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**LIEUTENANT COLONEL ATTILA DERZSÉNYI**

**The military acquisition in the logistic support system**

Author presentation and official review of the doctoral dissertation

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**Military procurement in the logistic support system**

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**Supervisor:**

(Dr. habil. Attila Horváth associate professor, CSc )

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## **THE DESCRIPTION OF THE SCIENTIFIC PROBLEM**

The scientific research of procurement as an activity within social sciences took place in the field of law, political science and economics. Tünde Tátrai accomplished a significant research in her doctoral dissertation with Attila Chikán, professor emeritus of the Corvinus University of Budapest regarding the logistic approach of procurement.

The scientific literature approaches procurement as the first element of the supply chain primarily in relation with peacetime, especially in the field of civil logistics. However, the military is in a very unique position with regard to procurement. On the one hand military is obliged to conduct procurements under domestic law, but on the other hand there are situations in which the Minister of Defence is entitled to regulate procurement. The legislation regulates only procurements conducted in peacetime; that are realized from domestic/EU budgetary resources; and conducted in the territory of the European Union. The tasks of the military go beyond peacetime and the territory of the European Union, furthermore it receives a budget from NATO or from another non-EU country in the form of offer of assets and services. The military performs its economic activities from public funds, therefore it is necessary to regulate the procurement very broadly. The Minister of Defence – based on his power of control and leadership – regulates also the use of public funds in situations that are not covered by either EU norms or domestic public procurement legislation.

The research of procurement as a process of the military logistic support haven't taken place yet in the scientific literature.

Military procurement is a specific form of public procurement in the European Union and in Hungary as well, certain aspects of which are regulated in the directives of the European Union. Military procurement is a special field which applies the types of procurement most extensively. Parts of these are applied in other fields of administration as well, other parts are specifically related to military based on international rules, international contracts, international agreements or government decision. Arising from this conclusion, the experts deal with military procurement has to have a complex knowledge, for which no education or training exists currently in Hungary.

Public procurement – as a part of the administrative logistics – is thoroughly regulated, that covers mainly the territory of the European Union and the activities financed by public funds.

The operational background of the military – as a part of the military logistics – was also established on the ground of administration of the European Union. In my opinion procurement can work only in a well based logistic system, the basic principles and the regulations can't be mixed up in the administrative, civilian or operational (military) logistic systems.

The baseline of my research in the subject was the examination of the impact of our accession to NATO and EU on military procurement. Our membership required that we implement, apply and take into account the procurement regulations of these organizations. The aim of my research was to evaluate the specific procurement system of the military and to present the particular procurement process types both in peacetime and in qualified period. I established a specific procurement process type - not applied before by the armed forces – (specifically designed framework agreement) that had a significant impact on the effectiveness of military logistics.

My aim was to evaluate the effectiveness – advantages and disadvantages – of the applied process type both from the aspect of the logistics of the military organizations and the civilian suppliers. It made my research difficult that the term military procurement had not been defined yet and the structural positioning of military procurement in logistics and especially in military logistics had not taken place yet.

The basic purpose of military makes military procurement special. According to the National Security Strategy the military for the purpose of the execution of its domestic and international tasks has to dispose of *„that modernly equipped and trained forces, furthermore that flexible, effectively applicable, deployable and sustainable capabilities, that make it possible to defend the territory and sovereignty of the country and the contribution to the collective defence in the frame of NATO and the international peacekeeping, stabilization or humanitarian operations of UN, NATO, EU and OSCE.”*

The military for fulfilling its obligations – in peacetime and in qualified period as well – has to dispose of the necessary personnel, equipment, materiel and services that it's not able to provide on its own.

Obviously not only the military has obligations in qualified period, but the actors of administration and national economy, furthermore the whole population. The importance of this is stated by the Fundamental Law:

- All Hungarian citizen shall be obliged to defend the country.

- During a state of national crisis, or if the National Assembly decides so in a state of preventive defence, adult male Hungarian citizens with residence in Hungary shall perform military service.
- In the interest of performing national defence and disaster management tasks everyone may be ordered to provide economic and material services, as provided for by a cardinal Act.

The military has to dispose of capabilities which make it possible to contribute to the ceasing of the consequences of industrial and natural disasters.

Qualified periods assume different logistic system (different organizations are established with different powers).

In peacetime, the logistic support of military tasks financed by public funds – in line with source and finance planning – fundamentally can be realized following a procurement procedure. My opinion is underpinned by the Procurement Plan of the Ministry of Defence that is prepared and published annually (in which all the above mentioned activities are completely listed as procurement tasks).

There is almost no equipment or service that is not procured from the market by the military, consequently in my opinion the procurement procedure is the basis of the whole military logistic management.

