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Category Management Feasibility for R706-Coded Service Acquisitions: A Comparative Analysis of the Three Marine Corps Contracting Offices in Marine Corps Regional Contracting Offices

June 2026

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Prepared for the Naval Postgraduate School, Monterey, CA 93943

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ABSTRACT

This study evaluates the feasibility of applying category management (CM) principles to Product Service Code (PSC) R706 logistics support services across three high-spend U.S. Marine Corps (USMC) contracting offices. Between fiscal years (FY) 2020 and 2025, the USMC obligated approximately \$1.32 billion under PSC R706, yet procurement practices remained decentralized. Rather than viewing fragmentation as policy failure, this research argues that contracting behavior reflects practical responses to organizational and operational constraints. Using a mixed-methods approach, the study analyzes procurement data from SAM.gov and incorporates qualitative insights from contracting personnel. Findings show heavy reliance on firm-fixed-price contracts, inconsistent use of indefinite-delivery indefinite-quantity (IDIQ) vehicles, and localized PSC and North American Industry Classification System (NAICS) coding practices. These patterns suggest limited enterprise coordination and uneven application of CM principles. Applying Principal-Agent theory, the study finds that operational tempo, personnel rotation, and limited centralized oversight contribute to fragmented procurement behavior. The study concludes that effective CM implementation requires stronger governance mechanisms, interoperable data systems, and formal coordination structures. A proposed CM Action Team model offers a framework to improve coordination efficiency while preserving operational flexibility.



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LIST OF ACRONYMS AND ABBREVIATIONS

ADVANA	Advancing Analytics
BLS	base life support
BPA	Blanket Purchase Agreement
C4ISR	command, control, communications, computers, intelligence, surveillance, and reconnaissance
CM	category management
COR	Contracting Officer's Representative
DFARS	Defense Federal Acquisition Regulation Supplement
DLA	Defense Logistics Agency
DOD	Department of Defense
DOD IG	Department of Defense Inspector General
ECP	Expeditionary Contracting Platoon
FAR	Federal Acquisition Regulation
FFP	firm fixed price
FY	fiscal year
GAO	Government Accountability Office
GSA	General Services Administration
HCA	Head of Contracting Activity
IDIQ	indefinite-delivery, indefinite-quantity
INDOPACOM	U.S. Indo-Pacific Command
IT	information technology
MCIEAST	Marine Corps Installations East
MLG	Marine Logistics Group
NAICS	North American Industry Classification System
NAVSEA	Naval Sea Systems Command
NMCARS	Navy and Marine Corps Acquisition Regulation Supplement
PIID	Procurement Instrument Identifier
PSC	Product Service Code
PR	purchase request
RCO	Regional Contracting Office
SAM	System for Award Management



SF44	Standard Form 44 (Purchase Order–Invoice–Voucher)
USMC	U.S. Marine Corps
WEXMAC	Worldwide Expeditionary Multiple Award Contract



EXECUTIVE SUMMARY

This study examines procurement practices for Product Service Code (PSC) R706 logistics support services within three U.S. Marine Corps (USMC) contracting offices: Marine Corps Installations East (MCIEAST) Regional Contracting Office (RCO), 1st Marine Logistics Group (MLG) Expeditionary Contracting Platoon (ECP), and 3rd MLG-ECP. Between fiscal years (FYs) 2020 and 2025, the Marine Corps obligated approximately \$1.32 billion under PSC R706, making it one of the highest-spend service categories across the enterprise (General Services Administration [GSA], 2025). These services include a range of logistics and sustainment activities that are essential to support the Marine Corps' readiness.

Despite the recurring nature of these requirements, data reveals R706 services are often procured independently by decentralized contracting offices (GSA, 2025). This approach supports operational responsiveness, but it can also lead to fragmented acquisition strategies and limited visibility across the enterprise. This research evaluates whether category management (CM) principles could improve coordination and efficiency in procuring these services while preserving the decentralized structure that supports Marine Corps operational flexibility.

A. PURPOSE

The purpose of this research is to assess the feasibility of applying Category Management principles to Marine Corps procurement of R706-coded services. These services represent recurring logistics and sustainment requirements that appear across multiple commands and operational environments.

While the Marine Corps relies on decentralized contracting authorities to support mission responsiveness, this structure may limit opportunities for enterprise-level coordination and strategic sourcing. This research seeks to identify patterns in how contracting offices procure R706 services and determine whether shared contracting vehicles, improved data visibility, and more consistent acquisition practices could enhance efficiency and oversight without reducing operational agility.



B. METHODOLOGY

This study uses a mixed-method research design that combines quantitative procurement data analysis with qualitative insights from contracting personnel.

Procurement data was collected from SAM.gov and analyzed using Microsoft Excel to identify trends in PSC usage, North American Industry Classification System (NAICS) code selection, contract types, Procurement Instrument Identifiers (PIIDs), and obligation values across the selected contracting offices. These data points were used to compare how each office procures logistics support services under PSC R706.

The analysis was conducted in three phases:

1. **Data preparation:** Compiling procurement records from SAM.gov and organizing contract actions by contracting office, fiscal year, and service category.
2. **Comparative analysis:** Examining contract types, NAICS code usage, obligation values, and the use of enterprise contracting vehicles across the three contracting offices.
3. **Qualitative interpretation:** Incorporating insights from contracting personnel to better understand the operational constraints, training considerations, and decision-making processes that influence procurement behavior.

This mixed-method approach provides both quantitative evidence of procurement trends and a qualitative context that helps explain why those patterns occur.

C. RESULTS

The analysis revealed clear differences in how Marine Corps contracting offices procure R706 logistics support services.

- **The 3rd MLG-ECP** demonstrated the most enterprise-oriented approach. This office relied more heavily on task orders issued under existing multiple-award indefinite-delivery, indefinite-quantity (IDIQ) contracts, reflecting its use of available enterprise contracting vehicles to support expeditionary operations in the Indo-Pacific.
- **The 1st MLG-ECP** showed a more decentralized acquisition profile. Most contract actions were executed as standalone purchase orders, although the office occasionally leveraged external enterprise vehicles such as Army Blanket Purchase Agreements (BPAs). In most cases, procurement decisions were driven by immediate operational requirements.



- **MCIEAST RCO** displayed a high-value, base-centric acquisition profile. The office executed fewer contract actions overall but managed significantly larger obligation values per contract. Procurement primarily relied on simplified acquisition procedures and standalone contracts rather than enterprise contracting vehicles.

The analysis revealed inconsistencies in PSC and NAICS coding practices, as well as differences in how enterprise contracting vehicles were used. While some contracting behaviors aligned with Category Management principles, such as recurring service categories and occasional use of shared contracting vehicles, these practices were generally informal and not guided by enterprise-level policy.

Overall, the findings suggest that the fragmentation observed in R706 procurement is not the result of poor contracting practices. Instead, it reflects rational decisions made by contracting offices operating in decentralized environments where mission responsiveness and operational demands often take priority.

The results indicate that Category Management principles could improve efficiency and coordination in Marine Corps service acquisitions. However, effective implementation would likely require stronger enterprise-level coordination mechanisms, improved data integration, and more standardized training to ensure consistent contracting practices across offices.



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I. INTRODUCTION

Between fiscal year (FY) 2020 and 2025, the U.S. Marine Corps (USMC) obligated approximately \$1.32 billion under Product Service Code (PSC) R706—Support-Management: Logistics Support—across its Regional Contracting Offices (RCOs) and Expeditionary Contracting Platoons (ECPs), making it one of the highest spend service categories in the Marine Corps procurement portfolio (General Services Administration [GSA], 2025). The R706 portfolio includes base life support, freight transportation, sanitation, and operational sustainment services that are critical to sustaining Fleet Marine Forces' readiness. Despite their shared function, contracting offices often pursue these requirements independently, primarily through Firm Fixed Price (FFP) contracts. The result is a fragmented enterprise approach to a shared services requirement. In practice, this fragmentation leads to duplicative administrative processes, a lack of enterprise oversight, and missed opportunities to leverage strategic sourcing. Importantly, this condition is unlikely to be the result of negligence. Rather, it reflects the USMC's longstanding institutional preference for decentralized command and control.

The USMC relies heavily on contracted services to support operational readiness across the Fleet Marine Forces. Those classified under the PSC R706 represent a significant portion of recurring procurements across USMC RCOs and ECPs (GSA, 2024). Examples of services procured under PSC R706 include base life support, freight transportation, sanitation, tents, and other operational sustainment services frequently required across the Marine Corps (GSA, 2024). A challenge is to pursue greater standardization and efficiency without eroding the operational flexibility in the Marine Corps.

This chapter provides background information on USMC contracting and the use of category management (CM) within the enterprise. Next, the chapter highlights the purpose of the research, the directed focus on PSC R706, developed research questions, and the methodology used to answer them with input from contracting professionals. Finally, a discussion of the research's benefits and limitations.



According to data retrieved from SAM.gov (GSA, 2025) between fiscal Year (FY) 2020 and FY2025, the USMC obligated approximately \$8.88 billion across its RCOs to support a diverse array of logistics, training, construction, and service contract requirements. PSC R706 ranked as the top spend category across seven RCOs, totaling \$1.32 billion, 14.87% of total obligation (GSA, 2025). R706 services are critical to USMC operational readiness. They are present across the entire USMC operating forces, providing an opportunity to discover best practices or implement changes across the entire Marine Corps (GSA, 2025). Despite its critical importance, R706 contracts can pose unique management challenges in requirements definition, contract performance oversight, and alignment with broader USMC goals. These challenges reflect broader trends across the Department of Defense (DOD), where limited data collection and decentralized service acquisition processes prevent enterprise-level visibility and strategic coordination (Government Accountability Office [GAO], 2023). Moreover, regulatory guidance is clear for agencies to define service requirements and establish robust oversight mechanisms to ensure performance aligns with mission objectives (Federal Acquisition Regulation [FAR], 2024). R706 contracts procured across three leading USMC contracting offices were analyzed to identify opportunities to improve effectiveness, establish best practices, enhance accountability, and align with mission goals.

A. PURPOSE

This research evaluates whether CM principles, specifically strategic sourcing can be applied to improve the purchase of R706-coded service acquisitions across USMC contracting offices. Using a mixed-methods study that combines quantitative spend analysis of Federal Procurement Data System (FPDS) procurement data and qualitative data taken from semi-structured interviews with contracting representatives from each office. These findings directly support the FAR and HQMC's goal of delivering timely, cost-effective, and legally compliant acquisition solutions that directly enhance warfighting readiness and operational effectiveness (FAR, 2024).



B. RESEARCH QUESTIONS

Three primary research questions guide this study. The primary questions address the strategic-level assessment of USMC R706 procurement practices, while the secondary questions target the operational data required to support specific CM recommendations.

Primary Research Questions:

- What are the strengths and weaknesses of the procurement process used within the Marine Corps' service acquisition?
- What opportunities exist to improve procurement efficiency within the Marine Corps' R706 service acquisitions?
- How might CM principles contribute to these increased efficiencies?

