

LOGNET
Innovating, Developing & Delivering
The Defence Support Network

on

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Transcribed from the Audio Recording

JANICE WILSON-PINCHIN:

[Video narrative – We are NSPA, NATO Support and Procurement Agency. A multinational team of experts dedicated to serving NATO, its allies and partner nations through effective procurement, logistics, contracting and technical capabilities, life cycle management, armaments and system acquisition and operations and exercises, outfitting, maintaining, transporting, fuelling and feeding. We maximise the full potential of the alliance in peace, crisis, recovery and conflict. We are critical support for allied armed forces, trust fund nations, first responders, NATO and other multinational organisations. We are NSPA. We are NATO]

So that video in one minute tells you what I am about to tell you in 14 minutes. So my role at the NATO Support and Procurement Agency is I am the UK liaison officer. So that means that I am a UK civil servant. I am not employed by the NSPA and the direct line management chain is through into ACDS Log Ops. I'm one of 22 country liaison officers. The last liaison officer just arrived last week and he has arrived from Slovakia. My role, I see that I have four particular pillars or four distinct pillars. So the first one is defence logistics, so I'm supporting ACDS Log Ops on the governance of the NATO Support and Procurement Agency.

The second one is DE&S and front line commands and I'm signposting and informing staff where to go within the NATO Support and Procurement Agency. I also organise two UK stakeholder meetings in Abbey Wood each year to give that update. The third pillar is UK industry and this is vitally important. So what I want at the end of the day is the UK industry to be in the best position to win the bid and as part of that the UK is very fortunate in the NSPA that it organises a UK industry day annually and I will tell you a little bit more about that a little bit later on. The final pillar is the NSPA relationship building, so I am there to see what the NSPA is doing, and what's on their agenda and facilitate good working relationships.

So I just thought there would be a quick history lesson about the NSPA evolution. It was based on a North Atlantic Council decision. The agency was established in 1958 as a NATO maintenance supply services agency and in 1964 it changed its name to what most people might recognise as NAMSA and at that time they were a self-proclaimed nuts-and-bolts agency. That's what they did. In 2010, driven by efficiency arguments within NATO they launched the agency reform and agencies had to reduce their overhead costs by 20 percent and another ambition of agency reform was to gain more efficiency by the reduction of the number of standalone agencies in NATO and this had two implications for what was the then NAMSA.

So first of all in 2012 the existing agencies for the management of the Central European Pipeline System and for the NATO Airlift Management Programme, they were merged with the old NAMSA into the NATO Support Agency and then, secondly, the intent was to establish a separate NATO procurement agency that would supervise the single issue acquisition agencies such as NAGSMA and NETMA, however, that never came into realisation. Then in 2015 the NSPA charter was changed again and the name was changed when it assumed responsibility for NATO procurement and large scale acquisition and that's when it became the NATO Support and Procurement Agency, from 2015.

Today the NATO Support and Procurement Agency is NATO's premier logistics and procurement services agency. I put this slide into the briefing because it shows the organisational flow of how the NSPA fits into the NATO construct. Many of you will be familiar with the right-hand side of the slide through the military representation within NATO but not so aware of the left-hand side of the flow through the Permanent Representatives, so, i.e., the UK ambassadors. Interestingly you will note on that slide that there is no direct command link across from SHAPE to the NSPA, however, SHAPE is a customer of the NSPA and amounts to about ten percent of the NSPA business.

Again just a little bit more on the organisation, about the NSPA. It shows you the four business units and I intend to concentrate on the support to operations and Life Cycle Management in the next couple of slides. The UK don't use the Central European Pipeline System or the NATO Airlift Management Programme so I won't go into that in any detail but there are some hidden slides for information later, but needless to say when you fly into the major hubs in Europe, so Amsterdam, Brussels, Luxembourg, Frankfurt as examples, the jet will more than likely have been fuelled using the NSPA Central European Pipeline System. Again just going from the top flowing down from the North Atlantic Council, the governance body is the NSPA Agency Supervisory Board and the UK representative on there is Air Commodore Rich Pratley and that's who I support.

So NATO support to operations, the primary business is peace support to operations. Support in Afghanistan remains stable with support in Mali and Erbil being extended. The NSPA currently has a deployed team of 50 NSPA staff and around 2,525 contractors. Deterrents and defence, the NSPA supports nations primarily through NATO exercises and is providing temporary camp equipment and services for troops during exercise Defender-Europe 2020. The NSPA will deliver four camps with a capacity for around 7,500 soldiers with the addition of other contractor services in four logistic support areas within Poland.

The NCSA Adaptation is still being coordinated with SHAPE and how the NSPA can support that is still being determined but there will be some significant work there as well. Projecting stability trust funds, they are small in value but very important politically. Mainly they involve the demilitarisation of old ammunition from the Soviet era and the UK is a lead nation in two particular areas and is a contributor nation in other projects. The UK uses support to operations significantly for fuel and is one of the largest users of the NSPA Naval Logistics Support Partnership which provides fuel and services in over 500 ports around the world.

NSPA Life Cycle Management is an enabling capability development and sustainment in a cradle-to-grave approach covering the life cycle of products and services from concept phase via development, production, fielding, in-service support and then onto retirement. Currently there are more than 90 weapon systems and 170 projects in different stages of the life cycle in the NSPA portfolio and this is run through 32 support partnerships that are in place. The majority are based on multinational cooperation allowing economy of scale due to consolidation of common requirements and the shared know-how and resources and I will just point out one aspect that the NSPA has got significant involvement in at the moment and it's the replacement of the AWACS fleet.

