

CONTRACTOR SUPPORT TO OPERATIONS TIGER TEAM FINAL REPORT

16 March 2010



Acknowledgement

The Author wishes to thank the FCO and the many MoD departments that supported and contributed to the CSO Tiger Team work. The Author also wishes to particularly thank the following commercial organisations for releasing individuals on a regular basis to support the MoD in this work:

The Aerospace|Defence|Security trade association.

BAE Systems

G4S

KBR

McKinsey & Co.

Thales

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CONTRACTOR SUPPORT TO OPERATIONS (CSO) TIGER TEAM – FINAL REPORT

PART 1 – CONTEXT, MAIN FINDINGS & RECOMMENDATIONS

Introduction

1. The CSO Tiger Team (CSO TT) was a joint team from the MoD (including the Front Line Commands (FLCs), Permanent Joint HQ (PJHQ), Defence Equipment & Support (DE&S) and Defence Estates (DE)), representatives from Industry and support from the Foreign & Commonwealth Office (FCO). The Terms of Reference (TORs) and full listing of the members of the TT are at Annex A and B respectively. The Team was established by CDM on 1 Oct 09 for a 4 month period with the following aim:

To create a Tiger Team to examine the use, sponsorship and governance of CSO by the MoD on future operations, with a view to identifying what is required to create an integrated, sustainable military/contractor force, in which the characteristics of each are optimised to meet specific operational requirements and conditions, and that the risks are well understood and managed by both parties.

Main Findings

2. The main findings of the CSO TT are:

- a. **Contractor and civilian support equates to approximately 40% of the total Op HERRICK force.** By using a similar accounting method to the US DoD the Team established that over 6,000 contractors and civilians are deployed in support of Op HERRICK.
- b. **MoD policy is not consistently employed to all contractors deployed on Op HERRICK** (JSP 567 Contractor Support to Operations).
- c. **CSO attributed costs on Op HERRICK in 2008/09 are estimated to be in the region of £1Bn (not including UOR costs).**
- d. **CSO is now used across the spectrum of support activities;** it is no longer confined to logistic support.
- e. **Although the MoD is heavily dependent on CSO, in general contractors continue to augment rather than replace core military capability, albeit in a frequently ad hoc manner.**
- f. **CSO resilience under sustained hostile conditions has been impressive.**
- g. **MoD and Industry need to develop a better understanding of CSO in order to improve the way in which it is governed and managed.**
- h. **Industry considers a lack of MoD assurance (with respect to issues such as a lack of MoD policy coherence) as the greatest risk to the delivery of effective support.**

Main Implications

3. The main implications arising from the findings are:
- a. Issues relating to governance, policy compliance and insufficient understanding of CSO when combined have the potential to create reputational risk and liability for the MoD and for the Companies providing CSO.
 - b. CSO provides (and is likely to continue to provide) a significant and vital part of the operational support capability, and consequently needs to be better managed and integrated into operational planning and preparation.
 - c. Better education of both parties would mean that opportunities to combine, coordinate and build on the relative strengths of the military and Industry would be fully exploited.
 - d. Unless the MoD assures Industry that it will consistently meet its CSO responsibilities, the resilience and reliability of operational support could be impaired.

Main Recommendations

4. The outputs of the CSO TT have been split into main and supporting recommendations. Owners are appointed for each recommendation in the classified version of this report. The main recommendations are:
- a. The following vision is applied to the development of the CSO capability:
CSO is fully embedded in an integrated and sustainable military and contractor support force, in which the characteristics and strengths of each are optimised to meet specific operational requirements and conditions. Paragraph 10.
 - b. The Total Support Force Concept is developed and utilised to inform the Strategic Defence Review (SDR), contribute towards the Comprehensive Approach and to fully integrate the future operational delivery of CSO. Paragraph 13.
 - c. **On behalf of Min AF**, VCDS accepts responsibility for CSO at the highest level and considers allocating 3* ownership of the proposed NDIC CSO pillar to DCDS Ops. Paragraph 23.
 - d. The MoD understands the need to provide effective assurance to its contractors and takes appropriate management action. Paragraph 27(c).
 - e. **If in exceptional circumstances Private Military and Security Companies (PMSC) are either contracted or sub-contracted, then the MoD should adopt an approach similar to the US DoD and engage directly in the contracting of the PMSC.** Paragraph 34.
 - f. CSO is considered early and throughout the Acquisition Process to optimise opportunities, gain best value for Defence and improve the link between routine and operational support. Paragraph 37.
 - g. CSO contracts between the MoD and industry should embrace a partnering approach to create the conditions for more collaborative and longer term relationships consistent with the MoD's Industrial and Commercial Policies. Paragraph 38.
 - h. The CSO TT principles and planning assumptions for the employment of CSO are used to inform the SDR. Paragraph 43.

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i. The utility of CSO is considered early in the MoD planning and estimate processes. Paragraph 43.

j. The Value For Defence criteria are developed to reinforce the need to consider all relevant factors when assessing CSO options. Paragraph 49.

k. A comprehensive end-to-end review of individual CSO training and education requirements within the Department is undertaken to improve existing levels of knowledge and consequential performance. Paragraph 54.

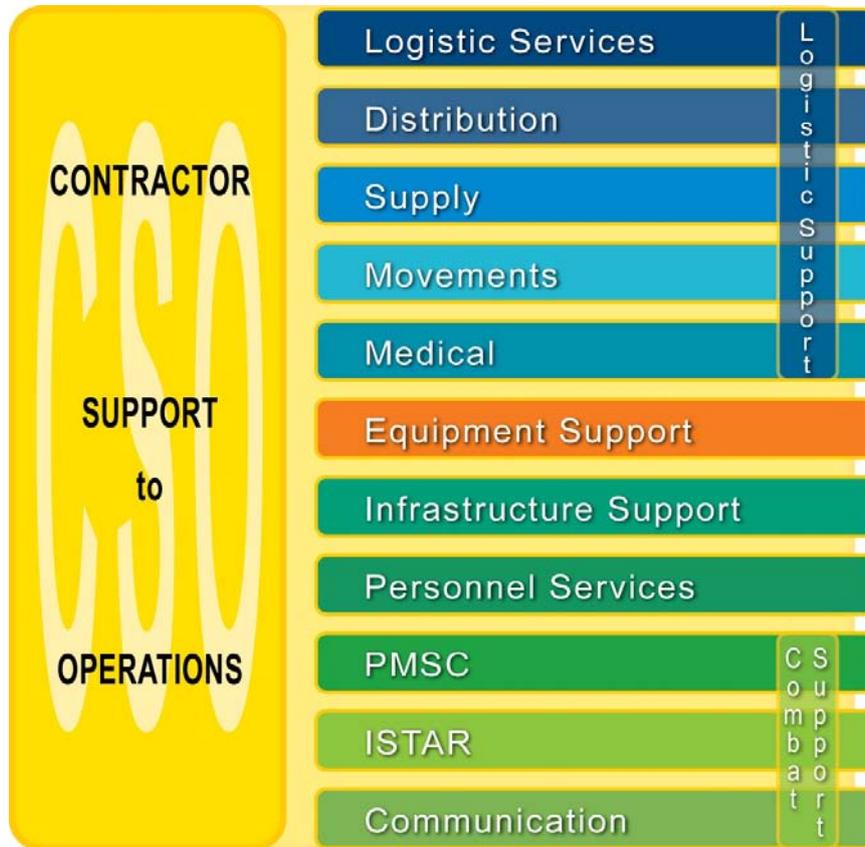
l. A review of collective training (including Pre-Deployment Training) is conducted to ensure the inclusion of appropriate CSO serials and capabilities. Paragraph 51.

m. The Logistic Sub-Strategy is amended to reflect the recommendations of this Report. Paragraph 57.

n. It is recommended that the Level 0 plan is owned by ACDS (Log Ops) on behalf of DCDS Ops. Paragraph 60.

Background

5. The policy for Contractors On Deployed Operations (CONDO) has been used on all major overseas operations since its inception in 2003. Historically, the majority of support provided was logistics-related consisting mainly of life support services and manufacturers' equipment support. Specific tasks have included: infrastructure build & property management, UOR embodiment, distribution and the delivery of the food supply chain. More recently, greater use across a wider spectrum of military tasks has taken place including aerial surveillance and the provision of communications support. This broadening has introduced more contractors into the operational space, with Sponsored Reserves (SR) and Private Military & Security Companies (PMSC) joining the traditional CONDO groups (which include UK, Third Country, Regional and Local contractors). A new over-arching term for their use in Operational Area (OA) has resulted - Contractor Support to Operations (CSO). CSO policy applies to prime contractors and their sub-contractors engaged directly in support of MoD contracts, but do not extend to their suppliers.¹ The breadth of the functions now covered by CSO is illustrated below:



Context

6. This Report is set in the context of the impending Strategic Defence Review and the preceding Green Paper². The international context is characterised by continued uncertainty with the forward defence programme facing financial pressures and the global financial crisis meaning that future resources across government will be constrained. It is also clear that the challenges in

¹ The boundary between contractor and supplier can be difficult to determine and requires careful definition in future policy.

² Adaptability and Partnership: Issues for the Strategic Defence Review, Ministry of Defence February 2010.

the period ahead cannot be addressed exclusively or even primarily by the Armed Forces. Stronger, more effective partnerships with other Whitehall departments, Agencies, forces and others at the national level will become ever more important. Related to this is a requirement to create a more flexible approach to Defence manning as part of a Whole Force concept 'that looks at how we could more effectively use all the people who contribute to delivering defence capability'³. This includes the requirement to establish a more efficient balance between operational output and supporting activity. Contractors are already a major part of this support activity and the future financial, organisational and operational context is likely to reinforce the significance of their contribution.

7. The use of CSO has increased steadily over the last six years in line with the increase in our operational tempo. Contractors' employees are deployed throughout the Op HERRICK JOA, operating within established bases and on convoys in both Afghanistan and Pakistan and continue to be used in support of Ops TELIC and CALASH and broader global operations. The latter support encompasses the other end of the CSO spectrum with individual contractors deploying for a short duration to deliver technical support to a specific problem. Throughout, the willingness of CSO to operate in conditions more hostile than originally envisaged, and their ability to provide an assured service to the military force, has been impressive, particularly given that legal liability for those employed under CSO remains with their employer.

Approach

8. The Joint CSO TT consisted of a full-time military Team Leader and deputy, and a part-time deputy leader from the Aerospace, Defence and Security (A|D|S) trade association. The approach included a review of current planning assumptions (including Defence Strategic Guidance 08), relevant policy and literature, analysis of operational Lessons Identified, interviews with key stakeholders (see Annex C), and a series of 2 day workshops addressing the following key issues; problem definition, the current mapping, the Total Support Force Concept, Governance, Value For Defence (VFD), Risk and Policy revision. In delivering this report the TT has relied heavily on Op HERRICK to map the current situation and has identified some HERRICK specific 'quick wins' to be considered as part of the HERRICK Campaign Support Review (HCSR). However, in developing the recommendations the importance to CSO to other operational environments was also recognised. This was particularly relevant to the Maritime Environment which faces unique challenges in the use of CSO⁴. The CSO TT focused on improving the effectiveness of the use of contractors on operations and not on the identification of efficiencies, although closer relationships with industry and improved consideration of CSO within the Through Life Capability Management (TLCM) could offer downstream efficiencies. Whilst the importance of the multinational aspects of this issue was recognised and the team drew heavily on the experiences of the USA, the detailed consideration of the wider international context was out of scope for the purpose of this report.

³ Ibid Chapter 5, para 5.4.

⁴ CSO to Maritime FE is often limited to support to Naval vessels that have come off task and are alongside in a low threat location within the JOA (if indeed, within the JOA at all). There are small numbers of very specific contractors who routinely are available to go to less benign areas (e.g. Salvage Officers / NAAFI Managers) who have Sponsored Reserve (SR) status included within their contract.

The Problem

9. The Team began by confirming the key aspects of the problem to be addressed:

Problem Statement

Basic question to be resolved

How do we optimise the comparative strengths of the UK Armed Forces and Industry to create an integrated force capable of delivering the required operational effects?

1 Perspective/context

- MoD is successfully using CSO extensively on ops and is likely to continue to do so.
- Lack of MoD assurance to industry.
- CSO is not well understood or integrated into the Jt F.
- MoD not considered to be an Intelligent Customer
- Perception of a adversarial MoD approach and also a fracture between OEM levels of Base and Op sp.
- Ratio of mil to contractors on Op HERRICK is 3:2.
- Only 37% of contractors are employed under CSO policy.
- CSO raised 5x more than any other Log Lesson Identified.

