

DE&S ISO 9001 CERTIFICATION PROGRAMME

BRIEFING TO INDUSTRY

Tuesday 9th April 2019

BAWA, Southmead, Bristol

Welcome

- Introductions
 - Phil Sheldrick: Head of Quality Management
 - Ian Merriman: Programme Manager
 - Kate Ashby: Commercial Officer
 - Charli Cambray: BMS Administrator and notetaker
- Domestic
- Agenda
 - DE&S Context and organisation
 - What we do
 - Statement of Requirement
 - Commercial aspects
 - Question and answer session

Why are we here?

- ISO 9001 Certification
 - It's something you do all of the time so why do we need an Industry Briefing?
 - Complexity of DE&S as an organisation
 - Value and importance of the Gap Analysis
 - Recognition that this is a significant change programme.

About us

Defence Equipment & Support (DE&S) is part of the MOD. We work with the military commands (Royal Navy, Army, Royal Air Force and Joint Forces) as well as MOD Head Office, managing complex programmes that provide equipment and support to the UK's armed forces.





Our purpose

To equip and support our armed forces for operations now and in the future.



What we do

We're responsible for:

- The procurement and support of ships, submarines, aircraft, vehicles, weapons and supporting services.
- General requirements such as clothing, food, medical supplies and temporary accommodation.
- Defining, designing, deploying and controlling coherent support chain processes and services.
- The British Forces Post Office.

What's different about us?

We're a bespoke trading entity (BTE) and that gives us certain freedoms:

- Separate governance to MOD
- Flexibility on employee management
- A different pay strategy
- Hard charging of our customers
- Customer-supplier relationship more of a business-like approach
- Our employees are still crown servants – a mixture of military and civil servants



Our role in the MOD

We're a crucial part of the overall defence operating model. Our work links defence suppliers to our military customers.



Our people

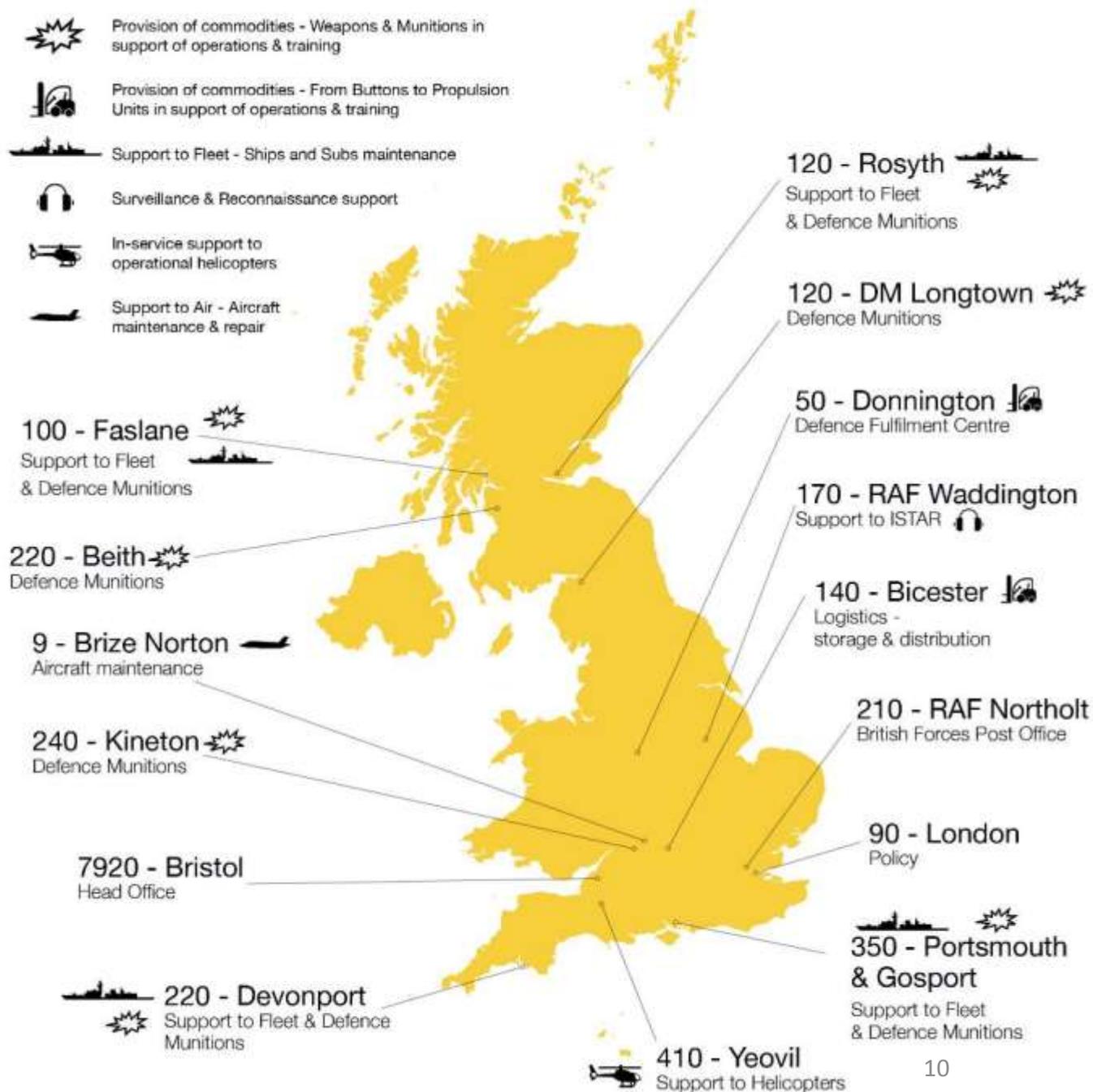
We employ around 11,500 civil servants and military personnel around the UK and overseas.

