

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



Procurement, introduction, utilisation, decommissioning

During the **procurement** and **introduction** phases, armasuisse is responsible for the project. Once the project has reached the “**Fit for Mission**” stage, responsibility for the **utilisation** phase passes to the Armed Forces Logistic Organisation (AFLO).

The AFLO is responsible for life cycle management. The systems used by units are serviced and maintained either by the units themselves, the AFLO or industry. Suppliers are under a long-term obligation to supply spare parts and to carry out maintenance work. Costs/benefits and the options for further development/modernisation are continuously analysed and assessed. At the same time, system use is adapted to constantly changing circumstances. This provides the basis for the **decision on continued use** of the system concerned. In addition to its current use, decisions about value retention, value enhancement, extension of service life or decommissioning are topics for discussion.

Once the **decision on decommissioning** a system has been taken, the AFLO tasks armasuisse with taking the appropriate action.

armasuisse sells or recycles obsolete systems or disposes of them in an environmentally compatible manner (**liquidation, sale, disposal**). Disposal and the possibility of returning equipment are matters which are discussed at an early phase of any project.

Parliamentary deliberations

The Department's Defence sector is responsible for producing the **Armed Forces Dispatch**. The documents needed for drawing up the dispatch are produced by the Armed Forces Staff and armasuisse.

With the Armed Forces Dispatch, the annual armaments programme 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 chambers. Parliamentarians can also call in external experts to assist with committee deliberations.

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

Only when the Armament Program has been passed by both councils (**approval of Armament Program**) do the procurements receive approval. The Federal Council releases the projects for procurement within the limits of the guarantee credits.

Evaluation

In consultation with the Chief of the Armed Forces, the National Armaments Director then takes a decision regarding **type selection**. The decisive factors in this decision are the military, technical and economic aspects over the entire life cycle.

Once the technical trials have been successfully completed and a system has been found to be suitable for use by military units, and provided that its commercial basis is sound, **procurement readiness** can be declared.

The evaluation procedure ultimately results in an optional contract with the relevant industrial partners, which comes into effect after being approved by parliament. If a defence equipment order is placed abroad, armasuisse will ensure wherever possible that Swiss industry is appropriately involved (offset deals).

For simple, standard equipment, the process described above is shortened as long as no unwarrantable risks are taken. Estimating risks in a responsible and appropriate manner is one of the strengths which armasuisse contributes to the process. Highly-trained staff and transparent working procedures ensure that this is the case.

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

Project planning

In order to bring the armaments projects to procurement readiness, parliament annually approves guarantee and preliminary estimate credits (payment credits) for project planning, trials and procurement preparation (PEB). Guarantee credits authorize the DDPS to enter into financial commitments 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. The payment credits allow financial commitments to be settled each year by partial payments. The Defence Committees of the two chambers are informed periodically about the decisions reached.

At the end of the project planning process, the Armed Forces Staff passes the **project charter** to armasuisse.

