

PART 3 – DRAFT STATEMENT OF WORK**TABLE OF CONTENTS**

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ANNEXES:

Note to drafters: Where any Optional Annex is not to be used, its identifying letter should be retained in the index, but its title should be deleted and replaced with 'Not Used.' Where an Optional Annex is to be included, the term '(Optional)' is to be deleted from its title in this index.

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Note to drafters and tenderers: This template is for use for acquisition of COTS or MOTS products, or production-ready NDIs, where there will be no, or very minimal design, development or integration. Evaluation criteria may favour tender responses that fall within these parameters.

Within this SOW template, italics are used to provide guidance to the persons tailoring the template for use in a particular procurement (Notes to drafters), and to tenderers in preparing their response (Notes to tenderers). The 'Notes to drafters' guidance is to be removed from the tailored SOW before release with the RFT. The 'Notes to tenderers' must be removed from the tailored SOW for inclusion in the Contract.

Wherever practicable and acceptable to the Commonwealth, advantage should be taken of existing Tenderer and Contractor data in progressing the acquisition.

Terms with specific meanings as defined in the Glossary at Attachment H to the draft conditions of contract are to be first letter capitalised.

The products to be delivered, including all support elements required, such as spares, support and test equipment, training, publications, drawings, installation and commissioning must be determined and agreed before or at Contract negotiation. All intended Supplies must be included in the Contract Price and Delivery Schedule on the Effective Date.

1. SCOPE (CORE)

Note to drafters: This clause should include a brief statement of what the SOW covers. (Clause 2.1 'Scope of Work' defines the breadth and limitations of the work to be done.) The Background clause should be limited to only that information needed to acquaint the tenderer with the basic acquisition requirement. As this clause is not intended to define the formal contractual scope (but is only the scope of the SOW itself), the items listed below should NOT be included in this "Scope" clause:

- a. *directions to the Contractor to perform work tasks, or*
- b. *description of deliverable products.*

1.1 Purpose (Core)

- 1.1.1 The purpose of this SOW is to communicate, to the Contractor, Commonwealth requirements and standards for work to be carried out under the Contract and to allocate work responsibilities between the Commonwealth and the Contractor.

1.2 Background (Optional)

Note to drafters: Insert the background to the Contract that may be useful to the Contractor.

As this clause is not intended to be contractual in nature, "shall" statements should not be used. Care must also be taken to ensure that statements made in this clause do not conflict with other elements of the Contract.

2. GENERAL REQUIREMENTS (CORE)

2.1 Scope of Work (Core)

Note to drafters: This clause should define the Contractor's overall scope of work under the Contract. This should cover such activities as construct, test, install, etc.

2.1.1 The Contractor shall perform all activities necessary to [...DRAFTERS TO SELECT: 'manage, construct, test, deliver, install, commission...'] the Supplies to the Commonwealth in accordance with the Contract.

2.1.2 The Contractor shall ensure that the Supplies meet the requirements of the Specification at Annex A to the SOW.

2.2 Delivery of Supplies (Core)

Note to drafters: The following clause is not intended to include exhaustive marking and consignment documentation requirements and should only be further tailored to specify additional requirements when these are required to comply with the applicable regulatory framework.

The following clauses may be tailored to allow adoption of the Contractor's normal packaging and marking standards, where these are acceptable to the Commonwealth Representative.

2.2.1 The Contractor shall ensure that all Supplies that need to be delivered to the Commonwealth are packaged and marked for delivery such that the delivered items comply with appropriate packaging, package marking, consignment documentation and documentation language standards as may be necessary to meet the requirements of the Contract.

2.2.2 The Contractor acknowledges that DEF (AUST) 1000C Part 5 provides guidance on package marking standards that are acceptable to the Commonwealth.

2.2.3 The Contractor shall ensure that secure and legible documentation is affixed to the outside of each package for delivery to the Commonwealth, with duplicate copies inside at the top of each package, which includes the following information:

- a. the relevant project identifier (project name and number), if applicable;
- b. the relevant Commonwealth contract or purchase order number;
- c. the item name;
- d. the item quantity;
- e. the name of the supply source;
- f. the consignment delivery point; and
- g. the date of dispatch.

