

# THE PILOT TRAINING CAPABILITY

DEFENCE WORKING SUCCESSFULLY WITH  
LOCAL AND INTERNATIONAL INDUSTRY





# Scope

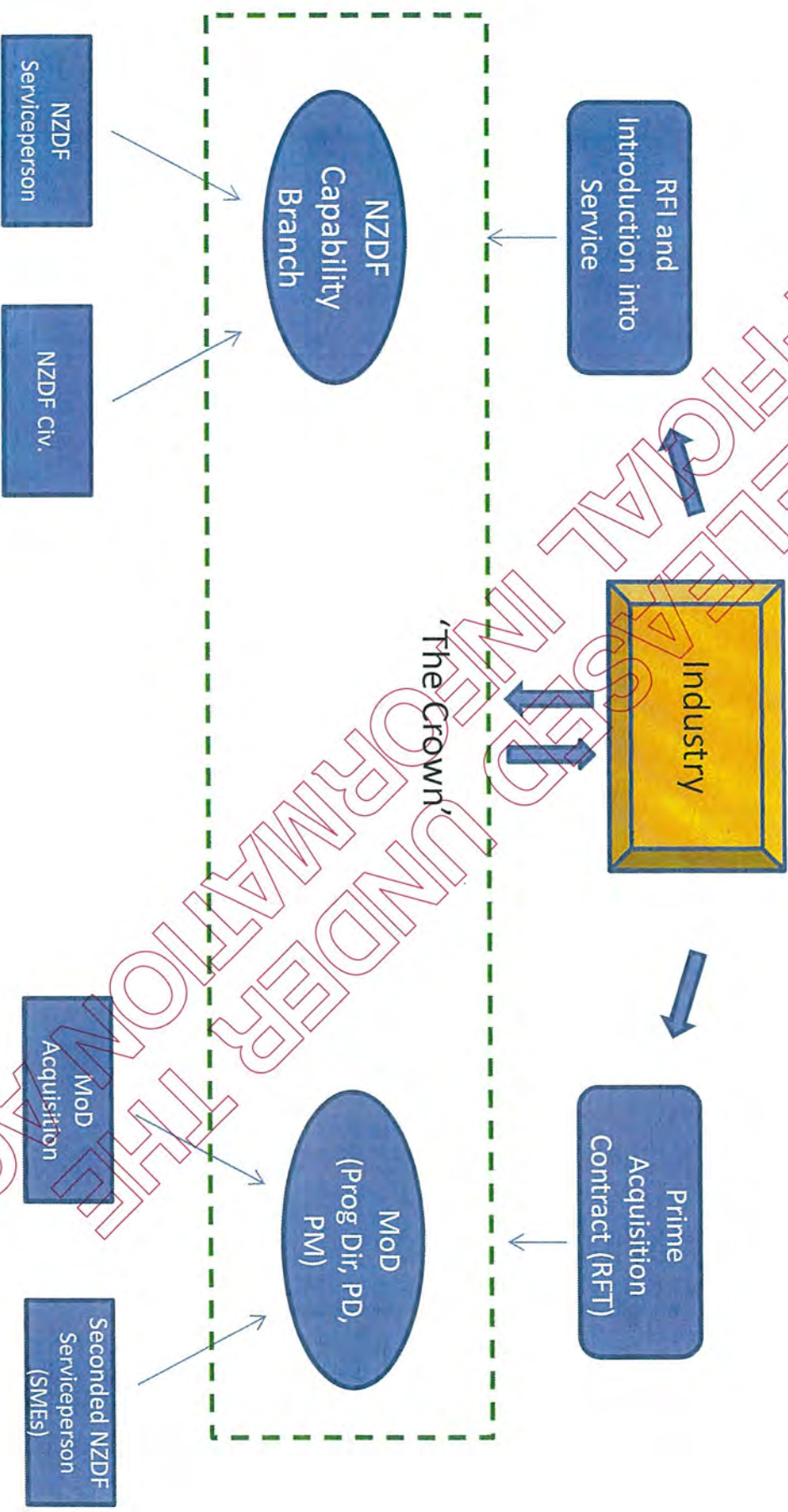
- Defence responsibilities across contracts (how does that work?)
- Capability framework outline
- Considerations in our projects
- The RFI, RFT and BAFO
- Challenges
- Take-aways



# Defence Contract Responsibilities

	Prime Contract	Support Contract
Major (> \$15M WOLC)	MoD	NZDF Capability Branch
Minor (< \$15M WOLC)	NZDF Capability Branch	NZDF Capability Branch
In-Service (BAU)	Commander Logistics NZDF (Defence Commercial Services)	Commander Logistics NZDF (Defence Commercial Services)

