

To: IAC Members

From: XXX SRO

Reference: PMO/PROGRAMME NAME/IAC/02/DATE

XXXXXXX DATE

XXXXXXXXXXXXXXXXX (XXX) OUTLINE BUSINESS CASE

References:

- A. XXXXXXXXXXXXXXXXXXXX (XXXX) XXXXXXXXXXXX (XXX) (Programe/project name) Project Initial Gate Business Case dated DATE.
- B. PROGRAMME NAME Assessment Phase Extension Review Note (5320) Outletter dated DATE.

Executive Summary

This submission seeks approval to start a new procurement to minimise capability shortfall and schedule delay against the endorsed requirement. The revised procurement strategy exploits lessons from the previous XXX competition by following a Competitive Design Phase (CDP) approach. Reworked requirements, procurement strategy and schedule assumptions have been tested with Industry in early market engagement and have been well received. Optimising the requirement, both technically and commercially has made a marked difference, widening the aperture of market interest. However, decisions by SofS, following the project team's Market Engagement Report (ME Report) recommendations, have resulted in a level of flexibility to generate a viable competition, these additional constraints have the potential to impact the effectiveness of the competition to maximise the value for money objective. Further to this, additional risks remain; namely the capacity and capability of the UK market and the overall level of affordability to deliver within these constraints whilst delivering the desired outcomes of the programme; capability, social value and Net Carbon Zero. This necessitates the involvement of international firms to partner with those in the UK to ensure the Procurement Strategy (including the improvement of UK (INDUSTRY) productivity) remains deliverable. This includes REDACTED. A flexible PROGRAMME NAME CDP has been designed to maximise value-for-money through a competitive process and increase the probability of a successful outcome given these constraints.

Issue

1. Approval of the XXX Outline Business Case to cover the Assessment Phase (AP) and procurement activities towards the submission of a Full Business Case (FBC) in DATE.

Recommendation(s)

2. The Investment Approvals Committee (IAC) is invited to **approve:**
- a. the revised Procurement Strategy (Enclosure 1);
 - b. the extension of the XXX AP to a target contract award in DATE at 50% confidence; and
 - c. an Approved Budgetary Level of £XXXX (outturn, inclusive of VAT where applicable) at XX% confidence for PROGRAMME NAME AP to XXX DATE including Private Sector Support (PSS) costs.

and to **note:**

- d. the candidate KURs (Annex A);
- e. the estimated impact on the delivery schedule and revised Planning Assumption for Service Entry (PASE) in DATE at 50% confidence;
- f. the latest Design and Manufacture (D&M) Phase 3-point cost estimates and affordability of the Assessment Phase against the Initial Gate Business Case (IGBC) budget (Annex C); and
- g. the next submission, a Full Business Case (IAC XXXX) in DATE.

Timing

3. **Routine.** Approval is required by DATE to achieve target contract award and PASE dates as set out in this submission.

Presentation and Handling

4. The programme continues to attract significant Parliamentary and public interest, particularly in relation to the build location choice and how the programme fits within the Government's INDUSTRY agenda. On DATE the Secretary of State for Defence agreed that the original PROGRAMME NAME competition should be cancelled because it had become clear that a value for money solution could not be reached due to lack of effective competition. Subsequently the SofS has decided on a UK focused build, whilst allowing international participation for the new PROGRAMME NAME competition. Lines to take and media handling packs were agreed with the Secretariats.

Strategic Case

5. PROGRAMME NAME is a Strategic Programme required to deliver the Command Plan objective XXX. It is a key logistics enabler for OTHER PROGRAMME NAME.
6. Current DELIVERABLES are beyond their design life and unable to provide the capability at the required performance levels particularly for capacity and storage efficiency, and in an assured manner to meet policy.
7. A capability cliff edge is approaching with DELIVERABLE due to leave service in DATE. DELIVERABLES were planned to enter service between DATES. The latest deterministic and risk adjusted estimates result in a class In Service Date (ISD) range of DATES, with DELIVERABLES at 50% confidence. Options to delay PROGRAMME NAME Out of Service Date (OSD) have been costed at £XXXX. Once the delivery schedule is more certain following the conclusion of the competition the need for this mitigation will be evaluated and the costs will be included in the FBC if required.

