



Ministry  
of Defence

# Small and Medium-sized Enterprise Action Plan

2019-2022



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## Foreword by the Minister for Defence Procurement

‘Over the next decade we are committed to spending over £186 billion on equipment and support. Defence has a major role to play in delivering the government’s growth and enterprise agenda – the Ministry of Defence accounts for over 40% of all government spend with industry – and our procurement activity includes some of the most complex and technologically advanced projects in the world. We want to encourage Innovation and wider Small and Medium-sized Enterprise participation throughout our supply chain and will continue to pursue policies and practices that make it easier for new and smaller businesses to identify, compete for and win opportunities with the Ministry of Defence. This will help us to deliver our vision of a vibrant, sustainable and competitive UK industrial base.’



**Stuart Andrew MP**

**Minister for Defence Procurement**



## Foreword by Chief Commercial Officer and MOD's SME Champion

*'Small and Medium-sized Enterprises (SMEs) are the backbone of the UK economy, fuelling economic growth and providing more than 15 million jobs. At the Ministry of Defence, SMEs also play a vital role in helping to deliver efficient, effective and affordable equipment, services and support for the Armed Forces.*

*As the MOD's SME Champion, I am passionately committed to making sure that this department takes a robust approach to improving how we engage with smaller businesses. The SME agenda is one of our priority issues, and I am pleased to introduce our SME Action Plan which outlines the approach we are taking both within MOD and working jointly with our industry partners.*

*This Action Plan explains how we will improve our procurement spend with SMEs, by working with our major suppliers to remove barriers and improve access to opportunities for doing business with defence. It addresses behavioural, policy and process change. It also includes information that I hope will help you directly - information about MOD, what we procure and most importantly where to find our opportunities.*

*Progress against the Action Plan will be reported regularly to the Defence SME Forum, chaired by the Minister for Defence Procurement. I have asked for the plan to be thoroughly reviewed and reissued on an annual basis.'*



**Andrew Forzani**  
**Chief Commercial Officer and MOD's SME Champion**



## Section 1 Introduction – Supplying Defence

### Who we are

The MOD is one of the biggest public procurement organisations in Europe, managing some of the most complex and technologically advanced requirements in the world. Our customers include our Armed Forces and national security agencies, and we buy everything from military fighting vehicles to education services, nuclear submarines to facilities management services and everything in between.

### Our aim

To ensure that our customers are provided with the best capabilities to enable them to protect the UK's security and to advance the UK's interests, both now and in the long term; and in doing so, to obtain the best possible value for money for the taxpayer.

Our procurement activity covers a very wide range of requirements, including:

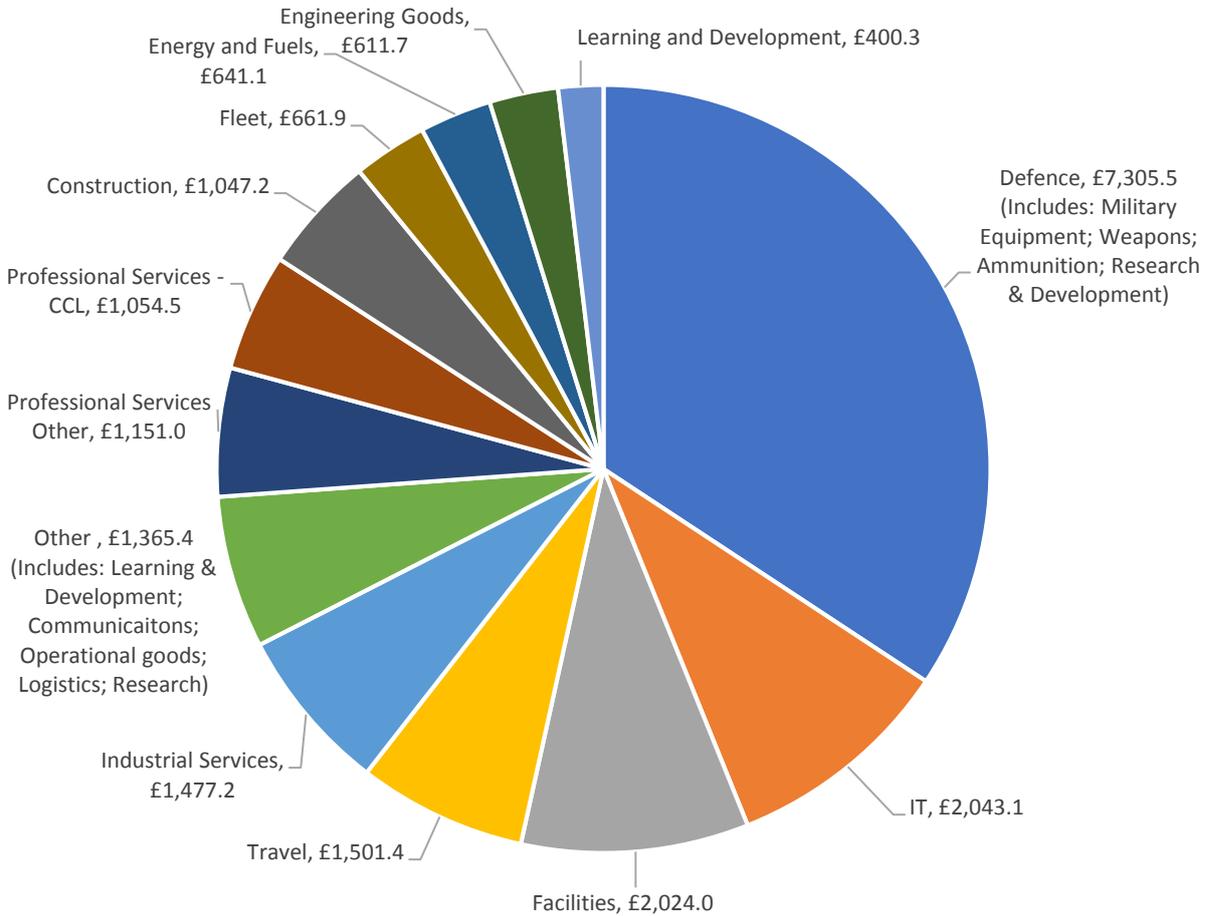
- **Technology:** cloud and digital, network services, software and technology products and services
- **Equipment and Support:** ships, submarines, aircraft, vehicles, weapons, missiles, commodities and support (maintenance and repair)
- **Infrastructure:** construction, hard and soft facilities management, property consultancy



The UK is committed to spending a minimum 2% of GDP on defence over the next decade, and at least 20% of that spending on equipment. This commitment represents spending some £186 billion on defence equipment and support in the ten years from 2018/19. In FY 2017/18 the MOD spent almost £21 billion with industry, accounting for over 40% of all UK government procurement spend and representing the fifth biggest defence budget in the world, with over 16,000 suppliers.

## Our Spend

In 2017/18 the MOD managed approximately £20.9 billion of third party procurement spend. A breakdown of our 2017/18 spend by Crown Commercial Service Category coding is provided below which is expressed in millions.



Source: MOD Categorised Spend return to Crown Commercial Services (CCS)  
Data is Procurement spend only, Non-Procurement (Grants, staff related costs) are not included.

The size and complexity of many of our projects mean that we need to work closely with our industry partners to ensure delivery of the defence programme, and over half of our annual spend flows through our 19 Strategic Suppliers. These are Airbus, Babcock, BAE Systems, Boeing, Capita, Cobham, DXC, General Dynamics, KBR, Leidos, Leonardo, Lockheed Martin, MBDA, QinetiQ, Raytheon, Rolls-Royce, Serco, Thales, and Ultra-Electronics. We spend approximately £835 million per annum direct with SMEs but the majority of opportunities lie within the supply chain.



We advocate the use of competition wherever appropriate both in our direct contract opportunities and throughout the supply chain. Opportunities, therefore, exist for suppliers of all sizes, from large established defence contractors through to innovative smaller businesses.

Our major equipment programmes are detailed in the [Defence Equipment Plan](#)<sup>1</sup>; the top three equipment programmes in terms of spend are the F-35 Lightning aircraft, Dreadnought ballistic submarine and Astute class submarine. In addition, we spend over £3 billion annually on infrastructure and defence estates.

