



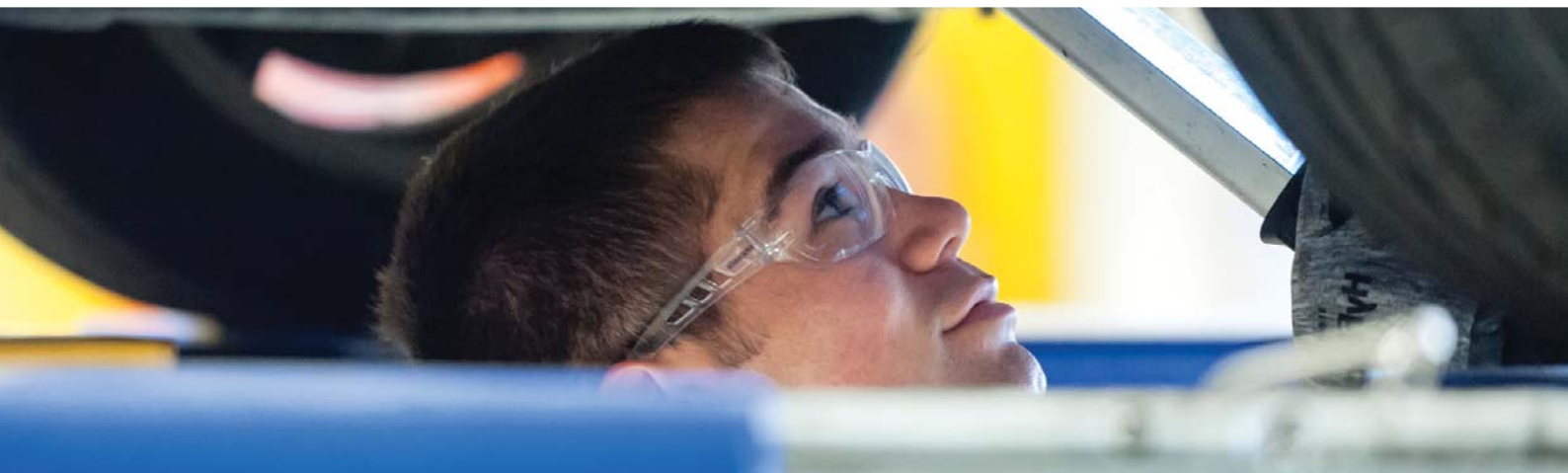
THE NEW ZEALAND DEFENCE CAPABILITY MANAGEMENT SYSTEM

NOVEMBER 2016



SMART CUSTOMERS AND SMART SUPPLIERS

OUR STRATEGY FOR ENGAGING WITH INDUSTRY





Staff at work at the Defence Technology Agency

Published November 2016

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Defence-Industry but especially:

- Defence policy development
- Long term planning
- Acquisition of large capability
- Business consultancy services.

OTHER IMPORTANT CONTACTS

Defence Industry Association
www.nzdia.co.nz

Government Electronic Tender Service (GETS)
www.gets.govt.nz

Government procurement website
www.procurement.govt.nz

NEW ZEALAND DEFENCE FORCE

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- Logistics services and supplies
- Information and communications technologies
- Health and health services
- Business consultancy services
- Commercial services
- Defence property
- Capability planning & requirements
- Capability Introduction into Service and through-life management
- Capability disposal



A member of 2 Engineer Regiment undertaking construction tasks

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Foreword

As the Secretary of Defence and the Chief of Defence Force, it is our responsibility to ensure that our people have the means to do their jobs as and when asked and as safely as possible.

Government requires Defence firstly to develop a wide range of policy advice on the future environment and to consider capability options to meet likely future contingencies. Secondly, it expects a Defence Force that is flexible and able to conduct concurrent operations, from humanitarian assistance and disaster relief, to search and rescue in the Southern Ocean, to participating in peacekeeping missions, and with our partners, in high-end military operations.

Industry has a key role in helping Defence achieve these expectations. Local and international firms are engaged more than ever before, working with Defence on supplying and maintaining a modern, well-equipped and capable Defence Force. Defence spends over \$600 million annually on goods and services, with most going into the local economy. This will continue to grow as commercial enterprises demonstrate that their skills and expertise complement the expertise of our people across all areas of Defence's activities.

Looking ahead, the Government's investment in the Defence Force will grow. The 2016 Defence White Paper signalled investment of around \$20 billion over the next fifteen years in new capability and infrastructure. This includes replacing all our major assets and re-capitalising the Defence Estate. It also includes a major restructure of the way all equipment (and Defence holds around 100,000 line items) is stored, maintained, used and replaced.

It is our intention for Defence to aspire to excellence in capability development, acquisition and through life support, and to be recognised as an international exemplar of capability management. By world standards, we are a small Defence Force, but this should make it easier for us to set the standard for innovation and for this to happen we need to work closely with Industry. Good, two-way communication on what we need to do and what Industry can contribute will be key.

We will be looking to Industry for engagement earlier in our planning and procurement cycles. This Strategy sets out how Defence will set out its future capability intentions more clearly and consistently. We will also be inviting Industry to become more involved in our early policy and planning activities by assisting with the information and thinking we require for informed decision-making. We seek to tap into the future thinking and the outcomes of research and development from Industry that can offer us choices for what we do and how we do it and can provide challenge to our thinking and planning.