Requirements

8. The cancelation of the previous competition has allowed a wholesale review of the requirement with particular focus on those elements that drove the DELIVERABLE dimensions, presented technical challenge and risk. A significant 'value engineering' exercise was conducted to move from large numbers of prescriptive requirements to a smaller number of output-based requirements in order to remove unnecessary expenditure and provide flexibility to future bidders. Although designed to allow Military Off The Shelf (MOTS) solutions to be considered, elements may not be suitable for MOTS and planning has allowed for sufficient time and flexibility for Industry to offer and deliver an appropriate solution.
9. The requirement has been reviewed against the latest planning assumptions. The operating model used to drive down requirements and deliver smaller, more available DELIVERABLES. The scenarios cannot be met with two DELIVERABLES and KURs are driven by a three DELIVERABLE model. More widely there would also be a significant loss of incentive to industry to bid, or invest in UK capability, if the volume was reduced. There have been significant changes in key assumptions as other programmes have entered service and Defence Planning Assumptions (DPAs) have matured. Collectively, these change the requirement and allow consideration of a greater range of transfer options, with a result that the capability could be met by a TYPE OF solution vice ANOTHER TYPE OF solution. The TYPE OF solution is a proven technology with an existing safety case and reduced integration demand that can meet the revised requirement.
10. These changes, alongside the introduction of threshold and objective measures of effectiveness, seek to offer the market flexibility in developing overall proposals.

Economic Case

11. Following a review of the programme requirements and lessons from the previous procurement, the Project Team designed and executed a phase of Market Engagement. A comprehensive market position paper was drafted and released to Industry (covering commercial, programmatic, through life and technical aspects). Industrial Participants provided thorough responses under cover of a Non-Disclosure Agreement which formed the basis for engagement discussions in DATE. The results of the Market Engagement exercise were requested by Ministers to be summarised in a paper which was submitted to SofS from the SRO on DATE. These results have been essential for cementing the recommended procurement strategy.

12. Market Engagement analysis (Appendix to the Procurement Strategy), which included independent industrial capacity assessments and costings, has identified two key points. First, that a credible competition is possible if the market is given enough flexibility. Second, that without competition, the requirement is unlikely to be deliverable for the budget. Consequently, whilst the procurement strategy seeks to provide maximum flexibility to maintain competitive pressure and Departmental choice, serious consideration should be given to significant risk provision (up to £XXXX) to maintain the procurement schedule and capability objectives. Mitigating this risk as far as practicable to ensure a deliverable and affordable programme will be a primary objective of the next phase of the programme.

13. Reviewing how the capability can be delivered and moving away from a taught technical specification to an output-based set of requirements, received a positive reception from industry during the Market Engagement exercise. The exercise suggested that delivery remains possible within the indicated budget of £XXXX for the design and build contract should sufficient flexibility be provided to deliver with the optimum build strategy. The SofS's decisions on UK content do not align to the level of flexibility recommended within the ME Report, and provides a challenge, which maintaining competition can help to overcome. This places significant risk on the viability of the competition which will need careful consideration before the commercial documentation is finalised and issued.

14. Treatment of costs outside the budget (£XXXX for design and build, £XXXX for the delivery into service), due to moves away from the optimum build strategy, would need to be considered against the wider benefits this may bring. For example, investing in capability and capacity in the UK that opens a pathway for the expansion of our strategic base. These costs are outside the control of the Programme, and until they are better understood through the next phase of development, they will need to be either held as risk outside Programme or subsumed into a larger Programme risk provision.

15. Market Engagement has shown that there is a vibrant international market to deliver the requirement and that the refinements made to technical and commercial requirements in the last year are welcomed by Industry and will improve programme deliverability. However, market conditions have changed since the cancellation of the previous procurement. This will make a new procurement a challenge to deliver and

as such, Industry's willingness to invest will be contingent on the level of flexibility afforded by the Authority in respect of key programme parameters such as build strategy (location) and the level of UK social value to be delivered as a direct benefit of the programme.

16. In parallel to Market Engagement a UK analysis has been commissioned by the Project Team to be conducted by independent experts to understand the feasibility and capability of building in the UK. This has also included an analysis of the level of investment required in infrastructure and skills to improve and sustain productivity to inform the final Procurement Strategy. The combination of this analysis and direct engagement with the market has shown that there is pressure on UK capacity in respect of infrastructure and skills. Thus, a credible competition will be reliant on some level of overseas involvement.