We're a diverse bunch who all work side by side to deliver for our customers, the UK's armed forces. Our headquarters is in Abbey Wood, Bristol.



Where we are

Our people are deployed at over 150 locations across the UK and overseas, including defence munitions sites, military bases and supplier offices.



OGSM

Objectives, goals, strategies & measures

Our OGSM framework helps us give our attention to what really matters for DE&S, and tells everyone what we intend to do and how we're going to measure our progress.

1. Hitting our numbers
2. Perform to plan
3. Even more 's' in DE&S
4. Satisfy our customers
5. Transformation delivers benefit
6. Develop our people & improve our processes



A black and white photograph of a young man with short hair, smiling broadly. He is wearing a light-colored, vertically striped dress shirt and a dark tie. He is sitting at a desk with a laptop in front of him. The background is a bright, slightly out-of-focus office environment.

Key facts

Finance

We'll deliver £105 billion over a 10-year period on behalf of our customers.

This financial year (18/19), we spent around £5 billion on equipment support and £4 billion on equipment procurement.

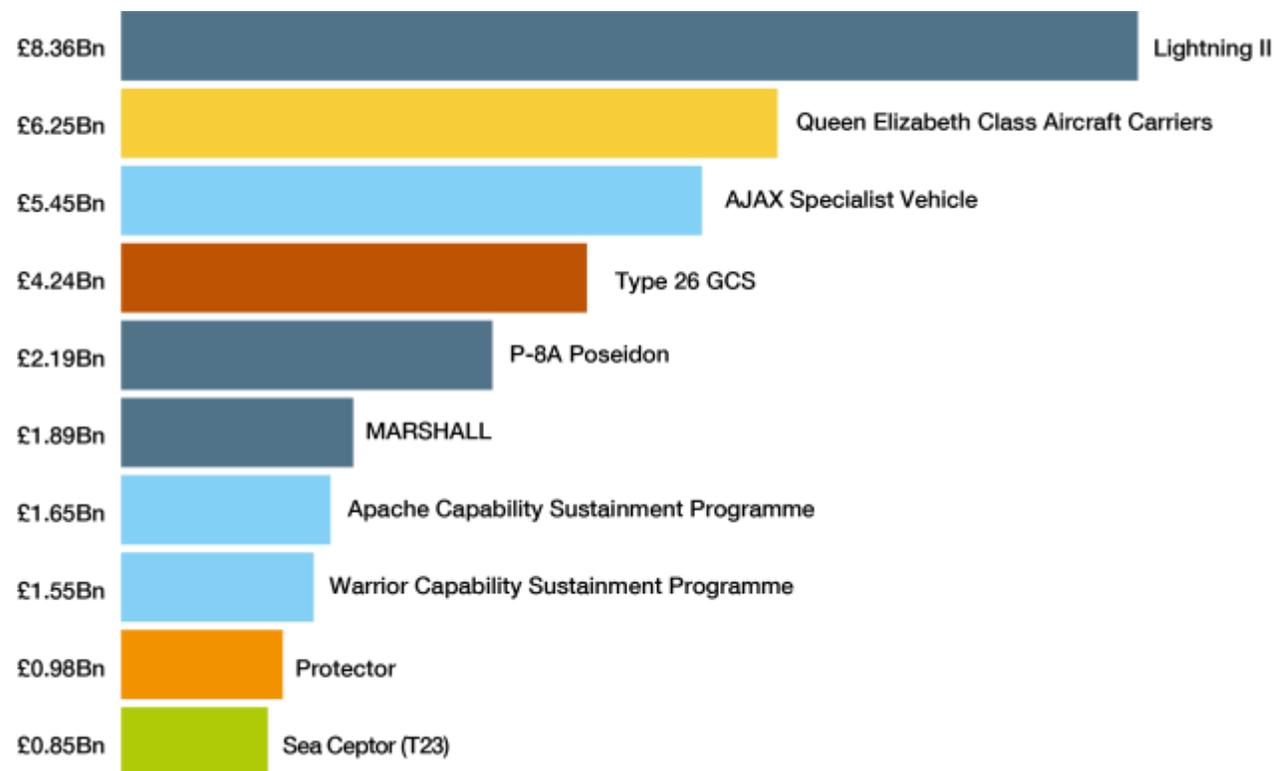
Our operating expenditure, including civilian and military pay, private sector support and other running costs, will be around £1 billion.

Key facts

Our top equipment projects

Taken as a snapshot in time, the graph shows the 12 largest DE&S equipment projects where MOD has taken the decision to invest, as published in the Defence Equipment Plan 2018.

