



National Audit Office

**DEFENCE VALUE FOR MONEY**

**CONTRACTING PRACTICES –  
INDUSTRY VERSION**

This survey is being completed by a sample of MoD contractors across a range of projects. Please try to answer all questions as fully as possible. If you have any queries about the survey, please contact Helen Anderson, Audit Principal on 020-7798-7927 or via email: [Helen.Anderson@nao.gsi.gov.uk](mailto:Helen.Anderson@nao.gsi.gov.uk)

Helen Anderson  
Audit Principal  
Room C510  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

Please provide your name, position held and a telephone number so that we can contact you with any follow up enquiries:

Name .....

Position .....

Tel No: ..... Email: .....

## PROJECT DETAILS

Please provide the following project information:

Contract no: .....

Contract Title: .....

Please provide the following Key Dates:

	Planned Date (dd/mm/yy)	Don't know	Not reached this stage yet	Actual Date (dd/mm/yy)	Don't know	Not reached this stage yet
Procurement Strategy Approved		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
ITT/ ISOP/ ITN Issued		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Bid Response Date		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Best and Final Offer Date (if appropriate)		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Down-selection date		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Contract Award Date		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
(Anticipated) Contract Completion Date		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Which elements of the project is the contract related to? (tick all that apply)

- a) development/demonstration
- b) production/manufacture
- c) Support

## Section 1 - PROCUREMENT STRATEGY

1.1 How much input to the MoD Procurement Strategy did your company have?

None            1.....2.....3.....4.....5            Developed in partnership with the MoD

Please describe any involvement in the box below

1.2 Were the following agreed with MoD at the Procurement Strategy stage?

- |                                                              | Yes                      | No                       |
|--------------------------------------------------------------|--------------------------|--------------------------|
| a.    How discussions between the parties will take place    | <input type="checkbox"/> | <input type="checkbox"/> |
| If Yes, what was agreed? (Please enter details in box below) |                          |                          |

- |                                                                                            | Yes                      | No                       |
|--------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| b.    How changes to the requirement and any processes will be disseminated to all parties | <input type="checkbox"/> | <input type="checkbox"/> |
| c.    Contractual acceptance criteria                                                      | <input type="checkbox"/> | <input type="checkbox"/> |

## Section 2 – Invitation to Tender

2.1 Was an Industry briefing day held?

Yes

No

If Yes, please state how useful you found it. In what way was it useful?

2.2 Were you made aware of the budget prior to tendering?

Yes

No

2.3 In your opinion, how well did the URD match the budget?

Not at all well 1.....2.....3.....4.....5      Very well

2.4 Which of the following did you use to negotiate the contract?

Invitation to Tender (ITT)

Invitation to Submit Outline Proposal (ISOP)

Invitation to Negotiate (ITN)

2.5 How useful was it as a basis upon which to negotiate the contract?  
Please indicate on the scale below by circling the appropriate number.

Not at all useful      1.....2.....3.....4.....5      Very useful

2.6 In your opinion, how well were the risks identified at the ITT/ISOP/ITN stage?  
Please indicate on the scale below by circling the appropriate number.

Industrial	Not at all	1.....2.....3.....4.....5	Comprehensively
Management	Not at all	1.....2.....3.....4.....5	Comprehensively
Environmental	Not at all	1.....2.....3.....4.....5	Comprehensively
Political	Not at all	1.....2.....3.....4.....5	Comprehensively
Programme	Not at all	1.....2.....3.....4.....5	Comprehensively
Relationships	Not at all	1.....2.....3.....4.....5	Comprehensively

Other (please specify in box below any other risks identified at the ITT stage and indicate how well they were identified.)

2.7 How clearly did the URD express the capability requirements?  
Please indicate on the scale below by circling the appropriate number.

Not at all      1.....2.....3.....4.....5      Comprehensively

N/A (did not see URD)     

2.8 How accurately were the contract deliverables defined at the ITT / ISOP / ITN phase?

Not at all      1.....2.....3.....4.....5      Comprehensively

2.9 Was the acceptance criteria defined for all of the deliverables at the ITT / ISOP / ITN phase?

Not at all      1.....2.....3.....4.....5      Comprehensively

2.10 Approximately how many clarification questions did you ask MoD during the ITT / ISOP / ITN phase?

Number of questions:

2.11 Was there negotiation between yourself and the MoD as regards the Terms and Conditions?

Yes

No

2.12 How would you describe the proposed Terms and Conditions?

Irrelevant 1.....2....3.....4.....5 Relevant

Bad 1.....2....3.....4.....5 Good

Too many 1.....2....3.....4.....5 Too few

Please describe the effect the Terms and Conditions had on the contracting process using the box below:

2.13 At what point in the contracting process did MoD consult your company about risk? Please describe in the box provided.

