

# News story: MOD sets out vision to diversify supply base

The Defence Infrastructure Organisation's (DIO) new procurement plan outlines a programme of major projects and contracts for the next five financial years.

This includes work to construct new buildings, such as housing and accommodation, the refurbishment of current facilities; as well as services such as catering, waste management and cleaning.

The plan also sets out ambitions to establish a broader and more diverse supply base, including doing more business with small and medium size enterprises (SMEs).

Currently, around 75% of spending on maintenance at defence sites goes directly or indirectly to SMEs, and further diversifying the supply base will help build resilience into projects and provide more opportunities for smaller companies to work on key defence projects.

By listing all the major projects and contracts, the procurement plan will make it easier for existing and potential suppliers to plan ahead, by offering advice on bidding for this work and greater transparency on working with the MOD. These measures will help in particular small businesses, who don't always have the skills and prior experience of working with the MOD in such areas.

Minister for Defence People and Veterans Tobias Ellwood said:

The defence estate is where our brave armed forces live, work and train and so it's crucial we give them the best supplies and facilities possible.

Working with industry is critical to delivering this, and our new Procurement Plan ensures the private sector has a head start in bidding for this crucial work.

Opportunities outlined in the Procurement Plan include the £4billion Defence Estate Optimisation Programme, the Future Defence Infrastructure Services contracts – which will provide facilities management across the UK's military bases- and the £1.3bn Clyde Infrastructure Programme.

The plan also details several prominent works that demonstrate DIO's key role in supporting defence throughout the UK. These include essential maintenance work worth £568 million to support nuclear infrastructure capability at HMNB Clyde, as well as a £58m investment in a modern submarine training facility at the base.

Alongside this, there are plans for an £8m investment in Bovington Camp to

support the AJAX armoured vehicles which will enter service in 2020.

Jacqui Rock, DIO Commercial Director, said:

As DIO we recognise that our current and future suppliers are key to our success. We have worked with industry to produce the Procurement Plan and we are committed to building a broader, more diverse supplier base.

We believe in being as transparent as possible in our procurements and through this new approach we are encouraging new entrants, including small and medium sized enterprises, to consider the benefits and opportunities that working with DIO can deliver.

The Procurement Plan will help achieve the goals set out in our first ever Commercial Strategy. This set out our vision for how we do business and how we will work effectively with our suppliers.

The Procurement Plan also sets out how DIO can deliver social and economic benefits throughout its supply chain by working to contribute to the government's aim of recruiting 20,000 apprentices through construction procurement and promoting sustainability through its supply chain.

By 2020, DIO has committed to a reduction of greenhouse gas emissions by 30%, a 30% reduction in domestic business flights, a 50% reduction in paper usage and reducing waste going to the landfill to less than 10%.

[The full DIO Procurement Plan can be found here](#)

The DIO Commercial Strategy sets the direction for future DIO Procurement Plans. [The full DIO Commercial Strategy can be found here](#)