2.2.4 The Contractor shall ensure that all items delivered to the Commonwealth are accompanied by such certification of conformance from the OEM as may be necessary to meet regulatory requirements.

2.3 Deliverable Data Items (Core)

2.3.1 The Contractor shall deliver all Contract Data Items to the Commonwealth Representative in the Contractor's format.

2.3.2 Within [. . . INSERT NUMBER OF DAYS. . .] days of receipt of any Contract Data Item the Commonwealth Representative shall advise the Contractor in writing that the item is either Approved or not Approved.

2.3.3 Where the Commonwealth Representative provides the Contractor with notice of non-Approval of a Contract Data Item then the Commonwealth Representative shall advise the Contractor in writing of the reasons for this, and may provide details of any corrective action to be taken by the Contractor before the item will be reconsidered.

- 2.3.4** The Commonwealth Representative shall withhold Approval of a Contract Data Item, only if, in the judgement of the Commonwealth Representative, the item submitted by the Contractor:
- a. is not clearly understandable;
 - b. does not provide adequate detail;
 - c. is inconsistent with the Contract; or
 - d. does not meet the objective of the required Contract Data Item.
- 2.3.5** The Commonwealth Representative may not withhold Approval of a Contract Data Item for minor omissions or defects in the item which are identified in writing to the Contractor. In addition to the criteria for non-Approval detailed in clause 2.3.4, any subsequent Approval of an update to a Contract Data Item that was previously Approved with minor omissions or defects shall be subject to the Contractor addressing those identified omissions or defects in the proposed update to the satisfaction of the Commonwealth Representative.
- 2.3.6** Where the Commonwealth Representative provides the Contractor with notice of non-Approval in accordance with clause 2.3.2 the Contractor shall, within a period of 14 days (or within such further period as the Commonwealth Representative may allow), deliver the rectified Contract Data Item for Approval.
- 2.3.7** If, within the time specified under clause 2.3.6, the Contractor submits the rectified Contract Data Item as conforming to the requirements of the Contract, the Commonwealth Representative shall be entitled to exercise the rights provided by this clause 2.3 as if the Contract Data Item had been submitted by the Contractor for the first time.
- 2.3.8** Where the Commonwealth Representative fails to furnish to the Contractor notice in writing of Approval or non-Approval in accordance with clause 2.3 within the specified 14 days, then any delay shall be considered to be delay caused by the Commonwealth and this failure may, where appropriate, entitle the Contractor to claim a postponement of the date for delivery of Supplies. The Contractor shall notify the Commonwealth of its intent to claim a postponement of the date for delivery of Supplies no later than 5 days after the specified 14 day period expires and shall submit a proposal to change the Contract in accordance with clause 9.1 of the conditions of contract no later than 7 days after the Commonwealth does notify the Contractor of its Approval or non-Approval.
- 2.3.9** Where the Contractor notifies the Commonwealth and submits a proposed change to the Contract in accordance with clause 2.3.8, and can demonstrate, to the Commonwealth's satisfaction, that:
- a. the delay in providing notice of Approval or non-Approval delayed the Contractor in the performance of its obligations under the Contract;
 - b. the period being claimed for postponement of the date of delivery of Supplies is reasonable and directly related to the Commonwealth's failure to provide the required notice,
 - c. then, on the Commonwealth notifying the Contractor that it has been satisfied that the requirements of this clause have been met, the date for delivery of the affected Supplies shall be varied by the period specified in the Commonwealth's notice to the Contractor and the Contract shall be amended in accordance with clause 9.1 of the conditions of contract.
- 2.3.10** Approval of a data item by the Commonwealth shall:
- a. be construed as no more than an indication that the data item appears to the Commonwealth Representative to be capable of being used as a basis for further work;
 - b. not be construed as limiting the Contractor's responsibility to provide Supplies in accordance with the requirements of the Contract; and

- c. not be construed as a waiver of any right under this Contract or any cause of action arising out of any act or omission of the Contractor or its servants, agents or employees.

