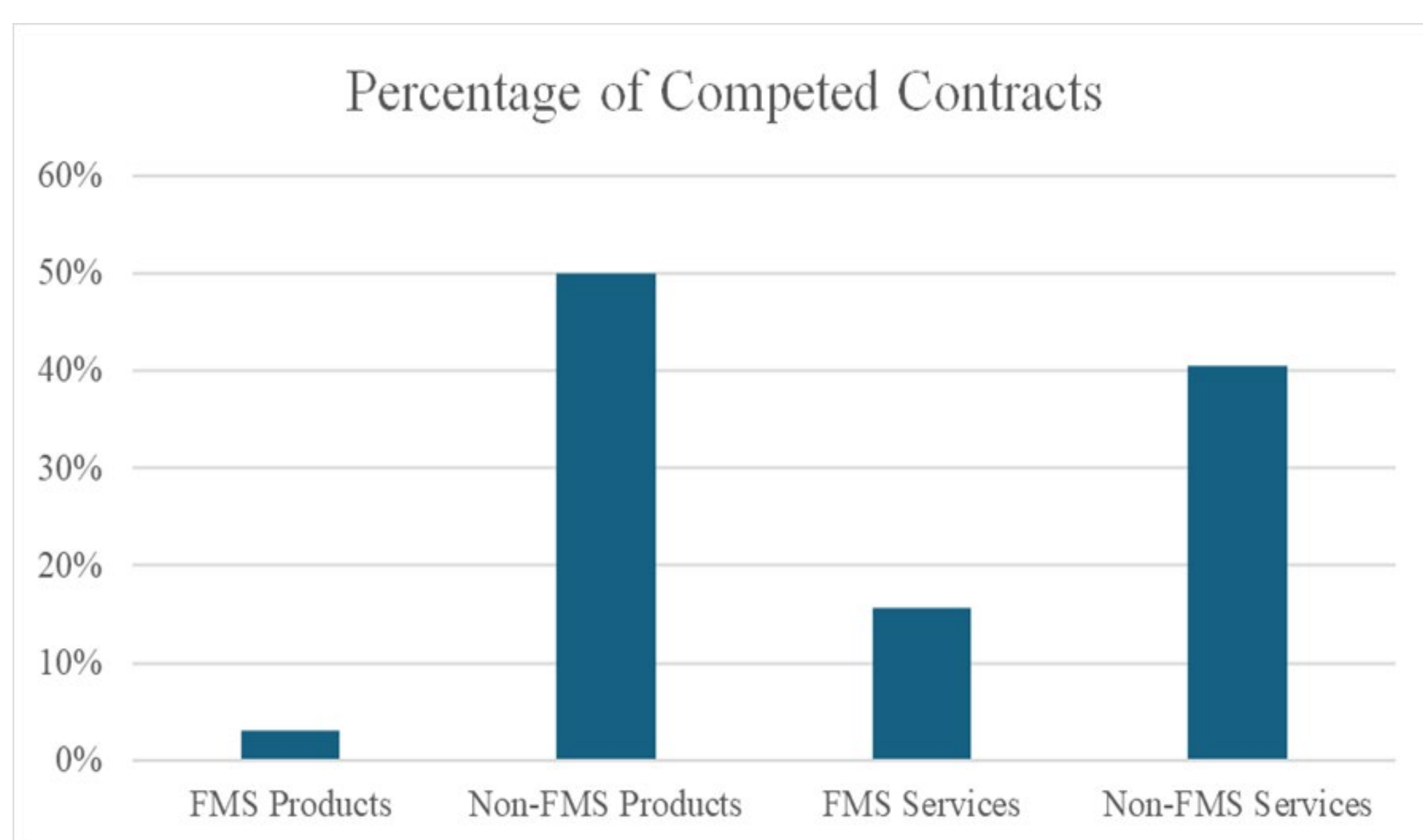


## Abstract

- Compares Foreign Military Sales (FMS) and U.S.-funded DoD contracts to evaluate acquisition agility.
- Uses a matched dataset across products and services to ensure structural comparability.
- Controls for PSC, dollar value, and contract type to isolate acquisition pathway effects.
- Finds FMS contracts have longer procurement administrative lead times (PALT), lower competition rates, and reduced small business participation.
- Differences persist across identical markets → driven by structural features of FMS, not demand conditions.
- Provides empirical evidence to inform acquisition reform and improve FMS agility.

## Methods

- Study uses a comparative, matched design to evaluate acquisition agility between FMS and U.S.-funded DoD contracts.
- A balanced dataset of 128 contract actions (FY2019-FY2025) was constructed across four cohorts for consistent comparison: FMS products, non-FMS products, FMS services, and non-FMS services
- Each FMS contract was paired one-to-one with a structurally equivalent non-FMS contract based on Product Service Code, dollar value band, and contract action type, controlling for market and scale effects.
- The analysis applies descriptive statistics and cross-tabulation to compare three key outcomes: PALT, competition rates, and small business participation.



## Results & Impact

- FMS contracts perform worse across all metrics:
  - Lead time: 20–65% longer (e.g., 160 vs. 95 days for services)
  - Competition: significantly lower (3% vs. 50% products; 16% vs. 41% services)
  - Small business participation: consistently reduced, especially in services
- Key insight: Differences persist under identical conditions → driven by FMS structural constraints, not market factors
- Impact: Lower competition and vendor diversity + longer timelines → reduced agility, innovation, and responsiveness, with implications for security cooperation and the defense industrial base.

## Future Research

- Expand scope to include Direct Commercial Sales, classified programs, and full pre-award timelines to better capture total acquisition performance.
- Examine drivers of FMS constraints (e.g., policy, coordination, workforce) and evaluate reform strategies to improve competition, timelines, and small business access.