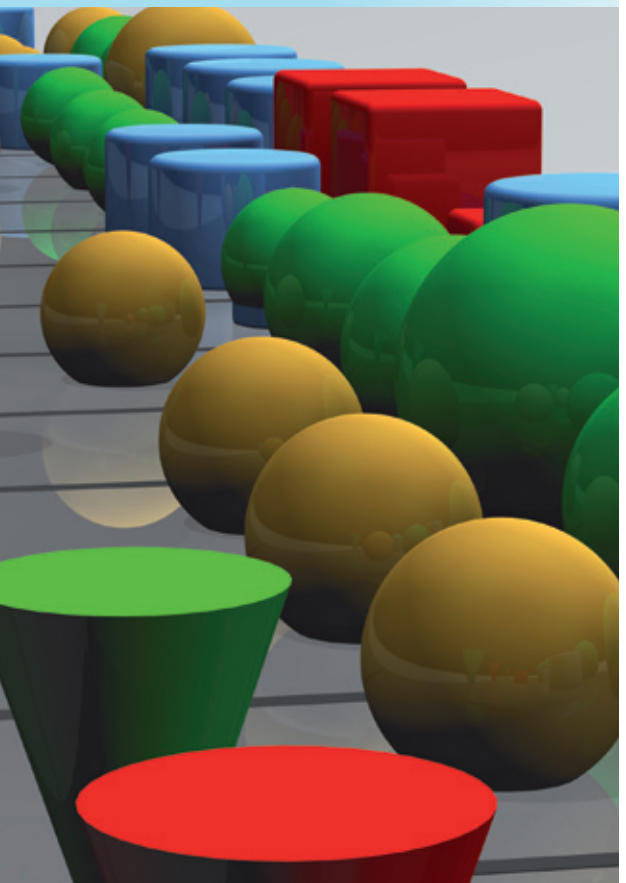


From project planning and evaluation to procurement, introduction, utilisation and decommissioning of military equipment and systems

We combine cost and benefit



Procurement, introduction, utilisation, decommissioning

During the **procurement** and the **introductory phase** armasuisse is responsible for the project. Once the project goal «Fit for Mission» has been reached, the project responsibility is assumed by the Armed Forces Logistics Organisation AFLO for the **utilisation** phase.

The AFLO is responsible for the life cycle management. The systems used by the troops are serviced and maintained by the troops, the AFLO or the industry. The suppliers are put under the long-term obligation to supply spare parts and maintain the equipment. The potential for further development/modernisation is continuously examined and assessed. At the same time the employment of the systems is adapted to constantly changing conditions. This is the basis for **decisions on further employment** of the systems. In addition to normal utilisation, decisions concerning the maintenance and increase of combat readiness or decommissioning are under consideration. In case of programs for the maintenance and increase of combat readiness armasuisse and the industrial partners are included.

Once the Chief of the Armed Forces has come to the **decision to decommission** a system, the AFLO instructs armasuisse to initiate the respective activities.

The obsolete systems are either **sold, recycled or disposed in an environmentally compatible manner**. Already during evaluation the questions of disposal and of a possible return of the systems to their suppliers are discussed.

Parliamentary deliberations

The departmental sector Defence is responsible for the preparation of the **Federal Council Dispatch** on the procurement of military equipment, **the Armament Program (AP)**. The bases needed for the formulation of the dispatch are prepared by the Armed Forces Planning Staff AFPS and armasuisse.

The annual Armament Program is passed by the Federal Council and then submitted to parliament for approval (**parliamentary debates**). The preliminary examinations are conducted by the Defence Committees of the National Council and the Council of States. They submit proposals to the respective chamber. In the committees the parliamentarians can also call in external experts. The Armament Program is accessible to the public. For the Defence Committees and for media professionals the systems foreseen for procurement are presented during an exhibition of the equipment.

During parliamentary deliberations armasuisse continues its procurement preparations and prepares the introduction of the systems with the users.

Only when the Armament Program has been passed by both councils (**Approval of Armament Program**), the procurements are approved. The Federal Council releases the projects for approval within the approved credits.