2.4 Hazardous Substances and Ozone Depleting Substances (Core)

- 2.4.1** The Contractor shall not provide Supplies containing or emitting an Ozone Depleting Substance or a Hazardous Substance unless:
 - a. the substance is listed in Annex C (“authorised substance”); and
 - b. the authorised substance is included in the Supplies only in accordance with the conditions specified in Annex C in respect of the authorised substance.
- 2.4.2** The Contractor shall, no later than 30 days after the Effective Date:
 - a. provide full details of the authorised substances incorporated into or emitted by the Supplies, including location and protective measures adopted, to the Commonwealth Representative for Approval, in the format of a Material Safety Data Sheet (MSDS) in accordance with the requirements of NOHSC: 2011 (2003), which can be found at the following website:
<http://www.safeworkaustralia.gov.au/swa/HealthSafety/HazardousSubstances/MSDS/>;
 - b. include in all documentation supporting the Supplies clear identification of the nature of the hazard; and
 - c. label all Supplies containing or emitting the authorised substance to clearly identify the nature of the substance and its associated hazards.
- 2.4.3** The Commonwealth at any time may notify the Contractor of any Ozone Depleting Substance or a Hazardous Substance which is not listed in Annex C, but which has been discovered as present in the Supplies. The Contractor may also discover an Ozone Depleting Substance or a Hazardous Substance which is not listed in Annex C, but which is present in the Supplies, and in such circumstances, the Contractor shall notify the Commonwealth Representative of that discovery as soon as practicable thereafter and, in any event, within seven (7) days.
- 2.4.4** Where either party notifies the other party under clause 2.4.3, the Contractor shall:
 - a. not use the Ozone Depleting Substance or Hazardous Substance discovered, except where otherwise Approved by the Commonwealth Representative;
 - b. within 14 days of either being notified or discovering the substance, provide a Material Safety Data Sheet to the Commonwealth Representative for Approval, in the format of a Material Safety Data Sheet (MSDS) in accordance with the requirements of NOHSC: 2011 (2003);
 - c. within 30 days of either being notified or discovering the substance, provide a CCP in accordance with clause 9.1 of the conditions of contract to update Annex C to include the newly authorised substance; and
 - d. where the Commonwealth Representative does not Approve the use of an Ozone Depleting Substance or a Hazardous Substance, take whatever measures are considered necessary or prudent by the Commonwealth Representative to remove the substance from all applicable Supplies and to avoid or mitigate the impact of that substance.
- 2.4.5** The Contractor shall, no later than seven days after discovery, advise the Commonwealth that the Contractor is aware of a non-Hazardous Substance which could be substituted for the authorised substance content without significant detriment to the performance of the Supplies.
- 2.4.6** To the extent consistent with their function, the Supplies shall not emit fumes, liquids, solids, heat, noise, electromagnetic or other radiation, which could be detrimental to personnel, the environment or the operation of other equipment.
- 2.4.7** The Contractor shall be responsible for all materials used by its Subcontractors.

3. PROJECT MANAGEMENT (CORE)

3.1 Contractor's Project Management Arrangements (Core)

3.1.1 The Contractor shall nominate within its company structure a project manager (referred to as the 'Contractor's Project Manager') with suitable capability and authority to manage the Contract.

3.2 Contract Status Reports (Core)

3.2.1 The Contractor shall prepare and deliver CSR to the Commonwealth Representative for Approval each [...INSERT PERIOD...] from the Effective Date in accordance with Annex B to this SOW.

3.2.2 If the Commonwealth notifies the Contractor on the basis of any CSR that the Contractor has failed to maintain satisfactory progress under the Contract, the Contractor shall advise the Commonwealth within 14 days of the remedial measures proposed, and shall reflect the results of such measures as are necessary to re-establish Contract progress in subsequent CSRs.

3.3 Progress Meetings (Optional)

Note to drafters: Regular progress meetings will add to the cost of the Contract for both the Contractor and the Commonwealth. For ASDEFCON (Complex Materiel) Volume 1 acquisitions, the periodic CSR and other forms of communication with the Contractor should suffice and regular progress meetings should not be required.

This clause should only be used where a clear need for regular progress meeting is evident. If so, careful consideration should be given to the meeting frequency.

If this option is not selected then the following clause(s) should be deleted and the heading above replaced with 'Not used'.

3.3.1 The Contractor shall conduct progress meetings at intervals of no greater than [...INSERT NUMBER OF MONTHS...] months unless otherwise agreed with the Commonwealth Representative.

