

XX XX DATE

PROGRAMME NAME PROGRAMME - OUTLINE BUSINESS CASE

SUMMARY

Min(DP)¹ endorsed the PROGRAMME NAME Strategic Outline Case (SOC) in xx DATE, which permitted discussions to begin with SUPPLIER to develop a proposition regarding the single-source procurement of the DELIVERABLE to meet the UK's urgent need to modernize its PROGRAMME NAME capability. A Request for Proposal (RfP) was released on xx xx DATE and a response received on xx xx DATE. It has been confirmed that with minor modifications² the DELIVERABLE meets the MOD's Key User Requirements (KURs). Additionally, a strategy to demonstrate value for money (VfM) has been agreed with SUPPLIER. It is the assessment of the SRO, supported by NAME OF DEPARTMENT, that the best way to achieve VfM and protect early capability delivery is to proceed now with acquisition of 5 DELIVERABLE³, while other elements of the capability are matured ahead of the Full Business Case (FBC). Accordingly, a fast track opportunity exists now⁴ to secure DELIVERABLES that match our requirements and will enable a DATE Initial Operating Capability (IOC). This could be achieved alongside securing production slots and prices on the remaining DELIVERABLES, which collectively forms the basic long-lead items. This approach achieves better overall value: there is a DELIVERABLE cost reduction when compared to production-line slots and the accelerated delivery enables an early withdrawal of the REDACTED and its corresponding increasing maintenance costs. By proceeding with the whole acquisition for DELIVERABLES, rather than incremental commitments with long-leads first, the MOD's commercial position is protected and the risk of later cost growth is reduced. The intent is to place the acquisition contract for the DELIVERABLE by end-XX DATE. Additional long-lead activities (training, support and infrastructure) will also be contracted to protect this accelerated delivery, with the support solution to be matured ahead of a FBC in XX DATE.

RECOMMENDATIONS

1. The Approving Authority is requested to **approve**:
 - a. An Approved Budgetary Level (ABL) (outturn, inclusive of all non-recoverable VAT, at 50% confidence) totalling £X comprising:
 - (1) £XXXX total resource consumption (RDel).
 - (2) £XXXX capital expenditure (CDel).
 - b. A separate provision of £XXXX for Foreign Exchange (FOREX) risk, based on the latest Defence Economics Foreign Exchange Monitor (DE FEM),⁵ between 70% and 50% confidence levels, which is outside of the ABL.
 - c. A target IOC⁹ of DATE, subject to securing 2 DELIVERABLEs, the dependencies detailed at para 6, and delivering an Equipment Delivery Date (EDD) earlier than the Not-to-Exceed (NTE) date at Sub-para 2j, allowing synchronisation with the other DLoDs. An

Information Note (IN) will be issued to update the IAC on the 50% confidence IOC plans in XX DATE.

- d. The capability scope and KURs at Annex A, as endorsed by the JROC in XX DATE.⁶

And to **note**:

- e. The Approval break down as follows:
- (1) £XXXX for the acquisition of DELIVERABLE at a Firm Price, which is the key outcome from this OBC along with long-lead items.
 - (2) £XXXX for the minor modifications of the base DELIVERABLE to meet specific UK requirements. Using a mature basis of estimate drawn from previous similar modifications with other customers that will be Firm before contract award.
 - (3) £XXXX for training and support long-lead elements derived from a mature basis of estimate using the extant training and support solution, supplied by SUPPLIER and matured through its X-years of operating experience, that will be Firm before contract award.
 - (4) £XXXX for initial COUNTRIES Project Arrangements funding joint-spiral development of the capability at a final Firm Price to be agreed between all nations; this Approval does not commit to the final product but maintains UK in the design phase.
 - (5) £XXXX Equipment (NAME OF DEPARTMENT) risk provision.
 - (6) £XXXX (NTE) for infrastructure long-lead concept and requirement work, followed by investment in a new facility and other FLC costs (risk inclusive⁷).
- f. A FOREX variation between the DE FEM rates and the Corporate Planning Assumption (CPA) rate is £XXXX and is included in the ABL. This is the potential cost variation attributable to exchange rate volatility.
- g. The 10%, 50% and 90%-confidence levels for costs in this OBC are as follows:

Approval ⁸	Estimated Cost (£M)		
	10%	50%	90%
Outline Business Case (Acquisition, Support & Infrastructure NTE)	XXXX	XXXX	XXXX

- h. To secure an early IOC, the acquisition will comprise of DELIVERABLE DELIVERABLES and DELIVERABLES from the SUPPLIER Commercial DELIVERABLE production line. Consideration was given to purchasing all DELIVERABLEs as undelivered, though assurances could not be provided on suitable available DELIVERABLE with appropriate low hours and common configuration. Moreover, additional storage and maintenance costs, while awaiting modification, would erode savings.