So that's obviously NATO's key surveillance and control asset and that's planned to retire in 2035 after 50 years of service and to plan for that required follow-on capability NATO launched the Alliance Future Surveillance and Control or the AFSC. This is an innovative project where NATO is involving all of industry at a very early stage to develop new options for future NATO surveillance and control capabilities and the NSPA is managing the concept phase on behalf of NATO. So basically NATO have got a box and they have gone out to industry and they have said, "What in 2035 is going to fill that box?"

In addition to available national capabilities there is growing demand on the limited number of agencies such as the NSPA and OCCAR for multinational acquisition projects and development of new or modified capabilities and for that reason the NSPA and OCCAR have been cooperating for years in key multinational projects such as Tiger helicopter, A400 aircraft, Boxer armoured vehicle, COBRA counter-battery radar and the MRTT. So this is a really important slide. It shows you the range and flavour of the NSPA capabilities. So there are 32 support partnerships in the NATO Support and Procurement Agency and the support partnership is a legal framework for nations to access the NSPA. It's customer funded so unlike other agency or the sister agencies they call it the NCIA.

The NSPA is totally customer funded so nations have a choice of whether they go and use the NSPA or not. The current UK membership, I have highlighted that in red and the UK is considering joining another partnership very, very shortly, and we joined the Unmanned Aerial Systems partnership, that was the last one we joined, on 1st January 2020. So the return on investment for the UK on this, in 2019 UK defence made purchases through the NATO Support and Procurement Agency of a value of €90m and UK defence industries in 2019 received contracts worth €211m and this is against some €4bn of business that the NSPA did in 2019, so obviously you can see there is some significant opportunities there for UK business.

So how does the NSPA procure contracts? You all are aware that it doesn't procure under EU regulations, it procures under NATO procurement regulations and the NSPA obtains the goods and services necessary to meet its customer requirements from contractors located in any of the 29 NATO nations. In some instances the NSPA can use suppliers from a partner for peace nation but they have to be part of that particular support partnership. Goods and services are in principle, as I have said, they are procured through a NATO international bidding process in the name of NATO and, yes, it is different to EU procurement regulations and the NSPA does deviate.

The NSPA and the NATO procurement regulations and the process was established before EU directives were written and the NSPA shares in the jurisdictional personality of NATO and I can remind you of the earlier slide showing how NSPA fits into the organisation and as an international organisation and not a national entity this is how it is able to procure under NATO rules. I would also point out that the NATO procurement rules are reviewed annually by the International Board of Auditors, so IBAN, and it's an external audit body that audits spend by NATO. The usual procurement route is via... it is usually the lowest technically compliant bidder although best value is sometimes utilised and single source amount to a very small proportion of NSPA business.

It's usually around about three percent, sometimes rising to four or five percent but usually around three percent. Foreign military sales, the agency can write an FMS-Case on behalf of a nation and it has a good agreement with the US at the moment on precision-guided munitions and there is a blanket agreement in place and so the nations who are part of that particular support partnership, they agree in advance if nations have got other ammunition that they want to use, they can move it between each other and that saves obviously time, a significant amount of time. So the NSPA has been in operation since 1958 and it continues to evolve with that acquisition piece and the NSPA, NATO is here to stay and it provides an opportunity for UK to do business with 29 NATO nations and that's regardless of the fact that we are now no longer in the EU.

So we will hear lots this year about trade agreements being negotiated but that does not touch the NSPA. For the NSPA it's business as usual with the 29 nations and with the industry within those nations. So how does UK industry access the NSPA procurement process and that €4bn worth of business? That's the website there. So how to do business with the NSPA? To do business with the NSPA it's very important that you register on something that they call "Source File". So registration is free. It operates on a key word search so more is better, so the more of your capability that you can put in there the better and keep it up to date.

Familiarise yourself with the NSPA. It's all on there, on the NSPA's website about the structure, the scope of support, the regulations and how it operates. The NSPA website, I always describe it as "clunky" and it's quite old fashioned but they are working on it, but all of the information is there. It's all transparent, everything is there. Just remember to right click on RFPs and FBO listings. Monitor the NSPA portal for opportunities. Screen the future business opportunities and express interest as appropriate to be later solicited. Regularly screen the ePortal, so the FBOs, the Requests for Procurement, and my advice there to anybody that contacts me, I always say, "Check it weekly."

In regard to the NSPA solicitations, respond to them even if negative. In 2019 we got analysis that shows that from 10,162 contracts, for potential supply contracts that went out for the UK 29 percent were positive, 24 percent were negative and 47 percent did not reply. So it's vitally important again that you keep the source file updated because effectively the NSPA is going to alert you when something matches your capability but equally you can look yourself if you believe you've got that capability. Again my advice is read the RFP package carefully, demonstrate the full compliance and answer the question.

A lot of the nations or the countries, they put out a particular requirement and they just want that question answering, they just want... they want a red digit, like digit or something, they want a red one. They don't want a green one, they want red. So answer the question. So again the majority of NSPA contracts are lowest technically compliant but occasionally best value is utilised and use the Q&A process if you feel an RFP package is unduly restricted and keep an eye on that, on the Q&A, and if you take, say, one or two things away from this today, and again the slides will be available, make a note of the email address. That is sourcefile@nspa.nato.int. It's the database to do the business with the NSPA. It's a database that consists of 10,000 companies.

So I'm just finishing off there with a picture from this year's UK Industry Day. The British Ambassador of Luxembourg and ACDS Log Ops take a particular interest in the UK Industry Days at Capellen and again it's to increase UK opportunities for UK industry to win the bids. This year we had 55 delegates from 35 companies and it was aimed primarily at small to medium-size enterprises for this event. I work very closely with my colleagues at the Department for International Trade and again if you want to register your interest you can do that through me or through the Department for International Trade. So that's from me today.

[Recording ends]