# Defence Major Projects

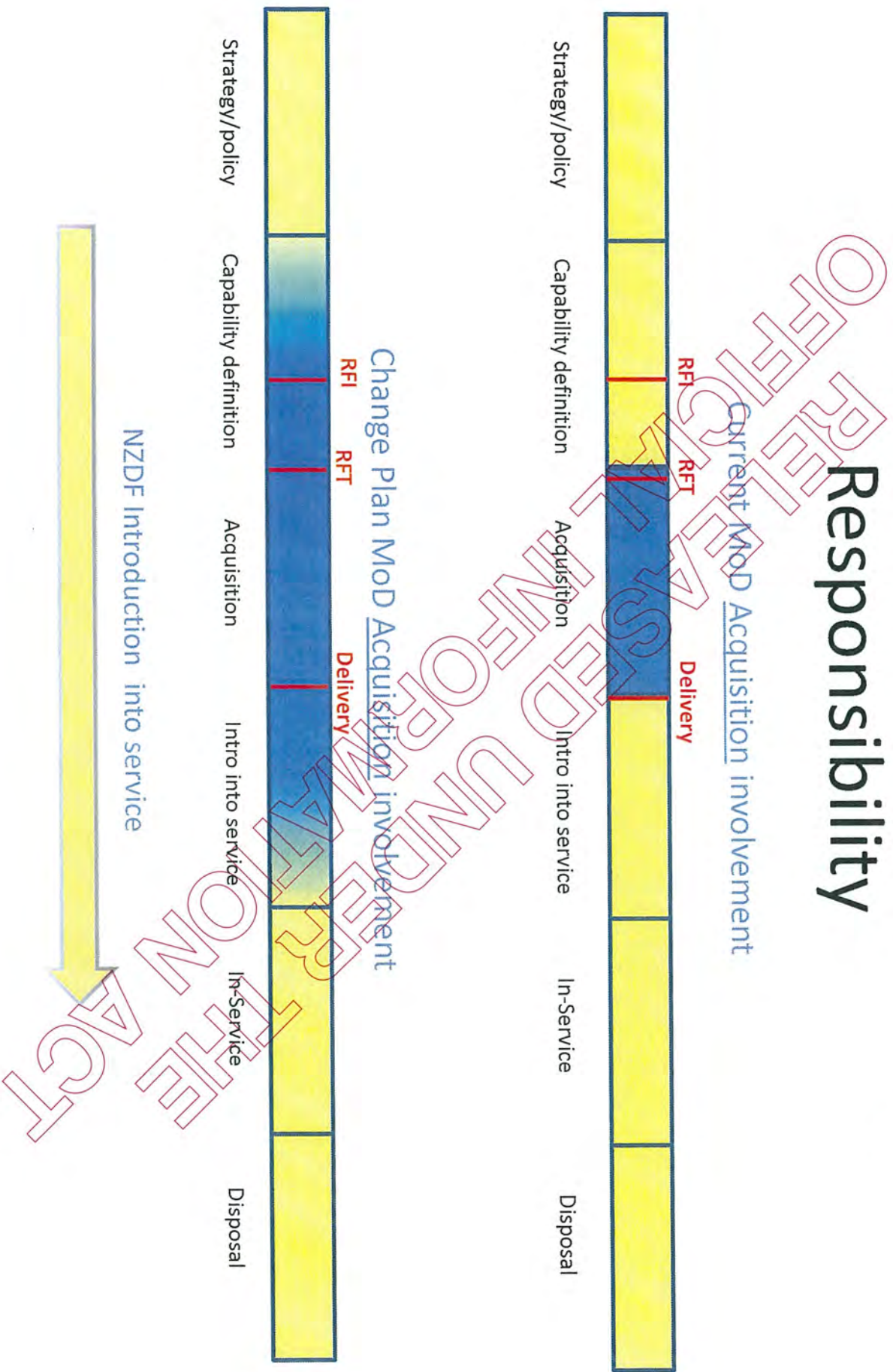


# Capability Delivery



Detailed in the Capability Management Framework (CMF)

# Major Project Life-cycle Phase Responsibility





Important Note:

PTC is just one example of the projects the MoD deals with – all projects are different, but they share the same types of successes, issues, dilemmas and frustrations. PTC did however utilise aspects that Defence want to adopt in the future.





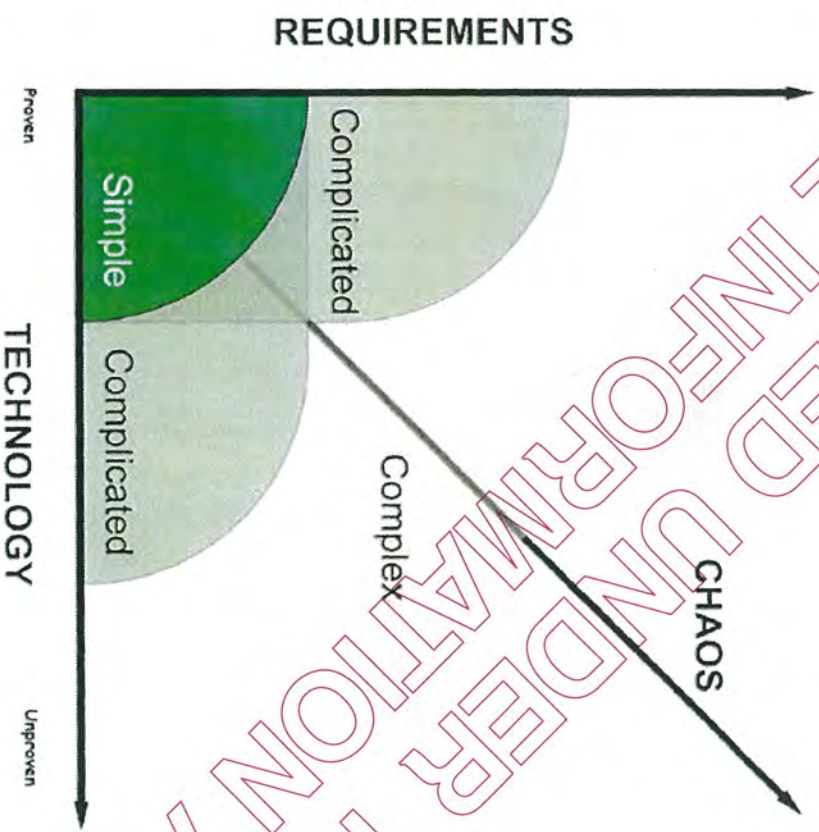
Pilot Training Capability –  
an easy project...

