

DATE XXXXX

20240326-PROGRAMME NAME\_ \_Mk1\_Cat\_A\_FBC\_FINAL\_AL1-OSC

## **PROGRAMME NAME : Category X Full Business Case for a Revised Acquisition and Sustainment Approval**

### **Executive Summary**

Approval of the PROGRAMME NAME Full Business Case (FBC) will enable the delivery of a critical operational capability to fill a gap in defence of the UK and allies, a gap that has been present since the retirement of REDACTED in DATE. The delivery of PROGRAMME NAME also enables the UK to deliver REDACTED, a commitment that is critical to political and operational relationships. Additionally, continued support to REDACTED places the UK in a strong diplomatic position, building valuable international relationships as the UK leads the way with the current DELIVERABLES baseline.

The Outline Business Case (OBC)<sup>1</sup> approved the acquisition of PROGRAMME NAME DELIVERABLES to be operated from LOCATION, with an Approved Budgetary Level (ABL) totalling £XXXX. Subsequently, the Integrated Review (IR) in DATE reduced the acquisition to three DELIVERABLES and changed the operating location to CUSTOMER OTHER LOCATION, to take advantage of synergies with OTHER PROGRAMME, with a reduction in cost of £XXXX. The PROGRAMME NAME FBC requests approval for an updated not to exceed (NTE) ABL of £XXXX, comprised of £XXXX (reduction of £XXXX against OBC) for the revised acquisition of DELIVERABLES and an initial sustainment support solution uplift of £XXXX for X years, required to be in place by DATE; an In-Service Date (ISD) of DATE (P70), Initial Operating Capability (IOC) of DATE, a Full Operating Capability (FOC) of DATE and an Out of Service Date (OSD) no earlier than DATE.

1. **Issue.** The PROGRAMME NAME requires approval for: an updated ABL for acquisition following IR decisions; a Sustainment ABL for a XX-year contract to align with the next OTHER PROGRAMME contract break, enabling efficiencies to be exploited; and approval of programme milestones.
2. **Timing.** Urgent to support the award of the PROGRAMME NAME sustainment contract by DATE and enable a contractor mobilisation period ahead of ISD.

### **Recommendations**

3. The **Approving Authority** is invited to **approve**:
    - a. A combined Acquisition and X-year Sustainment NTE ABL (outturn, inclusive of all non-recoverable VAT at 50% confidence) of £ (XXXX uplift of £XXXX), comprising:
      - (1) £XXXX RDEL.
      - (2) £XXXX CDEL.
    - b. Provision of £XX FOREX risk for future costs that are outside of the ABL, of which £XXX is the variation between the X Economics Monitor (XEM) rates and the Corporate Planning Assumption (CPA).
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c. A revised In-Service Date (ISD) and return to operations date of DATE (P70), driven by the modification and acceptance of REDACTED #1. Programme milestone definitions are at Annex A.

d. An Initial Operating Capability (IOC) date of DATE driven by the provision of DELIVERABLES.

e. A Full Operating Capability (FOC) date of DATE driven by REDACTED to deliver the defined rate of effort and delivery of DELIVERABLES.

4. The **Approving Authority** is invited to **note**:

a. Approval of this FBC is required no later than DATE, enabling a XXXXX contract for a DATE mobilisation. Any approval delays will reduce the mobilisation period increasing delivery risk against achieving ISD and operational output.

b. The reduction in cost associated with IR scope changes is £XX. The details are provided in Annex C.

c. The approved Key User Requirements (KURs) are at Annex D.

d. The forecast Programme benefits, and associated Defence Strategic/Enabling Objectives are at Annex E.

e. The 10/50/90% confidence levels modelled for this ABL are outlined below. A breakdown of the 50% cost is at Annex C.

Project Phase	Estimated Cost (£M)		
	10%	50%	90%
FBC PERIOD TO END DATE (INCLUSIVE OF SUNK COSTS)	XXXX	XXXX	XXXX
WHOLE LIFE COST TO END DATE OSD (INCLUSIVE OF FBC COSTS)	XXXX	XXXX	XXXX
OBC P50 WLC FOR COMPARISON	XXXX		

Table 1. PROGRAMME NAME Summary.

f. An overview of the Sustainment solution is at Annex F.

g. An update on the Acquisition Programme is detailed at Annex G.

h. Technical Infrastructure cost within the ABL is £XXXX, the profile is at Annex C.

i. The sunk costs to date are £XXXX.

j. The 10/50/90% confidence levels from the DELIVERY Schedule Risk Analysis (SRA) are outlined below. However, I believe that there continues to be optimism bias on the delivery schedule by DELIVERABLE, based upon the continuing challenges within the supply chain and DELIVERABLE's increased certification requirements. Therefore, I would request that the programme ISD is approved to P70 IMS date of DATE, which I believe represents a more realistic delivery schedule.

	Deterministic	10%	50%	90%
#1 EDD	DATE	DATE	DATE	DATE
#2 EDD	DATE	DATE	DATE	DATE
#3 EDD	DATE	DATE	DATE	DATE

Table 2. PROGRAMME NAME Equipment Delivery SRA Dates.

k. An Assessment Study to provide options and costs for the resolution of pan-DLOD issues, amplified by the decision to base PROGRAMME NAME at OTHER LOCATION, will be conducted. The resulting actions will be prioritised and allocated to owners who will submit business cases outside of this approval.

l. PROGRAMME Delivery Team will be required to grow by XX FTE to ensure Programme delivery.

## Five Case Narratives

### Strategic Case

5. **Acquisition.** The capability requirement and urgent need presented in the OBC and previous RN remains extant. The IR-mandated reduction in PROGRAMME PROGRAMME can deliver the minimum capability required by the COUNTRY, including the planned contribution to ; however, the volume of tasking that can be achieved is significantly reduced. A DELIVERABLES can deliver c.X% of the output when compared with the original approval for DELIVERABLE detailed at OBC. has completed an assessment against the KUR threshold and objective measures and have confirmed that DELIVERABLES can deliver the minimum capability required by the COUNTRY. Additionally, a move to DELIVERABLES reduction in DELIVERABLES numbers from nine to seven, and a reduction in simulator devices, was required to achieve the mandated savings. The relocation to LOCATION is expected to achieve efficiency through co-location with DELIVERABLES (also a DELIVERABLES). Colocation of PROGRAMME NAME at DELIVERABLES alongside DELIVERABLES, also enables significant operational training opportunities that will enhance the DELIVERABLES effectiveness of both DELIVERABLES.

6. The single source acquisition with COMPANY NAME is fully committed through a contract to deliver three DELIVERABLES and REDACTED under a Firm Price contract. Initially, training will be delivered through an innovative combination of system and cognitive training systems.

7. **Sustainment.** The Sustainment solution has been developed since DATE utilising experience and comparisons with other COUNTRY fixed OTHER programmes, including PROGRAMME NAME. The have also engaged with SYSTEM NAME System Programme Office (SPO) at OTHER LOCATION to learn from their experience and develop areas for co-operation. The OTHER Programme has benefited significantly from the DELIVARABLES experience, which includes over XX years of operational output and capability sustainment. Since the decision to relocate the DELIVERABLES to LOCATION, the support solution has been revised to be within the same contract with NAME as PROJECT NAME to maximise efficiencies, opportunities, and coherence between the DELIVERABLES. Building on this initial co-operation and coherence, the near-term intent for the follow-on Pricing Period is to mature a combined DELIVERABLES through-life support strategy, developing a joint support system and aligning the support contract elements, which will bring operational, resource and fiscal efficiency. An overview of the Sustainment solution is at Annex F.

8. **Dependencies.** The key Programme dependencies include:

a. **PROGRAMME NAME Programme.** The UK PROGRAMME NAME Pg is benefitting significantly from the modifications that the DELIVERABLES is funding under the upgrade programme, including REDACTED and DELIVERABLES improvements. There are no further costs attributable to the UK for this dependency.

b. **DELIVERABLE Training.** The COUNTRY DELIVERABLES personnel will provide the foundational SQEP of the future force. The COUNTRY will remain dependent on REDACTED for the ground training of the personnel allocated to the first CONTRY PROGRAMME NAME Operational Conversion Unit course with access to training until the

UK training is in place. There are no further costs attributable to the COUNTRY for this dependency.

c. **(XX).** XX will provide the Communications & Information Systems (outside of the provision) and REDACTED to operate the DELIVERABLE. All costs to the PROGRAMME NAME Programme have been factored into the Cost Model associated with this FBC.

9. **Future growth.** Opportunities for future, spiral development of the PROGRAMME NAME capability are highlighted at Annex I, which are national choices outside the scope of this FBC. MOD will continue to work closely with partners through the relationship with OTHER COUNTRIES to monitor, develop and drive efficiency into future upgrade options. A separate approval will be sought at an appropriate time should the COUNTRY choose to join a collaborative modification programme. Such opportunities include:

a. **Follow-On PROGRAMME NAME Improvement Programme.** The UK is monitoring the development of REDACTED. The UK has contributed XXXX to the concept phase of this capability and will continue to have access to reports and progress through the Working Groups. It is possible that the capability will be fielded with the REDACTED in the DATE XX. This will present a significant optional opportunity for a UK PROGRAMME NAME upgrade at an appropriate time.

b. **REDACTED.** The REDACTED to their DELIVERABLES. The addition of REDACTED will enable REDACTED and DELIVERABLE document sharing. The REDACTED will continue to monitor development of the capability and present a business case at an appropriate time.

c. **DELIVERABLES.** Future alignment with DELIVERABLES, will bring efficiency to both programmes. Aligning with the REDACTED, managed and delivered government to government will likely bring financial efficiency, operational benefits around REDACTED that would not be normally possible. A business case for both elements will be submitted at an appropriate time.

## Economic Case

10. **Acquisition Value for Money (VfM).** In the original assessment of value for money, based on the procurement of DELIVERABLES, the 'cost per DELIVERABLE' was £XXXX, which compared well with higher costs incurred for other nations' procurements (which ranged from £XXXX-£XXXX per DELIVERABLES Reducing to DELIVERABLES and relocating to LOCATION increases the acquisition cost per DELIVERABLES to c.£XXXX. This still compares favourably against other customers; COUNTRY (£XXXX), COUNTRY (£XXXX) and COUNTRY (£XXXX). The most recent estimate for acquisition is XXXX for the modification of PROGRAMME equating to XXXX per DELIVERABLES.

