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DIVISION / DIRECTORATE / BRANCH: PROTECTED MOBILITY SPRUCE 2A #1204 ABW

SUBJECT: Aquisition Strategy PPV

Referred to	Date	Referred to	Date
POL. SEC	21/12/10		

USER NOTES

1. A MOD Form 262A (File Record Sheet) must be raised for each new Temporary Enclosure Jacket (TEJ) created. The TEJ should also include a minute sheet.

2. When a TEJ is incorporated into the parent file it should be placed in the file in date order (according to the date of the last action on the TEJ) and allocated an enclosure number.

3. The file minute sheet should be annotated to record the enclosure number of the TEJ along with details of the number of enclosures contained within it. The TEJ record sheet (MOD Form 262A) should be annotated to record the date on which the TEJ was incorporated into the parent file (JSP 441, paragraph 4.13 refers).

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ACQUISITION STRATEGY

For

Project DUCKBOARD - Protected Patrol Vehicle

(PPV)

Issued by

Specialist & Utility Vehicles (SUV),
PM1,
MOD (DPA), Abbey Wood,
Yew 3a, #1340
Bristol
BS34 8JH

Drafted By SUV PM1

Approved by SUV TL

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BACKGROUND

1. Project DUCKBOARD began life as a Cat C programme to replace Projects SNATCH and TAVERN, to provide light protected mobility for Counter Terrorist (CT) and Public Order (PO) operations for Northern Ireland from 07/08 onwards. As such the DUCKBOARD concept was bounded by a well understood threat and mature operating environments, CONUSE and CONOPS. ECM and communications integration requirements were clearly defined.

2. Operational experience in Kosovo, Macedonia, Afghanistan and Iraq has highlighted capability gaps in protected mobility for troops operating in Peace Support and Post Conflict/CT situations. Most recently a number of SNATCH have been reallocated from NI for expeditionary operations, with UOR action to adapt them for the new environment. In recognition of this trend, the DMB, in Feb 04, endorsed an EP04 enhancement measure to bring forward funding for a BG equivalent of new light protected vehicles into 04/05 and 05/06.

3. Analysis to date[1] has concluded the case for treating the overarching capability represented by Project DUCKBOARD as 3 separate deliverable elements bounded by the detail of the protection, mobility, capacity, operating environment and role of each of these three elements. These have been designated Type A (SNATCH derived), Type B (either SNATCH 2 or new system), Type C (new system for EOD capability).

4. This Acquisition Strategy considers the options for the Protected Patrol Vehicle (Type B) as new vehicle system under a CAT D programme of work.

PROCUREMENT OPTIONS

5. Description. Operational Analysis (OA) Studies have identified a need for the capability to be delivered by a new platform, having discounted the use of SNATCH 2 as a coherent option for meeting this capability. [*Note: assumes that this will be forthcoming (Sept/Oct) and will obviate the need for a detailed analysis of a SNATCH 2 option within this Acquisition Strategy*].

6. Options. A number of procurement options have been identified and investigated as a means to deliver this capability.

a. Do Nothing. This option represents the non-provision of any form of discrete capability to meet the recognised and endorsed requirement. Provision of the requirement would be by UOR action to meet the stated capability or by use of assets that fall short of the stated requirement in performance terms. UOR action would require a period of not less than 8 months, from initiation to achieve a basic capability and would therefore fail to meet the key tenant of this capability (being a resource pool that was available at short notice). Logistic drag and the availability of staffing resource could make this period longer. Use of in-service assets that fail to meet the minimum stated performance levels would put users at risk and potentially create an operational vacuum at the source of provision.

[1] Project Duckboard – Way Forward Paper D/DEC(SP)/68/20 dated 7 Jul 04.

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b. Commercial or Modified Commercial Off the Shelf. This considers the potential for the provision of the capability directly from industry in a mature or nearly mature form:

i) COTS – It is known that there are a number of products on the market from specialist military vehicle suppliers that could provide a near match to the identified KURs and derived KSRs. There will inevitably be areas that are not optimised for British Army use and an approach on these lines will have to consider the overarching capability and the opportunities for early trade-offs. Such an approach would involve the early definition of the SRD and an in depth analysis of options derived from an initial market survey. The decision to move forward with any particular supplier would have to be made with the full acceptance by Customer 1 and 2 of the deliverable as presented from industry. No opportunity to influence the design would exist and this in effect would constitute System Acceptance on the basis of a paper review. It is recommended that further confidence in the choice of vehicle could be gained by inviting potential suppliers to provide samples for testing and evaluation to support claims made by the manufacturers. The resulting evaluation would provide a ranked scorecard with which a final acquisition decision could be supported. This approach has the prospect of being quick and easy to set up (assuming T&E resources are defined early enough), with the main risk to time being the provision of test articles from industry. Whilst the intention would be to seek these on a free issue basis, it might be more prudent to seek to purchase test articles with a buy back clause to ensure a degree of control over the delivery process. This approach would also mean that the risk of integration of comms and non-comms facilities would fall to the MoD and separate provision would have to be made with third party contractors (including a separate competition) to facilitate the final delivered article. Assessment of the state of build of the successful vehicle would have to be made during the evaluation period to ensure that it will be possible to make any necessary modifications and there would be risks if the selected evaluator did not become the eventual integrator.

ii) MCOTS – Broadly similar in approach to COTS described above the key difference would be to engage with the potential supplier base to consider the fitment of comms, non-comms and British Army specific requirements on a prime contract basis. Whilst this will involve some development time, it is clear that this approach seeks to minimise the changes to any product supplied from industry as "standard". A process of T&E, either as a part of the development programme (to inform industry of the nature of additional requirements) or as a discrete activity following modification and as a final sign off of design is recommended. The most appropriate approach can be defined during development of the SRD and from investigations into the provision of GFX (maturity, method of delivery, availability and contracting methodology for Subject Matter Expertise). The process and decision tree would derive from an initial invitation to provide proposals on the basis of a clearly defined set of KURs. Given that there is a degree of development activity, industry would probably prefer for use to purchase outright any test articles and an option for a buy back scenario (although to be investigated) is unlikely. It is therefore recommended that the number of test articles is kept to a minimum, commensurate with affordability, and that a down selection on similar lines to that described under the COTS option is a necessary approach. Whilst longer in terms of initial activity and

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subsequent parallel design activities this approach will yield a much reduced risk burden on the Authority.

c. Design Development. This option considers an approach for the development of a bespoke top hamper solution to meet the needs of the requirement. Taking as a start point a known chassis (or choice of preferred chassis to limit logistic footprint) a competition could be formulated that invited the OEMs of the chassis under consideration or third party top hamper builders to develop a solution that meets exactly the requirements of a developed SRD. Under this option the same issues of the maturity and supply of GFX as under MCOTS would apply. The Design Development activity would have to be completely funded and is likely (for affordability & time reasons) to focus on a single supplier. It is likely that there would be a time & cost premium in the provision of sufficient (although low order numbers) chassis from the OEM to provide a baseline from which to embark upon the Design development activities. A phased approach to acquisition would have to be considered with approval for serial production only being given once the prototype had been fully accepted as meeting the requirement. The risk of the single source (following competitive down selection) not meeting fully the conditions of the SRD would have to be borne by the Authority. Agreement to the purchase of long lead items prior to full acceptance (to minimise delay between completion of validation of prototype test article and production build) is to be considered a major risk.

PREFERRED OPTION

7. Of those detailed, it is proposed to explore option 6b ii) as the preferred option, MCOTS. This option provides the greatest opportunities for flexibility in the programme with clearly defined decision stages throughout and minimal risk transferral to MoD.

PROCUREMENT STRATEGY

8. Lease and PFI/PPP. Due to the uniqueness of the capability, variants and the TFR, this is not perceived a viable option. In addition SUV IPT expect to experience difficulty in identifying a company who would undertake such a venture. This option has not been considered further.

9. Competitive. There are sufficient products available within the military vehicle market that broadly meet the criteria set out for this requirement to enable a meaningful competitive approach. Testing of the market by the issue of a request for proposals could be augmented by a Pre Qualification Questionnaire which would enable an initial sift to be undertaken to reduce the burden on in-house resources of the comprehensive ITT. This would also have the benefit of reducing overall programme timescales and ensuring that resources are targeted in the most efficient manner. The inclusion of an Industry Day following the initial sift may further benefit the programme by reducing the prospect of mis-representation and therefore risk and by brokering partnering arrangements between attendees.

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10. Single Tender. As there is no clear benefit in terms of technical attributes or timescale this option is not considered further.

RISK.