C. SCOPE AND LIMITATIONS

This study examines Marine Corps procurement practices by focusing specifically on PSC R706 service contracts over three years, as reported in SAM.gov. Rather than surveying the enterprise, it focuses on the three offices with the highest total R706 obligations to identify procurement trends, recurring requirements, and potential areas for standardization. The central objective assesses whether CM principles are currently reflected in R706 acquisitions. Methodologically, the research employs a mixed-method design: quantitative analysis of procurement data to detect patterns and redundancies, along with qualitative interviews with acquisition personnel from the selected offices. These findings are intended to inform the USMC procurement strategy by identifying practical, evidence-based improvements in the acquisition of R706 services.

1. Quantitative Limitations

The study relies on publicly available data from SAM.gov, which may be incomplete, outdated, or inaccurately coded by the user. This limitation could hurt the precision of quantitative analysis and the patterns identified. The analysis is limited to a 3-year period, which may miss long-term trends and some recent shifts in procurement policy. Similarly, this research is limited to only three contracting offices. Although the selected offices are the leading purchasers of PSC R706 services, the findings are limited



in their ability to represent USMC-wide procurement practices. Recommendations may need to be altered to specific RCOs to ensure maximum effectiveness.

2. Qualitative Limitations

Interviews with acquisition personnel are limited to the personnel within the identified RCOs. These interviews may be subjective, reflecting individual perspectives or experiences rather than organizational norms. The interviews are also subject to the effects of military permanent change of station moves, which could introduce friction in identifying the correct individual for the specific time frame of the R706 contracts for the represented RCO.

D. ORGANIZATION OF THE STUDY

This thesis has five chapters. Chapter I introduces the research focus: Examine the procurement of R706 services within the USMC over three years. It outlines the research objectives, scope, and significance of utilizing CM within USMC procurement practices. Chapter II provides background information on federal procurement policy, Marine Corps service contracting practices, and the structure and role of the RCOs and ECPs. It also describes the relevance of CM principles to acquisition within the DOD, specifically the USMC. Chapter III presents a literature review of relevant academic and policy sources on CM, defense acquisition reform, and service contracting challenges. Chapter IV presents a focused analysis of R706 contract data from SAM.gov over 3 years for three leading RCOs. It also contains qualitative insights from acquisition personnel currently working within the selected RCOs. This chapter also describes the methodology for identifying patterns and common requirements, as well as for assessing alignment with CM principles. Chapter V concludes this thesis by summarizing key findings and offering recommendations or highlighting best practices for improved acquisitions of PSC R706 services across the Marine Corps.



II. BACKGROUND

Force Design 2030 represents a deliberate effort to restructure the Marine Corps in preparation for future conflict within a renewed era of great-power competition. Its first phase underscored the urgency of reallocating resources and reorienting logistics capabilities to operate effectively in a contested maritime environment (United States Marine Corps, 2021). Building on that foundation, Phase II shifted attention toward expanding service contracting mechanisms to enhance operational flexibility and responsiveness across dynamic theaters. In particular, the guidance emphasized support for prepositioned logistics, engineering services, and command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) capabilities; functions that frequently fall within the R706 service code (United States Marine Corps, 2021).

The transformation places new demands on procurement agility, speed, and prepositioned support. It remains unclear whether current contracting practices across USMC RCOs and ECPs are optimized to deliver the rapid, flexible, and scalable support required to realize the vision of the newly designed force. Evaluation of R706 procurement in line with Force Design 2030 intent is essential to ensure that USMC contracting can support an evolving operational concept.

A. STRUCTURE AND ROLE OF U.S. MARINE CORPS REGIONAL CONTRACTING

Within the USMC acquisition enterprise, RCOs and ECPs serve as the primary contracting authority for non-program-of-record supply and services across USMC installations and operating forces. Authority is delegated through a specific chain of command. The Head of Contracting Activity (HCA) for installations and logistics serves as the Assistant Deputy Commandant for Installations & Logistics (Contracts) (Headquarters Marine Corps, 2024). HCA delegates authority to RCOs and ECPs to execute awards for supplies and services required by the supported operating forces and tenant commands (Headquarters Marine Corps, 2024).

Because RCOs and ECPs operate at the regional level, USMC contracting is decentralized, as shown in Figure 1. Decentralization is a key element of Marine Corps



- Marine Corps Installations East RCO (M67001): Supports Marine Corps Base Camp Lejeune and several other installations.
- 1st Marine Logistics Group RCO (M68450): Supports I Marine Expeditionary Force operational units, known for expeditionary contracting support.
- 3rd Marine Logistics Group RCO (M29000): Forward-deployed contracting support for III Marine Expeditionary Force in the Indo-Pacific, plays a key role in contingency and prepositioned logistics.

These offices represent a diverse mix of garrison, expeditionary, and forward-deployed units that together account for a significant share of R706 obligations. Assessing their trends is critical to identifying USMC-wide procurement standardization and process improvement opportunities.

B. OVERVIEW OF PSC R706 AND ITS OPERATIONAL RELEVANCE

According to the PSC Manual, R706 is defined as “Support Management: Logistics Support” (GSA, 2024). Typical services under this category include base-level logistics coordination, inventory and warehouse management, supply chain oversight, material handling, transportation coordination, sanitation services, and administrative logistics support (GSA, 2024). These services are often contracted in conjunction with mission-critical field exercises, deployment support, and garrison sustainment activities, making them integral services to both peacetime and contingency operations.

R706’s relevance is highlighted by its commonality across USMC contracting offices as depicted in GSA (2025). This category consistently ranks in the highest PSC codes in terms of obligation value and quantity of contract actions across multiple RCOs. As demonstrated by the selected RCOs for this study, R706 services are not limited to a single region, command, or operational mission (GSA, 2025). They are diffused throughout the enterprise, underscoring a wide range of enterprise-level dependency on outsourced logistics capabilities.

Despite the prevalence of R706 services, contracting management around these procurements raises challenges. It is difficult to forecast logistics requirements in a changing operational landscape with evolving needs of supported units. This problem was highlighted by GAO’s (2023) findings that the DOD lacks reliable data and a clear methodology to forecast service contract budgets. DOD audits have found that systems



intended to support forecasting and performance monitoring are not interoperable, which increases planners' workload and risks contract outcomes (Department of Defense Office of Inspector General [DOD IG], 2022). Prior studies suggest that contracting for services is often very inefficient. Requirements are often packaged and solicited as a standalone contract, which exacerbates inefficiencies, inconsistent contract performance, and administrative burden on contracting offices. According to Defense Federal Acquisition Regulation Supplement (DFARS) (2024), performance monitoring and contract administration must be a shared responsibility across the requiring and contracting activities.

These conditions underscore the misalignment between the importance of R706 service acquisitions and the Marine Corps' limited capacity to manage contract performance effectively. This challenge requires a data-informed approach to contracting for this type of service dedicated to reducing administrative burden and enhancing procurement outcomes.

C. U.S. MARINE CORPS PROCUREMENT CHALLENGES AND FRAGMENTATION

The Marine Corps' procurement ecosystem is highly decentralized (Headquarters Marine Corps, 2024). Different commands often procure similar services and products independently, leading to contract duplication, inconsistent prices, and an increased administrative burden (GSA, 2025). This fragmentation could undermine efforts to build a cohesive vendor management strategy across regions or at an enterprise level. The Government Accountability Office (GAO) consistently highlights these issues across federal agencies, noting in its 2024 report that acquisition fragmentation impedes effective contracting and contributes to fiscal inefficiency (GAO, 2024).

RAND Corporation researchers Moore et al. (2011) identify a key driver of inefficiency in Marine Corps contracting as the lack of enterprise-level contracting vehicles, such as shared IDIQs. Their analysis highlights that decentralization often results in the absence of standardized procurement frameworks and cross-command acquisition strategies. As a result, units frequently develop bespoke contract solutions that address immediate operational needs but introduce long-term challenges, including



increased oversight burdens, repetitive solicitations, and higher total cost of ownership. The study further finds that command-specific contracts tend to underperform in supplier consolidation and cost leverage when compared to broader Department of Defense contracting vehicles (Moore et al., 2011).

These issues present challenges for contract managers. Decentralized procurement structures complicate CM functions such as requirement standardization, risk assessment, and performance monitoring. Ultimately, while decentralization is a necessary component of the Marine Corps, it causes constraints in our ability to function as a unified buyer. This may promote operational agility, but it weakens fiscal stewardship. The fragmentation is the underlying reason for research exploring how leveraging cohesive procurement strategies could enhance efficiency, accountability, and mission alignment with operational forces and the USMC enterprise-wide procurement.



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III. LITERATURE REVIEW

This study uses Principal–Agent theory as its primary theoretical lens described by Jensen and Meckling (1976). In Marine Corps contracting, Headquarters Marine Corps and senior acquisition leadership serve as principals who delegate contracting authority to decentralized RCOs and ECPs. The RCOs and ECPs serve as agents. Jensen and Meckling (1976) first conceptualized the relationship between principals and agents as a contractual arrangement in which agents are empowered to act on behalf of principals. However, the theory claims that when oversight is expensive or incomplete, agents may act in ways that do not fully align with the principal’s objectives (Jensen & Meckling, 1976). Eisenhardt (1989) further developed this framework in organizational settings, arguing that agents may optimize practices based on their own incentives rather than enterprise-wide efficiency. Viewing CM through this lens enables us to highlight structural avenues for improvement within the current USMC contracting framework.

CM has attracted significant interest in recent years, particularly within the DOD and the USMC. CM represents a promising framework for aligning decentralized procurement structures with enterprise-wide strategic goals. This literature review examines CM's theoretical foundations and practical evolution. The review seeks to trace CM from its origins in the private sector to its adaptation in the public sector, and to examine its emerging role within defense acquisition reform efforts.

A. CATEGORY MANAGEMENT IN PUBLIC AND PRIVATE SECTOR PROCUREMENT

CM was introduced in the private sector to align procurement decisions with consumer behavior and in reaction to dynamic markets. Dupre and Gruen (2004) analyzed CM as “both a supply-side and demand-side strategy within the framework of efficient consumer response” (p. 459). CM practice has demonstrated measurable improvements in retailer performance, yet its application is largely used in commercial settings, most notably within the fast-moving consumer goods industry.

Dupre and Gruen (2004) argued that “CM’s effectiveness relies heavily on cross-functional collaboration and strategic alignment between suppliers and retailers” (p. 449).



This research highlights the need to look beyond price-focused negotiations. Instead, a more holistic approach that treats categories of purchase as business units should be implemented. The authors argued that a shift in focus leads to long-term competitive advantage and increased customer satisfaction.

A key insight from Dupre and Gruen (2004) is their differentiation between supplier-initiated and retailer-initiated CM. Dupre and Gruen (2004) state supplier-initiated CM may occur when the supplier possesses a high level of expertise. These suppliers often approach the retailer with a strategic interest in their own well-being. The authors state, “suppliers may push for changes that optimize their own brand visibility or turnover without necessarily aligning with the retailer’s unique market position or customer base” (p. 449). In contrast, retailer-initiated CM comes from the demand side. The retailer makes decisions based on its own destination categories for its specific products. This allows for tailored assortments of category purchases that reflect the retailer’s specific format, customer base, and market goals. Dupre and Gruen (2004) emphasized that retailer-initiated CM has greater potential to create strategic differentiation and sustain competitive advantage because it is driven by the retailer’s understanding of its customer base, rather than the supplier’s category priorities.