11. **Sustainment Solution VfM.** The PROGRAMME NAME Sustainment solution and the development of the cost model has been informed by several specific elements; these are listed below:

a. PROGRAMME NAME gov-gov engagement regarding the in-service experience and costs.

b. The PROGRAMME Sustainment proposal with extant supply chain for technical and logistic support, exploiting their internal processes across the wider supply chain, including commercially available catalogue prices and DELIVERABLES spares from COMPANY for specific DELIVERABLES Spares.

c. DELIVERABLE has developed a Make or Buy Plan that outlines which of the sustainment services will be performed 'in-house' and which will be sub-contracted, including its rationale for these choices. Where services are to be sub-contracted, the Make or Buy

Plan outlines which work packages will be sourced via competition and, where competition is not viable, the rationale for direct supply is articulated within the plan.

d. In line with the Make or Buy Plan, DELIVERABLE is undertaking sub-contract competition for several elements of the sustainment solution spanning areas such as: DELIVERABLE spares procurement and repair; and procurement and support for tools, test equipment and ground equipment. These are in addition to areas previously competed and embedded in the OTHER PROGRAMME A&TSP contract, to which PROGRAMME NAME is being added.

12. VfM is also being incorporated through exploiting DELIVERABLE common spares with as well a DELIVERABLE as common support service opportunities with DELIVERABLES (e.g. maintenance and logistic services). Further VfM opportunities are being realised through utilising wider commodity support solutions through the DELIVERABLES. The intent in the future is to expand the co-operative support elements for the ORGAISATION PROGRAMME NAMES solutions to drive further opportunities and VfM. As discussions between the PROGRAMME NAMES mature, areas for potential sustainment co-operation and coherence will also be investigated and pursued. Considering these factors, it is assessed that the current proposition represents good VfM.

13. **Price.** As outlined in para 19, REDACTED are undertaking an Allowable Cost Review (ACR) of the PROGRAMME NAME Sustainment proposal, and their analysis and output will inform the DELIVERABLES negotiating position prior to contract award. The scope of the ACR will include Prime contractor costs, major COUNTRY sub-contractors and elements of COUNTRY costs. In addition, the DT has utilised the COUNTRY Financial Information Services (FIS) to audit DELIVERABLE Defence COUNTRY (XXX) costs and the DELIVERABLE Management Agency (DCMA) will audit the DELIVERABLE costs on receipt of the final proposal. PROGRAMME NAME (PWC) has also supported the PROGRAMME in assessing efficiencies and opportunities, which has informed the DT's negotiation strategy.

14. The PROGRAMME NAME programme FYXXXX sustainment budget has been provided gov-gov and indicates a cost of ~£XXXXx for FYXXX, whereas to COUNTRY costs, estimated from PROGRAMMEs Drop 2 proposal, will be £XXXX-£XXXX/yr at steady state. Both the COUNTRY sustainment solutions have the same core elements, scope and are largely driven by fixed costs (hence the COUNTRY solution is not XX% of the COUNTRY cost) and scheduled maintenance. The sustainment solution is a X-year contract and whilst it supports a DELIVERABLE, it was last signed within a different economic climate than today. This provides an indication of cost and VfM for the COUNTRY sustainment cost, that will be further analysed and used to support DT contract negotiations as outlined above. The intent is to finalise negotiations in Q4 XX with contract award by DATE XXXX.

15. **FOREX.** The PROGRAMME NAME Sustainment contract amendment will be priced and paid in a combination of COUNTRIES. This approach is considered best value for money, compared to the likely cost of industry holding the exchange rate risk in the current economic climate.

## Commercial Case

16. **Sustainment Procurement and Commercial Strategy.** The procurement strategy for PROGRAMME NAME Sustainment is to place a single-source amendment to the extant DELIVERABLES and Training Support Provider (A&TSP) contract with PROGRAMME. This will create a framework that will enable the progressive implementation of an integrated PROGRAMMES support solution. The initial priced period of performance for PROGRAMME NAME sustainment services will be X years, comprising a X-month mobilisation period and X years of execution of sustainment services, which will align with the next PROGRAMME support contract

break point. This period will be sufficient to inform the pricing of the next pricing period and will ensure that future PROGRAMME NAMES pricing periods are harmonised, thereby enhancing the Department's commercial leverage.

17. The procurement is excluded from the Defence and Security Public Contract Regulations 2011 (DSPCR) under Regulation 7(1)(a) due to the requirement for the provider to access nationally sensitive information. This exclusion was authorised by the Directorate of Security and Resilience in DATE. The single source justification, which has been endorsed by MOD Legal Advisors, is based on technical reasons and intellectual property rights (IPR) restrictions; a Voluntary Transparency Notice was published in DATE XXX without challenge. Contract negotiations are ongoing and are expected to conclude in Q3 YR XXX, ahead of a contract award in DATE XXX. A comprehensive Commercial Strategy has been developed; this is summarised at Annex K.

18. **Supply Chain.** DELIVERABLE will be the Prime contractor responsible for delivery of all contracted elements of the PROGRAMME NAME. DELIVERABLE is currently providing a similar service scope for PROGRAMME under the DELIVERABLE contract (noting that PROGRAMME has a larger FMS element than PROGRAMME), with no reported performance issues. Approximately XX% of the contract (by value) will be subcontracted by DELIVERABLE either to other DELIVERABLES entities in the COUNTRIES, or to third-party suppliers.

19. **Performance and Incentivisation.** PROGRAMME NAMES will have a standalone performance management regime, with KPIs measuring the outputs of the key levers of availability: scheduled maintenance output, unscheduled spares provision, training, technical services, and system availability. All KPIs will be linked to performance deductions of up to XX% of the contractor's baseline profit, utilising combinations of temporary and permanent deductions. An incentive adjustment of up to X% of the total allowable costs may be included, subject to agreement of an appropriate, measurable performance enhancement.

20. **Pricing Strategy.** The contract will contain a pricing mechanism that demonstrably represents best VfM. The price for Pricing Period 1 (PP1) remains an outstanding item for negotiation. It is anticipated that the X-month mobilisation period will be firm priced and the price for the service delivery phase will be informed by an analysis of uncertainty and risk that is currently being undertaken with the support of Cost Engineers, Defence Economics, and the NAME Contract Management Agency (XCMA). The A&TSP contract is a QDC and, therefore, prices will be agreed in accordance with the Single Source Contracting Regulations (SSCR) and statutory guidance on Allowable Costs.

21. **Limitation of Contractor's Liability.** The contract will not require COMPANY NAME to accept uncapped liability and will provide caps against the five Heads of Loss defined by MOD policy. This approach is not expected to create any new contingent liabilities for the Department (noting the XXXXX contract has two reported contingent liabilities relating to pre-approved indemnities).

22. **Social Value.** The sustainment contract will include measurable outcomes relating to the delivery of social value against the themes in the Social Value Model identified as being most relevant to the Programme: tackling economic inequality, fighting climate change and equal opportunity. The agreed metrics for PP1 will measure DELIVERABLES contributions in several areas that are designed to create social value in and around the OTHER LOCATION area. These typically include outreach work in local education establishments (e.g., careers fairs, pre-employment workshops, etc.), providing work experience and apprenticeship placements and working with local authorities to support environmental campaigns.

## Financial Case

23. Against PCR 2-DATE the programme is unaffordable in total cost and profile. The total increase is driven principally by the addition of Management Adjustment for Realism (£XX), the procurement of a spare DELIVERABLE, previously articulated as a Risk Outside Costing (£XX), the addition of

DELIVERABLES support (£XX) and additional technical infrastructure regulatory compliance (£XX). Profile changes have been driven by a delay to DELIVERABLES delivery, which has impacted the requirement for the initial provisioning of spares and ground support equipment which moves £XX from FYXXXX into XXXX. The P9 and S9 affordability position against PCR 2-DATE is outlined below. Costings are based on Annual Budgetary Cycle (ABC) YRXX CPAs.

Table 3. PROGRAMME NAME Cost Summary.

24. The affordability profile presented in Table 3 reflects a Not to Exceed (NTE) basis of costing. Options have been generated to reduce PCR 2-DATE cost growth, the details of which are at Annex C Table 3. Consequently, it is anticipated that PCR 1-DATE will see an overall reduction in cost. Due to the political imperative reflected in the Defence Plan, and as a priority programme within CUSTOMER have accepted the pressure and have agreed to provide the SRO with a CT to cover the programme cost.

25. Since Contract award in DATE XXX to DATE XXXX, the main acquisition contract has sunk costs of £XXXXX, with a further £XXXXX sunk on technical infrastructure. Remaining costs to deliver the remainder of the Acquisition Programme of Record are £XXXXX and £XXXXX for technical infrastructure.

26. The ABL has been calculated using Defence Economics FOREX Monitor Rates for DATE. Comparison with the costs presented for affordability which have been calculated using the ABCXX Corporate Planning Assumptions, identifies a USD exchange rate volatility of -£XXXX; this will be mitigated centrally through budget rebalancing measures in accordance with current finance instructions.

## Management Case

27. **Governance, Approvals & Assurance.** The PROGRAMME NAME Programme is classified as a Category 'X' investment and falls under Defence Major Projects Portfolio (DMPP) and Government Major Projects Portfolio (GMPP). The Integrated Approvals and Assurance plan (IAAP) and the Specific Evidence Table (SET) has been endorsed by Strategic Finance Investment Approvals (SFIA) and Scrutiny respectively and demonstrates that the programme continues to engage in all mandated Governance, Approvals and Assurance activities including Programme Boards, Assessment Gates and Information notes. The PROGRAMME NAME Programme adheres to the Project Management Control Framework (PMCF) and all mandated programme artefacts required are referenced in the Programme Definition Document (PDD).