Search these links for more information about [who we are](#)<sup>2</sup> and our [supply base](#)<sup>3</sup>.

<sup>1</sup> <https://www.gov.uk/government/publications/the-defence-equipment-plan-2018>

<sup>2</sup> <https://www.contracts.mod.uk/supplying-defence/procurement-at-the-mod>

<sup>3</sup> <https://www.contracts.mod.uk/supplying-defencemod-supply-base>

## Section 2 - Our Commitment to SMEs

**Our commitment to supporting SMEs is central to realising our long-term vision for the defence sector in the UK. Our aim is to create a vibrant, competitive and sustainable supply chain where the innovation, value for money and customer-focus delivered by SMEs contributes fully to providing our Armed Forces with the very best equipment and support.**

The contribution made by SMEs is crucial to UK national prosperity and our ability to continue to compete in the global marketplace. That is why the MOD is committed to supporting smaller businesses seeking to work in defence – our aim is to become the customer of choice for these suppliers.

We plan to spend £186 billion through the [Defence Equipment Plan](#)<sup>1</sup> over the next ten years. This pipeline of opportunities means that we can make real improvements in our engagement with smaller businesses.

### ***Engaging SMEs: Army Commercial Branch***

*The team at Army Commercial specifically included the engagement of SMEs in their commercial strategy in the competitive tender for Tranche One of the Army Apprenticeship Programme.*

*The team deliberately broke the requirement down into separate lots of work and limited the number of lots any one supplier could be awarded. This strategy had the effect of making some elements of the requirement more attractive to SME organisations.*

*A Prior Information Notice (PIN) was advertised to generate expressions of interest.*

*The programme involved a significant amount of SME participation, five out of the eight lots in the procurement were awarded to SMEs.*

<sup>1</sup> <https://www.gov.uk/government/publications/the-defence-equipment-plan-2018>

## Section 3 - Targets and Reporting

To help deliver our vision of making defence a place where smaller suppliers want to work, the Ministry of Defence has set an ambitious target that 25% of our procurement spend will go to SMEs by 2022.

### What we have delivered

- While we have worked hard to improve how the department engages directly with SMEs, some three-quarters of our spend with smaller businesses is through our supply chain
- We have worked closely with our major suppliers to survey this spend, achieving an 88% response rate. This survey will continue annually and will help focus how we and our major suppliers support SMEs in our supply chain

### What we are going to do

- We will continue to work with major suppliers to assess the amount of spend that is sub-contracted to SMEs through the defence supply chain
- We will seek to improve our supply chain mapping which has the dual benefit of accurately reporting SME spend, but should also help SMEs in knowing where to engage within the supply chain tiers
- We will require major suppliers to report annually on SME spend, and this will become a contractual requirement for contracts over £5 million per annum

### **Engaging SMEs: Information, Systems and Services (ISS) Commercial**

*The commercial team in MOD ISS chose to use the G-Cloud framework in their recent procurement for Suitably Qualified and Experienced Personnel (SQEP).*

*The G-Cloud framework is an agreement between the government and suppliers who provide cloud-based services.*

*The framework gives teams access to a number of SME suppliers when competing requirements.*

### **Engaging SMEs – Defence Infrastructure Organisation (DIO)**

*DIO has committed to improving engagement with SMEs through its commercial strategy, along with support to wider government objectives on sustainability and growth. We are increasingly using Crown Commercial Services (CCS) frameworks, allowing greater access for SMEs to our procurements. We will develop our supply chain to ensure that our tier one suppliers provide SMEs the opportunity to benefit from large scale procurements. We will do this by ensuring qualification criteria do not discriminate on size/experience, motivating our tier one suppliers to engage with SMEs and adopting government best practice supply chain terms.*

## Section 4 - Our Action Plan

**This Action Plan sets out the MOD's commitment to supporting smaller businesses across our supply chains, supported by Ministerial endorsement. It includes a number of 'Engaging SMEs' case studies, and we will actively promote these to enable the lessons learned to be shared and adopted across the business.**

There are four sub-sections describing clear actions to:

- Strengthen our supplier engagement
- Improve procurement policy and process
- Make it easier to do business with defence
- Encourage innovation