While CM has been proven beneficial in the private sector, the translation to the public sector remains complex. The strategic benefits highlighted by Dupre & Gruen (2004), such as cost savings, process efficiencies, and enhanced customer satisfaction, should be translated into public procurement objectives. However, bureaucratic complexities and supplier relations complicate public procurement. Unlike private retailers, public-sector buyers have more difficulty quickly adapting their strategies to consumer behavior. Public sector buyers are constrained by budgets and political oversight. They also often have established policies and procedures to adhere to. Retailer-initiated CM in the private sector often requires resources that may not be readily available across public-sector organizations. Reform within the public sector would likely be required to enjoy the same benefits of CM as experienced in the private sector.

Public procurement is the process by which government entities, public agencies, and other public-sector organizations purchase goods, services, or works to deliver public



value (Thai, 2001). Thai (2001) further described the magnitude of public procurement, stating,

Buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction; and all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration. (p. 42)

The scholarly literature refers to this process as a public procurement cycle. Garbuzanova (2019) suggested, “A dynamic approach to the public procurement cycle emphasizes the continual interaction of stages; needs identification, planning, procurement execution, contract management, and evaluation; rather than a strictly linear model” (p. 89).

Public procurement is not simply “buying”; it encompasses the entire process, from specifying requirements to contract administration. The nature of public procurement directly increases the complexity of applying CM principles.

Recent scholarship has explored the use of CM beyond the retail sector and into industrial procurement. Elyashevich et al. (2024) developed a methodological model to apply CM to the procurement of operational resources within the Russian Mining Sector. Their research used time-series forecasting and unique classifications of highly used mission-critical inventory components to align procurement with operational demand better. Elyashevich et al. (2024) found that their data categorization helped modify forecasting models and improve on-hand inventory for operational needs. Similarly, Elyashevich et al. (2024) reduced redundancy by integrating procurement with logistics. Combining these efforts into a single management system suggests the industry can avoid duplicating work, saving time, money, and effort.

These findings carry important implications for public sector procurement, particularly in environments where predictability of resources, coordination across logistical networks, and fiscal discipline are central to mission execution. Defense agencies operate within procurement systems characterized by variable demand signals, dispersed acquisition authorities, and exposure to supply chain disruptions and regulatory constraints. Extending Elyashevich et al.’s (2024) forecasting-based CM framework to public-sector logistics contexts may strengthen strategic sourcing decisions. It could also



improve alignment between projected requirements and funds already appropriated. At the same time, outcomes depend on institutional capacity, interagency coordination, and the integration of forecasting mechanisms into existing acquisition processes.

Implementation requires methodological precision and must also be backed by the institution and provided with resources for cross-departmental data sharing.

Methodological results in the mining study are useless without leadership and resource conditions that enable and support implementation.

The application of CM in public-sector procurement is growing in both practice and scholarship. In the public sector, CM is increasingly framed as a strategic approach to managing procurement as an enterprise-wide function aligned with mission objectives and policy priorities (Office of Management and Budget [OMB] & General Services Administration, 2020). Rather than focusing solely on transactional efficiency, CM emphasizes the coordination of requirements, supplier management, and data-driven decision-making across agencies. While this mission is more nuanced and layered than in other sectors, there is strong evidence that CM implementation can yield meaningful outcomes. The Office of Management and Budget and General Services Administration (2020) identify government-wide performance goals for category management, including generating approximately \$40 billion in savings over five years, increasing the proportion of common spend under management to 75 percent, and eliminating tens of thousands of redundant contracts.

These findings suggest that CM's effectiveness in public procurement is possible but highly contingent on several factors. These factors include procurement maturity, centralized oversight, spend analytics, and cross-agency collaboration as demonstrated in Elyashevich et al. (2024). The concept of CM is sound, but often requires organizational reform, capacity building, and political support before it can be realized in the public sector (Arruda & Clark, 2017).

While this literature describes growing evidence of CM's potential impact on public procurement, most studies are either theoretical or very high-level in scope. There exists a gap in focus surrounding defense-specific categories, particularly those that are operational, recurring, and decentralized. As described in Elyashevich et al. (2024), the



potential for this optimization exists but must be studied outside the realm of theory. This study contributes to that gap by examining the extent to which R706 contract practices across USMC operating offices reflect CM principles. Furthermore, this study seeks to identify opportunities to implement CM better to improve efficiency or oversight. This approach extends the current public procurement scholarship into the defense operational services context and provides a basis for recommendations on policy reform.

B. INSTITUTIONAL CONTEXT AND CONTRACTING PRACTICES IN THE U.S. MARINE CORPS

This section establishes the operational environment in which R706 contracts are executed. It seeks to highlight the inherent trade-offs between operational flexibility and procurement standardization. The USMC operates within a challenging decentralized environment. Unlike centralized procurement agencies, USMC contracting is executed through RCOs and ECPs distributed across the Fleet Marine Forces in support of major commands (Headquarters Marine Corps, 2024). These offices manage their own portfolio of procurement actions, which may limit standardization and category oversight (Murphy & Perrine, 2020). This structure enables area of operations response but presents challenges for implementing enterprise-level CM. Murphy and Perrine (2020) also highlighted that inefficiencies arise in the USMC contracting process due to inconsistent training and knowledge gaps among Marine personnel tasked with creating and submitting purchase requests (PRs).

This capstone research seeks to determine whether CM can be realistically and effectively applied within the existing USMC decentralized contracting structure. By focusing on R706 contracts, which are ubiquitous, essential, but often inconsistently managed, this study contributes to the growing body of knowledge on strategic sourcing in defense acquisition, specifically in the USMC acquisition.

C. TRENDS IN DEPARTMENT OF DEFENSE SERVICE CONTRACTING

Government oversight reports offer grounded insight into persistent challenges across DOD contracting. For example, DODIG (2015) published a report that identified critical breakdowns in acquisition planning, contract surveillance, and documentation at Naval Special Warfare Command. These operational deficiencies are not isolated; they



mirror systemic issues described in the acquisition literature, particularly in pre-award planning and post-award contract execution (Fox, 2011; Snider & Rendon, 2008). Service contracting illustrates these deficiencies clearly. Oversight by the GAO has repeatedly shown that the DOD's service contracting portfolio remains large and complex. Between FY2017 and FY2022, the DOD obligated between \$184 billion and \$226 billion annually on service contracts, representing half of its total contracting obligations during that period (GAO, 2023). Despite this volume, the DOD continues to face systemic gaps in aggregating requirements, validating requirements collectively, and forecasting future budgetary needs (GAO, 2023). Earlier findings from past reports reinforce this existing pattern. Between FY1996 and FY2006, service contract obligations grew by 78%, from \$85 billion to over \$151 billion in constant dollars, but were similarly characterized by poorly defined requirements and inadequate oversight mechanisms (GAO, 2007). These persistent challenges highlight structural weaknesses in DOD acquisition that must be addressed before strategic tools like CM can yield theoretical outcomes.

The USMC's reliance on service contracts has increased significantly, largely due to Force Design 2030 initiatives. As detailed by Murphy and Perrine (2020), a significant portion of procurement dollars are allocated to services, with requests spanning categories such as logistics and maintenance, information technology (IT) support, and analytical services. In FY2022, USMC contract spending reached \$6.9 billion, the highest since FY 2012, including \$1.7 billion for facilities and construction (up 30%), \$1.1 billion for professional services (up 10%), and \$974 million for IT contracts (Bloomberg Government, 2023). As the USMC reorients toward distributed maritime operations and a more combat-effective force, scalable support mechanisms will likely be essential to successful operations.

FFP contracts represent the dominant mechanism within the USMC and the broader DOD for service-related contracts. USMC policy and acquisition regulations, published in the Navy Marine Corps Acquisition Regulation Supplement (NMCARS), indicate a strong institutional preference for FFP contracts when conditions permit (NMCARS 5216.202-1). While these contracts offer a perception of budgetary control and predictability, they are often not the most efficient for dynamic service requirements. This is especially true when the scope of work cannot be adequately determined at the



outset of the evolution. The rigidity of FFP contracts constrains the provision of adaptive services. When a unit encounters changes to mission requirements or an operational shift, the contract cannot be modified. Instead, a separate FFP contract is required to meet the newly identified need. This approach may negatively impact procurement efficiency.

The Marine Corps' Force Design 2030 initiative underscores the need to transform contracting practices to support the evolving force. Distributed Maritime Operations and Expeditionary Advanced Base Operations demand agile and strategically aligned procurement practices. CM can support this transformation by enabling more deliberate and strategic sourcing of services. Consolidating demand across similar RCOs and analyzing usage based on PSC and NAICS data, the USMC can improve supplier relationships, enhance cost transparency, and reduce redundancy. However, viewing the data only provides a piece of the puzzle. Implementation requires robust institutional support and cross-RCO integration, which currently impose structural limitations on CM implementation at an enterprise level.

These trends reinforce the relevance of this study's focus on R706 service contracts within the Marine Corps. Government audits regularly highlight structural and procedural issues. These issues include inflexible contract types, inadequate requirements forecasting, and decentralized planning, all of which negatively impact standardization. This research extends existing literature by examining whether CM can realistically address these barriers within the operational constraints of Marine Corps contracting.

D. OVERSIGHT, ACCOUNTABILITY, AND PERFORMANCE IN SERVICE CONTRACTS

Despite ongoing efforts for improvement, procurement outcomes still face oversight and accountability challenges that hinder the performance of service contracts across the DOD. A growing body of government audits and scholarships illustrates these inefficiencies and points to root causes in structural failures in acquisition planning, contract surveillance, and performance monitoring. For example, the DOD Inspector General's (DOD IG, 2015) report identified critical deficiencies in the administration of service contracts at Naval Special Warfare Command. The failures included poorly defined requirements in contracts, a lack of oversight by contracting officers'



representatives, and missing documentation regarding contractor performance (DOD IG, 2015). The DOD IG, 2015 report concluded that these issues directly undermine units' mission readiness and lead to increased waste in procurement resources.

Fox (2011) similarly argued that oversight failures within DOD acquisition arise not only from improper staffing and inadequate training, but also from deep institutional challenges, such as inconsistent enforcement of surveillance plans and a fragmented approach to acquisition governance. The problem is increased by DOD's limited capacity to seamlessly share performance data across commands and platforms. If accountability must rely on incomplete or wholly missing data, oversight becomes reactive rather than strategic. These conditions are antithetical to CM implementation. Surveillance planning throughout the life of a contract must be a core component of contract administration but is often deprioritized in the face of operational tempo. Snider and Rendon (2008) highlighted this contract administration shortfall by illustrating the disconnect between formal acquisition policy and the actual behaviors of contracting personnel, where often, post-award oversight falls in priority despite its critical role in assuring contractor compliance. Moreover, even if performance metrics are collected, they are not useful for a broader category-level assessment unless they are shared and communicated across the enterprise. These oversight issues constrain CM in DOD procurement because CM, by design, requires an institutional infrastructure that can aggregate performance data, evaluate supplier outcomes across categories, and make informed trade-offs between cost, risk, and value.