28. **Milestone Delivery Confidence.** The key Capability Milestones of ISD, IOC and FOC are driven by confirmation of DELIVERABLES estimated delivery dates (EDD) of P10, P50 & P90 as determined by the Schedule Risk Analysis (SRA). The Integrated Master Schedule (IMS) has incorporated the Pan-DLOD delivery outputs based on 'most likely' dates and P50 date for DELIVERABLES as agreed by Assurance and Scrutiny Communities. A Schedule Narrative and Plan on a Page (POAP) level 0 & 1 Schedule displaying timelines of all DLODs key deliverables is displayed in Annex B. DLOD Strategies and output requirements for ISD, IOC and FOC are also displayed Annex L. However, concerns remain over COMPANY's ability to deliver against the schedule, based upon the continuing challenges within the supply chain and DELIVERABLE's increased certification requirements and hence the request for acceptance of the IMS P90 ISD of DATE XXXX.

29. **Management Plans.** The PROGRAMME NAME Programme has a variety of Management Plans to ensure delivery of programme milestones, captured in Annex M.

30. **Risk Management.** Programme and DLOD-level risks are managed via SYSTEMS risk register where all high-level risks are assigned a risk owner and appropriate risk mitigations. Risks,

Assumptions, Dependencies, Issues & Opportunities (RAIDO) Working Groups with all DLODs are held regularly. All Programme Risks are discussed at Programme Boards. A Risk Complexity Assessment RCA has been completed highlighting top risks across the DLODs and Programme. A list of top programme risks, issues and mitigations are captured at Annex N.

### **Top-5 Programme Risks**

- a. Funding insufficient to support IOC & FOC sustainment requirements - Significant delays to the approval of this FBC or rejection will render the PROGRAMME DELIVERABLE unsupportable requiring storage, care and maintenance or disposal.
- b. Security Accreditation - Failure to gain security assurance (REF). The complexity of security requirements across the Programme delays ISD as the capability can't be accredited through traditional methods or accepted under Secure by Design.
- c. Impact on operational output due to insufficient Profession Workforce levels (REF). Insufficient recruitment across the professions results in the inability to complete tasking or the engineering support to the DELIVERABLE.
- d. Unable to meet national and operational commitments due to late DELIVERABLE delivery. Unexpected emergence of risk delays the ISD of the PROGRAMME, extending the gap in its contribution to REDACTED.
- e. Insufficient trained personnel to achieve operational Programme milestones (REF). Delays within the equipment projects result in a delay to REDACTED against IOC and FOC requirements.

31. **Learning from experience (LFE).** The PROGRAMME NAME Programme adheres to the LFE Strategy. Lessons learned on the Programme are pushed to the wider portfolio via the LFE register. An PROGRAMME NAME Log captures Lessons Identified pulled from other sources and that have been utilised on the Programme. The ongoing plan of promoting LFE culture across the Programme is detailed in the TLMP. The XXXX Project Evaluation Plan also provides an assessment plan to Identify Lessons. The top-lessons Identified are detailed at Annex P.

32. **Presentation and Handling.** The PROGRAMME NAME Programme priority is to return to delivering operations under the extant Memorandum of Understanding, written for REDACTED. The politic interest in withdrawing the UK's contribution in kind, vice a financial contribution to funding, continues to intensify as the Programme delays. However, REDACTED, the UK has experience and opportunities to offer.

33. **Delays to PROGRAMME NAME ISD.** The reasons for PROGRAMME NAME Programme delays and the impact to UK Defence has also gained significant interest, particularly during the recent House of Commons Defence Committee review into REDACTED. Delays are not attributable to a single contributing factor but a combination of parts supply, availability of skilled technicians due to the rejuvenation of the sector, and the increased certification activity required across the industry post-DELIVERABLE Max incidents. The MOD is working closely with DELIVERABLE to find opportunities within the modification schedule, including DELIVERABLE's incentivisation of the supply chain, bonus payments to retain the skilled workforce and parallel activity through certification to drive efficiency. The MOD's Firm Price contract with COMPANY NAME will continue to hold leverage, as the costs associated with any delays will be absorbed by COMPANY NAME until completion.

34. For example, a result of the forecast late delivery of the first DELIVERABLES, there will be a significant impact on COMPANY NAME's cashflow position as the MOD will defer payment of XXXX until associated programme milestones are achieved. COMPANY NAME has also lost the opportunity to earn an incentive payment of up to XXXX that would have been payable if the first DELIVERABLES was delivered before the contracted delivery date.



35. **Agreement.** The Programme name relationship with COUNTRY and COUNTRY continues to strengthen, with a Vision Statement for the nations signed in DATE. The intent of the Vision Statement is to drive capability development, operational efficiency, and global sustainment of the platform, working together as a single voice to DELIVERABLE and peripheral suppliers. The UK Programme remains in a strong position due to its modern PROGRAMME NAME baseline that the COUNTRY will build upon. The strength within this relationship has the potential to provide continued influence over the development of the capability, access to COUNTRY training and testing ranges and support from the nations in times of conflict.

36. **UK Defence Industrial Resilience.** The forecast DELIVERABLE Industrial Resilience benefits associated with the PROGRAMME NAME Programme are at Annex J. The PROGRAMME NAME I Programme is expected to create X new enduring, highly skilled jobs in the UK, with around X of these already created under the acquisition and infrastructure projects. Of these additional jobs, COMPANY NAME expects an extra X jobs to be created in direct support to UK PROGRAMME NAME. In the longer term, the aim is to grow the UK industrial base in support of PROGRAMME NAME and OTHER PROGRAMME Programmes, including options for Depth maintenance within the UK, potential support to the PROGRAMME Programme and other global customers as they commit to the capability in future years.

**NAME**

**RANK**

**Senior Responsible Owner**

Annexes:

- A. Programme Capability Milestones.
- B. Integrated Master Schedule Summary.
- C. ABL and Whole Life Cost Financial Breakdown at XX%.
- D. Key User Requirements.
- E. Programme Benefits.
- F. Sustainment Solution Overview.
- G. Acquisition Update.
- H. Infrastructure Update.
- I. PROGRAMME NAME Capability Roadmap.
- J. DELIVERABLE UK Prosperity Graphic.
- K. Commercial Strategy Overview.
- L. DLoD Strategies.
- M. Management Plans.
- N. Top-5 Programme and Top-10 Sustainment Risks.
- O. Learning from Experience - Lessons Identified.

Annex A – Programme Capability Milestones

Capability Milestones			
ID	Title	Description	Date
1	In-Service Date (ISD)	DELIVERABLES delivered to LOCATION capable of being operated by suitably qualified UK personnel.	DATE (P50)  DATE (P70)
2	Initial Operating Capability (IOC)	The military capability required to REDACTED.	DATE
3	Full Operating Capability (FOC)	The military capability required to REDACTED.	DATE

## Annex B – Integrated Master Schedule Summary

1. **Scheduling Approach.** The PROGRAMME PROGRAMME NAME Programme Level 0 Integrated Master Schedule (IMS) has been created using three inputs; a DELIVERABLE provided deterministic schedule that has not been subject to risk analysis, a DELIVERY Schedule Risk Analysis (SRA) output (equipment and logistics only) and the wider DLoD deterministic deliverable dates.
  - a. **DELIVERABLE Schedule.** The DELIVERABLE equipment delivery schedule has only been subject to limited risk analysis and remains largely deterministic. Confidence has built up to the submission of this FBC through detailed hours monitoring for the modification activity, a transparent approach to risk management and through consistent schedule stabilisation.
  - b. **DELIVERY SRA.** The DELIVERY SRA provided the P10, P50 and P90 dates for the equipment delivery programme and logistics elements of the IMS. The risk analysis of the DELIVERABLE Schedule has further provided assurance to the deterministic dates provided, and a solid foundation on which to place the DLoD deliverable activities. The DELIVERY SRA identified DELIVERABLE modification and delivery, and certification activity as the critical path items.
  - c. **IMS.** The IMS is a hybrid pan-DLoD schedule built upon the DELIVERY SRA and the DLoD deterministic deliverable activities. It identifies three capability milestones: ISD, IOC and FOC, incorporating the pan-DLoD Level 2/3 activities and linked dependencies. Due to the availability of scheduling tools and resource within CUSTOMER, an SRA has only been carried out on the DELIVERY activities, all other DLoD activities are deterministic based on expert knowledge and experience. Programme level risks have also been considered and factored into the durations to present a level of realism.
  - d. **Critical Path.** The critical path activities associated with the PROGRAMME PROGRAMME NAME are covered in para 3(d-f) in the PROGRAMME NAME FBC.
2. **Schedule Assurance.** Assurance of the IMS has similarly been layered at each stage to provide confidence in the resultant IMS dates. The approach has been agreed with the Scrutiny and Approvals teams.
  - a. **DELIVERY SRA.** The SRA has been subject to Monte Carlo assessment to provide a level of confidence to the application of risk based on probability of occurrence and impact to the Programme.
  - b. **IMS.** The IMS has been subject to review by an independent scheduling expert within the Air Capability Portfolio Office. They have reviewed the final schedule for modelling errors and checked the output to provide assurance to the final dates. A collaborative arrangement with the DELIVERY team has also provided a valuable cross-check to ensure errors in IMS calculations are rectified prior to the submission of this FBC.
3. **Nuances.** The REDACTED activities have been included in the IMS but extend beyond ISD. The issue will be mitigated using a DELIVERABLE (Development).

