



FUTURE FORCES



David Brewer, Chief Operating Officer, MOD's Defence Infrastructure Organisation brings Sara Bean up to date on how the first of the Defence Infrastructure Organisation's £1.6 billion Built Estate contracts is driving improvements

The Defence Infrastructure Organisation (DIO), which is responsible for maintaining Ministry of Defence (MOD) infrastructure, including military housing, training and construction has been working hard in recent years to improve the services it delivers to its Armed Forces customers. Speaking to FMJ back in 2020, David Brewer, Chief Operating Officer of MOD's Defence Infrastructure Organisation outlined plans to overhaul services, digitise processes and build stronger relationships with suppliers.

By April 2022 the first phase of the Future Defence Infrastructure Services (FDIS) programme was underway, which reimagines the delivery of crucial building maintenance and hard facilities repair

services across the UK defence estate.

Four new regional contracts worth £1.6 billion; went to Mitie, which manages facilities across Scotland and Northern Ireland; VINCI in the South East of England and VIVO (a joint venture between Serco and Equans), covering the central region of the UK including Wales, the Midlands, the North of England and the South West. The contracts are for an initial seven years, with the option of a further three-year extension.

After crossing the one-year milestone, Brewer reflected on the scale of the challenge.

"It's important to recognise the size, diversity and nature of the Defence Estate. There are 133,000 buildings across the whole of the UK, which range

from private houses to bomb proof nuclear bunkers, to high tech surveillance facilities and everything in between. There are thousands of SSSIs, (Sites of Special Scientific Interest) and historic listed buildings, so that level of diversity is an incredibly important bit of context.

"You've the other challenge of several different generations of facilities built to different standards at different times and the fact that because of affordability issues, at times the estate has not been kept up to date and maintained in a way we would like and ended up in a situation where a lot of it is in pretty poor condition. You're then trying to make that whole thing work as a collective piece, which really asks a lot of your maintenance activity.

“The challenge is how do you make sure you’re looking after that type of infrastructure in a way that it is doing the job it needs to do for its users who are themselves doing pretty important jobs? This also includes residential accommodation for personnel and their families.”

PROCUREMENT PROCESS

The procurement process began with a review of the estate’s assets and an assessment of how well they were performing. The complex audit put the DIO in a position to deliver an improved and proactive repair service which over the life of the programme would ensure that properties were being more actively maintained.

When it came to the successful bidders, says Brewer: “What we were looking for as a differentiator was ‘What is this organisation going to be like to work with in the long term? Do they share our values? Do they care about the job the defence estate does for our military people, the operational capability and the lived experience? And are they up for working with us to continually improve throughout the life of the contact? We’ve all seen good bids that aren’t followed through.

“We had to build in more capacity so we’ve been building and upscaling our team, simplifying our processes and procedures and obviously putting these new set of relationships in place with our suppliers. All of those things were an important element of building a capability that was going to be fit for the future.

“We were also really keen that those partners were going to work as a community rather than feeling like they were competing with each other.”

ONE TEAM APPROACH

Core to the FDIS programme was the establishment of a closer relationship with suppliers based on openness, honesty and trust. This saw the creation of a ‘Supplier’s Alliance’ which allows VINCI, VIVO and Mitie to share knowledge and ideas. To aid this process, the suppliers have established joint working groups on management, on maintenance schedules, project delivery and on health, safety and environment where all of the teams and the suppliers come together and share ideas.

This for example has enabled better planning for building maintenance work, with a joint review concluding that changing a practice of carrying out maintenance every week to once a fortnight could free up resources for other projects.

“Historically, suppliers were often unwilling to talk and share best practice about health



and safety,” explains Brewer, “so we were trying to get to that position where they realised it’s in their best interests to share information to be successful, by creating a culture of ‘we succeed or we fail as a collective’”

A crucial part of this ‘one team’ approach is the alignment of the DIO’s database with its suppliers. The system is designed to hold accurate data about every asset on the defence estate, to enable the shift towards a more preventative maintenance approach.

Says Brewer: “We’ve got a real time exchange of information which shows assets we’ve got, what’s failed, what’s working, what work is being done and how long it was off line. We’re working with the suppliers to increase the detail of that and build a full register which allows us to collectively exploit the intelligence that’s now held within our asset system.”