I consider it highly important that the task performance of the military is expressively valid beyond normal (peace) time for qualified periods and the time of preparation to these periods as well. This task performance is present in situations when it is normal period in our country, but the performance of military tasks in another country is executed under qualified period (international missions).

In some cases it is problematic to apply the normal period procurement regulations of Hungary and the European Union when specific procurement procedure types - namely more effective operation of the system - are needed.

## **THE HYPOTHESIS**

1. *I suppose* that the types of procurement procedures applied by the military can be categorized and methodized. The logistical systemization helps the preparation and the conduct of procurements. In a scientific approach, such categorization has not yet taken place.

2. ***I suppose*** that military procurement can be placed in the structure of logistics within that in the structure of military logistics. Based on this an appropriate procurement strategy of the certain level of military logistics can be created. Thereby the division of procurement rights can be re-regulated; the threefoldness of logistics can be observed in the field of establishing procurement concepts.

3. ***I believe*** , that based on the international experiences a procurement process type can be created that is able to serve the demands of all – combat, operations, strategy – level of military logistics and fits into the long term logistic concepts.

4. ***I suppose*** that following the conduct of military procurements the evaluation of the contracting authority and the bidder side of the market would result in drawing long term conclusions regarding the connection of procurement and military logistics.

5. ***In my opinion*** logistics has to establish its special procurement capacities in normal period, furthermore it should take into account the requirements of disaster management and qualified period during its normal period procurements.

## **RESEARCH OBJECTIVES**

I defined my research objectives based on my 15 years of practical experience and more than 8 years of intense research work in the field of military procurement.

Taking into account the above written I defined the following research objectives:

1. ***I survey, systemize and analyze*** the types of procurement procedures applied by the military;

2. ***I place*** military procurement in the structure of logistics within that in the structure of military logistics. ***I construe*** military procurement according to the appropriate levels of military logistics;

3. ***I survey*** the procurement practice of other – non-military – organizations , and as a result of this ***I establish*** a type of procurement procedure that have not been applied by the military earlier (procedure type harmonized with NATO and EU requirements);

4. ***I survey*** the effectiveness of the new procurement procedure type both from the perspective of military organizations and civilian suppliers;

5. ***I present*** the application of military procurement in qualified period and in the period of preparation to that.

## **RESEARCH METHODOLOGIES**

For the sake of reaching the objectives of the research for the first step I had to evaluate all the regulations that the military applies during its procurements. These regulations encompass the procurement system of the public sector (that had been defined in laws as a part of public sector logistics), the exclusion procedures designed for the military, the procurement methods prescribed by NATO, procurements conducted in foreign countries or during mission, and last but not least the principles preliminary set up for qualified period. To reach the purpose I learned and systemized the Hungarian and international laws, regulations, prescriptions on procurement from the period after the transition until today. I published my results in an article series. After the transition the procurement regulations changed continuously. Our NATO and EU accessions are significant milestones in establishing the procurement rights. In parallel with the conversion of military logistics the procurement rights had been centralized. Following the evaluation of archives, foundation documents and internal regulations I presented the periods and process of the centralization of military procurement.

According to the levels of military logistics I examined the process from the generation of demand until the conduct of the procurement procedure. As a result of this I defined the appropriate demands of each level and I defined the respective types of procurement procedures.

For defining military procurement I examined the definitions of procurement applied by civilian logistics and public sector logistics. I compared the types of procurement procedures applied by the military with the definitions of military logistics. As a result of this I created the definition of military procurement. I defined the place and role of military procurement in the system of logistics.

I analyzed the types of procedures applied by domestic and foreign organizations. I examined the applicability of numerous types of procedures in the military logistics, as a result of that in a series of scientific articles I established the possibility of applying the framework agreement procurement type in the field of military alimentation and I made a proposal for its logistics, legal, financial and procurement conditionality.

Following the first year of the framework agreements concluded as a result of public procurement procedures I surveyed the advantages, disadvantages and effectiveness of the new method. I chose survey research as a research method as my aim was to collect big

amount of data in a closed format. For the sake of having an objective picture of the effectiveness of the system I conducted two separate researches. I examined the views and positions of the user level, the military organizations and the civilian suppliers as well. As a result of the survey research I made a proposal for the fine tuning of the system.

As an accredited public procurement consultant I conducted procurement procedures for organizations that are similar– concerning their role in disaster management or in qualified period - to military such as the National Ambulance Service, Ministry of Interior Affairs after examining their logistic systems and presenting them the possibilities to apply special types of procurement procedures. I personally conducted public procurement procedures in the following subject matters: country wide repair of motor vehicles and spare parts supply, auxiliary material for the repair of motor vehicles, tires, medical products, medicines, medical gases and IT developments. The common characteristics of the procedures were that they ensured for long term (for maximum four years) the logistic supply without recurring procurement procedures, therefore it made the demands flexible.

