

# Crucial MOD supplies transformation programme delivered on time and to cost using AWARD®

## Customer Profile

The Logistic Commodities and Services Transformation (LCS(T)) programme aims to improve efficiency in the procurement, storage and distribution of supplies for the UK's armed forces at home and aboard. A 13-year contract, the programme is expected to make savings of £0.5bn and will change the way that the Ministry of Defence (MOD) stores and distributes military equipment and supplies (including a global freight service), provides distribution services and procures and manages the inventory of common commodities. LCS(T) is expected to:

- Bring defence logistics up to the standard of industry best practice
- Deliver more efficient and effective processes across the supply chain
- Enhance the quality of support provided to the UK Armed Forces

## Project Overview

The LCS(T) programme is part of a reform process led by the MOD to enlist commercial skills from the business sector. Established in 2012, the aim of the programme is to provide support to military operations by undertaking procurement and inventory management of commodity items such as food, clothing, packed fuel, general supplies and medical supplies along with the storage and distribution of these items in addition to other non-explosive stock across the MOD.

“LCS(T) will provide significant operational effectiveness by delivering improved responsiveness and agility. It will also improve efficiency in storage infrastructure; commodity procurement and logistic processes and rationalise inventory management and stock control for commodity products,” Mr. Philip Dunne MP, Parliamentary Under-Secretary, MOD



MINISTRY OF DEFENCE

In February 2015, the programme completed a comprehensive and rigorous assessment phase and was awarded to Leidos, a national security, health and engineering solutions company. The programme represents a significant financial investment in new facilities including approximately £90m in the construction of a new defence fulfilment centre next to the existing Logistics Commodities Services (LCS) site in Shropshire and a further £40m investment in new IT systems to provide modern and efficient services.

LCS(T) will be delivered by Leidos and a team of defence and logistics specialist subcontractors Kuehne + Nagel, TVS, Agility and Thales.

## Project procurement challenges

A unique and landmark programme, LCS(T) was a complex project as it involved submissions from industry bidders and authority in-house service providers that acted as a benchmark comparator. For Commerce Decisions, this made it a unique project as submissions and data needed to be handled differently. A one-year procurement process, LCS(T) required the handling and exchange of vast amounts of information and involved high sensitivity with regards to certain areas in the bidding process.



## Role and Value of Commerce Decisions and AWARD®

In this crucial programme for the MOD, Commerce Decisions provided support and expertise alongside the use of our AWARD® software. Using criteria developed by the Authority, AWARD® was used to support the management of the interaction with bidders and the evaluation of tenders.

The year-long process was negotiated in three stages through outline design, final design and final offer. Based on 70 criteria with complex allocation to individual members of the evaluation team, over 50 users were involved in the procurement process. AWARD® allowed the MOD to deal with approximately 500 bidder clarifications in each dialogue phase and 600 Authority clarifications to bidders.

“Our priority is to provide the best possible support to military operations and maintain levels of quality and service to our armed forces, as well as being able to meet their changing needs. LCS(T) will significantly increase our ability to do that, whilst at the same time saving money for defence.”

Chris Deverell, Lieutenant General  
Chief of Materiel (Land), UK MOD

## Significant changes

LCS(T) will generate significant savings of approximately £0.5bn over the lifetime of the contract providing value for money to the taxpayer and delivering state of the art fulfillment to MOD's inventory management processes and systems. Ultimately the programme aims to modernise and transform LCS into a streamlined, end-to-end commodity support chain. Boasting near-real-time data monitoring, reporting and analysis, procurement decisions will now be more informed and allow for more accurate demand planning. This will result in inventory reduction, increased stock turns, reduced storage costs and a more efficient distribution process. The contract will also involve the Transfer of Undertakings of 1,250 staff.

Team Leidos is made up of a team of defence and logistic specialist contractors, including:

Kuehne+Nagel  
TVS Supply Chain Solutions  
Thales Agility  
Prolinx

## AWARD® Benefits

AWARD delivers a transparent audit trail that underpins the bidder debriefing process and manages any challenges to the outcome of the procurement.

AWARD® is highly flexible, enabling full integration of the tender requirements and policies.

AWARD® enables project users to be managed centrally, optimising the time spent on evaluating suppliers.

AWARD® is delivered via a security-accredited hosted service. Users can access AWARD from any workstation with an internet connection and web browser.

Powerful reporting capabilities allow a range of selected reports to be generated quickly and tailored to your project.

Enhanced controls allow better management of tender stages leading to efficiencies and on time project delivery.