Equipment procurement



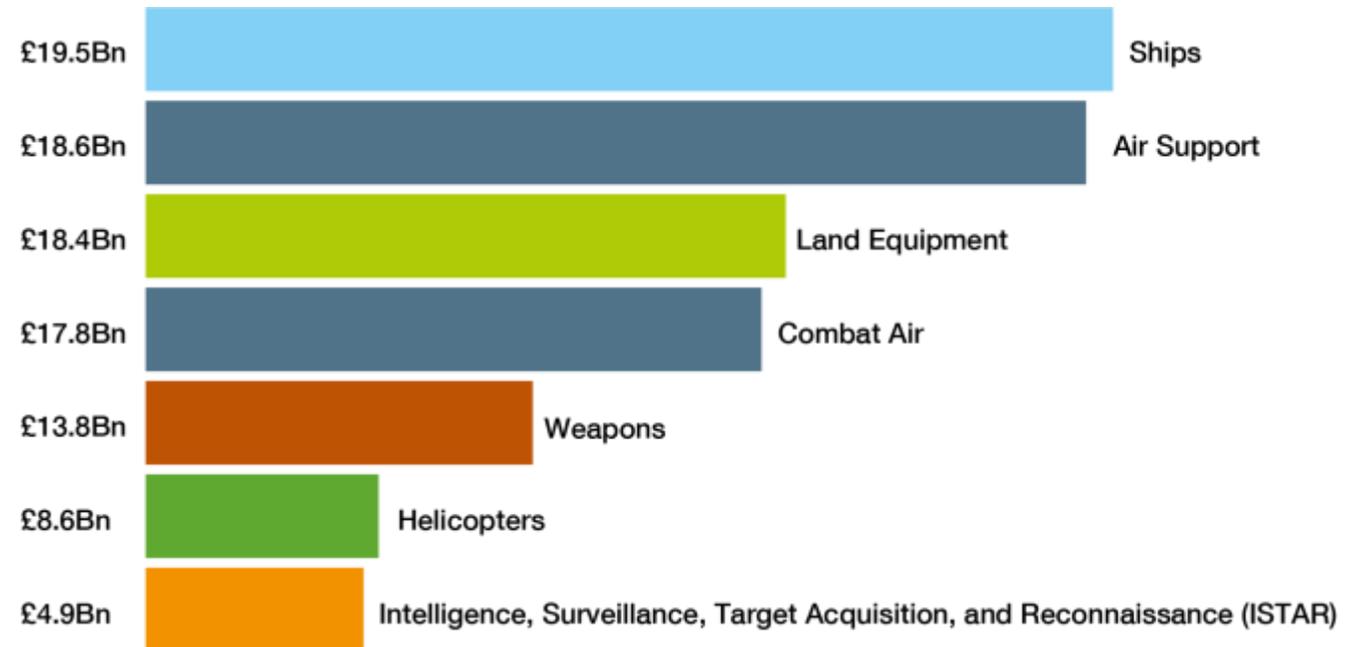
Key facts

Equipment support

Support is equally important for us, as we need to ensure new and in-service equipment is properly supported throughout its lifetime.

Taken as a snapshot in time, the graph shows the largest planned equipment support expenditure through DE&S over the next 10 years, as published in the Defence Equipment Plan 2018.

Equipment support



Our supply chain

We work with a range of suppliers, from industry partners to MOD service providers.

We work with our suppliers to set the specification and timeline for the equipment our customers need. They build the equipment and, once it's delivered, provide through-life support to help keep it maintained.



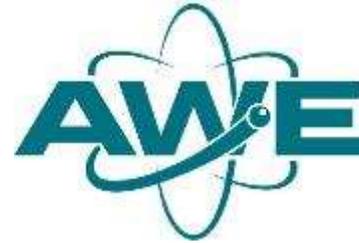
trusted to deliver



Rolls-Royce



Devonport Royal Dockyard



QinetiQ

MBDA

MISSILE SYSTEMS

 **leidos**



LEONARDO

**GENERAL
DYNAMICS**

BAE SYSTEMS

INSPIRED WORK



AirTanker

Changing for the better

Our aim is to become the very best at defence procurement and support. Over recent years, we've been undergoing a transformation that touches on every aspect of our work to improve our ability to deliver.



How we've changed

We've changed the way we manage our work and our people with:

- A new pay and performance system
- Flexible deployment
- New standardised ways of working across project teams
- New tools and systems to improve our technology and reporting capabilities (P3M, BMS, MI)