3.3.2 Progress meetings shall be co-chaired by the Commonwealth Representative or nominated representative and the Contractor's Project Manager or nominated representative.

3.3.3 The Contractor shall prepare and deliver to the Commonwealth Representative for Approval, at least 14 days in advance, progress meeting agendas to address all topics included in CSRs, and any other matters as required by the Commonwealth Representative or Contractor.

3.3.4 The progress meetings shall not be conducted until the Commonwealth Representative has agreed the time and place of the Progress Meeting.

3.3.5 Progress meetings shall be held at the Contractor's premises unless otherwise agreed by the Commonwealth Representative.

3.3.6 Within 7 days of the completion of each progress meeting, the Contractor shall prepare minutes for the meeting reporting significant factors discussed, and decisions taken, and deliver them to the Commonwealth Representative for Approval.

3.3.7 The party at whose premises the progress meeting is held shall provide the facilities, materials and services reasonably required for the conduct of the meeting. If the meeting is held at a third party's premises, such facilities, materials and services shall be provided as agreed by the parties.

3.4 Extraordinary Meetings (Core)

Note to drafters and tenderers: Extraordinary meetings may be used to address issues arising from Contract Status Reports or other Contract performance or matters where other forms of

communication would not be effective. The Commonwealth Representative and Contractor should be cognisant that such meetings can be costly to both the Commonwealth and the Contractor.

- 3.4.1** Either party may call Extraordinary Meetings to discuss Contract matters where submission of CSRs and other forms of communication are inadequate to resolve the issues at hand.
- 3.4.2** When scheduling Extraordinary Meetings the party calling the meeting shall provide the other party with reasonable advance notice of such meetings, including advice of the meeting objectives and agenda. Extraordinary Meetings shall not be conducted until the Commonwealth Representative has approved the agenda.
- 3.4.3** The party calling the Extraordinary Meeting shall chair meetings unless otherwise agreed by the Commonwealth Representative.
- 3.4.4** Extraordinary Meetings shall be held at the Contractor's premises unless otherwise agreed by the Commonwealth Representative.
- 3.4.5** Within seven days of its completion of each Extraordinary Meeting the Contractor shall prepare minutes of the meeting, reporting significant factors discussed, and decisions taken, and deliver them to the Commonwealth Representative for Approval.
- 3.4.6** The party at whose premises the Extraordinary Meeting is held shall provide the facilities, materials and services reasonably required for the conduct of the meeting. If the meeting is held at a third party's premises, such facilities, materials and services shall be provided as agreed by the parties.

3.5 Maintenance of Contractual Documents (Core)

- 3.5.1** The Contractor shall incorporate all changes to the Contract and maintain a configured copy of the Contract.
- 3.5.2** The Contractor shall archive all superseded versions of the Contract.
- 3.5.3** The exact status of the Contract at any previous time shall be able to be determined from the archived versions of the Contract material.

3.6 Defence Security Compliance (Optional)

Note to drafters: This clause should be used only if work to be completed under the Contract involves any Classified materiel or access.

If this option is not selected then the following clauses should be deleted and the heading above replaced with 'Not used'.

- 3.6.1** The Contractor shall ensure that all security procedures, training, facilities, fittings and clearance requests are established and maintained to meet the requirements of clause 9.8 of the conditions of contract.

3.7 Stocktaking of Contractor Managed Commonwealth Assets (Core)

- 3.7.1** The Contractor shall:
- a. institute, maintain and apply a system for, the accounting for and control, handling, preservation, protection and maintenance of CMCA;
 - b. undertake quarterly stocktakes of CMCA; and
 - c. develop and deliver quarterly CMCA stocktaking reports that include the following information:
 - (i) the stocktake number;
 - (ii) the storage location of all goods included in the stocktake;
 - (iii) all stocktake codes;
 - (iv) stocktake start and end dates; and

- (v) statistical data including the quantity and value of all discrepancies, shelf stock held, shelf stock stocktaked, surpluses and deficiencies.

3.7.2 The Contractor shall promptly conduct investigations into every discrepancy arising from stocktakes of CMCA.

3.7.3 The Contractor shall immediately notify the Commonwealth Representative of any deficiencies that are discovered through a stocktake of CMCA.

