MATERIAL RESOURCES
MANAGEMENT
Material resources management:

- Integrated management of material resources
- Rationalisation of processes
- Application of modern management methods and modern, efficient IT tools
- Development of a corporate culture and adequate education/training of people
Material Resources Policy:
INTEGRATED MANAGEMENT (1)

- Basis of material management

- ONE responsible manager carries ALL RESPONSABILITIES for a type of materiel:
  - technical performances
  - maintenance
  - (re)supply
  - cost and expenditures

- in close co-operation with operational units
Material Resources Policy:
INTEGRATED MANAGEMENT (2)

- Coherent logistic support during complete lifecycle of material
  - definition of material resources
  - acquisition phase
  - operational and maintenance phase
  - cast off and phasing out of material resources
Organisation of DGMR

Staff

Directorate General Material Resources

Division Material Procurement

Division CIS & Infra

Systems Division

Materiel Managers

Ground Mat

Marine Mat

Air Mat

Mat & Support Products

CIS

Infrastructure

Comp Ctr Ground Mat & Armt

Stockage Ctr Attrition Reserve

Distrib Ctr Spare Parts

Comp Ctr Air Mat

Comp Ctr Mat & Support Products

Comp Ctr CIS/ICT
MATERIAL PROCUREMENT
DIVISION
Material Procurement Division: **MISSION**

Its mission is to purchase **supplies and services,** essential for the realisation of the mission of the Armed Forces,

in total co-operation with **material managers**

in due **time,** using a minimum of **resources,** at the best **price/quality** ratio.
This mission will be accomplished with respect for all applicable legal provisions and applying the principles of maximum competition and equal treatment in the complete acquisition process.
Basic organisation of a procurement section

Head of Section
MRMP-X

Srt
MRMP-X/Srt

O/Sec Programmes
MRMP-X/P
- Bureau
MRMP-X/P1
- Bureau
MRMP-X/P2

O/Sec Services
MRMP-X/S
- Bureau
MRMP-X/S1
- Bureau
MRMP-X/S2

O/Sec Acquisitions
MRMP-X/A
- Bureau
MRMP-X/A1
- Bureau
MRMP-X/A2
The acquisition process
Chronology of the acquisition process

1. Purchase request
2. Prior approval
3. Specifications
4. Tenders
5. Evaluation
6. Awarding
7. Reservation of funds
8. Notification
9. Execution

Publication points:
- Prior approval
- Evaluation
- Notification
- Execution
PURCHASE REQUEST

- Recognition of the need/acknowledgement in the (annual) consumer / (5-Year) investment programme

- Expression of the requirement in all its aspects (administrative, technical, financial, logistic)
  - materiel manager
  - budget manager
  - procurement officer
  - contract surveillance officer (QA)

- Template/checklist to cover all necessary items
Prior Approval

- According to the amount of estimated expenditure and method of procurement:
  - up to MOD, complete Ministerial council and Parliament (Commission for Military acquisitions)
  - agreement with the planned expenditure (opportunity)
  - agreement with the proposed method of procurement (*)
* Methods of procurement (general)

- **PUBLIC TENDERING (GENERAL INVITATION FOR TENDERS)**
  - publication
  - tendering
  - awarding based on LOWEST PRICE ONLY

- **RESTRICTED COMPETITIVE BIDDING**
  - publication
  - selection
  - tenders
  - EVALUATION (technical - financial ... criteria)
  - awarding based on BEST BUY

- **NEGOTIATED Procurement (exceptional)**
SPECIFICATIONS

- **Administrative**
  - procedure
  - selection criteria
  - applicable legislation
  - practical information (when, where, POC)
  - terms of delivery
  - payment / advanced payments

- **Technical**
  - description of technical requirements
  - mandatory / desired characteristics
  - criteria for evaluation
PUBLICATION

EC: free traffic of persons, supplies and services

EC Directives

BE Legislation on public procurement
- Maximum competition
- Equal treatment

PUBLICATION (national - and EC Journals)
TENDERS

- In accordance with a given template
- Separate parts
  - Admin / financial
  - technical
- models, prototypes
- Opening in public
EVALUATION

- Administrative/financial
- Cost audit
- Technical evaluation committee (ad hoc)
- Laboratories, specialised agencies (exemptions)
- test-sites

- Evaluation grid
  - criteria (cfr specifications)
  - points & weight of each criterium
AWARDING

- **Procurement officer**
  - I a w specifications
  - Combines all results
    - price
    - technical / logistical

- proposes to the competent authority
  - depends on amount and procurement method

- Motivation
RESERVATION OF FUNDS - NOTIFICATION

- Legal act of commitment (reservation of funds)
- Budgetary commitment
  - Min of Finances

- Notification
  - sending of the contract
  - information of all tenderers
  - post award publication
Execution

- Surveillance subsection
  - contributed to redaction of specifications
- quality control within the industry
- surveillance of cost and terms
- final acceptance
Control - Inspection