17. In addition, significant Government to Government engagement on the procurement process for and capability of existing and future auxiliaries has been conducted with a number of partner Navies and Governments. A specific costing study into potential cost differences in building in the UK compared to overseas labour rates and productivity has also been carried out by the Project Team. This will inform more robust costing of internal indicative designs developed to ascertain the likely range of costs to deliver the new requirement set.

Value for Money considerations

18. As set out in para. 4 above, SofS has now decided that assembly and outfit of sensitive systems should take place in the UK. This approach will clearly test the cost and time parameters of the programme and may dissuade international companies from participating due to the additional costs associated with higher levels of UK manufacturing.

19. To meet the SofS intent whilst maintaining a credible procurement, the project commercial team's advice to mitigate (but not retire) this risk, is to allow Bidders a degree of flexibility in respect of build location, design work and skills transfer. In parallel, a similar approach to the assessment of prosperity (social value) in PREVIOUS PROGRAMME may be undertaken to generate wider programme benefits (especially skills development and infrastructure investment) and opportunities for the development of the UK supply chain.

Financial Case

20. The original DATE Initial Gate Approved Budgetary Level (ABL) of £XXXX was sufficient for the AP and the additional year to DATE. To complete the AP will require approval to spend a further £XXXX out to a manufacture contract award in DATE. Most of this cost will be used to fund Competitive Design Phase contracts, which will provide significant benefits in maturing Bidders' designs and delivery proposals, including build strategies, and reduce commensurate manufacture phase risk.

21. This is not additional cost and is containable within the existing budget allocation. It will provide greater incentive for Bidders to remain in the competition, allow Departmental analysis of all deliverables and de-risk subsequent detailed design with the winning Bidder. It is affordable within budget, and the transfer to DELIVERY PARTNER NAME will be enacted.

22. Revised budget estimates have been updated based on latest schedule, procurement approach and requirements. Due to the elongation of the programme and range of uncertainty in Unit Procurement Costs (UPCs) that have yet to be formally taken to market, there is a challenge to affordability against the budget set at Initial Gate and held by ORGANISATION (Annex C). These estimates reflect a UK focused build, with block build partly completed overseas and integration in the UK and international participation in design and supply chain, vice the Full International Competition procurement assumption at Initial Gate. They are also costed at a most likely capability point that reflects a requirement marginally greater than threshold (cargo 50% to objective) to provide trade space to achieve best Value for Money.

23. The D&M phase costings volume and profile will be matured, and uncertainty reduced, the competition progresses with transfer to the P9 line, alongside FBC, with a competition designed to drive affordability and subsequent contract award. This will include determining the funding profile required to deliver best VfM and avoid additional financing costs, the existing profile is indicative and requires significant maturing with industry.

24. At initial gate in DATE, in-service support costs were estimated at £XXXX across the planned capability life span. These estimates will be updated and confirmed as part of the FBC once the capability solution is known. The Equipment Support Programme (ESP) line (based on IG estimates) was included in the ABC DATE submission as it had then entered the 10-year planning horizon. It is intended that in-service support will be subsumed within the wider RFA support contract (successor to FISS due in DATE), so a separate support business case is not envisaged.

25. The project team recognise that the decision to purchase the product are influenced by the defined three levels of costs that make up the Through Life Costs (TLC). These are;

- a. Life Cycle Costs (LCC) which consist of all the direct costs associated with the procurement, operations, support and disposal of the 'product'. These costs include the costs described in paras 11-14 above and resources;
- b. Total Ownership Costs (TOC) which consist of all the elements that are part of the LCC plus the indirect, fixed and linked costs. The latter includes, common support equipment, common facilities, personnel required, administration, supervision, operations planning, munitions. TOC represents all costs associated with ownership of a 'system'; and
- c. Whole Life Costs (WLCs) which consists of the elements that are part of TOC plus indirect, fixed, non-linked costs. These can include housing, medical services, ceremonial units, basic training, HQ and staff, academies and recruiters.