In the state of health crisis, state of emergency, unexpected attack, terror danger, state of preventive defence and other qualified periods the rules of procurement in force during the normal period cannot be applied. I present the procurement possibilities of the military in qualified periods according to the current regulations and plans.

In connection of my research I had written essays of the process of conducting a procurement and the steps of “procurement friendly” determination of the procurement demand to establish the development of military procurement capability.

## **CONCISE DESCRIPTION OF THE COMPLETED EXAMINATION CHAPTER BY CHAPTER;**

The dissertation consists of the introduction, the six chapters of the research work and the presentation of the new scientific results.

**In the I. chapter** I analyze the types of procurement procedures applied by the military. The numerous possibilities of procurement presented in the chapter requires appropriate expertise. The conduct of each types of procedures are bounded. The problem arises from the question after the generation of the demand that what will be the form of the procurement. During the preparation of the procurement the person in charge for the definition of the demand should know the possible type of procurement procedure and the related regulation.



There aren't two identical procedures, their conditionality change constantly, in parallel with the changes in the legal environment and depending on the product to be procured.

The types of procedures applied by the military have not been categorized with detailed explanation yet in any scientific papers. I have proven my hypothesis that military procurement is a special area that the most widely applies each types of procurement procedures.

The systemization of military procurement contributes to the establishment of procurement capability within logistics capability and it is usable during the education of the logistics personnel. Within the military all actors of the logistics process from the person in charge of defining the demand to the person in charge of conducting procurement procedures has to know the procurement obligations their aims and content.

**In II. chapter** I present the changes of procurement rights of military organizations starting from the period after the transition. An important element of establishing procurement capability is to have a historical overview of the applied procurement system that presents the position of procurement within the logistics system. In the chapter I presented my opinion that the implementation of EU rules, the government intentions and the results of the inspection of the State Audit Office started the centralization of procurement rights. The recurring conversion of the military logistic system, the merge of central and strategic organizations had a great role in the final establishment of each procurement rights.

The changes significantly concerned the structure and the manpower of the organizations, background institutions responsible for the logistics support of the military. The management rights of each military organizations also changed, at the same time the connections changed between the Armed Forces and the departments of the Ministry of Defence responsible for defence planning, defence economics and finance.

The question of centralization of procurement is a decade-long debate, namely the delegation of rights and responsibilities within the military and administrative block. At the central procurement body of the Ministry of Defence I argued for a long time for centralization. I argued on the ground of the legal background at that time and on the special public procurement expertise.

One of the advantages of centralization is that by collecting the public procurement expertise in one organization less manpower is enough to conduct all the procurement procedures.

In my opinion it is not disputed by the logistics profession that the public procurement expertise is based on adequate legal, financial and professional knowledge.

This knowledge is harder to acquire in respect of military procurements. In any given procurement or procurement procedure, any misstatement or error that may be attributed to the contractual conditions, the technical criteria or even the restrictive rules of the competition the contracting authority shall be sanctioned in accordance with the intention of the legislation. In the light of this, it can be clearly stated that, in addition to the procurement theoretical expertise, the legal, financial and special military expertise of the procurement personnel is also very important.

Public procurement skills are more accessible in "civilian" life. There are countless business companies specialized in this field that undertake the conduct of the entire public procurement process. However, "civilian" expertise may not be sufficient for defence organizations. Determining whether the demand in question falls under the scope of the Public Procurement Act, the Act on Defence and Security Procurement or under the exclusions thereof (accordingly, a specific procedure shall be conducted under government decree or the MoD instruction) is related to a thorough application of the prohibition of splitting into parts and the selection of the appropriate type of procedure.

All in all, it can be stated: for the procurement of the military, expertise in public procurement and specialized procurement procedures for the military are needed. Preparing for that and the education is a lengthy and time-consuming process.

Based on the historical overview, factors influencing the procurement rights of defence organizations can be grouped as follows:

- government intent on centralizing procurements;
- ensuring civil control;
- distribution of public funds;
- verifiability of the use of public funds;
- cost-effectiveness;
- uniform quality assurance;
- planning of the military's resources;
- the right of disposal over financial sources;

- authorization of procurement procedures on top level (within and outside the MoD);
- governmental and MoD top level decision making on the procurement of certain goods, services (especially military technology);
- sustaining and sustainability of military industry capacities;
- sustaining and sustainability of the capabilities of state (MoD) owned enterprises.

