

Enhancing Competition in NAVSEA Procurement: Strategies for Addressing Sole-Source Contracting Challenges

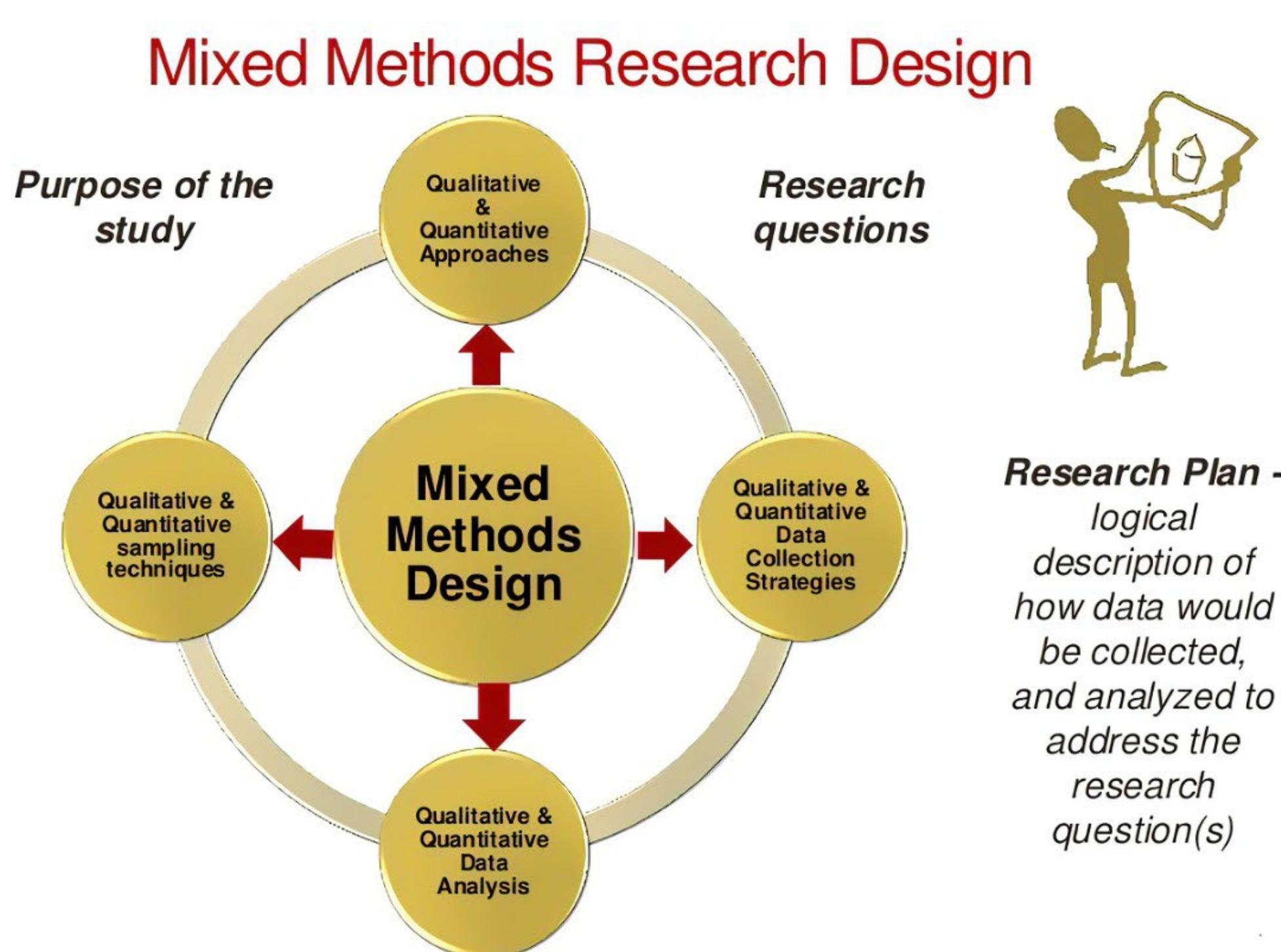


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Abstract

Naval Sea Systems Command (NAVSEA) executes over 60,000 contracting actions annually, yet a significant portion remains non-competitive. This research addresses the growing reliance on sole source contracting within NAVSEA's Supervisor of Shipbuilding, Conversion, and Repair (SUPSHIP) units. Using a mixed-methods design grounded in Resource Dependency Theory, the study combines quantitative spend analysis of fiscal years 2020–2023 with qualitative assessments of procurement practices and policy limitations. Findings reveal that over 40% of contract awards were sole source, often due to technical data restrictions, limited supplier bases, and structural procurement barriers. The research recommends strategies to enhance competition, including expanding access to technical data, fostering small business participation, and utilizing alternative acquisition contracting strategies like leader company contracting.

Methods



- Employed Mixed-Methods Approach utilizing both quantitative and qualitative methods to provide a comprehensive analysis of NAVSEA's contract environment
- Conducted quantitative spend analysis of NAVSEA Shipbuilding contracts from fiscal year 2020-2023 at Groton, CT and Newport News, VA
- Conducted Qualitative assessment by analyzing procurement practices and federal policy constraints using DoD acquisition regulations, GAO reports, and NAVSEA case studies
- Applied Resource Dependency Theory to interpret NAVSEA shipbuilding reliance on limited supplier base

Conclusion

- Over 40% of NAVSEA SUPSHIP contracts were awarded without competition, primarily due to technical data restrictions, limited qualified suppliers, and structural procurement barriers
- Intellectual property limitations, long procurement cycles favoring incumbents, and contract design rigidity contribute to persistent competition challenges
- NAVSEA's reliance on dominant vendors creates strategic risk and reduces the Navy's ability to foster a resilient, diversified industrial base

Recommendations

- Use Leader Company Contracts (FAR 17.4) to increase subcontractor participation and develop second-source manufacturing capacity
- Promote Small Business Participation by introducing targeted outreach, modular contracting, and flexible acquisition strategies to lower entry barriers for non-traditional suppliers.
- Recommend subcontractor-level competition, SYSCOM comparisons, and program-level implementation of leader-follower strategies.

Future Research

- Subcontractor-Level Analysis
- Evaluation of Leader Company Contract Implementation
- Comparative Studies Across SYSCOMs
- Program-Level Case Studies

