

The Use of Defence Expertise in Reform

12th IACC Guatemala

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7.2 Defence Procurement Reform & Defence Integrity Pacts

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Transparency International (UK)

Presentation covering

**Colombian Combat Aircraft Procurement
Observations and Lessons Learned
Current Experience in Poland
Procurement Methodology.**

Colombia – Combat Aircraft Procurement

Integrity Pacts – a reminder

The request – why TI (UK)?

The requirement and the budget: circa 22 counter
narcotics airframes for \$250m; turboprop versus
turbofan

The impact of the Presidential 4 year term on the
acquisition process

The in-country acquisition mechanism:
specification, evaluation, freedom of information.

TI (UK) Technical/Contract Evaluation

Document assessment: complex, substantial and translated from Spanish

In country visit: to consider unresolved technical and contract issues

Background meetings with TPC (Transparencia por Colombia)

Meetings with senior Military and Government officials.

Colombia – Current Inventory



OV-10

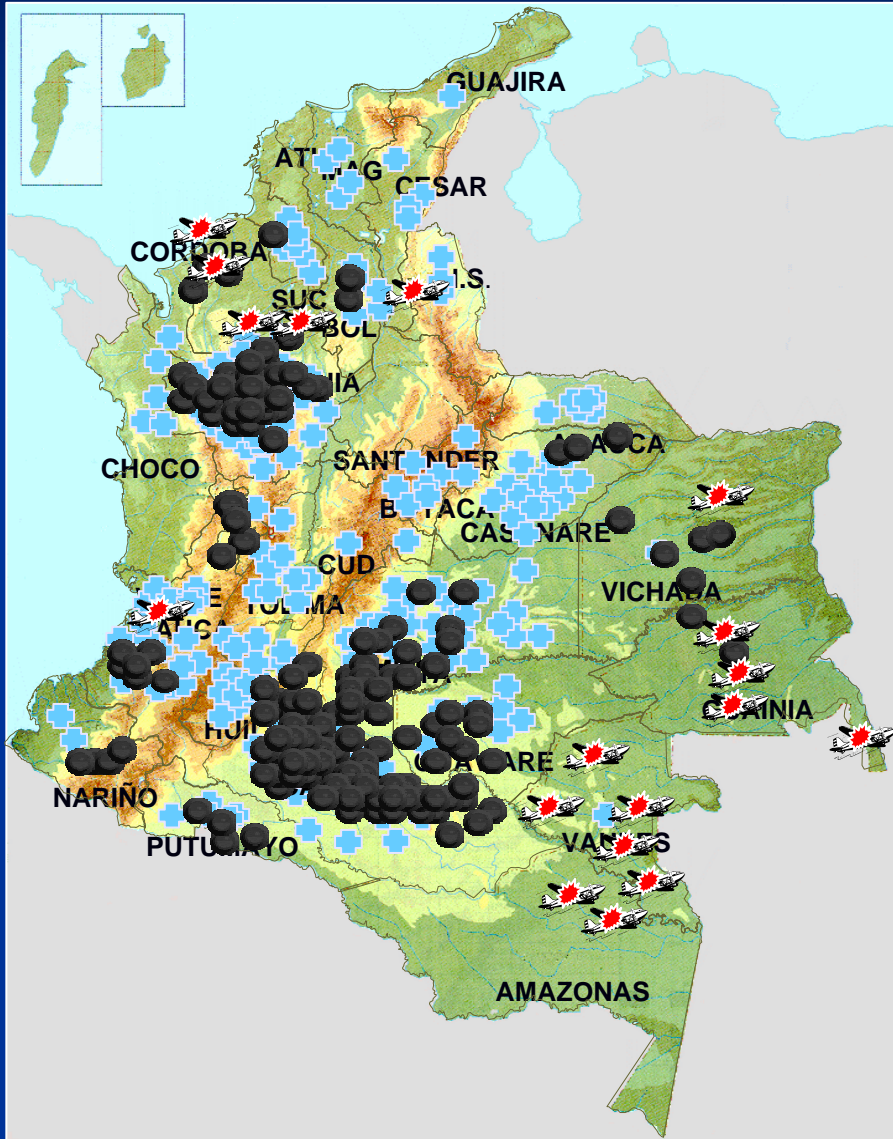
- 38 YEARS OF SERVICE
- LOW PERFORMANCE
- LOW COMBAT READINESS
- IMPRECISE ORDNANCE DELIVERY
- NON PRESURIZED
- HIGH LIFE CYCLE COST
- OBSOLETE SYSTEMS

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Colombian Threat



YEAR 2004

CLOSE AIR SUPPORT 344

AIR-GROUND INTERDICTION 242

AIR-AIR INTERDICTION 38

Major Observations

Core Purpose and Capability - unclear

Future Capability - not considered

Simulation - not considered

Operational Evaluation - inadequate

Prototype Inclusion - unwise

Tender Evaluation Matrix - operationally weighted

Pre and Post Contract Award - insufficient controls

Offset Programme - required transparency.

Tender Collapse

Bidder withdrawal except one: insufficient bid preparation time; turboprop preference over turbofan; high cost of shipping

Ministerial Options: revise and re issue documents; continue with one bidder; process re-start

Single source option preferred by Colombia
TI(UK) and TPC withdrawal.

Lessons Learned - The Human Factor

Manpower UK and Colombia: team composition and relationships crucial

Value for Money UK and Colombia: exceptional

Technical Evaluation: complex, requiring broad knowledge and experience to balance information.

Lessons Learned

Differences in Perspective: balance between corruption and technical assessments

Difficulty in Differentiation: value for money versus corruption risk

Contract Requirement – implementation, pre and post award controls.

Conclusions – the bottom line

**Integrity Pacts CAN work –
Colombia experience significant
building block for the future**

Poland

Initial technical specification review

In country workshop

**Perceptions: many parallel lessons with
Colombia including unclear capability and
lack of contract and technical specification
clarity.**

Procurement Reform

INDEPENDENT MONITOR OVERSIGHT



CATALYST FOR CHANGE

The Bottom Line

**Huge optimism but a
long way to go!**



The Team



Admiral
Hugh Edleston



Dominic Scott



Mark Pyman



Commander
Patrick Brown



Air Commodore
Alan Waldron

TI (UK) – Defence Initiative

Balance of Expertise

Financial/contract expertise with global
petrochemicals (Shell)

Contract expertise with major UK Government
procurement

European defence and NATO

Air systems and large defence contracts

Integrity Pacts – a Reminder

Contract between bidders and procuring
Government

Independent Monitor

Public Transparency

Sanction: bidder exclusion if non compliant.

Conclusions

TI contributed to transparency and credibility of the bid

TI(UK) and Transparency por Colombia expertise complementary

Valuable anti corruption contribution within limited timeframe with small team

Ability to distinguish between value for money/operational/corruption risk

Single source contract – probably unrealistic.

Lessons Learned

Contract Assessment: implementation, pre and post
award controls, offsets

Structure of TI Support: supporting and supported
TI Chapters, contents of report to Governments

Action Post Contract Collapse: competition
required?

In-Country Meetings

Background meetings with TPC (Transparencia por Colombia)

Meetings with senior Military and Government officials.