PROGRAMME NAME **Programme ‘Plan on a Page’ Level 0 P50 Schedule**

REDACTED

## Annex C – ABL and Whole Life Cost Financial Breakdown at 50%

1. ORGANISATION costs above are deterministic.
2. Forex ROC Risk of £XXXX is outside the ABL request. FOREX risk in the cost model was analysed using the CAAS FOREX Assessment tool.
3. The -£XXXX FOREX variation shown above between the DEM rates and the Corporate Planning Assumption (CPA) rate is included in the ABL. This is the potential cost variation attributable to exchange rate volatility.
4. Sustainment RDEL/CDEL split is based on a joint DT/COMPANY NAME assessment of COMPANY NAME's Drop 3 proposal. This will be updated DATE reprice proposal is assessed prior to contract award and may lead to changes in DELs. RMC has not been defined at this stage and will be assessed and updated during Sustainment contract finalisation.
5. **Write-Off due to Programme of Record Change.** With the reduction in scope of the PROGRAMME capability in FY DATES post the Defence Integrated Review (IR), the deposits paid for those two £XXXX, along with £XXXX of Infra costs for work done prior to the decision to move the PROGRAMME were written off. Also, in FYXX/XX additional infra costs totalling £XXXX were also written off. Once the acquisition contract is complete, a review of the final costs will be undertaken to assess if there are any further write offs due to the Programme of Record changes.
6. **Reduction in Cost Explanation.** The Programme is predicting reduction in costs of circa £XXXX from the IR decision, which is broken down as follows:
  - m. **Acquisition cost reductions of £XXXX.** This included the removal of DELIVERABLES from the programme, and a reduction in spares procurement costs achieved through using assets already produced for the DELIVERABLE to offset planned initial provisioning procurement.
  - n. **Infrastructure savings of £XXXX.** This is made up of a saving of £XXXX in infrastructure build costs through the decision to co-locate the DELIVERABLE with the OTHER PROGRAMME at , which removed the need for REDACTED and allowed co-share of LOCATION. Secondly, DELIVERABLE had agreed to contribute £XXXX to the construction of the LOCATION in return for being able to generate third-party revenue for the company through the use of REDACTED from other customers. While this will now be needed for PROGRAMME maintenance, MOD negotiated an agreement with DELIVERABLE which recognised that the alignment of PROGRAMME and maintenance contracts would generate additional revenue for the company, and in return DELIVERABLE agreed to honour its original £XX contribution.
  - o. **Predicted Sustainment cost reductions of £XX out to DATE XXX.** These are modelled costs as the sustainment element of the Programme had always intended to be covered within this Full Business Case.
7. As of DATE XX, the PXX% confidence of the DELIVEABLE ISD has been identified as DATE XX. This is when the sustainment contract needs to be ready to support an DELIVERABLE and provide critical associated services. The delays due to the DELIVERABLE Build programme has realised £XX of further cost reductions from the original sustainment contract period out to DATE XXX. When combined with costs of an additional £XX for an DELIVERABLE engine, a cost of £XX for modelled cost inflation out to the end of the first sustainment period and modelled inflation cost of £XX out to YR XXX (to align with IR and years 1 to 9 of ABCXX), a total forecast cost reduction of £XXX is achieved against the programme.

Table 1. Revised sustainment contract cost reductions after PPST YR XXX published position.

8. **The Acquisition ABL Journey.** The OBC excluded sustainment and only approved the acquisition of DELIVERABLE, with an Approved Budgetary Level (ABL) totalling £XXXX. The IR decision to reduce to DELIVERABLE and co-locate the DELIVERABLES at with OTHER PROGRAMME realised significant cost reductions along with DELIVERABLE missing incentivisation payments for delays in DELIVERABLE modification. Increases in FOREX and inflation over the period added significant cost into the programme that had to be absorbed. This concluded with a YRXX PPST position of £XXXX. Since DATE XX, changes in scope have reduced costs by £XXXX, but regulatory compliance changes and FOREX incurred £XXXX of additional costs. This results in an updated acquisition ABL for DELIVERABLE of £XXXX and the requested sustainment ABL of £XXXX. Combined, the Total FBC approval is requested at £XXXX, with sunk costs to DATE XX standing at £XXXX.

Table 2. Journey to a revised 3 DELIVERABLE Acquisition ABL and a Sustainment ABL to DATE.

9. **Affordability.** The following table provides a summary of the FBC Cost Model requirements, affordability options and the requested Control Totals that will be supported by Command.

Item or Option	Costs Financial Year (£M)				Totals
	YEARS	YEARS	YEARS	YEARS	
FBC Model (RDEL) NTE	XXXX	XXXX	XXXX	XXXX	XXXX
Costs brought forward to FY	XXXX	XXXX	XXXX	XXXX	XXXX
VAT rebate	XXXX	XXXX	XXXX	XXXX	XXXX
<b>Revised CT Request (RDEL)</b>	XXXX	XXXX	XXXX	XXXX	XXXX
FBC Model (CDEL) NTE	XXXX	XXXX	XXXX	XXXX	XXXX
Costs brought forward to FY	XXXX	XXXX	XXXX	XXXX	XXXX
VAT rebate	XXXX	XXXX	XXXX	XXXX	XXXX
<b>Revised CT Request (CDEL)</b>	XXXX	XXXX	XXXX	XXXX	XXXX

Table 3. Affordability Options and Control Total Request.

## Annex D – Key User Requirements (KURS)

1. The table below illustrates the KURs, and acceptance criteria requirements associated with the Programme<sup>2</sup>. In DATE, the Board Executive Committee, and subsequent Joint Requirements Oversight Committee (JROC) endorsed the KURs<sup>3</sup>, commenting that they found the “recapitalisation argument compelling”. The DATE JROC confirmed there was no requirement for further JROC endorsement prior to FBC submission<sup>4</sup>.

Key User Requirements	Acceptance Criteria
REDACTED	The User requires a capability that...
REDACTED	The User requires a capability that...
REDACTED	The User requires a capability that...
REDACTED	The User requires a capability that...
REDACTED	The User requires a capability that...
REDACTED	The User requires a capability that...
REDACTED	The User requires a capability that...
REDACTED	The User requires a capability that...

<sup>2</sup>DATE-Redacted KURs and URD\_v2 DATE -OS

<sup>3</sup> DATE-JROC CSP Outletter

<sup>4</sup> DATE- Feb JROC Forward Planning

## Annex E – Programme Benefits

1. The Programme Benefits were first baselined in DATE with the majority non-monetised. Since the baseline was established, the Benefits Realisation Plan (BRP) has been subject to continued review in line with Programme Board process. Specifically, regular reviews to ensure that the sub-measures remained SMART, the benefits realisation date was tracked appropriately, and the associated evidence, risks, assumptions, and dependencies was understood.

ID	Priority	Benefit	Benefit Realisation	Date	SOs	DSO/DEO
01	Primary	REDACTED	The Benefit will be realised...	DATE		
02	Primary	REDACTED	The Benefit will be realised...	DATE		
03	Primary	REDACTED	The Benefit will be realised...	DATE		
04	Primary	REDACTED	The Benefit will be realised...	DATE		
05	Secondary	REDACTED	The Benefit will be realised...	DATE		
06	Secondary	REDACTED	The Benefit will be realised...	DATE		



## Annex F – Sustainment Solution Overview

- 1. Requirements Development.** The PROGRAMME Sustainment requirements were initially developed in DATE by exploiting a wide range of inputs and these have continued to be reviewed and matured since that time. The initial PROGRAMME baseline Statement of Requirement (SoR) was produced using the Support SoR that was developed by the DT, and with COMPANY consultancy support. Support requirements, LFE and inputs from other programmes have also been incorporated, as well as LFE/experience from multiple discussions with the PROGRAMME System Programme Office (SPO) in COUNTRY. Additionally, numerous workshops took place from DATES between the PROGRAMME DELIVERABLE, ROLE, REDACTED and COMPANY NAME to review and mature the SoR. In DATE the PROGRAMME DT released a Request for Proposal that incorporated the PROGRAMME SoR to COMPANY NAME to develop REDACTED. Support contract Periods of Performance (PoP) (X + X-year periods). The PoP for the initial contract has subsequently been agreed by DELIVERY and COMPANY NAME, and endorsed by the ROLE, to be XXX years as described in the FBC Commercial Case and Commercial and Procurement Strategy. Reducing the PoP to X reduces the risk and uncertainty in the COMPANY NAME price due to the global economic situation. This PoP facilitates a mobilisation period, followed by in service operations to gather support, performance, and output evidence to inform follow-on Pricing Periods and VfM assessment.
- 2. DATE Integrated Review Impact on Solution.** The outcome of the Defence Integrated Review in DATE led to a Programme of Record (PoR) change for the PROGRAMME DELIVERABLES to be reduced from 5 to 3 DELIVERABLE and relocated to LOCATION with the DELIVERABLES. As part of the PROGRAMME Senior Leadership Review (SLR) work to address the PoR changes and savings required from the Programme, a 2\* Heads of Agreement (HoA) was signed by MOD and DELIVERABLE that underpinned the revised acquisition, infrastructure and sustainment programmes scope, strategy, assumptions/dependencies, and Estimated Maximum Prices. The HoA UK Sustainment solution costing was derived by DELIVERABLE from analysing and reading-across actual costs from the COMPANY/ PROGRAMME programme when considered against the scope/scale of a UK solution. Although the HoA is a non-legally and commercially binding document, it provides the framework for the development of the PROGRAMME solution and contract. The PoR and HoA strategy and costing was also based on the PROGRAMME Sustainment solution being incorporated under the extant ASP/TSP support contract, with COMPANY NAME as the single source Prime to the OSD. Having PROGRAMME and REDACTED under a single support contract with the same Prime contractor enabled significant opportunities and efficiencies to be developed and realised. The impact of the IR and PoR changes were incorporated into the PROGRAMME SoR and the Commercial and Procurement Strategy.
- 3. Solution Development.** When the PROGRAMME Outline Business Case and initial acquisition contract were being developed and staffed in DATE, the intent was to exploit the knowledge and experience the SPO had with the PROGRAMME capability and their in-service support solution. The COUNTRY solution was Primed with DELIVEALBLE Defence COUNTRY and the UK's intent was to develop a similar Sustainment model for the UK, Primed by COMPANY NAME. This would exploit the experience, develop commonalities to enable future co-operation between the UK and COUNTRY and also allow the programme to proceed at pace to meet the operational requirement for the capability as outlined in the PROGRAMME OBC. Since DATE the concepts and basis for the PROGRAMME Sustainment solution have continued to be matured, including after the release of the RfP in DATE and prior to COMPANY NAME's submission of their Drop 1 Sustainment Proposal in DATE. The solution development has also assessed and incorporated opportunities with at and with COMPANY NAME as detailed below.
- 4. COMPANY NAME Sustainment Proposals.** Since the release of the PROGRAMME DT's Sustainment RfP in DATE, well over 100 joint technical and commercial workshops have been undertaken by the PROGRAMME DT with COMPANY NAME to mature the understanding of the SoR, as well as to develop the solution and COMPANY NAME's Statement of Work. This work led to an initial Drop 1 Proposal from COMPANY NAME in DATE; however, due to the impact of

COVID and the global economic situation on materiel, resources and DELIVERABLE and their sub-contractors, COMPANY NAME's proposal was non-contractable and contained large areas of ROM estimates and assumptions on support solution SoW/scope. To address this, further joint work to mature the solution and review Drop 1 with the PROGRAMME DT was undertaken, leading to a revised Drop 2 Proposal on DATE, and a final contractable proposal delivered in DATE. COMPANY NAME is repricing the Drop 3 proposal between DATES to reflect the latest PROGRAMME programme assumptions and requirements, ahead of final contract negotiation in Q3 DATE. The intent, as described in the Commercial Case and Commercial/Procurement Strategy, is for contract award in DATE.