Defence, as with all government agencies, is under public scrutiny to demonstrate value for money and to find efficiencies in all areas of operation. Our men and women, uniformed and civilian alike, are some of the best. To concentrate on what they do, we need to increasingly rely on Industry to bring what they do best, freeing up our people to deliver the job they signed up to do.

This Industry Strategy reflects how Defence and Industry need to adapt for mutual goals. It puts a priority on the principles and behaviours that will deliver the best New Zealand can provide to world peace and security, backed by policies, capabilities, and goods and services that are proven, reliable and safe. Together we will ensure we have a strong, prepared and sustainable Defence Force for the future.



Helene Quilter
Secretary of Defence



T.J. Keating MNZM
Lieutenant General
Chief of Defence Force



New Zealand Army Personnel at Linton Military Camp undertaking refuelling tasks

Vision of the Future

WORKING WITH INDUSTRY TO DELIVER ENABLING CAPABILITIES, GOODS, AND SERVICES

In May 2016 Defence (the Ministry of Defence and the New Zealand Defence Force) published its vision for excellence in capability management and to be recognised as an international exemplar. The vision foresees a system that operates across all phases of the capability life-cycle from strategic policy to identifying the capabilities required to deliver it, and then to acquiring, delivering, operating, and eventually disposing or replacing them. The people who make up this end-to-end system are focused on delivering outcomes, not just the processes themselves.

Industry is the strong foundation to this vision. Significant Government investment in Defence over the next 20 years will provide opportunities, especially for New Zealand Industry, to continue to work with Defence to support and maintain existing and new capabilities, providing niche technology solutions, and partner with international suppliers. Additionally, the significant investment in the Estate modernisation programme will require a close partnership between the Defence Force and the local construction Industry.

This Engagement Strategy now focuses on, expands and explains how the vision will be achieved. The Exemplar stated:

“There is a critical interdependence between Defence and its commercial and industrial partners. Defence requires the best from Industry to deliver capability projects on time and to budget, just as Industry requires Defence to support and trust the partners it contracts with in order to maintain their ongoing viability.

Defence takes a whole-of-life focus when acquiring and maintaining military capabilities. It draws on a complementary mix of international and local suppliers to maximise value for money for the New Zealand economy. New Zealand-based Industry benefits from sharing in Defence's adoption of new technology and is able to increase its scale of activities through innovative partnering with international suppliers and Defence.

Defence is openly receptive to the values its relationships with Industry bring. Maintaining good two-way communication is important and parties are open with their plans and requirements. This communication extends to the information sought and provided at an early stage of capability development. Requests for information from Industry are well specified and seek equipment requirements as well as servicing and cost profiles based on user experience and through life maintenance support. Both Defence and Industry have a good appreciation of the behaviours, cultures and constraints on the other party and are open and tolerant to alternative thinking.

Working with Industry and Defence are the Defence Technology Agency (DTA), the Crown research institutes and New Zealand's universities. These research agencies are involved throughout the capability life cycle to inform thinking on current and future technologies and trends. They are also engaged to help solve particular problems and issues, especially technology-related that arise during capability planning, introduction into service and through life support.”



New Zealand Army personnel undertaking training in the Waiouru Training area

Purpose of this Document

SMART CUSTOMERS AND SMART SUPPLIERS:

Our strategy for how Defence will interact, engage and share information with Industry

This Strategy sets out how Defence and Industry should interact. It builds on existing bodies of work, including Defence Industry – Optimising New Zealand Industry Involvement and The New Zealand Defence Capability Management System – An International Exemplar.

Both of these are available from the Defence website at www.defence.govt.nz

The purpose of the New Zealand Defence Force is to conduct a range of tasks required by the Government, from humanitarian assistance and disaster relief, to search and rescue, to peacekeeping missions and high-end military operations. To do this safely and effectively, Defence's goal is to acquire the right military capability at the right time for the right price and in the right way. To be a smart customer Defence needs to increase its knowledge of Industry's capabilities and capacity to deliver.

Industry's goal is to deliver and support the required capabilities, goods and services and thereby remain a sustainable enterprise. Increasing Industry's knowledge of how Defence goes about acquisition and sustainment and understanding Defence's future plans will help to level the playing field and position Industry to compete as a smart supplier.

GOOD ENGAGEMENT BETWEEN INDUSTRY AND DEFENCE IS ALL ABOUT:

- Setting the right expectations
- Getting the right two-way communications
- Being open to early partnership engagement
- Respecting each other's culture
- Making the effort to understand the constraints that each party works under.

DEFENCE IS COMMITTED TO FIVE ENABLING PRINCIPLES

1. Early engagement
2. Effective two-way communication
3. Whole of Life view of matériel
4. Collaboration and partnering
5. Commercial good practice



The Aviation Labour Force group working on the interior of a C-130 Hercules as part of the Life Extension Programme

WHY ENGAGE?

FOR DEFENCE

- To obtain the best capabilities, products and services at the best value for money so that our people are better equipped, smarter and safer on the front line.

