



DEFENCE INFRASTRUCTURE ORGANISATION (DIO)

The Defence Infrastructure Organisation (DIO) plays a vital role in supporting our Armed Forces by building, maintaining and servicing the infrastructure needed to support defence.

Responsibilities

We are responsible for enabling defence people to live, work, train and deploy at home and overseas. Our vision is to equip defence with a significantly smaller, more efficient, better quality estate.

Priorities

DIO's Strategic Objectives are:

1. To maintain and sustain a safe, sustainable and secure estate.
2. To lead the development and drive the implementation of Defence Estates Optimisation to provide a smaller and more efficient estate, enabling Defence to achieve Government housing and disposal targets in this Parliament.
3. To improve delivery performance as well as 'user' experience. In particular, to ensure sustainable improvements in service from DIO's primary industry partners along with delivery of its capital projects and programmes within agreed cost, quality and time schedules.
4. Build a culture of professionalism, continuous improvement, effective engagement and high performance by creating an exciting and challenging working environment.
5. Refresh the DIO transformation strategy.

Who we are

We are led by Chief Executive Graham Dalton, supported by an Executive Management Team comprising: James Franklin (TMP Chief of Staff); Gordon Kennedy (Hd Bus Assurance & Risk); Craig Hooper (Director of Estate Optimisation); Major General Nick Cavanagh (Director of Strategy & Planning); Ian Sale (Interim Chief Finance Officer); Sean Balmer (Commercial Director); Geoff Robson (Chief Operating Officer); Tony Gaiani (Director of Project & Programme Delivery); Richard McKinney (Acting Director of Service Delivery); Tony Gosling (Director of Data Analytics & Insight); Nik Doyle (Director of Transformation & Change); and James Colman (Head of Strategic Stakeholder Engagement & Communications).

DIO Procurement Activity

DIO is currently developing and procuring contracts to deliver the following major Programmes:

- **The Clyde Programme** – A number of projects with a combined value of c£1.3 billion over a period of ten years. The programme includes a wide spectrum of project types ranging from relatively simple standalone

new-build projects in lower security areas (eg accommodation and training facilities) to highly complex refurbishment projects on nuclear infrastructure in high security and operational areas. All works are located in either Faslane or Coulport.

- **Army Basing** – A joint Army and DIO programme which sets out location changes for the Army and confirms the drawdown of all units from Germany by 2020. This will affect most areas of the Army as more than 100 units will either relocate, re-role, convert or disband during this time. The Government has committed £1.8 billion to the programme to be invested in infrastructure across the UK. This includes funding for accommodation improvements and will provide about 1500 new homes for Service families, 4500 new single living accommodation bed spaces and working, technical and training infrastructure. This will provide crucial jobs for local economies and quality accommodation and facilities for troops and their families.
- **Project HESTIA** – In the UK, DIO currently delivers Soft FM services through more than 80 contracts with industry partners at a cost of around £250 million a year.

The HESTIA programme aims to consolidate Soft FM services into seven regional contracts, each in their own right a project with a core set of standardised Soft FM services to defence sites within the UK including:

- Catering for entitled personnel.
- Retail and leisure where provision is justified or is provided as a retail opportunity by the contractor.
- Cleaning and associated services including window cleaning, laundry, dry cleaning, tailoring, cobbling, domestic assistance and portable ablutions.
- Waste management.
- Hotel and mess services encompassing single living accommodation (less accommodation bookings for junior ranks SLA).

- **Defence Estates Optimisation** – The strategy has been developed in partnership with military leaders and sets out where investment will be concentrated and where sites will be sold to deliver a significantly smaller estate which is more efficient and better enables military capability.

- **Future Procurement Group (FPG) FOP – Future Overseas Procurement** – Future Overseas Procurement (FOP) is an initiative aimed at the provision of resilient, flexible and agile infrastructure support service capability across UK Defence's overseas estate. Infrastructure support in this context includes Hard Facilities Management (HFM), Soft Facilities Management (SFM), training area support, capital works projects, accommodation and stores management. The commercial arrangement(s) are to provide experience gaining opportunities for military personnel and must have global reach, with support required worldwide.

This will be undertaken in 2 phases:

- In line with the procurement for HFM in the UK by NGEN, the intent is to tender for a provider to deliver core services with the ability for injected low value works using NEC3 Terms and Conditions. This will provide coherence across the MOD estate in the UK and overseas. Phase 1 of FOP includes the Permanent Joint Operating Bases (PJOBs)* and Germany/Europe and additional services eg Professional Services to be provided worldwide.
- Phase 2 of FOP is a framework arrangement which aims to provide an efficient process by which DIO can deliver projects from its Capital Infrastructure Programme (CIP) on Overseas Estate. It is anticipated that there will be sub-contracting opportunities for the prime and framework contracts (Gibraltar, Cyprus, Ascension Islands and Falkland Islands).
- **Future Procurement Group (FPG) FDIS – Future Defence Infrastructure Services** – FDIS will consider the future delivery of Facilities Management (FM) across UK to a single Services and wider Defence community to maintain and support the development of operational capability. The requirement is currently delivered through a significant number of contracts and other 'in-house' means. This includes the current NGEN Prime arrangements which are due to start to expire in 2019 and the HESTIA arrangements, which on current planning not due to expire until at the latest 2024.
- **Future Procurement Group (FPG) UGP – Unarmed Guarding Project** – The Unarmed Guarding Project (UGP) is an initiative aimed at fully exploring and developing options for maximising MOD Guard Service (MGS) value for money in the provision of its service delivery to MOD. The intention is to run a commercial competition for a Prime Contract through either a bespoke tender exercise or the CCS Framework Arrangement to identify a preferred commercial solution for provision of guarding services. In parallel with this activity, internal efficiencies will be applied to the current in-house arrangements with a Improved In-House Option being put forward as the Value for Money Benchmark (VfMB). The As-Is position is to be taken forward as the baseline against which both the preferred commercial solution and VfMB and will be benchmarked to determine the most economically advantageous option. Bidders from the competitive tender exercise will be made fully aware in advance that the VfMB will form part of the overall assessment.

Existing DIO Contract Vehicles with Supply Chain Opportunities

National and Regional Primes

The award of two National Primes: National Housing Prime (NHP) and National Training Estate Prime (NTEP), and four Regional Primes: (Scotland & Northern Ireland; South East; South West and Central).