With a review of the literature and audit evidence, the findings suggest that improving contract outcomes through CM is not only about new purchasing strategies. It also requires a fundamental shift in approaches to oversight, accountability, and performance evaluation within the service contracting portfolio. Failing to address the issue holistically ensures CM remains an aspirational goal rather than an operational reality.

This section directly informs the core focus of this research and why it is needed. Oversight and accountability must be prioritized for CM to be effective. The potential to apply CM to R706 service acquisitions requires parallel improvements in contract



surveillance, data standardization, and cross-command transparency. The recurring issues identified by the GAO, DOD IG, and scholars like Fox (2011) and Snider and Rendon (2008) mirror challenges observed in the Marine Corps' management of R706 contracts. This research aids in the understanding of the institutional barriers that prevent effective use of CM and help identify structural changes that might be required to make CM viable within decentralized acquisitions environments that exist in the USMC.

E. BEST PRACTICES AND REFORM IN DEFENSE ACQUISITION

Efforts to reform acquisition in the DOD have produced important lessons regarding both procedural efficiency and strategic alignment (Fox, 2011). These reforms offer instructive insight into the implementation of CM within the public sector. IDIQ contracts have played a central role in these reforms by enabling more flexible procurement approaches. An IDIQ contract allows for the acquisition of supplies or services when exact quantities and timing are not known at the time of contract award (FAR, 2024). When implemented effectively, IDIQs enable rapid execution of task orders under pre-negotiated terms, reducing administrative burden and improving responsiveness (GAO, 2023). For example, the Navy's SeaPort NxG vehicle demonstrated how aggregating professional support services under a single IDIQ aligns with CM logic (Naval Sea Systems Command [NAVSEA], n.d.). SeaPort NxG is a multiple-award IDIQ contract that is used across the Navy and USMC to procure professional support services. Issuing thousands of IDIQ contracts to pre-vetted vendors enables task-order competition aligned with the Navy or Marine Corps' needs, promoting ongoing competition and flexibility. The IDIQ aims to streamline the acquisition of a wide range of services by enabling competition among preapproved vendors. The contract encompasses two major service areas: Engineering Services and Program Management Services, supporting efforts such as systems engineering, logistics, and financial analysis (NAVSEA, n.d.). However, success depends on active oversight, vendor performance monitoring, and data feedback loops to ensure the correct vendors are maintained within the contracting vehicle.

Similarly, on the data analytics side, the DOD's investment in the Advancing Analytics (ADVANA) platform offers a case of structural reform designed to enable



enterprise-wide visibility of expenditure and performance (Booz Allen, 2019; Defense Business Board, 2022). ADVANA pulls together data from multiple legacy and modern DOD systems (finance, logistics, contracting, and personnel) into one unified environment to overcome long-standing issues of data availability and reporting inconsistencies. This level of integration is essential to execute CM. CM depends on accurate, real-time data to support demand forecasting, vendor rationalization, and spend aggregation. Despite documented savings of \$5 billion from improper payment avoidance (GAO, 2024), the analytics of the system remain at mid-level, which limits the platform's ability to support strategic category-level sourcing. A 2022 Defense Business Board study assessed the DOD's analytics maturity as only mid-level, citing gaps in data governance, user training, and institutional buy-in (Defense Business Board, 2022). Without maturing supporting capabilities, the most advanced platforms will struggle to produce the category-level decision-making that CM requires.

Despite the growing body of literature on category management and defense acquisition reform, several gaps remain. Much of the existing research focuses on CM at a theoretical or enterprise level, with limited attention to how these principles are actually applied in operational contracting environments. While prior studies emphasize the importance of strategic sourcing, data integration, and centralized oversight, there is less empirical analysis of how decentralized contracting offices implement these concepts in practice.

This gap is particularly evident in defense service categories such as R706 logistics support services, which are operationally critical, frequently executed, and often managed under dynamic and resource-constrained conditions. Existing literature also does not fully address how structural factors, such as operational tempo, workforce limitations, and fragmented systems, shape contracting behavior at the tactical level. This study addresses these gaps by examining R706 procurement practices within USMC contracting offices, focusing on the operational level where policy and execution meet. By combining quantitative procurement data with qualitative insights from contracting personnel, this research provides an empirical assessment of how category management principles are applied in practice and identifies structural barriers to effective implementation.



IV. RESEARCH METHODS

This chapter outlines the approach used to explore the applicability of CM in the USMC procurement of R706 service contracts across the three highest-spending offices, MCIEAST, 1st MLG-ECP, and 3rd MLG-ECP. As identified in the preceding chapters, a significant gap exists in the empirical literature regarding CM at the operational contracting level, particularly in defense service requirements such as R706 service contracts. To address this gap, a mixed-methods research design was used, combining quantitative spend analysis with qualitative insights drawn from practitioner discussions to identify patterns and differences within the 3 contracting offices.

A. RESEARCH DESIGN

A mixed-methods approach was selected to provide a comprehensive understanding of the various quantitative and qualitative factors that affect procurement trends in R706 acquisitions. This approach was deemed appropriate because the research question requires both the identification of observable contracting patterns and an understanding of the underlying institutional and behavioral drivers shaping those patterns. Quantitative analysis allowed for the identification of patterns in specific obligations, NAICS code usage, and contract types. However, the quantitative data alone cannot fully explain why the identified patterns emerged, particularly for the complexity of the selected USMC contracting environments. To address the limitation, qualitative interviews were incorporated to offer insight into internal processes, training levels, and decision-making patterns that shaped patterns. These factors are not directly observable in procurement data but are critical to interpreting observed trends. By integrating both methods, the study achieves methodological complementarity and enhances the validity of its findings through triangulation, supporting a more holistic evaluation of contract management



B. SAMPLE SELECTION AND SCOPE

This study focuses on the three USMC purchasing offices with the highest cumulative obligations under PSC R706 between FY 2020 and FY 2025, as reported in SAM.gov:

1. Marine Corps Installations East RCO (M67001)
2. 1st Marine Logistics Group ECP (M68450)
3. 3rd Marine Logistics Group ECP (M29000)

These organizations were selected because they represent diverse operational environments: garrison-based, expeditionary, and forward deployed. Collectively, they account for a substantial portion of R706 spend. Focusing on these offices enables meaningful cross-case comparison and the potential identification of best practices.

C. DATA COLLECTION

To ensure a comprehensive understanding of internal office procedural trends and organizational norms, data collection comprised two components: quantitative analysis of procurement records and qualitative insights from interviews with office personnel.

For a quantitative analysis, procurement data were organized and analyzed using Microsoft Excel to identify:

- Common and Divergent NAICS codes
- Frequency of contract types
- Variance in Procurement Instrument Identifier (PIID)
- Total and average obligation values

Trends were compared across the three offices to determine if significant variance exists that could impact enterprise-level CM efforts. These trends were not made known to the participants being interviewed.

For a qualitative analysis, semi-structured interviews were conducted with contract representatives from each office. The Naval Postgraduate School determined that these semi-structured interviews do not meet the federal definition of research under 32 CFR 219, meaning the research does not require Institutional Review Board approval.

The interview population consisted of contracting professionals across participating offices involved in R706 acquisitions. A purposive sampling strategy was



employed to ensure representation from key leadership and functional roles within each office. Specifically, one participant was selected from each office based on their position and direct involvement in contracting operations, resulting in three interviewees. Participants included a warranted Chief of the Contracting Office (CCO) at the O-4 level, a Regional Contracting Office Director at the O-5 level, and a Training and Policy Officer in Charge (OIC) at the O-3 level. These roles were selected to capture perspectives across operational leadership, regional oversight, and policy/training functions.

Participant selection was informed by responses to a Request for Information distributed to each office, which identified individuals best positioned to address the study's research questions. This approach ensured that interviewees possessed relevant expertise and direct experience, or direct oversight, with procurement processes. Interview responses were transcribed and analyzed. Categories were developed based on both the research questions and emergent themes, including education, training level, internal process differences, and perceived barriers to standardization. This qualitative analysis provided contextual explanations for the quantitative variations observed in procurement data.

D. INTERVIEW PROTOCOL AND ALIGNMENT WITH RESEARCH QUESTIONS

The interview questions were designed to determine how R706 contracts are executed across the three offices. The focus was on four main areas: how requirements are developed, how contracting timelines and workload are managed, how contracting strategies are selected, and how contracts are overseen after award. These areas were chosen because they directly tie to the research questions and help explain the patterns identified in the quantitative data.

What is the process for development and validation of R706 service requirements? This question looked at how requirements are built and reviewed within each office. It was important for understanding whether requirements are developed in a consistent way or if they vary across offices. It also helps identify where breakdowns may be happening early in the process, which ties directly to assessing strengths and



weaknesses in the current system (RQ1) and identifying opportunities for improvement (RQ2).

What are the contracting timelines and how is workload managed? This question focused on how operational tempo, staffing, and internal processes affect how quickly and efficiently contracts are executed. The goal was to capture real-world constraints and bottlenecks that impact procurement outcomes. These responses support analysis of current effectiveness (RQ1) and highlight areas where efficiency gains may be possible (RQ2).

Do you use stand-alone contracts, consolidated contracts, or IDIQ approaches? Why? This question was aimed at understanding how contracting strategies are chosen in practice. It helps assess whether offices are leveraging existing enterprise tools or relying on local solutions. This directly ties to evaluating efficiency (RQ2) and whether current practices align with Category Management concepts like demand aggregation and shared vehicles (RQ3).

How do you conduct oversight and performance assessment of R706 contracts? This question focused on what happens after award, specifically how contractor performance is monitored and managed. It provides insight into how well the current system ensures accountability and visibility. This supports evaluation of overall contract management effectiveness (RQ1) and whether Category Management could strengthen oversight and performance tracking (RQ3).

Overall, these questions were meant to cover the full contracting process, from requirement development through contract execution and oversight, so the interview data could help explain the trends seen in the procurement data.

E. LIMITATIONS

As discussed in Chapter 1, the study is limited by the accuracy of SAM.gov data and the subjectivity of interviewees' responses. The number of participants interviewed in the study is limited. The data timeframe may not capture long-term shifts, and the findings may not be generalizable beyond the selected offices. However, combining



procurement data with firsthand, real-world perspectives strengthens the reliability of conclusions. The conclusions found may highlight the need for further study in this area.



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V. RESULTS AND FINDINGS

In exploring the research question, key differences in the processing of R706 contracts emerged from both the quantitative data and the qualitative discussions with contracting personnel. The findings indicate several areas where greater standardization and CM alignment may be feasible. However, the standardization may not fit uniformly across all operating environments. To facilitate cross-sample comparison, key quantitative indicators are summarized alongside an interpretive classification referred to as the Acquisition Profile. The Acquisition Profile represents a synthesized characterization of each office's contracting approach, derived from patterns in NAICS code usage, contract structuring (e.g., IDIQ versus standalone awards), obligation magnitude, and PIID management practices. This classification is used to highlight differences in how each office applies contract management principles within its operational environment.