FOR INDUSTRY

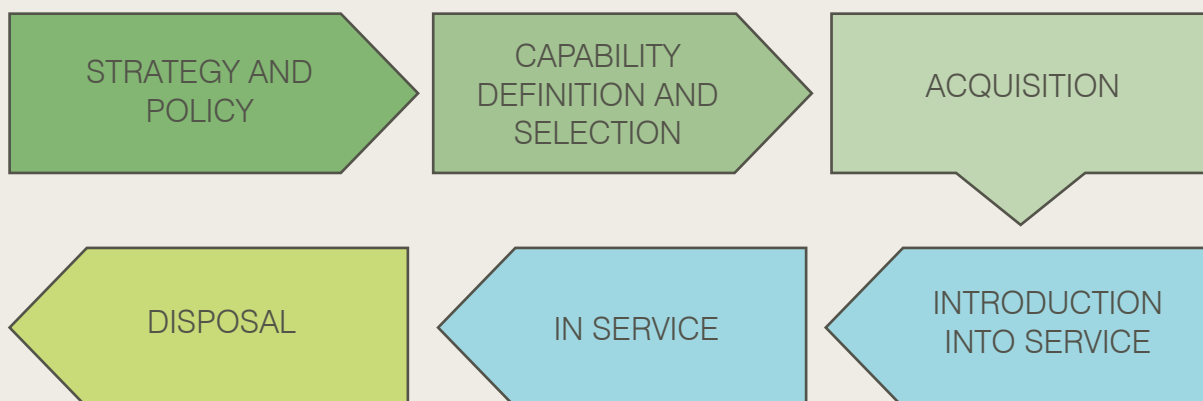
- Understand Defence's longer term plans for what it does, where it will be based and what it is likely to do. This should enable Industry to make informed research and development decisions, investment and strategic partnering decisions
- For international defence companies, an efficient means of identifying and contacting local suppliers with whom to partner as an alternative to setting up a local subsidiary.
- To have a forum through which to identify like-minded local and international organisations, where networks and partnerships can be explored and formed.
- New Zealand businesses supplying Defence through a prime contractor may also have the opportunity to be involved in much larger global supply chains than they would have otherwise. This provides them with the foundation capabilities to springboard into other markets

INFORMED DEFENCE DECISION-MAKING RELIES ON GOOD ENGAGEMENT

Defence has long planning cycles, especially for larger capabilities. The Government indicates its broad intentions in periodic Defence White Papers and the Defence Capability Plans, both of which are available from the Ministry's website at www.defence.govt.nz.

Regardless of whether we are procuring goods and services or large capabilities, Defence broadly follows a six-step cycle. Each step is accompanied by information gathering and decision points.

PHASES OF THE CAPABILITY LIFE CYCLE





Loading HMNZS Canterbury with supplies for the humanitarian assistance and disaster relief operation in Fiji following Cyclone Winston.

At each life-cycle phase Defence needs to be better informed than in the past and engagement with Industry will lead to better, more informed decisions.

This is especially true for the business cases that Defence now needs to produce for all investment decisions, large and small. These cases need to demonstrate that a wide range of options have been considered, that a consistent set of evaluation criteria have been applied, that a whole of life focus on costs and delivery has been applied and recommended options provide value for money.

Sourcing and presenting the information needed for these business cases is now a major focus for Defence and this requires more Industry involvement and engagement than ever before. The process also encourages Defence to consider a wider range of options including alternative ownership models, although this is less applicable for combat capabilities. The result is a greater need for good information from Industry to inform these business cases.

Defence, too, needs to be clearer on the questions it is asking and the information it is seeking. It also needs to be clearer on the outcomes it seeks to achieve.

We are conscious that responding to a Request for Information is a voluntary part of the engagement process. Defence does not use the information to select vendors or commit to a contracted outcome. Industry chooses whether to respond with information as this costs time and resources.

DEFENCE GOALS

- Be more open about what we are doing and about what we need, when we need it and what we will do with it (the effect we want to achieve)
- Clearly and succinctly articulate the capability or outcome sought and the process to be undertaken
- Be realistic about what Industry can and cannot do. Recognise that responding to a Request for Information is voluntary and Industry may choose hold off responding, reserving their resources for a later tender process
- Set and manage expectations as early in the process as possible
- Communicate early with the market so that plans and intentions are well understood. Be open to early engagement to explore innovative solutions where these are possible
- Respect commercial-in-confidence
- Set up clear and consistent lines of communication. Develop communication channels to clearly and concisely explain what Defence is planning and who the person is to contact
- Make the time and effort to meet and discuss Industry's questions, concerns and opportunities.

INDUSTRY GOALS

- Industry wants to better understand Defence's challenges so it can create better products and move innovative solutions
- Be realistic about what Defence can and cannot do for Industry. Understand the drivers for Defence and their requirements and resource constraints
- Clearly articulate the unique selling points of products or services, succinctly and honestly in terms of the value that Defence would derive
- Engage early with all parties – Defence and potential partners
- Respect Defence requirements for confidentiality and adherence to security requirements as appropriate
- Be responsive to Defence's Requests for Information, reflecting areas of uncertainty and absence of data
- Recognise that Defence is operating on a global stage, and for major capabilities Defence will need to reduce risks by engaging a global defence contractor
- Talk to Defence about setting up strategic alliances with Defence and with other companies.



