

## SMEs – MOD Case Studies

### **SME Name: Austin Hayes Ltd**

**Description of Product/Service:** The refurbishment of ammunition containers and associated parts.

**Procurement Team:** DES DGM PT.

**Notes:** A competitively awarded contract, of five years duration with an option to extend by another five years. The company is constantly initiating and evolving techniques to recycle used packaging. Several proposals have been adopted. Est. savings are £11m per annum. Austin Hayes Ltd has received a CDM commendation and a Min(DEST) award.

**Case Study:** Yes, attached at Annex A.

### **SME Name: BiP Solutions Ltd**

**Description of Product/Service:** The provision of the MOD Defence Contracts Online (MOD DCO) portal, the MOD Defence Contracts Bulletin (MOD DCB) and the MOD DCO eNotice creation and streaming service.

**Procurement Team:** DES Comrcl-CC-HOCS on behalf of SRT.

**Notes:** BIP Solutions Ltd provides the MOD DCO portal, the MOD DCB and the MOD DCO eNotice creation and streaming service at no cost to the MOD. As part of this innovative contract industry is able to access relevant MOD tender and contract opportunities valued in excess of £10,000 and above on-line and free of charge on the MOD DCO portal.

**Case Study:** Yes, attached at Annex B.

### **SME Name: Fox Feeds Ltd**

**Description of Product/Service:** Supply of Forage.

**Procurement Team:** ARTD Commercial.

**Notes:** Won the 3 year contract to provide supply of forage to Military Working Horses.

**Case Study:** Yes, attached at Annex C.

### **SME Name: MAS Zengrange Ltd**

**Description of Product/Service:** Provision and replacement of Battlefield Simulation effects inc. Battlefield Inoculation Remote Initiation System (BIRIS).

**Procurement Team:** Training & Simulation Systems Programme (TSSP).

**Notes:** Enabling arrangement.

**Value:** £350k.

**Case Study:** No.

### **SME Name: Newman & Spurr Consultancy Ltd**

**Description of Product/Service:** Provision of support for the Joint Operational Command and Staff Training System (JOCASTS).

**Procurement Team:** Training & Simulation Systems Programme (TSSP).

**Notes:** The contract provides Post Design Service and exercise support for JOCASTS exercises. The contract is currently due to expire in Mar 15.

JOCASTS is a detailed simulation of combat in a tri-service environment that provides a realistic setting for command and decision making exercise for analytical studies. Located at the Defence Academy, Shrivenham, JOCASTS supports the Joint Services Command and Staff College curriculum and consists of a core simulation and configurable user workstations.

**Value:** £5.5m.

**Case Study:** No.

**SME Name: Pooley Sword Ltd**

**Description of Product/ Service:** Supply of Ceremonial Swords, Scabbards, and related items.

**Procurement team:** Defence Clothing.

**Notes:** Pooley Swords won the competition for a 4 year enabling contract worth £750K in 2013 and provides an excellent service. A close working relationship has quickly been established with the MOD, and as a result, the contract has been running exceptionally well.

**Case Study:** Yes Annex D.

**SME Name: Salt Separation Services Ltd**

**Description of Product/Service:** The design, manufacture, installation and support of Reverse Osmosis and Filtration Units to provide fresh drinking water onboard HM Ships and Submarines.

**Procurement Team:** DES Ships Maritime Platform Systems.

**Notes:** Salt Separation Services Ltd provides a variety of water treatment equipment and services to the RN Fleet. The MoD currently holds four Contracts with Salt Separation Services, all of which were competitively tendered.

**Case Study:** Yes, attached at Annex E.

**SME Name: SKYSCAPE cloud services**

**Description of Product/Service:** Providing an hosting environment for the GEMS Online System.

**Procurement Team:** JFC ISS.

**Notes:** The first formal contract for a service using Government Cloud (G-Cloud) services via the CloudStore. The contract is for a hosting environment for the GEMS Online system.

**Case Study:** Yes, attached at Annex F.

**SME Name: Turner Virr & Co Limited**

**Description of Product/Service:** Manufactures and supplier of traditional police and military dress uniforms; high performance weather wear; corporate wear; shirts; headwear and accoutrements.