- i. The acquisition includes minor modifications⁴ of the DELIVERABLE Product Line DELIVERABLE to meet UK KURs, as detailed in the Capability Roadmap at Annex B. As part of this plan, the UK will be fitted with REDACTED. A study will be undertaken to confirm whether this will substitute for REDACTED, which is currently out of scope for this programme.
- j. A Not-to-Exceed EDD of xx DATE.
- k. An EDD definition of a single DELIVERABLE, modified to meet UK requirements, available for use, with an appropriate Release to Service.
- l. The Programme Milestones at Annex C.
- m. Spiral-capability development will be pursued in cooperation with REDACTED. The Project Arrangement covers an initial X-year period for REDACTED development.⁹ This does not commit the MOD to the follow-on phases of these potential upgrades, which will be subject to a separate approval.
- n. CUSTOMER ORGANISATION is assessing the most effective infrastructure solution, with the programme assumption for a new-build facility. An IN will be raised ahead of the FBC to update the IAC on CUSTOMER ORGANISATION's selected infrastructure strategy and commitment.
- o. Planned submission of a FBC to the IAC in xx DATE for the Initial Support Solution approval and the required additional support Non-Recurring Expenditure.
- p. The principal risks at Annex D, with no identified contingent liabilities.
- q. Estimated costs of £XXXX (Outturn) to the DATE out of service, at this capability configuration. This cost will be updated in the FBC.
- r. Sunk Concept Phase costs of £XXXX to end-FYDATES.
- s. Private Sector Support costs of £XXXX for the acquisition within the 50% approval.

TIMING

- 2. **Priority.** CUSTOMER ORGANISATION urgently requires a CAPABILITY replacement, with a target IOC of DATE. This is due to the evolving threat and to best align with the introduction of the capability. The only way to meet such a demanding programme timeline and IOC/FOC will be to fast track the procurement of DELIVERABLE and SUPPLIER production line slots as soon as possible. Moreover, any significant delay will have negative cost implications on the price given that the 2 DELIVERABLE approach represents a saving of cXXXXM compared to the cost of new-build DELIVERABLE.

STRATEGIC CASE

- 3. **Requirements.** Pan-DLoD assessment of the DELIVERABLE's capability against PROGRAMME NAME User Requirements has been driven by Operational Analysis (OA) and is underpinned by a OA Supporting Paper (OASP) and a CUSTOMER ORGANISATION Analysis Paper.¹⁰ This builds on the advice presented to the IAC alongside the SOC in xx DATE, and

has been re-evaluated for this submission based on updated information from SUPPLIER. The previous assessment, which considered that the DELIVERABLE met all KURs at the threshold level, is extant with the inclusion of the modest tailoring referred to at Sub-para 1i. The current assessment is summarized at Annex A.

4. **Capability Roadmap & Future Growth Path.** Assessment of the capability of the SUPPLIER Product-Line variant of the DELIVERABLE initially offered to the UK, which differs slightly to that operated by REDACTED, highlighted a small number of areas where minor modifications to the DELIVERABLE's systems will be needed to meet UK-threshold KURs. Engagement with SUPPLIER has allowed the development of the Capability Roadmap at Annex B. Several additional areas of potential collaboration to delivering continued operational effectiveness for the UK PROGRAMME NAME capability have been identified; this OBC seeks approval for an initial investment in the associated cooperative development programme as outlined at Sub-para 1e (4) above.
5. **Support & Infrastructure Long Leads.** The long-lead activities within this OBC are required in parallel with development of the support solution ahead of FBC submission to meet the Logistic Support Date in xx DATE. The scope of the long-lead activities are: Training Needs Analysis and early training development; non-recurring expenditure for synthetic training devices and software lab development; and initial spares provision. CUSTOMER ORGANISATION will confirm the infrastructure requirements and location during DATE to protect the DATE Logistic Support Date.
6. **Dependencies.** Key programme dependencies include the following:
 - a. **LOCATION Development Plan.** As part of the ORGANISATION Transformation project, led by REDACTED, to provide the basing arrangements and infrastructure location.
 - b. **Training Pipeline.** To achieve the target IOC there is a dependency on REDACTED to train STAFF preceding the UK EDD.
 - c. **REDACTED Programme.** The UK programme is benefitting significantly from the modifications that the is funding under the REDACTED upgrade programme, including REDACTED improvements, currently forecast for full embodiment by Q4 DATE.¹¹
 - d. **REDACTED Sustainment Programme.** The PROGRAMME NAME is dependent on the provision of REDACTED .
 - e. **REDACTED Programme.** There will be a dependency on the REDACTED Programme to provide GFx.
 - f. **Training Programme.** PROGRAMME NAME is reliant upon the programme to provide the infrastructure necessary to enable distributed training.

ECONOMIC CASE

7. **Procurement Strategy.**¹² The justification for a single-source procurement and the VfM arguments have been endorsed by the IAC and Ministers in the SOC¹³ and remain valid.
8. **VfM.** Discussions with SUPPLIER have established that its proposal is a 'Product Line solution and Priced to Win', evolved from previous DELIVERABLE sales. In the absence of detailed

bottom-up costs, a VfM Strategy has been developed¹⁴ and reviewed by REDACTED, which sets out how costs are broken down and demonstrates VfM using comparator benchmarks and a top-down analysis of material and labour rates and sub-contractor elements that underpin SUPPLIER's proposal.