C-130 Hercules Upgrade Programme
at Woodbourne Air Force Base, July 2014.

WORKING WITHIN THE RULES

Defence and Industry operate under differing sets of legislation, compliance and rules that can appear at times to be in conflict. It is important that these are recognised and understood.

DEFENCE CONSTRAINTS:

- Defence applies the Government Principles and Rules of Sourcing in engaging the market and implementing this strategy
- The Public Finance Act, the Defence Act, the Official Information Act and a plethora of other legislation also apply
- Defence is spending taxpayer money. It must be able to demonstrate it is being prudent with money. All spending must be justifiable and Defence is called to account by the Minister, by Parliament (through the Select Committee), the Auditor General, and the public of New Zealand through the news media
- Some of the things Defence does and the capabilities it has need to be kept secret. So too does information provided in confidence by Industry
- Defence needs to demonstrate value for money in all activities. This includes taking a whole of life approach to acquisition and through-life support. It does not mean “the cheapest”
- Agreements with partners and allies sometimes limit who Defence can work with and how it is managed and maintained
- Despite operating in some of the most risky areas of the world, Defence can be a risk-averse organisation. It pays a premium to be confident that the capabilities, goods and services it uses are fit for purpose in the most hostile environments and the people and industry behind them are up to the task and will be there when needed.



Aerial photograph of Ohakea Air Force Base

DEFENCE'S PRINCIPLES OF ENGAGEMENT

Defence will be open, transparent, accessible and trusted. This includes operating and maintaining:

- An open and ethical high integrity environment
- Vigilance against fraud and corruption
- Communications which are proactive and in plain English
- Two-way outreach programmes to Industry, universities, interest groups, research organisations, innovation incubators and technical institutions
- Early engagement to enable Industry more time to consider future defence investments, and allow more opportunities for New Zealand small and medium enterprises to partner with prime contractors delivering larger initiatives.

DEFENCE IS COMMITTED TO FIVE ENABLING PRINCIPLES

1. Early engagement
2. Effective two-way communication
3. Whole of Life view of capabilities
4. Collaboration and partnering
5. Commercial good practice.

EARLY ENGAGEMENT

Early engagement between Defence and Industry is:

- Focussed on ensuring Defence and Industry can become informed buyers/suppliers
- Greater Industry involvement in the early policy and capability planning stages, especially the provision of support to decision-making and the opportunity to provide challenge and alternative ideas
- A deliberate programme of outreach to professional advisors, universities, technical institutions, Industry and interest groups.

Early engagement is not:

- Formal market engagement. How Defence undertakes Requests for Tender or Proposals is described later in this strategy
- Supplier management. It involves more than existing suppliers and their current goods and services
- Just listening to suppliers pitching their capabilities. This is only a small part of the activity.

Well planned, well executed early Industry engagement can save time for Defence and Industry alike. If unplanned, it can lead to confusion and poor outcomes.

Engaging early allows time for parties to deliberately foster innovation in the supply of capabilities, goods and services and to build collaborative relationships between potential prime contractors and sub-contractors

Defence remains committed to an open, ethical, high integrity environment in all its relationships with Industry. Defence needs to remain impartial in order to ensure robust competition.



Minister of Defence Awards of Excellence to Industry, October 2014

EFFECTIVE TWO-WAY COMMUNICATION

Effective communication is the enabler of the relationship between Defence and Industry. We need to:

- Be clear about the scope of any consultation and decision-making processes
- Strive for effective communication that seeks to remove duplication
- Establish consistent single points of contact for Industry
- Ensure a single source for the messages we send to Industry
- Be open, pro-active and equitable in the provision of information to Industry
- Be receptive to innovation, ideas, knowledge and experience of Industry.

We are setting up new digital communication channels. Opportunities for Industry will be maintained on these channels and communicated through forums, project specific Industry days, Industry associations and consultative committees in meaningful two-way engagement.

WHOLE OF LIFE FOCUS

Many Defence assets are operated for much longer than similar equipment used by commercial operators. Some of Defence's aircraft are over 50 years old and the P-3 Orion aircraft for instance will be nearly 60 when they are finally retired from service. Keeping this equipment in good running order is a major undertaking for Defence, especially if the original equipment manufacturer no longer exists.

Defence also owns a large number of smaller assets. Excluding land and estate, assets have a book value of around \$3.1 billion. Nearly \$800 million of this is represented by 12,000 lines of operational equipment totalling over 100,000 items, all of which need to be brought onto the inventory, checked, serviced and repaired, and replaced either at end of life or when damaged beyond repair. Defence's Logistic Command has an annual budget of around \$150 million with which to manage and maintain all this equipment.

This asset base needs to be appropriately managed to get the best value for money for the taxpayer. Increasingly, Defence is partnering with Industry to get the best through life support solutions. Long term partnering and the sharing of capability goals and aspirations allow ongoing development of technology refreshes and mid-life upgrades.

