“Over the next decade we are committed to spending over £178Bn on equipment and support. Defence has a major role to play in delivering the government’s growth and enterprise agenda – the MOD accounts for over 40% of all government spend with industry – and our procurement activity includes some of the most complex and technologically advanced projects in the world. We want to encourage Innovation and wider SME participation throughout our supply chain and will continue to pursue policies and practices that make it easier for new and smaller businesses to identify, compete for and win opportunities with the MOD. This will help us to deliver our vision of a vibrant, sustainable and competitive UK industrial base.”

Harriett Baldwin
Minister for Defence Procurement
Who we are

We are one of the biggest public procurement organisations in Europe, and the single largest customer for UK industry. We have a diverse range of requirements, including everything from military fighting vehicles to facilities management. Our customers include our Armed Forces and national security agencies.

Our aim is to ensure that our customers are provided with the best capabilities to enable them to protect the UK’s security and to advance the UK’s interests, both now and in the long term; and in doing so, to obtain the best possible value for money for the taxpayer.
The areas we work in cover:

**Technology:**
cloud and digital, network services, software and technology products and services

**Equipment & Support:**
ships, submarines, aircraft, vehicles, weapons, missiles, commodities and support (maintenance and repair)

**Infrastructure:**
construction, hard and soft facilities management, property consultancy

**Information Systems and Services (ISS)**
provide Information and Communications Technology (ICT) to defence, spending around £1.7Bn annually on eg computers / telephony that everyone would recognise, to specialist military capability like smart headsets for troops, remote navigation systems and even satellites. They also monitor and defend our networks to ensure they are safe and secure.

The **Defence Equipment and Support** organisation (a bespoke trading entity) is responsible for the procurement and support of ships, submarines, aircraft, vehicles and weapons. Staff work across the UK and abroad within operating centres, naval bases and project teams. The **Defence Infrastructure Organisation (DIO)** supports our Armed Forces by building, maintaining and servicing the infrastructure needed to support defence. Other organisations include **Team Leidos**, logistic specialists in procurement and inventory management of fuel, food, clothing, medical and general supplies. The size and complexity of many of our projects means that we need to work closely with our Key Suppliers* to ensure delivery of the defence programme. We advocate the use of competition wherever appropriate both in our direct contract opportunities and throughout the supply chain. Opportunities therefore exist for suppliers of all sizes, from large established defence contractors through to innovative smaller businesses, to get involved in our procurement activity both as a prime supplier and as a sub-contractor.

*These are currently Airbus, AWE, Babcock, BAE Systems, Boeing, Capita, DXC, Leonardo, Lockheed Martin, MBDA, QinetiQ, Rolls-Royce, Serco and Thales
Why choose us

We believe that the variety of our procurement activity coupled with the size of our spend makes defence an attractive place to do business. However we recognise that the size of the department can be daunting for prospective suppliers, and especially smaller businesses working with us for the first time. To address this we have launched a number of initiatives to make life easier for our suppliers.

- We spend approximately £19Bn per annum with UK industry.
- We’re making it easier for smaller businesses to find opportunities and compete for contracts by introducing a new supplier portal.
- We’re committed to continuously developing our commercial expertise and seeking innovative solutions for our customers.
- We’re making public sector procurement simpler and more transparent eg by introducing a new short form for terms and conditions and by publishing our pipeline.

We use competition as our default position. However, there will be times when this may not be possible for the protection of our national security. We advertise our requirements widely and use several channels to help suppliers access public sector contracts (detailed overleaf).

Our commercial policy priorities

We are committed to delivering the best value for money in our procurement activity, and we are seeking to improve this further by:

- Improving access to our market for new, innovative suppliers and particularly smaller businesses. We want at least 25% of our procurement spend to go to SMEs both directly and indirectly by 2020.
- Increasing visibility of our future contract opportunities through a published pipeline and advertising both direct and sub-contract opportunities in one place through Defence Contracts Online.
How we procure

The European Union Procurement Regulations drive UK law for public sector procurements and alongside MOD procurement policy provide the overarching control framework for all procurements. This means that, as a public sector organisation, we procure in a different way to industry. Using competition as our default position, we set objective tender selection criteria, we are fair and transparent, and we will be held accountable for procurement decisions in a way the private sector is not. Our principles include non-discrimination (on grounds of nationality), equal treatment (of all suppliers), transparency (act in a fair and non-discriminatory manner), and mutual recognition (of equivalent documents and standards).

Our procurement activity is consistent with the CADMID (Concept, Assessment, Demonstration, Manufacture, In-Service, and Dispose) cycle.

Opportunities for businesses

There are exciting opportunities for new, non-traditional and adjacent sectors to do business directly with the Ministry of Defence and indirectly with our Key Suppliers at sub-contract level. The programmes we support are detailed in the Defence Equipment Plan; these include equipment/infrastructure and the defence estate.

We advertise our tender and contract opportunities widely. We use the government’s ‘Contracts Finder’ portal; here central government departments and other public bodies advertise tender and contract opportunities valued at £10,000 and above. Access to Contracts Finder is free of charge.

