



## **OCCAR Management Procedure**

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## Record of changes

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| 01/07/06 | 2     | Conversion to the OCCAR-EA graphical house style   |
| 06/11/09 | 3     | Conversion from OMP 1 Addendum 1 into Annex OMP 1-C and insertion of a link to the new Annex OMP 1-D regarding Cost Analysis, Audit and Price Investigation, . |

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## List of acronyms

|     |                                  |
|-----|----------------------------------|
| GFE | Government Furnished Equipment   |
| GFF | Government Furnished Facilities  |
| GFI | Government Furnished Information |
| GFS | Government Furnished Services    |
| GQA | Government Quality Assurance     |
| HLO | High Level Objective             |
| ILS | Integrated Logistic Support      |
| MoU | Memorandum of Understanding      |
| OMP | OCCAR Management Procedure       |
| SFF | Supplier Furnished Facilities    |
| T&E | Test and Evaluation              |

## **1. Introduction**

This Annex supports OMP 1 and sets out rules and policies in specific Programme Management areas. Detailed instructions and recommendations are set out in OCCAR-EA internal procedures, instructions and guidelines.

## **2. Related Documentation**

|                  |  |
|------------------|--|
| OMP 1            | Principal Programme Management procedure     |
| Annex OMP 1-D    | Cost Analysis, Audit and Price Investigation |
| Annex OMP 2-A    | Programme Decision Model Text                |
| OMP 6            | Contract Terms and Conditions                |
| OMP 7            | OCCAR GQA Policy document                    |
| AQAP 2000 series |  |

## **3. Risk Management**

OCCAR's policy is that Risk Management be at the very centre of its Programme Management practice so as to maintain as clear a focus as possible on the need for improved time, cost and performance outputs to its customers.

Our policy objective is to identify correctly the risks to the achievement of our objectives and to ensure that control strategies are in place to manage them. The strategy for this will be to apply a continuous cycle of identifying, assessing, managing and reporting risks, while also reviewing the control strategies in place to deal with them. Risks should be managed at the level of those staff who have the authority, responsibility and resources to take action. A Risk Management Maturity Model will be employed to assess the effectiveness of OCCAR-EA's risk management activities.

## **4. Configuration Strategy**

OCCAR's policy for the configuration strategy is as follows:

- 3.1 The Programme Participating States should ensure configuration commonality to the maximum extent practicable and that such commonality is kept throughout the operational life of the weapon system;
- 3.2 The establishment and evolution of the configuration baseline should be controlled and managed through a central joint entity (Configuration Control Board), under OCCAR Programme Division's control (unless otherwise specified in the Programme Decision), in line with the agreed share of responsibilities and authorities of the Participating States, Contractors and OCCAR-EA;
- 3.3 Proposals for changes to the configuration baseline shall always provide the Participating States with all the information required to assess their impact on technical, operational maintenance and life cycle cost aspects;
- 3.4 Obsolescence management, for legacy systems, shall be tackled as a risk element; for new programmes, the responsibilities for obsolescence management shall be transferred as much as possible to Contractors and shall be closely monitored by OCCAR-EA;

3.5 Contracts placed by OCCAR shall include appropriate requirements in line with the rules listed in paragraphs 3.2 to 3.4 (see AQAP 2000 series for minimum requirements on Configuration Management).

## **5. Logistic Support and In Service Support**

It is OCCAR's policy that the Integrated Logistic Support (ILS) methodology will be applied to all relevant Programmes.

ILS<sup>1</sup> is a formal, structured, management discipline by which agreed performance and availability requirements are met, whilst optimising the support solution and minimising life cycle costs.

ILS will be implemented in accordance with recognised standards. To ensure its cost effective application, ILS will be tailored to individual Programmes so that only tasks that add value are carried out.

ILS aims to influence the design by identifying and then reducing major cost drivers for in-Service support. OCCAR will apply ILS tools and techniques to identify common support opportunities and recommend the most cost effective in-Service Support solutions.

