



PHILIP MARGERISON

SUPPLYING THE DEFENCE SECTOR

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Website: www.contracts.mod.uk



WHAT MOD PURCHASES

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

In FY 2005/06

MOD placed 25,865 new contracts

- 90% valued at less than £100K
- approx 2,000 Commercial Officers involved





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 Teams (IPT) – currently there are 160 within Defence Equipment & Supplies division providing:

- Effective & transparent audit trail
- Approval 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!



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

Advertising MoD's Requirements

MoD routinely advertises for:

- “Non-warlike” stores valued in excess of £90,000 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 has advertised its lower value tender & contract opportunities valued at between £40K and £93K, also in the *MoD Defence Contracts Bulletin*.





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

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:
HQ 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

Also covers:

Tenders Invited
Contracts Awarded
Sub-Contract
Opportunities
Addendum



Bulldog Spares

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

Condensator 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



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 the Supplier Engagement Team

ÿ Explain UK MoD Procurement & Procedures

ÿ Provide Information brochures

ÿ Provide Product requirement advice

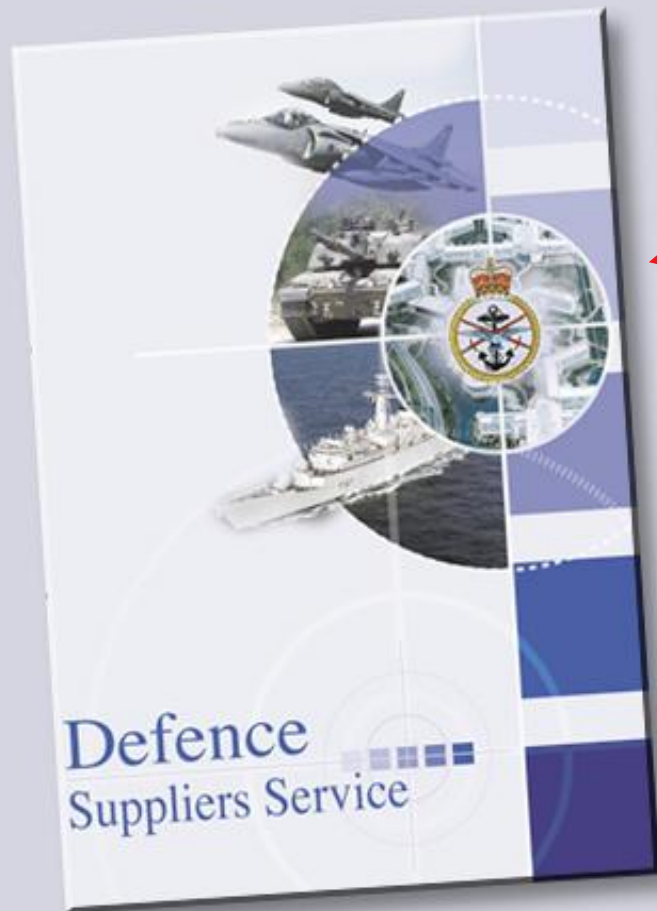
ÿ Provide Contact points

Supplier Engagement Team

- Multi-disciplined team of Engineers, Accountants & Consultants
 - Supports Defence Industrial Strategy
 - Works with SMEs to remove barriers of entry to MoD
 - Consult with suppliers to improve efficiency & effectiveness
 - Sets and monitors standards
 - Delivers service improvement projects
 - Advises on cost realism
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Information Pack



MoD
Defence
Contracts
Bulletin



Selling
to MoD
Edition 13



MoD
Low Value
Purchase
Offices



Commercial Toolkit

- From 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'





Other Points of Contact

UK Trade & Investment – Defence &
Security Organisation (formerly DESO) –
Small Business Unit

Website: www.deso.mod.uk