**Procurement Team:** Defence Clothing

**Notes:** SME won two contracts for the supply of military uniform.

**Case Study:** Yes, attached at Annex H.

**SME Name: TW Kempton**

**Description of Product/ Service:** Supply of Knitted Garments.

**Procurement team:** Defence Clothing.

**Notes** TW Kempton won the competition for a 4 year enabling contract worth £4.1M in 2013. The company has proven to be a reliable partner to the MOD, with the KPIs consistently exceeded. TW Kempton has since won an additional contract with the MOD to supply knitted gloves, which will further strengthen the close relationship that has developed.

**Case Study:** Yes, attached at Annex I.

**SME Name: Various within the FATS Framework**

**Description of Product/Service:** FATS Specialist Technical Support procurement.

**Procurement Team:** Commands and Centre FATS Team.

**Notes:** The Framework Agreement for Technician Support has provided opportunities for the SME community since its inception in 2006. The Framework Agreement for Technical Support (FATS) is a multi-participant Framework Agreement for the procurement of Technical Support. The current framework contains a supplier base representing a wide array of technical capabilities. Under the framework each successful suppliers submitted areas of expertise are listed in the Market Knowledge Matrix (MKM), thereby identifying possible competition. Under the current framework the SME community represents more than 50% of the overall supplier base and this trend looks set to continue under the FATS Specialist Technical Support Framework. 116 of the 192 suppliers (60%) who have submitted a PQQ into the procurement process are SMEs.

**Case Study:** No.

**SME Name: Wyedean Weaving Company Ltd**

**Description of Product/ Service:** Supply of Ceremonial Accoutrements.

**Procurement team:** DES Logistics Commodities Defence Clothing.

**Notes:** Wyedean Weaving won the competition for a 4 year enabling contract worth £4.9M in 2013. Their broad range of manufacturing expertise and experience has been expertly applied to the contract, and Wyedean Weaving has become a valued and respected contractor to the MOD.

**Case Study:** Yes, attached at Annex J.

## Annex A

### CASE Study – The Refurbishment of Ammunition Containers and Associated Parts.

**Austin Hayes Ltd** (AHL) of Cemetery Road, Yeadon, Leeds, West Yorkshire, LS19 7BD. Tel 0113 250 2255;

**Total Employees:** c. 90;

**Current Contract Requirement:** Partnering Agreement for the Refurbishment of Ammunition Containers and Associated Parts (replaced enabling contract which ran for 8 years, total value c. £25M);

**Value:** £40M+ over 10 years, with duration currently 5 years firm from May 2011, plus performance related options to extend for up to a further 5 years (to May 2021);

**Current PA Savings:** Estimated £11m pa by cost avoidance - buying new packaging, when compared to cost of refurbished packaging to an equivalent standard;

**Evidence of Innovation:** Company is constantly initiating and evolving techniques to enable greater proportion of used packaging to be either recycled or refurbished (in this regard, several options proposed by AHL have been adopted and are now demonstrating further benefits);

**Long-term Development Aims:** Diversification (already working with oil Industry to developing paint coatings and related fabrications), also previously successfully contracted for refurbishment of armoured vehicles;

**Possible OGD Benefit:** Where opportunities exist for potential refurbishment of both mechanical engineering equipment and/or packaging refurbishment and equipment coatings;

**Changes to DGM PT Procurement Practices to enable success:** Resulting from Partnering Agreement - Much improved two-way communication, development of a business relationship that is resilient to change, resulting in joint and shared aims and objectives;

Why AHL is successful: They are dedicated to driving down costs, both as a Company and for the MOD as prime customer; Open and adaptable to change; constantly working to understand MOD's requirements – committed to continue as a long-term supplier to the MOD and developed their existing site with significant change and financial investment (also key element of supply chain as sub-contractor to BAES GCSM through MASS contract);

**How AHL add value:** By use of innovative techniques, have developed to become a key/critical supplier, demonstrating skills difficult to source worldwide; Also, AHL's work inherently provides significant environmental benefits; pro-active in progressing Gainshare proposals; act as thin prime for procurement of related sub-components (thereby saving administrative contracting time and effort for DGM PT);

**Other:**

CDM Commendation – May 2010

Minister (DEST) Acquisition Awards – 2012

## Annex B

### BIP SOLUTIONS LTD - MOD Defence Contracts Bulletin / Defence Contracts Online

BIP Solutions Ltd publishes the MOD Contract Bulletin. Their innovative proposal ensures that all services are provided at no cost to the MOD, with revenue generated through subscription and advertising space.