9. **Price.** At unit-price level, Figure 1 (Annex E) illustrates the average price per DELIVERABLE (total acquisition cost) for each previous customer, adjusted to DATE economic conditions,¹⁵ and that offered to the UK - this information is commercially sensitive. Development activities are a significant factor in the higher-level of costs incurred for REDACTED, thereafter learning in modification labour hours, demonstration activities and other cost efficiencies have introduced further improvements in price. An initial proposal was received from SUPPLIER at a price of XXXX. After negotiations, the revised price is XXXX. This will be challenged again once the VfM analysis has been completed. Single Source Contract Regulations (SSCR) will apply to the Prime Contract with SUPPLIER, resulting in a Qualifying Defence Contract (QDC). SSCR-compliance in the sub-contract tiers is addressed in the Commercial section at Para 20 below.

10. **Analysis.** More detailed analysis will be carried out between xx DATE- xx DATE to inform contract negotiations. The analysis will be supported by:

- a. **SUPPLIER.** SUPPLIER has a representative embedded with OTHER SUPPLIER in LOCTION. SUPPLIER shall provide a report based on the pricing information released by SUPPLIER, on the reasonableness of the pricing construct, including reference to any known comparators.
- b. **Cost Assurance.** CAAS has provided support to price investigation, focussing on UK comparator information.

11. **Pricing Breakdown.** The largest acquisition cost sits with OTHER SUPPLIER, for which the Company has shared details to Work Breakdown Structure Level-3, divided into Labour and Materials costs.

12. **ANOTHER SUPPLIER.** The prime contract with SUPPLIER is expected to be in CURRENCY and procurement of items/services from the COUNTRY are to be costed and paid in CURRENCY to avoid negotiation of exchange rates where possible.

13. **Open Architecture Principles.** The solution is a mature, fielded product and was not designed against recognized open-system architecture principles; this is an area of standardization that is still being developed by both the COUNTRY and the UK.¹⁶ However, assurances have been provided against the primary concerns, namely ease of future upgrade and exploitation of data generated by the system. The software architecture is both modular and layered, allowing upgrades to individual elements to be developed independently prior to being tested at the system level. Furthermore, it uses interfaces that are clearly defined through a set of Interface Control Documents (ICDs) that previously have been used to integrate customer-defined requirements into the system. Future spiral-development, done in cooperation with the REDACTED on an arrangement, will be delivered in accordance with Open Architecture Principles to the greatest extent possible.

FINANCIAL CASE

14. **Cost Model.** A cost model¹⁷ has been generated to support the ABL and the estimated wholelife cost. It is predominantly based upon the SUPPLIER Firm Price and SUPPLIER ROM costs for future support based on learned experience for the support model, with extensive support from SUPPLIER Defence COUNTRY for estimating purposes. A CAAS

Approvals Team Report has been submitted to the IAC in parallel with this OBC. The report states that it is the CAT opinion that this OBC is fit for approval, provided the planned activities are conducted successfully, and reported at appropriate milestones via IN(s) to the Approving Authority.

15. **Affordability.** The purchase of DELIVERABLES including ORGANISATION and infrastructure costing is £XXXX over the ABC DATE period (FYDATE to FYDATE). Utilising PROGRAMME NAME ABC allocated funding of £XXXX, plus a further £XXXX PROGRAMME NAME funding held centrally by CUSTOMER, leaves a residual pressure of £x. CUSTOMER have undertaken programming action to mitigate this pressure including the following:
 - a. £XXXX - Action taken under FCR XX to reduce DELIVERABLES.
 - b. £XXXX - Implement further reduction of DELIVERABLES by xx xx DATE.
 - c. £XXXX - Bring forward OSD to FYDATES, 9 months prior to target IOC.⁹
 - d. £XXXX - Budget settlement bring forward measure to accelerate expenditure of DELIVERABLE and secure SUPPLIER Commercial DELIVERABLE production slots.
16. The application of these measures leaves the programme affordable in volume terms over the ABC DATE period; however, there is a profiling issue, with a pressure of c. £XXXX in each of the first four years, offset by headroom in the later years. Further work is underway to reduce this by exploring sales opportunities, including spares. Annex E contains a summary of the financial position with programming action.
17. **FOREX Risk.** All costs included as part of this approval have been calculated based on the latest (xx) DDATEE FEM.¹⁸ The FOREX variation between this and the CPA rates is £XXXX and is included in the ABL.¹⁹ In accordance with JSPxxx, a separate provision of £XXXX for foreign exchange risk, based on the latest DE FEM, between 70% and 50% confidence levels, has been calculated and is excluded from the ABL. A separate approval provision for this additional risk has been requested as part of this OBC.
18. **VAT.** VAT advice has been sought from the NAME OF DEPARTMENT Taxation Team²⁰ and applied within the cost model at the relevant rates. The REDACTED will be a Qualifying DELIVERABLE for VAT purposes, and therefore all procurement costs will be zero-rated. VAT will apply to the infrastructure build and elements of the Support Segment.