### 4.1 Supplier Engagement

**We are strengthening our engagement with our Strategic Suppliers through our new Strategic Partnering Programme. An important element of this engagement will be influencing behaviours to improve the quality of the defence supply chain, and particularly how we encourage new suppliers and exploit innovation as part of the Government's wider commitment to growth and enterprise.**

#### What we have delivered

- Each of our Strategic Suppliers has appointed an SME Champion. They will help change behaviours and share good practice to improve engagement with SMEs
- The SME Champions have helped us to achieve one of the best response rates for the FY 2017/18 indirect spend survey, and have actively supported wider government work on SMEs led by the Cabinet Office
- We have made sure that SMEs are well represented in our refreshed approach to the Defence Suppliers Forum (DSF), to realise a step change in our relationship with industry. Aligned with the DSF is our Defence SME Forum, chaired by the Minister for Defence Procurement, which gives SMEs an opportunity to share their views and experiences of working in defence

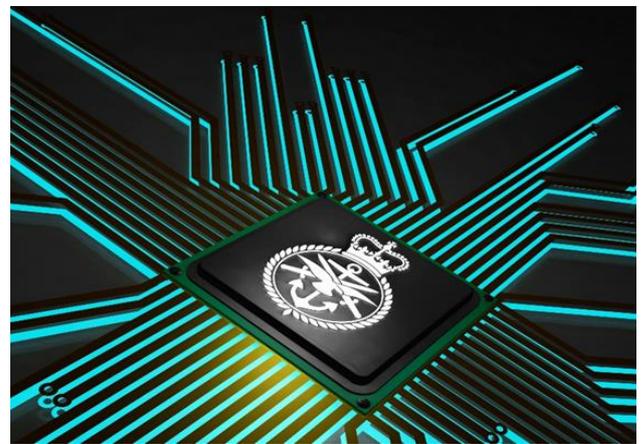


Pictured are soldiers from 1st Battalion the Irish Guards conducting a live firing exercise

- Under the Modernising Defence Programme, we have reviewed our Strategic Supplier Management approach, adopting a more demanding stance in our relationship with industry. This will deliver improved performance with our strategic suppliers and better engagement with SMEs
- We seek regular feedback through the Defence SME Forum about the experience of doing business with defence, so that we can remove barriers and improve the engagement we have with all our suppliers
- To demonstrate our commitment to SMEs, the Secretary of State for Defence hosted a Defence SME Forum event on 30<sup>th</sup> January 2019, which brought together delegates from across the defence supply chain, to address SME barriers

### What we are going to do

- Seek feedback from SMEs on a regular basis through the Defence SME Forum, Trades Associations and survey, to better understand the challenges which SMEs face when doing business in the defence supply chain
- Meet with our SME Champions, to set our expectations and to identify and remove barriers affecting SMEs. We will identify suitable opportunities to address these issues collaboratively through Defence SME Forum events
- Work with our SME Champions to improve access to opportunities for SMEs. Our immediate priorities include championing prompt payment, opening supply chains to a wider range of suppliers, and advertising sub-contracting and market engagement opportunities through the [Defence Contracts Online](https://www.contracts.mod.uk)<sup>4</sup> supplier portal
- Promote good practice and support acquisition teams to engage with the market at an early stage in the procurement process, including through Industry Days and innovation events. These enable prospective suppliers to find out more, bringing supplier expertise into the development of effective requirements
- Benchmark with industry and other government departments, via the SME Champions network, to identify and adopt examples of good practice which have enabled SMEs to enter the supply chain



A computer graphic image (CGI) of the MoD Badge illustrated within an Information Technology circuit board

<sup>4</sup> <https://www.contracts.mod.uk>

## 4.2 Procurement Policy and Process

The size and complexity of the MOD can be daunting for prospective suppliers, and especially smaller businesses working with us for the first time. This is why we are continually seeking ways to make our procurement simpler, more transparent, and more accessible.