4. INTEGRATED LOGISTICS SUPPORT (CORE)

4.1 Training Readiness Review (Optional)

Note to drafters: If no training program is required from the Contractor (i.e. the Contractor will not provide any training under this Contract and is not involved in set-up of the Commonwealth program) then the following clauses should be deleted and the heading above replaced with "Not used".

Note to drafters and tenderers: The objective of the TNGRR is to confirm that all Training elements are in place and functional, to enable Training to proceed effectively.

- 4.1.1 After delivery (and installation if applicable) of all Training Materials, and prior to the conduct of any Training required to be conducted by the Contractor, the Contractor shall conduct a TNGRR with the Commonwealth Representative.
- 4.1.2 The Contractor shall conduct the TNGRR as an Extraordinary Meeting in accordance with clause 3.4, to review the readiness of training syllabi, materials, equipment, classrooms or other facilities, instructors and students and to confirm that all necessary elements are ready to enable training to commence.

4.2 Facilities Preparedness Review (Optional)

Note to drafters: This clause should only be used if the Contractor will be required to install and/or connect services to the Supplies within Commonwealth facilities.

ASDEFCON (Complex Materiel) Volume 2 should be used if the Contractor will be required to implement facilities work other than simple installation of, and connection of services to, those items of equipment that are Supplies (e.g. Mission System equipment, S&TE, and/or Training Equipment) in Commonwealth facilities.

If this option is not selected then the following clause(s) should be deleted and the heading above replaced with 'Not used'.

Note to tenderers: The purpose of the FACPR is to confirm the preparedness of Commonwealth facilities, and any associated Commonwealth activities, for the Contractor to carry out the installation of, and connection of services to, those items of equipment that are Supplies in the Commonwealth facilities, where this is required by the Contract.

- 4.2.1 Before commencing the installation of, and/or the connection of services to, those items of equipment that are Supplies in Commonwealth facilities, the Contractor shall conduct a FACPR.
- 4.2.2 The Contractor shall conduct the FACPR as an Extraordinary Meeting in accordance with clause 3.4, to review the availability, accessibility, condition and suitability of the designated facilities and services for the installation of and/or connection of services to the Supplies in the facilities.

Option: The following clause should be included if delivery of installation drawings is to be required by the Contract. The requirement for and standards and levels of these drawings must be included in the Specification, and delivery of drawings must be included in any resultant Contract Price and Delivery Schedule.

- 4.2.3 The Contractor shall provide draft installation drawings meeting the requirements defined in the Specification for review at the FACPR.

4.3 Codification Data (Optional)

Note to drafters: The following clauses comply with the requirements of DI(G) LOG 08-16 Defence Policy on Codification and, accordingly, with Appendix 1 to NATO Standardisation Agreement (STANAG) 4177. If included in the SOW, they should not be changed without the agreement of the National Codification Bureau within the DMO. While the codification clauses may be optional in some instances, they are mandatory for any Supplies that are repetitively procured, owned, stored or repaired by Defence. Under the CEIs, these items need to be registered on the SDSS for asset management and financial reporting purposes.

If this option is not selected then the following clause(s) should be deleted and the heading above replaced with "Not used".

- 4.3.1** Unless otherwise agreed in writing by the Commonwealth Representative, the Contractor shall deliver to the Commonwealth Representative for Approval Codification Data, in accordance with Annex D to this SOW, for all items of Supplies that are not data, services, or IP.
- 4.3.2** The Contractor shall provide or arrange to have provided updating information regarding agreed modifications, design or drawing changes to all Supplies that are not data, services, or IP.
- 4.3.3** The Contractor shall include the terms of this clause in any Subcontract(s) to ensure the availability of Codification Data to the Commonwealth.
- 4.3.4** The Commonwealth will utilise the Codification Data provided pursuant to this clause 4.3 to establish codification by the Commonwealth of the essential characteristics that give any item of Supplies its unique character and differentiate it from any other item.
- 4.3.5** Where information, which reveals manufacturing processes, is requested in accordance with this clause 4.3, it may be endorsed by the Contractor as follows: "This document is supplied only to enable codification in the Defence Codification System of the items referred to therein, and for no other purpose. When codification action is completed, this document is to be retained by the Commonwealth."