We're continuing to embed these changes across the organisation.





Our governance

We're governed by our Board, led by chairman Paul Skinner (left), who works with his non-executive colleagues to provide strategic governance to help make sure we're delivering our objectives.

Our Executive Committee reports into the Board, and is responsible for the day-to-day running of the organisation, led by the CEO.

DE&S Chief Executive Committee



Sir Simon Bollom
CEO



Nick Elliott
Director General
Commercial



David Johnson
Director General
Resources



**Lt. Gen.
Paul Jaques**
Chief of Materiel Land



Neal Lawson
Acting Chief of Materiel
Ships



**Air Marshal
Julian Young**
Chief of Materiel Air



Pete Worrall
Chief of Materiel Joint
Enablers



Adrian Baguley
Director Programmes



Barry Burton
Director Strategy and
Change



Danny Griffiths
Director Human
Resources



Tim Rowntree
Director Engineering
and Safety

Our management structure

Our management structure is shown in this diagram, with the six directors heading up functions that work across four domains.

DE&S CEO Executive Committee



DE&S Structure

DE&S – Corporate level

Domains: Ships; **Land;** Air; Joint Enablers.

Functions: Commercial; Resources; HR; Programmes; Engineering & Safety; Strategy & Change

Operating Centres:

Ships Acquisition; Ships Support; Land Equipment; Support Enablers; Logistics Delivery;

Weapons;

Combat Air;
Air Support;
Helicopters;
ISTAR.