Defence now takes a long term view of asset management at the time replacements or new capabilities are being considered. How the capability will be managed and supported through life and by who is now the focus in business cases. Costs of through life support are also being considered early and form part of the evaluation process.

Requests for information from Industry now seek ideas in the areas of through life logistics and maintenance support and cost and risk profiles based on user experience.



Personnel from 40 Squadron participating in Exercise Skytrain, July 2015

PARTNERSHIP AND COLLABORATION TO ENHANCE INDUSTRY OPPORTUNITIES

Defence is open to partnering with Industry on opportunities for technological innovation, co-design, joint investment and enhanced service delivery. Partnerships usually involve an agreement between the parties to pool their assets and intellectual property into one collective offering for shared benefit.

Defence and Industry will also seek to further develop Industry relationships into trusted partnerships and use these partnerships to discuss and resolve complex business and technology issues.

Collaboration is less formal than a partnership and allows for the potential to create alignment between Defence needs and Industry capabilities and capacity. This is expected to be in the areas of the supply of goods and services and the solving of specific but complex problems. Defence and Industry are keen to explore opportunities for joint experimentation, to solve an issue, test new ideas or gain familiarity with emerging technologies that Defence may acquire in the future.

In addition, there are a number of existing avenues for Industry to engage with Defence. Our White Paper public consultation process is one such example. Defence is looking to create opportunities for Industry to bring ideas, future concepts and decision-support practices in the development of policy and future capability choice.

Other opportunities for Industry to engage early include:

- The New Zealand Defence Industry Association membership networking opportunities, industry briefings, website and forums
- Industry Days for specific projects (published on Government Electronic Tender Service)
- Visits by Defence personnel to your facilities
- Industry events.

Defence is interested in new product development but at an early stage of development we may involve other organisations that can help Industry with technology and funding. These other agencies include:

- Defence Technology Agency – linking Defence Industry to academia and commercialisation
- Callaghan Institute
- Ministry of Business Innovation and Employment

EMBEDDING COMMERCIAL GOOD PRACTICES

Good business decisions are based on good knowledge. Like any sound commercial enterprise, Defence is required to make sound investment decisions when acquiring assets, supporting those assets, developing infrastructure and maintaining capability to meet exacting standards.

In order to meet these objectives, Defence is involving Industry early in the definition phase of investment decisions.

EARLY ENGAGEMENT IS NOT FORMAL MARKET ENGAGEMENT

Defence and Industry need to share information but there are constraints and rules. Early Industry engagement is focussed on ensuring Defence is a smart buyer and Industry a smart supplier. At this early stage Defence has not decided what, if anything, it may be interested in acquiring. Each party is building up a picture and knowledge base around Industry capabilities and Defence plans. This is an open, active dialogue and there are few constraints on activities.

Defence may issue a Request for Information (RFI) to solicit ideas and information about a particular issue. This is not a signal that Defence is committed to a particular project or solution. Government can, and does, reject proposals at this stage. Nor does Defence use the RFI process to screen or pre-select suppliers or solutions. Defence is appreciative of the information it receives to an RFI and is bound by confidentiality but the process neither rules suppliers in or out of future contention.



HMNZS Te Mana in dry dock at Devonport Naval Base during its Platform Systems Upgrade

FORMAL ENGAGEMENT

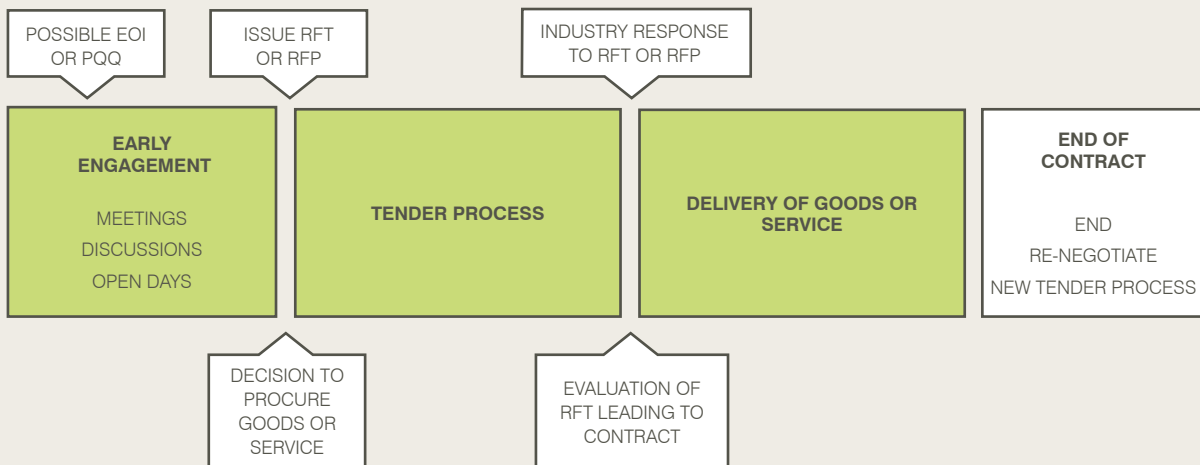
In contrast to information sharing, formal market engagement involves a decision by Defence to procure particular goods or services. This will be through a formal, legal process that will result in a contract to supply to meet agreed specifications at an agreed price.

