

Des Ashton
Deputy Secretary Acquisition

Current and Pending Capability Projects

Outline

- My last presentation to DIA Forums in my current role
- Nothing earth shattering
- When one leave a job.....
- Current projects – most wrapping up
- Pending projects
- Intend to keep it short but there is risk of schedule slippage
- Some general comments



Myths and Truths

- Everything is delivered late – historically true but improving
- Everything is over budget (Myth - mostly)
- Nothing works as it supposed to (Myth)
- Recent projects are on schedule

Capability Processes and Resources

- Emphasis on achieving on time delivery
- Emphasis on Whole of Life costs
- MOD Acquisition core staff – 9 fulltime employees plus about 120 seconded from NZDF, fixed term employees and contractors
- Capability Change Plan will provide more people including two MOD people dedicated to industry engagement
- As the Secretary has said, various changes have been made to improve engagement and inform industry of opportunities.
- Industry still needs to be thinking ahead and maintaining awareness of medium term Defence plans

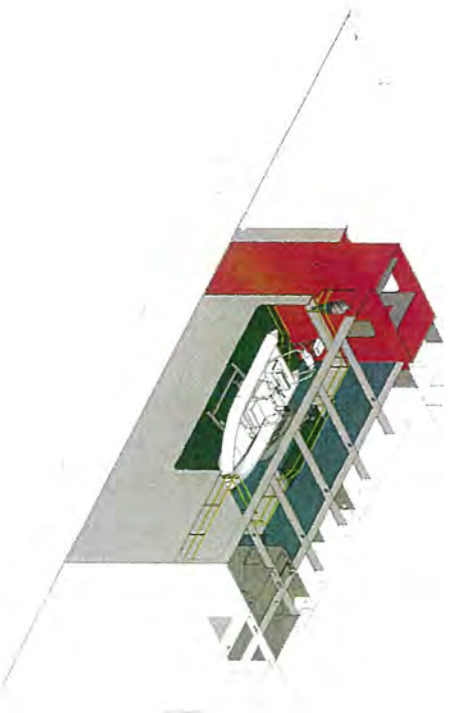
Project Protector

- Seven vessels – MRV, 2 OPVs and 4 IPVs
- OPVs built in Australia and New Zealand
- IPVs in New Zealand



Protector Remediation Project

- A programme of modifications and new equipment to bring the fleet close to original specification using “mediation funds”
- Immediate safety and capability concern addressed first
- A lot of local industry involvement



ANZAC Platform Systems Upgrade (PSU)

- \$59.4 M for upgrade of two frigates (budget now \$87.6 M)
- Phase 1 complete on both ships – (Stability and Engine upgrade)
- One ship to complete Phase 2 (HVAC and IPMS) – May 2016
- Contractors
 - Babcock
 - TKMSA
 - Siemens
 - Noske-Kaeser
 - L3 Mapps
 - MTU-DDA
 - Others