1* Sub-Portfolios:

Type 26 & OPV; Commercially Supported Shipping; Vehicle Demonstration and Manufacture; BFPO; **Weapons Support;**

Lightning II;
A400M;
Helicopters 1;
ISTAR 2.

Delivery Teams:

OPV; SANMO; Ajax; **Defence Munitions;**
Merlin; CBRN

Sites:

DM Beith; Crombie; Longtown; Kineton;



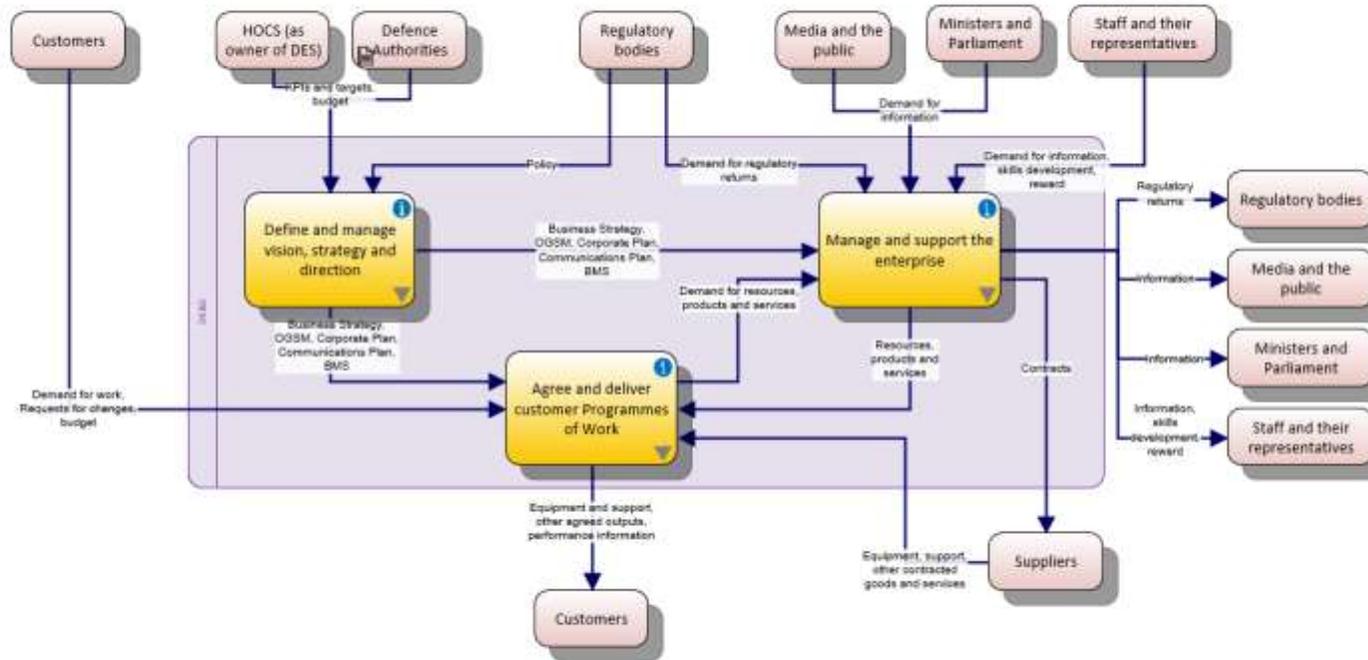
Our functions

Our nine functions act as professional homes for our people:

- Commercial
- Corporate Services Group
- Engineering
- Finance and Accounting
- Human Resources
- Information Management and IT
- Integrated Logistics
- Project Controls
- Project Management

Business Management System

Ministry of Defence  DESBMS-944320649-722 (Revision 0)
1 DES Process Hierarchy



Purpose : The purpose of this screen is to show the top layer of process navigation
Owning Function : Quality Management

Uncontrolled when printed

Our domains

We deliver our projects within domains that reflect our end customers:
Land, Air, Ships and Joint Enablers.

