

Defence
Suppliers Service



PHILIP MARGERISON
DSS PRESENTATION
SELLING TO
THE MOD

Email: DESComrcISET-SE1d@mod.uk

Website: www.contracts.mod.uk





WHAT MOD PURCHASES

- Around £16 billion spent each year
- 250,000+ Service Personnel who need:
 - Clothing
 - Homes furnishing & windows cleaned & bins emptied
 - Sports facilities
 - Equipment for MOD's dental, fire & police services
 - Fuel & spare parts for MOD vehicles



FY 2005/06

MOD placed 25,865 new contracts

Downward trend – in mid/late 1990s MOD placed 75,000 new contracts annually

90% valued at less than £100K

approx 2,000 Commercial Officers

Rationalisation of MOD Supplier Base

- MOD currently has around 32,000 suppliers
- Seeking to rationalise supplier base
- Reduce number of direct suppliers
- Seek longer term, larger contracts





MOD Procurement Policy

Obtaining value for money through:

- Whole Life Costs
- Performance
- Delivery
- Quality



Approach

- * **Reasonable Opportunities to Compete**
- * **Impartiality & Consistency**
- * **Confidentiality**
- * **EC & WTO Public Procurement Regulations**
- * **Advertise Requirements**



Acquisition Strategy

- Integrated Project Team (IPT) – currently 160 IPTs within DE&S
- Effective & transparent audit trail
- Approved at appropriate level for costs
- Explanation of most cost effective solution
- Assessment of all procurement options
- Assessment of risks & benefits involved
- Industry Days



Competitive Tendering

- Competition preferred procurement route
- 72% by Value of Contracts placed following competition
- Vendor assessment and pre-qualification techniques
- Prospective bidders limited to around six

Tender Criteria

- Quality Assurance certification
- Financially sound
- Managerial ability
- Technical competence



Supplier Selection

- Generally no more than 6 suppliers in competition
- Expressions of interest from Industry
- Pre- Qualification Questionnaires (PQQs)
- Objective evaluation of relevant factors
- But – sometimes there is only one supplier





Non-Competitive Contracts

Pricing Prior to Contract Placement

No Acceptable Price, No Contract (NAPNOC)

Mandatory for all non-competitive £1m+ contracts

£2.5b NAPNOC contracts placed annually

The Tender Process

- Formal Invitation to Tender
- Clear documentation & evaluation criteria
- Clarification questions
- Bidders Conferences
- Tenders submitted through *independent* Tender Board
- Tenders Assessed
- Tender Assessment Panel evaluate against pre-agreed criteria



Factors in Acquisition Decisions

- Cost & Operational Effectiveness
- Affordability & VFM
- * National Security
- Key Technologies
- Export Potential
- Industrial Participation
- Industrial Capabilities
- Foreign and security interests





Contract Award Criteria

- Technical & contractual compliance
- Clear-cut decision
- Down-selection process
- Negotiation may be necessary
- Winning & Losing bidders normally informed at same time
- Debrief available – Supplier Engagement Team!

Website: www.contracts.mod.uk



Codes of Best Practice

Commercial Policy Group Guideline No. 5

- The relationship between the MoD and its suppliers
- The involvement of the MoD in the selection of sub-contractors by prime contractors
- The relationship between defence contractors and their suppliers

Available from: www.ams.mod.uk



MINISTRY OF DEFENCE
DCB
DEFENCE CONTRACTS BULLETIN

Visibility for

[POSSIBLE FUTURE PURCHASES]

[TENDERS INVITED]

[CONTRACTS AWARDED]

[SUB-CONTRACT OPPORTUNITIES]

[ADDENDUM]



Email: bip@bipcontracts.com

Website: www.contracts.mod.uk

Website: www.contracts.mod.uk

Advertising MoD's Requirements

MoD routinely advertises:

- “Non-warlike” stores valued in excess of £93,000 in the OJEU and *MoD Defence Contracts Bulletin*
- “Warlike” stores valued at £500K and above (£250K+ for clothing, textiles & consultancy requirements) in the *MoD Defence Contracts Bulletin*

From 30 June 2007 onwards MoD will advertise its lower value, tender & contract opportunities valued at between £40K and £93K in the *MoD Defence Contracts Bulletin*.