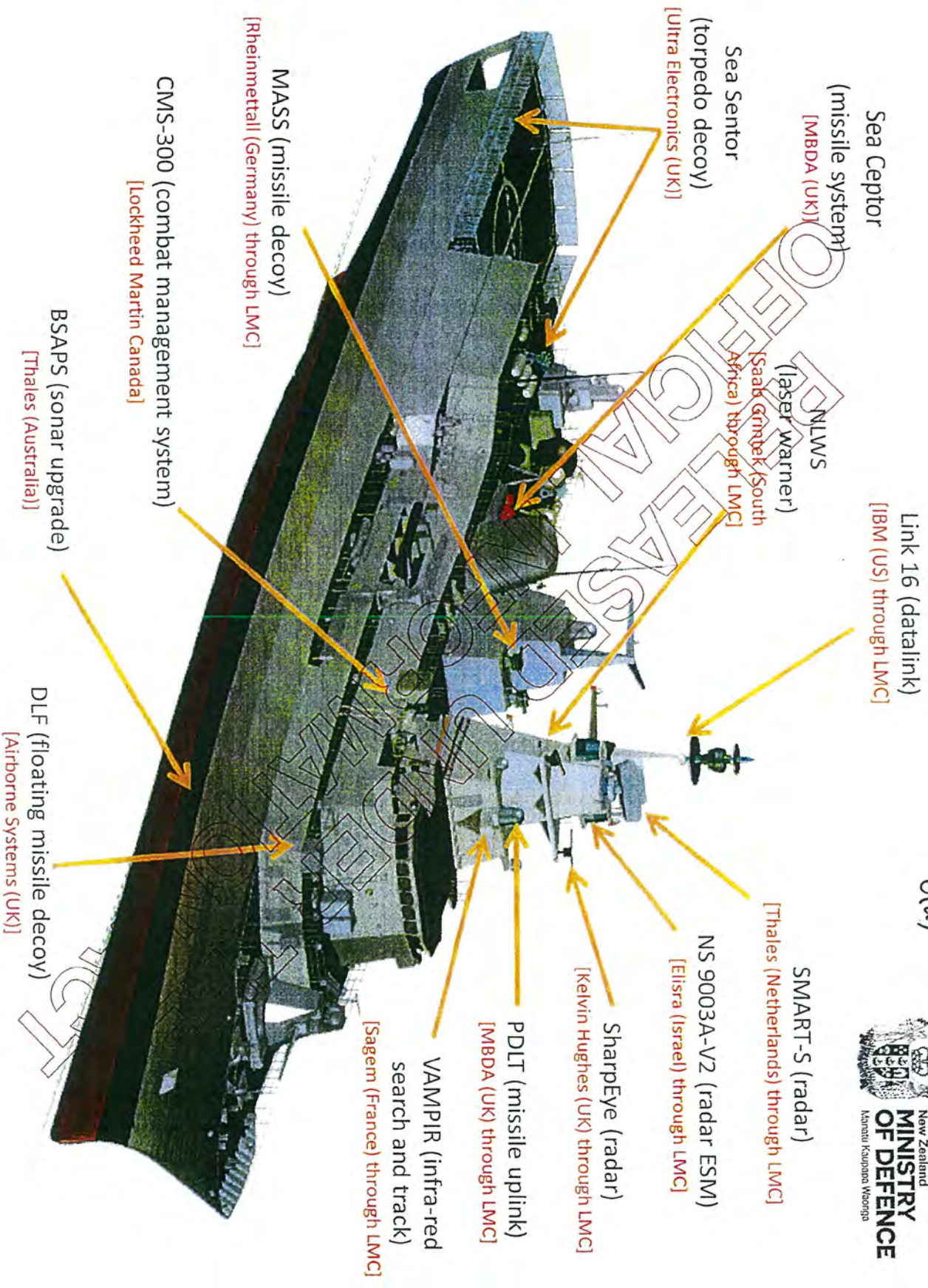
ANZAC Frigate Systems Upgrade (FSU)



New Zealand
**MINISTRY
OF DEFENCE**
Māori: Kaitiaki Take Kōwhiri

- \$440 M + Upgrade of ANZAC frigates to restore capabilities to match contemporary threats
 - Lockheed Martin Canada as the Prime System Integrator
 - TKMSA as design authority
 - Seaspan dockyard in Victoria, Canada
 - Various local industry collaboration including Babcock
 - Various through life support opportunities

6(a)



Sea Ceptor
 (missile system)
 [MBDA (UK)]

Link 16 (datalink)
 [IBM (US) through LMC]

Sea Sensor
 (torpedo decoy)
 [Ultra Electronics (UK)]

NLWS
 (laser warner)
 [Saab Grnbeak/South Africa] through LMC

SMART-S (radar)
 [Thales (Netherlands) through LMC]

NS 9003A-V2 (radar ESM)
 [Elisra (Israel) through LMC]

SharpEye (radar)
 [Kelvin Hughes (UK) through LMC]

PDLT (missile uplink)
 [MBDA (UK) through LMC]

VAMPiR (infra-red search and track)
 [Sagem (France) through LMC]

MASS (missile decoy)
 [Rheinmetall (Germany) through LMC]