26. The costs as described in the LCC and TOC will be captured in a Project Through Life Cost (TLC) model.

Commercial Case

27. A Procurement Strategy (Annex G) has been established which sets out that requirement should be competed because there is a well-established market in existence of both UK and overseas designers and integrators. Competition is both viable and deliverable and can be conducted at pace by conducting the design phase in parallel with elements of the manufacture phase contract negotiations (as with PREVIOUS PROGRAMME). However, it should be noted that Bidders are more likely to offer bespoke designs into this procurement to meet the requirements as opposed to modified MOTS Designs offered in PREVIOUS PROGRAMME. This will result in a longer competition timeline, but this is appropriate given the bespoke nature of the requirement. Nevertheless, it can still be delivered quicker and to better value than a single source approach which would also carry the risk of challenge from Bidders who participated in the previous procurement.

28. The previous procurement was conducted under the EU Defence and Security Public Contract Regulations DATE. There is an enduring risk (captured in the project risk register) that a departure from a regulated international competitive procurement strategy carries legal and commercial risk. MOD Legal have provided advice directly to the SofS on this subject.

29. As set out in para. 14 above there is a further risk that the UK market alone has insufficient capacity to deliver the programme within its current cost and time parameters which in the commercial team's view will necessitate the involvement of international partners to some degree to mitigate this risk. Further, allowing flexibility for prime contractors to build some elements overseas will widen the pool of credible prime contractors to between three and five based on interest received at market engagement. The Authority's leverage to negotiate a robust commercial deal will also substantially increase.

30. Endorsement is being sought to pursue a similar Procurement Strategy to that of PREVIOUS PROGRAMME, with focus on a funded competitive design phase where Bidders are contracted to produce design, project and ILS deliverables for assessment. It is essential to fund Bidders' efforts via simple design phase contract in order to reduce the risk of legal challenge arising from the previous cancelled procurement as well as maximise competition. This will partially run in parallel with manufacture phase negotiations but learning from PREVIOUS PROGRAMME, more time will be afforded for Bidders to focus on design aspects upfront ahead of formal negotiations beginning.

31. The departure from PREVIOUS PROGRAMME will be in the evaluation criteria (which must focus on different technical aspects and an increased focus on social welfare and sustainability) as well as an earlier focus on design and through life deliverables, leaving build strategy development and (LOCATION) selection to latter phases of the competition. The evaluation approach will be to award the Most Economically Advantageous Tender in line with published criteria to be developed over the coming months.

32. An effective competition will require international contractors to access and partner with UK companies and so procurement rules preventing exclusivity arrangements are being developed by the Project Team as a criteria of competition entry in line with UK competition law. Steps will also be taken to ensure that an onus is placed on Bidders to demonstrate why the benefit of entering into joint ventures or teaming arrangements outweighs the benefits the Authority may enjoy through a broader competitive field.

Management Case

33. At this stage it is not possible to confirm a revised set of PASE dates until the market has been engaged through a procurement process and against published evaluation criteria which allow Bidders to make cost, time and capability trades. Given that FBC is less than X months away the re-baseline of the programme schedule would be more sensible at that point benefiting from the optimum delivery schedule that will be derived from the competition. On current estimates, it is likely that there will be a delay to the previous PASE dates (Annex D) of X months. Based on comparable build schedules and by incentivising Bidders limiting the delay to X months is a realistic target.

34. An outline schedule, covering the procurement out to contract award, is provided at Annex E.

35. The project resources to conduct the procurement have been developed utilising DELIVERY ORGANISATION Transformation tools and reflect the intensive nature of the competitive process with industry to deliver to timescales. The Organisation Design is derived from work scope developed in the Work Breakdown Structure (WBS) to determine the staffing plan to deliver the full scope of work through to the forecast Contract Award in DATE. The Project Team will grow in size to a total of X FTE from DATE. This will include DELIVERY ORGANISATION staff and specially selected staff to fill niche skills gaps. Where necessary PROGRAMME NAME will be complimented with bespoke tasking activity. Further, efficiencies in staff assignments and output will be attained through the development of a matrix management system. The Programme Team is fully resourced with no current gapping.

36. It is recognised that the project will need to manage the additional constraints present in a COVID environment set to continue into FY DATE, requiring sufficient infrastructure, resources, skills and digital working to manage intensive dialogue with multiple bidders that is best conducted, at least in part, face to face. As a result, the project requires sufficient funding for specialist accommodation, large enough to enable safely mixing Authority and Industry participants. Learning from PREVIOUS PROGRAMME showed the criticality of being flexibly supported by a Strategic Client Friend, with commercial shipping expertise, able to respond effectively to risks and issues developed by industry and surge support to workload peaks.

