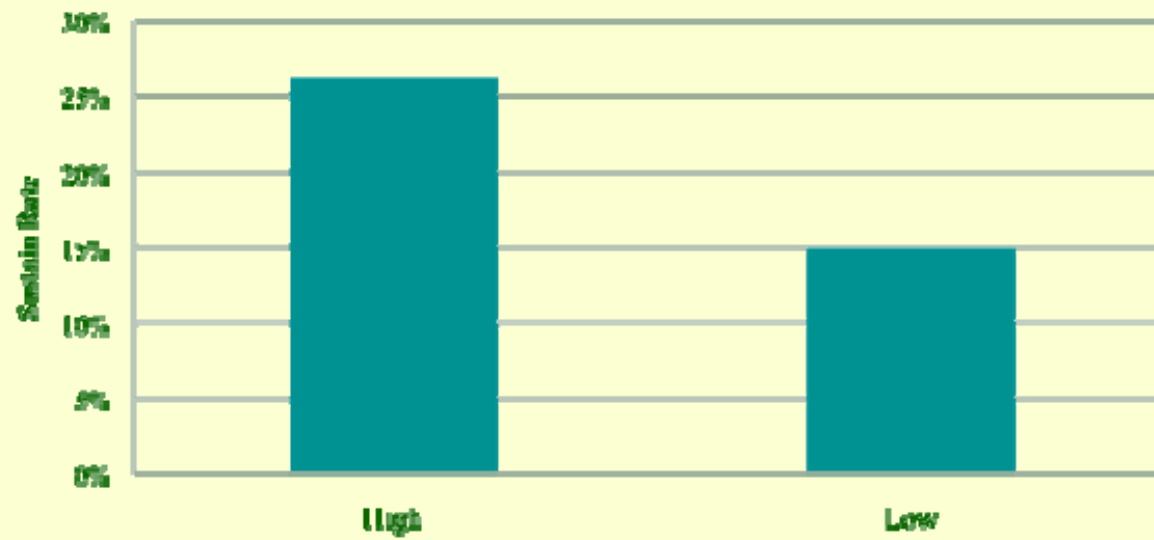
Distribution of Protest Rate by Company Business Size



Data used for 2004-2009



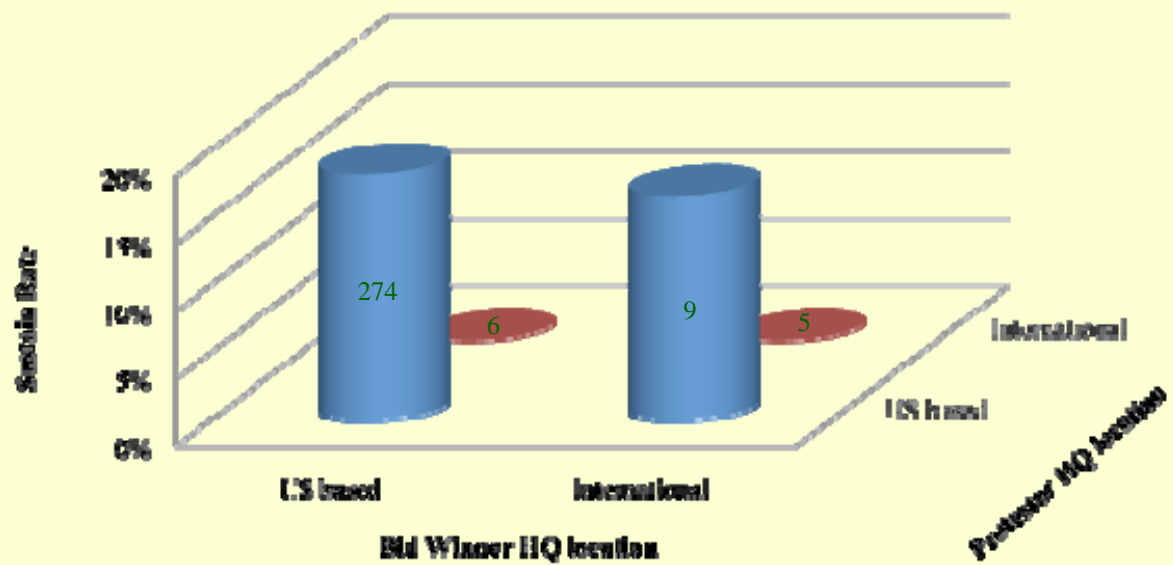
Distribution of the Sustain Rate by Level of the Complexity of the Contract