In August 1997, BiP were awarded the contract for the publication of the MOD Contracts Bulletin. At the time of contract award, the company had 35 employees. Following further competitions, BiP were awarded subsequent 'concession' contracts for the publication of the MOD 'Defence Contracts Bulletin' (DCB) and associated services. This included the provision of the 'Project Online' electronic contract notice creation and submission service to advertise MOD's tender and contract opportunities in the DCB.

Under these 'concession' contracts, the DCB and associated services (including the [www.contracts.mod.uk](http://www.contracts.mod.uk) website) were provided at no cost to MOD. Instead, BiP retained revenue from subscriptions to the DCB and from advertising space.

Following the latest competition, in 2011, BiP won the contract for the provision of an electronic contract notice creation and streaming service until 2015. The most immediate deliverables from the new contract were the launch on 1 November 2011 of two innovative services – MOD Defence Contracts Online (MOD DCO) and the MOD Defence Contracts eNotice facility (MOD DCO eNotice). Both services are provided at no cost to MOD. The MOD DCO provides potential MOD suppliers with subscription-free access to MOD tender and contract opportunities over £10,000. Free access is particularly important to SMEs wishing to supply Defence.

The MOD DCO eNotice service provides an efficient and easy-to-use facility for MOD commercial staff to upload all relevant tender and contract opportunities valued at £10,000 and above to the MOD DCO website and, where appropriate, the Official Journal of the European Union, the European Defence Agency's Electronic Bulletin Board, the MOD Defence Contracts Bulletin and the Government's Contracts Finder portal.

BiP offers potential suppliers a range of optional, value-added services (available on subscription) which provide further business opportunities with the defence and UK public sector marketplaces, complementing Contracts Finder.

**Background:** BiP Solutions Ltd, established in 1984, is a leading provider of public sector procurement solutions. Currently, over 500 UK government organisations use BiP's services to create and manage their contract information. BiP's capabilities include: Business Intelligence; eSourcing; Consultancy Services; Training & Development; Conferences & Events; IT Services & Solutions. In addition to the MOD, BiP's client list includes; the Department for Communities and Local Government; European Defence Agency; Home Office; Procure4London; Scotland Excel; Scottish Government; The Stationery Office; North West Fire & Rescue and the governments of Kosovo, Macedonia & Montenegro.

**Number of Employees:** c191

## **Annex C**

### **Case Study – Supply of Forage to MOD Military Working Horses**

Military Working Horses (MWH) undertake a range of duties but are primarily used in support of state ceremonial and public duties. There are approximately 500 MWHs split between The Household Cavalry Mounted Regiment and The Kings Troop Royal Horse Artillery. The Defence Animal Centre (DAC) provide facilities for horses for both summer and winter rest periods and Fox Feeds Ltd are contracted to supply forage to all three locations on demand. The feeding of horses is conducted by experienced professionals and ensure that the diet provided is in such a format that each horse can be individually managed.

The contract addresses placement of orders, disease control, health & safety, storage and quality assurance as well as having enshrined contract monitoring procedures.

## **Annex D**

### **Pooley Sword Ltd – Supply of Ceremonial Swords**

The MOD has an ongoing requirement for the supply and refurbishment of ceremonial swords, scabbards, parade canes, pace sticks, lances and related items to the Army, Royal Navy and Royal Air Force.

To maintain this commitment, an Open Competition was launched by Defence Clothing in 2013 for a new four year enabling contract. This was won by Pooley Sword Ltd, an SME consisting of less than 10 employees based in Shoreham-by-Sea, West Sussex, who turned out to be the only fully compliant bidder for the contract. The value of the contract is £750k.

Pooley Sword was formed in November 2005 when Robert Pooley bought the drawings, product records, spares and some tooling from Wilkinson Sword after that company stopped trading as sword makers in that year.

As well as supplying and repairing high quality swords and related items for the MOD, Pooley Sword is also suppliers of military and ceremonial swords across the world, including many Commonwealth Armed Forces.

#### **Added value they deliver as part of the contract**

An excellent close working relationship has quickly been established between the MOD and Pooley Sword, which has been aided by Robert Pooley's previous experience of working with the MOD during the previous 4 year contract.