37. It is important to recognise the difficulties an annual cycle of funding places on progressing the Programme particularly as it impacts future key dates and delivery

milestones. Without PROGRAMME NAME the ORGANISATION is unable to implement its FOC to deliver the OTHER PROGRAMME NAME policy. Without that long-term certainty of programme in place, it increases the likelihood of needing to extend the life of the only current available DELIVERABLE which is due to go out of service in DATE. Additionally, work to establish the X-year DELIVERABLE strategy relies on PROGRAMME NAME being delivered to generate UK strategic capability and capacity in order to establish a pipeline.

38. The principal risks, relevant to this phase of the procurement, are identified at Annex F. The programme and project risk registers for the subsequent delivery phase will continue to be matured to support the FBC.

39. On current planning, the intent is that a FBC will be provided to the IAC in DATE to enable the subsequent contract award.

NAME

Senior Responsible Owner PROGRAMME NAME

Annexes:

- A. Candidate Key User Requirements (KURs).
- B. Assessment Phase Affordability Table.
- C. PROGRAMME NAME Phase estimates affordability vs budget.
- D. AOC/PASE dates estimates
- E. Assessment Phase Schedule.
- F. Risks.
- G. Summary of Procurement Strategy (p50 dates)

Annex A
XXX OBC
DATE

Annex A – Candidate Key User Requirements (as at DATE)

REDACTED

Annex B – Assessment Phase (CDP) Costs/Budget

Assessment Phase to Contract Award	21/22 (£X)	22/23 (£X)	Total (£X)
<i>CDP Bidder Payment</i>	XXXX	XXXX	XXXX
<i>ORGANISATION</i>	XXXX	XXXX	XXXX
Total EPP RDEL	XXXX	XXXX	XXXX
Total EPP CDEL	XXXX	XXXX	XXXX
<i>Project Team OPEX</i>	XXXX	XXXX	XXXX
<i>Project Team PSS</i>	XXXX	XXXX	XXXX
Total TLB RDEL	XXXX	XXXX	XXXX
Total TLB CDEL	XXXX	XXXX	XXXX
TOTAL	XXXX	XXXX	XXXX

Annex C – Programme Cost Estimates vs IG Budget Allocation

1. Latest D&M EPP estimates

	Estimated Cost (£X)		
	10%	50%	90%
D&M Cost from PROGRAMME NAME TLC MODEL	XXXX	XXXX	XXXX

Note. p90 reflects pre-Market Engagement estimate based on competitive outcome still being achievable. Should this not be achievable the Market Engagement report has indicated a potential c.£XXXX increase in programme costs should the programme revert to single source procurement. The EPP estimate does not include Project Team OPEX/PSS required to support programme delivery.

2. Total Assessment Phase (CDP) versus ABC20 Budget

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
	RDEL/ CDEL	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
Forecast at 50% Confidence (P50) £X	RDEL	£ XXXX	£ XXXX	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ XXXX
	CDEL	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	Total	£ XXXX	£ XXXX	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ XXXX
Provision (ABC20 Outcome)	RDEL	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ -	£ -	£ XXXX
	CDEL	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ -	£ -	£ XXXX
	Total	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ XXXX	£ -	£ -	£ XXXX
Variance	RDEL	£ XXXX	£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	£ -	£ -	-£ XXXX
	CDEL	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	£ -	£ -	-£ XXXX
	Total	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	-£ XXXX	£ -	£ -	-£ XXXX

Notes. The CDP phase is full affordable in the existing ABC DATE provision. This does not include the profile of the indicative D&M phase funding. As described in Para 21, the current D&M estimate is driven by high uncertainty on Unit Procurement Costs (UPC), to be narrowed down during the CDP. The D&M Phase EPP and ESP estimates continue to be refined and updated following limited feedback from market engagement. This has been fed into the Cost Management Working Group (CMWG) workstream which are managing the Acquisition portfolio affordability and will feed into the ABC DATE submission. The D&M Phase costs will be further matured through the competitive procurement and will likely need to be profiled out to Year XXX (DATE) to cover the full approval as part of FBC.