The In Service Phase of a Programme is likely to be supported by a combination of services provided by OCCAR, Industry, the national or common logistic entities and other international agencies. This combination needs to be tailored to the specific needs of each Programme.

OCCAR may in particular manage the development of specifications, contracting and acceptance for the engineering and logistic elements in all In Service Support activities, i.e. technical management, contracting, commercial aspects (for all activities except infrastructure) and information management (for all technical and economic elements). However the final decision with regard to the scope and the management responsibilities of In Service Support of an OCCAR Programme will always be the prerogative of the Participating States<sup>2</sup>.

## **6. Requirements Management**

The requirements of the Participating States concerning the service/product to be procured by OCCAR-EA shall be set out in the Programme High Level Objectives (HLOs), which are included or referred to, in the relevant Programme Decision. OCCAR-EA shall ensure that contractual requirements, in particular the specifications, are consistent with the HLOs.

In order to ensure that products to be contractually accepted by OCCAR-EA correspond to what the Participating States required, the performance requirements to be verified prior to the acceptance of the product, as well as the decision process for deviations and shortfalls in performance, shall be agreed between OCCAR-EA and the Participating States.

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<sup>1</sup> ILS is considered to include the following acquisition disciplines: Logistic Support Analysis (LSA); Reliability and Maintainability (R&M); Technical Data and Documentation; Supply Support; Obsolescence; Human Factors; Life cycle Costs; Support and Test Equipment (S&TE); Training; Safety; Configuration Management; Transportability; Packaging, Handling, Storage and Transportation (PHS&T); Facilities; Disposal; Software Support.

<sup>2</sup> OCCAR ISS Strategy refers

OCCAR-EA shall define the process for the control and configuration management of the specifications, and agree with the Participating States their involvement in this process.

The Programme Participating States shall set out the requirements relating to safety: this includes the laws, regulations and standards applicable to the product and the safety certificates necessary for the in service acceptance of the system. They shall identify the national safety authorities, and their field of responsibilities, and define subsequently the process for the assessment and decision on possible deviations compared to the requirements.

## **7. National Support to Procurement**

This section sets out OCCAR's rules and policies for the determination, request and provision of resources from the Participating States to support the procurement activities of OCCAR-EA with regard to the use of GFX (Government Furnished Equipment (GFE), Services (GFS), Facilities (GFF) and Information (GFI)) or Test and Evaluation services. Specific considerations are given to the use of National Resources for certification, price investigation, cost forecasting and Government Quality Assurance (GQA).

### **7.1 GFX**

The list of GFX to be provided by each Participating State, with the associated quantities and delivery schedule shall be part of the Programme Decision, or shall be established and approved or supplemented by the PC when GFX have not been identified with sufficient precision at the time the Programme Decision is drafted. The detailed conditions under which GFX shall be made available shall be approved by the PC. The PC shall approve any update of the list of GFX as necessary, provided it does not have an impact on the Programme Decision.

OCCAR-EA shall ensure that GFX provisions in the Programme Contracts are consistent with the provisions of the relevant Programme Decisions, the decisions of the PC and the Procurement Strategy and are in accordance with the relevant OMPs.

The Participating States shall be responsible that GFX made available are safe and suitable for use and meet the requirements for Programme use, including the provision of essential safety clearances.

The Participating States shall provide to the Contractor, through OCCAR, all GFX in accordance with the provisions of the Programme Decisions, the decisions of the PC and the Contracts.

The way to handle any financial consequence of the failure of a Participating State to deliver any of its GFX on time shall be stated in the Programme Decisions (see Annex OMP 2-A, Section 17). The Prime Contractor shall be responsible for the integration and for the overall performance of GFE in the system. The Participating State(s) providing the GFE is responsible for the stand-alone characteristics and functionality of the GFE.