3 Decision makers/stakeholders

- CinCs, CDM, CJO, VCDS, ACDS (Log Ops), D Op Pol, CLS, DGDS, CE DE, DG Fin, DRFC, EinC(A), DRLC, DJSC
- FCO, DFID
- Contractors
- ADS

2 Criteria for success

- Method of determining where, when CSO should be used and extent of use
- Organisational, policy and process changes to manage, optimise and fully integrate the use of CSO
- Development of a shared view of CSO dependency, risks and methods of managing them
- Estb VFM criteria and transparency of CSO costs

4 Scope

- Use and review current strategic guidance, sponsorship and governance of CSO.
- Develop NDIC CSO WG Campaign Plan
- Use current ops, OGDs, ONs and base activity to establish baseline and comparator only.
- Remain consistent with DSR and Industrial Sector Strategies.

- 5 **Barriers to resolution** No overarching MoD CSO strategy or Governance. Poor definition of what constitutes core military capability. Inconsistent and incoherent application of existing policy. Lack of VFM criteria and limited visibility of CSO related costs. Underdeveloped shared view of risks and effective management mechanisms. CSO not operated in an end-to-end manner. MOD financial and organisational stovepipes.

PART 2 – VISION AND CONCEPT**Vision**

CSO Vision
Finding: <ul style="list-style-type: none"> A vision is required to describe what success will look like for the future use of CSO and which will enables E2E/Through Life synergies to be exploited.
Recommendation: <p>a. The following vision is applied to development of the CSO capability: <i>CSO is fully embedded in an integrated and sustainable military and contractor support force, in which the characteristics and strengths of each are optimised to meet specific operational requirements and conditions.</i></p>

10. In order to focus the deliberations of the CSO TT, the aim provided in the TOR was developed into a vision of what the CSO capability should look like in the future. It is recommended that the focus should be 'embedding CSO within an integrated and sustainable military and contractor support force, in which the characteristics and strengths of each are optimised to meet specific operational requirements and conditions'.

Concept

Total Support Force Concept
Findings: <ul style="list-style-type: none"> Contractors could be better integrated into the deployed force to optimise their potential. CSO is wider than logistics and incorporates support activity in its widest sense. Operational support capability is provided by a varying combination of military, civilian and Other Nation elements.
Recommendation: <p>b. The Total Support Force Concept is developed and utilised to inform the Strategic Defence Review (SDR), contribute towards the Comprehensive Approach and to fully integrate the future operational delivery of CSO.</p>

11. Analysis of the current situation revealed that contractors could be better integrated into the deployed UK Forces, and generally understanding and awareness of the contribution CSO makes to delivering operational effect could be improved. This finding mirrors that of the US Army's 2007 'Gansler Report' which found that:

*Notwithstanding there being almost as many contractor personnel in the Afghanistan/Iraq/Kuwait Theatres as there are US Military, the Operational Army does not yet recognise the impact of contracting and contractors in expeditionary operations and on mission success.*⁵

CSO has also expanded to include much wider areas of support (such as strategic communications, the operation of ISTAR and force protection) than are narrowly defined as logistics⁶. Whilst the focus of this report is on the deployed nature of contractor support, the CSO TT also identified that the consideration of opportunities for CSO is not well integrated into the Acquisition and operational planning processes; this is addressed in detail in Parts 6 and 7 of this report.

⁵ Urgent Reform Required: US Army Expeditionary Contracting (Gansler) Report – October 2007.

⁶ Logistics. The science of planning and carrying out the movement and maintenance of forces. – See AAP 6 for full definition.

12. In line with the Whole Force Concept from the Green Paper and also the findings of the Defence Support Review⁷, the CSO Tiger Team recommends the development of a Total Support (rather than Logistic) Force Concept to address this issue. In developing this Concept the creation of a Contractor Component was considered as a way of optimising the CSO contribution. This option was rejected as it was judged that separate component status could reinforce divisions and undermine the closer integration required to deliver the best operational effect. The basic premise of the Total Support Force Concept is that in many areas of support activity the capability is provided by a combination of military, civilian, contractor and elements from Other Nations. Whilst the relative size of the civilian and contractor element will vary according to the type and phase of an operation, their presence on, or in support of, all UK operations is a given. They provide critical capabilities to the Force which should be integrated following the US “One Team, One Fight” approach⁸. The Total Support Force (TSF) concept recognises that there should be a Joint Support Force (JSpF) which combines military and MoD civilian support elements with all MoD contractors who are compliant with CSO policy into an integrated UK Force Element. In addition there will be External Support Elements provided by Other Government Departments (OGDs), Host Nation and Coalition partners which cannot be fully integrated, but will still require close liaison and management. This close relationship will improve the delivery of support to the military force and TSF Concept will also contribute to achieving the ‘Comprehensive Approach’ envisaged by the UK Government.

⁷ Defence Support Review Phase 1 Report (Refresh) dated Feb 10, recommends the adoption of a ‘Total Force Support’ Model.

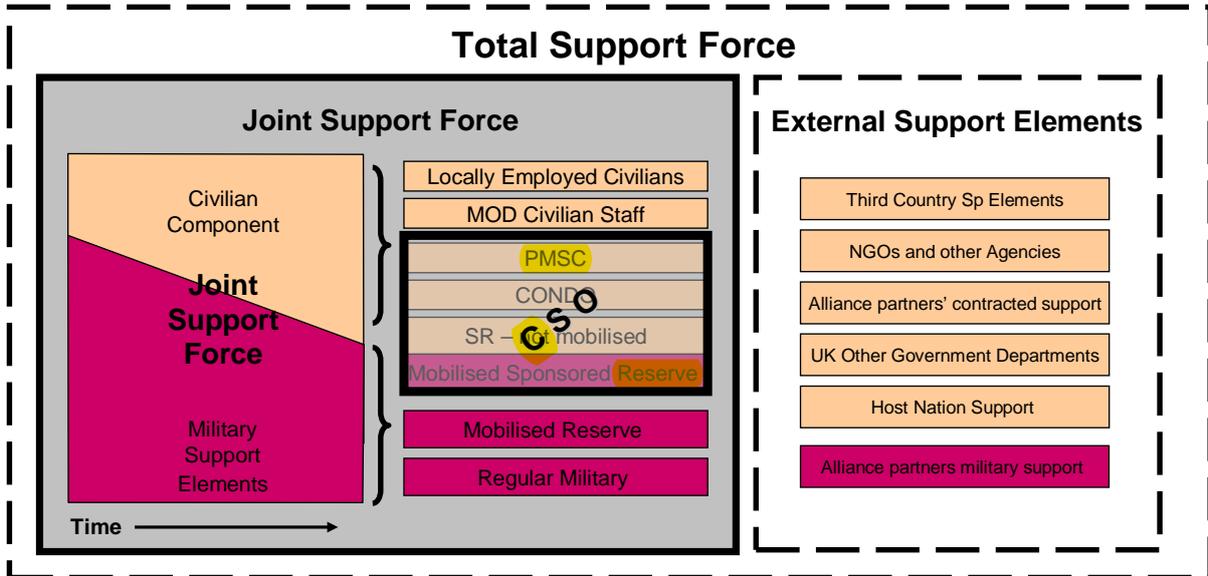
⁸ US Army approach to Total Integration that seeks to maximise the contribution of Regular and Reserve Forces, the Army National Guard and Operational Contractor Support (OCS).

Total Support Force Concept

Vision: A UK support component able to optimise the strengths of the UK Jt Sp Force and External Support Elements to produce coherent and responsive support that is focused on the delivery of the Campaign End-State

Total Support Force: The combination of UK (mil and contractor), Host Nation, Coalition and Third Nation elements in direct support of the deployed force.

Joint Support Force: A Joint Component which fully integrates the military, civilian and contractor support to the deployed force.



13. The development of the TSF Concept is fundamental to the achievement of the CSO Vision. Key to this success will be the improvement of governance and command and control at the operational and tactical levels in theatre; recommendations for achieving this are included in Part 4, Governance Assurance and Risk. Whilst improved processes and tools are important enablers, the continued transformation of military attitudes towards contractors from the adversarial to the "One Team- One Fight" approach is a prerequisite for success. This will involve improved CSO awareness, education and training for both the MoD and Industry (see Part 9). It is recommended that the Total Support Force Concept is developed and utilised to inform the Strategic Defence Review (SDR), contribute towards the Comprehensive Approach and to fully integrate the future operational delivery of CSO.

PART 3 – CURRENT SITUATION**Current Situation****Findings:**

- The MoD lacks an overarching CSO strategy.
- Assurance relating to existing policy delivery needs better understanding and delivery.
- Core Military Capability is not well defined.
- There are over 6000 civilians and contractors deployed in direct support of the UK on Op HERRICK
- Not all contractors are deployed in accordance with CSO policy
- CSO is responsible for annual support costs of approximately £1Bn on Op HERRICK.
- The management of contracts and contractors lacks coherence and consistency
- Lack of policy compliance creates the potential for legal and reputational risk for both MoD and Industry.
- The CONDO deployment process could be better co-ordinated.

14. Current Situation. Despite the issues identified above, consideration of the current situation also highlighted the hugely positive contribution that contractors are making to current operations: a recent National Audit Office Report⁹ found that ‘*The Department and commanders in theatre told us contractors are performing well.* The support effort is reliant on contractors to deliver effect in many key areas and the level of assured support provided in high threat environments has been impressive: since 2003 it should be noted that only one contracting company has removed personnel without replacement as a result of the threat.

15. Current CSO Policy. JSP 567 provides the policy for CSO and consists of the following elements:

- a. A policy overview owned by ACDS (Log Ops). The overview will require revision as a result of this Report and it should include the strategy for CSO, once it has been formulated.
- b. Part 1 - Sponsored Reserves. The policy is owned by RF&C on behalf of ACDS (RP) and will require revision to reflect the Strategic Review of Reserves and this report.
- c. Part 2 - Contractors on Deployed Operations (CONDO). ACDS (Log Ops) is responsible for CONDO policy. The TT found that the main weakness of existing CONDO policy is that the focus is on contractors deploying from the UK, this has the effect of making the policy difficult to apply to contracts let in theatre and consequently it is rarely fully applied to such contracts.
- d. Part 3 - Private Military and Security Companies (PMSC). PMSC policy within the MoD is the responsibility of D Security Policy and Operations, with the FCO acting as the cross-Governmental lead. A cross-Whitehall review of HMG’s policy on PMSCs is being conducted at present and is expected to report in March 2010. As a consequence, Part 3 of JSP 567 has yet to be written. Current policy and guidance on contracting with PMSC is included in a Defence Instruction and Notice, 2008DIN03-013. Joint Doctrine Note 1/08 (JDN 1/08), and a further DIN, 2008DIN03-012, titled *Contact with Private Military Security Companies (PMSCs)* provides an understanding of the commercial provision of military and security services for MoD personnel and military commanders and guidance on interaction with PMSCs

⁹ National Audit Office report *Support to High Intensity Operations* dated 14 May 2009.

16. JSP 567 is supported by:

- a. DEFCON 697 Contractors On Deployed Operations, sponsored by DGDC.
- b. DEFSTAN 05-129 CONDO Processes and Requirements, sponsored by ACOS J1/J4, PJHQ.

Established forums with industry representation are in place to develop CSO policy, and as a result of the recommendations contained in this report they will be required to conduct a thorough revision of CSO policy and related documents.

17. **Current Numbers.** As Op HERRICK involves the largest number of CSO, the CSO TT mapped the current situation in that theatre to better understand the operational implications of contractor support. This proved to be a time consuming process which identified that the total numbers of contractors on operations and their cost to Defence was difficult to establish easily. The findings showed that if a similar methodology to that adopted by the US¹⁰ was used then the number of civilians operating in support of the UK Armed Forces increased to over 6000, with a ratio of UK military to contractors of 3:2. These analysis also highlighted that some contractors currently deployed were not fully compliant with MoD requirements. This occurred despite VCDS's direction that staffs work *'towards compliance with the current MoD CONDO policy for all contracts where there is a requirement for contractor support outside the British Isles.'*¹¹ This limited compliance predominantly related to contracts let in theatre and was caused by a combination of poor understanding amongst Contract Sponsors, policy which is difficult to apply to contracts let in theatre, and weak assurance. **As recognised by VCDS, this lack of compliance had the potential to create unquantified risks (operational, commercial and reputational) and a lack of operational control over the support effort due to inadequate governance and assurance.**

18. **Cost.** An exact breakdown of costs directly associated with contractor support was difficult to determine due to the complexity of the boundaries between contractor, coalition and UK military support and the manner in which our financial data is captured. The cost base is split within the MoD and the CSO element is not readily identified within wider support costs, nor is the split between programme and contingency funding always apparent. However, based on discussions with TLBs and FLCs along with our best interpretation of the relevant categories of expenditure, it is estimated that up to £1Bn¹² could be considered as contractor support costs; example costs are at Annex D This does not include the significant CSO costs within the UOR programme as differentiating them from other support costs proved impractical. HQ Land Forces also highlighted the concern that in some capability areas the MoD is effectively 'paying twice' as contractors are being employed to provide a service whilst there are service-personnel (chefs, petroleum operators etc) available to deploy in these roles and within 'Harmony' guidelines.