In my opinion, it is necessary to re-interpret the procurement system of the military, to place it on new foundations, in which even the armed forces can participate to a greater extent. The new legal environment can ensure a greater power to the troops to carry out public procurement procedures, which simultaneously reduce the time of conducting the procedures.

**In chapter III.** I position military procurement in the system of military logistics, I define the interpretation of military procurement according to the levels of military logistics. I propose a definition of military procurement. In this chapter I define the place and role of procurement within the military logistics. In order to prove this, I compared the process of military logistics with the processes of the competitive sector and the public service logistics, and examined the conceptual differences of procurement.

I presented in detail the pre-procurement logistics and management tasks, demonstrating that procurement is not a separate activity but a key element in the logistics supply process.

I have compared the types of procedures applied by the military with the definitions of military logistics, which resulted in the definition of military procurement. In the system of the threefoldness of logistics, I determined the location and role of military procurement.

With the novel interpretation of military procurement, the efficiency of procurement procedures can be increased, and precisely defined procurement procedure types can be tailored to meet the needs of logistics.

**In chapter IV.** I am developing a procurement procedure type (harmonized with NATO and EU rules) that has not been applied previously by the military (framework agreement). In this chapter, I explain all the issues that raised the need to develop a new type of procurement procedure. I present the suggestions for solving the problems that I have outlined in separate scientific papers in the period of 2011-2014. During the development of the solution proposals I relied on international practical experiences.

I have demonstrated that based on international experiences we can develop a type of procurement procedure that is able to meet the demands of the customers and fit into the long-term logistic concepts.

**In chapter V.** I measured the effectiveness of the results of the new procurement procedure type applied by the military among the armed forces and civilian service providers.

During the research, I measured the external judgement of the military system, the quality of the cooperation with the military and the risks of the problems encountered.

Similar research has not yet been carried out within the military following the conduct of any procurement procedure, therefore my research results provide a good basis for the further development, "fine-tuning" of the established framework agreement system.

The questionnaire survey highlighted the need to pay more attention to the different service and logistical capabilities of economic operators during the preparation of technical requirements, the different characteristics of product groups (warranty period, transport vehicle, minimum order quantity) should be taken into account. It is necessary to clarify the ordering period and it is advisable to reduce it in the contract notice.

Based on the requirements for a framework agreement system, the following criteria have been met:

- it provides solutions in the long run (for several years);
- there is a choice to maintain or terminate the framework agreement;
- the contracting authority has a legally valid agreement even if the new procurement procedure fails;
- the involvement of more suppliers was not successful in all parts;
- products are provided cheaper in relation to the market price;
- Equal quality requirements.

Based on the results of the answers received during the research, I conclude the following summarized conclusion:

- Theoretical training was provided on one occasion before the introduction of a framework agreement, but most of the current users were not educated;
- Monthly order is not feasible; it is different for each product group;
- Product switch is justified concerning more product types;
- Despite the large number of complaints, suppliers were not sanctioned;

- The beneficiaries are insecure in the practical implementation of the legal and financial tasks,

- Products are cheaper, but there are many quality issues.

To solve the problems listed in my conclusions, I suggest the following:

- In the case of sustaining the framework agreement: Implementation of trainings based on the issues raised in the survey, practical sessions involving legal, financial and procurement professionals.

- When preparing a new procedure: Possibility of apply negotiated procedure to involve economic operators to compile the relevant product list and technical requirement.

- Further objectives: Preparation to the dynamic purchasing system. In the open system, the suppliers can enter and exit at any time during the 4 year period, the tender is reopened electronically, and the second round procedure can take place within 1-2 days.

At other organizations than military the demand has also been raised to conclude a long-term agreement as a result of a public procurement procedure in which individual, even changing, needs can be quickly and efficiently satisfied.

I have personally carried out public procurement procedures country wide for motor vehicle repair services and spare parts supply, motor vehicle repair materials, tires, medical products, medicines, medical gases and IT developments. Their common feature is that they provide logistic supply for long term, several years, without recurring procurement procedures, while these agreements handle flexibly the emerging needs.

From a logistic point of view, the National Ambulance Service's framework agreement for motor vehicle repair and spare part supply is of particular importance. An economic operator was announced as a winner in the procedure, but it involved as a subcontractor and capacity provider 60 to 100 economic operators per region and county. The winner economic operator is a 100% state-owned enterprise that takes the logistic burden of the Contracting Authority, the National Ambulance Service. The agreement also provides logistic support during the disaster management and special legal order, as economic operators can continue their normal period activity without a transition period.

Contracting authorities and economic operators submitting tenders appear in the procurement procedures of the military. The success of the procurement procedure and the choice of the optimum economic operator depend on the effective cooperation of the parties. The contracting authority must be aware of the tenderers' views, opportunities and economic

operators must also be aware of the actual logistics needs of the contracting authority and its logistics system.