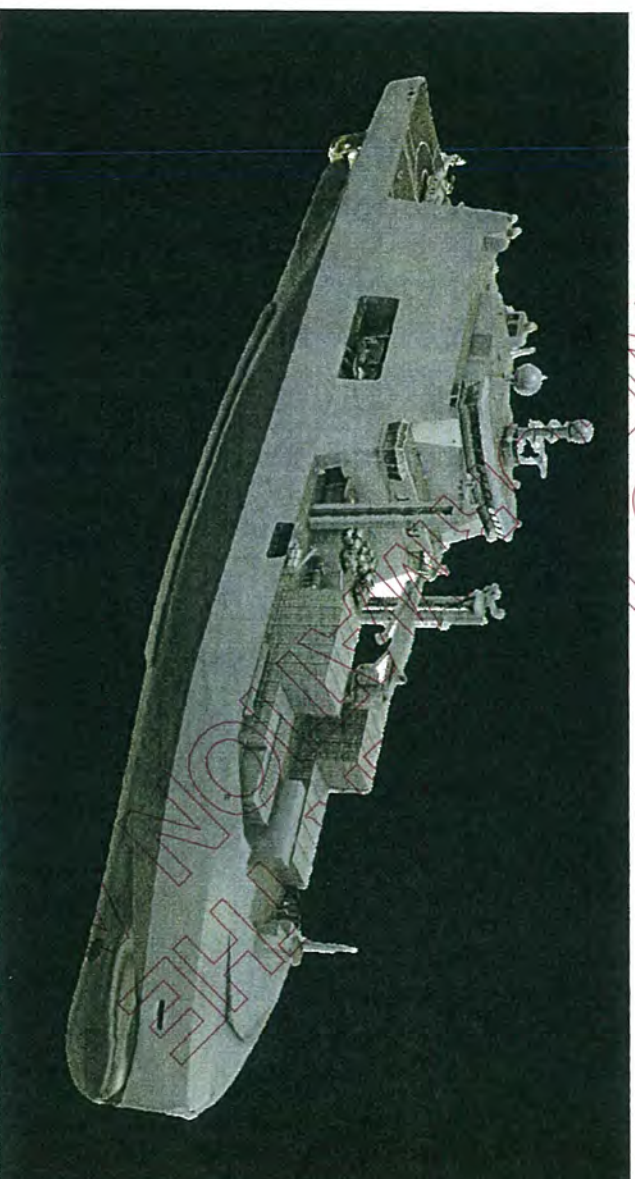
CMS-300 (combat management system)
 [Lockheed Martin Canada]

BSAPS (sonar upgrade)
 [Thales (Australia)]

DLF (floating missile decoy)
 [Airborne Systems (UK)]

Maritime Sustainment Capability

- Tender evaluation process in the final stages
- Two shortlisted contenders both Korean companies “teamed” with UK companies
- NZTE organising industry visit to shipyards
- Will seek government approval to award contract next year.



Maritime Sustainment Capability Tender process underway

C130 Life Extension Programme (LEP)

- \$272 Million, 200,000 man-hours per (50 year old) aircraft
- Last aircraft due for completion first half of 2016 in Blenheim NZ under MOD management
- Local industry involvement includes Safe Air (now AGAP owned), Aviation Labour Group, and others



P3K Orion Systems Upgrade

- \$352 M project
- Prime contractor US company L-3 Communications
- Now practically complete
- Aircraft 2-6 completed at SAFE Air in Blenheim NZ
- Sub-contractor BECA for software.
- etc



Pilot Training Capability

- 11 T-6 Texan II aircraft, 2 simulators, training, 20+ year support etc
- All aircraft and simulators accepted by end of 2015
- First Wings Course and Flying Instructor Course start – Jan 2016
- Beechcraft is Prime support contractor at Ohakea using Safe Air
- CAE Australia support contractor for simulators



NH90 Helicopter

- Eight Helicopters plus one for spares \$771M
- Close to completion of Acquisition phase
- Some technical issues shared with other countries
- Excellent helicopter – supply chain developing
- Some capabilities being developed locally
- Contractors involved in TLS