19. **Current CSO Contracts.** Whilst the PJHQ has a good understanding of the majority of contracts let in support of Op HERRICK, the fact that some contracts are owned by DE&S, DE and the FLCs again makes the production of a consolidated list challenging. PJHQ have now produced a list of all current contracts but given its commercial sensitivity it could not be included in this Report.

20. **MoD Organisational & Budgetary Structures.** Consideration of the use of CSO is not done

¹⁰ The US military count all contractors who are engaged in direct support of a US-let contract.

¹¹ D/VCDS/3/1/1 Contract Support to Operations letter dated 05 Aug 08.

¹² PB&F (Planning, Budgeting and Forecasting) report of RfR2 expenditure for the current year provided by Centre Fin (Def Res-C1, IYM TL). PB&F forms the basis of the MoD's claim against the Treasury's Contingency Fund.

in a coherent manner. Organisational and financial 'stovepipes' within the different parts of the MoD can potentially exacerbate any weaknesses in strategy and strategic level governance to produce narrow and short-term CSO solutions which are unlikely to offer best value for Defence.

21. Deployment Process. The current deployment process for CSO elements is functional but is not widely understood by Contract Sponsors and therefore applied in an inconsistent and incoherent manner. DEFSTAN 05-129 details the pre-deployment and deployment requirements for CONDO personnel such as security checks, risk assessments, training, medical assurance and Personal Protective Equipment (PPE). The creation of the CONDO Mounting Cell (CMC) within the Defence Supply Chain Operations and Movements (DSCOM) organisation has significantly improved the CSO deployment process, and this has been further reinforced by the creation of Theatre Contractor Management Cells (TCMC), through the CONLOG¹³ contract, which works to the HQ Joint Force Support in Afghanistan. For contracts which are compliant with JSP 567, this system provides governance with regards to authority to deploy, legal status, the issue of Contractor ID cards and the tracking of personnel. Other aspects of the process are not as well co-ordinated with numerous individual Contract Sponsors being responsible for ensuring that their contractors understand and comply with the training, medical and movements aspects of DEFSTAN 05-129. This can lead to process complexity, inconsistency and inefficiency from which it is difficult to draw accurate and timely information. The review of the current process has identified a number of issues which could be mitigated by the expansion of the CMC to provide a central focus for all deployment activity. Given the numbers of contractors employed in Theatre, the TCMC's responsibilities should be similarly expanded. This is explored further in Part 4, Governance, Assurance and Risk.

a. Training. There is no central MoD coordination of CSO in routine or pre-deployment training. Originally MoD offered training at RTMC Chillwell but this course was not used by all contractors as many felt it did not adequately mitigate their risks and the MoD viewed it as becoming too costly. As a result MoD conducted a Training Needs Analysis in 2006-7 and decided to provide training guidance and requested the Defence Manufacturers Association (now incorporated into A|D|S) to produce a self-regulated list of suitable training providers to meet individual contractors risk mitigation and training needs. Larger service companies tend to provide their own in-house training whilst Original Equipment Manufacturers often use the same provider for both the risk assessment and pre-deployment training. This makes MoD assurance of the quality of the training delivery difficult to achieve and can be inefficient e.g. training courses are not loaded to capacity creating avoidable costs as more courses than necessary are conducted.

b. Personal Protective Equipment (PPE). The Contract Sponsor is responsible for the provision of PPE for the contractors, with the contractor having the option to provide their own equipment. The CMC has identified that the provision of PPE is now ad-hoc and reliant on personal relationships between Contract Sponsors and various Quartermaster departments. This raises concerns about the design, quality and serviceability of helmets and body armour in particular e.g. there is no audit trail to prove PPE has been inspected within the mandated timings.

c. Movements. For deployment to Afghanistan, each Contract Sponsor is responsible for booking contractors onto military flights through the Defence Passenger Reservation Centre (DPRC); it is estimated that 600 UK and Third Country National contractors are dependant on the strategic Air Transport route to deploy into Op HERRICK. A particular issue is the inability of Contract Sponsors to forecast flight requirements and bid for flights

¹³ PJHQ's CONLOG Contract provides a single point of contact with industry enabling a cohesive, rapid and reliable means to deploy contracted capability. The current Contract is a non-exclusive enabling contract between PJHQ and KBR (UK) started in Feb 2004 and is scheduled to run for 7 years.

using the JFET process. As the majority of Contract Sponsors work in areas of Defence where they do not have a Mounting and Movements Control Centre to support them, there is no mechanism for them to submit flight requirements into the JFET process, therefore they use the PJHQ J3 short notice procedures to arrange flights. This process is not intended for this purpose and its over use has a detrimental effect on the operation of the air bridge by creating unpredictable variability. The provision of a dedicated movement control post in the DSCOM CMC would alleviate this issue and make movement of CONDO more efficient and effective, and reduce disruption to the air bridge.

22. Logistic Lessons Identified. A review of Op HERRICK reports on the Logistics Capability Development Database (LCDD) proved valuable in establishing the extent to which CSO related governance issues were causing concern in-theatre. It was also used to confirm that all the main current CSO issues were being addressed by the TT. The questions and issues fell into the following broad groupings:

- a. Military control and responsibilities towards contractors.
- b. Proposals for wider use of CSO.
- c. Consequences of failing to consider CSO during the operational planning process.
- d. Need to integrate military and CSO force elements.
- e. Lack of clarity over Real Life Support entitlements for Contractor employees.

PART 4 – KEY ISSUES OF GOVERNANCE, ASSURANCE AND RISK**Governance**

Governance
Findings: <ul style="list-style-type: none"> • Functionally, CSO capabilities are now wider than Logistics. • CSO governance above ACDS(Log Ops) is unclear. • PJHQ have become too involved in the delivery of individual contracts. • Governance of CSO capabilities in Theatre is ad-hoc and limited. • Better integration of CSO is reliant on improved governance at all levels.
Recommendation: c. On behalf of Min AF, VCDS accepts responsibility for CSO for Defence and considers allocating 3* ownership of the proposed NDIC CSO pillar to DCDS Ops . [VCDS] <ol style="list-style-type: none"> (1) A separate CSO pillar responsible for the setting, governance and assurance of CSO Policy is created within the NDIC structure. (2) Within Theatre, CSO is fully integrated into the Joint Force Support Command or equivalent support HQ. (3) An audit is conducted to confirm civilian and contractor numbers and status on all current operations. (4) CSO Policy is revised to reflect the findings of this report. (5) The CMC and TCMS roles are expanded to provide a centralised focus for the movements, medical and training aspects of the deployment process. (6) The Joint Support Force (including CSO) should be under a unified command (such as the Commander Joint Force Support (Afghanistan)). (7) All future contracts in support of operations should be compliant with a revised JSP 567. (8) A Control State of UCADMIN(CSO) is developed for use on operations. (9) The viability of adopting the US SPOT system is assessed by ACDS(Log Ops).

23. Strategic Governance. Currently the governance of CSO at the strategic level is not well defined. Considered to be a predominantly logistic issue, ACDS(Log Ops) is the 'de-facto' Senior Responsible Officer (SRO) with D Sec Pol & Ops and D RF&C being responsible for PMSCs and Sponsored Reserves respectively. ACDS (Log Ops) and the Industry co-chair have used the National Defence Industries Council CSO Working Group (NDIC CSO WG) as the main governance organisation. Historically, this sat below the NDIC Through Life Capability Management (TLCM) Capability Delivery Group. Recently, on behalf of CDM, COM(L) has taken ownership of CSO at the strategic level. There is work in progress to create a separate CSO pillar within the NDIC organisation, which recommends the creation of a 3* CSO Senior Advisory Group with direct access to the NDIC as shown at Annex E. This proposed structure is fully supported by the CSO TT and it is recommended that the NDIC CSO pillar is given responsibility for the setting, governance and assurance of CSO Policy. In recognition that CSO capabilities are now wider than Logistics, the CSO TT considered who should be the 3* owner of the NDIC CSO pillar. The options considered were; COM(L), DCDS Ops or DCDS Capability. Whilst all three are key stakeholders whose engagement is essential to the success of this vital support capability, DCDS Ops is recommended as the lead as this best reflects the operational focus for CSO. It is also recommended that VCDS be the top-level MoD lead for CSO on behalf of the Minister For Armed Forces.

24. Operational Governance. The review of the current situation on Op HERRICK identified a lack of understanding of the actual number of contractors deployed and their status. It is recommended that PJHQ conduct, as a matter of urgency, a full audit of deployed contractors to confirm the CSO TT findings and set the baseline for further developments. PJHQ have

recognised that as well as its legitimate ownership of the operational governance of CSO it has also become too deeply involved in the delivery of CSO effect (particularly with regards to the CONLOG contract). With the management of the related contracts now having been passed to DSCOM, in future the PJHQ J4 CSO team will only be involved in planning contractor support within the CONLOG contract. PJHQ will define the deployment standards for CONDO through Def Stan 05-129; advise on the applicability of the Armed Forces Act 2006 for the designation of CONDO civilians subject to Service discipline; provide advice and direction across Defence on operational CSO issues. PJHQ will also support the training and development of operational HQs with regard to CSO and assist in defining requirements for contractor support. In light of the inconsistencies in the deployment process identified in the review of the current situation, it is also recommended that the CMC and TCMC roles are expanded to provide a centralised focus for the movements, medical and training aspects of the deployment process. It is also recommended that the DSCOM Ops room acts as the focal point for MoD Contract Sponsors for all aspects of contractor deployment and is also responsible for resolving the issues relating to PPE.

25. Tactical Control (Governance). In order to support the TSF Concept the responsibility for the governance of CSO at the tactical level should be consolidated under a single commander. It is recommended that this responsibility should be formally given to the Commander Joint Force Support in Afghanistan or the equivalent support HQ on other operations and be reflected in doctrine in the rewrite of JDP 4 (Logistics). Fundamental to the success of the TSF Concept will be the management of the boundaries around the JSpF and the External Support Elements. The integration of CSO within the JSpF will involve commitments and responsibilities from both the MoD and the Contractor. The following recommendations will enable and reinforce these relationships:

- a. The JSpF (including CSO) should be under a unified command (such as the Commander Joint Force Support (Afghanistan))
- b. All MoD-let contracts within a JOA must be compliant with the requirements of Joint Service Publication 567 (Contractor Support to Operations) and must therefore include the contractual clauses contained in DEFCON 697.
- c. The MoD should develop an agreed Command and Control structure to better define the relationship between the local military commander and CSO. This should reinforce the MoD's 'Operational Unilateral Rights', (covering the various rights of MoD to control all contractors employees for operational reasons in order to restrict their movements or to move them to a safer environment, and includes compliance by the individuals with local commanders orders) as stated in DEFCON 697. It must not interfere with the delivery of the contract or the responsibilities of the Contract Management vested in the In Theatre Contract Sponsor or clearly established liability of a contractor for their deployed personnel. It is recommended that this relationship is based on a new Control State of Under Control for Administration (CSO) or UCADMIN (CSO)¹⁴ defined as follows:

UCADMIN (CSO). The authority delegated to a designated commander to control administration and security for those CSO personnel assigned. The level of support provided by the military commander and the obligations of the CSO personnel will vary according to the Theatre and should be detailed in a CSO Operational Order (OpO).

- d. The Synchronised Pre-deployment and Operational Tracker (SPOT) is a US Department Of Defense (DoD) owned automated web-based system to accurately record,

¹⁴ This is development of the definition of administrative control taken from JDP 0-01.1 – 'Direction or exercise of authority over subordinate or other organisations in respect to administrative matters, such as personal management, supply services and other matters not included in the operational missions of the subordinate or other missions.

track and account for all contractors in theatre, thus providing full contractor accountability, transparency, and accountability of government resources. A summary of the characteristics of SPOT are attached at Annex F. The US DoD has offered the UK use of the SPOT system free of investment or licensing costs. It is recommended that ACDS (Log Ops) assess the viability of adopting the SPOT system.

26. In the tactical delivery of CSO, recognition needs to be made of the distinction between contract management and contractor administration. There is a tendency on current operations to view CSO as a 'contracts' issue which lies with the SO2 Contract Support (or equivalent) and the J8/J9 staff. **Contract Management** should be focused on the delivery of effect and the monitoring of performance and is the responsibility of the Contract Sponsor (acting through the in-theatre Contract Sponsor) and the staff branch in both PJHQ and in Theatre, in which the responsibility for the capability sits. **Contractor Administration** is about the MoD administration of deployed contractor personnel within the JOA; the TCMC, working to the SO2 Contract Support in the HQ JFSp in Afghanistan has proved to be a great success in improving this area.