11. A risk register and management plan will be developed against the project parameters and milestones. The current assessment of key risks to the DUCKBOARD PPV Project against the procurement parameters are as follows:

a. Performance. Clear, accurate and well defined technical requirements are essential. The early convening of the CWG/RWG is to be recommended. The setting up early in the programme of a mechanism to deal with Test and Evaluation and the provision of GFX should follow as soon as possible. Early scoping of key issues such as EMC and capacity in any potential design solution should take priority for resources. Engagement of customer 2 representatives and the continuity of this resource through the programme life must be addressed.

b. Cost. Accurate UPC's for the vehicles will not be known until the requirement is fully determined and OA work has delivered the required inputs. Affordability of the desired system will continue to be high-risk until the SRD and TFR has been articulated and potential suppliers have provided a more accurate costing.

c. Time. Endorsement of the proposed strategy is most likely to ensure a coherant, quantifiable programme. Risks remain outside the bounds of control of SUV IPT with regard to the provision of GFX, T&E, industrial capacity, SME focus, Customer focus and internal resourcing. The development of a quantifiable programme timescale cannot begin until the key enablers, represented by CWG/RWG development of a coherent SRD, by market survey and PQQ and by provision of Customer 2 focus are in place.

PREFERRED STRATEGY.

12. SUV IPT's preferred strategy for contracting is a Competitive MCOTS. This strategy, correctly managed for risk, has the potential to offer best values for money whilst reducing time, cost and performance risk to as low as reasonably practicable.

COMMERCIAL STRATEGY.

13. Pricing. A more accurate cost prediction[2] will be developed during the market survey phase and presented for the MGBC submission. The potential suppliers will be requested to submit a Firm price quotation as part of the formal ITT response.

14. Payment. Payment on delivery will be pursued as the preferred payment mechanism as this acts as both an incentive to the contractor and minimises exposure. A clear statement of Contract acceptance criteria will be included. However some pre-production 'milestone' payment(s) against the development of modifications may have to be conceded. A suitable element of any such sums would be retained as an incentive to satisfactory contract completion.

[2] Using 3 point estimating.

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15. Industrial Participation (IP). Dependent upon eventual contract placement the scope for IP shall be considered.

16. Resource Plan. The ITT will include a requirement for the contractor to include, as part of their tender response, a plan one to show how they will undertake the work including risk reduction activities.

17. Warranty. The ITT shall seek to obtain prices from the contractor which both exclude and include an Express Warranty. Provided that value for money can be established, an express warranty will be reflected within the contract. To support this the contract will also put in place a clearly stated process covering the monitoring, identification and reporting on defects or poor performance. The greater certainty provided by an Express Warranty over scope and enforceability will benefit both parties to the contract, compared with the uncertainties of remedies implied by General Law.

18. Quality Assurance. DEF STAN 05-91 shall be included as the contract requirement. The proposed prime contractor shall be accredited to ISO 9001:2000.

19. Intellectual Property Rights (IPR). [*Input required as to how GFX affects treatment of IPR*].

20. GFE,GFI and GFF. All GFE, GFI and GFF shall be identified prior to contract award and identified/included in the contract as necessary. The contractor will be required to identify at what stages in the programme the GFE will be required, and SUV IPT will manage issue of those items.

21. Critical Defence Technologies. There are no critical defence technologies involved in the procurement of these vehicles.

SAFETY.

22. Safety will be managed in accordance with Def Stan 00-56. A safety management plan will be developed and a Project Safety Working Group (PSWG) convened to direct safety of the programme. The contractor shall produce a safety case based upon the hazards presented by the system and its use. The PSWG will report to the SUV safety committee. The use of POSMS will be considered.

SUPPORT STRATEGY.

23. [*To be developed*].

OTHER ISSUES.

24. Bowman. The provision for PPV to be fitted with BOWMAN will need to be confirmed by BLD IPT.

25. ECM. Investigation into the provisions of the L programme of work is required.

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26. Security. Security of the programme will be managed in accordance with the ALCE sheet [*to be produced by DEC SP*].

27. Human factors. Where practicable, the vehicle will meet EEC standards for Human Factors, with fits being confirmed by the user to ensure that requirements are met. Where this is not possible, a case will be made for exemption to the LSSB.

28. Environmental impact. POEMS shall be considered for use on this programme.

29. Trials. Trials will be conducted where necessary to demonstrate, to the Authorities satisfaction, compliance with the requirement document. Test and Evaluation of the system will be managed against the ITEA Plan.

30. Project Approval. [*to be completed following development of the strategy*]

31. Acceptance. [*to be completed following development of the strategy*]

32. Review. SUV IPT at RWG and Project Meetings shall review this Procurement Strategy. It will be formally reviewed and re-issued for inclusion in the Business Case for Main Gate Approval.

MILESTONES

[*to be developed following agreement in principle of this strategy*]

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