- Control Division within DG BUDFIN
- Inspector of Finances
- Ministerial cabinet
- MOD
- Council of Ministers
- Parliament
- Court of Audit of Belgium
- Companies!
Legal aspects

- Transparency
- Motivation of each decision in the acquisition process
- Legal disputes
  - Civilian courts
  - The Council of State (all administrative acts)
Overview of current policies and procedures for defence procurement, focussed on standardisation issues

1. Organisation
   a) Describe your country's principal organisation(s)/agencies responsible for procuring defence materiel

   As a rule of thumb, within the Belgian Defence only the Procurement Division is allowed to procure by means of rather complex acquisition procedures. A number of other organizations within Belgian Defence have however received a specific delegation to procure, but their budget is limited. The Procurement Division is integrated in the Directorate General for Material Resources (DGMR). Within this DGMR, material managers responsible for specific types of material issue specific requests (to procure material) to the purchasing officers within the Procurement Division. Based on these requests (from the material managers) the purchasing officers can start its acquisition process.

   b) Provide organizational charts

   Briefing in annex

   c) Describe how these organizations are integrated into the overall structure of your country's Ministry of Defence

   Briefing in annex

   d) In general terms describe the main features of your country's acquisition/procurement policy

   Within Belgian Defence the Belgian State Procurement Law dated December 24, 1993 has to be applied. In June 2006 and January 2007 the new Belgian State Procurement Law has been published but has not entered into force since specific Royal Decrees need to be modified in order to render this Law applicable. Belgium is currently in the process of implementing the European directives and this process will be complete when all Royal Decrees required to execute the Law have been published.

   In general, the basic principles in the procurement policy are open competition (with equal treatment of all competitors) and fixed pricing.

   See briefing in annex.

2. Types of standards
   a) Which types of standards and standard-like specifications (e.g. ISO, CEN, Mil Std, Def Stan, VG-Norm) are in use in your country for procurement of materiel and services required for the armed forces?
The following specifications are used in Belgium: ISO, EN, STANAGs, Mil Std, Mil Specs...

b) Describe your country's policy regarding the application of national (civil and military) standards/specifications.

If they exist or if they are necessary, reference is made to national standards (mostly security standards) or ISO or European standards in use in Belgium. Our legislation prescribes that reference may be made to standards, but valid equivalents to these standards need to be taken into account as well.

As mentioned in the European Directive 2004/18/EC (Article 23 § 3) the technical specifications are formulated by reference to national standards transposing European standards, European technical approvals, common technical specifications, international standards, other technical reference systems established by the European standardization bodies or – when these do not exist – to national standards, national technical approvals or national technical specifications relating to the design, calculation and execution of the works and use of the products. Each reference shall be accompanied by the words ‘or equivalent’.

c) Describe your country's policy regarding the application of international standards/specifications (civil and military such as ISO, EN, STANAGs, etc).

The international standards and European norms are certified by accredited civilians and recognized by the Belgian Armed Forces. The Belgian Armed Forces accredit only the supplements between military standards and civilian norms (AQAP, ...).

d) Are the standards/specifications generally performance/functionally based or are detailed standards/specifications used?

Basically detailed standards and/or specifications are used, but we refer again to European Directive 2004/18/EC (Article 23 § 3. (a) through (d)) since performance or functionally based specifications can be accepted as well.

e) Are the standards/specifications generic or are they specific to an environment (Land, Sea, Air) or specific to particular projects/equipment?

The standards are usually generic, but can be specific to particular projects/equipment (STANAGs)

f) Are military standards/specifications restricted to MoD contracts/work or are they available for industry to use on non MoD contracts?

The military standards are available for industry to use on non MoD contracts as well.
3. Selection of standards for Armaments Projects / Procurement of Defence Materiel

a) Is there a hierarchy/priority in effect in your country for the application of standards for armament projects/procurement of defence materiel?

The hierarchy/priority for the application of standards is based on risk analysis.

b) Who decides which standards/specifications are to be selected for armaments projects/procurement of defence materiel?

The purchasing section, in close relation and in accordance with the specifications established by the Material Manager, decides which standards are to be selected, taking into account that the specifications may not be directed towards a specific company taking part in the competition.

c) Who provides support to project managers in the selection of standards/specifications?

The material manager is also the project manager. The Procurement Division provides support to the material/project manager regarding the selection of the standards.

d) Is there any standard mandatory for all or for particular armaments projects or types of defence materiel?

The specific standards are mandatory for particular armaments projects or types of defence materiel.

e) Is there a documented process for selecting and specifying which standards should be used in the acquisition contracts?

Yes, there is a documented process for selecting and specifying which standards should be used in acquisition contracts. This process allows the customization of the qualification specifications for the contract.

f) May standards be modified/tailored for certain applications or must they be invoked in their entirety.

It is possible to tailor the standard for the specific need of the contract.

g) If standards conflict, how is this resolved?