Assurance and Risk

Assurance and Risk
<p>Findings:</p> <ul style="list-style-type: none"> • MoD assurance to contractors is inconsistent and may threaten CSO delivery. • Provision of threat assessments to contractors could be improved. • Inconsistent application of policy undermines assurance. • Better MoD assurance will increase CSO resilience.
<p>Recommendations:</p> <p>d. The MoD understands that the most significant risk to the delivery of effective CSO to current operations is a lack of MoD assurance to its contractors and takes appropriate management action.</p> <ol style="list-style-type: none"> (1) The MoD develops a mechanism for the release of threat assessments to CONDO compliant contractors.] (2) An MoD definition of High Medium and Low Threat environments is developed for release to contractors. (3) The CSO Decision Support Tool is introduced to support operational risk analysis.

27. Assurance. The Oxford English Dictionary defines Assurance as “a positive declaration intended to give confidence.” It is a fundamental aspect of the relationships between the MoD and Industry and for the purpose of this report the word “Assurance” is used in three ways; Operational Assurance and MoD Assurance to Contractors which are dealt with below and the MOD Assurance Process is covered in Part 6.

(a) Operational Assurance. In the operational context Assurance is used to describe the confidence required by the military commander that CSO will deliver the intended levels of support. Whilst it remains a legitimate planning assumption that CSO will not normally operate in a high threat environment, recent experiences provide evidence that a high level of assured service will be provided by contractors in challenging operational environments. This led the CSO TT to challenge the perception within MoD that the use of CSO implies a high level of risk of contractors withdrawing their support when faced with the possibility of taking casualties.

(b) MoD Assurance to Contractors. The CSO TT found that the quality of assurance provided by the MoD has a huge influence on the willingness of contractors to deploy and subsequently on their resilience when in Theatre. Three elements were judged to contribute

to this assurance:

(1) The better integration of Industry into the Acquisition and Operational Planning Processes and of CSO into the deployed force in accordance with the Total Support Force Concept was seen as a way of significantly increasing mutual trust and confidence.

(2) The sharing of threat information and assessments is key in enabling contractors to make accurate and robust risk assessments and develop realistic mitigation plans. Whilst it is accepted that the passage of sensitive threat information creates security issues, the current approach of insisting the Operational Specific Information (OSI) as an open source document limits the amount of useful detail that can be included and leaves key contractors reliant on secondary and even tertiary sources (such as the internet) for their threat assessments. This can undermine the confidence of contractors, who have a legal Duty of Care and retain liability for their deployed employees, and thereby increase the risk that they may not deploy, or once deployed could withdraw. An essential component of the creation of an integrated and sustainable military and contractor support force is the provision of accurate and timely threat assessments to CONDO compliant contractors. It is recommended that a procedure for the delivery of such assessments to security vetted/cleared individuals from Industry (both prior to and during deployments) is developed. Also, as part of this process, the MoD should develop a definition of what constitutes High, Medium and Low Threat environments to allow a common understanding of assessments.

(3) The Team established that MoD will continue to honour its responsibility to provide as safe and secure an environment as possible¹⁵, with the default setting being the full integration of contractors within military force protection. This issue is addressed in Part 5, Force Protection.

(c) Industry representatives of the CSO TT emphasised that currently, a lack of MoD assurance on what contractors regard as key operational issues (such as force protection and the availability of threat information) is seen as the greatest threat to the delivery of CSO. It is therefore recommended that the MoD formally manage this risk to the delivery of effective CSO to current.

28. The DLB Risk Register addresses CSO risk at the strategic level whilst at the operational and tactical levels much work has been done to overcome the lack of understanding of the level of cumulative risk associated with the use of CSO.

a. The review conducted by the CSO TT provides a much better understanding of the number, functions and cost of CSO, leading to a more informed view of how the MoD is using CSO and to what extent.

b. ACDS (Log Ops) has commissioned a consultancy firm to develop a CSO focused Operational Risk Decision Support Tool. The tool enables all contracts in a Theatre to be mapped and captures amongst other things judgements on risk and inter-dependencies. This can be used to simplify the complexity of the operational CSO picture, conduct 'what if' analysis and support mitigation planning. PJHQ are overseeing Op HERRICK mapping, which will be completed by the end of January 2010. The tool will then be offered to Theatre and finally to the FLCs and DE&S to support contingency planning based on accepted operational scenarios. This tool could significantly improve understanding of CSO risk and its wider use across Defence is strongly supported by the CSO TT.

¹⁵ "As safe and secure as possible" - "In order to meet this standard MoD intends to provide a working environment of no lesser standard than would be provided by the MoD for an MoD civilian employed on similar work for which MoD has a duty of care".

c. Risk could also be further mitigated by the closer integration of CSO both on operations but also in routine peacetime training and tasking, as set out in other sections of this Report.

PART 5 - FORCE PROTECTION**Force Protection****Findings:**

- The MoD is committed to providing as safe and secure environment as possible for its contractors under CONDO.
- The Joint Force Commander is explicitly responsible for the force protection of CONDO.
- PMSC will only be used in exceptional circumstances.

Recommendations:

e. If in exceptional circumstances Private Military and Security Companies (PMSC) are contracted to contribute to Force Protection, then the MoD should adopt an approach similar to the US DoD and engage directly with the PMSC.

- (1) The letting of PMSC contracts is recognised as a force protection issue with the requirement setting led by the J3 staff.
- (2) A new DEFCON is developed to support PMSC policy requirements.
- (3) JSP 567 Part 3 (PMSC) is produced on publication of Government policy by the FCO.

29. Contractor Force Protection. The UK definition¹⁶ of Joint Force Protection is:

“The coordinated measures by which threats and hazards to the Joint Force are countered and mitigated in order to maintain an operating environment that enables the Joint Commander the freedom to employ Joint Action.”

Force protection measures will vary depending upon the situation, local conditions, and the activities being undertaken. Force protection is not limited to an overt display of military force or presence but is provided through a number of layers of defence and includes such measures as air and missile defence, Chemical, Biological, Radiological and Nuclear (CBRN) defence measures, field fortifications, protective security and hardening, and operational security and intelligence. Contractors are very much aware of the responsibilities of the MoD to provide various layers of force protection in accordance with JSP 567.

30. JDP 3-64 further states that ‘the Joint Force Commander is explicitly responsible for the force protection of the Joint Force including civilians directly employed by the Ministry of Defence; this includes contractors. As civilians accompanying the force, Contractor Support to Operations are to be included when planning for force protection.’ Further to this the MoD and Industry have agreed that the guiding principles to be followed with regards to the force protection of CSO are:

- a. The Contract Sponsor must provide an assured service for the military commander, using contractors in circumstances that do not engender unacceptable military risk.
- b. The operational circumstances within which CONDO capabilities are delivered to the MoD must be as safe and secure as possible (see footnote 17) for the workforce.

31. These guiding principles provide a sensible and balanced approach, and to date Force Protection (FP) for CSO inside the JOA has worked well, contributing to the provision of assured contractor service to the military commander. However, as highlighted above the provision of FP comes in many layers from the strategic to the tactical and is ultimately a balance between risk and

¹⁶ JDP 3-64 Joint Force Protection.

finite resources. The Secretary of State has the power to authorise for specific contracts on a time-limited basis, the use of PMSC to provide immediate and localised FP in exceptional circumstances. This would be done with the agreement of the contractors concerned and would involve them sub-contracting their own PMSC. This approach causes considerable concern amongst some other contractors, especially members of the Aerospace, Defence and Security (A|D|S) trade association, who perceive this move to be a weakening of the MoD mandate¹⁷. Furthermore a number of leading Prime Contractors have indicated that they would not deploy if they were invited to contract with a PMSC to provide their own FP. ACDS (Log Ops) has held regular meetings with senior members of the A|D|S in order to explain the operational imperatives and to reassure them that MoD does not intend to lessen its commitment to providing a safe and secure an environment as possible.

32. The UK governmental lead on PMSC policy is the FCO. To establish how best to do this, the FCO conducted a public consultation process on PMSC, and have consequently proposed the establishment of a broad based working group to determine how best to provide effective audit, compliance and monitoring of the proposed code of conduct, including enforcement issues.

33. FCO contract directly with PMSC to provide static and mobile protection, and supply the contractors with much of the necessary equipment. Within the MoD it is the contractor that sub-contracts the PMSC rather than the Department contracting directly.

34. The CSO TT Workshop on this subject concluded that maintaining such an approach could potentially lead to a subsequent reduction in command and control. It is recommended that the MoD adopts an approach similar to that of the US DoD and engages directly with PMSCs if and when they need to be contracted. PMSC subcontractors are currently treated as CONDO and DEFCON 697 is applied with the exception of Clause 29 (bearing of arms). In these cases Defence Commercial staff drafted a dis-application of Clause 29 for current PMSC subcontracts, with a PMSC appendix inserted into the limited number of contracts for which exceptional Ministerial authority was granted. The CSO TT recommends that whilst PMSC should remain within the CSO grouping, there is a requirement to develop a PMSC specific DEFCON to address potential complications over compliance with a number of the current contractual obligations and the wider implications and potential legal risks of contracting PMSCs. It is also recommended that the letting of PMSC contracts must be recognised as falling within the overarching provision of FP and therefore the requirement setting must be led by the J3 staff in PJHQ or in Theatre. Where it is preferable for a contractor to sub-contract his own PMSC force protection, the requirements must be endorsed by the J3 Staff to ensure coherence with other force protection measures, and achieve the required degree of command and control.

¹⁷ The MoD FP mandate is found at Clause 8.1 of DEFSTAN 05-129 in support of the contractual obligation at Clause 42 of DEFCON 697.

**PART 6 - RELATIONSHIPS WITH INDUSTRY and THROUGH LIFE CAPABILITY
MANAGEMENT (TLCM)**

Relationships with Industry & TLCM

Findings:

- Military approach to CSO at the tactical level needs improvement.
- UK Government policy is to move to a closer relationship with contractors.
- Good examples found of successful 'Partnering' relationships.
- MoD needs to improve its ability to be an "intelligent customer" of CSO.
- Link between base and operational provisions can be developed.
- The A|D|S Trade Association acts as the main CSO interface with UK industry.
- Opportunity to improve audit of CSO aspects of the MoD Assurance Process within the Acquisition Operating Framework.

Recommendations:

- f. CSO is considered early and throughout the Acquisition Process to optimise opportunities and reduce the link between routine and operational support.
- g. CSO contracts between the MoD and Industry should embrace a partnering approach to create the conditions for more collaborative and longer term relationships consistent with the MoD's Industrial and Commercial Policies.
- (1) A MOU is developed to confirm the relationship between the MoD and A|D|S.
 - (2) The Force Support Framework is recommended as the means to deliver an effective CSO audit regime within the MoD Assurance Process.

35. Work to produce the Problem Definition Statement identified that whilst there are good examples of maturing relationships between the MoD and contractors, particularly in the Maritime environment, the innate attitude of the military at the operational and tactical levels is still characterised by a non-inclusive approach. It also recognises that CSO is sometimes considered late in a project and is not fully integrated into the Through Life Capability Management (TLCM) of a capability. This is at odds with the 2005 Defence Industrial Strategy (DIS)¹⁸ with its emphasis on changing from contracting through competition to a more partnering based ethos (where appropriate), with a renewed focus on managing capabilities and equipment on a through-life basis. A RUSI investigation into the provision of logistics on operations identified that DIS sought to:

"...transform the traditional defence procurement business model by shifting emphasis from competition to long-term partnering arrangements. This necessitates a collaborative approach between the MoD and Industry. The DIS demands a considerable change in mindset and culture on both sides. Partnering between customer and supplier can deliver millions of pounds in savings over time but decisions to partner must be driven by the business need to both partners rather than purely as a cost-saving measure for the customer."¹⁹

36. The move towards closer and longer term relationships with contractors reinforces the necessity for the MoD to be an intelligent customer; able to set clear requirements, produce contracts with the flexibility to adapt to change and ensure robust competition consistent with MoD industrial and commercial policy. Despite closer and longer term relationships, the Contract Sponsor will also need to ensure that the quality of delivery is rigorously audited in accordance with

¹⁸ *Defence Industrial Strategy*, Defence White Paper (London: The Stationery Office, 2005).

¹⁹ *Key Issues Affecting the Provision of Logistic Support to the UK Armed forces in Expeditionary Operations*. A RUSI Occasional Paper by Christianne Tipping, Head Defence Leadership and management Programme RUSI.

recommendations made in the Haddon-Cave Report²⁰. Insufficient training provision and a lack of general CSO awareness and experience mean that these are all currently assessed as areas of weakness within the MoD. This issue is explored further in Part 9, Training and Education.

