

BAE Systems Australia Limited
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PUBLIC AIC PLAN

1. COMPANY DETAILS

Company Name: BAE Systems Australia Limited (ABN 29 008 423 005)

Location: Edinburgh Parks, 1 Taranaki Rd, Edinburgh SA 5111

Website Details: www.baesystems.com.au

2. EXECUTIVE SUMMARY

BAE Systems Australia (BAE Systems) has been contracted by the Commonwealth of Australia (CoA) for the provision of services in support of the Royal Australian Navy's (RAN):

- a) Three Hobart Class air warfare destroyers (DDGs);
- b) The associated Support System; and
- c) Allocate work responsibilities between the Commonwealth and the Contractor.

The Commonwealth has engaged BAE Systems Australia as the Managing Contactor (MC) to coordinate and manage the development of a DDG Asset Management Sustainment solution developed over a five-year Transition Support Period (TSP). BAE Systems Australia will provide a number of services traditionally undertaken by Commonwealth Staff.

The estimated contract Values and work packages are dependent upon contract terms and program strategy. Work location for the DDG Project is based out of Garden Island Defence Precinct.

The Total Contract Estimate (TCE) is \$147.6 million (inc GST). The TCE includes Managing Contractor Service and Phase In costs for Total Budget Estimate (TBE) periods for 1 – 5 and Tasked Services for TBE periods 1 & 2 only. The local industry activity for TBE 1 was \$24.2 million (ex GST). For TBE 2 the estimated local industry activity value is \$61 million. BAE Systems is unable to estimate local industry activity values beyond TBE 3 at this stage.

As the program matures work, packages and LIAs will become realised. The table below details those Contractors currently engaged to perform Local Industry Activities within the DDG Program. Program participants required to deliver their own AIC Public Plans have been identified in the table below.

As the Managing Contractor, BAE Systems Australia is required to deliver the Services, as detailed in the Contract Scope of Work both directly and through the engagement and management of Subcontractors, and includes management of associated parties including other Commonwealth organisations. As Managing Contractor (MC), BAE Systems supports those suppliers that are able to deliver value for money within the Australian marketplace whilst ensuring Navy Capability requirements are continually met.

BAE System Australia, as the Managing Contractor will plan, coordinate and manage the Services across the DDG Enterprise as the Managing Contractor and support a controlled transition of the DDG Capability into the RAN and implement an effective management system capable of sustaining the DDG Capability during its operational life through to, and including, disposal.

The scope of work BAE Systems Australia will provide as the Managing Contractor includes:

- Enterprise management services;
- Engineering management services;
- Maintenance management services;
- Supply management services;

- Provision and support of support resources;
- Verification and validation services;
- Quality management services; and
- Management and coordination of tasked services delivery across the Enterprise.

As the Managing Contractor, BAE Systems is the Trusted Advisor within DDG SPO providing Managing Contractor Services including support and management activities required to support the provision of the Services,

Tasked Services or Ad Hoc Services will be contracted to the relevant Materiel or Approved Sub-Contractor and based on selection criteria, which includes measuring against Australian Industry contribution and the derivation of Local Industry Activity where appropriate.

Tasked Services, as identified in the Contract include:

- The Engineering Delivery Services component of Engineering Support;
- The Maintenance Delivery Services component of Maintenance Support; and
- The Supply Delivery Services component of Supply Support.

The Managing Contractor is required to 'Subcontract' work for Tasked Services under the Contract which may include:

- Hobart Class Ship Repair & Maintenance activities;
- Combat System Integration for the Hobart Class including Engineering, Maintenance and Supply Support; and or
- Platform System Support including Engineering & Supply Activities;

Current Work packages within the DDG Program for Australian Industry are detailed below and includes only Approximated values of **Local Industry Activity**

Company Name	Scope of Services	Work Location	AIC Plan Required
Thales Australia Limited	Ship Repair & Maintenance	Garden Island, NSW	Yes
Raytheon Australia Pty Ltd	Combat System Integrator	Garden Island, NSW	Yes
Navantia Australia Pty Ltd	Platform System Support	Garden Island, NSW	Yes
BAE Systems Australia (Engineering Services)	Platform System Support	Garden Island, NSW	Yes
ASC Shipbuilding Pty Ltd	Platform System Support	Techport, ADE	Yes
Capability Partners	Asset Management	Garden Island, NSW	No
Deloitte Consulting Pty Ltd	Asset Management	Garden Island, NSW	No
Indigenous Defence Consortium	Platform System Support	Techport, ADE	No

3. SCOPE OF FUTURE WORK OPPORTUNITIES

Opportunities for continued work under the same or similar Sub-Contractor arrangements may be available for the duration of the Transition Support Period either from BAE Systems Australia or its Material Subcontractors. Refer to AIC Public Plans from current Material Subcontractors to determine relevant work packages and potential opportunities' of the DDG Program.

As indicated above future work opportunities and packages to support the DDG Program during the Transition Support Period may be related to:

- Engineering Support for the Materiel System;
- Maintenance Support for the Materiel System; and
- Supply Support and procurement activities for the Materiel System.

There may be limitations on Australian Industry (AI) engagement where security & ITAR restrictions exist or due to regulatory limitations within the DDG System Program Office (DDG SPO) framework.

The scope for future work opportunities within the DDG Program for Australian Industry will become known as the DDG Transition Support Period matures and for each TBE period.

4. FUTURE OPPORTUNITIES FOR INDUSTRY ENGAGEMENT

BAE Systems Australia is committed to work with its industry partners to increase AI commitment where opportunity exists throughout the Life Cycle of the DDG Acquisition, Transition and Sustainment periods.

Australian Industry partners who would like to make representation of their ability, innovations and value towards the development of the DDG delivery and in support of increasing Australian Industry Capability should register their interest via the AIC Manager as detailed below

Contact: Craig Armstrong
Position: Commercial Lead, DDG Program
Email: craig.armstrong@baesystems.com

Authorised by:



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Craig Armstrong, Managing Contractor DDGSPO Commercial Lead

05 February 2019

This Public AIC Plan is authorised by the Contractor Representative as per CASG/SHIP/CONTRACT135/16