### What we have delivered

- We have introduced two simplified, plain English short-form contracts for use in lower value, less complex procurements
- We operate a help desk facility providing advice on how to become a defence supplier (email: [dbscs-ecfinanceteam@mod.uk](mailto:dbscs-ecfinanceteam@mod.uk))
- We expect all our major suppliers to comply with the [Prompt Payment Code](#)<sup>5</sup> with a commitment to fair payment terms to suppliers, especially smaller businesses
- We're committed to continuously developing our commercial expertise through a programme of learning and professional development, and this includes improved awareness about SME engagement strategies
- We have written to our major suppliers reinforcing actions to comply with the Suppliers' Prompt Payment Performance policy which was announced on 29<sup>th</sup> November 2018



Pictured is a Challenger 2 Main Battle Tank (MBT) and Chinook Helicopter on the Salisbury Plain Training Area

### What we are going to do

- Improve commercial policy, based on feedback from SMEs and Trades Associations, to make it easier to do business with defence; for example to address whether the flow-down of contractual terms to smaller suppliers is appropriate
- Develop new policy to take a more balanced approach in our procurement choices, to ensure that wider economic factors are taken into account, following the example of other government departments

<sup>5</sup> <http://www.promptpaymentcode.org.uk>

- Develop new policy to take account of suppliers' approach to payment in procurement of contracts over £5 million per annum, which may exclude suppliers which cannot demonstrate a fair, effective and responsible approach to supply chain payment
- Publish new policy to improve Early Market Engagement, which will provide advance notice of procurement opportunities to enable development of supply chains
- Require suppliers of contracts over £5 million per annum to advertise sub-contracting opportunities on the [Defence Contracts Online](#)<sup>4</sup> supplier portal when they are refreshing their supply chains
- Strengthen our commercial assurance process, to ensure that investment decisions remove barriers and enable more effective engagement with SMEs
- Investigate alternative methods for gathering supplier information to inform sourcing decisions, to streamline procurement process and reduce multiple requests for information
- Implement an internal communication campaign, to share examples of good practice and ensure that SMEs are considered at every stage of our procurement process

### ***Engaging SMEs: Defence Equipment and Support (DE&S) Commercial***

*The PUMA team chose a competitive procurement route to encourage a maximum number of suppliers to propose a variety of solutions to meet their helicopter mission support system requirements, which range from a walk on tablet to a fully integrated aircraft system. This enabled smaller companies to offer solutions that did not require a fully integrated approach.*

*The team used an industry day to engage the market and invited bidders to a demonstration day so that suppliers could present their systems in person. The contract was awarded to an SME who offered an innovative product that scored the highest overall against the published technical, commercial and financial criteria.*

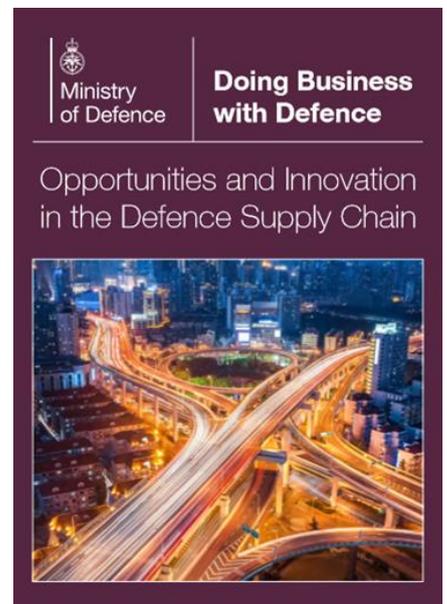
<sup>4</sup> <https://www.contracts.mod.uk>

## 4.3 Doing Business with Defence

**We want to make it easier to ‘do business with defence’, particularly for innovators, SMEs and non-traditional defence suppliers.**

### What we have delivered:

- A refreshed supplier portal, hosted on [Defence Contracts Online](https://www.contracts.mod.uk)<sup>4</sup> which provides a one-stop-shop source of information on contracting opportunities, market engagement events, support to innovation and exports
- Improved functionality of the Defence Contracts Online supplier portal to enable suppliers to advertise supply chain opportunities and reach a wider audience
- A Twitter channel, @defenceproc, which highlights upcoming opportunities and market engagement events, and offers tips for smaller businesses
- Webinars providing guidance on how to do business with defence and the new sub-contract advertising facility
- A [brochure](#)<sup>6</sup> which provides useful information and guidance for prospective suppliers available on the Defence Contracts Online supplier portal