37. There is also a perceived divide in the provision of support in the Base and the support provided to operations. This applies less to equipment programmes where there are some good examples of CSO from the OEM being well integrated into the programme (see below), but it is particularly prevalent in the provision of logistic support services where the letting of contracts is focused on delivery of effect in either the base or in the Operational Theatre. This gap is partly due to organisational stovepipes but is more heavily influenced by the financial regime and boundaries created between programmed resources and the funding of operations through the Conflict Prevention Fund (CPF). Industry believes that the linkage between requirements to support the Base and willingness to meet similar requirements in the CSO environment should reduce the requirement for short-notice and short-term operational solutions and offer better value to Defence. It is recommended that the utility of CSO must be considered early and throughout the Acquisition Process in order to optimise opportunities and reduce the divide between routine and operational support.

38. There is evidence that the DIS and the drive towards TLM are beginning to change the mindset and culture within the DE&S. Programmes such as the Surface Ship Support Alliance (SSSA), where the MOD, Babcock Marine and BAE Systems Surface Ships Ltd. are now working together in a single integrated team on a Best for Enterprise basis and delivering the required availability and efficiencies whilst sustaining the enterprise.²¹ There has been less progress in the provision of logistic support services; however, the World Wide Food Supply Contract (WWFS) between the Defence Food Services (DFS) Team and Purple Food Solutions (PFS) is a good example of a relationship working under Partnering Principles which delivers integrated support from procurement through to delivery to base installations, operations and exercises world-wide. This offers a model for how closer relationships can be developed with Industry and it demonstrates the benefits of bridging the Base/operations 'divide'. It is recommended that CSO contracts between the MoD and Industry should embrace a partnering approach to create the conditions for more collaborative and longer term relationships consistent with the MoD's Industrial and Commercial Policies. Such an approach will require more effective requirement setting by the MoD with a strong competitive element in the letting of contracts to ensure value for Defence.

39. The CSO TT reviewed the major MoD project approaches used for equipment (CADMID cycle), logistic services (CADMIT cycle) and infrastructure to determine the optimal points for the consideration of CSO. It was clear that irrespective of the approach adopted, consideration of contractor support options both in the Base and on operations must occur at the very beginning of the Concept Stage to create the best opportunities for trade-offs, realisation of maximum benefits and to overcome the potential for division between Base and Operational support. Further work is required to establish how this requirement can be reinforced within the Acquisition Operating Framework to ensure inclusion in specific activities such as:

- Framing the User Requirement Document
- Identifying procurement options

²⁰ The Nimrod Review – An Independent Review into the broader issues surrounding the loss of the RAF Nimrod MR2 Aircraft, XV230 in Afghanistan in 2006. Dated 28 Oct 2009.

²¹ As part of the SSSA, Class Output Management (COM) Teams have been formed to oversee the support activity for a specific class of ship (e.g. HUNT class, which is currently deployed to TELIC) and integrating the individual components of support, including the deployment of contractors in support of warships deployed on Operations. Through this COM structure, Industry adopts the tactical decider role, with the MoD acting as the strategic decider. Through the introduction of "contracting for performance, including availability", Industry, together with the MoD takes responsibility for delivering the required availability of ships. Specifically the COM is responsible for the through life management of engineering, planning and support; setting work requirements; and balancing available resources with the operational programme... It also provides a focal point for Ships staff and key support activities (including UORs); coordination of all MoD and contractors activities (including CONDO deployment); integration of supply chain availability and production opportunity; and technical advice and assistance to (deployed) ships

- The Assessment Process
- Producing the Through Life Management Plan
- Creating the Systems Requirement Document
- The drafting of contracts

The Urgent Operational Requirements (UOR) Process follows similar, but much truncated, processes to those mentioned above. In some cases the speed of delivery of the UORs means that technical support capabilities are not available within the military and CSO is the only short-term option.

40. MoD Assurance Process. Within the broad scope of the MoD Assurance Process this Report is focused on the provisions contained in the Support Solutions Envelope (SSE) within the Acquisition Operating Framework. Key Support Area 1 – Logistic Support and Sustainability details the considerations to be made when evaluating CSO and includes the requirement to develop assured support to the operational commander (including mitigation plans if CSO is withdrawn). Although the process is generally considered to be pragmatic and sound, its effectiveness is limited due to variable compliance caused by lack of awareness and the weakness of the related auditing regime. It is recognised that the auditing regime requires review to ensure robust and tested mitigation plans are produced for CSO solutions. This review should be conducted using the Force Support Framework (FSF) being developed by ACDS (Log Ops). The FSF is being developed to effectively define support policy, quantify non-compliance in monetary terms and deliver a clear SSE focused on the operational space. A similar framework should also be considered for infrastructure programmes. The FSF is recommended as the means to deliver an effective CSO audit regime within the MoD Assurance Process.

41. When considering CSO, the provision of the flexibility to respond to changing circumstances (within the restraints of the Public Procurement Regulations) is essential. The key is in the requirement setting, especially in the description of the CSO task by the Contract Sponsor, for the commercial officer responsible for the contract. The MoD's performance in setting effective requirements was analysed in detail by the Gray Report, suffice to say it is extremely difficult to state an accurate and enduring requirement within the context of a dynamic operational environment. This challenge is exacerbated by the fact that requirement setting often rests with service-personnel who have limited commercial training or experience in this area. Improving this situation will require additional training, and a more imaginative and intellectually agile interpretation of the likely operational demands to which the Contractor may be expected to respond.

42. The main interface with Industry on CSO since 1999 was through the Defence Manufacturers' Association (DMA) which has now merged with the Society of British Aerospace Companies (SBAC) to become the Aerospace Defence and Security (A|D|S) trade association with over 1000 company membership. A|D|S employs a consultant to represent their members' interests on CSO. The consultant sits on a number of Joint MoD-Industry CSO and CONDO Working Groups within the NDIC structure and contributes towards the completion of policy, legal and commercial, and governance issues. A|D|S is also used to promulgate and communicate CSO information to its members and runs very successful CSO and CONDO Industry Days and Workshops. This has been a beneficial and long-standing initiative although it is somewhat dependent on the personalities involved at the time. In order to put this relationship on a proper footing and drive greater benefit from the relationship it is recommended that the MoD and A|D|S sign a Memorandum of Understanding (MOU) to define and formalise their relationship with regards to CSO.

PART 7 – CSO PLANNING ASSUMPTIONS**CSO Planning Assumptions****Findings:**

- CSO has less utility in the high threat, high readiness end of the operational spectrum.
- CSO should augment and not undermine Core Military Capabilities.
- The MoD must provide as safe and secure operating environment as possible for the Contractor.

Recommendation:

- h. **The CSO TT principles and planning assumptions for the employment of CSO are incorporated into doctrine and used to inform the SDR.**
- i. **The utility of CSO is considered early and throughout the MoD operational estimate and planning processes.**

43. The CSO TT reviewed DSG 08 and the Joint Logistic Planning Assumptions (JLSPAs) with a focus on informing the Green Paper and the Strategic Defence Review. This Report is coherent with the higher level assumptions contained in the DSG, with the main principle that CSO should augment and not replace Core Military capability being re-affirmed. It was decided not to identify areas where CSO could expand to replace military capability as this approach can lead to the undermining of military capability by default. The CSO TT felt that the debate on the utilisation of CSO should be led by the MoD first deciding on its definition of what constitutes Core Capability during the SDR. This issue is explored in depth by Dr Christopher Kinsey from Kings College in *'The Transformation of War – The Rise of the Private Contractors'*,²² which identifies possible methodologies. Having defined Core military capability, it is recommended that the revised principles and planning assumptions for the employment of CSO set out below are incorporated into doctrine and used to inform the SDR of the areas and circumstances in which CSO should be employed. Further, in order to optimise contractor potential it is recommended that the utility of CSO is considered early and throughout the MoD operational estimate and planning processes.

44. CSO is not appropriate for all roles and operational situations and contractors' personnel cannot be used to deliver armed offensive capabilities. Mission critical and decisive operational capabilities are also less likely to be suited to CSO than support functions. The scope of CSO use will always be dependent on the nature and phase of a particular operation, and roles may evolve. At the outset of a contingent operation overseas, a high threat environment and the cost of holding a contractor at high levels of readiness mean that they are less likely to be an appropriate option to meet the operational requirement to receive a force in theatre within the required timescale, hence the need for sufficient military enablers to be held at readiness. However, a key element of CSO enablers (charter air and sea lift, infrastructure support etc) are likely be present in the early stages of an operation and their deployment and Force Protection need to be considered early in the operational planning process. If the operation endures, the potential to use contractors is likely to increase creating a force multiplying effect by undertaking tasks previously performed by service personnel and releasing them for other tasks.

45. The following principles must be applied to the use of CSO:

- a. The MoD Contract Sponsor must ensure that CSO provides assured support for the military commander.
- b. **CSO must represent Value For Defence (VFD)**²³ for MoD, accepting that it must be profitable for the contractor.

²² Dr Christopher Kinsey 'The Transformation of War – The Rise of the Private Contractors, The Emirate Centre for Strategic Studies and Research

²³ The concept of Value for Defence is explored at paragraph 41

- c. The MoD must provide as safe and secure operating environment as possible for the Contractor.
- d. The use of CSO must not undermine **core** military capability²⁴.
- e. CSO must be fully integrated into the Total Support Force.

46. In addition to the above principles, the NATO Logistic Handbook offers the following practical guidance for planners at the operational level who are considering the utility of CSO for a particular operation and could serve as a useful reference during the estimate and planning process. CSO should be considered when:

- a. Military manpower strength in a national component or in a JOA is limited by political decision.
- b. The required capability is not available from military sources.
- c. The required capability is not made available for the operation.
- d. The military capability is not available in sufficient numbers to sustain an operation.
- e. The military capability is required for other missions.
- f. The use of local contractors supports an agreed CIMIC plan.
- g. The use of contractors for certain functions is more cost effective.
- h. The use of contractors reduces military overstretch.
- i. The operational need for continuity and experience that cannot be provided by using mil manpower on a rotational basis.

²⁴ This point aligns with Part 8 of the DSR Report 'Assured Deployable Depth-Support.

PART 8 – VALUE FOR DEFENCE**Value for Defence****Findings:**

- CSO accounts for a significant proportion of support costs on current operations.
- The distinction between Programmed Funding and CPF tends to reinforce the potential for division between support to the Base and support to operations.
- Cost tends to be the main consideration when assessing CSO solutions
- Consideration of Value for Money can be inconsistent and poorly defined across Defence.
- The total Value for Defence is not clearly established or considered thoroughly.
- CSO costs are not captured centrally within MoD, making it difficult to know how much is being spent on CSO, whether it represents good value and whether improvements are required?

Recommendation:

j. The Value For Defence criteria are developed to ensure all relevant factors are considered when assessing CSO options.

- (1) A mechanism must be established to capture the totality of CSO costs within the Department.

47. The consideration of Value for Money (VFM) within the context of CSO proved to be challenging within the MoD's financial regime. In particular, the distinction between Core or programmed funding and costs charged to the Conflict Prevention Fund (CPF) in support of operations encourages and reinforces the potential for division between support in the Base and in-theatre. This issue is far wider than CSO and was covered in detail in the Grey Report. Therefore, consideration of VFM within this Report will focus solely on the CSO aspects. As was outlined in the description of the current situation in Part 3, CSO forms a significant proportion of the total support costs to operations with the vast majority being funded through the CPF. Establishing the Departmental costs of CSO proved difficult (particularly the elements relating to UORs) as there is currently no formal method for doing this. Centrally managing this financial information would improve transparency and create opportunities to deliver better value for money by enabling initiatives such as comparative benchmarking and identification of best practice.

48. As discussed in Part 6, to achieve best value CSO should be considered early and throughout the Acquisition Process, and the MoD should seek to develop longer term relationships with industry based on a partnering approach. Achieving this requires early investment, with the enabling funding coming from the Core programme. Industry believes that the linkage between requirements to support the Base and willingness to meet similar requirements in the CSO environment is likely to offer best value to Defence over time. However, given the current financial climate there is little incentive to commit programmed money to contingency and operational activity when it could be charged to the CPF.

49. JSP 507 (MOD Guide to Investment Appraisal and Evaluation) describes "appraisal" as:

A systematic process which entails being clear about objectives, thinking about alternative ways of meeting them, and estimating and presenting the costs and benefits of each potentially worthwhile option ... together with an assessment of their associated risks, to indicate which offers the best value for money.