5. **Sustainment Solution Scope & Opportunities with .** The PROGRAMME solution is for a combined REDACTED, with PROGRAMME Sustainment services with COMPANY NAME incorporated in the ASP/TSP contract for expanded support at OTHER LOCATION for PROGRAMME, as well as reach-back into wider COMPANY NAME, DELIVERABLE and sub-contractor support. The scope of the COMPANY NAME Sustainment solution is broken into REDACTED. In addition, the solution also supports training, as well as the GSS, systems and software support and development. In the Sustainment contract the COMPANY NAME SoW describes the outputs of all the Service Lines and is supplemented by a Solution Description Document that provides further detail on how each of the Service Line outputs is produced and delivered. Each of the Service Lines is described below, along with how opportunities and efficiencies with are being realised.

6. **Base Maintenance.** COMPANY NAME is already delivering a Base maintenance service at LOCATION for scheduled maintenance. This service will be expanded to incorporate PROGRAMME Base scheduled maintenance, which will allow COMPANY NAME to exploit REDACTED. The strategy for provision of PROGRAMME and maintenance (X and X yearly deep maintenance for PROGRAMME) is being developed as a joint project by both DTs, which is looking to leverage economies of scale of a joint PROGRAMME solution. The funding requirement for PROGRAMME DELIVERABLE is included within this FBC and costing covering the requirements up to DATE for this initial PoP.

7. **Technical Services – DELIVERABLE.** COMPANY NAME is the Co-ordinating Design Authority for PROGRAMME. The DELIVERABLES Authority resides within the PROGRAMME DT, along with Crown Servant Engineering Authorities. Consequently, DELIVERABLE will be contracted and responsible as the CDO under the Sustainment contract to provide post design services for DELIVERABLES worthiness, safety and engineering technical support and advice to the UK PROGRAMME programme, including maintaining the design records, technical queries, modifications, AD/SBs etc. The scope also encompasses reliability analysis, maintenance reviews, fault investigations, health/usage monitoring and integrity mgt. COMPANY NAME will act as the lead for the provision and co-ordination of Technical Services, including DELIVERABLES Field Service Reps at LOCATION and technical support reach back to the DELIVERABLE COUNTRY CDO and OEMs/sub-contractors such as COMPANY and CFMI. As part of future evolution of the service, with the agreement of the PROGRAMME DT TAA as the strategy matures, COMPANY NAME is looking to take on Design responsibilities and privileges for the GSS and potentially areas for the REDACTED in future contract periods.

8. **Technical Services – Continuing DELIVERABLES worthiness.** Continuing DELIVERABLES worthiness Mgt (CAM) of the in-service PROGRAMME DELIVERABLES is the responsibility of the ROLE CAM at LOCATION. The postholder has responsibility for both PROGRAMME and DELIVERABLES. COMPANY NAME provides CAM Support Services (CAMSS) to the Mil CAM through the ASP contract as part of a joint CAM. The COMPANY NAME CAMSS will be expanded to include PROGRAMME, providing the Mil CAM with COMPANY NAME resources for both DELIVERABLESs within the joint CAM.

9. **Supply Chain Management.** There is a COMPANY NAME logistic team at CUSTOMER OTHER LOCATION that provides spares and repairs services and support to, alongside their CUSTOMER logistic counterparts in the LOCATION and other facilities at CUSTOMER OTHER

LOCATION. The COMPANY NAME SCM team act as the focal point for reach-back into wider DELIVERABLE SCM spares procurement and repair services with other DELIVERABLES, OEMs and subcontractors. The logistic solution is continuing to evolve as a joint enterprise and will be expanded to include PROGRAMME through the single support contract. PROGRAMME will exploit cost reduction opportunities for a joint SCM service with COMPANY NAME, as well as for common DELIVERABLE spares, as well as in other items such as engines, gearboxes and APUs. Analysis has already been undertaken to assess common DELIVERABLE Green spares that has informed the PROGRAMME Initial Procurement spares orders during DATE and for DATE. COMPANY NAME will provide logistic support for PROGRAMME DELIVERABLE Green spares, PROGRAMME system spares, GSS devices, the OFT, and trainer. PROGRAMME will utilize standard MOD logistic IS IT tools such as REDACTED for inventory management and accounting.

10. **Training.** classroom and synthetic device training delivery for STAFF are CUSTOMER-led and supported by COMPANY NAME resource through the Training Support Provider (TSP) element of the support contract. ROLE and ROLE have decided that PROGRAMME training will also delivered through this CUSTOMER-led approach initially to exploit coherence and ensure that existing training delivery is not adversely affected. Consequently, for PROGRAMME, COMPANY NAME will provide instructors and training support resources to meet the CUSTOMER's requirements and be part of a joint training resource at CUSTOMER OTHER LOCATION delivering classroom and synthetic training. During the initial PROGRAMME contract PoP, further analysis will be undertaken to consider whether an alternative training model with a DELIVERABLE led output-based training service for PROGRAMME and is VfM and effective in meeting the future training requirements of the CUSTOMER; this industry-led training service model is what is currently in place for the with COMPANY in COUNTRY. Maintenance and support of the UK's OFT and trainer synthetic devices is covered by the Systems Service Line below.

11. **Systems.** The Systems Service Line for PROGRAMME covers the maintenance and support of the GSS, including the OFT and synthetic training devices. The GSS encompasses the development and test labs for software for the PROGRAMME system by COMPANY NAME, as well as reach-back into OEMs such as COMPANY and COMPANY for hardware and software support for systems respectively through the COMPANY SCM service. Support also includes other key equipment such as the Deployable Support System.

12. Another vital component of the Systems Service Line is the development, testing and release of system software In Service Builds (ISBs). Building on years of ISB experience within COMPANY and the /SPO for the PROGRAMME, COMPANY is looking to exploit the experience and processes used by COMPANY to read-across for the UK. The UK ISBs will follow a X-year development cycle, leading to a rolling annual release with ISBs overlapping. When the DELIVERABLE enters service the acquisition programme software builds for the DELIVERABLES will still be ongoing though to delivery of the DELIVERABLES in Q1 YR XXX. As a consequence, COMPANY is looking at the best approach to develop the initial UK ISBs pending procurement and delivery of GSS labs/equipment to CUSTOMER OTHER LOCATION. The strategy is likely to continue to exploit the DELIVERABLE acquisition software build resources and facilities at LOCATION for ISBs #1 and #2. This ISB/GSS strategy is currently being developed and agreed between the PROGRAMME DT and COMPANY NAME.

13. **REDACTED.** PROGRAMME is developing and introducing REDACTED as the primary tool for managing and recording maintenance, component life tracking and clearing the DERLIVERABLES. REDACTED is widely used for MOD DELIVERABLES and it is managed via a DELIVERY contract with COMPANY NAME. The development and introduction of REDACTED for PROGRAMME is part of the Acquisition programme, with through life support and maintenance of the application covered under Sustainment. REDACTED is essential to support safe operation of the and to maintain DELIVERABLES worthiness.

14. **Other Support Opportunities and Efficiencies.** The PROGRAMME Sustainment solution incorporates common equipment support arrangements for equipment with the APS DT, as well as DELIVERABLES with the DELIVERABLES Commodities DT. The range and scope of

PROGRAMME Sustainment support with the commodity DTs will continue to evolve and expand as in-service experience is gained. The PROGRAMME DT and COMPANY NAME is also exploring with ORGANISATION where ORGANISATION's capabilities and capacity could support PROGRAMME in-service requirements.

15. **International PROGRAMME Support.** PROGRAMME is currently operated by COUNTRIES. In support of those customers, an international Sustainment WG with DELIVERABLE has been running for several years with the aim of identifying common support issues that the nations can co-operate on such as obsolescence, in-service reliability/maintainability, and common issues. The UK has been an observer in that forum for the past few years and will become a full member once the DELIVERABLE Sustainment contract is placed. The COUNTRY also joined the Sustainment WG in DATE as an observer with the announcement of the PROGRAMME Programme.

16. In addition, the UK has been working closely with COUNTRY since circa DATE on the UK programme to develop areas for co-operation, gather LFE for the UK and to jointly develop further co-operation for the future. Now that the COUNTRY is also procuring an PROGRAMME capability, discussions have started with a view to develop and implement co-operation for the capability and sustainment.

17. **Sustainment Service Performance and Outputs.** The intent for PROGRAMME Sustainment contract is to develop an output-based performance regime that will be focussed on delivering and improving supportability and availability for the PROGRAMME capability and training system. The Sustainment RfP proposed KPIs based on this approach for the

18. System, Tech Services, Training, SCM and MRO Service Lines, with an Incentive Adjustment offering up to 2% of allowable costs based on delivery of a measurable performance enhancement above the contracted baseline. This performance approach for PROGRAMME is an enhancement on where has started with their KPIs and negotiations with COMPANY NAME are ongoing to push them to move to such an approach for PROGRAMME, drawing on COMPANY's and /SPO's year's PROGRAMME experience.

19. For follow-on PoPs the aim is to continue to evolve the performance approach and KPIs for both PROGRAMME and as part of a Support System and under the common contract. The near-term intent is to create an overarching combined Through-Life Support Strategy and to develop a joint Support System and align the associated COMPANY NAME support contract. The intent is also for the two DTs to merge common roles and responsibilities in due course to drive forward co-operation, coherence and VfM. Analysis of support and cost data, as well as LFE from the and initial PROGRAMME PoPs, will be utilized to inform and shape the scope, outputs, and cost of future PoPs. The intent is to enhance the synergies and coherence between PROGRAMME and , focussed on continuing to measure and improve the training and capability outputs. This approach will then lead to updated IAC approvals via RNs for each Price Period and contract award post negotiation subject to demonstration of VfM.