### What we are going to do

- We will provide guidance to prospective suppliers seeking to do business with defence via our help desk facility (email: [dbscs-ecfinanceteam@mod.uk](mailto:dbscs-ecfinanceteam@mod.uk))
- We will have a presence at trade exhibitions and events across the UK, giving suppliers an opportunity to obtain direct support and advice from our outreach team
- We will extend our range of webinars, promoting aspects of our procurement pipeline to provide early visibility of opportunities to do business with defence. Registration is available via the [Defence Contracts Online](https://www.contracts.mod.uk)<sup>4</sup> supplier portal
- We will regularly refresh the content of the [Defence Contracts Online](https://www.contracts.mod.uk)<sup>4</sup> supplier portal, including new policy and guidance, to enable suppliers to readily access the information they require

<sup>4</sup> <https://www.contracts.mod.uk>

<sup>6</sup> <https://www.contracts.mod.uk/supplying-defence/procurement-at-the-mod>

## **Engaging SMEs: The F-35 Lightning Programme**

*The F-35 Lightning is a fifth-generation combat aircraft, capable of conducting missions including air-to-surface, electronic warfare, intelligence gathering and air-to-air simultaneously.*

*The suppliers mentioned below show how innovative practices and technological advances help to deliver advanced capability to the F-35 jets and their pilots. The companies also delivered savings across the Lightning programme, working alongside larger companies and holding their own in what is the world's biggest defence project to date.*

- *Cumbria-based Technical Fibre Products make advanced materials for pilot protection. They utilise state of the art technology to keep pilots safe in operations*
- *The Manchester-based SME EDM Ltd provide world-leading training simulators to support the Royal Air Force. They themselves work with other UK based SMEs within their supply chain*
- *Gloucestershire-based Exception PCB manufacture the circuit boards that control many of the F-35's core capabilities. Through the F-35 programme and the development of their circuit boards, the SME has opportunities for further exploitation in the aerospace sector in the future that could continue to benefit the UK supply chain and market*

Pictured are three of Britain's F-35B aircraft, flying over the UK in June 2018

## 4.4 Innovation

**We want to encourage innovation in our business and attract new and non-traditional suppliers, including SMEs, at all levels of the defence supply chain. Our customers have put innovation high on their agenda and we expect this to be reflected in their future requirements. Technology is creating both threats and opportunities for the UK's security and prosperity, and innovation is vital to maintaining our military advantage.**

### What we have delivered

- We have established the Defence Innovation Unit (DIU) to co-ordinate innovation activities across defence, share best practice and exploit opportunities across government and internationally. The DIU also administers the Defence Innovation Fund (c£800 million over ten years)
- The Defence Innovation Fund incentivises changes in behaviour, provides freedoms to pursue and deliver innovative solutions, and helps to overcome barriers to innovation. This will encourage better collaboration with industry, academia and allies, to find the answers to our most pressing defence problems
- To date, the Defence Innovation Fund has invested in 166 projects to a value of c£45 million. The fund may be accessed through organisations such as the [Defence and Security Accelerator](#) (DASA) <sup>7</sup> and the Innovation Hubs in the Front Line Commands (FLCs)
- DASA exists to help UK military and security users access innovative ideas, equipment and services more quickly. Since April 2017, DASA have funded over 300 proposals and distributed over £50 million of funding. DASA run regular competitions to address and fund themed challenges as well as running an Open Call
- Innovation Hubs have been established in all FLCs to act as catalysts for innovation, seeking innovative products and services to enhance the joint operation of the UK Armed Forces. These include: The Royal Navy's Discovery, Assessment and Rapid Exploitation (DARE) team; Army Rapid Innovation and Experimentation Laboratory (ARIEL); RAF Innovation Exchange (RIX) and the [iHub](#) <sup>8</sup> for the UK Joint Forces Command



Pictured is a Royal Marine controlling a Black Hornet 2 Remotely Piloted Aircraft System

<sup>7</sup> <https://www.gov.uk/government/organisations/defence-and-security-accelerator>

<sup>8</sup> <https://www.gov.uk/government/organisations/jhub-defence-innovation>

- We have introduced regionally based Innovation Partners to help SMEs understand the defence environment and provide advice on current innovation challenges