Website: www.contracts.mod.uk



Guide to Contract Notices

Possible Future Purchases

Future Purchase

No. Expressions of Interest

Date Sent to the

EU Journal Issuing Branch

Summary of Requirements

QA Standards

Joint Service Adventurous Training - Parachute Course

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Possible Future Purchase No: ACT/03203

Deadline for Expression of Interest: 23.03.2007

Proposed/Estimated ITT Issue Date: 16.04.2007

Proposed/Estimated ITT Return Date: 16.06.2007

Issuing Branch/Organisation Details:

HO Strike Command Acquisition and Sales Team

C+C, Acquisition Et Commercial Team, RAF High Wycombe, Nimrod Building,
No.3 Site, HIGH WYCOMBE, Bucks HP14 4UE

Tel: 01494 494385, Fax: 01494 494400, Email: chris.frost468@mod.uk

Summary of Requirements / Description of Work: A two year fixed contract with potentially two years options for elements to support delivery of Joint Service Adventurous Training (JSAT) parachute courses at Joint Service Parachute Centre Weston-on-the-Green (JSPC(W)). An aircraft should be supplied to support this training and is to be suitable for student Static line and Freefall parachuting and cleared in accordance with Civil Aviation Authority (CAA) and British Parachuting. There is a need for applications to be sifted and students to be allocated to courses and notified of selections and other elements of course administration that will be described within the body of the tender.

Reverse Auction: No

Estimated Value of Requirement: Category H: E100K to E500K

QA Standards: The contractor must fully meet standards as specified in section VI.

Additional Information: Contractors should be able to conduct business electronically (details of the MOD's Electronic Purchasing Systems are available at www.d2btrade.com). Companies are therefore required to provide evidence of their ability to undertake electronic commerce with their expression of interest. Tender panel selection may also be subject to a Pre Qualification Questionnaire (PQQ).



Guide to Contract Notices

Tenders Invited

- Tender No.
- ITT Issue Date
- Tenders Due
- Advertised In
- Issuing Branch
- Summary of Requirements
- QA Standards
- Issued To

Bulldog Spares Defence Suppliers Service

ITT No: CLAST/1198
ITT Issue Date: 26.01.2007
ITT Return Date: 26.02.2007
Publication Date of previous Bulletin Advert: 01.01.1995
Issuing Branch/Organisation Details:
Light Armoured Systems Support IPT (LASS)
Manoeuvre/Strike (DLO), Sapphire House, Stafford Park 10,
TELFORD TF3 3AD
Tel: 01952 215072, Fax: 01952 215403, Email: classd@telford.dlo.mod.uk

Summary of Requirements / Description of Work: Supply of spares for Bulldog as follows:
Exhaust System FV2249487 Quantity 250
Alternator 80008052 Quantity 190
Condensor GLY8665 Quantity 350
Solenoid GLY8741 Quantity 350
The above items are for sub contractor interest only.

Reverse Auction: No
Estimated Value of Requirement: Category G: £500K to £1M
QA Standards: Certificated to ISO 9001:2000 with appropriate scope covering Production

Tenders Issued To:
BAE Systems Land Systems (W&V) Ltd
Hadley Castle Works
TELFORD TF1 6QW
Tel: 01952 224500
Fax: 01952 223801



Guide to Contract Notices

Contracts Awarded

Contract No.

Advertised In

Summary of Requirements

Awarded To

Type 45 - Initial Provision & Carry On Board Spares for WR21 Gas Turbines Change Units



Contract No: T45CMCB/1634
Issue Date of Contract: 19.12.2006
Publication No of previous Bulletin Advert: Volume 4 Number 13
Publication Date of previous Bulletin Advert: 19.06.2006
Issuing Branch/Organisation Details:
Type 45 Anti-Air Warfare Destroyer (T45)
Maritime Et Shipbuilding Cluster (DPA), DPA Abbey Wood, Spruce 1b, #1106,
Stoke Gifford, BRISTOL BS34 8JH
Tel: 0117 913 6427. Fax: 0117 913 6901. Email: T45CM-Iss1a@dpa.mod.uk
Summary of Requirements / Description of Work: The contract covers the initial provisioning and carried on board spares for the WR21 gas turbine change units fitted in the Type 45 Destroyers.
Reverse Auction: No
QA Standards: Certificated to ISO 9001:2000 with appropriate scope covering Production
Awarded To:
Rolls Royce Power Engineering plc
PO Box 2000
DERBY DE21 7XX
Tel: 0117 979 5035
Fax: 0117 979 5632
Email: robert.holden@rolls-royce.com
Headline Price of winning tender: £38,000,000.