4.4 Disposal Requirements (Core)

Note to drafters: Although the 'Information to be Provided by the Tenderer' requires provision of this information, this clause is included in the SOW to allow for any clarification following source selection and contract negotiation, and to require the Contractor to confirm the advice in a contractually binding context.

- 4.4.1** On the Effective Date, the Contractor shall deliver to the Commonwealth Representative for Approval a Disposal Requirements Report advising of any aspects of the Supplies to be delivered that have special disposal requirements due to legislative, regulatory, security, environmental, or any other restrictions.

5. VERIFICATION AND VALIDATION (OPTIONAL)

5.1 Final Inspection and Test (Optional)

Note to drafters: This clause is to be selected if FI&T is to be used either alone to assure compliance of the Supplies with the Contract and their quality, or in conjunction with the Contractor being required to have a Certified Quality Management System (clause 6.1).

The FI&T program includes Verification that the Supplies meet the SOW.

FI&T should be selected if the Supplies are sufficiently complex to require a formal test process to assure their quality, or to verify their satisfaction of the requirements. Drafters should note that FI&T will address all items of the Supplies, not only the major Mission and Support System elements.

If this option is not selected, clauses 5.1 and 5.2 should be deleted entirely (including headings), and the clause 5 heading RETAINED but annotated 'NOT USED'.

Note to tenderers: Tenderers should note the requirement for FI&T to address all items of the Supplies detailed in the Price and Delivery Schedule.

- 5.1.1** The Contractor shall demonstrate that Supplies offered for Acceptance comply with the requirements of the Contract by the conduct of FI&T of the Supplies, in accordance with the FI&TP at Annex E to this SOW.
- 5.1.2** At least 60 days before the conduct of any related FI&T activity, the Contractor shall prepare and deliver to the Commonwealth Representative for Approval all relevant FI&TProcs. For each item of the Supplies, the FI&TProcs should include at least the following, as relevant:
- a. the scope of tests and inspections to be conducted, including test and inspection method which shall provide a general description of the test and inspection activity and the success/failure criteria to be applied;
 - b. the system configuration and initial conditions for test, including any preparatory requirements or other pre-test activities;
 - c. the test equipment, documentation, venue and personnel required for the conduct of the test; and
 - d. the step-by-step procedures for the performance of the test or inspection in sufficient detail to identify every action necessary for the conduct of the test or inspection.

Note to tenderers: Ideally, test and inspection procedures should be modular, to permit a failed test activity to be repeated, where possible, without repeating other parts of the test.

- 5.1.3** The Contractor shall invite the Commonwealth Representative or representatives appointed by the Commonwealth Representative to witness all FI&T activities for the Supplies.
- 5.1.4** Unless otherwise advised in writing by the Commonwealth Representative, the Commonwealth Representative or appointed representative(s) shall witness all FI&T activities for the Supplies that are conducted for the purposes of Acceptance.
- 5.1.5** Unless the Commonwealth Representative has advised that it will not witness an FI&T activity in accordance with clause 5.1.6, the Contractor shall not conduct that FI&T activity in the absence of Commonwealth witnesses.
- 5.1.6** Unless otherwise agreed in writing by the Commonwealth Representative, the Contractor shall provide the Commonwealth with at least 20 Working Days advance notice of the start date and time of all FI&T activities for the Supplies.

- 5.1.7** For each FI&T activity, the Contractor shall prepare a FI&TR in accordance with FI&TP, and submit it to the Commonwealth Representative for Approval before offering relevant Supplies for Acceptance.
- 5.1.8** The Approved FI&TR shall be referenced when Supplies are offered for Acceptance.
- 5.1.9** The Contractor shall apply to the Supplies the sampling procedures of AS 1199:1988, 'Sampling procedures and tables for inspection by attributes' or AS 2490:1981, 'Sampling procedures and charts for inspection by variables for percent defective', as appropriate, or other recognised international sampling standard agreed by the Commonwealth Representative.

Option: The following clause should be included if any test equipment is to be used.

