

AVSI – Armoured Vehicle Support Initiative

The AVSI programme is seeking an effective support solution for the armoured fighting vehicle fleet. The central aims are to optimise operational capacity more effective use of MoD resources and maintain UK industrial capability. AVSI Team provides an example of a forward thinking approach to contracting.

The equipment concerned is mainly covered by BAES as the Design Authority (DA), meaning they are responsible for assuring design integrity and maintaining design records.

Currently, challenges are faced by the MoD and industry as a result of the decrease in major equipment procurement. Industry must cope with peaks and troughs in their order books whilst MoD requires the DA's expertise to be maintained in-between major acquisitions.

AVSI has not yet reached the Procurement Strategy (PS) stage but will consider both an in-house option and a partnering arrangement with the DA among its options. Innovative solutions are sought as traditional 'Call-Off' contracts don't meet customer needs. This is because they encourage supply to price, not to requirements.

'Contracting for Availability' (CFA) in this project will establish the principle that the contractor must own and manage the requirement. There must also be a smart User Requirement Document (URD) in the concept phase and it is vital that the customer is comfortable with what 'Contracting for Availability' means for them.

The Design Authority will be invited at the assessment stage to input to the User Requirement Document. They cannot be included on the team until Investment Approvals Board (IAB) approval of the 'Initial Gate Business Case' (IGBC) is received. In the meantime industry will be involved via workshops etc. The AVSI TL expects three contractor employees on the team during the assessment phase.

Whilst MoD needs to have confidence in its supplier and supply chain it has often got too involved in the subcontractors. It needs to understand the supply chain to the capacity that it can advise the prime as to whether they could lean the supply chain. To this end the Supplier Relations Group has assisted in the drafting of the AVSI Strategy Paper which was approved by CDL in June 2005.

The AVSI programme is currently in its Concept Phase and the team has already engaged with the scrutineers and the IAB. A Best Value Benchmark (BVB) will be developed to enable comparison of procurement options during Assessment Phase.

Timeline: The team aims to achieve IGBC approval in November 2006 for the support all Armoured Fighting Vehicles (AFVs). There will then be a series of five 'Main Gate

Business Cases' (MGBC) for each of five vehicle groups. The first MGBC will be submitted in September 2007 and the last will be January 2010.

They will be streamlining current multiple contracts into pan-platform contracts, giving economies of scale. Also recommended we go see AS90 project.

The AVSI team has many stakeholders to engage with including; Scrutineers, HQ Land (C2), DEC, every IPT with an AFV, users, REME etc. If they develop a solution that is similar to the AS90 ESA then it is possible that this will require less staff – a delicate issue but good for overall DLO restructuring.

The AVSI programme team will ensure cohesion is maintained with other initiatives such as JAMES and Whole Fleet Management.