2.14 At the time of the ITT/ ISOP / ITN, had the MoD considered how risks should be allocated to each party?

Yes

No

N/A

If yes, please describe using the box below:

2.15 Were you aware of the tender evaluation criteria?

- Yes
- No
- N/A

2.16 Did the ITT / ISOP / ITN include any references to soft issues such as working relationships and communication?

- Yes
- No
- N/A

2.17 Were you consulted about what would/would not incentivise you?

- Yes
- No
- N/A

2.18 Were you consulted about the potential effect of different remedy clauses?

- Yes
- No

2.19 How much involvement did your organisation have in drafting the ITT / ISOP / ITN?  
Please indicate on the scale below by circling the appropriate number.

- None 1.....2.....3.....4.....5      Joint drafting
- N/A

2.20 Approximately how many changes were made to the ITT / ISOP / ITN after it was issued to industry?

Please enter number in box provided:

N/A

What was the effect of these changes?

2.21 Do you know approximately what the cost of these changes was to your organisation?

Yes

No

N/A

If yes, please enter amount in box provided:



## Section 3 – Contract Negotiation

3.1 Were you aware of the following?

	Yes	If Yes, please Specify	No	N/A
How much time MoD had available for negotiation	<input type="checkbox"/>	<input style="width: 150px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
What approval process the contract had to adhere to	<input type="checkbox"/>	<input style="width: 150px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
What was driving the MoD in the negotiation	<input type="checkbox"/>	<input style="width: 150px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.2 Were any of the following agreed before the negotiation started? (tick as appropriate)

- Process for negotiation
- Timetable for negotiation
- Scope of the negotiation
- Plan if negotiation moved outside the scope
- Code of behaviour
- Other (please specify using box below)
- N/A

3.3 Did you have sufficient time in which to negotiate the contract to your satisfaction? Please indicate on the scale below by circling the appropriate number.

Not nearly enough    1.....2.....3.....4.....5    More than enough

If you did not have enough time, what was the **reason** for this? (Please answer in box below)

If you did not have enough time, what was the **effect** of this? (Please answer in box below)

3.4 How adequately skilled was **your team** in the following areas?  
Please indicate on the scale below by circling the appropriate number.

- a. Legal                      Insufficient skills    1.....2.....3.....4.....5    Excellent skills
- b. Financial                   Insufficient skills    1.....2.....3.....4.....5    Excellent skills
- c. Commercial               Insufficient skills    1.....2.....3.....4.....5    Excellent skills
- d. Contract Negotiation    Insufficient skills    1.....2.....3.....4.....5    Excellent skills

N/A   

3.5 How adequately skilled was the **MoD team** in the following areas?  
Please indicate on the scale below by circling the appropriate number.

- a. Legal                      Insufficient skills    1.....2.....3.....4.....5    Excellent skills
- b. Financial                   Insufficient skills    1.....2.....3.....4.....5    Excellent skills
- c. Commercial               Insufficient skills    1.....2.....3.....4.....5    Excellent skills
- d. Contract Negotiation    Insufficient skills    1.....2.....3.....4.....5    Excellent skills

N/A

3.6 What type(s) of pricing does your contract employ? (tick all that apply)

- a. Target Cost Incentive Fee (with Maximum Price)
- b. Target Cost Incentive Fee (without Maximum Price)
- c. Firm Price
- d. Fixed Price
- e. Maximum Price
- f. Ascertained Costs
- g. Other (Please give details in box below)
  
- N/A

If options a. or b. are ticked, please explain Shareline arrangements in the box provided:

3.7 How did the contract incentivise you? (tick all that apply)

- a. Method of pricing (eg TCIF)
- b. Use of bonus payments for early delivery/special performance
- c. Liquidated Damages

- d. Default (DEFCON 614)
- e. Milestone Payments
- f. Gainshare
- g. Other (please give details in the box provided)
  
- N/A

3.8 How effective were these incentives?

Not at all 1.....2.....3.....4.....5 Very effective

3.9 How could these incentives be improved?

3.10 How do you think your contracting approach aided the project? (tick all that apply)

- Good relationships with MoD
- Good incentivisation of contractors
- Good communication with MoD
- More time spent early on getting things right
- Other (please specify using the box below)

N/A

## Section 4 – Contract Management

4.1 What tools do you use to support/monitor project progress? (tick all that apply)

- a. Earned Value Management
- b. Payment against milestones
- c. Anchor Milestones
- d. Progress meetings
- e. Progress reports
- f. Shared Data Environment
- g. Other (please specify using box below)

N/A

4.2 What did MoD agree to deliver as part of the contract? (tick all that apply)  
Then please indicate whether these were delivered at the agreed time.

Was this delivered at the agreed time?

Yes No

- |                                              |                          |                          |                          |
|----------------------------------------------|--------------------------|--------------------------|--------------------------|
| a. Equipment                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Training Facilities (excluding Personnel) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- c. Other Facilities (excluding Personnel)
- d. Civilian Personnel
- e. Military Personnel
- f. Information
- g. Other (Please specify in box below)
- N/A

For any items not delivered at the agreed time (as indicated above) please describe the effect this had (please use box provided).