In this case, the most usable standard is applied.

h) For standards (civil and military) that have to be purchased, are they bought/supplied centrally by your country’s MoD or is it delegated?

These are procured centrally by our country’s MoD.
OVERVIEW OF CURRENT NATIONAL POLICIES, PROCEDURES FOR STANDARDS AND STANDARD-LIKE SPECIFICATIONS USED IN DEFENCE PROCUREMENT

1. Organisation
   a) Describe the organisation responsible for your country’s military standards/specifications policy and how this organization is integrated into/linked to the overall structure of your country’s Ministry of Defence.

   Depending directly from the Belgian Chief of Defence (CHOD), the Director General for Material Resources (DGMR) is responsible for implementing the general standardization policy (coming from the strategic and policy level) by proposing and applying the standardization policies and rules constraining the products and processes in an integrated through life (total quality) perspective.

   In particular, all common processes and product attributes necessary for such a management perspective are controlled by different sections belonging to the MR-Management section within the DGMR.

   All rules and policies specific to each type of Material Resource (this includes the processes) are managed within the actual Divisions of the DGMR, more specifically the MRSys (Material Resources – Systems) division and MRC&I (Material Resources – CIS and Infrastructure) division.

   b) Provide some details on the organization

   **General presentation**
   - Organizational chart: see general presentation and powerpoint slides
   - Personnel resources: see general presentation
   - Budget: N/A
   - Location/address: see general presentation
   - Head of the MR-Mgt section: Col Xhauflair
   - Point Of Contact: Jean-Pierre.Xhauflair@mil.be
   - Homepage of the organization: www.mil.be

   c) Is the organization also responsible for tasks other than national military standards/specifications?

   Yes, the organization is responsible for all policies and general processes governing the integrated through life management of material resources (including the policy on codification, quality assurance and also the ratification of the STANAGs).

   d) Is there a process to increase the scope of national civil standards by adding specific defence material requirements into the standard?

   There is no formal policy (yet) but already a general policy in order to promote the COTS (Commercial Off the Shelf) / MOTS (Military Off the Shelf)
and NDI approach and also the cooperation with the other (European) countries (acquisition and use).

e) Describe the relationship of the organization with other civil and military standards agencies.

Active membership in several NATO, international (but mainly European) working groups and meetings.

f) How is civil and military standardization linked in your country?

No information available on this subject.

g) Does your government subsidize or sponsor the civil standardization efforts of civil standardization organizations?

No information available on this subject.

2. Preparation, Issue and Implementation of standards and standard-like specifications

In the Belgian MoD, no new standards are being prepared, issued or implemented.

3. Sources of standards

a) Which databases exist for the different types of your country’s military standards/specifications?

The Belgian Armed Forces use the civilian and NATO databases.

b) Are these databases accessible via a web site?

Yes.

c) Who maintains these databases?

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d) What fields/data elements are used in the database?

Full text is used.

e) Are the full-text documents of the standards/specifications accessible through these databases?

Yes.

f) Do these databases also include classified information/documents?
g) How is access to classified information/documents provided for?

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h) Who has access to these databases?

Everyone in the Belgian Armed Forces who is concerned, through the Codification Service or direct access to the NSDD

i) Are external users (e.g. industry) of these databases and the related documents charged for their use? If yes: What are the fees?

The external users are managed by the civilian and NATO services. STANAGs - In case of a procurement issued by the Belgian Armed Forces, the project Manager is allowed to furnish the STANAGs to the applying contractors. In case of development of material at own costs, STANAGs can be ordered free of charge by Industries (via ACOS-Intelligence Security SGRS/MIS-IS who is responsible for the management of security accreditations).

j) Is it possible to order hardcopies of military standards/specifications? If yes: How are the standards/specifications ordered and what are the prices for these documents?

CIDMat matter

4. Distribution and use of military standards/specifications

a) How is information about new/amended/cancelled military standards/specifications internally and externally distributed?

STANAGs and APs are distributed by MR-Mgt (STANOR) to BEL custodians who are then ensuring proper distribution (eventually with additional comments) within the Belgian Armed Forces

b) Are military standards/specifications routinely checked for necessary revisions?

For STANAGs, the procedures laid down in AAP-3(H) are followed (revision every 3 years)

c) Are military standards/specifications routinely translated into other languages?

STANAGS & APs are used as such when used locally by Material Managers. When larger diffusion is needed, these standards are translated in national directives (French and Dutch).

d) Are military standards/specifications available electronically?

STANAGs and APs are available via the NSDD (unclass) or following a request to MR-Mgt (STANOR).

e) Is there a monitoring process to establish which standards are being used for particular projects or types of defence materiel?

No information on the subject
f) Is there a “help desk” to aid/support users of standards? If yes: What are the conditions to use the help desk (internal/external users)?

For STANAGs and APs, only administrative support is provided by MR-Mgt (STANOR) for internal users.