

By Tony Purton  
The NAO REPORT - "MoD Using the contract to maximise the likelihood of successful project outcomes" which was published in May last year picks up on the NAO's first report of the series published a year ago which identified the contract as a key component of project control. This revolutionary idea will come as little surprise to past generations of MoD defence procurement practitioners who from 1985 under Peter Levene (now Lord Levene of Portsoken) until the invention of 'smart procurement' and 'partnering' in 1998 did their best to put this concept into practice.

It will be interesting to see how this NAO recommendation is developed into a working culture by the MoD's newly appointed £300,000 a year Defence Commercial Director Amyas Morse. His first action was to launch a 'commercial awareness' initiative throughout the MoD. Addressing MoD commercial staff, Mr Morse said that a bad contracts were in nobody's interest since they resulted in at least one side, sometimes both, being dissatisfied and costing either side much more than originally intended. Considerable responsibility was placed on MoD's commercial officers to provide good advice, even at the risk of them being unpopular with their colleagues and with industry. A familiar situation to this former MoD commercial officer.

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