Defence will usually issue a Request for Tender, where the outcome, effect or solution is specified, or a Request for Proposals where Industry is invited to offer solutions to a defined outcome requirement.

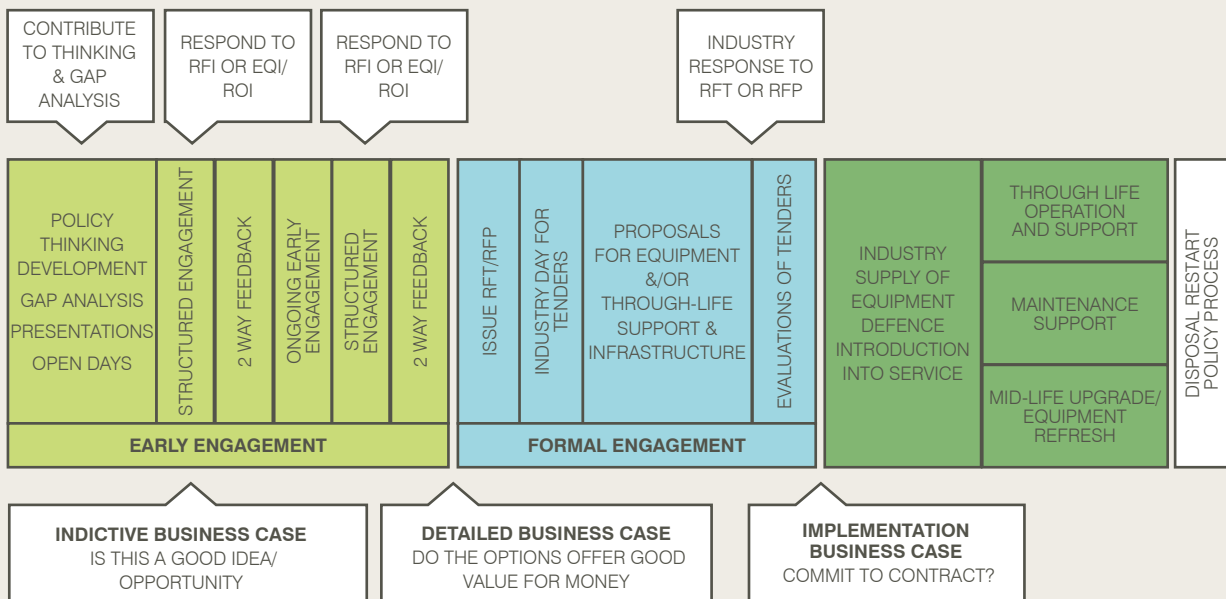
We have slightly different processes and timelines for acquiring and supporting major military capabilities compared to smaller procurements of goods and services. This is mostly driven by our, and the government's, decision-making processes.

Typical timeline for engagement for routine procuring of capability, goods and services

(For explanation of abbreviations, see back page)



Typical timeline for engagement for procuring and maintaining major defence capabilities





An employee of Babcock International Group at work at Devonport Naval Base

WHAT IS DEFENCE DOING TO IMPROVE ENGAGEMENT?

SETTING UP THE DEFENCE INDUSTRY ENGAGEMENT TEAM

Defence is a complex organisation and it operates in a government environment that is even more complex.

In order to overcome the challenges Industry can face in dealing with an extensive range of stakeholders, end users, decision makers, procurement teams and capability planners, Defence has established the **Defence Industry Engagement Team**, with the appointment of new people who know and understand Industry.

The team consists of full time engagement specialists within the Ministry of Defence and the New Zealand Defence Force. Engagement with our team will range from current supplier relationship management through to early engagement on future plans and projects.

The team is already working to provide efficient access for Defence and Industry to exchange information, experience and knowledge throughout the entire capability lifecycle.

Systems and structures are being put in place to allow the whole team to seamlessly engage with Industry. Knowledge sharing, capability databases, coordinated engagement and efficient use of resources are the expected behaviours within our team.

COMMITMENT TO CONTINUOUS IMPROVEMENT IN STYLE AND CONSISTENCY

Defence seeks to provide Industry with a consistent and professional experience when responding to tenders or engaging on commercial opportunities. This should involve commonality of processes, templates and consistent application of policies and regulations

Defence is committed to improving communications and engagement with Industry. Initiatives underway include the following. If there is more we could do, please let us know

- Better information on projects will be made available through electronic knowledge sharing platforms including the Defence websites (www.nzdf.mil.nz and www.defence.govt.nz), the Government Electronic Tenders Service (GETS) and social networking initiatives
- Feedback mechanisms are being established to provide useful information on Industry's interactions, especially on tenders and Requests for Proposal
- The engagement of the new Defence Industry Engagement Team - professionals within Defence dedicated to early engagement co-ordination and management
- Exchanges of staff between Defence, other Government agencies and Industry in order to promote better understanding and transfer commercial knowledge and experience
- Standardised documentation in the plain English
- Annual programmes of "Industry days" at Defence facilities and regular opportunities for Industry to exhibit, such as at the annual Defence Industry Association forum
- Local Industry "share of the pie" information to be recorded and reported at regular intervals
- Relationship Management Plans for Project Managers, Programme Directors and Development teams
- A public calendar showing all Industry Engagement events in New Zealand and Australia
- Respondents to Requests for Tender will be required to present their New Zealand Industry Engagement Plan. A template will be made available making it easier for them to engage.