4.3 Did MoD need to make amendments to the contract?

Yes

No

If Yes, please explain why these changes were necessary:

If Yes, approximately how much did it cost you to amend the contract?

4.5 How accurate is the assessment of the following impacts arising from amendments?  
Please indicate on the scale below by circling the appropriate number.

- |                                     |            |                           |            |
|-------------------------------------|------------|---------------------------|------------|
| a. Impacts on cost                  | Not at all | 1.....2.....3.....4.....5 | Accurately |
| b. Impacts on overall timescale     | Not at all | 1.....2.....3.....4.....5 | Accurately |
| c. Impacts on technical performance | Not at all | 1.....2.....3.....4.....5 | Accurately |
| d. Impacts on project outcome       | Not at all | 1.....2.....3.....4.....5 | Accurately |

N/A

4.6 Did the MoD need to allow you additional time?

Yes

No

N/A

If Yes, what were the reasons? (give details in box provided).

4.7 Was a dispute resolution process defined at the outset?

Yes

No  If No, go to question 4.8

N/A  if N/A, go to question 4.8

If Yes, what resolution process(es) were used. Please tick any that apply:

a. DEFCON 530

- b. Narrative Disputes Resolution Clause  
(*excluding* Alternative Disputes Resolution)
- c. Narrative Disputes Resolution Clause  
(*including* Alternative Disputes Resolution)
- d. Other (Please give details in box below)

4.8 Was the dispute resolution clause used? (tick as appropriate)

- Yes
- No
- N/A

If Yes, what was the outcome? Please describe using the box below.

4.9 Have you invoked any of the following on the MoD? (tick all that apply)

- a. Liquidated damages
- b. Break
- c. Default



- d. Any other type of contract pause or termination
- e. None  If None, go to question 4.9
- N/A  If N/A, go to question 4.9

Specify the reasons it was invoked using the box below:

Please describe the effect these measures had using the box below:

4.10 Were there instances where the clauses listed in the previous question could have been invoked but were not, or only partially applied? (Liquidated Damages / Break / Default / Other)

- Yes
- No
- N/A

If Yes, please explain using the box below:

## Section 5 – Relationships with Industry

5.1 Does the contract include any Partnering arrangements? (tick as appropriate)

- Non Legally Binding Partnering Principle
- Legally binding Partnering Principle
- Public Private Partnership
- Strategic Partnering
- Project Partnering
- Partnering Framework Agreement
- Joint Teaming Agreement
- Sub-Prime Teaming Agreement
- Partnering Forums
- Co-Located Teams
- Joint Management Boards
- Shared Risk and Reward
- Open Book Accounting and  
visibility of MoD budgets
- Joint development of pricing
- Other (please Specify in box below)
- None
- N/A

5.2 How would you describe your working relationship with the MoD in respect of this particular contract?  
Please indicate on the scale below by circling the appropriate number.

Very Poor    1.....2.....3.....4.....5    Very Good

N/A           

Please provide comments in the box below to explain your response to this question.

## Section 6 – Project Delivery

**6.1** Which of the following describes the criteria for the MoD accepting the product or service off-contract?

- a. Clear/coherent
- b. Accompanied by guidelines
- c. Relevant
- d. Used by staff
- e. Reflect the requirement
- f. Other     Please specify using the box below
- N/A

**6.2** Have any contractual acceptance criteria been modified since contract placement? (tick as appropriate)

- Yes
- No
- N/A

If Yes, please explain why using the box provided:

6.3 How could the contractual acceptance criteria be improved?  
(tick as appropriate)

Pease explain why using the box provided:

6.4 Have any Trade Offs or Concessions been agreed?

Yes

No

N/A

If Yes, briefly describe them and the impact they had in the box below:

6.5 Where Trade Offs / Concessions have been used, which of the following statements apply? (tick all that are appropriate).

a. There is a system in place for Trade Offs / Concessions

b. Senior management were involved

c. Customers were consulted

N/A

**6.6 Have you learned any lessons from this contract? (tick as appropriate)**

Yes

No

If Yes, please provide example(s) below:

Have any lessons learned been shared? (tick one)

a. Yes, with MOD

b. Yes, within industry

c. Yes, with Supply Chain

d. No

**6.7 What was the cost to the project of the following parts of the contracting processes?**

	Man Hours	Don't Know	N/A	£ Cost	Don't Know	N/A
Preparing EOI		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Preparing PQQ		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Preparing Bid		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Responding to Clarification Questions		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Negotiating Contract		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Contract Administration		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Contract Closure		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
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Other costs, please specify Cost (£) and Man Hours using box provided:

6.8 In your opinion, are there any factors that work against the effectiveness of the MoD's procurement process?

Please specify in box below:

6.9 In your opinion, how could the MoD's Procurement process be improved?

Please provide comments in the box below:

Thank you for completing this survey. Your assistance is greatly appreciated and we appreciate the time it has taken to answer our questions.