Meeting with NAO

SCALP-EG programme (1)
Agenda

- SCALP - EG : state of the programme
- Definition, environment, actors
- Matrix like organisation
- Reporting tools
- Other information tools
SCALP-EG: state of the programme
Operational need:
- Acquire a deep strike capability for crisis management AND open conflict
  - launched from combat aircraft
- Weapon for Mirage 2000D, Air Force and Navy Rafale
  - great flexibility of use:
    - various types of targets: precise infrastructures, very or moderately hardened
    - collateral damage avoidance,
      - high probability of success and high predictability
  - stand-off
    - autonomous after launch
Scalp technical status

- Missile qualified:
  - Tests completed in May 03
  - R3 end of qualification review: June-July 03
  - DD3 design formally approved on 15/12/2003

- Aircraft integration on-going
  - Qualification of the integration to Mirage 2000 R2+ expected in March 2004
  - Launch test from Rafale aircraft
Mission planning

- Interim Mission Planning System approved early December 2003 (V2 retrofit mid 2004)
- Ultimate MPS (FPM-EG) will be part of A/C MPS (SLPRM) : contract pending
Production facilities operational since December 2002

- 30 Storm-Shadow missiles delivered by March 2003
- 1st serial Scalp-EG missile accepted in October 2003
- 30 Scalp-EG missiles delivered by the end of 2003
- Definition, environment, actors
An "armament programme" is defined as an operation or a set of operations to which the **Minister of Defense**, on the proposal of the **National Armaments Director** (head of DGA) in agreement with the **Joint Armed Forces Chief of Staff**, the **leading Chief of Staff** and the **General Secretary for the Administration**, has decided to apply the procedures defined in the **instruction 1514**.
A programme is an investment operation of the Nation. Thus, it is in keeping with a complex environment:

- the armed forces’ needs and the related programmes
- the political will associated to the budget release
- the budgetary constraints: annual and over several years
- the administrative and legal rules
- the consistency with the country’s industrial landscape
- the local policy
- the international agreements (cooperation, proliferation)
- the contractors’ strategies (trans-European…)
- the European construction

Each Milestone document (DO, DLD, DLP, DLR) sets the terms of an actual contract between the Programme Management Office and its partners...
Actors

Operational requirements (Initial need)

Technical requirements

EMx

DGA

Industrial companies

Justification
Matrix like organisation
Informations, actions, decisions

Arbitration between programs: DP/OP

Configuration management Committee of Interfaces

Operational and technical synthesis: SPNuM + SPAé + Air Force (+Industrials)

Management between programs & project

- Programs SCALP-EG et APACHE
  - MBDA

- Programs Rafale F2 / M2000D
  - Dassault Aviation

- Project SLPRM
  - SAGEM

CEI

CGCI

CTSI
A MATRIX LIKE ORGANISATION

Programme service director

MILITARY ADVISORS

MANAGEMENT DIVISION
- PLANS, PROGRAM, BUDGET AND FINANCE
- METHODS, PLANNINGS, COSTS
- QUALITY DEPARTMENT
- PURCHASING and COST EXPERTISE

MANAGEMENT CONTROL
HUMAN RESOURCES
INT & IND AFFAIRS
DEFENCE SECURITY

TECHNICAL DIVISION
- Technical Regulation Standards
- Operational and technical studies
- Strategic and economic intelligence

TECHNICAL ARCHITECTURE
COMMON TECHNOLOGIES & EQUIPMENTS
ILS AND THROUGH LIFE SUPPORT

Operational link
Functional link
Organic link
Integrated Project (or Programme) Team

Programme Manager
- Resp. Methods, Cost, Planning
- Resp. Quality
- Resp. Purchasing
- Technical architect
- Resp. Components and equipments
- Resp. Transverse functions
- Resp. Tests & evaluations
- Resp. ILS

Programme Officer

Prime contractor (principal)

Industrial sub-project leaders

Management functions

Quality

Procurement

Technical functions

Tests and evaluations

ILS functions
Integrated Project (or Programme) Team

- Common objectives
- Optimise programme cost / efficiency
- Maintain a cost reduction portfolio

Programme manager with his specialists (DGA) + Programme officer with his specialists (Force staff)

Working with the force(s) staff(s)
Position

Managing Committee
Chairman : DGA & the directing Chief of staff

Steering Committee

Permanent executive commission

IPT
Integrated project team

Integrated Logistics Support Committee
Configuration Management Committee
Functional Analysis / Value Analysis Committee