**Yeah right.**

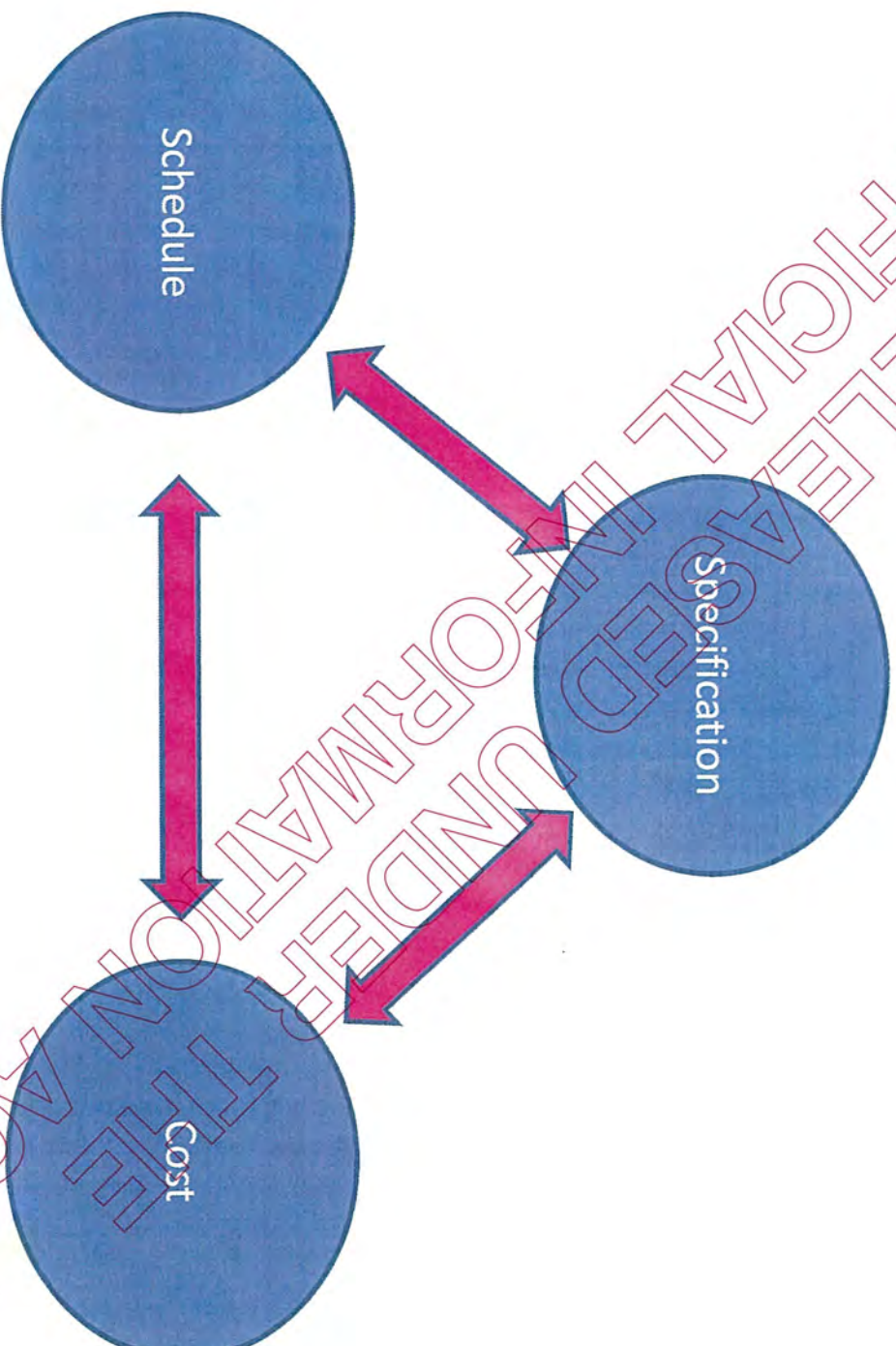
**TUM**



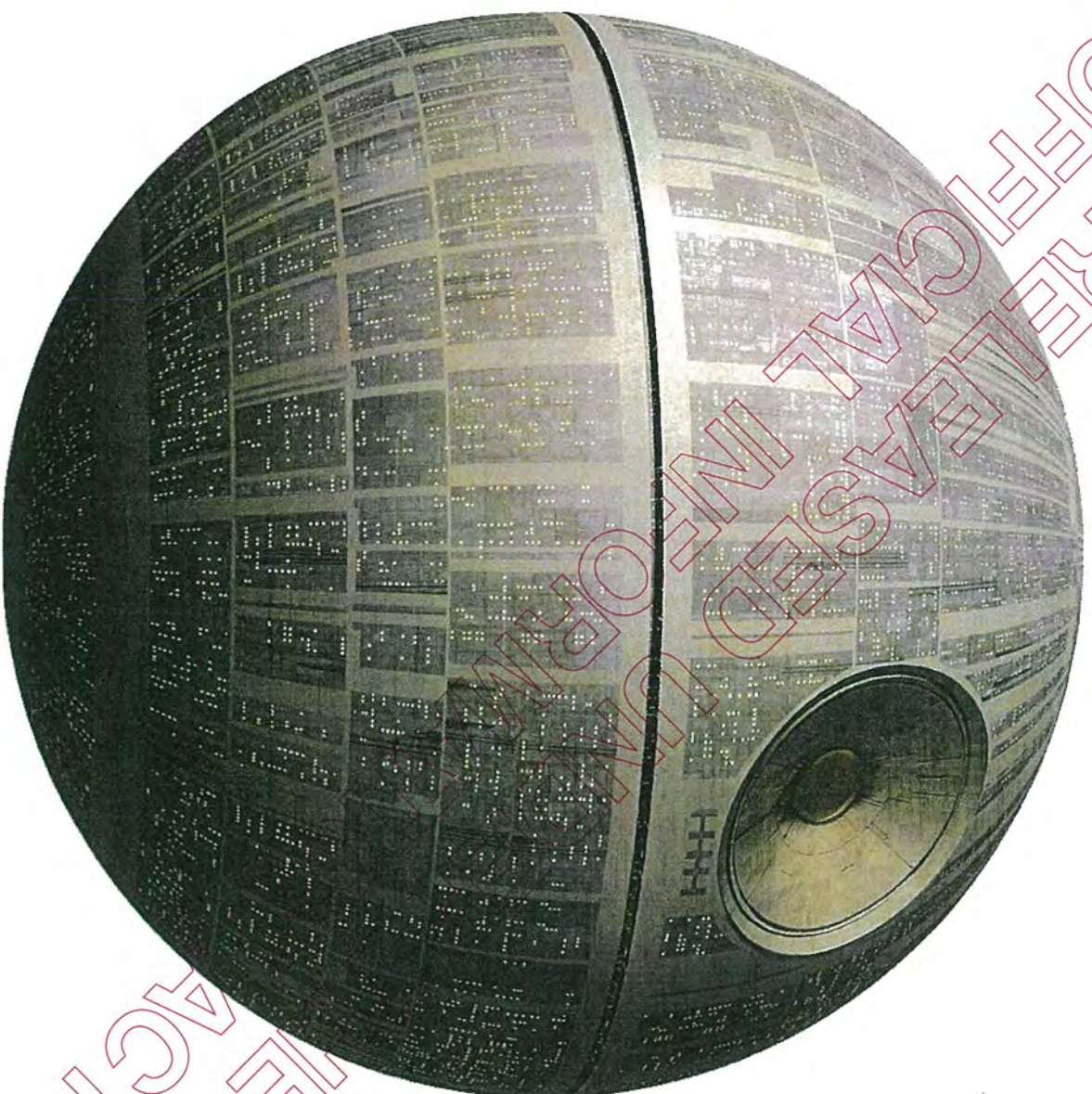
# Project Complexity



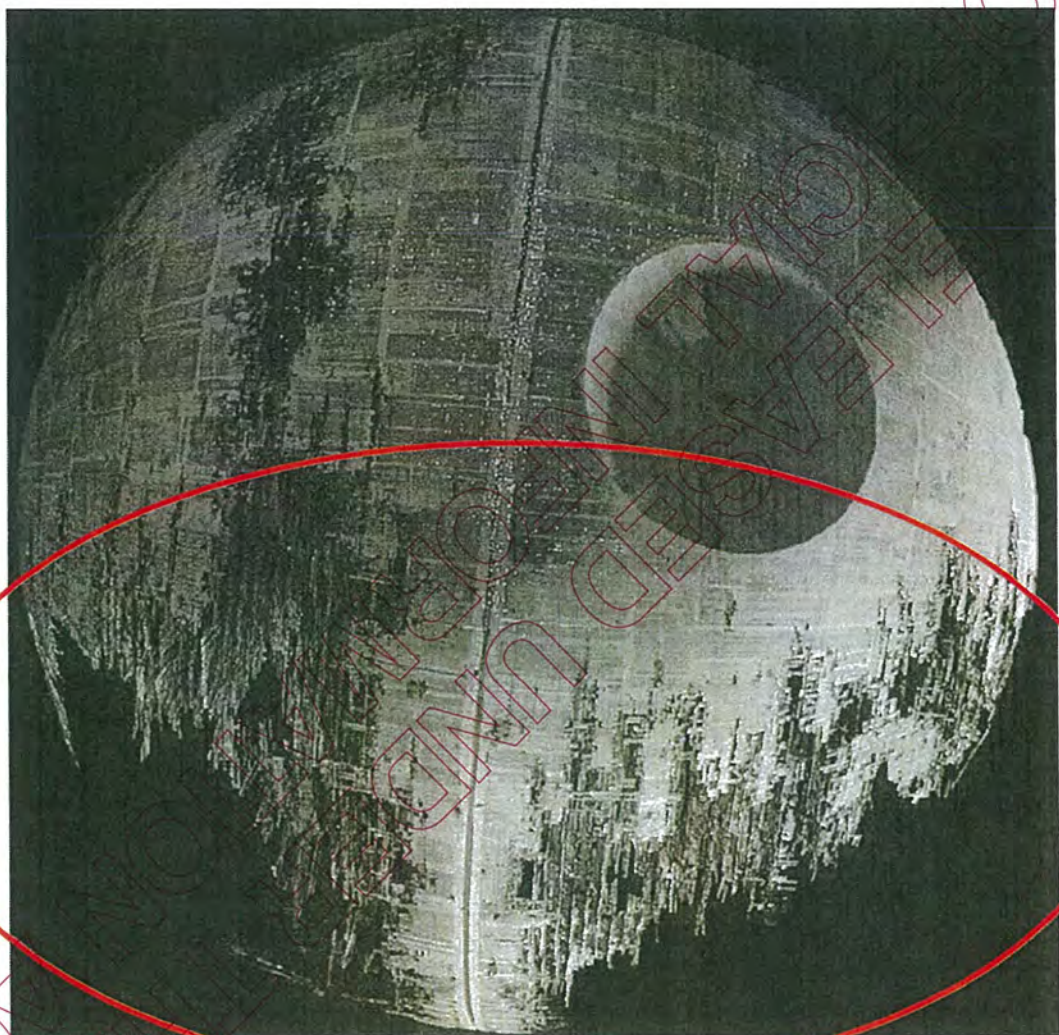
# The Delivery Triangle



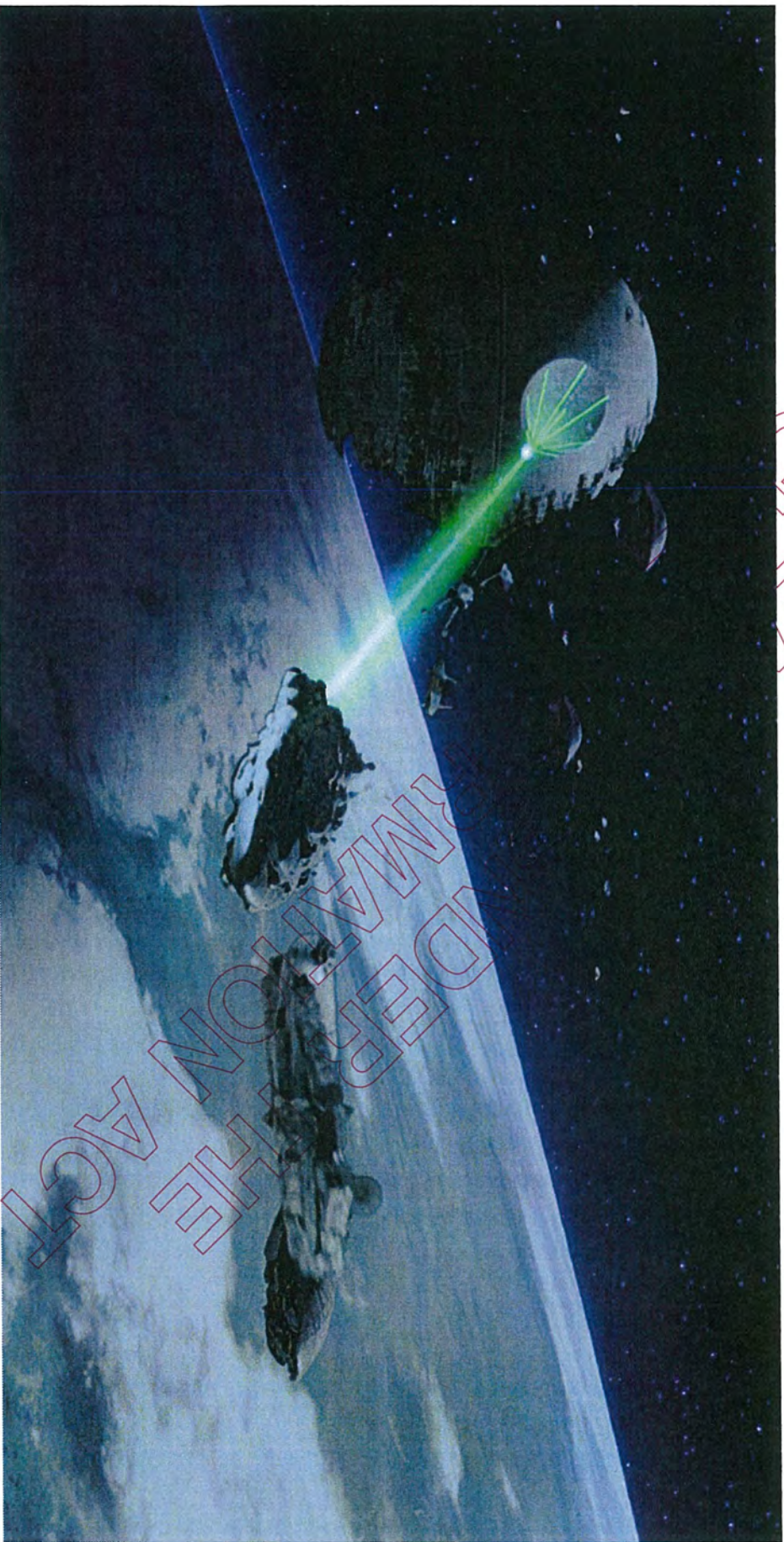