COMMERCIAL CASE

19. **Commercial Strategy.** A Commercial Strategy²¹ has been developed and reviewed by ROLE as part of ongoing scrutiny engagement prior to OBC submission. Key elements are summarized below.
20. **Contracting Model.** The main requirement will be fulfilled by placing a QDC with SUPPLIER. SUPPLIER will sub-contract the remaining acquisition elements through SUPPLIER, which will be the Coordinating Design Organization using its experience of fulfilling this role for other operators. SUPPLIER will sub-contract substantial elements to SUPPLIER, OTHER SUPPLIER for the REDACTED, and REDACTED for DELIVERABLE conversion work. A similar Contracting Model in which SUPPLIER replaces SUPPLIER as the Prime was discounted as it offered no material benefits in either programme execution or VfM compared to the preferred model. Plus, application of SSCR to a prime SUPPLIER contract would be more challenging due to SUPPLIER's inexperience of the Regulations. SUPPLIER's experience of MOD business, working with SSCR and role as a MOD SUPPLIER interface means it is considered best placed to be the Prime Contractor.
21. **SUPPLIER/ SUPPLIER Contractual Framework.** SUPPLIER has a contractual framework in place with OTHER SUPPLIER that pre-dates the Defence Reform Act 2014, which means any work placed between those parties and any sub-contracts placed by SUPPLIER are not subject to the SSCR and therefore will not become QSC. Central Legal Services (CLS) has provided advice in support of this position.²²
22. **Contracting Timeline.** To secure long-lead items and maximize in-year accrual opportunities, NAME OF DEPARTMENT will seek contract agreement on price and terms for the DELIVERABLES acquisition, plus long-lead items for support and infrastructure by xx DATE.
23. **Terms and Conditions (T&Cs).** T&Cs are being developed and negotiated. ROLE will complete a due-diligence exercise on T&Cs prior to contract offer.
24. **Pricing.** A Firm Price will be negotiated for both the Product Line solution, and separately for UK modifications. Pricing for lower-value work packages (c£x) such as Training Needs Analysis, and infrastructure design will be based on Ascertained Costs.
25. **Profit Rate.** The Profit Rate will be calculated using the 6-step process applicable under the SSCR. Incentivization might be applied up to X% of cost to improve schedule, subject to appropriate risk transfer being agreed by SUPPLIER. SUPPLIER has confirmed that Profit will only be charged on Cost Once for all SUPPLIER elements of the price in line with SSCR.
26. **Legal Advice.** CLS has been engaged throughout the Concept Phase and has provided advice to support application of Article 346(1)(b), exempting the procurement from the Defence & Security Public Contracts Regulations. It has also, under legal privilege, provided advice assessing the risk of a successful challenge to the MOD's decision to pursue single-source procurement with SUPPLIER.

MANAGEMENT CASE

27. **Through-Life Management (TLM).** The programme is governed by the tri-annual, cross-DLoD Programme Working Group and 1* Programme Board chaired by the SRO. The Programme Mandate details the required programme outcomes and the Programme Definition Document (PDD) expands on the outcomes, delivery approach and management strategies. The PROGRAMME NAME NAME OF DEPARTMENT Project Management Plan (PMP) documents the plan, means, methods and controls and will be maintained in accordance with NAME OF DEPARTMENT Policy. The contract with SUPPLIER will include an obligation for Earned Value Management reporting and

performance governance arrangements, mirroring those implemented successfully on the PREVIOUS programme.

28. **Schedule.** A high-level programme milestone plan is at Annex C with further detail to be presented as part of the FBC. The target IOC of DATE has been built on cross-DLoD deterministic plans; a full schedule risk analysis is subject to securing the DELIVERABLE, maturing the tailoring aspects, test programme and Initial Support Solution arrangements prior to Contract Award by xx DATE. An IN will be issued at this point to update the IAC on the 50% confidence IOC plans. A resourced schedule²³ at Annex F details the activities leading to the FBC and which will be managed through the NAME OF DEPARTMENT baseline control process. An Initial Baseline Review will be conducted upon approval of this OBC.
29. **Assurance & Approvals.** An Integrated Assurance & Approvals Plan (IAAP)²⁴ has been produced and will be managed in accordance with HM Treasury Major Projects Guidance.
30. **Benefits Strategy.** The PROGRAMME NAME follows the overarching Benefits Management principles defined in the ORGANISATION Benefits Management Strategy. A Benefits Realisation Plan has been developed and the realization measures will be matured ahead of the FBC.
31. **Risk.** The highest programme risks are summarized at Annex D, with the risks held in the Programme Level and NAME OF DEPARTMENT ARM risk register. The risks and uncertainties have been incorporated into the cost model and management reserve. The top 3 risks are:
 - a. **Risk 1:** Transition from existing CAPABILITY to new capability.
 - b. **Risk 2:** Delay in decision making resulting in a loss of pre-delivery DELIVERABLE and/or SUPPLIER Product Line manufacturing slots.
 - c. **Risk 3:** Insufficient SQEP (Suitably Qualified & Experienced People) across key DLoDs to both mature the FBC and to meet programme timeline.

CROSS DLoD

32. Key points from DLoD strategies are summarized in Annex G with further information being found in the individual DLoD strategies referenced in Annex G. DLoD risks are included within the risk register, with the highest detailed at Annex D.