In the chapter, two independent, but interrelated, researches were published that revealed the opinions and suggestions of the contracting authorities and the bidders.

The novelty of the research lies firstly in the fact that once the procurement procedure was carried out, its assessment was never made and secondly the research was carried out following the introduction of a brand new procedure type. The new type of procedure significantly influences the logistic system of military organizations, i.e. the research also includes the assessment of the logistics system of the military.

I have proven that, following the development of a newly introduced procurement approach, it is essential to assess its effectiveness to increase the experience of participants (professional, legal and financial public procurement experts). Following the conduct of military procurements, by the analysis of the contracting authority and the bidder side of the market we can draw long term conclusions regarding the military logistics context of procurement.

**In chapter VI.** I present the procurement rules and principles of the qualified period. The Public Procurement Act and hence the strict rules do not apply in case of an emergency or urgent situation to public procurements carried out with the aim of preventing epidemic diseases in animals, directly preventing or avoiding damage caused by serious industrial or traffic accidents or by water, preventing adverse impacts on water quality, as well as for the purposes of protective preparedness or the subsequent reconstruction the value of which is below EU thresholds

In a disaster management situation, the role of the military results in a particular situation. According to the Government Decree on Disaster Protection, the Chairman of the Defence Committee initiates through the Government Coordination Body, or if the delay of the action would result in unavoidable damage or danger, through the Central Duty Service of the Hungarian Defence Forces the involvement of the Hungarian Defence Forces into the protection, simultaneously informing the Central Organization of the Professional Disaster Management Agency. On the other hand, if the forces of the police are insufficient to carry out the security guard task, the minister responsible for disaster protection may initiate the unarmed co-operation of the forces of the Hungarian Defence Forces.

The same government decree prescribes the establishment of a central stock, which means all the equipment, technical devices and materials necessary for the application of civil disaster protection organizations and civil protection organizations established under civil protection obligations. The central stock is procured from the central state budget.

The designated military organizations and groups carrying out the logistical support of the disaster protection tasks are controlled by the DDMS (Defense Disaster Management System) - they are not subordinated to civilian or other organizations - their duties are determined by the commander of seconded military forces at the site.

As the military participates “only” on a basis of request in disaster protection, it does not benefit from the central stock. The military, one of the basic tasks of which is to participate in the prevention of disasters, in the elimination of its consequences, disposes of autonomous stocks.

The personal protective equipment set and reserve kit for military organizations, as well as central sets, is piled up by central supply organizations. During the defensive period, the individual kits are replaced from the central stock, and the division of weather protection equipment (e.g. mosquito repellent, sunshine, hand cream) is managed by the competent County Disaster Relief Director

By describing the procurement tasks of disaster protection I would like to draw attention to the fact that the Act on Public Procurement does not cover the period of direct prevention, remediation, defense preparedness or immediate restoration, the detailed regulations to which has not been carried out in respect of the Defence Forces. Military organizations would also need a clear mandate in these cases to be able to ensure efficient, rapid and legally enforceable procurements on their own.

## **SUMMARISED CONCLUSIONS**

Logistics support of the activities of the military requires a multitude of tasks for the protection of the country, fulfillment of the commitments made in the alliance and the success of the peace operations. The task, structure, demand of tool and service of the Ministry of Defence, the generation of needs and the task-oriented design significantly differ from other organizations of public administration.

The Ministry of Defence uses significant budget resources from year to year to develop the armed forces and the military capabilities necessary to fulfill the alliance obligations, one of the most important means of achieving this is (public) procurement. The scope of procurement encompasses not only the acquisition of tools and services for development, but the ability to create skills, but also the provision of daily life. As a result, the implementation of procurement tasks has become a highly complex task and public opinion responds particularly sensitively to some major events.

The most important endeavor of the Ministry of Defence's management has always been to ensure that procurements within the scope of the ministry are transparent, verifiable and that the implementation is carried out within the legal framework and that through the use of public funds, publicity, transparency and control of public ownership publicity of (public) procurement is ensured.

The dissertation contributes to the establishment of procurement thinking and procurement ability:

1. The **categorization** of the procurement procedure types used by the military contributes to the establishment of procurement capacity within the logistical capacity and can be used in the education of the logistics experts.

2. I have proven that the threefoldness of logistics can be observed in the design of procurement concepts. Within the military logistics I **determined** the place and role of procurement. I compared the process of military logistics with the competitive sector and the process of public service logistics, and **examined** the conceptual differences of procurement. I have proven that procurement is not a stand-alone activity but a key element in the logistics supply process. In the system threefoldness of logistics I **determined** the place and role of military procurement.