# Project Acceptance



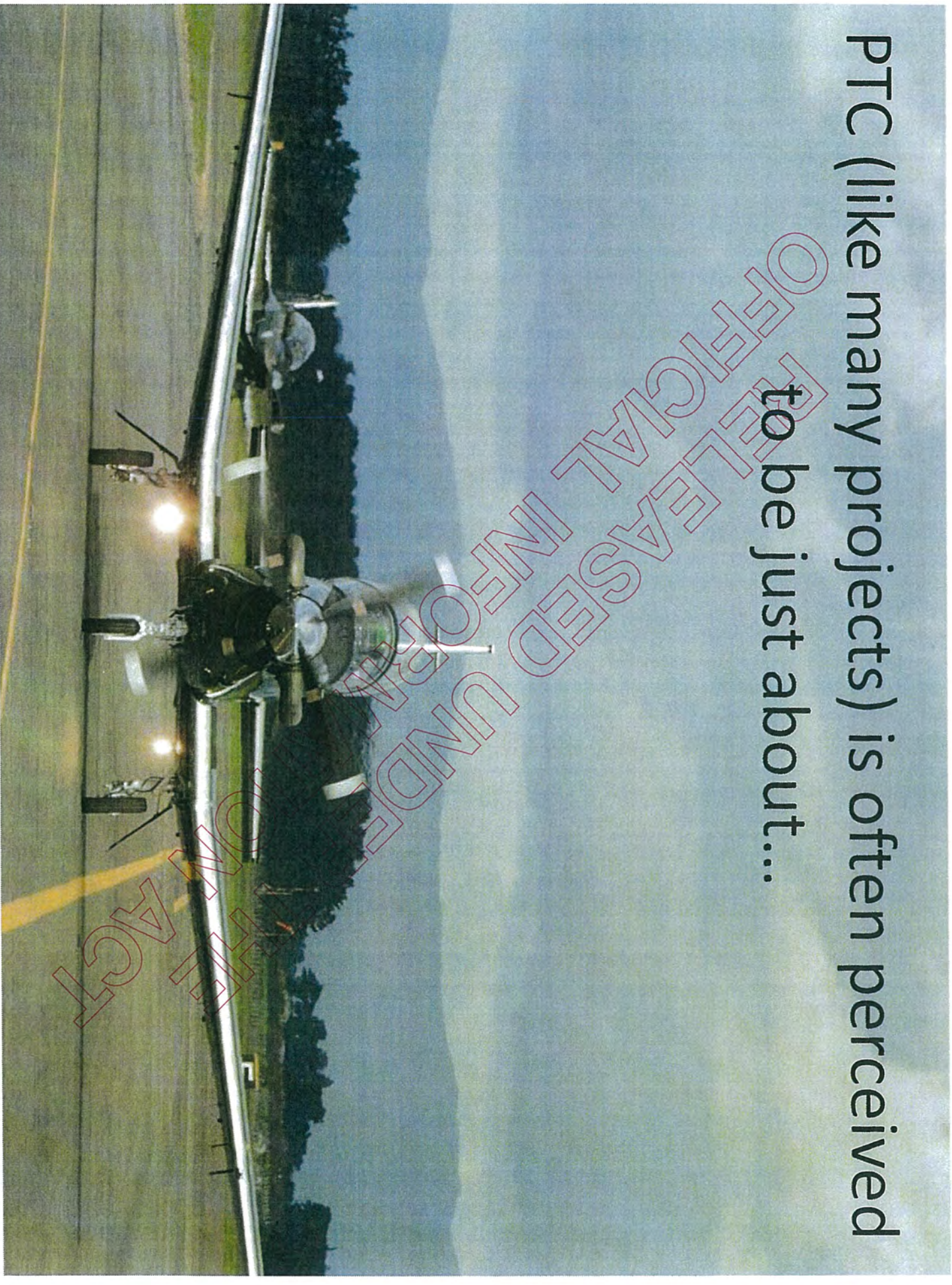
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# Provisional Acceptance



PTC (like many projects) is often perceived  
to be just about...