Participating States may endeavour to balance the GFF and/or GFS work allocation at Programme level but this shall not be a mandatory condition for the Programme.

## 7.2 Test and Evaluation Services

For OCCAR Programmes, the strategy for the provision of Test & Evaluation services shall be set out by Programme Committees.

Three basic approaches can be considered, although in practice it is likely that a mixture of approaches will be taken for each Programme/phase:

- Government Furnished Facilities (GFF) non-competitive. In this case the relevant Programme Committee will determine the test centres to be used for the provision of T&E services. This approach might be used for T&E to support national acceptance processes, performance evaluation, etc.
- GFF competitive. If GFF are identified in the procurement contract, a 'technical competition' may be organised amongst the T&E centres from the Participating States. This competition shall be overseen by OCCAR and the National Programme Co-ordinators from the participating States. To allow such an approach, competing T&E centres will require to have in place the relevant procedures and accounting systems.
- Supplier Furnished facilities (SFF). For all SFF, the contractor shall conduct a competition. Costs of such T&E services shall be part of the programme costs, included in the contract with industry. T&E centres from non-participating States can be used if this is deemed beneficial to the programme.

The costs of those activities will be balanced in accordance with the Programme MoU and the Programme Decision. The Programme managed by OCCAR shall not normally bear any costs related to T&E GFF provided by the Participating States.

OCCAR-EA shall seek to use the support and advice of the Participating States T&E executives in the establishment of:

- The validated/verified set of requirements for T&E and the related procurement strategy;
- The acceptability of results from national acceptance activities by other Participating States;
- The list of available facilities and services;
- Model/arrangement covering the use of T&E facilities.

## 7.3 Certification

The Participating States shall involve their National Certification Authorities/Representatives for the review of the Certification provisions contained in Programme Decisions and OCCAR contracts.

The Programme Manager shall co-ordinate the general concept and resulting activities for certification in the Programme with the National Certification Authorities/Representatives of the Participating States prior to and during contract execution, in particular to ensure the consistency between civil and military certification requirements and activities.

The National Certification Authorities/Representatives of the Participating States shall harmonise their certification procedures and activities within the Programme as far as possible.

The costs of those activities will be balanced in accordance with the Programme MoU and the Programme Decision.

#### 7.4 Government Quality Assurance

GQA shall be carried out in accordance with the provisions of OMP 7 (OCCAR GQA Policy Document concerning the provision of GQA services in Programmes assigned to OCCAR).

Normally, GQA services in relation to the OCCAR Programme shall be provided by each Participating State at no additional cost to the Programme. Where a Participating or Member State intends to charge OCCAR for GQA services in relation with the Programme, it shall, prior to the signature of the Programme Decision, advise on the ceiling amount of this service for the duration of the Programme Decision, so that each Participating State can cover its own share in its Programme Operational Budget. The ceiling costs shall be defined in the Programme Decision as set down in Annex OMP 2-A Section 13. The share of each Participating State of the above costs shall be included in the maximum financial commitments defined in the Programme Decision. OCCAR shall apportion the costs arising from GQA services, in accordance with the regulations in the Programme Decision and integrate these costs in the call for funds.

The Participating States shall involve their National Quality Assurance Authorities/Quality Assurance Representative for the review of the Quality Assurance and GQA provisions contained in Programme Decisions and OCCAR contracts.

The Programme Manager shall co-ordinate the general concept for GQA performance in the Programme with the National Quality Assurance Authorities/Quality Assurance Representative of the Participating States prior to the issue of the initial request for GQA.

The National Quality Assurance Authorities/Quality Assurance Representative of the Participating States shall harmonise their GQA procedures and activities within the Programme as far as possible.

#### 7.5 Price Investigation and Cost Forecasting

On request from OCCAR-EA, the Participating States shall provide price related support to OCCAR Programmes, as stated in the Programme Decision in accordance with Annex OMP 1-D, Cost Analysis, Audit and Price Investigation.