UK WORK CONTENT

33. SUPPLIER has confirmed its plans for final assembly of the DELIVERABLE to be undertaken at LOCATION for around X manhours of work per DELIVERABLE realizing around X direct jobs. Furthermore, SUPPLIER has confirmed its intent to use the same facility to meet any future sales opportunities for other customers.²⁵ The NAME OF DEPARTMENT DT is negotiating with SUPPLIER on Commercial Exploitation Agreements applicable to UK elements and start-up costs for the production line. Through-life support and training will be undertaken within the UK with an estimated X% of the value of the through-life support directly leading to UK jobs. In total, it is anticipated that over a third of the project value will lead directly to UK jobs. MOD is continuing discussions with SUPPLIER to explore wider UK Prosperity opportunities under the auspices of the HMG/ SUPPLIER Propriety Agreement; an overview of potential direct UK industrial opportunities is at Annex H.

PRESENTATION & HANDLING

34. The potential procurement of DELIVERABLE and in particular the single-source approach with SUPPLIER has attracted significant Parliamentary and media interest. It is expected that this level of interest will continue during the approvals process and up to contract award. Current Lines to Take (LTT) remain extant and are regularly reviewed. Close working with Directorate of Defence Communications (DDC), NAME OF DEPARTMENT Corporate Communications and NAME OF DEPARTMENT Policy Secretariat teams will be maintained and revised LTT will be produced by a dedicated comms team.

SIGNATURE

NAME

PROGRAMME NAME Senior Responsible Owner

Annexes:

- A. Candidate Key User Requirements.
- B. UK Capability Roadmap.
- C. Key Programme Milestones.
- D. Programme Top Risks.
- E. PROGRAMME NAME Affordability Tables
- F. Resource Plan.
- G. DLoD 1* OBC Acceptance & DLoD Strategies Summary.
- H. SUPPLIER Prosperity Map.

PROGRAMME NAME – CANDIDATE KEY USER REQUIREMENTS (URD V2.DATE)

KUR No	Title	Description	UK Assessment	Areas of Risk & Mitigation
1		The User requires a capability that...	Fully met	REDACTED
2		The User requires a capability that...	Fully met	The tailoring package will ensure that the UK can fully meet this KUR.
3		The User requires a capability that...	Fully met	Assessment against this KUR has been revised following receipt of updated planning data from SUPPLIER. This confirms that REDACTED
4		The User requires a capability that...	Fully met	The tailoring package will ensure that the UK fully meets this KUR through REDACTED.

UK CAPABILITY ROADMAP

REDACTED

ANNEX B TO
DATEXXXX- PROGRAMME NAME
Outline Business Case V1.2
SRO Final-OSC
DATED XX XX DATE

ANNEX D TO
DATEXXXX- PROGRAMME NAME Outline
Business Case V1.2 SRO Final-OSC DATED DATE **PROGRAMME - TOP RISKS**

ID	Risk Description	Mitigations	Post Mitigation			
			Prob	T	C	P
1	Cause: There is a risk that REDACTED if REDACTED is not properly managed. Event: Transition from existing CAPABILITY to new capability. Impact: The risk will delay the Initial Operating Capability (IOC) or lead to a capability gap.	1. REDACTED. 2. Transition WG has been established. 3. Transition plan to be developed between OBC and FBC.		High	Med	Med
2	Cause: Delay in decision making may result in loss of manufacturing slots with SUPPLIER. Event: There are a finite number of available production slots as SUPPLIER transitions to DELIVERABLE production. SUPPLIER will be seeking customers for these slots. If there is a delay in any decision and these slots are sold to other customers, this could impact the Programme's ability to proceed. Impact: REDACTED may be unavailable or only available at an inflated price, adding cost or delay to the Programme. The programme may seek alternative second-hand DELIVERABLE but there is no guarantee that there will be suitable DELIVERABLE at low hours and of a common configuration.	1. Secure 2 x undelivered DELIVERABLE DELIVERABLE to accelerate the programme timeline. 2. Early commitment to secure the DELIVERABLE. 3. Engagement with SUPPLIER at Senior level to secure the DELIVERABLE, price and timeline.		Med	Med	-
3	Cause: There are risks that the programme has neither sufficient SQEP, nor resources, to assess programme requirements moving forward, and deliver the Programme's outcomes when required. [This risk is an amalgam of Infra, Info, Logistics and Equipment DLoD top level resource risks]. Event: Insufficient Suitably Qualified and Experienced Personnel and resourcing level to carry out Assessment Phase requirements and delivery activities for DLoD lead delivery agencies to meet Programme timeline. Impact: This could delay the delivery of the programme, as requirements will first need to be assessed before delivery phase can progress. Similarly, if requirements are not correctly identified, this will impact performance. This could also delay the overall management of the programme, leading to risks and issues not being identified in sufficient time to be mitigated without delay to IOC.	1. Appoint a Lead Delivery Organisation manager, and an ICT Requirements Engineer to work with NAME OF DEPARTMENT to develop ICT requirements. 2. Appoint and resource a lead delivery organisation for the infrastructure solution. 3. To supplement NAME OF DEPARTMENT DT recruitment, funding is being sought for additional Engineering, Integrated Logistics and Project delivery resource from the NAME OF DEPARTMENT Delivery partners.		Med	Low	Med