...but it was really about

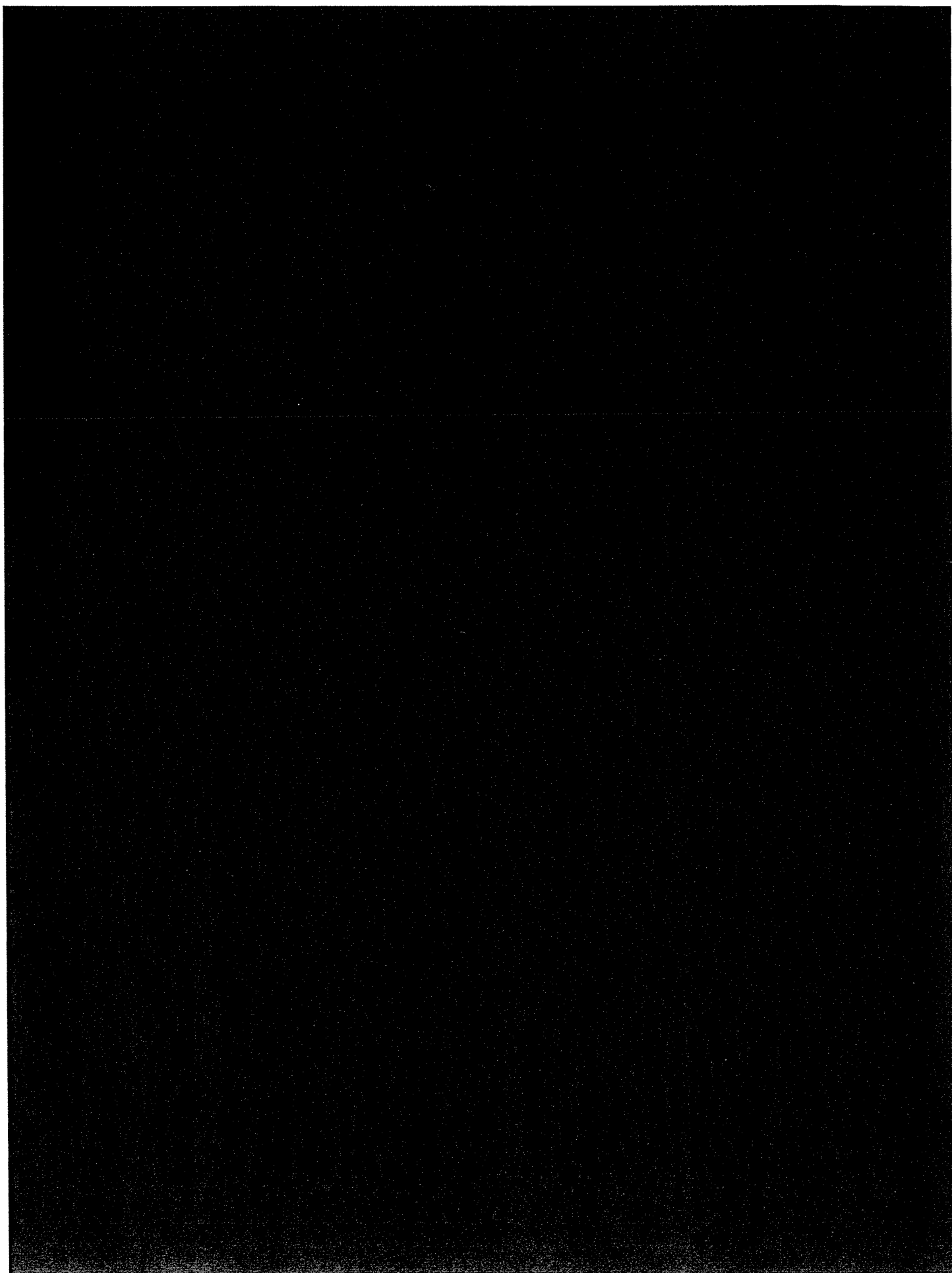
- Aircraft
- Simulators
- Training packages
- Infrastructure
- Pilot Selection tool
- Reduced Oxygen Breathing Devices
- Logistics Support Agreement