## **What we are going to do**

- Pursue our vision of establishing a defence enterprise, that is innovative by instinct, where ideas are readily generated and exploited to deliver innovative solutions to defence's challenges
- Develop the defence innovation enterprise so that the MOD is recognised as an organisation where innovation is commonplace, that is open to new ideas and easy to engage with
- Seek and fund innovative approaches and solutions to requirements, through DASA and the Innovation Hubs
- Identify and overcome internal barriers to the exploitation of ideas and delivery of solutions so that delivering innovation in defence becomes easier
- Identify and share best practice to encourage innovation, both within MOD and with our suppliers
- Create a new DASA role to work with larger defence industry partners to develop innovative pathways to exploit ideas from within the SME and academic community
- Publish refreshed Procurement Innovation Guidance to facilitate more agile sourcing and actively encourage the submission of creative solutions to the MOD
- Invest in supply chain development activity, including two SME pilots to improve access to expertise and resources to bring good ideas to market
  - We have reached agreement with Invest Northern Ireland, who will fund an SME-focussed, defence supply chain pilot with an expected resulting research and development investment of approximately £1.2 million
  - We are committing £0.5 million from the Defence Innovation Fund to run a pilot to look at how we drive innovation and productivity in the defence sector, which we anticipate will help SMEs with their competitiveness

## **Engaging SMEs: SME Searchlight**

*The Defence Science and Technology Laboratory (Dstl) has launched a new initiative to encourage SMEs to work with them.*

*The project, called [SME Searchlight](#)<sup>9</sup> aims to attract non-traditional defence suppliers and SMEs to help deliver a projected £40 to £45 million increase in Dstl research spending with external companies.*



*Pictured is a Dstl innovation event*

*As well as having access to increased funding, companies could also benefit through working at the cutting edge of research and technology, with potential exploitation into new defence and security systems and applications.*

*Over the next 12 months, Dstl will run a series of events, workshops and consultations, focused on four areas: radio frequency engineering, artificial intelligence, synthetic biology and wargaming.*

*'From start-ups to established businesses, we want to hear from people with great ideas. We're simplifying the process of working with government and we're hoping to show that it can be a fantastic and worthwhile partnership for both parties.'*

*For more information contact [searchlight@dstl.gov.uk](mailto:searchlight@dstl.gov.uk).*

## **Engaging SMEs: Information Systems and Services (ISS)**

*The ISS team conducts a number of 'Hackathons' each year specifically targeted at SMEs. These events, typically lasting several days, are a way for stakeholders to engage in collaborative computer programming / innovation based activity to address specific challenges.*

<sup>9</sup> <https://www.gov.uk/government/news/defence-science-and-technology-laboratory-launches-sme-searchlight-to-harness-innovation>

## Section 5 - Future Procurement Opportunities

**We want to improve visibility of opportunity for smaller businesses, at an early stage of the procurement process, and in this section we have included information about some of our future procurement opportunities which would be accessible to SMEs.**

We have also included a number of our **SME Pathfinder projects** which will develop effective strategies to encourage wider SME participation throughout our supply chain, for example through early market engagement or working with major suppliers to open up their supply chains. Our intention is to identify further SME Pathfinder projects and publish these in future.

### The Defence Infrastructure Organisation Procurement Plan

The Defence Infrastructure Organisation (DIO) plays a vital role in supporting our Armed Forces by building, maintaining and servicing the infrastructure needed to support defence. DIO relies on their suppliers to deliver 95% of their infrastructure services by value, with an annual spend of c.£3 billion on construction and infrastructure services on behalf of defence customers.

The DIO has recently published its [DIO Procurement Plan](#)<sup>10</sup> which supports the guiding principles of being easier to do business with and of building a broader and more diverse supplier base.

This document explains to existing and potential suppliers what its priorities are, how to navigate through the procurement processes, and describes in some detail what DIO will be buying on behalf of its customers in the coming years.

In addition, subcontracting opportunities may be available through DIO's existing frameworks and contracts; an overview of the long term contractual landscape and the associated suppliers across the UK is provided in their [Procurement Plan](#)<sup>10</sup>. SMEs are encouraged to engage with existing tier one suppliers to explore these opportunities.