4	Cause: There is a risk that to meet all UK specific requirements unforeseen significant modifications are required to the SUPPLIER Product Line that cannot be delivered in time for IOC. Event: UK specific requirements exceed the current proposed time and cost basis of estimate baseline configuration; detailed design work is still to be done.	1. Establish UK specific capability requirements early and analyse against Product Line baseline, using established requirements (e.g.) as baseline wherever possible. 2. Developed Capability Roadmap and map against the Product Line. 3. UK minor modifications to the Product Line agreed		Med	Med	Med
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ID	Risk Description	Mitigations	Post Mitigation			
	Impact: Leading to increased design effort and associated costs and potential capability trade-offs. Potential delay to deliver of the capability due to the additional work required.	with SUPPLIER and CUSTOMER.				
5	Cause: REDACTED at LOCATION could inhibit the programme's intentions to REDACTED. Event: The programme will be unable to REDACTED Impact: A lack of suitable REDACTED will delay the IOC	1. Appoint infra Lead Delivery Agent for new facility. 2. CUSTOMER ORGANISATION infra strategy and site location decision to be pursued as a priority. 3. Infra long lead activities to be included in IAC approval to initiate early work. 4. infra funding to include provision for the required additional LOCATION services. 5. infra delivery team to work closely with LOCATION Development Team.		High	Low	Med
6	Cause: There is a risk that additional work for DELIVERABLE certification and/or REDACTED to meet regulatory requirements, over and above that currently included within the programme of work. Event: Compliance with Certification Standards. Impact: This will present time and costs delays to the programme, as spending will be required to achieve certification standards, and the additional work to do so could slow the delivery progress.	1. Authority to agree basis of type and ATM certification. 2. Early engagement with SUPPLIER to define and review the available certification evidence. 3. Develop a plan to deliver any additional certification evidence.		Med	Low	Med
7	Cause: There is a risk that the DELIVERABLE will be supported by a sub-optimal initial support solution. Event: Low level of resource available to mature the Support Strategy and Requirements due to compressed timeline. Immaturity of proposed initial support solution, combined with no UK support experience and data Impact: Increased support solution cost, increased GFX requirements and/or trade-offs in support performance required.	1. UK support solution and framework modelled on REDACTED 2. Joint support opportunities developed with SUPPLIER UK based on the RfP response. 3. Rapid DT support resource growth planned in early DATE. 4. Assessment Phase work will seek to exploit co-operation opportunities.		-	High	Low

Risk Scoring Scheme

Probability & Frequency	Very Low	Low	Medium	High	Very High
Probability (%)	0 -> 10 <=10%	10 -> 25 <=25%	25 -> 50 <=50%	50 -> 75 <=75%	> 75 >75%
Impact Categories	Very Low	Low	Medium	High	Very High
Cost (£) - Default - Mandatory	0 -> X <=£x	X -> X >£x<=x	X -> X >x- <=£x	X -> X >£x - £x	> X >£x
Time (Days) - Default - Mandatory	0 -> 10 <= 2 weeks (10 days)	10 -> 20 > 2 week - <= 4 weeks (>10 days - <=20 days)	20 -> 60 > 4 weeks - <= 3 months (>20 days - <+60 days)	60 -> 120 >3 months - <= 6 months (>60 days - <= 120 days)	> 120 > 6 months (>120 days)
Performance	0 -> 1 very few shortfalls in secondary parameters, not affecting any key requirements	1 -> 2 A few shortfalls in secondary parameters, not affecting any key requirements	2 -> 3 Some shortfalls in different areas of the secondary parameters, and a minor effect on key requirements	3 -> 4 Significant shortfalls in performance affecting key requirements	> 4 Major shortfalls in performance requirements; the programme may not be able to continue and deliver capability.

ANNEX E TO
DATE xxx- PROGRAMME NAME Outline
Business Case V1.2 SRO Final-OSC
DATED xx xx DATE

[illegible]

ANNEX F TO
DATExxxx-
PROGRAMME
NAME
Outline Business
Case
V1.2 SRO Final-
OSC
DATED xx xx
DATE

RESOURCE PLAN

[illegible]

External PSS Breakdown (2)												
Contingent Labour: FTE £XXXX												
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	
Consultancy Assistance: FTE (3) £XXXX												
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	
FATS: FTE (3) £XXXX												
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	
Other PSS: FTE (3) £XXXX												
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

F 1

ANNEX G TO
DATExxxx- PROGRAMME NAME
Outline Business Case
V1.2 SRO Final-
OSC DATED xx
xx DATE

DLOD 1* OBC ACCEPTANCE & DLOD STRATEGIES SUMMARY

DLoD 1* OBC Acceptance:

IMAGE

DLoD Strategies Summary

1. **Training.** A through-life training solution is assessed as deliverable and the UK training solution will draw on the experience and SUPPLIER-delivered training system in place for the
A. Prior to IOC, the intent is to utilise training provided through the ; over time a UK-led and LOCATION-based solution will be developed that will utilise a blended Service provisioned and contractor solution. This will be prioritised and resourced to provide an optimum live/synthetic training balance using the phased approach detailed within the PROGRAMME NAME Training Strategy²⁶.
2. **Equipment.**

a. **Certification and Safety.** Early engagement with SUPPLIER with support from the NAME OF DEPARTMENT Team has enabled the collaborative development of an initial Strategy that outlines the intended approach to the management throughout the Service life of the platform. The Strategy includes a summary of how the Type Authority intends to achieve Military Type Certification as well as the intended approach to demonstrating compliance with the Design Safety Target. It has been reviewed at desk level by (ACCREDITOR) and has been approved by REDACTED. A separate Certification Strategy will be developed during XX DATE and submitted to the ACCREDITOR to formally initiate the certification process.

b. **Acceptance Strategy.** An initial Integrated Test and Evaluation Plan (ITEAP) has been developed which sets out a strategy for how it will be introduced into service. This Plan will be refined as the strategy for introducing the UK-specific modifications into the 'Product Line' is refined prior to contract award, and further developed prior to FBC submission. The procurement of a predominantly 'off-the-shelf' platform means that the majority of traditional design test and evaluation has already been completed and post-modification Design Organisation-led activity on the first UK DELIVERABLE is likely to be minimal. However, there will be opportunities for the ORGANISATION Operational Test and Evaluation (OT&E) community to cooperate in this activity, and opportunities to benefit from T&E and operational experience will also need to be exploited to minimise the period between EDD and IOC.

c. **Technology Management.** The following sub-paragraphs outline the four-step process that the UK intends to take with regard to the development of the capability:

(1) **'Product Line' (PL) Capability.** The capability as initially offered to the UK consists predominantly mature and fielded technology taken from a combination of the commercial PREVIOUS programme and previous deliveries to COUNTRIES. These will be complemented by several updates that are being developed as part of the ongoing programme, the design of the final release of which is expected to be frozen in Q1 DATE. Additional activity will be required to ensure that the UK configuration is aligned with the latest commercial baseline configuration (i.e. to address in-line obsolescence and production changes), but this is expected to be low risk and will commence immediately after contract award.

(2) **Capability Tailoring.** When assessed against the KURs, the Product Line version had a number of minor shortfalls, and SUPPLIER have agreed to develop a small number of modifications to introduce additional capabilities to mitigate the gaps. These relate to high maturity technologies already fielded on other military platforms with the immaturity of integration forming much of the associated technical risk; this will be mitigated by parallel development of these capabilities alongside Product Line configuration alignment.

(3) **Capability Studies.** In addition to the list of modifications that have been agreed as being necessary to tailor the Product Line capability to meet UK requirements, a small number of additional studies will be conducted ahead of FBC. These are not expected to be fielded as part of the UK configuration at FOC; however, if these studies highlight an opportunity which is containable within delivery cost and/or time bounds then these will be highlighted to the SRO and considered as part of the FBC approval. The value of such studies will be reviewed as they progress with a view to ceasing their progress early if their progress becomes incoherent.

(4) **UK Collaborative Development.** With regard to the need to ensure that the UK capability remains relevant out to the envisaged OSD, this business case seeks approval to participate in the collaborative development of a number of concepts for REDACTED, communications, and survivability. This activity will run in parallel to the main procurement programme under a collaborative project arrangement with the NAME OF COUNTRY and NAME OF COUNTRY and may inform a future decision to pursue an upgrade project. Follow-on stages for further development, embodiment and costing will be subject to separate approvals.

- d. **Comparison with PREVIOUS PROGRAMME.** UK is expected to be very similar to the DELIVERABLE at the post-Phase 5A configuration. In addition to a number of component-level changes related to obsolescence that will not impact on the overall platform performance, the platforms will have the following key capability differences:

REDACTED

3. Personnel.

a. **CUSTOMER ORGANISATION Personnel.** The PROGRAMME NAME Personnel Strategy states REDACTED. The Workforce Strategy will inform the deliverability of the Personnel DLoD against the KURs and Key Capability Requirements (KCR) in order to achieve programme milestones. Prior to FBC, Manpower Requirements staff will engage with PROGRAMME NAME, ORGANISATION FHQ and all cross-DLoD parties to review platform workforce requirements. Extant workforce liability will be used to provision the workforce requirements for PROGRAMME NAME.

b. **NAME OF DEPARTMENT Personnel.** The existing PROGRAMME NAME team will need to increase in size rapidly as detailed in the Staff Resource Plan at Annex E. A resource-based schedule has been developed to define the time-based requirements for different functional skills and this will be used to articulate the demand signal to NAME OF DEPARTMENT Functional Managers. In the short term, it is anticipated that this demand will be met by procuring additional resource from the NAME OF DEPARTMENT Engineering Delivery Partner and Project Delivery Partner (PDP).