We also advertise tender and contract opportunities valued over £10,000 in the Defence Contracts Online (DCO) portal. Access and registration to the MOD’s opportunities in the DCO portal is free of charge. For sub-contracting opportunities we suggest you also engage with defence contractors’ websites.

Our contract opportunities which are subject to the EU Public Procurement Regulations and valued at, or above, the EU thresholds, and which are not exempt from advertising, are advertised in the Official Journal of the European Union (OJEU) as well as in DCO. Requirements below £10,000 are often one-off projects bought in accordance with our

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internal policy for low-value purchasing (known as Joint Service Publication 332). JSP 332 is intended as a guide, designed to be used by staff responsible for low-value purchasing and the electronic purchasing card.

We recognise SMEs have a great deal to offer in promoting economic growth. We are working to help SMEs, including social enterprises and charities, gain a greater share of defence-related business. For more information, please see our refreshed SME policy, launched in March 2016.

Want to know more?

To find out about supplying defence and how we can help you, please get in touch. The MOD’s Doing Business with Defence Team provides advice and guidance to companies interested in becoming suppliers to defence. The team will, on request, explain:

- How to become a defence supplier
- How to access MOD tender and contract opportunities online and free of charge
- The procedures and processes that MOD uses to buy a wide variety of goods and services

You can meet the team at various exhibitions, seminars and ‘meet the buyer’ events each year at locations across the UK where they will deliver ‘Doing Business with Defence’ presentations, where appropriate.

You can also follow us on Twitter @defenceproc for up to date news on events and opportunities.

Contact details:

Strategic Supplier Management ‘Doing Business with Defence Team’
Poplar 1, #2119, MOD Abbey Wood, Bristol, BS34 8JH

Telephone: 0151 242 2000
Email: dbscs-ecfinanceteam@mod.uk
We want to encourage Innovation in our business and attract new and non-traditional suppliers to the defence supply base both directly with MOD and with our Key Suppliers. Our customers have put Innovation high on their agenda and we expect this to be reflected in their future requirements. SDSR 2015 identified Innovation as a central theme reflecting the changing global security and technology landscape. Technology is creating both threats to and opportunities for the UK’s security and prosperity, and Innovation is vital to maintaining our military advantage.

We have set up a new Innovation Fund (£800M over 10 years) to encourage better collaboration with industry, academia and allies, and target new providers to boost the competitive advantage of UK defence and find answers to our most pressing national security questions from across sectors at pace.

There are a number of organisations which support innovative ideas from suppliers and these include:

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The Defence and Security Accelerator

The Defence and Security Accelerator (DASA), which forms part of the Defence Science and Technology Laboratory (Dstl), focuses on Innovations which can provide advantage to defence and national security to protect the UK from its adversaries. It funds the development of suppliers’ innovative ideas and provides support through to potential application. The Accelerator will also fund Innovations for defence and security which support economic growth and prosperity in the UK.

The Defence Growth Partnership

The Defence Growth Partnership is a unique collaboration between UK government and leading companies from the UK defence industry. It has been formed to meet the challenges of increased international competition for defence business, and has created a collaborative environment to enable the UK to offer the very best solutions to defence customers, tailored to meet global customer needs, including the MOD.

Innovate UK

Innovate UK is an executive non-departmental public body, sponsored by the Department for Business, Energy & Industrial Strategy (BEIS). They work with companies to de-risk, enable and support Innovation and run competitions for funding in different industry sectors, including the Small Business Research Initiative and an open competition for applications from any sector. They also provide ‘connecting services’ including business advice for SMEs.

The UK Defence Solutions Centre

The UK Defence Solutions Centre (UKDSC) was established as an independent entity in 2015 and works to make the UK defence industry more successful in exports through:

- Better alignment with UK Government
- Better collaboration within the UK value chain
- Stimulating Innovation and investment from a broad range of sources

Created as part of the implementation plan for the Defence Growth Partnership (DGP) and jointly funded by government and industry, the UKDSC works closely with the Department for International Trade’s Defence & Security Organisation (DIT DSO), the UK Government, and the best of the defence industry, academia and R&D.
**Related information**

**How to sell defence related-goods and services overseas:**

The Department for International Trade Defence & Security Organisation’s (DIT DSO) Small Business Unit provides dedicated support for UK SME companies that are looking to win defence and security business overseas.

You can contact the DIT DSO Small Business Unit via email at: ditdso.smeenquiry@trade.gsi.gov.uk

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**European Defence Procurement**

The MOD is a member of the European Defence Agency (EDA), an intergovernmental agency of the European Council.

The EDA’s Defence Procurement Gateway provides defence related business opportunities and information at the EU and national-level.

The EDA supports the Member States and the Council in their effort to improve European defence capabilities.

Work is ongoing and focused on:

- Access to markets
- Information and funding
- Defence research and technology
- ‘Cluster building’
- Business Innovation
Opportunities and Innovation in the Defence Supply Chain