## Annex G – Acquisition Update

1. **Programme Background.** The PROGRAMME NAME Programme was launched after SDSR DATE in recognition of the pressing need to invest and improve the DERLIVARIABLES Management capability to keep pace with existing threats and evolve to match future developments.
  2. Analysis of the options during the CSP Concept phase focussed on REDACTED. These options were presented in the CSP Operational Analysis Supporting Paper to the Joint Requirements Oversight Committee (JROC) and MOD Scrutiny in DATE and both found the case for procurement of a new platform compelling when judged against the requirement and from a cost effectiveness perspective.
  3. In DATE, a Strategic Outline Case (SOC) was submitted to the Investment Approvals Committee (IAC) in line with the MOD's Approach to Investment Decisions (MAID) project. The SOC detailed why the DELIVERABLE PROGRAMME NAME was considered the only solution that could meet the UK's required PROGRAMME NAME in a timeline and risk envelope consistent with the urgent need. It was therefore requested that approval be granted to proceed to the Outline Business Case (OBC) on the assumption of a sole source procurement of the DELIVERABLE PROGRAMME NAME Mk1. To support the SOC, an Accounting Officer (AO) assessment was produced to demonstrate that the programme met the four standards expected by Parliament and the public for use of public resources; regularity, propriety, Value for Money (VfM) and feasibility.
  4. In DATE XX, authority was granted by Chief Secretary Treasury (CST) and the IAC for CSP to engage in single source discussions with DELIVERABLE<sup>5</sup> and a Request for Proposal (RfP) was issued to the company in DATE XX. This and subsequent negotiations enabled the programme to develop the Outline Business Case (OBC)<sup>6</sup> for submission in DATE XX/. HMT granted approval to proceed DATE XXXX as per the Outline Business Case. An initial contract for the DELIVERABLES Segment was signed DATE XX.
  5. In early DATE the Secretary of State for Defence directed the PROGRAMME team to commence negotiations with DELIVERABLE to descope the PROGRAMME PROGRAMME NAME programme in order to deliver significant fiscal savings under the title of the PROGRAMME Senior Leadership Review (SLR). The outcome of these negotiations were formalised through a non-binding, Heads of Agreement (HoA) between the parties that was signed on DATE. This document set out the principal terms and conditions that would be agreed, subject to Authority approvals, and provided detail regarding the amendment of existing contracts and new contractual arrangements that would be entered into within the agreed PCT (performance, cost, time) envelope.
  6. This was formalised in DATE XX with submission of a Review Note to the IAC on DATE XX that recommended that a reduction of the DELIVERABLES size and a number of other efficiencies, including a change of basing location to CUSTOMER OTHER LOCATION that would save over £XXXX from the first XXXX yrs of the programme. The RN also noted that a further reduction would make further savings. DELIVERABLE had advised that a decision on the reduction by the end of DATE XX would maximise savings due to there being another customer for the DELIVERABLE that would have been converted into the PROGRAMME NAME. An Outletter was issued by the IAC on DATE XX that allowed the DT to issue a contractual change notice to DELIVERABLE that was subsequently formalised in DATE XX. The implementation of the change in DELIVERABLES was delayed and negotiations were only concluded in DATE XX with the contract amendment implemented in DATE.
-

7. **Acquisition Contract.** Since initial signature, there have been Thirteen amendments to the acquisition contract, as follows:

REDACTED

## Annex H – Infrastructure Update

### References:

- A. IAC Review Note, dated DATE, DATE-4-RN\_PROGRAMME PROGRAMME NAME -OSC.
- B. RN Outletter, dated DATE.
- C. OBC Outletter, dated DATE.
- D. DATE-PROGRAMME NAME Technical Infrastructure Information Note, dated DATE.

### PROGRAMME NAME Programme Technical Infrastructure

- 1. REDACTED

#### Economic Case

- 2. The case made by Reference B remains valid with REDACTED.

#### Commercial Case

- 3. The PROGRAMME NAME infrastructure commercial strategy draws from lessons learnt from the original LOCATION project. A two-stage plan was followed with COMPANY NAME; a X-month Enabling Works contract awarded on DATE XX followed by a XX-month Main Construction contract awarded on DATE XX. The Main contract is a Qualifying Defence Contract let under the Single Source Contracting Regulations and was subject to sub-contract competition.
- 4. COMPANY NAME have agreed a comprehensive Social Value clause which is flowed down to COMPANY, the main sub-contractor. Lessons learnt will be shared with Commercial Policy.

#### Financial Case

- 5. Reference C approved £XXXX for PROGRAMME NAME infrastructure; the endorsed Review Note, at Reference A, noted an expected value of £XXXX for PROGRAMME NAME Technical Infrastructure at CUSTOMER OTHER LOCATION. Since Reference D, rising inflation within the construction industry has increased costs significantly. The Main Construction contract with COMPANY NAME was Firm Priced; additional costs required for design changes have been implemented, most notably for the increased security requirements for SAP accreditation. DELIVERY expects VAT to be ratified as 3.8% for all infrastructure costs due to shared (with COMPANY NAME) occupancy of the facilities. It should be noted that PROGRAMME Technical Infrastructure sustainment (Hard and Soft Facilities Management) is included within the ORGANISATIONS contracts and associated approvals.

#### Management Case

- 6. Whilst the timescale to deliver the infra solution remains short, high confidence exists that the schedule is achievable due to the robust contract in place. The contract identifies 8 sections with 50% of the commercial delay damages focused on REDACTED due to the importance to the capability of this milestone. The Sectional Completion dates are as follows:

Section	Title	Completion Date
1	REDACTED	DATE
2	REDACTED	DATE
3	REDACTED	DATE
4	REDACTED	DATE
5	REDACTED	DATE
6	REDACTED	DATE
7	REDACTED	DATE
8	REDACTED	DATE

7. A 12-month defects period follows Section 8 that covers all sections.



**Annex I – PROGRAMME NAME Capability Roadmap**

## **Annex J – DLIEVERABLE UK Prosperity Graphic**

## **Annex K – Commercial Strategy Overview**

### **Introduction**

1. The PROGRAMME NAME Commercial Strategy provides a comprehensive plan of how the PROGRAMME NAME Sustainment requirement will be procured and managed through-life. This Executive Summary outlines the key aspects of the strategy. All of the issues discussed below are covered in more depth within the main body of the Commercial Strategy.

### **Requirement**

2. The proposed prime contract is for the provision of PROGRAMME NAME Sustainment services. Contracted support will be provided across the following seven service lines (SL):

- Training (SL2)
- Technical Services (SL3)
- Support (SL4)
- Maintenance, Repair and Overhaul (SL5)
- Supply Support (SL6)
- Programme Management (SL7)
- Security (SL8)

### **Procurement Strategy**

3. The Procurement Strategy is a non-competitive procurement for both the support and training solution, with COMPANY NAME as the prime contractor. Other options were discounted based on technical know-how and access to intellectual property that could not be sourced from a third party without exposing the Department to an unacceptable level of risk.

4. Although the requirement would ordinarily fall within the scope of DSPCR DATE, it is excluded on grounds of security of information under Regulation 7(1)(a). Advice from MOD Legal Advisors (MOD LA) was obtained regarding this approach, and the application of the exclusion has been endorsed by the Directorate of Security and Resilience (DSR). The procurement is subject to the provisions of the Single Source Contract Regulations DATE (SSCR).

### **Commercial Model**

5. The contractual vehicle for the delivery of the PROGRAMME NAME sustainment requirements will be the OTHER PROGRAMME DELIVERABLES and Training Support Provider (A&TSP) contract, which was awarded in DATE. This pan-platform contracting strategy is expected to deliver long term efficiencies through co-location at CUSTOMER OTHER LOCATION, an aligned support arrangement and a joint contract, which should give the Department greater commercial leverage.

6. The expiry date of the A&TSP framework is DATE, which aligns with the planned OSD of OTHER PROGRAMME. The duration of the PROGRAMME NAME sustainment contract line items (CLINs) will run from DATE to the planned PROGRAMME NAME OSD of DATE.

7. PROGRAMME NAME sustainment requirements will be added to the contract via a contract amendment. This pan-platform contracting strategy is the optimal approach, as it provides opportunities to deliver long term efficiencies through co-location at CUSTOMER OTHER LOCATION, an aligned support arrangement and a joint contract.

### **Route to Contract**

8. An RFP was issued to COMPANY NAME in DATE, with proposal submission deadline of DATE. This deadline was subsequently extended to DATE. The COMPANY NAME proposal submission was received in DATE, however, because of the immaturity of COMPANY NAME's

pricing, it was agreed that two further incremental updates (“Drops”) to the proposal were required. These were submitted in DATES respectively. As a result of delays to the REDACTED delivery schedule the target award date has moved to the right significantly, which has had the effect of reducing the duration of the initial contract period (see below). Consequently, a final, updated proposal submission is due no later than DATE. Contract award is anticipated, subject to approvals, by DATE.

### **Market Analysis and Supplier Capability**

9. COMPANY NAME will be the prime contractor responsible for the delivery of an integrated support service across the seven service lines outlined at paragraph 2, above. COMPANY NAME is currently providing similar services to OTHER PROGRAMME under the A&TSP contract and therefore have an established capability to fulfil the PROGRAMME NAME requirement. Furthermore, COMPANY NAME can reach back into its COUNTRY and COUNTRY entities, who have been providing sustainment services to other customers (most notably the INDUSTRY) for over X years.

10. Although COMPANY NAME are the prime contractor, and much of the work will be undertaken within the UK (mostly at CUSTOMER OTHER LOCATION), a significant amount of work will be sub-contracted to COMPANY NAME to third-party suppliers and other DELIVERABLE entities in COUNTRY and COUNTRY. COMPANY NAME, with support from the DT, has developed a detailed Make or Buy Plan, which articulates its sourcing strategy for each work package withing the overarching work breakdown structure.

### **Contract Duration**

11. The A&TSP contract will provide a framework that will enable the progressive implementation of an integrated OTHER PROGRAMME/PROGRAMME NAME support solution through discrete pricing periods of approximately X years. Requirements for future pricing periods will be progressively added to the A&TSP contract via future amendments, which shall be subject to progressive allowable cost and value for money reviews.