3. D&M EPP estimates shown as a chart (£XXXX)

Notes. Costs are shown at Most Likely Values (Input) and Uncertainty, Escalation and Risk are shown separately. Escalation relates to the provision for inflation in the cost model. The risks have been split out to illustrate indicative provision for UK risk as a separate estimate to non-build specific delivery risk.

Annex D to
XXX OBC
dated DATE

Annex D – Programme Delivery Milestone Estimates

Milestone	P10	P50	P90
Class			
Start Production (Cut Steel)	DATE	DATE	DATE
DELIVERABLE 1			
Acceptance Date (AD)	DATE	DATE	DATE
Equipment Delivery Date (EDD)	DATE	DATE	DATE
In-Service Date (ISD)	DATE	DATE	DATE
DELIVERABLE 2			
Acceptance Date (AD)	DATE	DATE	DATE
Equipment Delivery Date (EDD)	DATE	DATE	DATE
In-Service Date (ISD)	DATE	DATE	DATE
DELIVERABLE 3			
Acceptance Date (AD)	DATE	DATE	DATE
Equipment Delivery Date (EDD)	DATE	DATE	DATE
In-Service Date (ISD)	DATE	DATE	DATE

Annex E – Assessment Phase Schedule (p50)

REDACTED

Annex F – AP Top 5 Programme / Project Risks

Risk No	Title/Description	Mitigations	%	Cost (£X)	Time (Days)	Perf
1	Schedule					
	As a result of constant external influences, there is a risk that the programme will be delayed. This will result in a drop / delay in strategic capability (RFA)	1) Stakeholder engagement with MOD Main, XXXX team and XXX to ensure robustness of advice to MinDP and SofS. 2) Communications with industry via appropriate commercial vehicles for market engagement and competition. Incorporate feedback from XXXX. 3) Programme mandate to include wider government benefits such as environmental sustainability and social value (prosperity).	XX	XXX	XXX	X
	As a result of REDACTED there is a risk that collaborative working environment required for the procurement, including delivering a competitive process due to H&S demands and uncertainty, cannot be achieved.	1) Specialist accommodation to conduct CDP engagement with industry (monetary provision made in OBC). 2) Exploit digital and virtual working and lessons from Market Engagement.	XX	X	XX	XX
2	Affordability					
	As a result of the fragility of the financial position/external influencers, there is a risk that assessment phase funding is delayed/modified/changed to balance the portfolio thus impacting on delivery of the capability.	1) Engagement with Resources and Plans (RP). 2) Monitor savings measures and report to PROGRAMME NAME.	XX	XX	XX	XXX

		3) Negotiate with Resources and Plans				
	There is a risk that the requirement cannot be shown to be affordable as a result of threshold requirements may not being affordable in the context of a UK build strategy, in particular if it leads to a single source contract. (included as a consequence of the learning from Market Engagement)	1) Sufficient increase in the programme budget and delivery timescales. 2) Ability to change build strategy on-contract to overseas in the event that UK build jeopardises delivery 3) Design contracts awarded to industry must be sufficiently high in value to encourage participation.	XX	XX	XX	XX
3	Performance					
	As a result of Incorrect and/or changed baseline capability assumptions there is a risk that there is a delay in maturing and costing solutions which will affect the conduct and completion of the competition.	1) Early and detailed OA to support the requirement coherence with Defence Policy. 2) Pro-active engagement requirement setting and monitoring with DLODs. 3) Proactive engagement with XXXX and XXX through membership of the Prog Bd.	XX	XX	XX	XX
4	Credibility of the Market					
	The potential for a lack of market appetite resulting from high UK content requirements means there is a risk that a viable competition cannot be generated and sustained.	1) Reopen Market Engagement as soon as possible. 2) Include provision to pay Industry for CDP deliverables as part of OBC costings 3) Develop procurement strategy to remove barriers to entry.	XX	XX	XX	XX
5	Legal Risk					
	As a result of grievances from Industry around procurement regulations there is a risk that a bidder mounts a legal challenge.	1) Comprehensive review and refresh of all technical requirements following previous competition. 2) Hold Market Engagement with Industry.	XX	XX	XX	XX

Annex G – Summary of PROGRAMME NAME Procurement Strategy (p50 dates)

REDACTED