Data are for 2004-2009
Median Information: 50 out of 642 cases - 7%



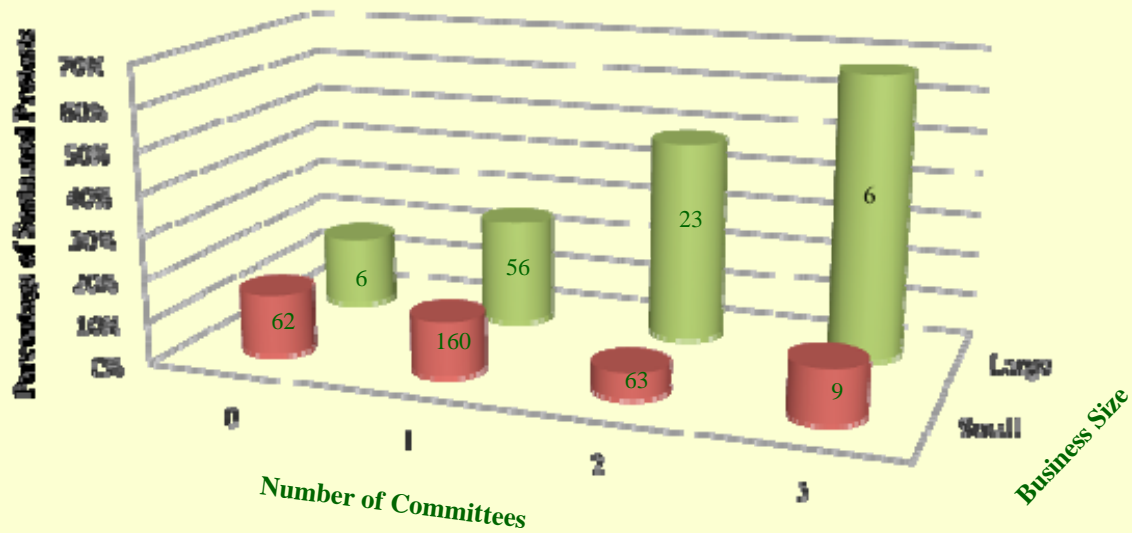
Sustain Rate Distributed by Protester and Bid Winner HQ location



Data on: for 2004-2009
Missing information: 99 out of 491 cases - 20%



Sustain Rate of the GAO Protests Distributed by Protester Business Size and Number of Defense Committees where Protestor has members from its Congressional District



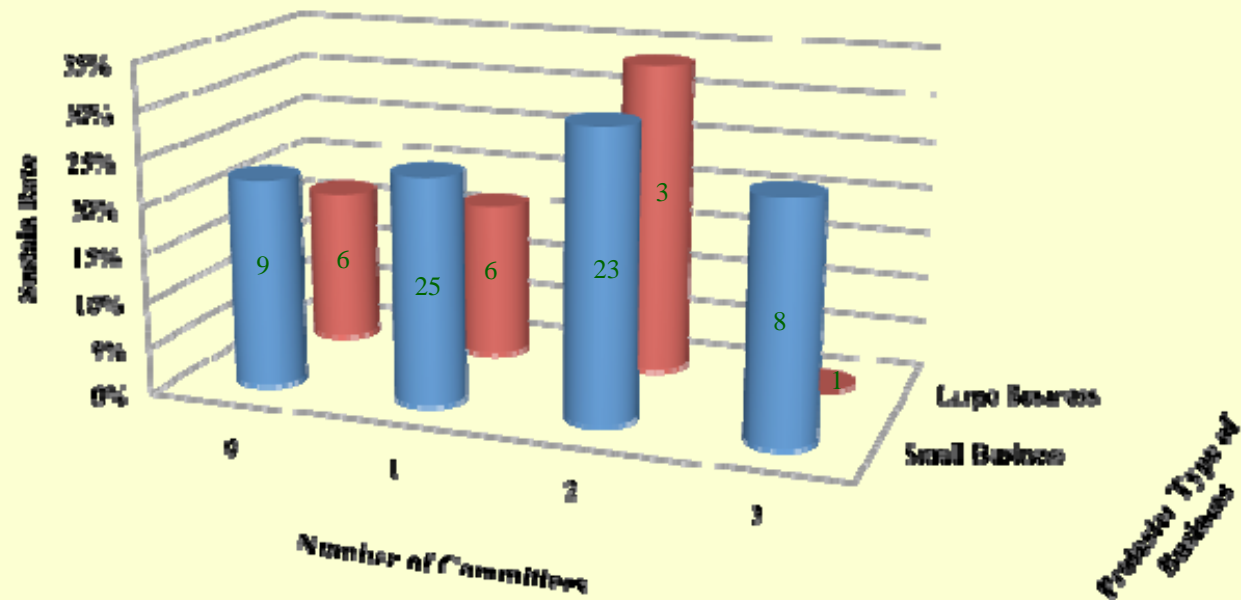
Data are for 2004-2009

Missing Information: Missing Protester Number of FTEs: 138 out of 642 cases - 11.1%

Missing Protester HQ location: 150 out of 642 cases - 19.7%



Sustain Rate of the COFC Petitions Distributed by Protester Business Type and Number of Defense Committees where Protestor Company has members from its Congressional District



Data are for 2004-2009
 Missing Information: 112 out of 293 cases: 58%



Recommendations to Retain Effectiveness/Improve Fairness

- Increase transparency through debriefings
- Implement more ADR
- Improve information for monitoring and GAO consistency in decisions