12. The revised end date of PP1 will be set at DATE XX, as this is considered to be an adequate length to enable learning and data gathering, which will be used to inform prices for the following pricing period(s). This revised duration also provides the opportunity to align the pricing periods for OTHER PROGRAMME and PROGRAMME NAME at the earliest opportunity to enable the exploitation of cross-platform synergies and a potential transition to REDACTED.

13. Based on the current REDACTED delivery schedule and Sustainment route to contract plan, PP1 for PROGRAMME NAME will have a duration of X years and X months, from DATE XX until DATE XX. The first X months of the initial period will comprise contractor mobilisation activities, with commencement of service provision expected on acceptance of the first PROGRAMME NAME DELIVERABLE from DATE XX.

### **Contract Terms and Conditions**

14. The A&TSP contract, providing DELIVERABLES and training support for OTHER PROGRAMME, is comprised of three defined Parts (A-C). The OTHER PROGRAMME DELIVERABLES and training line items of the contract are standalone, largely operating as separate services under a single contract. The contract contains common terms applicable to both services under Part A, along with specific service terms and Statements of Work in Parts B and C. The PROGRAMME NAME sustainment amendment will establish a Part D, covering OTHER PROGRAMME-specific service terms and Statement of Work.

15. The A&TSP contract terms and conditions comprise a blend of DEFCONs and bespoke narrative terms. The PROGRAMME NAME sustainment amendment will require amendments to the existing Part A terms to ensure these reflect a joint OTHER PROGRAMME/PROGRAMME NAME support contract. These changes are not anticipated to materially alter the balance of risk between

MOD and industry. Service-specific terms for PROGRAMME NAME sustainment will be included in Part D and are currently subject to negotiation with COMPANY NAME.

## Price and Payment

16. The price for PP1 remains an outstanding item for negotiation. It is anticipated that the X-month mobilisation period will be firm priced. The price for the service delivery phase will be informed by an analysis of uncertainty and risk that is currently being undertaken with the support of REDACTED, Defence Economics and DCMA.

17. The contract prices are currently subject to negotiation, with the final iteration of COMPANY NAME's proposal due in DATE XX. The A&TSP contract is a QDC, therefore the amendment will be priced in accordance with the SSCR. An Allowable Cost Review (ACR) has been undertaken by (REDACTED) on a progressive basis in line with the incremental submission of the COMPANY NAME proposal. The allowable cost report was submitted in DATE, although some REDACTED support will be required following the receipt of COMPANY NAME's final proposal submission. In addition to the REDACTED review, the DT has also tasked REDACTED and COUNTRY Financial Investigation Services (FIS) to audit the COUNTRY and COUNTRY costs. The output of the three cost audits has informed the DT's negotiation strategy.

18. The agreed price will be based on REDACTED.

19. Prices will be in mixed currencies, comprising a mix of CURRENCY elements. This approach is considered the optimal VFM solution, as compared to paying a high premium for COMPANY NAME to hold the exchange rate risk in the current economic climate. Payments will be made monthly in arrears via CP&F, with performance deductions and incentive payments applied on a quarterly basis.

## Performance and Incentivisation

20. The contract performance regime will provide a balance of financial remedies for poor performance and incentive payments where COMPANY NAME exceed the contract performance thresholds.

21. The contract will include four (4) KPIs, measuring COMPANY NAME's outputs against the main levers of availability:

a) **Training.** Measurement of the "availability" of each training asset (including COMPANY NAME instructors) through an assessment of the outcome of each training session. Training Session outcomes are not an indicator of whether students passed/failed any training, rather an indication of whether the device and/or person "performed".

b) **Unscheduled Spares Provision.** Measurement of the timely provision of spares in response to customer demands. Late delivery calculation is based on no. of days late, rather than a binary pass/fail calculation – this should incentivise COMPANY NAME to expedite late deliveries to mitigate KPI impact. Weighting applied to high priority demands.

c) **DELIVERABLES Maintenance.** Measurement of adherence to agreed maintenance output dates. Calculation based on no. of days late (as above).

d) **Technical Services.** Measurement of adherence to agreed turnaround times for technical queries. Calculation based on no. of days late (as above) with a weighting applied to high-priority queries.

22. Remedies for KPI performance are profit deductions up to the baseline profit value (BPR is currently XX% = c.£XXXX). Actual deductions will be determined on a sliding scale and include a mix of permanent and temporary deductions.

23. The contract will also provide an opportunity for COMPANY NAME to earn an Incentive Adjustment of (IA) up to 2% of the total allowable costs, during the service delivery phase. IA payments will be based on additional performance metrics measuring consistently high KPI performance (i.e., above the contract baseline) and PROGRAMME NAME success.

### **Termination and Exit**

24. Standard termination provisions, including DEFCON X are included within the A&TSP contract. The contract also includes a bespoke narrative clause providing writes to terminate for Material Breach and poor performance.

25. The exit strategy is limited, due to the reliance on DELIVERABLE and COMPANY intellectual property and technical know-how to support the capability. Some service elements, such as training, common commercial spares, and engine support, could theoretically be sourced from elsewhere if the need arose.

### **Limitation of Contractor's Liability and Indemnities**

26. The contract does not require industry to accept uncapped liability. The amendment to A&TSP will align the contract with current LOCL policy (noting that the current policy came into force after the contract was agreed), providing caps on the contractor's liability against the five Heads of Loss (HoL) defined in the policy. The risk assessment is complete, and caps have been proposed to COMPANY NAME against each HoL. The DT is awaiting COMPANY NAME acceptance, however this is not expected to create any new contingent liabilities for the Department.

27. The A&TSP contract has two existing, reported Contingent Liabilities relating to the use of HMT-approved indemnities (DEFCONs X and X).

### **Intellectual Property Rights (IPR)**

28. It is not considered that the contract will develop any significant new IP, however bespoke IPR clauses are under negotiation with support from DIPR. Clauses will, where applicable, follow those principles agreed for OTHER PROGRAMME under A&TSP, and will provide sufficient rights for international collaboration and provide security of supply in the event of early exit or termination.

### **Social Value**

29. The contract will include measurable outcomes relating to the delivery of Social Value against the themes in the Social Value Model identified as being most relevant to the programme – tackling economic inequality, fighting climate change and equal opportunity.

30. The agreed metrics for PP1 are input metrics measuring COMPANY NAME's contributions in a number of areas that are designed to create social value in and around the OTHER LOCATION area. These typically include outreach work in local education establishments (e.g., careers fairs, pre-employment workshops, etc.), providing work experience and apprenticeship placements and working with local authorities to support environmental campaigns.

31. The DT will work with COMPANY NAME to progressively mature the Social Value offering throughout the contract term, with the aim of moving towards a more outcome-focussed range of metrics from PP2.

## **Contract Management**

32. An amendment to the extant A&TSP Contract Management Plan (CMP) is currently being developed by the team. The structure of the CMP will mirror the contract structure, providing specific OTHER PROGRAMME and PROGRAMME NAME sections in addition to a common, overarching section. The CMP will provide a framework to enable staff managing the contract – across all functions – to understand the key underlying contract processes and responsibilities, as well as the softer skills and techniques needed to successfully manage the relationship with industry.

## Annex L – DLoD Strategies

### 1. Training & .

- a. **Training.** A through-life training solution for PROGRAMME NAME Mk1 is assessed as deliverable. The training delivery will include DELIVERABLE contracted support, on a workforce substitution model initially, with other options such as transition to a contractor managed service or other arrangement to be assessed at contract renewal points in the future. Workforce substitution brings alignment with the OTHER PROGRAMME training model currently in use at CUSTOMER OTHER LOCATION which will allow for the greatest possible synergies and sharing of best practice. Following the decision to co-locate OTHER PROGRAMME and PROGRAMME NAME at CUSTOMER OTHER LOCATION, the CUSTOMER training unit will be combined under a single DELIVERABLE.
- b. The CUSTOMER's PROGRAMME NAME Mk1 will be located at CUSTOMER OTHER LOCATION and, REDACTED.
- c. **Integrated Master Schedule.** The PROGRAMME NAME IMS is aligned with the Training & DLoD Strategy. The DLoD level risks have been considered to present a deterministic schedule that the Training & Organization DLoD owner is confident in achieving.

### 2. Equipment.

- a. **DELIVERABLES Certification & Safety.** The approach to DELIVERABLES management is described in the PROGRAMME NAME Mk1 DELIVERABLES Strategy, which has been approved by Director Support. The approach makes maximum use of evidence generated in support of previous PROGRAMME NAME programmes for other Nations, as well as the baseline DELIVERABLE DELIVERABLES but adapted as necessary to reflect the UK PROGRAMME NAME configuration and usage. UK-specific artefacts will be produced where they are necessary to achieve compliance with UK policy, regulation and legislation. The Certification Strategy adheres to REDACTED. The Certification Programme has been derived through a structured Part A/B review process in line with REDACTED. The Certification Exposition will claim credit for previous DELIVERABLE and PROGRAMME NAME certification activity performed by REDACTED. The PROGRAMME NAME Chief Engineer is accountable for the implementation of an effective Safety Management System and this is detailed in the PROGRAMME NAME Mk1 Delivery Team Safety & Environmental Management Plan, which has been endorsed by stakeholders at the PROGRAMME NAME Safety & Environmental Panel.
- b. **Acceptance Strategy.** An Integrated Test & Evaluation Plan (ITEAP) has been developed for the Programme. This recognises that the UK PROGRAMME NAME has been procured as a predominantly off the shelf capability and many of the system requirements are envisaged to have been previously verified for other programmes, supplier led T&E effort pre-delivery will therefore focus on the integration of configuration changes and regression test of inherent capabilities. A period of follow-on T&E will be required after delivery to refine the performance of the PROGRAMME NAME, develop operational procedures and gather evidence for satisfaction of capability requirements. This is expected to include a period where each PROGRAMME NAME will be deployed to the COUNTRY and/or COUNTRY.
- c. **Technology Management.** The following sub-paragraphs outline the process that the UK intends to take with regard to the development of the PROGRAMME NAME capability.
  - (1) **Product Line Capability.** The PROGRAMME NAME capability as initially offered to the UK consists predominantly mature and fielded technology taken from a combination of REDACTED to COUNTRIES. These will be complemented by several updates that have been developed for the upgrade programme.