The principle is that, wherever possible, costs and benefits should be assigned a financial value to facilitate easier comparison of the options, though the appraisal process does also allow unquantifiable costs and benefits to be included in the evaluation. The JSP includes some guidance on how to value costs and benefits, but gives only limited advice on the nature of the potential costs and benefits that should be considered. The CSO TT found that frequently this

wider consideration is extremely limited with cost becoming the deciding factor for the extent to which a support solution should involve CSO. Using the term Value for Defence (VFD), is intended to prompt a wider consideration of the non-financial qualitative and quantitative factors and outcomes when evaluating military/Contractor options to own, operate and support a capability. It is recommended that VFD criteria are developed to ensure all relevant factors are considered when assessing CSO options. For example, currently on Op HERRICK the political sensitivities of military manpower numbers in-theatre and the drive to improve the military 'teeth-to-tail' ratio are as important as cost considerations in deciding how to deliver support capability. Other factors that must be considered in order to reach a balanced decision include:

Assured support	Threat levels	Risk	Whole Life Costs (see paragraph 50)
Security issues	Impact on Joint Supply Chain	Readiness levels	Military Manpower Constraints
Impact on, and integration into Total Force	Sponsored Reserve status	Operational flexibility	Nation Building
Continuity	Roulement and Sustainability	Command and Control	Legal and Commercial
Political flexibility	Technical expertise	Benefit to UK plc	Burden sharing with coalition partners

50. **Whole Life Costs** remain a key factor which must also be assessed in a more comprehensive manner to establish the true cost to Defence, rather than just the contract and capitation costs. Factors for consideration in determining Whole Life Costs include:

Capitation costs	CPF cost charges by the Military	Cost to lines of communication	Running Costs	Allowances
Equipment	Training	Establishment costs	Periodic costs	Opportunity Costs

PART 9 – TRAINING & EDUCATION**Training and Education****Findings**

- CSO training and education is ad-hoc and restricted, resulting in limited understanding and skills.
- CSO is only regularly briefed on a small number of staff and acquisition courses.
- There is little involvement of contractors in MoD collective training and exercises.
- There is no co-ordination of pre-deployment training preparation across project teams resulting in under-loaded courses and avoidable costs
- Many individuals with CSO responsibilities within the Department have received limited relevant training, this limits the MoD's ability to act as an Intelligent Customer.
- The UK military do not have a professional contractor management career path, nor is there a CSO competence/sub-specialisation.

Recommendations:

k. A comprehensive end-to-end review of individual CSO training and education requirements within the Department is undertaken as a matter of urgency to rectify the limited levels of knowledge and consequential sub-optimal performance.

- (1) Contractor management must be a military capability and should be developed as a competence/sub-specialisation: this would improve the MoD's ability to act as an Intelligent Customer.
- (2) Opportunities should be explored to use contract monitoring tasks in the Base as preparation for contract monitoring on operations.
- (3) Training is required to improve the MoD's ability to set requirements and translate them into contractual agreements.
- (4) Requirements staff must become effective at identifying and specifying the flexibility required to reflect changing operational circumstances.

l. A review of collective training (including Pre-Deployment Training) is conducted to ensure the inclusion of appropriate CSO serials and capabilities.

- (1) Contractors and CSO serials should be included in appropriate collective training, exercises and PDT.
- (2) It is recommended that the CMC provide co-ordination between Contract Sponsors to ensure pre-deployment training courses are loaded to maximum capacity.

51. One of the key findings of this report is that there is limited awareness and understanding of CSO both within Industry and across the MoD generally, but amongst the uniformed element in particular. This is a main contributor to friction evident at the tactical level. The CSO TT found that CSO related training and education within the MoD are ad-hoc and limited. There have been consolidated efforts by ACDS (Log Ops) staff in conjunction with PJHQ and DSCOM to improve general awareness through regular CSO briefs to the Acquisition Employment Training Course, the Advanced Command and Staff Course and a number of other career courses. They also conduct a series of annual CSO 'Roadshows' to the FLCs and DE&S. Other than that there is limited CSO training or education opportunities within the MoD. This limits the MoD's ability to act as an Intelligent Customer at all levels e.g. Contract Sponsors receive at best rudimentary training on the CONDO process, SO2 Contract Support on Op HERRICK can deploy to theatre with little previous experience of contractor management, and CSO Pre-Deployment Training (PDT) is limited to a day or two of PJHQ briefings and a few related, but not interconnected visits. The inclusion of CSO serials and contractor personnel in general PDT is slowly improving with limited inclusion in the Operational Training and Advisory Group (OPTAG) package and on recent Op HERRICK Mission Rehearsal Exercises (MRX). It is recommended that this process is accelerated and formalised through a review of collective training (including Pre-Deployment Training) being conducted to ensure the inclusion of appropriate CSO serials and capabilities.

52. Despite running a large number of CONDO Workshops since 2006, A|D|S and Industry recognise that there is limited knowledge of the wider use of CSO including Sponsored Reserves, and of the reliance placed on it in terms of the TSF Concept. Education and training is

therefore of equal importance to Industry, such as taking every opportunity to participate in CSO-related collective training and exercises. As an example of best-practice, the Chinook Project Team and its Boeing/Vector Aerospace contractors have developed a very positive pre-deployment training regime. The CSO process does stipulate appropriate pre-deployment preparation for every Contractor employee deploying to theatre and project teams are responsible for ensuring the Contractor complies with the PJHQ direction; Industry needs to comply as part of a Company's Duty of Care towards their employees. Currently MoD approach to compliance is stove-piped with little or no cross-team co-operation. It is recommended that the CMC provide co-ordination between Contract Sponsors to ensure pre-deployment training courses are loaded to maximum capacity and reduce the number of courses required; ultimately the costs of training courses are likely to be passed back to the MoD as part of the overall contract cost.

53. Contract Management and Contractor Administration need to become core military skills if the MoD is to make best use of CSO. As part of this approach, opportunities should be explored to use contract monitoring tasks in the Base as preparation for CSO monitoring within the JOA. There are pockets of excellence such as the Royal Engineer's training regime for its infrastructure specialists, from which much can be learned, but these are currently limited to specialist capabilities. Additionally, in response to concerns expressed by the Defence Logistics Skills Board, chaired by the Logs Skills Champion, DJSC, the Joint Logistics Training and Education Working Group have action in hand to address the training needs of Logistics' staff involved in contracts and contractor management both in the Base and in a CSO environment.

A modular approach is being developed, where all logistics officers would be exposed to the principles of contracting, requirements setting, and contract management and, building from this common foundation, further pre-employment training is also to be given to logisticians about to take up posts managing contracts either in a CSO environment or in Base, managing S/MACs.

Maximum use will be made of existing contracts training and education. Whilst it will take some time for such a structure to become embedded, priority is being given to developing the CSO contracts management module where it may be necessary to cover some of the principles of contracting and requirements setting in the first instance, where this training and education has not been available in the past. A draft OPS has been developed and a questionnaire is being distributed to staff in relevant posts to support a Training Needs Analysis.

54. The development of these skills is fundamental to the better integration of CSO into the TSF Concept and the DJSC initiative provides an excellent start point. Within Industry awareness and understanding of CSO opportunities tend to be limited to key personalities in some of the main defence sector companies and to the A|D|S trade association. Again, this will need to be developed in support of the TSF Concept. It is recommended that a comprehensive end-to-end review of CSO training and education requirements within the Department be undertaken as a matter of urgency to rectify the existing poor levels of knowledge and consequential sub-optimal performance. This review should focus on the following areas:

- (a) The development of Contractor management as an enduring military capability and its development as a competence/sub-specialisation; improving the MoD's ability to act as an Intelligent Customer.
- (b) The identification of opportunities to use contract monitoring tasks in the Base as preparation for contract monitoring on operations.
- (c) The training required to improve the MoD's ability to set requirements and translate them into contractual agreements.
- (d) The ability of Military and Civil-Service staff to develop requirements with the flexibility to deliver longer-term relationships in dynamic operational environments.

It proved particularly challenging to identify a single organisation to lead such a review of training.

The Directorate of Training and Education (D TE) advised that as the review was specific to CSO and was therefore support and operations focused it was not sufficiently pan-Defence to merit their involvement. Therefore it is recommended that the CSO training review is led by D JSC in conjunction with PJHQ. Such a review will also require the involvement of all CSO stakeholders and should build upon the work of the Joint Logistics Training and Education WG mentioned at paragraph 53.

PART 10 – SPONSORED RESERVES**Sponsored Reserves****Findings:**

- Sponsored Reserves (SR) increase the degree of assurance to the military commander, as once mobilised into permanent service they are subject to military law and discipline.
- The SR concept is not appropriate for all CSO solutions; it is valuable for providing discrete capabilities demanding assured delivery.
- The guidance given in DSG 08 to exploit SR has had limited application due to a lack of understanding of the concept within MoD.

Supporting Recommendations:

- SR (1) The Strategic Review of Reserves recommendations on SRs should be implemented.
- SR (2) A guide explaining the comparative costs and relative strengths and weaknesses of SRs should be developed to provide reference during the acquisition process.

55. As mentioned earlier in the report, DSG 08 encourages exploitation of the Sponsored Reserve (SR) approach. The limited application of this guidance is primarily due to a lack of understanding of the SR concept within Defence, consequently it is rarely considered as an option during the formulation of support solutions. The Tiger Team support the recommendations on SR made by Strategic Review of Reserves:

- a. The MoD should develop a better understanding of the Sponsored Reserve and the scope for utilising it should be more firmly embedded into the acquisition process: This is currently being considered by DRF&C.
- b. The MoD should widen its annual Sponsored Reserve risk management review to examine the totality of Defence manpower: This is to be taken forward by RF&C Personnel Policy Implementation Team.
- c. The use of the Sponsored Reserve should be considered as a possible solution to some of the Defence Career Partnership and stabilisation requirements: This is to be taken forward by RF&C Personnel Policy Implementation Team.

56. There are advantages and disadvantages to the SR approach, examples of both are provided at Annex G. In summary, SRs should be viewed as discrete providers of niche capability, not as the desired default setting for all CSO. The SR concept is particularly relevant to high threat and high readiness environments and to roles which have a civilian 'day-job' equivalents. Mobilised SRs increase assurance but tend to be more costly than ordinary contractors and could be considered as over-insurance in many cases. Additionally, SRs are included within the military manpower count, whereas contractors are not.

PART 11 – STRATEGY & IMPLEMENTATION**Strategy & Implementation****Recommendations:**

m. The Logistic Sub-Strategy is amended to reflect the recommendations of this Report.

n. It is recommended that the Level 0 plan is owned by ACDS (Log Ops) on behalf of DCDS Ops .

(1) The implementation hierarchy is based upon the proposed NDIC CSO architecture.

(2) Each Recommendation owner should nominate a 1* lead to produce the Level 1 Implementation Plan to ACDS (Log Ops).

(3) The SO2 Contractor post in HQ JFSp(A) is temporarily upgraded to a SO1 position for the preparation and deployment of HQ 104 Log Sp Bde.

(4) A temporary (12 months) CSO Implementation position is created within ACDS (Log Ops).

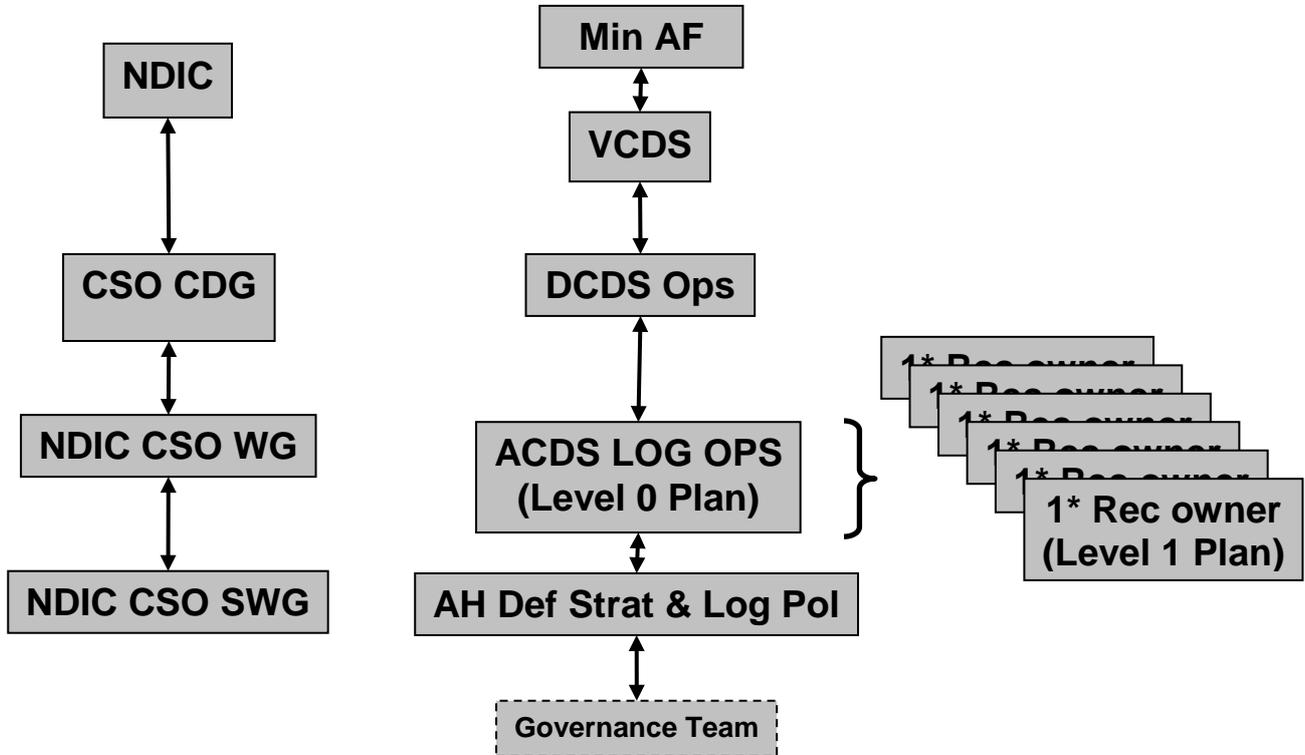
57. Strategy. Accepting the need for a guiding CSO Vision for the Department, it is essential to create an appropriate strategy to achieve it. This strategy should be incorporated into, and coherent with, the emerging Strategy for Defence in general and the Logistics Sub-strategy in particular. The Logistic Sub-Strategy is owned by CDM, with oversight provided by ACDS (Log Ops) as the Process Architect, and it is currently on 1* Circulation. It is recommended that the Logistic Sub-Strategy is amended to reflect the recommendations of this Report.