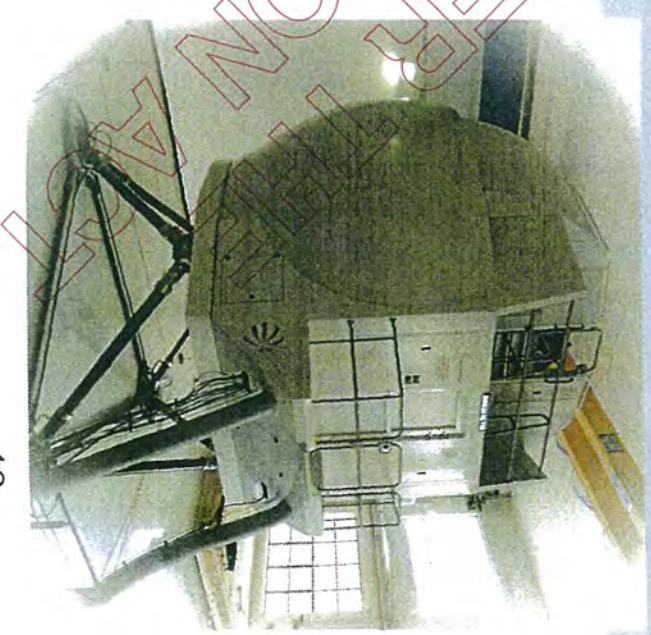
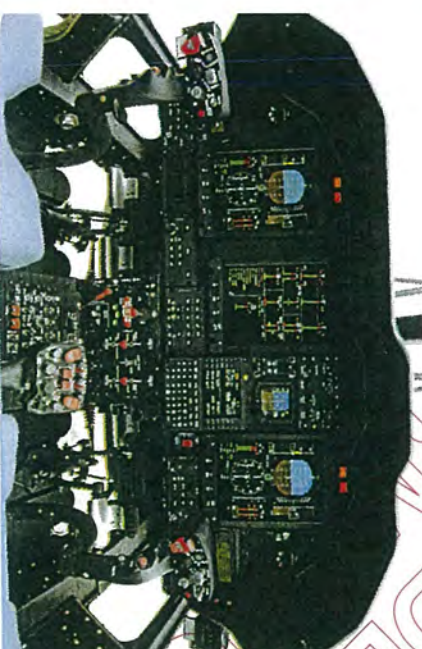


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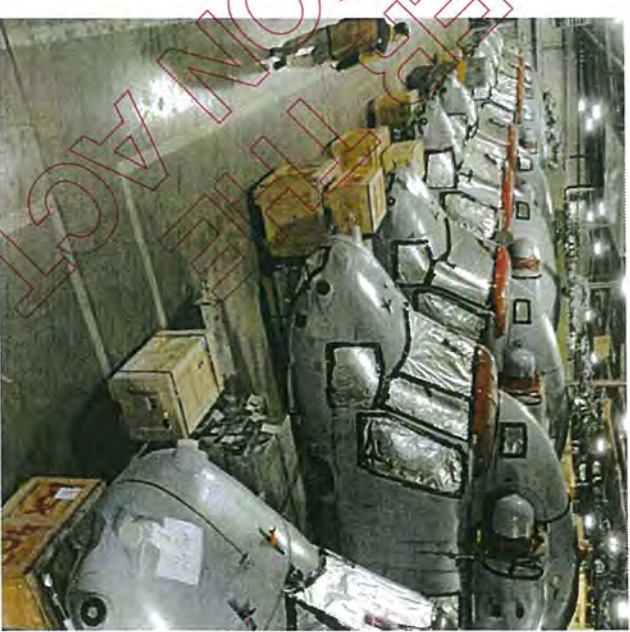
A109 Training / Light Utility Helicopter

- Five helicopters plus one for spares
- \$139M project
- Agusta-Westland - Italy
- Acquisition practically complete
- Almost on schedule
- Flight Training Device
- Excellent helicopter



Maritime Helicopter Capability - Kaman SH2G(1)

- Ex Australian Fleet
- \$240 million project
- 10 Helicopters, software, simulators, Penguin missiles, etc
- All helicopters delivered, simulator accepted
- Sale of existing NZ SH2G(NZ) fleet to Peru
- Local industry involved in MRO, software support etc