A. 1ST MARINE LOGISTICS GROUP EXPEDITIONARY CONTRACTING PLATOON

The analysis of R706 procurement data from 1st MLG-ECP revealed office-specific patterns.

1. North American Industry Classification System Code Usage

- 561210 – Facilities Support Services (Dominant Code)
- 541690 – Other Scientific and Technical Consulting Services
- 562991 – Septic Tank and Related Services
- 488310 – Port and Harbor Operations

2. Contract Types and Variance

All 53 actions reviewed in this sample were awarded as Firm Fixed Price. The dataset contained 8 unique PIIDs. Some were used multiple times to complete modification actions to the contract. For example, PIIDs such as M6845022PB001 and M6845022PR002 appeared in both base and modified formats. This reappearance indicates a continuation of services under the same procurement instrument. However, other services were often issued under separate PIIDs, even though the requirements



appear similar in the documentation. This inconsistency in PIID usage could result from variations in local execution practices or a lack of internal standardized planning tools.

3. Obligation Totals

The total obligation for R706 purchases across the office was approximately \$1.5 million, with an average of \$149,703.99 per action. The data includes both positive obligations and negative modifications, indicating funds de-obligated from a previously awarded contract.

4. Summary of Findings

The 1st MLG-ECP procurement patterns demonstrate recurring service categories. The pattern also demonstrates contract management behaviors relevant to CM concepts. Repeated use of NAICS code 561210 – Facility Support Services indicates a strong demand profile that could be suited to strategic sourcing solutions. The exclusive use of FFP could highlight a larger institutional preference for low-risk contracting types.

Table 1 summarizes procurement patterns within the 1st MLG-ECP, highlighting recurring service categories and contract management behaviors relevant to CM principles. Analysis of PIID usage revealed mixed practices. Some contract actions clearly revealed the continuation of ongoing services, as evidenced by repeated PIIDs and modification identifiers. However, similarly, requirements were at times issued under standalone purchase orders, which could indicate a gap in standardization.

Table 1. Data Summary for 1st Marine Logistics Group Expeditionary Contracting Platoon. Adapted from General Services Administration (2025).

Metric	Value
Total Actions	53
Dominant NAICS	561210
Contract Types	100% FFP
Unique PIIDs	8
Total Obligations	\$1,521,099.68
Avg Per Action	\$28,692.45



IDIQ Usage	Limited
Acquisition Profile	Decentralized

B. 3RD MARINE LOGISTICS GROUP EXPEDITIONARY CONTRACTING PLATOON

The analysis of R706 contract actions completed by 3rd MLG-ECP shows a different acquisition profile than the other contracting offices reviewed in this study. In particular, the data revealed that varying use of NAICS codes increased the use of enterprise vehicles.

1. North American Industry Classification System Code Usage

- 561614 – Process, Physical Distribution, and Logistics Consulting Services (Dominant Code)
- 561210 – Facilities Support Services (Limited use, localized base support)

The majority of R706 contract actions were completed under NAICS 561614. These actions encompass a wide array of logistics and life-support services across the Indo-Pacific area of operations. The high degree of NAICS code concentrations suggests that this office consolidates many operational logistics services under a single category. This data indicates the office has a more integrated view of R706 services than other offices reviewed.

2. Contract Types and Variance

All 46 actions reviewed in this sample were awarded as a Firm Fixed Price. This dataset contains many unique PIIDs, many of which are used repeatedly through modifications. Examples include P00001, P00002, A00001. These modifications represent funding adjustments or administrative changes. The PIID data suggests a deliberate lifecycle-focused approach to contract management.

A substantial portion of the reviewed actions were issued as task orders under multiple-award IDIQ vehicles. Specifically, 15 actions represent an IDIQ order. This statistic shows that this office relies more on enterprise contracting mechanisms than on the more fragmented approaches observed in other offices.



3. Obligation Totals

The total obligation of funds for R706 purchases across the office was approximately \$2,851,232.98 million, with an average of \$69,544.49 per action. The data includes both positive obligations and negative modifications, indicating funds de-obligated from a previously awarded contract.

4. Summary of Findings

Table 2 summarizes procurement patterns within the 3rd MLG-ECP, highlighting recurring service categories and contract management behaviors relevant to CM principles. The 3rd MLG-ECP R706 procurement profile demonstrates advanced application of Contract Management principles. The dominant use of NAICS 541614, consistent utilization of IDIQ vehicles, and consistency in PIID modification structure reflect a strategic approach. The data suggests that the 3rd MLG-ECP is effectively applying CM practices in an expeditionary environment.

Table 2. Data Summary for 3rd Marine Logistics Group Expeditionary Contracting Platoon. Adapted from General Services Administration (2025).

Metric	Value
Total Actions	46
Dominant NAICS	541614
Contract Types	100% FFP
Unique PIIDs	27
Total Obligations	\$3,183,482.36
Avg Per Action	\$69,197.44
IDIQ Usage	Heavy
Acquisition Profile	Enterprise-Oriented

C. MARINE CORPS INSTALLATIONS EAST REGIONAL CONTRACTING OFFICE

The analysis of R706 actions completed by MCIEAST–Camp Lejeune demonstrates a high-value, low-frequency acquisition profile. This contrasts with the



other offices reviewed. In particular, the data demonstrates a reliance on simplified acquisition procedures and sole-source justifications. Enterprise vehicles are used sparingly.

1. North American Industry Classification System Code Usage

- **541614** – Process, Physical Distribution, and Logistics Consulting Services (Dominant Code)
- **561210** – Facilities Support Services
- **488190** – Other Support Activities for Air Transportation
- **336390** – Other Motor Vehicle Parts Manufacturing

The majority of R706 contract actions were coded under NAICS 541614. These actions encompassed logistics integration, aviation support, and contractor-provided sustainment services. Additional NAICS codes, such as 561210 and 488190, suggest diversification of support areas. The use of NAICS 336390 reflects a rare entry for a specific technical service from COPARS Operations.

2. Contract Types and Variance

All 42 contract actions reviewed in this dataset were awarded as FFP. The dataset contains a significant number of modifications to existing contracts as reflected by the frequent use of P00001 and P00002 modifications. However, these were not typically issued under task orders from established IDIQ vehicles. The majority of these actions used stand-alone purchase orders under simplified acquisition authorities.

Only two task orders were clearly issued under IDIQ vehicles, indicating that MCIEAST relied far less on enterprise vehicles compared to 3rd MLG-ECP.

3. Obligation Totals

The total obligation for R706 purchases across the office was approximately \$8,407,123.51, with an average of \$540,819.64 per action. The data includes both positive obligations and negative modifications, indicating funds de-obligated from a previously awarded contract.



4. Summary of Findings

Table 3 summarizes procurement patterns within the MCIEAST RCO, highlighting recurring service categories and contract management behaviors relevant to CM principles. MCIEAST – Camp Lejeune’s R706 Procurement data demonstrates a consolidated, high-value acquisition approach. Their approach focuses on large logistics support contracts awarded under simplified procedures or under statutory authority. Although the offices' limited use of enterprise vehicles and fragmented PIID structure indicate a less integrated application of CM tools compared to the 3rd MLG-ECP, the data still reflect well-executed contract actions. The differences are likely due to the environment. MCIEAST structures appear optimized for a base-centric contracting environment with specialized, recurring, high-dollar logistics needs.

Table 3. Data Summary for 1st Marine Corps Installations East Regional Contracting Office. Adapted from General Services Administration (2025).

Metric	Value
Total Actions	42
Dominant NAICS	541614
Contract Types	100% FFP
Unique PIIDs	16
Total Obligations	\$8,419,217.77
Avg Per Action	\$200,457.57
IDIQ Usage	Limited
Acquisition Profile	High Value/Base Centric

D. COMPARATIVE SUMMARY

Table 4 provides a comparative summary of R706 contracting characteristics across the three offices reviewed in this study. The table consolidates key quantitative indicators discussed in the preceding sections and highlights differences in acquisition structure, funding magnitude, and use of contract management tools. The report provides a visible snapshot of how three offices differ in their utilization of the same PSC code.



Table 4. Comparative Summary of R706 Contracting by Office: Adapted from General Services Administration (2025)

Metric	1st MLG-ECP	3rd MLG-ECP	MCIEAST – Camp Lejeune
Total Actions Reviewed	53	46	42
Dominant NAICS Code	561210	541614	541614
NAICS Concentration	Moderate	High	Moderate
Contract Type Used	100% FFP	100% FFP	100% FFP
Unique PIIDs	25	27	16
IDIQ/Enterprise Orders	3	15	2
Standalone POs	50	31	40
Negative Modifications	4	1	3
Total Obligations	\$1,521,099.68	\$3,183,482.36	\$8,419,217.77
Avg. Obligation/Action	\$28,692.45	\$69,197.44	\$200,457.57
Acquisition Profile	Decentralized	Enterprise-oriented	High-value / Base-centric

Table 4 compares R706 contracting across three offices, showing clear differences in acquisition structure, funding levels, and use of contract vehicles despite a shared PSC. Contrary to expectations, enterprise IDIQ vehicles do not account for most obligations. Instead, MCIEAST – Camp Lejeune, which relies heavily on standalone purchase orders, has the highest total obligations (\$8.4M) and largest average value per action. This suggests a high-value, base-centric procurement model rather than a centralized approach. The large number of zero-dollar actions also indicates potential administrative complexity. By comparison, 3rd MLG reflects a more enterprise-oriented model, with greater use of IDIQ orders and a concentrated NAICS profile, while 1st MLG operates more decentralized with limited use of enterprise vehicles. Overall, the data suggest that contracting outcomes are driven more by local requirements and organizational practices than by using enterprise vehicles alone.



E. QUALITATIVE FINDINGS: OPERATIONAL REALITIES AND EMERGENT PATTERNS IN MARINE CORPS CONTRACTING

To complement the quantitative contract analysis, semi-structured interviews were held with contracting personnel across the three commands. A small set of structured questions guided these conversations, focused on procurement planning, contract vehicle selection, and barriers to leveraging Category Management principles. The following sections include quotes from interviewed contracting personnel. To preserve anonymity, interview participants are referenced using numerical identifiers (Participant 1–3) based on their respective roles: Participant 1 (O-4 Chief of the Contracting Office), Participant 2 (O-5 Regional Contracting Office Director), and Participant 3 (O-3 Training and Policy Officer in Charge). Interestingly, several interview responses conflicted with patterns observed in the data. This divergence highlights the limitations of relying on quantitative or qualitative data alone when assessing operational contracting behavior. In some cases, practitioners described deliberate planning and continuity, despite data suggesting fragmentation. In other cases, informal workarounds specific to the office masked structural inefficiencies. These practitioner insights provide valuable context to interpret the data. Thematic analysis of these responses revealed 4 cross-cutting themes.