As a result, the contract has been running exceptionally efficiently. To such an extent that there have been no defects or late deliveries reported, highlighting one of the many benefits of working with SMEs.

## **Annex E**

### **Case Study – Salt Separation Services**

Salt Separation Services has been operating for over twenty years and has been directly supplying the MOD since the mid 1990s. The equipment that Rochdale based Salt Separation Services supply and support is currently in use by both commercial and military vessels across the world for the supply of safe drinking water at sea, with the vast majority of the Royal Navy surface fleet being fitted with their reverse osmosis and water treatment units. The equipment is currently installed on MCMV, Type 23, LPH and LPD class vessels, with a future fit to Vanguard class submarines also scheduled under a £2m contract awarded to the company in 2013. Salt Separation Services also provide the Royal Navy with full spares and consumables support as well as Post Design Services and technical support.



## **Annex F**

### **Case Study – G-Cloud contract**

The MOD signed its first formal contract for a service using the Government Cloud (G-Cloud) services via the CloudStore. The contract for a hosting environment for the GEMS Online system. GEMS is MOD's suggestions scheme for considering and, where appropriate, rewarding staff proposals for simplifying activities and reducing costs.

Cloud computing represents a radical change in the way that organisations use and pay for CT. Instead of hosting applications and data on individual desktop computers or centralised servers, everything is hosted in the 'cloud': a collection of computers and servers accessed via the internet or a private network.

CloudStore - the online appstore of the Government's G-Cloud framework for cloud-based ICT services – supports the Government's ICT Strategy and is set to change the purchasing, management and delivery of public sector IT services and the way suppliers work with government.

The MOD fully supports this vision, but we must balance the need for transparency, accessibility and flexibility with the growing cyber-security threat and the need to handle sensitive information with due care.

Therefore, a pilot project using the GEMS Online requirement was conducted to inform the following work:

- A review of the current IS architecture in order to fully exploit Cloud services;
- The production of a policy and governance framework to understand the effect of Cloud on MOD core infrastructure and services and;
- A review of commercial and acquisition policy to enable the procurement of Cloud services.

The GEMS Online project used the cloud hosting to deliver a GEMS Information Management System. The ICT Procurement Services Commercial Team in ISS HQ Commercial worked with the CIO Project Team and the ISS Networks Technical Authority to pilot the procurement process. The GEMS IMS was delivered in just over three months at a cost of under £100k, which was significantly faster and cheaper than delivering a solution using traditional in-house delivery approaches.

There were several valuable lessons learned which were captured and used to form the basis of the NTA MOD Use of G-Cloud paper which explains the process for procuring ICT services from G-Cloud. Additional information can also be found in DIN03-012 – MOD use of Government Cloud (G-Cloud) Services which was issued in May 2013.

## **Annex G**

### **CASE Study – The Environmental Protection of Vehicles**

Stuart Canvas Products Limited (SCL) of Unit 6, Hardwick Grange, Woolston, Warrington, Cheshire, WA1 4RF.

Value: Initial Contract value is £800K with options to procure additional systems and spares over a 7 year period.

The Protected Mobility team was responsible for procuring an Environmental Protection of Vehicles (EPoV) System to protect over ten vehicle types from the protected mobility fleet, including the Foxhound and Mastiff, through to self-loaders and Caterpillar diggers.

SCL were awarded a contract following a competition which involved eight bidders, who were all briefed to produce a protection system that weighed less than 30kg and that could be easily utilised by two people in less than 15 minutes without the need to risk operating at height.

The EPoV System will be designed and manufactured in the UK from Stuart Canvas's site in Warrington. The works are scheduled to coincide with one of the largest redeployments of military vehicles since the Second World War. The SCL EPoV System is made from a light weight, fireproof and breathable material, which is specifically designed to protect the vehicles from corrosion and environmental damage, ensuring that they are kept in good condition until they are required again for another deployment or training exercise.

## **Annex H**

### **Case Study – Turner Virr & Co Limited (Hobsons Group) - Manufacturer of Uniforms, Clothing and Accessories.**

Turner Virr & Co Ltd is a Small Medium Enterprise (SME) and is part of the Hobsons Group of companies that manufactures and supplies traditional police and military dress uniforms; high performance weather wear; corporate wear; shirts; headwear and accoutrements. These are supplied to UK Police Forces, MOD and other uniformed personnel throughout the United Kingdom and overseas. The company is assessed and accredited to quality assurance standard BS EN ISO 9001 and has gained accreditation to the environmental standard, BS EN ISO 14001 and is seeking to obtain SA8000 in the near future.