(2) **UK Modifications / Capability Tailoring.** The UK also specified specific modifications and additions to the baseline to allow the KURs to be met.

(3) **Collaborative Development.** Since the OBC, the UK has REDACTED.

d. **Comparison with PROGRAMME NAME.** Since the UK commenced its PROGRAMME NAME acquisition, activity to develop new capabilities has continued in parallel. Recently REDACTED.

### 3. **Personnel.**

a. **Command Personnel.** Since the signing of the OBC, basing alterations, workforce rationalisation and outcomes of the IR, in DATE, have required a re-baselining of the workforce strategy due to the now obsolete Personnel Strategy. The workforce requirement has been defined against the Key User Requirements and Key Capability Requirements to achieve programme milestones. The Personnel DLoD will REDACTED.

b. **DELIVERY Personnel.** The PROGRAMME NAME DT has a resource loaded schedule for the PROGRAMME NAME Programme that covers capability acquisition, infrastructure and development of the sustainment solution and FBC. Utilising the internal DELIVERY Functional Managers, the DT has been growing since the OBC approval aligned with the programme and the schedule. CUSTOMER resources within the DT are defined in the CASP agreement with the SRO. To address resource recruitment shortfalls and specialist skills requirements, the DT utilizes the DELIVERY Engineering, Project and Commercial Delivery Partners (EDP, PDP, CDP) where practical and affordable to do so, as well as DELIVERY Internal Technical Services. For the in-service phase post Sustainment contract award, the PROGRAMME DT is developing a new resource loaded schedule aligned with the Sustainment FBC approval and sustainment requirements that will run in parallel to the extant acquisition resource loaded schedule. Work also continues with the DT to develop the future model and roles/responsibilities across the DTs, looking to exploit synergies and opportunities as part of a support system across the capabilities.

c. **Integrated Master Schedule.** The PROGRAMME NAME IMS is aligned with the Personnel Strategy. The DLoD level risks have been considered to present a deterministic schedule that the Personnel DLoD owner can provide workforce liability, aligned with Career Management continuing to identify the associated workforce against current policy.

### 4. **Infrastructure.** The Infrastructure DLoD is split into Technical and Domestic provision.

a. As a result of the Integrated Review, a Review Note endorsed by an Outletter changed the REDACTED.

b. **Integrated Master Schedule.** The PROGRAMME NAME IMS is aligned with the Infrastructure Strategy. The DLoD level risks have been considered to present a deterministic schedule that the Infrastructure DLoD owner is confident in achieving.

### 5. **Doctrine & Concepts.** The current CONEMP (dated DATE) provides the context for the employment of DELIVERABLE. This document pre-dates the selection of the PROGRAMME NAME Mk1 and as such will be updated prior to ISD. The CONEMP has been further explored and expanded upon within the PROGRAMME NAME Mk1 CONUSE V2.0 which provides a greater level of detail on the PROGRAMME NAME system and the supporting DLoDs. In the next X months, the D&C DLoD will oversee the creation of PROGRAMME NAME specific Group Staff Orders (GASOs) and a Tactics Manual.

a. **Integrated Master Schedule.** The PROGRAMME NAME IMS is aligned with the Doctrine & Concepts Strategy. The DLoD level risks have been considered to present a deterministic schedule that the Doctrine & Concepts DLoD owner is confident in achieving.

6. **Information.**

a. **Digital Enablement.** The Information DLoD owner ( CUSTOMER Digital) is responsible for ensuring that the DLoD deliverers' outputs for the Programme, meets time and quality requirements, and that reporting is complete and accurate. CUSTOMER will provide a level of assurance to the SRO that the information aspects of the capability are fit for purpose. The Programme has REDACTED. DELIVERY will be given the means, and financial resources to enable fulfilment of the equipment and support related Information requirements. A Lead Delivery Owner (LDO) has been assigned to deliver REDACTED, working with the Programme Information Requirements Manager and the CUSTOMER Team as necessary.

b. **Cyber Security.** The Information DLoD is responsible for ensuring that PROGRAMME NAME is cyber compliant. This includes providing assurance that the platform and supporting systems are Secure by Design assured and JSP X compliant. REDACTED.

c. **Integrated Master Schedule.** The PROGRAMME NAME IMS is aligned with the Information Strategy. The Information DLoD level risks have been considered to present a deterministic schedule that the information DLoD owner is confident in achieving.

7. **Logistics.** The Logs DLoD plans to deliver an assured, sustainable support solution to meet the requirements of the PROGRAMME NAME Programme, with the main DELIVERABLE sustainment contract developed and awarded through the PROGRAMME NAME DT in DELIVERY . REDACTED.

a. **Support Strategy.** The intention for the UK PROGRAMME NAME DELIVERABLES is to develop an output-based sustainment solution linking the industry support to the delivery of operational outputs. The PROGRAMME NAME support strategy, CUSTOMER's requirements and DELIVERABLE solution have matured significantly from the initial DATE ROM proposal from DELIVERABLE, leading to an updated COMPANY NAME proposal that was delivered in DATE that is currently being matured and negotiated with the PROGRAMME NAME DT for contract award in DATE. Additionally, REDACTED.

b. **Integrated Master Schedule.** The PROGRAMME NAME IMS is aligned with the Logistics Strategy. The Logistic level risks have been considered to present a deterministic schedule that the Logistic DLoD owner is confident in achieving.

8. **Security.** The Security Function is responsible for the provision of advice and support to enhance coherence of security measures across all DLoDs, to ensure that capabilities are protected against threats from terrorism, espionage, subversion, sabotage or organised crime, as well as against loss or unauthorised disclosure of information. Security is assured for this platform through REDACTED who is responsible to the SRO for ensuring all elements of Security have been considered and dealt with appropriately. REDACTED.

a. **Integrated Master Schedule.** The PROGRAMME NAME IMS is aligned with the Security Strategy. The Security level risks have been considered to present a deterministic schedule that the Security owner is confident in achieving.

## Annex M – Management Plans

1. **PROGRAMME Delivery Team.** The PROGRAMME DT has a resource loaded schedule for the OPEX for acquisition, infra and long lead activities approved in the OBC. This is the basis for the Breakdown Structure and recruitment of DELIVERY personnel against the programme. A new separate resource loaded schedule is being developed for the Sustainment approval and In-Service Phase that will run in parallel to the acquisition schedule and OPEX resourcing. The new Sustainment schedule will be reviewed against the DELIVERY Project Controls scheduling process and health checks during its development. It will be endorsed and live prior to the Sustainment contract award planned for DATE.
2. **External Resource - Industry.** As part of their HR recruitment and skills growth, COMPANY NAME has continued their engagement with the marketplace to proactively manage their resource growth to meet the support requirements for the PROGRAMME Sustainment programme. This is building on the work they have already done for the PROGRAMME acquisition programme with the LOCATION DELIVERABLE modification work and sub-contractors supporting PROGRAMME acquisition. Additionally, the PROGRAMME Sustainment solution will build on the current COMPANY NAME resources in place for OTHER PROGRAMME at LOCATION. COMPANY NAME has also continue to develop their engagement with local bodies in the CUSTOMER OTHER LOCATION area, including technical colleges, as part of their resource growth strategy for the area for the OTHER PROGRAMME and PROGRAMME NAME programmes.
3. **PROGRAMME Programme Team.** Confirmation that resource requirements for ORGANISATION Personnel have been calculated effectively and that arrangements are in place to utilise resources effectively. REDACTED.
4. **Through Life Management Plan (TLMP).** The TLMP details the approach undertaken for the through life support of the PROGRAMME NAME Mk1 platform from encompassing acquisition, operation, in-service sustainment, capability, strategies & plans to its disposal.
5. **Transition Planning.** The Transition Plan will be overseen and directed by FHQ with the Business Change Manager at the centre of its progress. The original plan looked at a seamless transition from PREVIOUS DELIVERABLE to PROGRAMME NAME, the new plan focuses on the introduction of PROGRAMME NAME at CUSTOMER OTHER LOCATION to meet operational and other outputs. The OTHER LOCATION Transition Team are the focal point for Business Change at CUSTOMER OTHER LOCATION and as such are already heavily engaged with stakeholders and in the provision of integration workshops.
6. **Fallback Plans.** The fallback plan for the PROGRAMME NAME Programme has in effect already been implemented. REDACTED.
7. **A mature Integrated Test Evaluation and Acceptance Plan (ITEAP)<sup>7</sup>.** ITEAP has been developed for REDACTED.
8. **Sustainability.** DELIVERY is working closely with COMPANY NAME to encourage sustainable behaviours and ensure proactive environmental management practices are integrated in procurement and support arrangements using Project Oriented Environmental Management Systems (POEMS). The environmental sustainability approach is detailed in COMPANY NAME produced deliverables.
9. **Command Acquisition Support Plan (CASP).** The Command Acquisition and Support Plan (CASP) documents the business agreement between REDACTED. A CASP is in place for the PROGRAMME acquisition and infra programmes, and it also includes milestones for the Sustainment FBC and COMPANY NAME contract.

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<sup>7</sup> 20240311-E7 ITEA\_Plan\_v1.0-OS

10. **Support Solution.** As part of developing and then managing Sustainment solutions through life DELIVERY utilizes the Support Solution Development Tool (SSDT) to assess and guide DTs in the scope and content of their support solutions. The SSDT evidence is assured independently, and a Support Solutions Report (SSR) produced by a Support Solution Officer and a wide range of assurance SMEs to inform the assurance and scrutiny for BC approvals, as well as to provide feedback to the DT and DELIVERY Seniors on the status of the solution against policy and process, and which areas need further work. The SSDT was populated with evidence and artefacts for assurance for the OBC approval and has been updated by the PROGRAMME DT for this FBC. An FBC SSR has been produced as part of the assurance activity for the Endorsement Committee review of the FBC. The SSDT will be updated and assessed again In Service for the LSD, IOC and FOC milestones.

## **Annex N – Top-5 Programme and Top-10 Sustainment Risks**

### **Top-5 Programme Risks**

**REDACTED**

### **Top-10 Sustainment Risks**

**REDACTED**

**Annex O – Learning from Experience (LfE)**

1. The table below provides a summary of the top-LfE identified or incorporated into the PROGRAMME NAME Programme:

**REDACTED**