3. I have presented my procurement related proposals for solving the logistics problems that I have elaborated in separate scientific papers in 2011-2014. During the development of the solution proposals I relied on international practical experiences. I have demonstrated that based on international experiences we can develop a procurement method that is able to meet the needs of our customers and fit our long-term logistic concepts.

4. I have demonstrated that, following the development of a newly introduced procurement procedure type, it is essential to assess its effectiveness to increase the experience of participants (professional, legal and financial public procurement experts).



Following the implementation of military procurements, we can draw long term conclusions regarding the context of procurement and military logistics by measuring the contracting authority and the bidder side of the market.

The **novelty** of the conduct of the research lies on one hand in the fact that once the procurement procedure was carried out, its assessment was never made again and on the other hand the research was carried out **following the introduced type significantly** influenced the logistics system of the military organizations, which means that the research also includes the assessment of the logistics system of the military.

5. I have **measured** the procurement possibilities of military logistics in qualified periods. It has been proved that during the normal period it is necessary to develop a procurement right that can be applied in a qualified period, and that it should take into account the requirements of the disaster protection and special legal order during its normal period of procurements. **The result of this research can provide a basis** for the integration of the procurement of public order logistics in the special legal order.

## **NEW SCIENTIFIC RESULTS**

The dissertation contributes to the establishment of procurement thinking and procurement capacity:

1. Taking into consideration the continuously changing legal environment, ***I have analyzed and systematized*** the types of procurement procedures applied by the military. I grouped and I explained based on a logistic approach the possibilities, circumstances and the necessity of applying certain types of procedures.

2. ***I evaluated*** the task of logistics during the preparation of procurement procedures and ***proved*** that procurement is not a separate activity but a key element in the logistics supply process.

3. ***I developed*** an EU and NATO compatible procurement procedure type and made proposals for the use of it by the Hungarian Defense Forces and the civil service.

4. As a result of the survey research carried out among military organizations and economic operators, ***I have proven*** the effectiveness of the framework agreement procurement method. ***I have demonstrated*** that based on international experiences we can develop a procurement procedure type that is able to meet the needs of our customers and fit our long-term logistic concepts.

5. *I analyzed* the procurement activity of military logistics in qualified period and *demonstrated* that during its normal period procurement needs to take into account the needs of disaster protection and special legal order.

## **RECOMMENDATIONS**

The dissertation presents collectively the possibilities of logistic application of military procurement, contributing to the development of military procurement capability. Under the procurement capability, I understand the organization system, the design of procurement rights, the design of education and the compilation of knowledge that is able to efficiently support military logistics in both normal and qualified period.

I recommend using the results of the dissertation and the results of my research mainly in education and trainings, as follows:

- To the attention of logistics professionals involved in, or contributing to procurement procedures.
- For executives responsible for managing bodies or organizations where the decision or commitment is made in a procurement.
- For procurement experts my research, analysis, evaluations, interpretations and the extensive literature presented in my dissertation provide practical assistance in the daily procurement activities.
- For the training of all educational units of the University of National Public Service and its military logistics training materials and other educational activities of other educational institution dealing with the topic;
- In public administration, the mandatory training of accredited public procurement consultants as a curriculum.
- For organizations involved in disaster management, special legal order.
- PhD students who wish to process procurement from a logistics, defense or legal aspect.
- Use for other basic research.

My dissertation has already shown that military procurement is a constantly changing activity. Further research on the subject would not be feasible without the basics outlined in the dissertation. Continuation of the research can be carried out on several topics:

- The possibility of using a dynamic purchasing system.
- The impact of electronic public procurement on military logistics.
- Develop a uniform concept for the public administration as a whole for the procurement in qualified period.
- Continuation of further comparative analysis - research - with the involvement of the economic operators and military organizations, facilitating the optimization of the military logistic supply processes.

I recommend using the findings, conclusions, and research results of my dissertation as follows:

- It supports the decision-making of the responsible managers of the field.
- It contributes to the change of attitude of decision-makers.
- The results of my dissertation can be used to modernize the procurement standards and regulations of the military.
- It provides statistics and data-supporting information for teachers and researchers dealing with this topic.
- It can serve as a basis for research to develop procurement further.