...
Role of the IPT: 1

- Stay aware of the external environment
- Have the decisions taken at the appropriate level, according to the nature of the decision and the situation:
  - Measure the decision impacts on budget, schedule and capabilities
    → enables to determine the level of warning or of decision
  - Prepare the decisions by informing the hierarchy on the implications of the different scenarios on the programme or its environment
- The IPT acts by delegation but must report back:
  - The leaders detest surprises
  - The programme management team is not here to explain the difficulties but to try to solve them!!!
Contracting process (1)

- Obtain the budget allocations:
  1. Have the documents approved by the Programme Executive Committee (CEP)
     - Armed Force Staff(s) governing the programme budget line
     - Joint Chief of Staff, DGA corporate entity
     - Armed Forces Comptroller
     - SGA / DAF
   
   disagreement ➯ arbitration at ministerial level
  2. Obtain the signature of the financial comptroller
     ➯ good will of the Ministry of Economy & Finance

- Express the need
  - Specify the performances, the conditions of use, the verification conditions
    ➯ often requires preliminary studies
Contracting process (2)

● Negotiate:
  1. the technical requirements
     ➔ back and forth with the Operational Requirements Document
  2. the implementation conditions
     ➔ technical clauses
  3. the financial conditions
     ➔ price (and not cost!)

● Have the contract signed, after formal agreement:
  1. by the Director of the programme service
     ➔ the Programme Manager does not have the delegation to sign...
  2. by the specialised committee for contracts (CSM)
     ➔ in accordance with the public contracting code
  3. by the appropriate financial comptroller (CFD)
     ➔ good will of the Ministry of Economy & Finance
Monitor the contract’s implementation

- Keep a general view on the contract at a systems level:
  - global efficiency is what only matters
    - Cost - Schedule - Performance
  - select high-risk subparts for a particularised monitoring
- Establish a portfolio of governmental & industrial risks:
  - because objectives + falling dues = risks...
  - use a “green light” type report to monitor the technical progress
  - independent capability to analyse those risks
- Keep a constant and focused dialogue with the industrial contractor
  - Avoid surprises...
Cost & schedule monitoring

- A sound starting point…
  - a contractual perimeter well defined, firm prices
  - a portfolio of identified cost reductions
  - specified performances

- Make the contractor responsible for his schedule management
  - give him the hold over some of the levers
    - selection of sub-contractors, some acceptance tests
  - provide for sanctions in the contract
    - but anticipate their application so that the contractor is not trapped

- Periodical & regular meetings with the other programme managers
  - stay realistic and informed
Performance monitoring

- A sound starting point
  - specifications at the systems level
  - quantified requirements taking into account preliminary studies
- Working Groups for requirements that need to mature
  - Integrated teams for Logistic, mission planning, qualification plan
- Contractual evaluation milestones
  - marked out documents for systems studies
  - design justification document linked to the specifications
  - early and continuous evaluation of the justifications by integrated teams
The industrial contractor

- Indispensable because the only to have the know-how...
- Its first objective: satisfy the shareholders...
  - Half-yearly turnover
  - Order book & annual results
  - Ultimate margin on the programme
  - Positioning for future contracts / industrial restructuring

- Its way of functioning
  - Takes risks only under constraint

- To avoid losing control of the programme, the Government must:
  - Accept to use the weapons of the contract,
  - Display a strong common position EMx + DGA
Government - Industry relations

- Variable throttle relation
  - favourable to the Government in case of real competition
    ➔ but one needs not go too far
  - reversed as soon as the contractor is sure to be selected
    ➔ have the main parts done beforehand!

- Permanent advantages of the contractor:
  - simplicity and persistence of its objectives
  - concentration of power

- On a day-to-day basis: the key to a balanced relationship:
  - a united Government team having sufficient means at its disposal
    ➔ a clear interface between Government and industry
  - well established contracts, derived from a well led acquisition strategy
Role of the IPT : 2

- Monitor the programme by keeping a view at a systems level
  - performances met
  - cost objectives
  - schedule consistency

- Be pro-active:
  - Anticipate (monitoring board for risks)
  - Act (monitoring board for actions)
  - Stay flexible (palliative scenarios)
  - Keep listening the contractor

- Programme officer and programme manager must share the work:
  - Communicate (avoid surprises)
  - Lead together (IPT, DCE, EMx)