A member of the Royal New Zealand Air Force Logistics team busy at work

NEW INDUSTRY INFORMATION ON WWW.DEFENCE.GOVT.NZ – ENGAGEMENT CALENDARS AND MORE

- The Ministry of Defence is developing a dedicated section of their website with information tailored specifically for Industry working with Defence. It will enable Industry to access and search capability-specific information as well as receive updates on news, legislation and regulation changes. The site will be used by Defence to maintain a capability knowledge database for better alignment to opportunities
- The website will facilitate communication between Prime Contractors, potential Prime Contractors and local businesses that want to supply goods and services for a project
- For Industry, detailed “Capability Project Pages” include information about process, status, timelines and contact details
- The website will maintain a calendar of events including meetings, conferences and Industry open days as well as dates when Requests for Information or Tenders close
- We will be constantly looking for ways to improve and optimise engagement with our Industry partners and we welcome your feedback on the website.

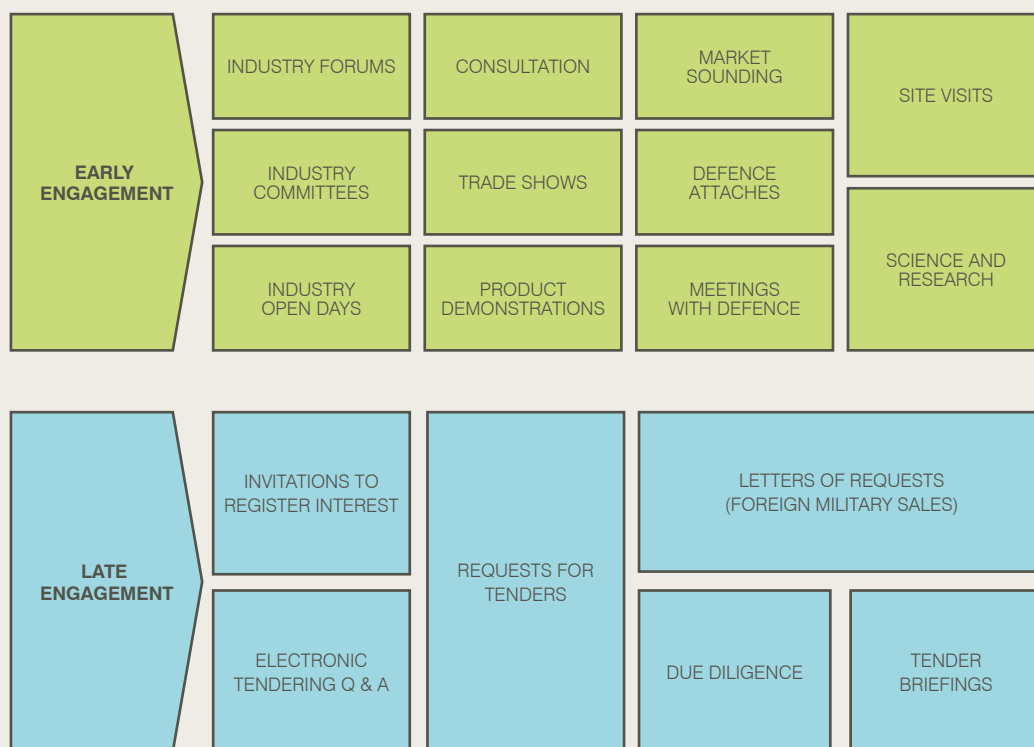
OPPORTUNITIES ARE ALWAYS ADVERTISED ON GETS – WWW.GETS.GOV.T.NZ

Defence makes public all of its requests through the Government Electronic Tenders Service (GETS) at www.gets.govt.nz. Registration is free and all Industry suppliers are recommended to use the service.

DEFENCE TOUCH POINTS WITH INDUSTRY

Defence touch points with Industry are shown in the figure below:

TYPICAL INDUSTRY / DEFENCE INTEGRATION TYPES:





On board a Royal New Zealand Orion aircraft during a maritime surveillance patrol

WHO'S WHO IN DEFENCE

Defence has many Divisions, Services, Branches and Commands, all of which are involved with managing capabilities, equipment, goods and services from Industry. Simplification is happening. The acquisition of large capital items is led by the Ministry of Defence. Other matériel, goods and services are managed by the Defence Force, increasingly through a smaller number of consolidated procurements.

The key parts of the organisation are listed here. Contact details are inside the front cover.