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OF DEFENCE**  
Manatū Kaupapa Waonga

*2013 Procurement guidance; that the priority is away from signing contracts with suppliers that offer the most cost-effective upfront costs, to those that provide the best value for money over the life of a programme.*





# Request For Information

- Advertised on GETS
- Unique to each project and can be (overly?) comprehensive
- Used for:
  - Information gathering, possible solutions and indicative costs
  - Understanding of technology vs risk
  - Enables a more accurate Business Case to be submitted to Government for project approval → higher chance of success
- Accurate Costs are a big factor
- MOD understand the effort that has gone into RFI
- Industry day

# Request For Tender



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- Released on GETS
- Rigid release and close date with specified question period
- Generally split into SHALL, SHOULD and MAY requirements
- Questions may be ‘published’ for other tenderers
- PTC Tender encouraged companies to ‘partner’ – one Prime
  - MOD encourages NZ partners
  - Richard Harrison (NZ Trade & Enterprise)
  - Industry day
- Aim is for an easy format/template for respondents to fill out

# Requirements matrix

System Requirements Document (SRD)		Two Aircraft Type 'Wings' Course - System					
Single Aircraft Type 'Wings' Course - System Requirements	Requirements	Primary Trainer	Advanced Trainer	NC	C	EX	RFT Cross Reference
PTC Aircraft - Certification							
<p>The PTC Aircraft type shall be issued with a Federal Aviation Regulations (US Code of Federal Regulations, Title 14, Part 23) or European Aviation Safety Agency (Certification Specification CS 23) type certificate or equivalent standards acceptable to the NZDF before conduct signature and individual aircraft issued with a Certificate of Airworthiness or equivalent by an airworthiness authority recognised by the NZDF before delivery.</p>							
<p>The PTC Aircraft shall be certified for operations under VFR by day and night</p>							
The PTC Aircraft shall be certified for RHA/Vs, in accordance with ICAO 9613 AN/937 Volume II Part B Chapter 2 Section 2.3.3.	The PTC Aircraft used to deliver the primary phase of 'Wings' Course may be certified for RHA/Vs, in accordance with ICAO 9613 AN/937 Volume II Part B Chapter 2 Section 2.3.3.	The PTC Aircraft used to deliver the advanced phase of 'Wings' Course shall be certified for RHA/Vs, in accordance with ICAO 9613 AN/937 Volume II Part B Chapter 2 Section 2.3.3.					
The PTC Aircraft should be certified for Basic RNP1, in accordance with ICAO 9613 AN/937 Volume II Part C Chapter 3 Section 3.3.3.	The PTC Aircraft used to deliver the primary phase of 'Wings' Course may be certified for Basic RNP1, in accordance with ICAO 9613 AN/937 Volume II Part C Chapter 3 Section 3.3.3.	The PTC Aircraft used to deliver the advanced phase of 'Wings' Course should be certified for Basic RNP1, in accordance with ICAO 9613 AN/937 Volume II Part C Chapter 3 Section 3.3.3.					
The PTC Aircraft shall be certified for RHP APCH, in accordance with ICAO 9613 AN/937 Volume II Part C Chapter 5 Section 5.3.3.	The PTC Aircraft used to deliver the primary phase of 'Wings' Course should be certified for RHP APCH, in accordance with ICAO 9613 AN/937 Volume II Part C Chapter 5 Section 5.3.3.	The PTC Aircraft used to deliver the advanced phase of 'Wings' Course shall be certified for RHP APCH, in accordance with ICAO 9613 AN/937 Volume II Part C Chapter 5 Section 5.3.3.					
The PTC Aircraft should be certified to for RHP APCH Baro-VNAV, in accordance with ICAO 9613 AN/937 Attachment to Volume II Section 4.5.1.	The PTC Aircraft used to deliver the primary phase of 'Wings' Course may be certified for RHP APCH Baro-VNAV, in accordance with ICAO 9613 AN/937 Attachment to Volume II Section 4.5.1.	The PTC Aircraft used to deliver the advanced phase of 'Wings' Course should be certified for RHP APCH Baro-VNAV, in accordance with ICAO 9613 AN/937 Attachment to Volume II Section 4.5.1.					
<p>The PTC Aircraft shall be certified for all-weather operations, including flight in known icing conditions.</p>							
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<p>The PTC Aircraft shall be certified for aerobatic flight manoeuvres with aircraft G limits not less than +6G to -2 (symmetric) and +4 to 0 (asymmetric).</p>							
<p>The PTC Aircraft may be certified for aerobatic flight manoeuvres with aircraft G limits not less than +7G to -3 (symmetric) and +4 to 0 (asymmetric).</p>							
<p>The PTC Aircraft shall be certified to a service ceiling of not less than 20,000 ft.</p>							
<p>The PTC Aircraft used to deliver the primary phase of 'Wings' Course shall be certified to a service ceiling of not less than 8,000 ft.</p>		<p>The PTC Aircraft used to deliver the advanced phase of 'Wings' Course shall be certified to a service ceiling of not less than 20,000 ft.</p>					
<p>The PTC Aircraft should be certified to a service ceiling of not less than 25,000 ft.</p>							
<p>The PTC Aircraft used to deliver the primary phase of 'Wings' Course should be certified to a service ceiling of not less than 10,000 ft.</p>		<p>The PTC Aircraft used to deliver the advanced phase of 'Wings' Course should be certified to a service ceiling of not less than 25,000 ft.</p>					
<p>The PTC Aircraft shall be certified for erect spinning.</p>							
<p>The PTC Aircraft should be certified to operate from grass or unpaved certified runways.</p>							