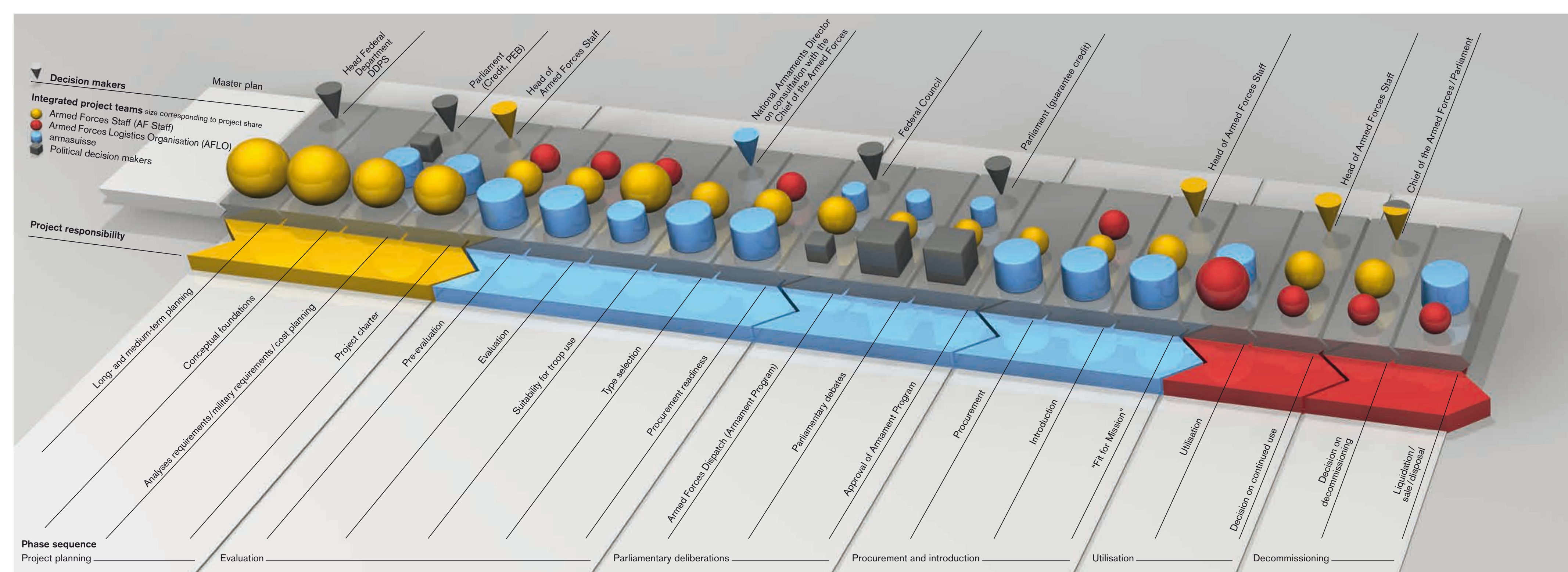
In order for the industrial partners of armasuisse to prepare in good time for the future requirements of the Swiss Armed Forces, armasuisse organises an annual information briefing for industry on its short- and medium-term plans.

Project planning

The process for developing the Swiss Armed Forces and their corporate structure is based on a capability-oriented approach. During the process, long-term directives are converted into specific outcomes via medium- to short-term implementation plans.

The Armed Forces Staff (AF Staff) produces the master plan. This plan defines the capabilities which the Swiss Armed Forces need in order to accomplish their mission over an eight-year period. The master plan transforms **long- and medium-term planning** into short-term, integrated and coordinated measures; it manages these and uses them to deduce the focal points for investment. The Armed Forces Staff submits these measures to the Head of the Federal Department of Defence, Civil Protection and Sport (DDPS) for approval.

On this basis, the Armed Forces Staff develops the **conceptual foundations**, prepares the **analyses requirements**, plans **investment and operating costs** and specifies the **military requirements**. armasuisse introduces the initial cost/benefit considerations.



Glossary

Focal points for investment: Determining the main focus of investment in the following military capability areas: command and control, intelligence acquisition, operational effectiveness and mobility.

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

Industry briefing: Annual event organised by armasuisse to brief industrial partners about plans for the short and medium term.

Public procurement process: Legislation and regulations relating to the award of public delivery, service and construction contracts with the aims of ensuring transparency, strengthening competition and promoting the economical use of public resources.

Prime contractor principle: The prime contractor is the ordering party's sole contractual partner and bears the overall responsibility for the successful fulfilment of the contract.

Longlist: All potential suppliers who submit a tender or who are invited to submit a tender as part of an armasuisse tender procedure.

Shortlist: Reduced number of potential suppliers (usually three) whose tenders will actually be evaluated once armasuisse has carried out a technical and economic review of the longlist.

Optional contract: Contract negotiated by armasuisse which only comes into effect after receiving parliamentary approval.

Industrial involvement: Involvement by Swiss industry in armaments procured from abroad; this involvement can take the form of direct or indirect contracts negotiated and overseen by armasuisse.

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

Value retention: Maintaining system performance through technical modernisation. armasuisse carries out these projects based on military requirements.

Value enhancement: Enhancing system performance through technical modernisation and further development or by upgrading a system. armasuisse carries out these projects based on military requirements.

Service life extension: Extending the length of time during which a system is capable of performing effectively through technical modernisation. armasuisse carries out these projects based on military requirements.

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