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TESTIMONY

The Netherlands F-16 Comparative Analysis

An Evaluation of the Process

MATT BASSFORD

CT-326

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Testimony presented before the Dutch Parliamentary Committee for Defence on
April 6, 2009

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**Statement of Matt Bassford¹
Research Leader
RAND Europe**

***The Netherlands F-16 Comparative Analysis
An Evaluation of the Process²***

Before the Dutch Parliamentary Committee for Defence

April 6, 2009

Introduction

Ladies and Gentlemen of the Committee, good afternoon. Thank you for inviting me to speak today. My name is Matt Bassford and - along with my colleague Hans Pung - will be speaking on behalf of RAND Europe. I'd first like to say a few words of introduction followed by a brief summary of our involvement with the F-16 replacement programme.

RAND Europe is a not-for-profit research organisation, with offices in the UK and in Brussels. Our mission is to improve policy and decision-making through research and analysis. We have a dedicated team for research into the strategic defence issues that face public decision-makers. We also have specific expertise in evaluation and audit. RAND Europe is part of the global RAND Corporation which has established a reputation for independent, objective research over the last 60 years.

Our engagement with the F-16 replacement programme began in late June 2008. We were asked by the Ministry of Defence to provide an independent, overall evaluation of the process through which potential F-16 replacement aircraft were assessed and ranked. We refer to this process as the Comparative Analysis. Our involvement followed discussions in Parliament about the independent monitoring of the Comparative Analysis.

Our study formally commenced in August 2008 when we reviewed the methodology developed by the MOD to assess candidate aircraft. Our study concluded with a review of the final tranche of reports produced by the MOD in early December 2008.

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² This testimony is available for free download at <http://www.rand.org/pubs/testimonies/CT326/>.

I was responsible for leading our evaluation during this period, with overall direction provided by Mr Pung.

In the remainder of my statement I will summarise our role; our approach; and outline our main findings.

Our Role

So firstly, what was our role? We were commissioned by the Ministry of Defence to evaluate the transparency and objectivity of the Comparative Analysis process.

The Comparative Analysis process was established by the MOD to rank F-16 replacement candidates against three main elements. These main elements were:

- Quality;
- Life-cycle cost; and
- Delivery time.

Our evaluation considered the Comparative Analysis conducted by the MOD, which only analysed these main elements. Consequently, evaluation of wider factors that may influence the selection of F-16 replacement aircraft was outside the scope of our study. We did not consider wider factors such as environmental parameters; aircraft noise; the impact on the Dutch industrial base; or other political factors.

It is important to stress that our role was to evaluate the Comparative Analysis process. The RAND project team did not assess the relative merits of the candidate aircraft, conduct our own ranking, or contribute in any way to the actual scoring of candidate aircraft conducted by the MOD. To have played an active role in the ranking of aircraft would have compromised our independence and objectivity.

More detail on our role, our approach and our findings are publically available. Our final evaluation report was provided to Parliament on 18 December 2008.

I know you are aware of the evaluation provided by the Audit Services of the MOD and the Audit Services of the Ministry of Economic Affairs. In fact I believe you have already spoken to them earlier on today. Our study was conducted in parallel to their work. In addition to providing an evaluation of the MOD, the Audit Services also considered whether RAND Europe conducted its task in a satisfactory manner. The Audit Services concluded that our work was rigorous and transparent.

Our Approach

Secondly, what was our approach? Well, our involvement in the F-16 replacement programme was structured in three main phases:

- In phase 1, we developed a set of criteria on which to base our evaluation. To do this, we surveyed the literature concerning good practice in large public procurement programmes. We then developed a structured framework which was based on the Successful Delivery Toolkit from the UK Office of Government Commerce. This is widely considered to represent good practice and is used by the UK Government to design and review major public procurement programmes.
- In phase 2, we focused on evaluating the design of the Comparative Analysis that had been developed by the MOD. During this phase, we reviewed a number of reports that documented the methodology the MOD would use in its assessment of candidate aircraft.
- In phase 3, we evaluated whether or not the Comparative Analysis process was objective and transparent in its execution. During this phase the RAND project team closely monitored the MOD in a number of ways:
 - We reviewed all relevant documents prepared by the MOD.
 - We attended key internal planning meetings held by the MOD in order to monitor planning and design of the process.
 - We interviewed members of the MOD assessment team regarding their approach to communication with aircraft manufacturers.
 - We held review meetings with the management team from the F-16 replacement programme in order to seek evidence that satisfied our evaluation criteria.
 - We attended scoring sessions convened by the MOD in order to monitor how candidates were assessed and ranked.
 - We reviewed the final MOD reports on the ranking of candidates to confirm that the reports and recommendations reflected what we had observed in the ranking process.

Our Findings

Finally, I'd like to outline our main findings.

We have reviewed the confidential reports that the MOD prepared which provide a summary of the results of the Comparative Analysis. In our opinion, these summary reports provide a clear

set of conclusions that reflect the assessments made by the MOD during the Comparative Analysis process.

Our overall evaluation is that for the main aspects of quality, cost and delivery time the Comparative Analysis was sufficiently transparent. We reached this conclusion on the basis that we were able to confirm how candidates were ranked and the underpinning criteria that the MOD used in ranking each candidate. For the analysis of Life Cycle Cost there were some imperfections regarding transparency during the process. However, the MOD made sufficient efforts to ensure that the conclusions in their final report were transparent.

For the main aspects of quality, cost and delivery timeline, our evaluation is that the Comparative Analysis was sufficiently objective to produce an unbiased ranking order. We did not find any evidence of bias from the MOD assessment team.

The MOD assessed each candidate primarily on the basis of information provided by manufacturers. We observed that personnel involved made efforts to be consistent in their approach to each candidate. The MOD also made efforts to validate cost data with respective manufacturers and through government agencies.

Our overall evaluation is that supplier engagement during the Comparative Analysis was sufficiently transparent for us to confirm that manufacturers got appropriate communication at relevant stages in the process.

Our overall conclusion is that the reports prepared by the MOD provided an accurate reflection of the assessments conducted and are generally objective in tone.

Closing Remarks

In closing, I'd to thank you again for extending an invitation for us to attend today. I expect that you will have a number of questions that build on the report we provided to Parliament on 18 December 2008. I also know you are aware that we are not in a position to speculate on issues outside the scope of our work.

Part of the mission of RAND Europe is to help improve policy and decision-making through objective, independent research. And we are committed to communicating our work to a broad audience.

Mr Pung and I will be happy to discuss any element of our report with you. We look forward to answering your questions. Thank you for your attention.