On consultation with the Chief of the Armed Forces, the Chief of Armament decides on the **selection of type**. Here, military, technical and economic aspects over the entire life cycle are decisive. Once the **technical trials** have been successfully completed, **military suitability for troop use** has been attained, and solid **commercial data** are available, the **readiness for procurement** of a system can be pronounced.

Finally the evaluation process leads to option contracts with the industrial partners, which are put into force after having been approved by parliament. If a defence equipment order is placed abroad, armasuisse seeks to realise a possible participation of Swiss industry.

For simple, standard material the described process is abbreviated without taking irresponsible risks. The responsible calculation of risks according to the specific situation is one of the strengths armasuisse contributes to the procurement process. This is guaranteed by a qualified staff and transparent work processes.

The Defence Committees and the Finance Committees are included in the evaluation process.

Evaluation

With the project assignment the AFPS places with armasuisse, the two-part evaluation process begins. armasuisse converts the military requirements defined by the AFPS into technical specifications and prepares the tender procedure. In doing so, armasuisse strictly adheres to the regulations of government procurement. Tenderers of systems considered are entitled to obtain from armasuisse information on tendering and on the invitations to tender. From preevaluation to selection of type, the tenderers are usually exposed to competition. Basically the prime contractor principle applies.

During **preevaluation** armasuisse, after careful market analysis, establishes a longlist of systems which are considered for evaluation. At the system level proprietary developments are the exception. In most cases an adaptation or further development of existing systems is sought. After initial technical and commercial investigations the possible tenderers are reduced to a shortlist, usually including three tenderers.

The actual **evaluation** is based on the shortlisted systems. During the evaluation process these systems are subjected to in-depth technical, operational and logistic tests, and a commercial analysis is performed. Based on these results the **suitability for troop use** is pronounced and the readiness for procurement is advanced.

In order to make the arms projects ready for procurement, the parliament annually approves engagement and preliminary estimate credits (payment credits) for project planning, trials and procurement preparation (PEB). Engagement credits authorize the DDPS to enter engagements up to a certain limit extending over several years. They are approved by the Financial Committees of the National Council and the Council of States. With the payment credits the engagements are paid annually in partial amounts. The Defence Committees of the two chambers are informed periodically about the decisions reached.

Finally the project planning process results in the **project assignments** of the AFPS to armasuisse.

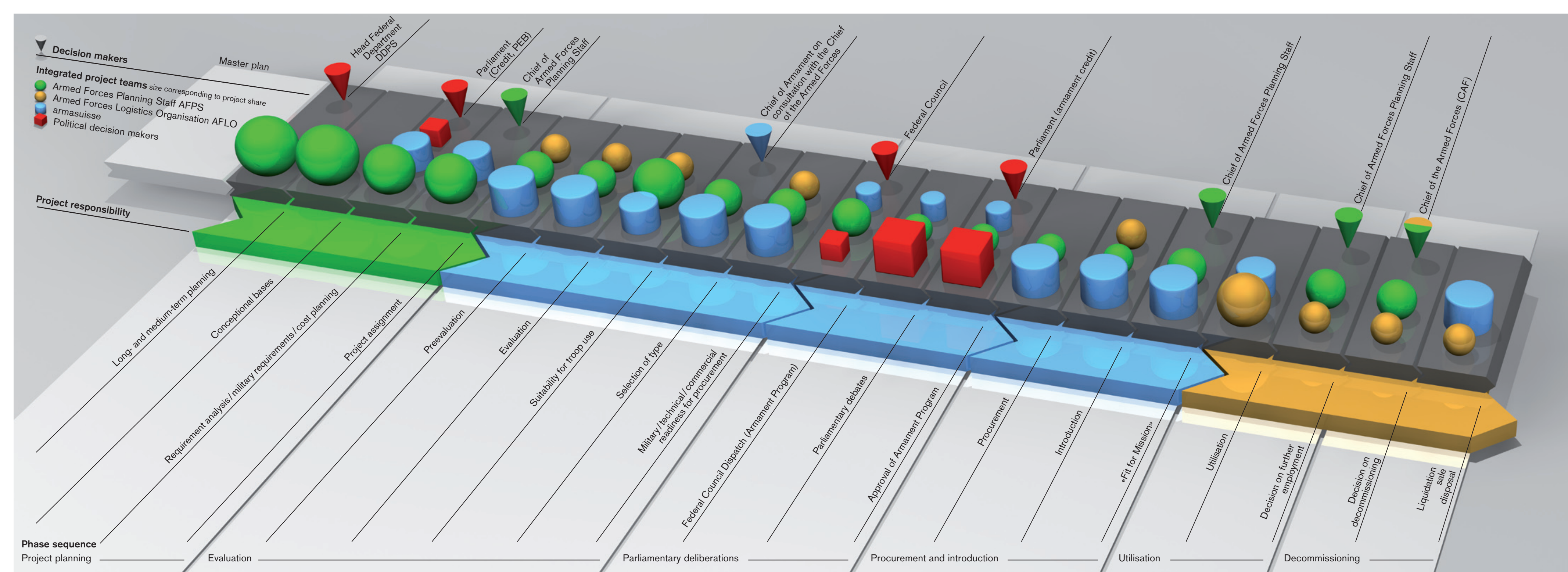
In order for the industrial partners of armasuisse to prepare in good time for the future requirements of the Swiss Armed Forces, armasuisse organises an annual information event, the briefing for the industry, on short- and medium-term planning.