AGENCY/DIVISION	RESPONSIBILITY
<i>Capability Delivery Division</i> (MoD)	<ul style="list-style-type: none"> Responsible for the acquisition and delivery of major capital items.
<i>Development Branch</i> (MoD)	<ul style="list-style-type: none"> Provides the linkages between Defence policy and capability requirements Responsible, in partnership with the Defence Force, for capability planning and development and for managing better business case processes.
<i>Capability Branch</i> (NZDF)	<ul style="list-style-type: none"> Responsible for providing military expertise to all stages of the capability life cycle Responsible for the delivery of minor capability projects Responsible for bringing all new capabilities into service, in-service upgrades and disposal Shared responsibility with the Ministry of Defence for defining and maintaining the standards, processes performance reporting, templates and tools for programme and project management and providing training.
<i>Logistics Command and Defence Commercial Services</i> (NZDF)	<ul style="list-style-type: none"> Procurement of routine goods and services Management of minor projects Assists with introduction into service Through life logistics, maintenance repair and overhaul support of all equipment Advice on international treaty and other agreement compliance.
<i>Communications & Information Services</i> (NZDF)	<ul style="list-style-type: none"> Procurement of information and communications technology products and services Digital and disruptive technologies.
<i>Defence Health</i> (NZDF)	<ul style="list-style-type: none"> Procurement of clinical and non-clinical products and services for the provision of healthcare to Defence Force personnel.
<i>Defence Property Group</i> (NZDF)	<ul style="list-style-type: none"> Procurement of infrastructure, property, construction and facilities management related products and services.
<i>Defence Security</i> (NZDF)	<ul style="list-style-type: none"> Provision of Defence Industry Security Programme (DISP) security advice and services. Interface with US National Industrial Security Programme Advice on Defence security compliance requirements.
<i>Defence Technology Agency</i> (NZDF)	<ul style="list-style-type: none"> Provision of technological advice and support Undertakes research either alone or with partners on defence-related technology issues Commercialisation of defence-related intellectual property.



A Royal New Zealand Air Force helicopter loadmaster rescues a stranded Dutch tourist from Mount Taranaki

WHAT NOW?

INDUSTRY

- Look for information, ideas and open days and register your interests on the Defence website at www.defence.govt.nz
- Register on GETS if you have not already done so - www.gets.govt.nz
- Contact the New Zealand Defence Industry Association and consider joining them - www.nzdia.co.nz
- Develop your own business strategy on how to understand Defence better
- Make contact with one of the new people at the Defence Industry Engagement Team.

DEFENCE

- Defence has developed this paper and underlying strategy so Industry and Defence can engage and share information. More detailed Industry Engagement Frameworks will flow from this strategy so that Defence people can understand how better to engage with you
- Many of the activities described are already underway
- The Defence Engagement Team is in place and ready
- Defence is setting up the Industry section of the website
- This paper is a living document, which will be reviewed annually.

Defence - collectively the Ministry of Defence and the New Zealand Defence Force - are committed to working together to manage and implement this Industry Engagement Strategy.

WE WELCOME YOUR IDEAS AND FEEDBACK. PLEASE CONTACT OUR TEAM.



Royal New Zealand Air Force Movements personnel loading aid supplies on board a C-130 Hercules bound for Fiji following Cyclone Winston

ANNEX: GOVERNMENT PROCUREMENT JARGON EXPLAINED

Here are explanations for commonly used acronyms

ACRONYM	MEANS	EXPLANATION
EOI and ROI	Expression/Registration of Interest	<p>Also known as an Expression of Interest. A formal request from an agency asking potential suppliers to:</p> <ul style="list-style-type: none"> Register their interest in an opportunity to supply specific goods, services or works Provide information that supports their capability and capacity to deliver the goods, services or works. <p>It's usually the first formal stage of a multi-step tender process.</p>
PQQ	Pre Qualification Questionnaire	More formal than an ROI, it helps Defence indicate to Industry that certain criteria (such as meeting approved security standards) need to be met during a subsequent tender process.
RFQ	Request for Quotation	A formal request from an agency asking potential suppliers to quote prices for 'stock standard' or 'off-the-shelf' goods or services or works, where price is the most important factor.
RSL	Registered Suppliers List	A list of suppliers who have registered an interest in supplying specific types of goods, services or works to an agency.
QSL or RSL	Pre-qualified Suppliers List	A list of suppliers an agency has pre-approved as having the capability and capacity to deliver specific goods or services. It is the New Zealand government equivalent of the World Trade Organization Agreement on Government Procurement's 'multi-use list'.
RFI	Request for Information	A market research tool. A formal request from an agency to the market, for information that helps identify the number and type of suppliers and the range of solutions, technologies and products or services they can provide. It is not a type of Notice of Procurement. It must not be used to select or shortlist suppliers.
RFT	Request for Tender	A formal request from an agency asking for offers from potential suppliers to supply clearly defined goods or services or works. Often there are highly-technical requirements and a prescriptive solution.
RFP	Request for Proposal	This is a formal process very similar to an RFT but Defence is seeking innovative solutions to meet specified service requirements.
IBC, DBC and PIBC	Indicative, Detailed and Project Implementation Business Cases	The 3-stage process that Defence follows to obtain investment decisions from Cabinet. The IBC identifies the issue or opportunity for investment, the DBC provides detail on a narrowed range of solutions and the PIBC seeks approval to invest following an RFT or RFP process. For low risk projects a Single-stage Business Case might apply instead of an IBC and DBC.



A Seasprite helicopter operating off HMNZS Te Kaha during the Exercise of the Rim of the Pacific, August 2016