F. OPERATIONAL ENVIRONMENT SHAPES CONTRACTING BEHAVIOR

3rd MLG-ECP operates in a high-tempo, mission-first setting. This environment requires flexible procurement strategies in order to support dynamic operations across the Indo-Pacific region. They are uniquely positioned to use the Worldwide Expeditionary Multiple Award Contract (WEXMAC) purchasing vehicle; however, this is not necessarily directed by the USMC contracting authority outside the office. 1st MLG-ECP demonstrates adaptive contracting behavior by aligning with the Army's Blank Purchase Agreements, which reflect operational pragmatism. Like the 3rd MLG-ECP, this arises as an action of opportunity rather than an enterprise-level direction. In both MLGs, research shows that a variety of PSC and NAICS codes are used across different methods, making data collection for enterprise-level CM more challenging. MCIEAST RCO operates in a garrison environment where the pace is much slower, but legacy systems and inflexible



processes dominate its contracting capability. As one participant noted, “People are not a limiting factor, but the slow, inefficient, legacy contracting methods are” (Participant 2, 2025). However, the participants from 1st and 3rd ECP report shortages in manpower. Participant 1 stated, “This office is small so there are a lot of times where the entire office is forward deployed, and it’s just me sitting in the rear managing, providing top cover, and forecasting future support” (2025). Participant 3 highlighted, “We are understaffed. Our Marines who are undergoing on-the-job training for the 2 years and have not received the 3044 Marine Occupational Specialty are captured within the unit Task Order for personnel, so the numbers are a bit skewed” (2025). Essentially, this means the office appears to have a lot of Marines but has limited qualified Marines to achieve the mission.

CM solutions for the reviewed purchases, under the current framework, must be tailored to each region's operational context. Expeditionary units prioritize speed and agility, whereas garrison offices have predictability but require digital modernization and policy reform.

G. USE OF ENTERPRISE VEHICLES IS INCONSISTENT AND RESOURCE-DEPENDENT

3rd MLG-ECP leverages the WEXMAC platform. WEXMAC is a non-commercial, multiple-award IDIQ contract that supports expeditionary services. 3rd MLG-ECP lacks the capacity to build its own IDIQs. Consequently, all purchases made within WEXMAC are subject to PSC R706 as a blanket practice. One participant stated, “the data you are seeing is most likely closely related to the 'blanket' PSC for services under the Worldwide Expeditionary Multiple Award Contract (non-commercial IDIQ) – which my office leverages frequently” (Participant 1, 2025). The participant further explained “WEXMAC is an IDIQ made available across multiple regions that affords KOs the ability to leverage it for speed and operational tempo” (Participant 1, 2025).

1st MLG-ECP utilizes 921st Contracting Battalion’s base life support (BLS) Services BPA opportunistically. The BLS BPA provides a centralized, yet flexible framework for recurring service needs. However, since these contracts are not created through internal processes, the PSC R706 code has been used differently than in other offices. In addition, the use of the Army BPA is relatively new, and, under the Army’s



system, past R706 PSC-coded acquisitions are being changed to W099 - lease or rental of equipment - miscellaneous. A participant reported that “contract actions in this category outside of Army BPAs are handled internally to the ECP, treated as FFP contracts, and assigned PSC and NAICS codes based on historical contract data and use of the DCAP Product Service Code selection tool” (Participant 3, 2025). When asked about guidance from the USMC on standardization for CM, a participant highlighted the absence of enterprise-level standardization, stating that “Installation and Logistics-Logistics Branch does not consolidate or pass guidance to the contracting offices with regards to what PSC codes a customer should be using when routing a requirements package over to us” (Participant 3, 2025). MCIEAST RCO rarely uses enterprise vehicles due to structural limitations and process rigidities. For example, MCIEAST personnel requested a Defense Logistics Agency-managed charge card to enable expedited, simplified acquisitions. Access to this program was not approved, making even the simplest contract resource and time-intensive.

H. CATEGORY MANAGEMENT–ALIGNED BEHAVIOR EXISTS, BUT IS INFORMAL AND UNSUSTAINED

These offices do exhibit some CM behaviors. For example, repeated use of certain NAIC codes and leveraging available external IDIQs. However, these actions appear reactive and situationally dependent. CM itself is not institutionally driven in the reviewed purchase category. CM emerges from necessity and opportunity, not formal enterprise policy.

1st MLG-ECP claims it is moving away from R706 PSC codes in favor of W099 due to the expanded use of the Army’s BPA in Indo-Pacific. The Army BPA streamlines the procurement process by eliminating the need for ECPs to develop purchase orders themselves, since they are using a joint contracting vehicle. Adoption of the BPA makes sense because it works, but it is not a formal USMC-wide CM directive. 3rd MLG-ECP is similar in its use of the WEXMAC purchasing vehicle. Utilizing this vehicle aligns with textbook CM logic but is limited, as the ECP reports it is unable to establish its own IDIQ contracts. The outcome also results in the same items being purchased by both ECPs, but with different PSC codes due to the external contracting vehicle used: W099



for Army BPA and R706 for WEXMAC. A participant from MCIEAST RCO stated, “CM potential exists, but there needs to be more legwork on the front side of the contracting process” (Participant 2, 2025). Marine Corps contracting offices lack access to enterprise services vehicles for routine requirements, so simplified acquisitions often require full contracting actions at the local level. The value of CM is recognized, but the current enterprise structure does not support it internally.

Elements of CM for R706 purchases are present in all three offices, but they arise from local innovation rather than policy mandates. This is a troubling finding for such a high-spending category. Efforts to implement CM are underway, but they are fragmented due to either inability or unwillingness to formalize policy at the enterprise level.

I. STRUCTURAL BARRIERS IMPEDE EFFICIENCY AND INNOVATION

While all three commands demonstrate some degree of CM-aligned behavior, persistent structural barriers limit the standardization and modernization of contracting practices across the USMC. These barriers are not just technical; they are embedded in how the USMC is organized, staffed, and expected to operate. The USMC is structured for agility, mobility, and decentralization. This design supports combat effectiveness, but conflicts with enterprise-level contracting models that must rely on predictability and central planning

1st MLG-ECP underscores this friction. When asked about challenges, participants also emphasized procedural burdens, with one noting that “Pre-award is the most time-consuming phase because we focus on market research, procurement strategy, evaluation criteria, and the basis for award” (Participant 3, 2025). Despite their best efforts, many of their procurements start from scratch because they lack an internal IDIQ vehicle that could expedite and simplify their processes. 3rd MLG-ECP reports turnaround times in under 7 business days for many of their contracts. The operational tempo in this environment necessitates tradeoffs that deprioritize post-award oversight activities, including formal COR engagement and the use of Quality Assurance Surveillance Plans (QASPs). As a result, performance monitoring and data collection mechanisms are often underutilized. One participant noted that “Oversight mechanisms such as CORs and QASPs are seldom used, which limits the opportunities for



performance monitoring and data collection” (Participant 1, 2025). The tradeoff is mission responsiveness, but data collection to feed CM maturity is limited.

MCIEAST RCO provides a contrasting view, heavily influenced by the operating environment. Structural inefficiencies were also highlighted, as one participant stated, “There is no expediting mechanism outside the formal Contract Writing System, so even simplified acquisitions often require full contracting actions at the local level” (Participant 2, 2025). The described environment leads to process rigidity and manual duplication, making even routine tasks slow and resource-intensive. Participant 2 emphasized the absence of enterprise-level coordination across USMC contracting activities, describing a highly segmented structure with limited command and control integration. Participant stated, “Contracting offices operate largely independently, with RCOs and ECPs aligned to their respective commanding generals rather than a centralized acquisition authority (Participant 2, 2025). As a result, there is no USMC-wide framework for strategic sourcing, including the absence of enterprise contract vehicles such as BPAs or IDIQs that would enable task order execution across organizations (Participant 2, 2025).

At the operational level, contracting efforts are primarily focused on fulfilling immediate mission requirements rather than implementing CM strategies. While awareness of CM concepts exists, participants indicated that execution remains reactive and decentralized, with limited guidance or infrastructure to support enterprise-level coordination.

All three offices are subject to the USMC's rotational nature. One participant reported, "Most Marines here typically do 2 deployments before accepting orders to a new location, while many are in training roles or deployed, which further reduces available manpower (Participant 3, 2025). The result is a constant churn of contracting knowledge that hinders sustained long-term planning and process improvement. It is also worth noting that all participants acknowledged a lack of awareness regarding formal documentation guidance from the enterprise. The major takeaway is that CM must be designed to fit within a dynamic, expeditionary context, where each office likely has different contracting vehicle opportunities and internal processes.



J. INTEGRATED SAMPLE PROFILES

These case profiles from the qualitative analysis highlight the unique operational dynamics and procurement behaviors. These profiles support the overarching thesis that CM emerges across USMC contracting. However, steps must be taken to create an enterprise-level support system if desired.

- Case Study: 3rd MLG-ECP—Adaptive contracting under high operational tempo, strong alignment with IDIQ use, but limited performance tracking.
- Case Study: 1st MLG-ECP—Opportunistic use of Army BPAs, pragmatic PSC/NAICS assignment, but hampered by staffing and pre-award burdens.
- Case Study: MCIEAST RCO—Sufficient personnel, but held back by outdated systems, decentralized planning, and lack of access to enterprise vehicles.

K. IMPLICATIONS FOR CATEGORY MANAGEMENT IN THE MARINE CORPS

The qualitative findings presented in this chapter illustrate that CM principles are not absent from USMC contracting practices. They are present, but often fragmented and operationally inconsistent. Across 1st MLG-ECP, 3rd MLG-ECP, and MCIEAST RCO, local adaptations were observed that align with CM objectives. These include the use of enterprise vehicles and the standardized use of internal codes within the specific office. However, these adaptations are informal and do not align with the structural, cultural, and procedural constraints.

A core argument that must be applied from this data is that CM cannot be applied to Marine Corps contracting through a one-size-fits-all model. The institutional design of the USMC, characterized by mobility, decentralization, and frequent personnel rotation, requires a CM framework that is adaptable and sensitive to operational context. If the desire is to move CM within the Marine Corps to an enterprise-level effort, the efforts must be accompanied by realistic assessments of the on-the-ground limitations facing each unique office.

High-tempo environments like 3rd MLG-ECP need CM enabled through flexible tools and acquisition vehicles that do not trade off CM for responsiveness. Garrison settings like MCIEAST require digital modernization, access to shared contracts, and a shift away from legacy processes. Across all commands, investment in training,



knowledge retention, and planning infrastructure is critical to utilize CM as a strategic tool rather than a reactive approach.



VI. ANALYSIS

This study's findings can be interpreted through the lens of Principal-Agent theory, in which Headquarters Marine Corps (principal) delegates contracting authority to geographically dispersed, operationally distinct contracting offices (agents). As Eisenhardt (1989) noted, agents may optimize practices based on localized incentives rather than enterprise-wide efficiency, especially when high-level monitoring is difficult to achieve. The decentralized structure of USMC contracting creates challenges, such as information asymmetry and limited monitoring, particularly under conditions of operational urgency. These challenges are highlighted in the procurement of R706 services across three major USMC contracting offices when evaluating the potential for CM in a high-spend, frequently occurring category.

The desired outcome was the identification of patterns that could be addressed to enhance efficiency, standardization, and oversight. This chapter interprets the findings in relation to the research questions and offers recommendations for future policy and research. It also contributes to the understanding of Principal-Agent Theory in operational contracting. Across the three offices, the findings revealed a high reliance on FFP contracts, inconsistent use of IDIQ vehicles, and localized policies for PSC and NAICS code assignments. CM behaviors are present but emerge reactively and in response to external agency opportunities.