Each domain is headed up by one of our Chiefs of Materiel.

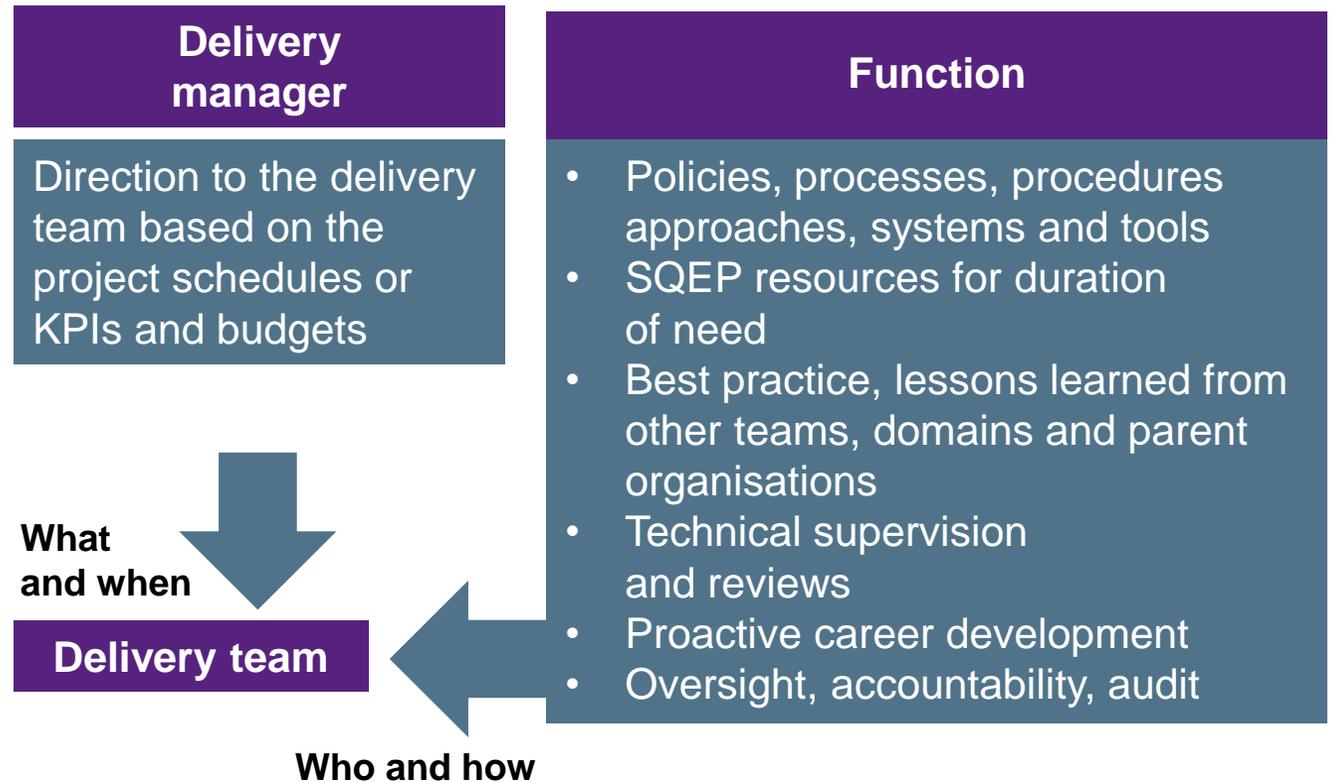
We work closely with the Submarine Delivery Agency (SDA).



The balanced matrix

In the balanced matrix, domains are responsible for **what** is delivered and **when**, and functions are responsible for **who** is delivering and **how**.