Project planning

The process of force and corporate development within the Swiss Armed Forces is based on a capability-oriented approach. In it long-term directives are turned into specific results via medium- to short-term implementation planning.

The Armed Forces Planning Staff (AFPS) develops the master plan. This plan defines the capabilities of the Swiss Armed Forces needed to accomplish their mission over an eight year period. The master plan transforms **long-term directives into short-term, integrally coordinated measures**, controls them and derives focal points of investment. The AFPS submits them to the Head of the Federal Department of Defence, Civil Protection and Sport (DDPS) for approval.

On this basis the AFPS develops the **conceptional bases**, prepares the **requirement analysis, plans investment and operating costs** and **lays down the military requirements**. armasuisse introduces initial cost/benefit considerations.



Glossary

Focal points of investment: Definition of focal points of investment in the military sectors: Command, Control and Reconnaissance (C4ISTAR), Logistics, Protection / Camouflage, Mobility and Weapons Effects.

Industrial partners: National and international enterprises as suppliers or service providers. armasuisse is their point of contact.

Briefing for the industry: Annual information event for the industrial partners on short- and medium-term planning, organised by armasuisse.

Government procurement: Law and ordinance concerning the award of public supply, service and works contracts with the following objectives: promote transparency, competition and the economical use of public funds.

Prime contractor principle: The prime contractor is the sole contractual partner of the purchaser and bears the overall responsibility for the performance of the contract.

Longlist: All tenderers who submit an offer within an armasuisse tender procedure or are invited to do so.

Shortlist: Reduced number of tenderers after the technical and economic review of the longlist by armasuisse (usually three tenderers) for the actual evaluation.

Option contracts: Contracts negotiated by armasuisse which are only put into force after parliamentary approval.

Industrial participation: Participation of Swiss industry in arms procurements abroad in the form of direct or indirect orders, negotiated and supervised by armasuisse.

Exhibition of equipment: Annual exhibition of the systems proposed for procurement in the Armament Program for the Defence Committees of the National Council and the Council of States as well as the media, organised by armasuisse.

Life cycle management: Logistic planning, controlling and management of systems from project planning to completed decommissioning, taking into account all relevant military and economic aspects.

Maintenance of combat readiness (quality maintenance): Maintenance of system performance through technical modernisation. armasuisse realises the project based on the military requirements.

Increase of combat readiness (upgrade): Increase of system performance through technical modernisation and further development or extension of a system. armasuisse realises the project based on the military requirements.

armasuisse
 Kasernenstrasse 19
 CH-3003 Bern
 Tel. +41 31 324 57 01
 Fax +41 31 324 57 63
 info@armasuisse.ch
 www.armasuisse.ch

MANAGEMENTSYSTEM
ISO 9001 / 14001