58. Implementation. CDM directed the CSO TT to develop a Level 0 Implementation Plan as part of this Report. As a first step each recommendation has been; allocated to an owner responsible for its delivery, designated to a CSO Line Of Development, categorised in terms of its strategic, operational and tactical impact and placed within a time category (Immediate, medium term (6 – 18 months) or long term implementation (18 – 36 months)). Also highlighted are those Recommendations which are considered to be operational 'quick wins' with particular relevance to Op HERRICK. These Recommendations are to be incorporated into the HERRICK Campaign Support Plan (HCSP) as part of the Rationalisation Key Factor owned by ACDS (Log Ops). This is aimed at setting the conditions for the delivery of an Initial Operating Capability (IOC) for the TSF Concept during the deployment of the HQ JFSp (A) by February 2011. The achievement of IOC by February 2011 will involve considerable additional effort by the nominated brigade. To meet this challenge it is recommended that the SO2 Contractor post in HQ JFSp(A) is temporarily upgraded to a SO1 position for their preparation and deployment.

59. Industry through A|D|S and the NDIC CSO structure will work with MoD and the various CSO stakeholders to implement and communicate the CSO Tiger Team main and supporting recommendations. Chief Executive of A|D|S has confirmed that A|D|S is committed to providing a strong CSO centre for Industry and support to joint implementation. A CSO Industry representative contracted through A|D|S and under the management of A|D|S Director Ops will consult with the industry members of the NDIC CSO WG (Currently 12 service and OEM companies engaged in CSO) and where necessary across the wider Defence Industry to ensure a balanced consensus and input into follow- on work. The CSO Industry representative will work through the NDIC CSO structure and contribute and support the Senior CSO Group, the Capability Development Group (CDG) at 3*, the CSO Working Group (WG) at 2* and the CSO Sub-Working Group (SWG) at 1* to ensure continuity.

60. Effective implementation is reliant on the creation of strong governance. Given the current engagement of ACDS (Log Ops) and his staff in the CSO environment it is recommended that he be given ownership of the Level 0 Implementation Plan on behalf of DCDS Ops. Each

Recommendation owner is to nominate a 1* lead to produce the Level 1 Implementation Plan to ACDS (Log Ops). ACDS (Log Ops) intends to hold an Initial Implementation Meeting for all Stakeholders on 23 March 2010 at Main Building. These 1* leads should also become members of the NDIC CSO WG as it is further recommended that the implementation hierarchy is based upon the proposed NDIC CSO architecture illustrated below.



In order to drive forward Implementation ACDS (Log Ops) will require a Governance Team to coordinate the activities of the Recommendation Owners and to ensure that the Campaign Plan remains on track. Whilst some of this activity forms part of the 'day-job' of staff within ACDS (Log Ops) they will be focused on the revision of policy in line with this report and the continued delivery of CSO during Implementation. The requirements of implementation demand additional resource in this area, particularly if the operational 'quick-wins' are to be achieved. Therefore, it is recommended that a temporary (12 months) CSO Implementation position is created within ACDS (Log Ops).

PART 11 - GLOSSARY

3*- Lieutenant General in the Army or RN, RAF equivalent.
ACDS (Log Ops) – Assistant Chief of the Defence Staff responsible for Logistic Operations.
A|D|S – The Aerospace, Defence and Security trade association.
AFA 06 – The Armed Force Act 2006.
C2 – Command and Control.
CDM - Chief of Defence Materiel.
CE – Chief Executive.
CIMIC – Civil/Military Co-operation.
CinC – Commander in Chief.
CJO – Commander Joint Operations.
CLS – Central Legal Services.
CMC – Contractor Mounting Cell.
CPF – Conflict Prevention Fund.
COM(L) – Commander (Land) – Materiel.
CONDO – Contractors on Deployed Operations, the phrase used to describe the MoD's formal policy and process for the deployment of contractors on operations.
CONLOG – Contracted Logistics, PJHQ single-source enabling contract.
CSO – Contractor Support to Operations.
D - Director.
DC – Defence Commercial.
DCDC – The Development Concepts and Doctrine Centre.
DE – The Defence Estates organisation.
DEFCON 697 – Defence Contractual Terms and Conditions 697 – CONDO.
DEFSTAN 05-129 – Defence Standard 05-129 CONDO Processes and Requirements.
DE&S – The Defence Equipment and Support organisation.
DfID – Department for International Development.
DG – Director General.
DIN – Defence Instruction and Notice.
DIS – Defence Industrial Strategy.
DoD – Department of Defence (US)
D Op Pol – Director Operational Policy.
DSCOM – Defence Supply Chain Operations and Movements.
DSG 08 – Defence Strategic Guidance issued in 2008.
DSR – Defence Support Review.
DTE – Director Training & Education.
EinC(A) – Engineer in Chief (Army).
FCO – The Foreign and Commonwealth Office.
Fin – Finance.
FLC – Front Line Command.
FSF – Force Support Framework.
HN – Host Nation.
HQ – Head Quarters.
Infra – Infrastructure.
JDP 4 – Joint Doctrine Publication 4 – Joint Logistics.
JFET – Joint Force Elements Table.
JFSP – Joint Force Support.

JOA – Joint Operational Area.
JSC – Joint Support Chain.
JSP 567 – Joint Service Policy 567 – Contractor Support to Operations.
Jt F – Joint Force.
JSpF – Joint Support Force.
KAF – Kandahar Airfield.
LEC – Locally Employed Civilian.
MoD – The Ministry of Defence.
MoU – Memorandum of Understanding.
NDIC – National Defence Industries Council.
NAMSA – NATO Maintenance and Supply Agency.
NGO – Non-Governmental Agency.
OEM – Original Equipment Manufacturer.
OGD – Other Government (UK) Department.
ON – Other Nation.
Op Sp – Operational Support.
OSI – Operationally Specific Information.
PDT – Pre-Deployment Training.
Pers – Personnel.
PJHQ – The Permanent Joint Headquarters.
PMSC – Private Military and Security Company.
PPE – Personal Protective Equipment.
RF&C – Reserve Forces and Cadets.
RLC – Royal Logistic Corps.
RP – Resource Plans.
RTMC – Reserve Training and Mobilisation Centre.
RUSI – Royal United Services Institute for Defence Studies.
SDR – Strategic Defence Review.
Sec Pol Ops – Secretary Policy and Operations.
SPOT – Synchronised Predeployment and Operational Tracker.
SR – Sponsored Reserves.
SRO – Senior Responsible Officer.
TCMC – Theatre Contractor Management Cell.
TLCM – Through Life Capability Management.
TSF – Total Support Force.
TT – Tiger Team.
UCADMIN – Under Command for Administration.
UKCAP – UK Contractor Augmentation Programme.
UOR – Urgent Operational Requirement.
US – United States.
VCDS – Vice Chief of the Defence Staff.
VFD – Value for Defence.
VFM – Value for Money.
WG – Working Group.

Annexes:

- A. CSO TT Terms of Reference.
- B. CSO TT Membership.
- C. CSO TT Interview List.
- D. CSO Costs.
- E. Proposed NDIC Organisational Chart.
- F. Summary of SPOT.
- G. Sponsored Reserves.

Terms of Reference (TOR) for a Tiger Team examination of the future use, sponsorship and governance of Contractor Support to Operations (CSO) by the Ministry of Defence (MoD)

Aim

To create a Tiger Team to examine the use, sponsorship and governance of CSO by the MoD on future operations, with a view to identifying what is required to create an integrated, sustainable military/contractor force, in which the characteristics of each are optimised to meet specific operational requirements and conditions, and that the risks are well understood and managed by both parties.

Scope

The Team is to make specific recommendations on the issues associated with the use, sponsorship and governance of CSO based on current Defence Planning Assumptions, in the context of the Total Force, and taking into account the inexorable reasons for using contractor support. The work should build on that already done by the National Defence Industries Council (NDIC) CSO Working Group (WG) and the Contractors On Operations (CONDO) SWG and should include a detailed implementation plan. It should not impede the implementation or improvements which have already been identified by the NDIC CSO WG campaign plan.

Tiger Team Objectives

- Whether the existing MoD approach towards CSO (CONDO, Sponsored Reserves, and Private Security Companies) is the most appropriate method of exploiting the opportunities to be derived from the use of CSO and achieving the assured delivery of support to the military commander on future operations?
- The validity of current assumptions determining whether CSO should augment or replace military capability; the limits and constraints of CSO contribution; the ability of the military to act as a coherent and intelligent CSO customer, and to provide a safe and secure operating environment for contractors; and how to know if the MoD is becoming over-reliant on CSO.
- How to understand and manage the specific and cumulative risks and implications arising from the use of CSO for both parties.
- The actions required to: create appropriate funding, budgets and value for money benchmarks regarding the employment of CSO; to demonstrate that it provides VFM for the MoD whilst remaining attractive for contractors; and improve the transparency of CSO related costs and the equivalent military costs. Costs attributed to CPF and Core Funding must also be considered.
- The policy, sponsorship, organisational, governance, (including compliance and assurance) process and resource implications that must occur to deliver all of the above and to ensure contractors and military evolve into a fully integrated force.

Out of Scope

The Team will not examine the following aspects of CSO:

- Activity undertaken in non-operational areas, except where there is a clear opportunity to develop the linkage.

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- Current operational activity, although the Study will inform possible CSO options/enhancements in Afghanistan.
- The multinational or Other Government Department (OGD) dimension, although the approach to CSO by other nations and OGD may be considered to inform the thinking of the Team.
- The development of the future CONLOG contract.

Governance

- The Team report to the NDIC CSO WG (tbc) and to CDM who will then inform VCDS and the NDIC
- The Co-Chairs of the NDIC CSO WG are to be the joint Senior Responsible Owners of the Team.
- The NDIC CSO WG is the Steering Group for the Tiger Team

Timetable

- CDM/CoM(L): pre start-up brief, mid-term update, final report.
- NDIC CSO WG Co-Chairs: pre start-up brief, monthly, mid-study report, final report 1 week prior to CDM/CoM(L).
- NDIC CSO WG Steering Group – briefs: pre-start-up by Email, update 09 Oct 09, mid-term update by email, final report presented prior to submission to CDM/CoM(L) and NDIC TLCM WG

Study Team Composition

- Team Leader - Military OF5
- Joint Deputy Team Leaders – Military and Industry
- Finance - MoD
- Legal - MoD
- Commercial – MoD
- DSCOM
- G4S
- KBR
- Thales
- BAE Systems
- FLCs
- PJHQ
- Defence Estates
- DRFC - Sponsored Reserves SME
- Delivery Unit – PMSC SME

The team will need to reach-back into areas across the Department and in Industry to obtain the advice of SMEs.

Duration

Four months. The Team is to be manned and ready to start after NDIC CSO WG on 9 Oct 09.

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Deliverables

A report and implementation plan to CDM/CoM(L) and the NDIC TLMC WG that satisfies the TOR for the Team provides an audit of current MoD CSO development work, identifies gaps needing to be addressed and plans for doing this, and activities that could potentially be replaced by an achievable alternative if they are considered not to be positively contributing to the MoD vision for CSO.

A mid-term report to the Co-Chairs of the NDIC CSO WG highlighting progress, and if necessary raising related issues requiring resolution.

