

For Immediate Release

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Innovative procurement model for new RAPIER ADAPT contract brings the MoD's Defence Industrial Strategy to life

The Ministry of Defence's aim of developing a more flexible and cost effective supply chain that incorporates 'through life support' came a step closer to reality today.

MBDA, the missile systems company, has been awarded the contract to supply and support a technologically advanced air defence system known as RAPIER through the AIR DEFENCE AVAILABILITY PROJECT (ADAPT).

This groundbreaking equipment support contract, which has 'contracting for availability' at its heart, has been made possible by a joint MoD, Deloitte and Hedra project team. The teams have worked alongside industry since 2004.

The new support arrangement improves equipment availability to frontline operations whilst reducing the deployed footprint. Savings to the tax payer will exceed £170m in the next 13 years when compared to a more conventional solution.

Background to ADAPT project

Project ADAPT was established in October 2004 following a defence capability review that rationalised the UK's Ground Based Air Defence equipment and reduced spending on enhancements. ADAPT was an opportunity to rationalise and streamline Rapier FSC support, improve availability and reduce support costs.

The joint MoD, Deloitte Hedra team identified solution options by re-allocating activity and responsibilities in the supply chain between the factory and the frontline, with more responsibility being transferred to the equipment manufacturers.

In turn the equipment manufacturers have been encouraged to apply 'lean principles' - identifying and eliminating waste - to the activities that now fall within their remit. The end result has simultaneously improved equipment availability to the armed forces and reduced costs. Savings for the MoD are mirrored by those to industry with both parties benefiting from a long term 'incentivised' arrangement that allows them to invest in their capability and also gain financial reward through improved margins.

The strategy and policy which underpinned the approach focused on the demonstration of value for money through the use of a credible and practical public sector comparator, called the Best-Value-benchmark (BVB).

Shaun Harris (Landed Guided Weapons, Integrated Project Team Leader) said "Deloitte and Hydra played a key role in helping us to develop our 'contracting for availability' support strategy for Rapier FSC. The ADAPT contract, which has recently been awarded to MBDA, is a great endorsement of the principles set out in the Defence Industrial Strategy and an important stepping-stone towards future Complex Weapons arrangements. It clearly demonstrates MOD's willingness to engage with defence industry key players on a long-term basis. In addition, by building incentives into the contract, we will strive to improve support to the Front Line still further and at the same time reduce the cost to the taxpayer."

The programme has been led by staff from the MoD's Land Guided Weapons Integrated Project Team (IPT), with assistance from a partnership of Deloitte and Hedra consultants. Key to the successful outcome has been the close Joint Working arrangements forged between all of the principal parties, including the bid teams from MBDA and the Best-Value-Benchmark comparator team.

Philip Sandford, Partner at Deloitte's MoD consulting practice said "The concepts that we have deployed in this model have been a long term aspiration of the Ministry of Defence but this is the first time they have become a tangible reality. Increased operational efficiencies that have been realised are a win-win situation for both the armed forces and the industries that supply and support them."

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Notes to Editors

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