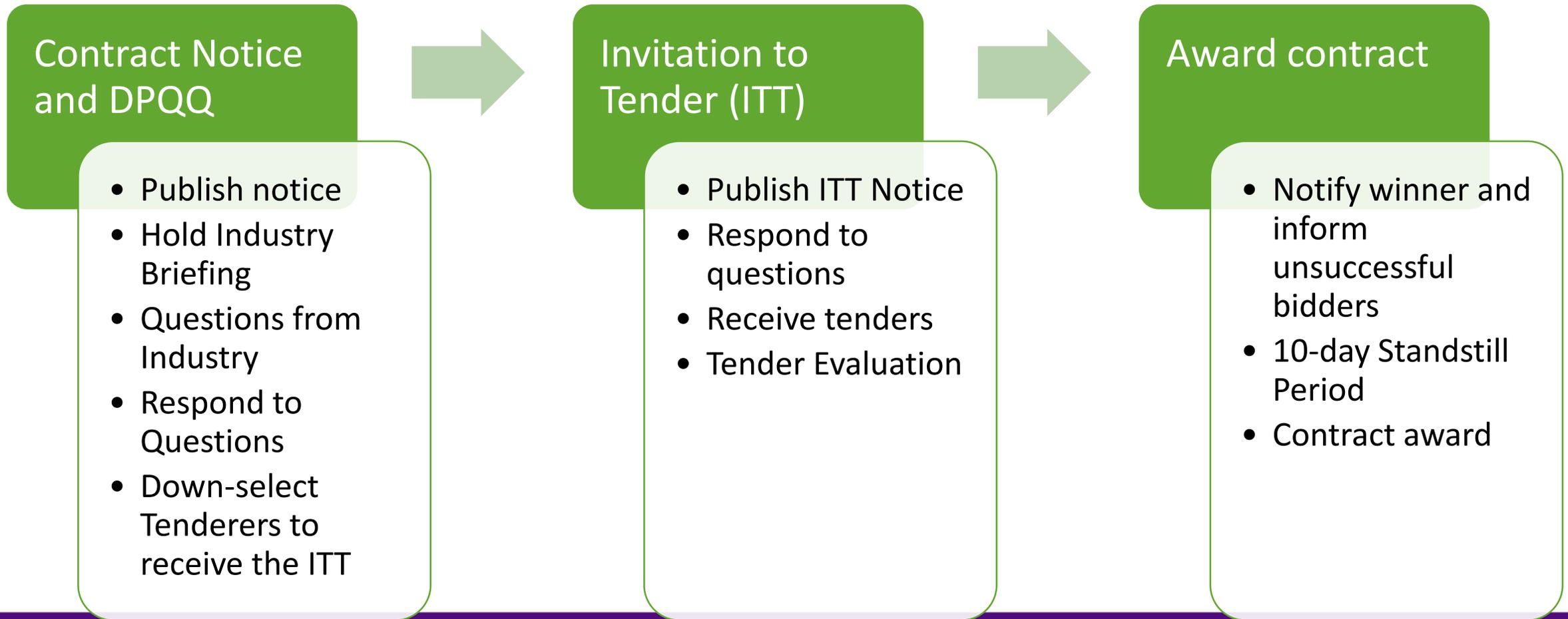
Using flexible deployment, functions can move their people between assignments, corporate and domains to make sure the right people with the right skills are in the right place at the right time.



Statement of Requirement (SoR)

- Phase 1:
 - Scope and structure for certification
 - Gap Analysis
 - Transition Plan
 - Training and Awareness
 - Initial Certification
- Phase 2:
 - Surveillance for 3-years

Commercial aspects



Tender evaluation weightings

Tenders will be assessed on a MEAT basis (Most Economically Advantageous Tender). MEAT is defined as the tenderer with the highest score which is comprised of the following:

- **Technical – 80%**
Tenderers must achieve a minimum technical score of 60% in each question in Table 1A to achieve Technical compliance.
- **Price – 20%**
Relative scoring: lowest price gets maximum points available
- **Commercial – pass**
We are following the Restricted Procedure, therefore negotiation is not permitted

Question and Answer Session

- Rules:
 - Open discussion forum and non-binding
- DE&S Questions
 1. Based on what you have seen and heard do you believe our target date for Initial Certification (Jul-20) is achievable?
 2. When considering the deliverables in the SoR do you think the timescales seem reasonable?
 3. What additional information do you think you need in the SoR to provide robust tender responses?