CSO TIGER TEAM COMPOSITION

Core Team

Col Newman – Team Leader
Lt Col Barber – Deputy Team Leader (Military)
Mr Higginson – Deputy Team Leader (Industry)

Industry

Mr Cowell – G4S
Mr Evans – BAE Systems
Mr Golding – Thales (previous Thales representative Mr Pile)
Mr Steirn – KBR

FCO

Mr Hunt
Mr Peerless

MoD Centre

Ms Eastwood – CLS
Ms McLeod – CLS
Ms Symons – CLS
Mr Bass – D RFC
Wg Cdr Speedy – D RFC
Cdr Lea – Sec Pol Ops Delivery Unit
Ms Young – Sec Pol Ops Delivery Unit

Navy Command

Cdr Nicholson
Lt Cdr Robb

Land Forces

Lt Col Snape
Maj Wagstaff
Maj Ware

Air Command

Sqn Ldr Barclay
Wg Cdr Buckingham

PJHQ

Lt Col Kaley

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Defence Equipment and Support

Lt Col Blake – DFS

Mr Evans - Fin

Wg Cdr Farr – COS

Mr Looman – LE GSG

Cdr MacDougall – DSCOM

Mr Powell – D GDC

Defence Estates

Col Wright

EinC(A)

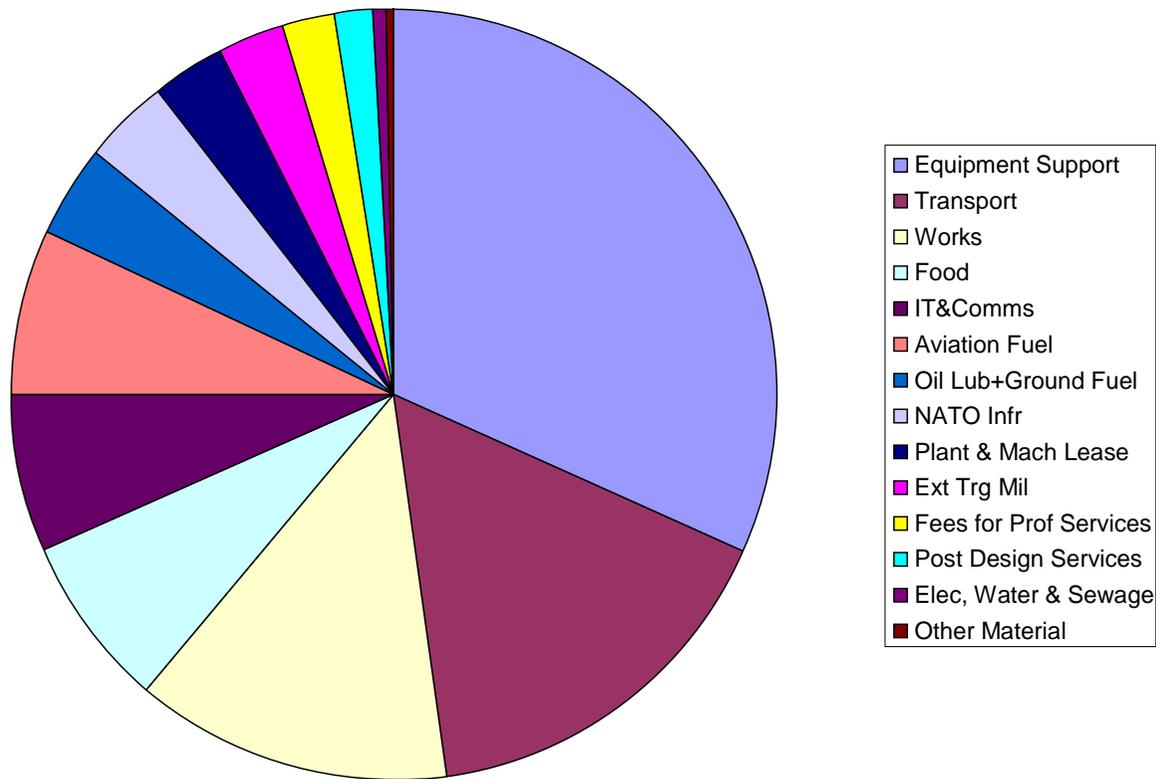
Lt Col Quinn

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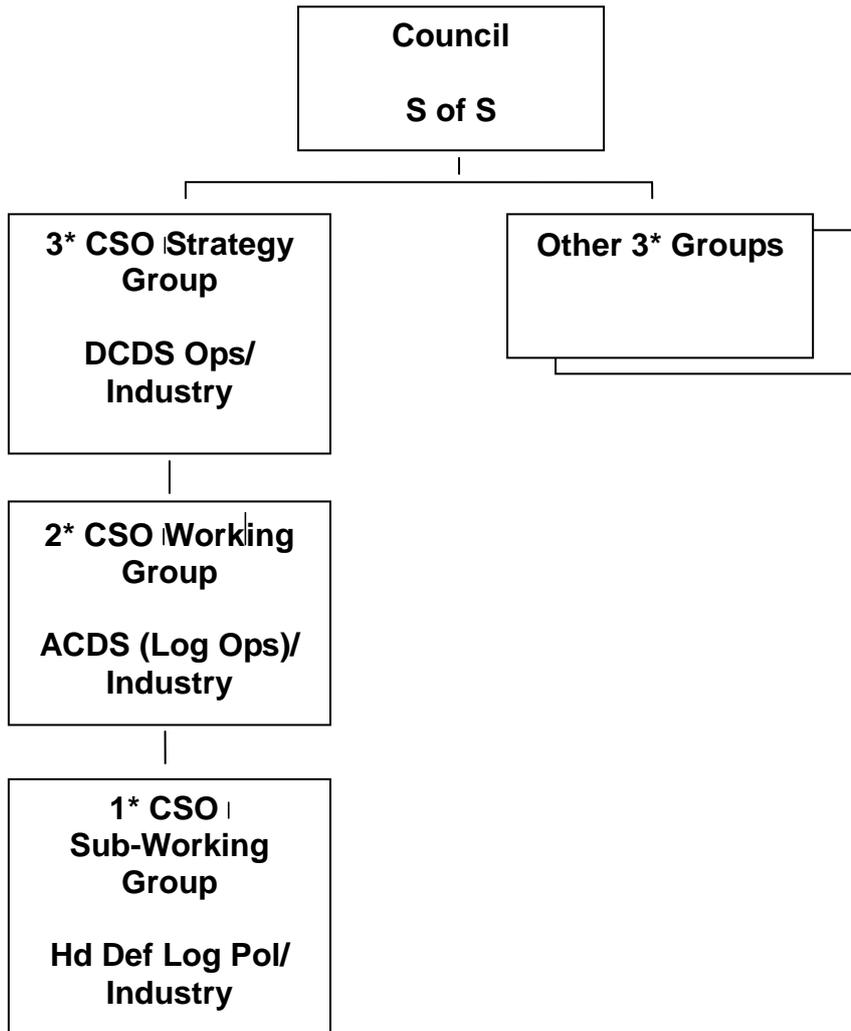
Contractor Support To Operations Tiger Team – Interviews:

Ser	Date	Organisation	Personalities	Remarks
(a)	(b)	(c)	(d)	(e)
1	14 Sep 09	ACDS Log Ops	Maj Gen Mason	
2	18 Sep 09	ACDS Log Ops	Col Baker	
3	25 Sep 09	CST LF	Col (Retd) Clive Ward	
4	25 Sep 09	HQ LF – AD CSS Ops AD	Col Duncan Col Shirley	
5	29 Sep 09	HQ LF – D Log Army AD Log Sp	Brig Henderson Col Stanhope-White	
6	01 Oct 09	PJHQ – ACOS J1/J4	Brig Hickson	
7	01 Oct 09	DRLC	Brig Murray	
8	09 Oct 09	ACDS Log Ops AD Ops	Gp Capt Johnson	
9	21 Oct 09	DSCOM – Director AH AH Ops	Brig Copeland Capt Tohill Col Dunn	
10	28 Oct 09	HQ AIR – ACOS A4	Air Cdre Gale	
11	29 Oct 09	Navy Comd – ACOS Log	Cdre Marsh	
12	06 Nov 09	DE&S – Hd TLS	Brig Boswell	
13	11 Nov 09	FCO	Mr David Hunt	
14	19 Nov 09	US DoD	Mr Jeff Taylor	Incl SPOT Brief
15	24 Nov 09	FCO	Mr Chris Peerless	
16	25 Nov 09	ACOS Sust DSF	Col English	
17	08 Dec 09	D DSR	AVM Young	

**SIGNIFICANT CONTRACTOR SUPPORT COSTS FOR HERRICK
2009/10 – Approx £1 Bn**



Proposed National Defence Industries Council CSO Pillar



Synchronised Pre-deployment and Operational Tracker (SPOT) System Summary

Headlines

1. SPOT is an automated system to accurately record, track and account for, in near-real-time, all contractors in theatre thus providing full contractor accountability and transparency, and accountability of government resources.
2. SPOT is the first and only single integrated database containing authoritative data about contractors in theatre.
3. SPOT enables the visibility of current contracts in theatre, thereby enabling a reduction in contractor fratricide.

Details

4. SPOT is fully deployed (at FOC), financed and supported by the US in Iraq and Afghanistan for all contractors working for the DoD, US Department of State, US Agency for International Development (USAID) and US Department of Justice.
4. SPOT meets all US Congressional mandates (to use a common database to track all contractors, including all US Government PMSCs), as well as US Homeland Security Presidential Directives. SPOT is approved for use under US Data Protection and privacy laws.
5. SPOT is owned and licensed by the DoD and has been offered to the UK free-of-charge.
6. SPOT enables correct contractor documentation and authorises, via a standard 'Letter of Authorisation', all contractor entitlements in theatre such as dining facilities, medical care, accommodation and transportation.
7. SPOT is used as the US 'Personnel Purple Gate' system. All US contractors are scanned at APOEs, APODs and RSOI locations into and out of theatre.
8. SPOT provides dashboard metrics on an 'as needed basis' or regularly reporting cycle (weekly, monthly, quarterly) and has the ability and flexibility to provide tailored statistics and reporting and financial accounting packages.
9. SPOT is used to report on, and control PMSCs.

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10. SPOT has a flexible design and open architecture to easily adapt to new technology. SPOT requires a laptop and SPOT scanner. Data input/modification and viewing of reports and statistics require access to an internet terminal.

11. SPOT enables contractor organisations to continue to manage their own personnel whilst allowing the exchange of interoperable credentials for use by the managing Government agencies. Privacy is maintained and only relevant information is exchanged, as required.

The benefits and disadvantages of Sponsored Reserves (SR)

Benefits

- Assured response. Sponsored Reserves offer a *guarantee of availability* for deployed operations through the individual's membership of the Reserve Force, the legislation for mobilisation in RFA96 and the agreement between the individual, employer and MOD.
- Assurance. An individual SR is subject to Service law when mobilised or when undertaking annual military training or other duties when in uniform and therefore is *accountable* to the MOD. Also SR required to be British, Irish or Commonwealth citizens.
- Reduced Risk. As mobilised SRs are subject to Service Law they can be ordered to remain in theatre performing a task, when CONDO or other civilians may withdraw due to threat level (especially CBRN).
- Easier to Integrate within existing FP arrangements. As SRs undertake annual military training (as laid down in the contract and in line with the sS guidelines on SR training in JSP567), it should be easier to integrate them into the overall FP arrangements for the deployed force.
- Cost/Value. SR are employed on capabilities that are not cost effective to maintain in the Regular forces and are too specialised to be considered in the VR. Past work¹ has found SR to be VFM at acceptable operational and commercial risk. For example:
 - HET – project provides a saving of 10% on manpower costs compared to using Regulars.
 - RoRo Ferries – a rough and ready estimate showed 12% saving on what it would cost to use the RFA (not all factors have been considered).
 - MMU - Deployed MMU are 22% more expensive than potential regular equivalents (if they existed) – however, in this case, the use of SR is a mechanism to guarantee the capability.

Disadvantages

- Lack of flexibility. While SR receive annual military training in line with the contract agreement, they are unlikely to have the same levels of training as other mobilised Reservists. While SRs are mobilised and undertake appropriate PDT, this would not enable them to undertake more complex military tasks outside of their core role.
- Legislative parameters. RFA 96 provides the legal basis for SRs. It has checks and balances including a 9 month limit on permanent (mobilised service).
- Risk Transfer. Defence has transferred the risk of the particular military capability which can not be re-gained in the short term.

Boundaries – when they are mobilised should we consider them CSO or military? (See TSF Summary slide)

- SR are members of the Reserve Forces which in turn are part of the UK's Armed Forces. When mobilised they are fully subject to Service law and discipline and must be considered as military.

¹ D/DRFC 2-2-15 dated 23 Nov 06 (DRFC Review of SR Concept and Policy)