A. FINDINGS IN RELATION TO RESEARCH QUESTIONS

The Findings highlight both strengths and weaknesses.

1. **RQ1: What are the strengths and weaknesses of the procurement process used within the Marine Corps' service acquisition?**

The findings demonstrate that Marine Corps service acquisition is tactically effective but strategically fragmented, reflecting strong local execution within contracting offices but limited enterprise-level integration.



a. Strengths

Marine Corps contracting offices exhibit a high degree of operational effectiveness and adaptability, particularly within decentralized and mission-driven environments. Across all three offices, the consistent use of Firm FFP contracts (100% of actions) demonstrates a strong institutional preference for cost predictability, reduced administrative complexity, and regulatory compliance. This uniformity indicates a shared understanding of contract structuring across geographically dispersed units and supports efficient execution under operational constraints. Additionally, the repeated use of specific NAICS codes, such as 561210 at 1st MLG-ECP and 541614 at both 3rd MLG-ECP and MCIEAST, demonstrates that contracting offices are informally recognizing recurring service requirements, a foundational element of CM.

Qualitative findings further reinforce these strengths. Contracting personnel emphasized mission responsiveness and flexibility, particularly in expeditionary environments. For example, 3rd MLG-ECP demonstrated the ability to execute contracts within seven business days, reflecting a highly responsive acquisition process under operational pressure. Similarly, 1st MLG-ECP's opportunistic use of Army BPAs illustrates adaptive, cross-service integration, even in the absence of formal enterprise-level guidance.

b. Weaknesses

Despite these strengths, the procurement process exhibits systemic inefficiencies that limit enterprise effectiveness. The most significant quantitative indicator is the heavy reliance on standalone purchase orders, particularly at MCIEAST (40 actions) and 1st MLG-ECP (50 actions), compared to the limited use of enterprise contracting vehicles (2 and 3 IDIQ actions, respectively). This disparity highlights a fragmented acquisition approach in which similar requirements are repeatedly pursued through separate contracting actions rather than consolidated mechanisms, increasing administrative burden and reducing opportunities for cost leverage. Further, inconsistencies in PIID



usage suggest a lack of standardized contract lifecycle management. While some requirements are continued through modifications, others are reissued as entirely new contracts despite apparent similarity, reducing data traceability and institutional learning.

Qualitative findings reveal deeper structural challenges, including:

- Lack of enterprise-level guidance on PSC and NAICS coding
- Inefficient legacy contracting systems, particularly at MCIEAST
- Manpower and training gaps within expeditionary contracting units

Participants noted that even simple acquisitions often require full contracting processes due to system limitations, and that pre-award activities are frequently time-intensive due to the absence of reusable contracting mechanisms. From a Principal-Agent perspective, these patterns reflect rational agent behavior, where contracting offices prioritize immediate mission requirements over enterprise efficiency in the absence of centralized coordination or oversight.

2. RQ2: What opportunities exist to improve procurement efficiency within the Marine Corps' R706 service acquisitions?

The findings indicate that significant opportunities for improving procurement efficiency already exist but are unevenly implemented due to institutional and structural constraints.

a. Strengths (Existing Opportunities Demonstrated)

The data reveals that foundational elements of efficient procurement, aligned with Category Management principles, are already present within current practices. Most notably, 3rd MLG-ECP demonstrates a more integrated acquisition approach, with 15 task orders issued under IDIQ vehicles and a high degree of NAICS code concentration. This contrasts sharply with 1st MLG-ECP and MCIEAST, which rely predominantly on standalone contracts, highlighting variability in acquisition maturity across offices. The consistent presence of recurring service categories, particularly in logistics support and



facilities services, suggests strong potential for demand aggregation and strategic sourcing.

Qualitative findings reinforce this conclusion. Contracting personnel identified that:

- Enterprise vehicles increase procurement speed and efficiency
- Shared contracting mechanisms reduce administrative workload
- Existing tools (e.g., BPAs and IDIQs) are effective when accessible

These findings demonstrate that the capability to improve efficiency already exists within the system.

b. Weaknesses (Barriers to Efficiency Improvements)

Despite these opportunities, multiple barriers prevent their systematic implementation. The most significant constraint is the absence of enterprise-level infrastructure to support coordinated contracting. The disparity in IDIQ usage across offices (15 vs. 3 vs. 2 actions) indicates that access to efficient contracting mechanisms is inconsistent and resource-dependent rather than institutionally standardized.

Qualitative findings further identify key barriers:

- Lack of centralized CM policy or enforcement mechanisms
- Limited interoperability between contracting data systems
- Inconsistent training and knowledge retention due to personnel rotation
- Operational trade-offs, where speed is prioritized over long-term efficiency

For example, while 3rd MLG-ECP achieves rapid procurement timelines, this is often accompanied by reduced emphasis on post-award oversight and performance tracking, limiting the ability to generate data for future optimization. From a Principal-Agent perspective, these inefficiencies reflect a system in which agents optimize for local mission performance, while the principal lacks the mechanisms to enforce enterprise-wide coordination. These findings suggest that improving procurement efficiency



requires structural reform at the enterprise level, rather than incremental changes at individual contracting offices.

3. RQ3: How might CM principles contribute to increased efficiency?

The findings demonstrate that CM principles are already emerging organically within USMC contracting practices, but remain informal, inconsistent, and insufficiently institutionalized.

a. Strengths (Alignment with Category Management Principles)

Several quantitative and qualitative indicators show alignment with CM concepts:

- Recurring NAICS code usage across offices
- Repeated procurement of similar service requirements
- Use of enterprise contracting vehicles in select environments

These patterns align with CM principles such as spend categorization, demand aggregation, and strategic sourcing. 3rd MLG-ECP provides the clearest example of this alignment. Its use of consolidated NAICS coding, frequent IDIQ task orders, and structured contract modifications reflects a proto-Category Management model in practice.

Qualitatively, contracting personnel also recognize the value of CM, with one participant explicitly noting that “CM potential exists,” indicating institutional awareness of its benefits.

b. Weaknesses (Limitations to Category Management Implementation)

Despite this alignment, CM is not systematically implemented and remains reactive rather than strategic. CM-aligned behaviors are driven primarily by:

- Local innovation
- Availability of external contracting vehicles
- Individual experience and training
- Rather than by formal enterprise policy.

The result is inconsistencies such as:

- Different PSC codes applied to similar services (e.g., R706 vs. W099)
- Uneven adoption of enterprise contracting vehicles



- Lack of standardized, enterprise-level data for category analysis

Additionally, structural characteristics of the Marine Corps, including decentralization, high operational tempo, and frequent personnel rotation, create inherent challenges for sustained CM implementation.

From a Principal–Agent perspective, contracting offices optimize for mission responsiveness, while enterprise-level objectives such as efficiency, standardization, and data integration remain underdeveloped.

As a result, effective implementation of Category Management requires:

- Principal-driven governance and policy direction
- Standardized and interoperable data systems
- Formal coordination mechanisms across contracting offices

Accordingly, the challenge is not whether CM is applicable within USMC contracting, but rather how it can be institutionally enabled within a decentralized and operationally dynamic environment.

B. INTEGRATION WITH LITERATURE REVIEW

The results reinforce the literature found on public sector CM implementation (Dupre & Gruen, 2004). Their literature emphasized concepts such as cross-functional collaboration, strategic alignment, and institutional readiness. This thesis highlights that personnel within USMC contracting offices recognize the benefits of CM; however, they are constrained in their ability to execute it due to the USMC's decentralized, operational nature. These constraints limit the implementation of concepts for more effective CM. As Elyashwvich et al. (2024) demonstrated in the industrial procurement context, CM is most effective when paired with effective demand forecasting, supply chain coordination, and data-driven planning. A tightly integrated system that emphasizes these areas reaps the full benefits of CM. Unfortunately, these components were absent from the reviewed R706 procurement contracts in this study. For example, 3rd MLG-ECP demonstrated more mature IDIQ usage and task-order planning but lacked performance-tracking and oversight tools. These are necessary capabilities that drive continuous CM improvement but were not accomplished by the 3rd MLG-ECP due to manning shortages and operational tempo. Interestingly, this mirrors the findings in Fox (2011) and GAO (2023),



which both reported oversight and fragmentation as systematic limitations in DOD servicing contracting.

Public procurement scholars such as Thai (2001) and Garbuzanova (2019) highlight that public sector CM must adapt to bureaucratic constraints and political oversight, which often complicate the direct transfer of private-sector CM models. This USMC research demonstrates a similar issue. Enterprise vehicles like WEXMAC or Army BPAs are available, but their use is inconsistent and shaped by localized resource constraints. Developing resources internal to the USMC would require targeted “up front” effort and, in some cases, may be redundant due to the existing joint contracting infrastructure. Similarly, this thesis supports Murphy and Perrine (2020), who highlight the training and knowledge churn caused by personnel turnover in USMC contracting. The USMC's rotational staffing, along with its decentralized systems, works together to actively prevent both from occurring. These findings are consistent with the broader literature and advance the discussion by offering quantitative and qualitative insights into operational-level limitations of CM implementation in operational contracting support settings.

The literature and findings suggest that CM maturity for the USMC is not constrained by conceptual understanding. CM in the USMC is most challenged by the structural delegation of its offices and purchasing authorities.

C. IMPLICATIONS FOR POLICY AND PRACTICE

This research suggests that:

- CM contracting practices adopted within the USMC require differentiated strategies based on the operational environment.
- Expeditionary commands may benefit from mobile, plug-and-play contracting platforms and delegated IDIQ authority from Headquarters Marine Corps, but developing these vehicles requires time and resources.
- Garrison commands require updated process automation and access to existing government-wide acquisition contracts (GWACs) to improve contracting efficiency.
- To improve enterprise-level CM, there is a need for interoperable data systems, specific enterprise-level formal guidance, and established metrics for measuring performance outcomes.



1. Recommendation: Establish a U.S. Marine Corps Category Management Action Team

To evolve CM from a reactive, situationally applied concept into a sustainable function within Marine Corps contracting, the establishment of a dedicated CM Action Team should be considered. This team would include representatives from each enterprise purchasing office and be centrally coordinated by a CM integration element within Headquarters Marine Corps contracting. This team's primary responsibilities would include identifying common service requirements suitable for strategic sourcing, promoting consistency in the application of PSC and NAICS codes, supporting the development and utilization of shared IDIQ vehicles, and ensuring continuity of CM practices despite routine personnel turnover. The intent is not to recreate contracting vehicles where joint resources, such as the 921st Contracting Battalion's BPA or the WEXMAC system, are already in place. Rather, the focus should be on understanding how the varying PSC and NAICS codes applied to these purchases influence the Marine Corps' ability to implement effective Category Management. The team should also identify gaps where implementing a USMC enterprise-wide BPA or IDIQ vehicle would improve standardization across the offices. Without a cross-functional team focused on these enterprise-level tasks, CM efforts will likely remain fragmented and limited to individual office initiatives. At a minimum, the team should include one full-time staff member whose role is solely focused on enterprise-wide CM identification and implementation opportunities.