Feedback, comments or queries on the Procurement Plan can be sent to: [DIOComrcl-CentralTeam@mod.gov.uk](mailto:DIOComrcl-CentralTeam@mod.gov.uk).

Search this link for further information about [DIO](#)<sup>11</sup>.

<sup>10</sup> <https://www.gov.uk/government/publications/dio-procurement-plan-2018>

<sup>11</sup> <https://www.gov.uk/government/organisations/defence-infrastructure-organisation>



## Team Leidos

Team Leidos provide procurement and inventory management of a wide range of commodity items on behalf of the MOD. This includes the procurement, storage and inventory management and distribution of material including food, clothing, medical and general supplies, oils, lubricants and gases.

Their partners include Leidos Supply Ltd, TVS Supply Chain Solutions and Kuehne and Nagel.

A link to their [future requirements](#) <sup>12</sup> over the next 18 months is available on their website.

### **Engaging SMEs: Team Leidos**

*Team Leidos' procurement approach has resulted in an increasing number of requirements being divided up into separate packages of work, with a specific aim to increase contract opportunities for SMEs.*

*Example: The recent Combat Garments re-let has traditionally been tendered as one large requirement, but was taken to market as five separate requirements, which resulted in a new SME securing a contract.*

## 5.1 SME Pathfinder Projects

### **Future Defence Infrastructure Services (FDIS) Programme**

FDIS is one of the Defence Infrastructure Organisation's (DIO) priority programmes, with an estimated value of £3.7 billion. FDIS comprises hard and soft facilities management, training and housing estate management. There will be a number of national and regional contracts, awarded through competition between now and 2020.

DIO is looking for partners who:

- can work in collaboration to improve how to keep the estate safe, legal, and operational
- are adaptable to differing customers' needs
- can deliver a high-quality service in a period of estate optimisation

### **Future Recruiting Programme (FRP)**

The FRP aims to deliver a tri-service recruiting model for the Armed Forces that is flexible and agile enough to deliver the inflow required. It was originally established by the Army in March 2018 to provide the successor model to the current Recruiting Partnering Project when the Army contract with Capita ends in 2022. In order to achieve synergies and efficiencies across the Armed Forces, the programme is about to move to a tri-service footing, developing a common recruiting model for all three Services (Royal Navy, Royal Air Force and the Army).

<sup>12</sup> <https://www.leidos-supply.uk/ojeu/future-opportunities>

## **SKYNET – Service Delivery Wrap and Enduring Capability**

SKYNET provides a military satellite communications capability with an estimated value of £7 billion.

The Information Systems and Services (ISS) SKYNET team is considering options for maintaining the continuity of SKYNET services beyond 31 August 2022 when the SKYNET 5 Private Finance Initiative with Airbus Defence and Space comes to an end. This workstream is known as the SKYNET 6 ‘Service Delivery Wrap’, and it is expected to go to market via competition towards the end of 2019.

The team is also considering the longer-term provision of Beyond Line of Sight communications, capabilities and services until 2040 and beyond. This workstream is known as the SKYNET 6 “Enduring Capability”, and this is expected to go to market via competition in early - mid 2020.

## **P-8A Poseidon Training Support Provider**

The P-8A Poseidon Training Support Provider contract with Boeing Defence UK is planned to be placed in July 2020, with an estimated value of £225 million. The P-8A Poseidon Maritime Patrol Aircraft is designed for long-range anti-submarine warfare; anti-surface warfare; and intelligence, surveillance and reconnaissance missions.

Boeing Defence UK will be undertaking subcontract competitions, and these opportunities will be advertised on the [Defence Contracts Online](https://www.contracts.mod.uk)<sup>4</sup> supplier portal. There will be elements that will be attractive to specialist SMEs; potential subcontracting opportunities are likely to include Instructors, Console Operators, Sim Technicians and Course designers.

<sup>4</sup><https://www.contracts.mod.uk>

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Feedback or suggestions on the MOD SME Action Plan can be submitted to:

[DefComrcISSM-Suppliers@mod.gov.uk](mailto:DefComrcISSM-Suppliers@mod.gov.uk)

Search [www.contracts.mod.uk](https://www.contracts.mod.uk) for future contracting opportunities



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