Maritime Helicopter Capability - Kaman SH2G(I)



Medium / Heavy Operational Vehicles

- Part of Land Transport Programme
- 200 MAN trucks - follow on from UK buy
- Local company manufacturing the trailers
- Local industry support
- Recovery vehicles



Network Enabled Army

- First tranche of projects now in acquisition phase
 - Battle Management System
 - Common User Bearer Network
 - Radios



Individual Weapon Replacement Project

- LMT weapon selected.
- Subject to due diligence process, satisfactory negotiations etc we will seek government approval to award a contract



LEWIS MACHINE & TOOL LM8MRP

Strategic Bearer Network

- Participation in US Department of Defence Wideband Global Satellite Communications (WGS) programme
- Multinational wideband global satellite subscription
- Terminals, facilities, services on land, on ships etc
- First fixed and relocatable terminals complete
- Second phase – replacement of High Frequency network
- Budget pressures



Other Projects

- Defence Command and Control System
- Littoral Operations Support Capability
- Air Mobility Capability Project – C17, A400M, C130J, C295, C27J.....
- Air Surveillance Capability Project – P3 Orion replacement
- Land Transport *Programme*
- Underwater Intelligence, Surveillance and Reconnaissance (P3Orion) – Preferred tenderer selected
- Special Operations Vehicles
- Light Armoured Vehicle (LAV) upgrade or refresh (Protected Mobility?)
- Battlefield Training Facility
- Etc

Lessons Encountered

- Getting it right in the capability definition phase
- Software integration
- Qualification and Certification
- “off the shelf?”
- Technical Complexity
- Government Acquisition processes take time
- Small fleet sizes to amortize development costs
- People
- Arms Export Control Act (ITARSS)
- Currency exchange rate
- Risk awareness
- Changing requirements, people and administrations over time
- Ambitious targets set in the competitive acquisition process
- PR
- etc

\$5 Billion, 0 Helicopters

u wanted an ominous sign that the Per- on realizes that budget pressures are end, you need look no further than last- k's decision to ax the U.S. Army's over- get Armed Reconnaissance Helicopter- tract. entagon acquisition chief John Young- led the \$6.2 billion contract with Bell Hel-

is steadily utilized to the point that is weight soaked. The Navy got money and ships but cost growth already has l

Delays Snag Canadian Programs Plans To Acquire Trucks, Tanks, Ships, Founder

BY DAVID ...

H-92 Running 4 Years Late

That agreement will according to the details provided by Public Works. Between ...

Schedule Delays for Major Weapons Systems

Dutch projects face delays

All three current projects in-

JP-129 CONTRACT TERMINATED

THE minister for defence, Joel Fitzgibbon, has cancelled a \$145 million contract with Boeing Australia Ltd to supply a tactical unmanned aerial vehicle (TUAV) system for the Australian Army under Joint Project 129. The ADF is now working on acquiring a replacement TUAV system as quickly as possible to support

programmes slip further

airborne early warning and control and multirole tanker/transport - face additional

Despite the disastrous track record, the basic policies and the ... had has on the books, acquisition

Sound Policy, Awful Execution

U.S. Must Follow Acquisition Guidelines

Advisers: 'Business as Usual' No Longer an Option'

After Overruns, 'Business as Usual' No Longer an Option'

RAF's first Chinook HC3 flies after 'reversion' work

WHY OVER BUDGET
 From 2000 through 2007, major U.S. military acquisition efforts ran over budget by a total of \$404 billion. Ways to look at the cost growth (numbers in billions):

WHY IT HAPPENED
 The cost growth would have reached \$445 billion, but DOD cut orders by \$44 billion.

WHERE IT WENT
 These are the major programs that went over budget. Five programs accounted for

U.S. combatant ... show ... not service branches, ac- ... requirements, ac-

Labored Delivery

First flight plans slide as Boeing suffers new fastener issues amid post-strike



New Zealand
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OF DEFENCE**
Kaitiaki Takekōwhiri

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