Competition versus Sole Sourcing in Defence Procurement

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Research Issue

- Competitive tendering has been the gold standard for government procurement contracts.
- However, in recent years, governments globally has consistently justified the need for sole sourcing in defence procurement.
- The confusion among procurement officials and the inability to decide on the tendering choices can be costly, inefficient and not delivering value for money
- There is lack of research within the defence acquisition community to empirically justify the rationale for the choices and decide on the factors that should be considered in deciding the choice of tendering methods.

Research question

What are the factors that determine the most appropriate method of tendering that delivers the best value for money in defence procurement?

Research objectives

- To define the features of defence procurement and government contracts.
- To critically evaluate the costs and benefits of the different government contracting methods
- To analyse the challenges for the current process in determining defence contracting processes.
- To develop a framework that could be used to determine the choice of tendering for defence procurement contracting.

Research design

- The research design is pragmatic and focuses on a real-world problem.
- It uses a mono method approach and relies on qualitative data.
- Data collection involves literature review to develop a framework and a semi-structured questionnaire distributed to defence procurement stakeholders in the government and industry to obtain primary data.
- The data will be analysed using content and thematic analysis to validate the arguments on the variables that determine the tender process choice.
- The unit of analysis is defence procurement officials from the armed forces, government and industry engaged in government tendering and bid process.
- 50 participants will be randomly sampled for structured interviews using Qualtrics, while another 10 questionnaires will be distributed to selected officials involved in government procurement and tendering process to obtain in-depth data to substantiate the quantitative data.
- The research will compare the secondary literature argument and primary data to validate the reliability of the framework.
- Ethical standards and compliance to research ethics will be followed to ensure non-disclosure of participants' identity in line with UK GDPR.

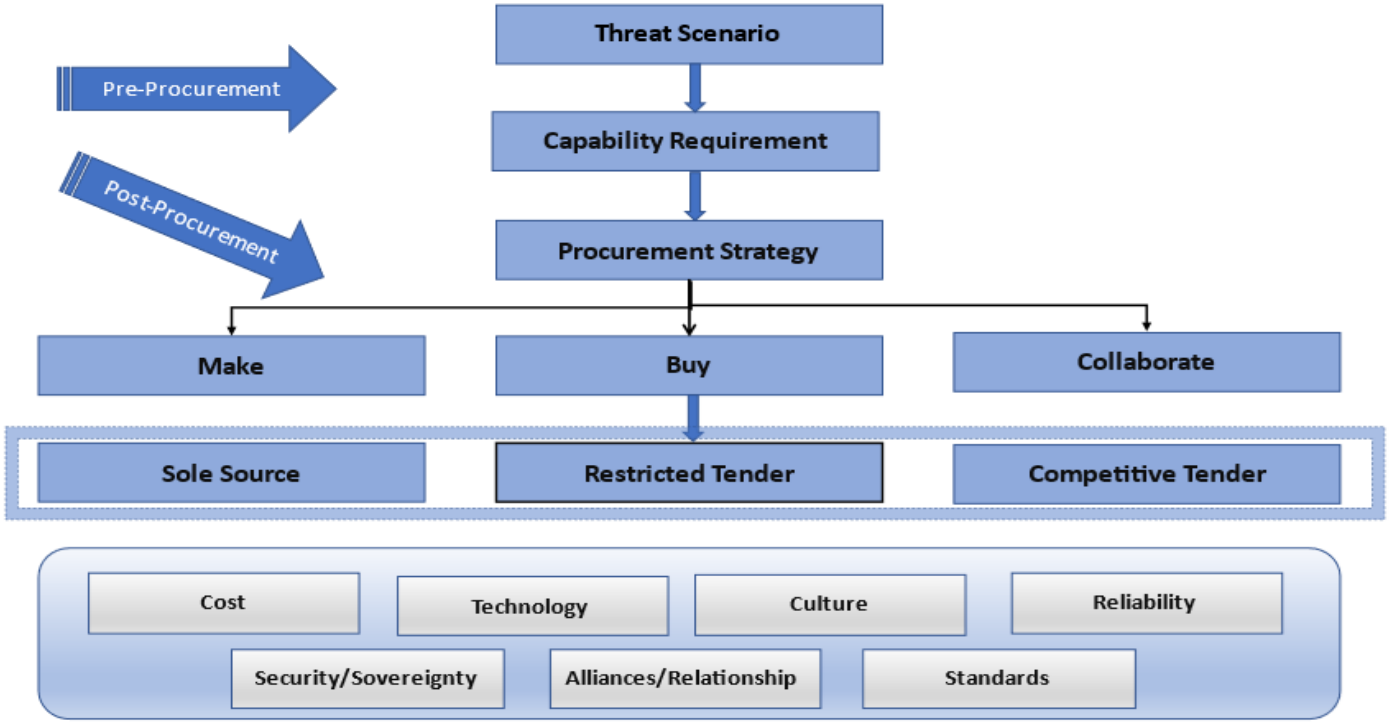
Literature review

Comparison of advantages and disadvantages to sole source versus competitive bidding

	Sole Sourcing	Competative tendering
Advantages	Stronger buyer supplier relationship	Economic efficiency
	Helps economies of scale	Quality products and services
	Long-term cooperation and strategy building	Multiple supply sources
	Higher level of confidelity	Enhance strong defence industrial base
Disadvantages	Undermines innovation and creativity	Price competition can undermine product quailty
	Higher price	

FRAMEWORK

Factors for Tendering Choices



Recommendations

- The choice of tendering in defence procurement contracting is a complex issue that requires further research.
- Inductive and deductive research is necessary to determine the specific factors that drive and determine tendering choices, contextualized to reflect the needs of each country.
- Access to key stakeholders and data from the defence industry may be limited, so researchers must carefully allocate their time and identify effective ways to obtain data.
- The proposed framework considers various factors, including political and economic issues, operational requirements, resource and procurement planning processes, costs, technology, products, or services being procured.
- The framework provides a systematic process for determining the choice between competitive, restricted, and sole source bids.
- This research aims to contribute to the body of knowledge in defence procurement strategy and help government procurement officials and defence contractors make informed decisions that deliver value for money.
- The framework is a work in progress and requires further development and validation through additional research and data collection to validate the framework