

D Log Maritime Platforms (DLogMP), Design Support Alliance (DSA)

Introduction

1. The Design Support Alliance (DSA) is an overarching agreement relating to design support activities which were previously covered by Lead Yard Services (LYS) – viz. ship mature system design, safety documentation & production of working drawings for installation of Alterations and Additions (As&As). It applies to vessels managed by Mine Counter Measure Vessels (MCMV) IPT and Major Warships (MW) IPT, including those vessels previously managed by Landing Platform Dock (LPD) IPT.

Background

2. There used to be 14 different contracts on various contractors to cover the spectrum of LYS activity outwith LPD support. This has now been rationalised to 5 contracts (one with each of Devonport Royal Dockyard Ltd, Babcock Support Services Ltd, Fleet Support Ltd, VT Integrated Services Ltd and BAE Systems(Operations) Ltd.), all covered by an overarching Alliance Agreement. These were all put in place – on a non-competitive basis - in July 03, to run for 5 years with an option to extend by up to 2 years.
3. The introduction of the DSA is expected to result in lower staff costs as well as lower operating costs. Re operating costs, a 20% cut has already been made in the Short Term Plan (STP) and the DSA hopes to make further reductions below the given STP. No manpower cuts have yet been realised, but lower work levels will be taken into account in future manpower control totals.

Commercial Issues

4. The agreed Business Case identified 14 areas of potential improvement in moving from old arrangements to the DSA, viz.:-
 - a. Continuity.
 - b. Reduction of interfaces and duplication.
 - c. Reduction of time by reducing sequential activities.
 - d. Reduction of costs.
 - e. Aid to SMART fitting in Fleet Time.
 - f. Improved quality and accuracy of information.
 - g. Reduction in cost & de-risking programme during implementation.
 - h. Incentivisation.
 - i. Innovation.
 - j. Reduction in MOD administration.
 - k. Improved access, within the Alliance, to information.
 - l. Improved communications.
 - m. Improved utilisation of design resources.
 - n. Sharing of risk with industry.

– all of which have already been effected to some degree.
5. Some of the main features of the Alliance arrangements are :-
 - a. Gainshare.
 - b. Key Performance Indicators (KPIs) against timely delivery of Mature Design Solutions (MDS) and re-work arising at the capability installation stage.
 - c. Open Book Accounting.
 - d. Collaborative Working Environment (Shared Data Environment (SDE)).
 - e. Target Cost Incentive Fee pricing.

6. All Alliance Members (which includes the MOD – both customer and Alliance Member) think it is working well. The security provided to industry by the 5 year contract is considered a positive incentive to them. There is a continuous improvement forum. Improvements are sometimes made to the CWE, for which the costs can be shared by all the members dependant on the potential benefits resulting.
7. An internal VFM study of the Alliance's working has recently been carried out. Analysis of costs has shown that significant savings are being made; in particular, with respect of MDS preparation and installation re-work due to guidance deficiencies.
8. Under the DSA, a yearly schedule of work is produced (In-Scope work) – any New Work being covered by Task Authorisation Form (TAF) procedures. Contractors are paid monthly in arrears with an annual settlement payment; any overpayments being recovered over the next year.
9. The right relationships and culture are vital to the success of the DSA. The Alliance Agreement and Charter enshrine the culture required and relationships to date have helped the DSA meet its intended aims. Members can, in certain specified circumstances, be removed from the Alliance, in which case their contract would be terminated.