- 5.1.10** The Contractor shall ensure that inspection, measuring and test equipment used in the performance of work under the Contract is calibrated and associated documentation maintained, in accordance with AS 3912.1:1993, or other recognised international calibration standard agreed by the Commonwealth Representative.

5.2 Test Readiness Reviews (Optional)

Note to drafters: If the nature of the Supplies or the anticipated complexity of the FI&T process dictates, a TRR) may be required to precede FI&T activities. Each stage of the FI&T should have associated test documentation.

If this option is not selected then the following clause(s) should be deleted and the heading above replaced with 'Not used'.

- 5.2.1** Unless otherwise agreed by the Commonwealth Representative, prior to the commencement of each FI&T activity, the Contractor shall complete a TRR, in conjunction with the Commonwealth, which:
- a. confirms the completeness of test and inspection procedures;
 - b. assures that the relevant element of the Supplies is ready for testing and inspection;
 - c. assures that any Commonwealth resources required are available and prepared for formal testing and inspection; and
 - d. assures that the Contractor is prepared for the FI&T activity.
- 5.2.2** The Contractor shall not conduct any FI&T activity unless the Commonwealth has agreed, in writing, that the relevant TRR has been satisfactorily completed.

6. QUALITY MANAGEMENT PROGRAM (CORE)

Notes to drafters: Quality may be assured either by:

- a. **controlling the production process during manufacture, relying solely on the Contractor's work being conducted under a QMS which has third party Certification to a recognised standard, but without a Contract Quality Management Plan, and without the conduct of Final Inspection and Test;**
- b. **controlling the production process during manufacture, relying on a QMS which has third party Certification to a recognised standard, but without requiring a contract Quality Management Plan, but supported by the conduct of FI&T (clause 5.1); or**
- c. **solely by the FI&T of the completed Supplies.**

A Certified QMS (which will include a Quality Plan, for the Contractor's current activities) may be assessed as adequate in itself to assure Quality during the production of the Supplies (or to have assured this, in the case of prior production).

The benefits of selecting this clause are that:

- a. **the Supplies will (or should) be produced under controlled conditions satisfying the Quality Certification requirements, and**
- b. **the Commonwealth gains the right to conduct audits and surveillance of the production processes and the products, which will include production quality process records and Supplies production test records.**

The disadvantage of selecting this clause is the exclusion from tendering of those potential suppliers which do not have, and are not prepared to bear the cost or other implications of establishing a Certified QMS. Drafters need to consider the potential implications of this factor in terms of industry reaction should the need for a Certified QMS not be fully justifiable.

Selection of the method of assuring Quality will depend on:

- a. **the value in or essentiality of ensuring that a formal QMS either was, or will be applied during production of the Supplies, and whether the Commonwealth requires to have the option to gain visibility of any such QMS; and**
- b. **the potential benefit and suitability of conducting FI&T in regard to assuring the quality of the supplies.**

The three options, the reasons why each may be selected, and the method to select clauses to apply each of these follows:

Option 1: Quality is assured through a Certified QMS.

1. **The Contractor is to have a Certified QMS but no Contract-specific Quality Plan; the Commonwealth has the right to audit the implementation of the Contractor's QMS on the Contract, and to undertake process and product surveillance and audit; the Commonwealth does not require FI&T of the Supplies before Acceptance. This option is appropriate for non-critical Supplies involving simple or routine production processes in a mature production environment. This option is selected by using clause 6.1, and deleting clauses 5.1 (if FI&T is not required for verification purposes). It avoids the costs to the Contractor and the Commonwealth of conducting FI&T of supplies where this is seen as unwarranted in the circumstances of their production under a Certified QMS.**

Option 2: Quality is assured through a Certified QMS and a FI&TP.

2. **The Contractor has a Certified QMS but no Contract-specific Quality Plan; the Commonwealth has the right to audit the implementation of the Contractor's QMS on**

the Contract, and to undertake process and product surveillance and audits; the Commonwealth requires conduct of FI&T of the Supplies before Acceptance. This option is appropriate for complex Supplies where Quality management in the production process is critical to their performance, or where complex production processes are involved, and where demonstration of the satisfaction of the Contract requirements by the conduct of Final Inspection and Test, with its included verification activities is seen as necessary. This option is selected by using clauses 5.1 and (optionally) 5.2, and 6.1.