Guide to Contract Notices

Sub-Contract Opportunities

Future Purchase No.

ITT Issue Date

Issuing Branch

Summary of Requirements

QS Standards

Post Design Services for Personal Role Radio

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Possible Future Purchase No: BATCM/1001

Deadline for Expression of Interest: 01.04.2007

Proposed/Estimated ITT Issue Date: 15.02.2007

Proposed/Estimated ITT Return Date: 15.04.2007

Proposed Issue Date of Contract (where known): 15.05.2007

Issuing Branch/Organisation Details:

Bowman Et Tactical Communications Et Information Systems

DCSA, Building 209, DLO Andover, Monixton Road, ANDOVER SP11 8HT

Tel: 01264 348008. Fax: 01264 248028. Email: paul.kingman336@mod.uk

Summary of Requirements / Description of Work: Project-design services other than for construction work.

Estimated Value of Requirement: Category G: E500K to E1M

QA Standards: Certificated to ISO 9001:2000 with appropriate scope covering Design, Development and Production.

Guide to Contract Notices



Addendum

Contract No/ITT No

Advertised In

Summary of Requirements

IS/ICS Methodologies, Policies and Standards Consultancy

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Possible Future Purchase No: CMCS/120343

Contract No: CMCS/120343

Publication No of previous Bulletin Advert: Volume 4 Number 23

Publication Date of previous Bulletin Advert: 08.11.2006

Issuing Branch/Organisation Details:

DCSA

DCSA CMCS, Minerva House, SWINDON SN5 7XQ

Tel: 01793 555229. Fax: 01793 555095.

Email: dcsavcm-cs3@defence.mod.uk

Summary of Requirements / Description of Work: Cancellation of MoD Contracts
Bulletin Advert possible future purchase no CMCS/102343. This will be readvertised in
the near future.

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DEFENCE SUPPLIERS SERVICE

Help Desk

Email: csg-help-desk@dpa.mod.uk

Website: www.contracts.mod.uk

Tel: 0117-91-32844





Defence Suppliers Service

* Part of Supplier Engagement Team

- Explain UK MoD Procurement & Procedures
- Provide Information brochures
- Provide Product requirement advice
- Provide Contact points



Supplier Engagement Team

- Multi-disciplined team of Engineers, Accountants & Consultants
- Supports Defence Industrial Strategy
- Work with SMEs to remove barriers of entry to MoD
- Consult with suppliers to improve efficiency & effectiveness
- Set and monitor standards
- Deliver service improvement projects
- Advise on cost realism



Information Pack



MoD
Defence
Contracts
Bulletin



Selling
to MoD
Edition 13



MoD
Low Value
Purchase
Offices



Commercial Toolkit

Part of Commercial Services Group

- Available to MoD staff & industry
- Contains guidance on a wide range of commercial policy topics, DEFCONs, DEFFORMs etc
- www.ams.mod.uk
- Enter AMS x2
- Commercial Toolkit
- Select either 'Guidance Topics';
'DEFCONs' or 'DEFFORMs'



HOW?

- Direct Contracts
- Sub-Contract Opportunities
- Low Value Purchase Orders



Medical & General Stores IPT

(formerly NPP0)

- Manage supply of General Stores to MoD
- Rationalisation of Direct Suppliers
- Appoint Industrial Prime Vendors (IPV's)
- IPV's to offer supply & support services to cover discrete commodity segments
- Opportunities exist for companies to become sub-contractors to the IPV's
- Tel: 01225 884747/884587



Other Points of Contact

- Defence Exports Services Organisation (DESO)

Website: www.deso.mod.uk

www.contracts.mod.uk



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