4. **Information.** The Information DLoD owner is responsible for assurance that DLoD deliverers' outputs for the programme meet time and quality requirements, and that reporting is complete and accurate. As described in the PROGRAMME NAME Information Strategy, they will provide a level of assurance to the SRO that the information aspects of the capability are fit for purpose. The Programme intends to assign NAME OF DEPARTMENT as the Lead Delivery Agent for delivery of ICT Equipment and Services. NAME OF DEPARTMENT will be given the means, and financial resources, to direct ORGANISATION to enable fulfilment of Equipment and Support related Information requirements, via an assigned ORGANISATION Lead Delivery Organisation (LDO) Manager and commodity equipment teams, as required. The ORGANISATION LDO Manager will be Lead Delivery Agent for wider Information requirements (e.g. IT for the Main Operating Base) working with the Information Requirement Manager and CUSTOMER ORGANISATION as necessary.
5. **Doctrine.** The PROGRAMME NAME CONEMP provides the context and detail for the employment of the following capabilities: REDACTED. The CONEMP has been produced as the inaugural element of the Concept Phase of PROGRAMME NAME. It will be reviewed by programme stakeholders ahead of FBC and in response to the proposed solution and the capabilities that brings. Future reviews will be initiated by

the SRO, and led by the Doctrine and Concepts DLoD lead, on behalf of the Lead User.

6. **Organisation.** For the purpose of the PROGRAMME NAME Organisation Strategy, it is assumed that DELIVERABLE will fit into the current organisational structure at LOCATION. In summary, this consists REDACTED. The ORGANISATION Operational Conversion Unit (OCU) will provide the training for UK STAFF to fulfil training requirements against a minimal manpower volume. Tasking will be conducted under existing arrangements.

7. **Infrastructure.** Infrastructure work is at an early stage with user requirements, delivery approach, and risk analysis still being developed. Early PROGRAMME NAME Infrastructure Strategy planning assumptions against the ABC DATE option for upgrading D considered the refurbishment of the existing infrastructure at LOCATION. However, an alternative option to build a new strategic facility is now also being assessed, drawing on the experience of a similar project at LOCATION. UK will be introduced at a time of significant capability change at LOCATION. Whilst this complexity has the potential to introduce programme risk, this is being mitigated through the establishment of a Development Plan as part of the ORGANISATION Transformation project, led by REDACTED. The PROGRAMME NAME Infra DLoD will work closely with the team to ensure coherence, efficiency and value for money.

- a. LOCATION remaining as the REDACTED has been a major planning assumption since inception of the Capability Sustainment Programme.
 - (1) Synergies with the wider ORGANISATION and Intelligence communities. The proximity to ORGANISATION and Intelligence community's colocation with other ORGANISATION assets allows a cross fertilisation of experience and sharing of specialist ORGANISATION resource.
 - (2) Operating range and ability to reach common operating areas. LOCATION is ideally located to allow REDACTED.
 - (3) Retention of Service and Civilian personnel. There is an established core of PROGRAMME NAME SQEP at LOCATION.
- b. An infrastructure Delivery Agent has yet to be appointed; the most appropriate Delivery Agent will be selected once key decision points are reached in the infrastructure planning. This may be the NAME OF DEPARTMENT 1, another government department, or the infrastructure may be delivered through the prime contractor SUPPLIER. This decision will be reached on the basis of the best VfM alongside an acceptable level of programmatic risk. A NTE approval for the whole build is being requested in this OBC to ensure planning and construction can continue at pace and reduce the risk of facilities not being available at In Service Date (ISD). The FBC will confirm infrastructure decisions and associated costs.

8. **Logistics.** In accordance with the PROGRAMME NAME Logistics Strategy, the Logs DLoD plans to deliver an assured, sustainable, support solution that will be fit for purpose to meet the demands of PROGRAMME NAME, through NAME OF DEPARTMENT delivery of contracted Integrated Logistics Support (ILS) aligning to, and achieving coherence with, the delivery of required GFX. PROGRAMME NAME and the Logs DLoD will engage with the NAME OF DEPARTMENT and CUSTOMER Delivery teams to identify synergies in logistics support.

a. Support Strategy. The intention for the UK is to develop an output-based service linking the industry support solution to the delivery of operational outputs. The initial support Logistic Support Date is assumed to be X months prior to the DATE In-Service Date, with Forward support based at LOCATION, and industry Depth maintenance offbase. The construct for Forward is assumed to be CUSTOMER-led, supported by industry. During the initial support period UK operating and support information will be gathered to enable the support service or elements within it to be competed during the follow-on future support phase after circa X years when effective and VfM to do so.

(1) The support strategy outlined above will be matured ahead of FBC and will build upon the DATE RfP response from SUPPLIER. The SUPPLIER UK support proposal is based around the extant SUPPLIER support solution and costings for DELIVERABLE and its X years of operating experience and costs. During DATE SUPPLIER Defence UK and the Delivery Team have developed joint support opportunities to enhance the support solution and significantly reduce the proposed support costs. These opportunities will be matured during the Assessment Phase and embedded in the initial support contract. Consequently, the proposed UK support solution has a solid foundation upon which to build and apply lessons learned.

(2) Ahead of FBC, opportunities to co-operate with COUNTRY will be explored, especially for the Support Segment for the synthetic training devices, and system software support. In addition, the intent is also to exploit the wide commercial support base available for the large DELIVERABLE fleet, as well as synergies with the MOD's (DELIVERABLE based) support solution.