“As the client organisation we have been quite prescriptive in terms of what information we want captured and have a common asset hierarchy so that we and all of the suppliers are holding information in the same format and describing things the same way. That means for an estate of this

scale and complexity we’ve come to a point where we’ve a really good understanding of what our assets are and the tough bit now is how to exploit that information to make better decisions.”

DIVERSITY AND INNOVATION

Another important element of the FDIS programme was to build a wider and more diverse supply base; working with the larger companies and their smaller suppliers throughout the supply chain to support local economies around the country. By drawing on a much broader network of second and third tier suppliers there is now a much more local focus even at the tier one level.

Says Brewer: “As part of the procurement exercise we looked at how those organisations were going to give something back to the regions in which they were working.”

By encouraging suppliers to look at what they buy on a regular basis they can put a framework in place for a category management approach.

For example, when one of the suppliers working on replacing a shared showered block and bathroom established a standard proposition, this meant that the estate and the supply chain could use the same sinks, tiles and panels etc as protocol, which could be rolled out more cost effectively and efficiently.

Says Brewer: “It now feels like we’ve got the best of both worlds as we’ve got that local focus but we are also working across

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these suppliers to make sure if one of them is doing something really well the others are able to draw on that.”

In another example, suppliers have been putting in place a system whereby all of the estate’s energy management systems are connected to central metering to enable better visibility of the estate’s power usage.

“We’re starting to see significant energy reductions,” says Brewer, “and once they have gone through the process of reconnecting all the metering and bringing the energy management systems into one place we’re getting about a 10 per cent energy reduction per establishment.

“We’ve also been running pilot schemes where we are potentially benefiting from 30 per cent energy savings in a single living accommodation block by installing devices such as thermostats on the radiators that are linked to sensors on the windows so that we don’t have windows open and radiators on at the same time.”

Another major innovation is the introduction of a ‘trust with consequences’ (TwC) contractual arrangement for delivering low value, high volume works in a quicker and more agile way. This initially covered projects worth up to £25,000 to bypass the usual tendering approvals processes - allowing work to start immediately. Its success has resulted in that limit being raised to £100,000.

Explains Brewer: “Basically, what it’s about is for simple work you can often be in a situation where the consequences of delaying work can

cause more issues. We realised there was huge value in allowing people to get on with keeping things running well. It’s just saying that instead of spending weeks arguing over each individual piece of work we just let people get on with it and pay them the actual cost.

“I’m convinced we’re not only getting the work done more quickly but we are spending less money at the same time. It’s more efficient for us, for our suppliers and because we’re not asking them to give a fixed price quote they don’t have to build in risk which they transfer over to us on each and every job. It’s a more sensible way of doing business and because suppliers want a long relationship they don’t want anything to go wrong.

“We’ve got good scrutiny of this, with sample audits and carrying out checks, and making sure we’re getting what we pay for and it’s accelerated the pace at which we can deal with things which are low value but potentially have a big impact.”

TwC covers a complete range of jobs, from the construction of a new bathroom block to installing a replacement boiler in a mess facility.

CAPABILITY BUILDING

Just over one year into the programme and Brewer admits that it wasn’t all plain sailing, as given the size of the operation it was a huge task to get the contracts mobilised and

operational.

He says: “There are tens of thousands of people working on these contracts and more than a hundred thousand assets across the country. It’s a logistically tough exercise and we were genuinely worried if we would have a good continuity of service as we made that transition from one supplier to another.

“In our first year of operation we managed to deliver exactly the same as before but we did have ambitions to do more than that. When I look back, were we a bit over ambitious? We were asking a lot but with hindsight I’m delighted with what we achieved.”

He explains that while Year one was about transition and mobilisation, and creating that foundation for continuous improvement, there was still some great feedback from customers that the delivery performance was noticeably better in the first year of these new contracts than it had been previously. A priority for the FDIS programme now is to look at its planning processes – carried out jointly with the MOD front-line commands, drawing on the digital estate condition data to help inform the decision-making process.

Explains Brewer: “It’s also one of the areas where we want to draw on the expertise of our suppliers when we haven’t previously really engaged them in the process to help them understand what we need to prioritise.

“When I look back over this last year I’d describe it as one of capability building, and that goes a bit broader than just the FDIS programme. We know that front-line commands are as determined as we are to address this historic backlog of infrastructure and how important it is for the lived experience of their people and operations. All of the front-line commands have put infrastructure high up their list of priorities. What that means is there is a real appetite and ambition for more activity to improve things.”