# RFT responses

- Good responses:
  - Follow the template
    - searchable PDFs
  - Ensure compliance with the mandatory (Shall) requirements
  - Recognise that ‘TBC’ is very risky – esp. with no plan
  - Cover all areas of the tender consistently
  - Are unambiguous – possibly NZ agents
    - Use clear language! “Two V/UHF radios”
  - Clarify any assumptions/expansions
- Require ‘tangible’ vested title and/or security assurances before committing Government money
- MOD want to see any significant Sub-contract (sans financial data)



# Tender Evaluation

- Evaluation Plan:
  - is formally confirmed prior to RFT release
  - is as objective as possible
  - is usually a multi-stage plan
    - PTC – 4 stages
  - does not initially factor in Finance
  - has external probity oversight throughout
  - has stage checks and sign-offs
- Unsuccessful tenders are 'set aside'



# Due Diligence

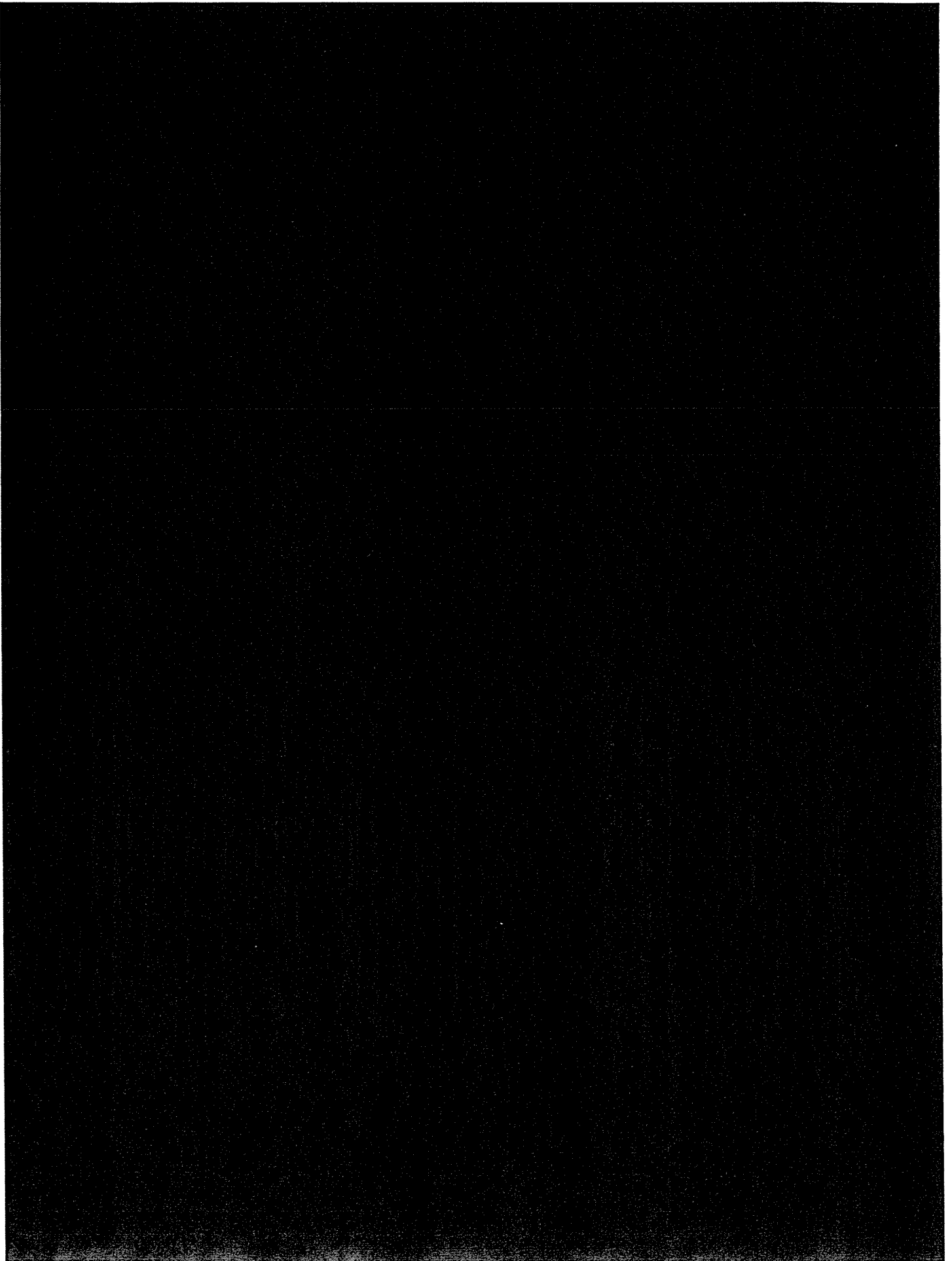
- MOD will bring SMEs as required
- MOD will meet with users prior to the OEM
- At the OEM –
  - general overview with specific areas often targeted; unique to that contractor
  - want to cover a wide range of contractor areas and key employees, or sections within the company (shop floor)





## Best and Final Offer

- Used often (but not always) especially where several options were considered in the tender
  - Should be within scope of RFT requirements
  - Final clarification of exact quantity of items
  - Opportunity for contractors to confirm their price
- Generally assess cost, schedule and risk then VFM
- Further 'offers' cannot be considered after BAFO closure





## Feedback

- Feedback is available to all tenderers (both successful and unsuccessful)
- Taken seriously by MOD
- Aimed at constructive criticism not re-litigation of RFT
- Should assist tenderer in the future

# Government Rules of Sourcing

- MOD complies with the Government rules of sourcing
- High level of oversight is included (Peer, CA, Treasury, Probity, Legal, Better Business Case, Gateway, MPRs to select committee (OAG))
- Rules published OCT 2013
- New rule changes effective APR 2015
  - Weighted criteria – “...when a Government agency is using weighted evaluation criteria to select a supplier it must include the weightings in its notice of procurement.”
  - Example : MSC; **Commercial** – 30%; **Technical** 50%; **ILS** 20%



# Challenges

- Tension between Cost, Specification, Schedule
- Certification
- Software
- COTS/MOTS - COTS 'but with a small software change' isn't COTS!
- NZ is a small player – little leverage
- Ambitious targets (schedule) and optimistic costs set in Acquisition phase

# Industry regrets Brazilian procurement delays

## Programmes slip further

ring and control and multiple tanker/transport face additional delays



### Schedule Delays for Major Weapons Systems

## Delays Snag Canadian Program Plans To Acquire Trucks, Tanks, Ships Found 4 Years Late

parliamentary secretary for defence procurement, says it involves the same problems here. The government expects to make an announcement in coming weeks on the way forward, but Donohoe says the will on Canadian dollars. Donohoe also warned up \$1.5 billion in penalties for not meeting the schedule. Public Works stated

according to the details provided by Public Works. Between November 2010 and July 2012, as many as 19 "interim" helicopters will be delivered. But those helicopters, which are not the final variant of the aircraft, will then have to be retrofitted with various upgrades

led Leopard 2 which recently is still at least 2.1 million dollars. The officials are also privately concerned that the Defence Department procurement officials no longer communicate with industry on a regular basis can be seen in what they have lost touch with. What is clear is that the industry has been left in the dark.