Option 3: Quality is assured through a FI&TP only.

- 3. There is no requirement for the Contractor to have a Certified QMS; the Commonwealth has no rights for production system or product audit or surveillance activities; the Quality of the Supplies will be assured solely through the conduct of FI&T, and its included verification activities. This option is appropriate where a Certified QMS is not assessed as necessary or appropriate due to the nature of the Supplies, their production environment, or their application, and FI&Ts assessed as suitable to provide adequate Quality Assurance. This option is selected by deleting clause 6.1 and using clause 5.1 and (optionally) 5.2.***

Unless otherwise approved by the relevant TRA, contracts for the production of items affecting the Technical Integrity of ADF Materiel are to be placed only with suppliers that have a QMS that has been Certified to an internationally accepted standard (equivalent to AS/NZS ISO 9001:2008).

If the Supplies have potential to have been manufactured before the Effective Date, clause 6.1.6 requires demonstration of the existence of a Certified QMS during manufacture of the Supplies.

6.1 Contractor Quality Management Responsibilities (Optional)

Note to drafters: These clauses are for use when Quality is to be fully or partly assured through the control of production processes (i.e. alone or in conjunction with FI&T) by selecting either Options 1 or 2 above.

If this option is not required, the clauses below should be deleted and replaced with 'Not Used'.

- 6.1.1** The Contractor shall have a Quality Management System (QMS) Certified to AS/NZS ISO 9001:2008, "Quality Management Systems – Requirements" at the Effective Date, or other internationally accepted equivalent standard as agreed by the Commonwealth Representative.
- 6.1.2** The QMS shall have a Certification scope appropriate for the nature of the Supplies being procured under the Contract. The Certification scope need not include design and development activities if these are not required in the execution of the Contract.
- 6.1.3** For clause 6 of the SOW, 'Certification' means certification by an organisation accredited by the JAS-ANZ, or equivalent international or national 'Certification Body' acceptable to the Commonwealth.
- 6.1.4** The Contractor shall maintain and apply the QMS specified in clause 6.1.1 to the production of the Supplies and shall notify the Commonwealth Representative of any changes to the Certification status of the Contractor.
- 6.1.5** The Contractor shall ensure that all work performed under a Subcontract meets the requirements of the QMS to be applied by the Contractor under clause 6.1.
- 6.1.6** If all or part of the Supplies have been manufactured or partly manufactured prior to the Effective Date, the Contractor shall demonstrate to the Commonwealth Representative's satisfaction, before offering these supplies for Acceptance, that a QMS meeting the requirements of this clause 6.1 was established prior to this manufacture, and maintained and applied throughout this manufacture.

6.1.7 During progress of work under the Contract, the Commonwealth may at its discretion perform Audit and Surveillance activities in relation to the work performed, including any of the following:

- a. System Audit;
- b. Process Audit; or
- c. Product Audit.

6.1.8 If at any time the Commonwealth Representative determines by Audit and Surveillance in accordance with this clause 6.1 or otherwise that, in relation to the production of the Supplies:

- a. the Quality Management System applied no longer conforms to the Certified QMS;
- b. the products produced do not conform to the Specification,

then the Commonwealth Representative may notify the Contractor in writing of the details of the non-conformance and require the Contractor to correct the non-conformance within the period specified in the notice.

6.1.9 The Contractor shall take whatever action is necessary to correct a Quality System/Process/Product non-conformance within the period specified in the notice issued pursuant to clause 6.1.8 or within any period agreed in writing by the Commonwealth Representative, and shall notify the Commonwealth Representative immediately upon taking corrective action. The Commonwealth may perform an Audit to verify that the non-conformance has been corrected.

6.2 Commonwealth Representative Approval of Non-Conforming Supplies (Core)

6.2.1 If the Contractor seeks to use non-conforming materials or work in the Supplies, it shall submit an Application for Deviation Form SG2, together with all supporting documentation for Commonwealth Representative Approval.

6.2.2 Any Approval given by the Commonwealth Representative for the use of non-conforming materials or work shall not release the Contractor from due performance of any of its obligations under the Contract, except to the extent specifically set out in the SG2 Application for a Deviation form.

