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Award

Engineering Support, Supply of Spares and Repairs

Ministry of Defence

F15: Voluntary ex ante transparency notice

Notice identifier: 2023/S 000-009432

Procurement identifier (OCID): ocds-h6vhtk-03b7a7

Published 31 March 2023, 11:42am

Section I: Contracting authority/entity

I.1) Name and addresses

Ministry of Defence

Bristol

BS34 8JH

Contact

Lewis Baker

Email

lewis.baker136@mod.gov.uk

Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/defence-equipment-and-support>

I.4) Type of the contracting authority

Ministry or any other national or federal authority

I.5) Main activity

Defence

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Engineering Support, Supply of Spares and Repairs

II.1.2) Main CPV code

- 50333000 - Maintenance services of radio-communications equipment

II.1.3) Type of contract

Services

II.1.4) Short description

Supply of spares and repairs, engineering support.

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Lowest offer: £1,900,000 / Highest offer: £2,200,000 taken into consideration

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

Contract for Spares and Repairs, engineering support

II.2.5) Award criteria

Price

II.2.11) Information about options

Options: Yes

Description of options

3 single +1 option years.

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Negotiated procedure without publication of a contract notice

- No tenders or no suitable tenders/requests to participate in response to restricted procedure
- The products involved are manufactured purely for the purpose of research, experiment, study or development
- The works, supplies or services can be provided only by a particular economic operator for the following reason:
 - absence of competition for technical reasons

Explanation:

Communications & Situational Awareness (CSA) Project Team within Defence Equipment & Support (DE&S), part of the UK Ministry of Defence, (“the Authority”) intends to award a Contract to Hensoldt Ltd. (“the Contractor”) for Supply of Engineering Support, Supply of Spares and Repairs. The Contract will extend the services currently provided to the Authority by the Contractor for a period of two years to 31 March 2025 with a further three option years included to 31 March 2028. The value of the proposed Contract is £1.9-2.2m.

A separate contract (CSA/4030) for Navigation Radar Programme (NRP) project is rolling out across the Royal Navy (RN) and Royal Auxiliary Fleet (RFA). Purpose of the Contract is for spare and repair, plus technical support of the legacy Radar equipment.

It’s considered that the award of the contract without prior publication of a contract notice in the UK e-notification service (in accordance with the relevant legislation) is lawful in accordance with regulation 16(1)(a)(ii) of the Defence and Security Public Contracts Regulations 2011 for technical reasons.

Through its support of Radar 1007/1009 over the last 32 years, Hensoldt UK has developed a significant level design and technical knowledge. The company’s engineers can be regarded as being Suitably Qualified and Experienced Personnel (SQEP) regarding Radar 1007/1009 expertise. From this, there is a limited supply of knowledge available in the market landscape and has now made the current contractor the only viable option.

There are significant implications associated with failing to effectively support Radar

1007/1009 by the introduction of a new supplier to support this equipment. One of the implications is the possibility of compromising the platform safety as the equipment is a mission critical system to ensure safe navigation of platforms at sea. Therefore, any compromise to the system may leave the MoD exposed to operational deficiencies, preventing the platform from safely achieving its operational programme. As the MoD does not have the required technical knowledge or understanding of the system and equipment to support an alternative supplier, by introducing a new supplier, with no prior experience, technical SQEP or specific tools and testing equipment for the Radar system's would introduce an unacceptable risk to safety and equipment availability.

This is on the basis that the Contractor (Original Equipment Manufacturer - OEM), for this equipment, have sole capability of performing the contract. No other company has access to the specific repair capabilities or any information to reverse engineer. Replacement of the existing legacy equipment is now done through repair and parts salvaged from items deemed Beyond Economical Repair (BER) with few spares supply available on the market. The Contractor owns the IPR imbedded in the software within the legacy equipment and possess the SQEP technical expertise to provide the repair activity at the sole repair facility.

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

Section V. Award of contract/concession

Title

Engineering Support, Supply of Spares and Repairs

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

31 March 2023

V.2.2) Information about tenders

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Kelvin Hughes Limited Trading as Hensoldt UK

Enfield

Country

United Kingdom

NUTS code

- UKI54 - Enfield

The contractor/concessionaire is an SME

Yes

V.2.4) Information on value of contract/lot/concession (excluding VAT)

Lowest offer: £1,900,000 / Highest offer: £2,200,000 taken into consideration

V.2.5) Information about subcontracting

The contract/lot/concession is likely to be subcontracted

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Ministry of Defence

Bristol

BS34 8JH

Country

United Kingdom