### Dutch projects face delays

Three current projects intended to increase the First flight plans slide as Boeing suffers new fastener issues amid post-strike fallout

### Cost of major UK defence projects continues to rise

#### Labored Delivery

## Advisers: Overhaul DOD Arms Buying

After Overruns, Usual No Longer an Option

By JOHN T. BURNETT

### Major acquisition programs fail

more often than not. In the new climate of fiscal austerity, including for defense

# EPIC FAIL

for defence. Joel Elizagibon, has 15 million contract with Boeing to supply a tactical unmanned AUV system for the Australian Project 129. The ADF is now using a replacement Triav

at Omnipus sign that the Pentagon is that budget pressures are that you need to look further than last year's decision to ax the U.S. Army's overpriced Reconnaissance Helicopter

When acquisition chief John Young said he \$6.2 billion contract with Raytheon

These are the major programs that went over budget. Five programs accounted for 51% of the cost growth:

WHY OVER BUDGET	WHY IT HAPPENED
From 2000 through 2007, major U.S. military acquisition efforts ran over but a total of \$402 billion. Two ways to look at the cost growth (numbers in billions):	The cost growth would have been \$4.45 billion, but DOD cut or



# MOD.....

- Is pragmatic
- Is fully engaged
- Is wary of unrealistic schedule
- Is tough but very open to working with industry
  - ‘Toughest but best customer’
- Pays promptly (milestone payments)
- Not necessarily risk averse, but very risk aware
- Not early adopters of high-risk technology but fast followers of proven technology



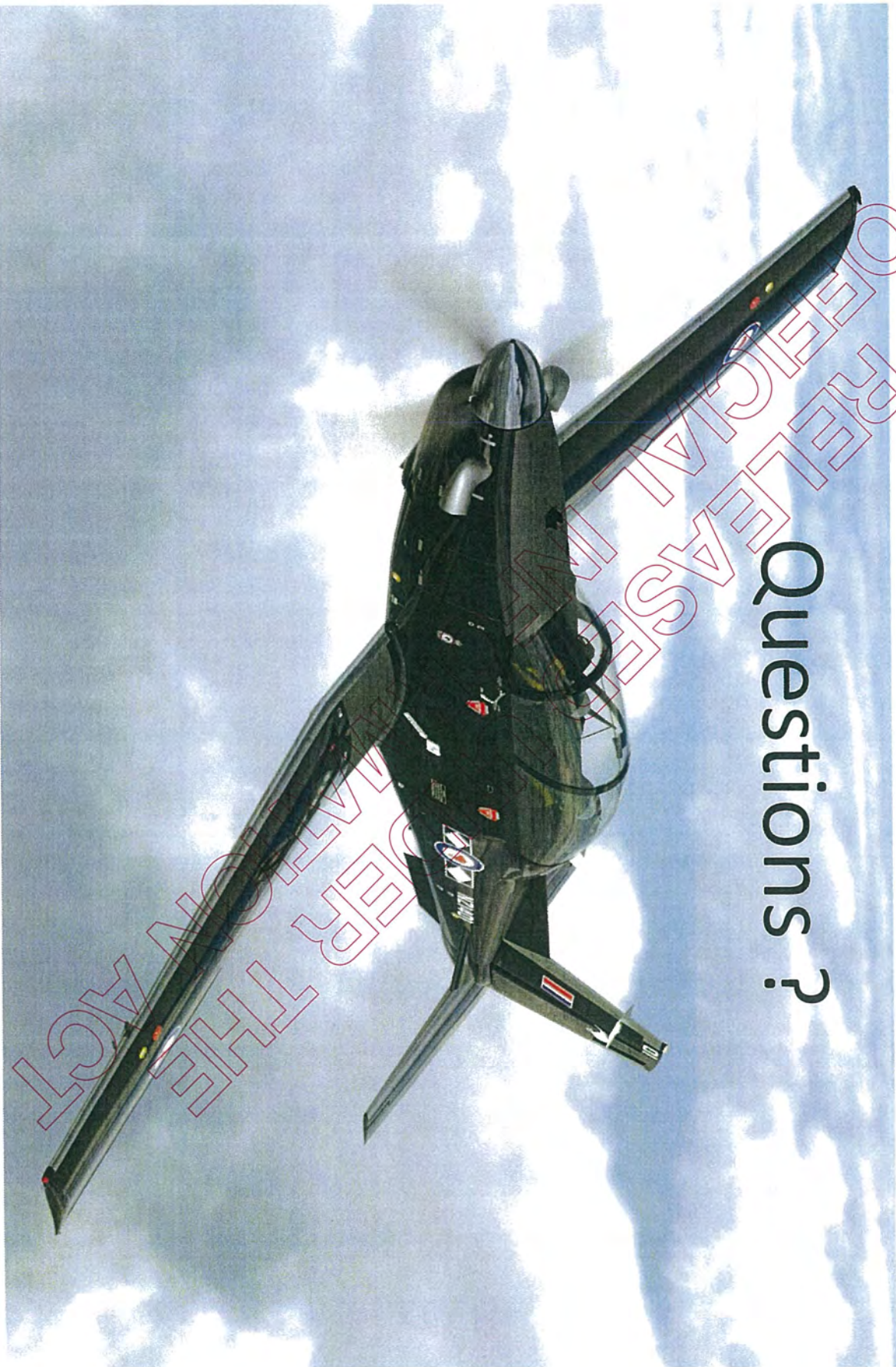
## Take-aways

- Get on GETS
- Engage early
- Follow the templates; Ask questions
- Be realistic with schedule and costs
- Embrace feedback
- Support aspects (sub-contracts; on-going support) and WOLC are extremely important to provide a **Capability** –
  - Projects will consider all aspects, not just the prime equipment.
- Opportunity!





The daydreams of cat herders



# Questions ?



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