Due to the specialist nature of the majority of its products and a small and shrinking supplier base of mainly SMEs, Parade and Ceremonial (P&C) use fair and open procurement practices that do not discriminate between SMEs or larger companies with EU procurement legislation (Public Procurement Regulations) being strictly observed. Specifically, P&C often competes requirements through the EU's Open procedure which ensures that any company expressing an interest against an advertisement is given the opportunity to tender. The tenderers will be assessed against a number of attributes including; tender sample garments or accoutrements; commercial information; financial viability based on the risk assessment of audited accounts; management information; technical ability; ISO accreditation; capability and sustainability.

The Hobson Group has recently been awarded the Direct Supply and Fitting Contracts for Royal Air Force and Royal Navy Paradowear and also the high profile Colours and Standards (Hobsons). Both tender bids were assessed by their commercial compliance, technical capability, capacity and price. Turner Virr gave the Authority very high confidence in the technical attributes, management information and capability of supply that they proposed.

#### **Any added value they deliver as part of the Contract?**

Turner Virr Ltd has had many years experience of working with MOD after winning several of Parade and Ceremonial's contracts. With this experience comes a flexibility and understanding of dealing with Defence Clothing, its process and constraints and also the quality and standards expected. It also enables them to recognise the variances associated with multiple end users and different sorts of contracts. Turner Virr is a flexible and understanding contractor who adapts to our changing delivery requirements.

## **Annex I**

### **DC Case Study 4 – TW Kempton – Knitted Garments**

The Defence Clothing team are responsible for the provision of knitted garments to the Armed Forces. To satisfy this requirement, in 2013 Defence Clothing ran a restricted competition that initially identified eight potential suppliers.

These eight potential suppliers were sent Pre-Qualifying Questionnaires (PQQs). Following down-selection and a tendering exercise, three suppliers took part in a Reverse Auction, with TW Kempton coming out as the winner. TW Kempton was subsequently awarded a four year enabling contract valued at £4.1m to supply the knitted garments.

#### **Added value they deliver as part of the contract**

TW Kempton, founded in 1989, are an SME based in Leicester employing just under 30 people. The company offer a wide range of military, corporate and uniform clothing to organisations worldwide, including the Royal Mail, Police Forces and Civil Airlines. Accredited to ISO 9001 quality standards, the company has rapidly proven to be a reliable partner to the MOD, with the contract's KPI targets being consistently met and exceeded. TW Kempton has since won an additional contract with the MOD to supply knitted gloves, which will further strengthen the close relationship that has developed.

## **Annex J**

### **Wyedean Weaving Company Limited – Supply of Ceremonial Accoutrements**

Ceremonial Accoutrements (CA), such as ribbons, tassels, belts, shoulder loops and corded epaulettes are vital to the ceremonial uniforms of the Army, Royal Navy and Royal Air Force.

Previously, MOD managed six separate CA contacts, but a new requirement aimed to consolidate these six expiring contracts into one requirement, which would supply all CA items to the Armed Forces.

The Defence Clothing commercial team initiated an Open Competition in 2013. The new contract would be for a period of four years, with the requirement split in to four lots – metal, feather and hair, leather and plastic and textile fabric.

Following interest from a number of potential suppliers, the competition was conducted for the four lots. During the Reverse Auction candidates were able to bid on lots individually, but in the event Wyedean Weaving Company Limited won the auction for all four lots, with the total bid coming in at just under £4.9m. This enabled Defence Clothing to consolidate the four lots of the requirement into just one contract.

#### **Added value they deliver as part of the contract**

Wyedean Weaving are an ISO 9001 and 14001 accredited SME employing approximately 20 people in the small scenic town of Haworth in West Yorkshire. Founded in 1962 as a manufacturer of braid and uniform accoutrement, the company has built up a product range that covers almost every item of uniform accoutrement worn by defence and police forces worldwide.

This broad range of manufacturing expertise and experience has been expertly applied to the CA contract and has so seen Wyedean Weaving become a valued and respected contractor to the MOD.