## **THE LIST OF PUBLICATIONS OF THE PHD CANDIDATE IN THE SUBJECT**

### **Hungarian language, peer-reviewed**

1. Egészségügyi készletek a katasztrófa elhárításban: I. rész HADTUDOMÁNY: A MAGYAR HADTUDOMÁNYI TÁRSASÁG FOLYÓIRATA XXVII: pp. 33-48. (2018)A katonai beszerzés időszerű kérdései; In: Honvédségi Szemle: A Magyar Honvédség Központi Folyóirata 145. évfolyam 4. szám, Budapest, 2017., pp. 132-141. (ISSN 1216-7436) (Forrás: [http://www.honvedelem.hu/container/files/attachments/64203/hsz\\_2017\\_4\\_beliv\\_132\\_141.pdf](http://www.honvedelem.hu/container/files/attachments/64203/hsz_2017_4_beliv_132_141.pdf))

2. Beszerzés a katonai logisztikában; In: Horváth L Attila (szerk.) 52 év a katonai logisztika szolgálatában, Dialóg Campus Kiadó, Budapest, 2017. pp. 129-143. (ISBN:978-615-5680-53-3)
3. Különleges jogrend szerinti beszerzés az ellátási lánc folyamatában; In: Csengeri János, Krajnc Zoltán (szerk.) Humánvédelem - békeművelési és veszélyhelyzetkezelési eljárások fejlesztése, Tanulmánygyűjtemény, 791 p., Nemzeti Közszerződési Egyetem, Hadtudományi és Honvédtisztviselőképző Kar, Budapest, 2016. pp. 615-642. (ISBN:978-615-5305-35-1) (Forrás: <http://real.mtak.hu/33554/1/tanulmanygyujtemeny%20ujratervezes-CsJ-KZ-1.5.pdf>)
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5. Katonai beszerzés II.: A közbeszerzés, (köz)beszerzés, beszerzés rendszere; In: Hadmérnök X évfolyam 2. szám, Budapest, 2015., pp. 135-147. (ISSN 1788-1919) (Forrás: [http://hadmernok.hu/152\\_12\\_derzsenyia.pdf](http://hadmernok.hu/152_12_derzsenyia.pdf))
6. A különleges jogrend szerinti beszerzések főkérdései; In: Csengeri János, Krajnc Zoltán (szerk.) A hadtudomány és a hadviselés komplexitása a XXI. században. 288 p. Budapest: Nemzeti Közszerződési Egyetem, 2015. pp. 203-212. (ISBN:978-615-5527-47-0)
7. Katonai beszerzés I.: a közbeszerzés, (köz)beszerzés, beszerzés rendszere; In: Hadmérnök IX. évfolyam 1. szám, Budapest, 2014., pp. 25-39. (ISSN 1788-1919) (Forrás: [http://hadmernok.hu/141\\_03\\_derzsenyia.pdf](http://hadmernok.hu/141_03_derzsenyia.pdf))
8. Katonai légiszállítási képesség: (logisztika előtt álló feladatok és azok lehetséges megoldásai); In: Hadmérnök IX évfolyam 1. szám, Budapest, 2014., pp. 40-56. (ISSN 1788-1919) (Forrás: [http://hadmernok.hu/141\\_04\\_derzsenyia\\_2.pdf](http://hadmernok.hu/141_04_derzsenyia_2.pdf))
9. Egészségügyi közbeszerzés 2014; In: Katonai Logisztika 22. évfolyam 1. szám, Budapest, 2014., pp. 102-120. (ISSN 1588-4228) (Forrás: [http://epa.oszk.hu/02700/02735/00077/pdf/EPA02735\\_katonai\\_logisztika\\_2014\\_1\\_102-120.pdf](http://epa.oszk.hu/02700/02735/00077/pdf/EPA02735_katonai_logisztika_2014_1_102-120.pdf))
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[http://epa.oszk.hu/02700/02735/00075/pdf/EPA02735\\_katonai\\_logisztika\\_2013\\_1\\_035-048.pdf](http://epa.oszk.hu/02700/02735/00075/pdf/EPA02735_katonai_logisztika_2013_1_035-048.pdf))

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#### **Foreign language**

18. Analysis of the Efficiency of the Hungarian Defence Forces' Food Procurements for 2015: A Supply Service Research; In: Hadtudományi Szemle, year VIII.,

issue 1., Budapest, 2015., pp. 18-32. (ISSN 2060-0437) (Forrás: [http://real.mtak.hu/23418/1/15\\_1\\_hm\\_derzsenyia.pdf](http://real.mtak.hu/23418/1/15_1_hm_derzsenyia.pdf))

19. Derzsényi Attila, Rudolf URBAN LOGISTICKÉ ZABEZPEČENÍ OZBROJENÝCH SIL A VEŘEJNÉ ZAKÁZKY: LOGISTIC SUPPORT OF THE ARMED FORCES AND PUBLIC PROCUREMENT Place and date of conference: Brno, Czech Republic, 2018.02.07 Brno: University of Defence, 2018. 11 p. (New Approaches to the National Security) 13 th PhD Conference Proceedings (ISBN:9788075820372) <https://aktivita.unob.cz/dk/Documents/Conference%20proceedings%202018.pdf>