The proposed CM Action Team should be viewed as a structural mechanism that reduces informational asymmetry and reduces monitoring redundancies between the principal and agent. By institutionalizing cross-office coordination and data standardization, the Marine Corps may mitigate fragmentation in contracting and better align our decentralized contracting behavior with enterprise objectives.

2. Post-Education Operational Training for Marine Contracting Professionals

Another area that warrants consideration is the gap between formal acquisition education and the operational realities faced by Marine Corps contracting personnel. Current professional development pathways, such as Warfighting Acquisition University



coursework, MOS training pipelines, and graduate programs like the Naval Postgraduate School, provide strong theoretical grounding in acquisition policy and contracting principles. However, these programs do not fully prepare contracting professionals for the decentralized and expeditionary environments in which RCOs and ECPs operate.

A short post-education operational training period could help bridge this gap. Prior to assignment within RCOs or ECPs, contracting personnel could complete an orientation focused on enterprise acquisition tools, shared contracting vehicles, data systems such as ADVANA, and consistent PSC and NAICS coding practices. Exposure to case studies from expeditionary, garrison, and joint contracting environments would also improve familiarity with the operational conditions in which Marine Corps contracting occurs.

Such training would improve continuity despite frequent personnel rotations and strengthen the USMC's ability to implement Category Management by ensuring contracting personnel enter operational billets with a shared understanding of enterprise tools and procurement practices. Without a mechanism to translate formal education into operational contracting competence, personnel will continue to rely primarily on local knowledge and on-the-job training, which can perpetuate inconsistencies across the USMC contracting enterprise.

D. THEORETICAL CONTRIBUTION

This study contributes to the application of Principal-Agent Theory in Operational contracting by showing how enterprise inefficiencies may come from rational agent behavior. While foundational agency scholarship emphasizes incentive misalignment and monitoring challenges (Jensen & Meckling, 1976; Eisenhardt, 1989), the USMC contracting context reveals that high tempo, personnel rotation, and the decentralization of authority can create information asymmetry and monitoring challenges. Under these conditions, agents rationally prioritize actions to accomplish the mission. Those actions may not reflect best practices for long-term optimization. This is demonstrated by the fragmentation of R706 procurement practices across regions. Furthermore, this research suggests that enterprise-level mechanisms, such as the proposed CM Action Team, could function to reduce asymmetry and provide tools for decentralized military acquisition



systems. Delegation remains, but formal guidance should improve. This thesis explains the application of Principal-Agent Theory in an operational environment and bridges the gap between public procurement scholarship and military organizational realities.



VII. CONCLUSION

This study examined the feasibility of applying Category Management principles to Product Service Code R706 service acquisitions across three high-spend United States Marine Corps contracting offices. As stated, PSC R706 represents a significant and recurring category of operational logistics support. The total spend was more than \$1.32 billion in obligations across the 3 subject contracting offices. However, execution remains decentralized, inconsistently structured, and largely reactive. Through a mixed-methods analysis that combined FPDS procurement data with qualitative practitioner insights, this research identified multiple variations. These included acquisition structure, contract vehicle selection/availability, and PSC and NAICS coding practices. While all three offices demonstrate mission effectiveness, the findings revealed fragmented contract strategies, inconsistent IDIQ utilization, and limited enterprise visibility. CM behaviors were present but emerged opportunistically rather than through formal policy or direction.

Applying the Principal-Agent Theory clarifies that this fragmentation does not represent negligence or failure. However, it reflects rational agent behavior for a decentralized organization that operates under a high operational tempo. Rotational staffing and limited enterprise-level oversight further rationalize agents' actions. Contracting offices optimize to support the mission within their local environments. Thus, decentralized agents are individually efficient, but collectively fragmented. The implications are significant. PSC R706 services are enterprise-common, operationally essential, and financially substantial. Yet the Marine Corps currently lacks a formal structure to treat this category as a strategic portfolio. Without interoperable data systems, standardized coding guidance, shared IDIQ authorities, and cross-office coordination mechanisms, CM remains an aspirational concept rather than an institutional capability.

This research recommends that the establishment of a USMC Category Management Action Team serve as a structural bridge between Headquarters Marine Corps and decentralized contracting offices. This team would not be in place to undermine operational flexibility, but would seek to reduce informational asymmetry,



standardize category data practices, and identify potential shared sourcing opportunities where possible. Institutionalizing coordination rather than creating centralized execution allows the USMC to preserve expeditionary agility while concurrently strengthening fiscal stewardship.

More broadly, this study contributes to defense acquisition scholarship by demonstrating that enterprise inefficiencies in decentralized military offices often stem from rational adaptation to operational realities rather than negligence or resistance to reform. Effective CM implementation in the Marine Corps requires structural alignment, policy clarity, and investment in institutional infrastructure. As the Marine Corps continues to adapt to Force Design 2030 and distributed maritime operations, contracting practices must evolve in parallel. Strategic sourcing of recurring logistics support services offers a realistic opportunity to enhance efficiency, transparency, and readiness. The challenge is not whether Category Management can work within the Marine Corps; it is whether the institution is willing to formalize and resource the mechanisms necessary to make it sustainable.



APPENDIX

A. INTERVIEW QUESTIONS

- Q 1: What is the process for development and validation of R706 service requirements?
- Q 2: What are the contracting timelines and how is workload managed?
- Q 3: Do you use stand-alone contracts, consolidated contracts, or IDIQ approaches? Why?
- Q 4: How do you conduct oversight and performance assessment of R706 contracts?

B. PARTICIPANT RESPONSES

Note: Not all participants addressed each research question in full, reflecting differences in experience and operational roles. However, responses collectively provided sufficient coverage to support thematic analysis.

1. Participant 1

Q1: The participant described R706 as a broad product service code (PSC) for logistics support services, frequently used for standalone purchase orders. However, many requirements are executed through the Worldwide Expeditionary Multiple Award Contract (WEXMAC), a non-commercial indefinite-delivery, indefinite-quantity (IDIQ) system used across multiple regions to support operational tempo. Task orders issued under WEXMAC allow for faster execution compared to developing new purchase orders. While requirements are governed by the Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), Navy Marine Corps Acquisition Regulation Supplement (NMCARS), and internal guidance, individual contracting offices retain discretion in how requirements are developed and managed, resulting in variation across offices.

Q2: The participant emphasized operating in a high operational environment where requirements often emerge with little notice. While ideal timelines would allow 30 business days for supplies and up to 60 days for services, contracting actions can be executed significantly faster when required. The participant noted an example of a high-



value procurement developed in under seven business days. Workload management is influenced by limited staffing and deployment cycles, with contracting officers frequently supporting large operational units and adjusting priorities based on mission requirements.

Q3: The participant explained that contract selection is mission-dependent and informed by a logistics support request (LSR) and coordination with stakeholders. Requirements may be fulfilled through acquisition and cross-servicing agreements, organic support, simplified acquisition methods, or formal contracting. Contracting officers assess requirement value, vendor availability, and operational conditions when determining whether to use standalone contracts or IDIQ vehicles such as WEXMAC. While establishing new IDIQs is possible, it is often impractical due to limited personnel and administrative burden.

Q4: The participant indicated that most R706 contracts are not highly complex, and oversight practices are generally consistent with standard service contracts. Formal oversight mechanisms, such as Contracting Officer's Representatives (CORs) and Quality Assurance Surveillance Plans (QASPs), are typically associated with higher-level IDIQ contracts and are not consistently applied at lower levels.

2. Participant 2

Q2: The participant described contracting processes as largely legacy-driven, with limited use of modern ordering or expediting tools beyond the Contract Writing System. While Contracting Ordering Officials can place orders against existing contracts, often leveraging Defense Logistics Agency (DLA) systems, this capability depends on the prior establishment of IDIQ vehicles. Marine Corps contracting offices have limited access to DLA-managed Government Purchase Card (GPC) ordering platforms compared to other services, resulting in increased administrative burden. The participant emphasized that personnel are not the primary constraint; rather, his office is more constrained by outdated and fragmented systems that drive inefficiencies and require additional manual effort for routine requirements.

Q3: The participant noted that opportunities for consolidating requirements exist but require deliberate coordination during the planning phase. Effective consolidation depends on collaboration between civilian and Marine personnel to develop standardized



categories at the enterprise level. While assisted acquisition tools, such as GPC-based solutions, can improve efficiency, they are not well-suited to expeditionary environments. Increased reliance on such tools in garrison settings may reduce opportunities for contracting personnel to develop and maintain expeditionary contracting proficiency. The participant described a lack of enterprise-level coordination across Marine Corps contracting activities, noting that contracting offices operate within a highly segmented structure. Regional Contracting Offices (RCO) and Expeditionary Contracting Platoons (ECP) are aligned to their respective commanding generals and are evaluated based on local performance rather than enterprise-wide outcomes. As a result, there is no centralized command and control structure guiding contracting activities at the strategic level. The participant explained that contracting efforts are primarily executed at the operational level, with a focus on meeting immediate mission requirements rather than implementing broader strategic sourcing initiatives such as category management. While there is awareness of CM concepts, there is limited guidance or infrastructure to support enterprise-level execution. Additionally, the participant noted the absence of Marine Corps-wide contract vehicles, such as Blanket Purchase Agreements or IDIQ contracts, that could be leveraged across contracting offices. This lack of enterprise contract mechanisms prevents RCOs and ECPs from issuing task orders against shared vehicles, reinforcing decentralized execution and limiting opportunities for requirement consolidation.

Q4: The participant indicated that oversight practices vary across contracting environments. In many cases, contract oversight is performed by civilian personnel within RCOs which may result in more formalized oversight structures compared to ECPs. As a result, oversight and performance management practices may differ between garrison and expeditionary environments. Participant highlighted that efforts at the individual RCO level to create Blanket Purchase Agreements (BPA) or IDIQs will likely not yield a return on investment for that office, but that the enterprise level could be effective.



3. Participant 3

Q1: The participant explained that requirements originate from the requiring activity in the form of an LSR tied to a specific mission or exercise. Requirements are typically grouped into categories such as base life support, transportation, and catering services. PSC and North American Industry Classification System (NAICS) codes are assigned based on historical contract usage. The participant noted a shift away from R706 toward alternative PSC codes when leveraging existing contract vehicles, such as Army BPAs, which streamline procurement by allowing call orders rather than new contract development.

Q2: The participant identified the pre-award phase as the most time-consuming portion of the contracting process, particularly pre-solicitation and preparation of award documentation. These stages involve market research, acquisition planning, and evaluation criteria development, all of which are critical to ensuring compliance with regulatory requirements. The participant also highlighted staffing constraints, noting that personnel shortages, training requirements, and deployment cycles significantly affect workload management and operational capacity.

Q3: The participant indicated that contracting offices increasingly leverage existing joint contract vehicles, such as BPAs and IDIQs established by other services, to consolidate requirements and streamline procurement processes.

Q4: The participant stated that formal oversight mechanisms, such as CORs, are typically assigned for higher-value contracts exceeding simplified acquisition thresholds. For lower-value contracts, oversight is less formalized, though performance assessments may still be conducted at the conclusion of the performance period. Participants stated their office had an internal policy for COR requirements when required.



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