## TECHNICAL AND SCIENTIFIC CV OF THE PHD CANDIDATE

### Personal data:

Name: lieutenant colonel Attila Derzsényi

Place and date of birth: Jászberény, 1972.10.30

Address: 2234 Maglód, Erzsébet krt. 48

Mailing address: 2234 Maglód, Erzsébet krt. 48

Phone: 06-30-815-0883/ Fax: 06-29-326-090

Email address: [derzsényi.hkt@gmail.com](mailto:derzsényi.hkt@gmail.com)

Webpage: derzsényi.hu

### Education

János Bolyai Military Technical College armored and automotive engineering, mechanical engineer;

Miklós Zrínyi National Defence University Master's degree program in military logistics, master military logistics manager;

Higher Lever Logistics Manager (Hungarian Logistics Association).

EU tender writer and project manager

National University of Public Service Military Technical Doctoral School - PhD candidate

### Scientific, public activity:

Accredited Public Procurement Consultant Registration Number: 00197

Full implementation of public procurement procedures (National Ambulance Service, Ministry of Interior Affairs, Ministry of Health, University of Pécs, Local Governments)

### Participation in EU funded projects:

ÁROP 1.4.2012 Deputy Chief of Project

EKOP-1.A.2-2012 Deputy Chief of Project

KEOP 4.10/F public procurement consultant, project member

VEKOP-6.1.1-15 project manager, public procurement consultant

VP-6-7.4.1.1-16 Public Procurement Consultant, Project Manager at two places

**Language skills:** English STANAG (2,2,2,2), English intermediate level (OTK), Russian STANAG(1,1,1,) Hebrew intermediate level (OTK)

### Subjects presented in National University of Public Service:

Public procurement,

Economics and Logistics,

Economics and Military Economics,

Military logistics management,  
Disaster Management Logistics,  
Receptive National Support,  
Military Logistics and Military Technical Basics,  
Logistics

**Research:**

In the frame of PhD education: Analysis of the efficiency of logistic processes in the logistics supply system

Comparison of NATO member states' military procurement system

Assessing the effectiveness of food supply at the Hungarian Defense Forces

Investigating Military Procurement and Efficiency

**Procurement experience:**

Since 2004, as chairman of the evaluation committee, participation, management and supervision of the entire process of the following types of procedures (preparation, publication, bidding phase, evaluation, contracting, performance of contract)

- Act CXLIII of 2005 on Public Procurement;
- Government Decree 228/2004. (VII.30.) on the special rules for the protection of essential security interests, specifically for military, law enforcement and law enforcement purposes, as well as for the ordering of services;
- Government Decree 218/2011. (X. 19.) on the special rules regarding procurement relating to classified data, the nation's fundamental security, national security interests, or procurements regarding special security measures,
- Government Decree 168/2004. (V. 25.) on the centralized procurement system and the mandate and scope of the central purchasing body,
- Government Decree 44/2011. on the obligation of the penitentiary organization for the central government departments and law enforcement agencies, the order of delivery of the goods and services and the compensation of their products and services;
- Government Decree 46/2012. (III 28) on the national centralized system for the supply of medicines, medical devices and disinfectants to institutions providing in-patient care;
- Government Decree 109/2012. (VI.1.) on detailed rules for procurement under the NATO Security Investment Program;
- NSPA-EDA procurement,
- Disaster-related procurement,



- Public employment procurement,
- In-house purchase,
- Procurement below the public procurement thresholds,
- In the framework of research: Procurement of dynamic purchase system, special legal order

**Project experience:**

- project manager and public procurement consultant in ÁROP, EKOP, KEOP public procurement procedures above the EU thresholds,
- full conduct of public procurement procedures above the EU thresholds.

**References:**

**Public Procurement Authority registration:**

[http://kozbeszerzes.hu/adatbazis/mutat/tanacsado/portal\\_477822/](http://kozbeszerzes.hu/adatbazis/mutat/tanacsado/portal_477822/)

**Scientific activity:**

<https://vm.mtmt.hu//search/slist.php?lang=0&AuthorID=10038583>

**Current teaching and scientific activities:**

<http://hhk.uni-nke.hu/oktatasi-egysegek/katonai-logisztikai-intezet/muveleti-logisztikai-tanszek/munkatarsak/derzsényi-attila>

<http://hhk.uni-nke.hu/kutatas-es-tudomanyos-elet/doktori-iskolak/katonai-muszaki-doktori-iskola/hallgatoink>

Budapest, 2018. május 2.

**Derzsényi Attila**