

DMO SCORECARD PROGRAMS

COMPANY SCORECARD AND 360° VIEW SCORECARD

A better way to do business

Since 2001, the Defence Materiel Organisation (DMO) has worked with Australian and international Defence industry to develop an effective and secure system for exchanging objective information about contract management and performance.

DMO's Company ScoreCard program aims to monitor, assess and report on the performance of its suppliers. The 360° View ScoreCard program offers prime contractors an opportunity to assess DMO's performance as a contract and project manager.

Industry Division, within the DMO, administers the programs.

Better feedback for industry and Defence - better value for money for Australia

The Company ScoreCard program seeks to give better value for money outcomes from DMO procurements by giving source selection decision-makers access to objective assessments of past performance by contractors.

The Company ScoreCard program also enables DMO to identify opportunities for performance improvement in current contracts and to highlight contract delivery issues in an objective manner. Because the results are shared in-confidence with suppliers, the program provides contractors with a valuable tool for identifying their strengths and weaknesses in the delivery of DMO contracts.

The 360° View ScoreCard gives industry the opportunity to provide DMO executives with useful feedback about DMO's performance. The Chief Executive Officer and the DMO Executive review company feedback to identify both project-specific issues requiring attention, and any DMO-wide issues.

Confidentiality

Information collected as part of the Company ScoreCard and 360° View ScoreCard programs is stored and handled as 'COMMERCIAL-IN-CONFIDENCE'. This serves to maintain the integrity of each ScoreCard and ensures probity between DMO and companies. DMO will take all reasonable steps to maintain confidentiality, with the exception of circumstances where disclosure of the information is required by law, accountability obligations or portfolio duties.

COMPANY SCORECARD

What is its purpose?

The Company ScoreCard program aims to:

- formalise DMO's corporate knowledge of a contractor's performance;
- encourage better performance through dialogue between the contractor and DMO; and
- enable DMO to make informed source selection decisions during tender processes.

The program gives participating companies an unprecedented insight into DMO's view of their performance.

How does the Company ScoreCard work?

The Company Scorecard program is based on the following contract performance criteria (where applicable to the contract):

- Adherence to the contracted **Schedule** of work (Contract or Round Schedule);
- Adherence to contracted **Cost** schedules;
- **Technical Performance** on delivering a product that meets the requirement;
- Meeting the contracted **Australian Industry Capability (AIC)** requirements;
- Adherence to all other **Contracting** requirements;
- Willingness to identify, register and manage **Intellectual Property**;
- Development and maintenance of healthy working (in-contract) **Relationships**;
- Management of, and adherence to, **Quality** systems in its business processes; and
- Management of an **Earned Value Management** system in its contract.

These criteria are used to assess the performance of DMO contractors during six month reporting periods, over the course of a contract. Company ScoreCard reporting periods are October to March, and April to September.

Assessments are made by DMO Systems Program Offices, using ratings ranging from *Very Good* to *Unsatisfactory*, illustrated by a 'traffic light' colour rating system. Additional commentary is encouraged and may be included as a note on the Company ScoreCard.

Once the assessment is complete, Company ScoreCards are provided to relevant contractors for comment. Companies are given 20 working days in which to review and provide a response to DMO. These comments, including any rebuttal of the DMO assessment, are included on the finalised Company ScoreCard. The Company ScoreCard then becomes available for use in tender evaluation and source selection processes.

Does the Company ScoreCard apply to your Contract or Company?

The Company ScoreCard program applies to:

- acquisition contracts, where the value of the contract is \$10 million or greater, including contractual costs and options; and,
- In-Service Support contracts (ISS) or Standing Offers, where the financial threshold will be \$5 million or greater in a single contract, or cumulative over a 12 month period; and
- contracts considered operationally significant to the Australian Defence Force or which may lead to subsequent contracts. In these cases the financial thresholds for assessment may be lowered by DMO if warranted.

360° VIEW SCORECARD

What is the purpose of the 360° View ScoreCard?

The 360° View ScoreCard reports on DMO's performance as a project and contract manager.

DMO prime contractors assess and report on the performance of DMO in the development and management of acquisition and ISS contracts. Contractors are encouraged to provide frank and honest assessments of DMO performance.

Industry assessments of DMO are invited twice yearly, in parallel with the Company ScoreCard reporting process (the reporting periods are October to March, and April to September).

What performance criteria are used?

The 360° View ScoreCard system is based on the following contract performance criteria (where applicable):

- DMO's ability to meet agreed milestones and review the contracted **Schedule**;
- DMO's understanding of the significant **Cost Drivers**;
- **Requirements Management**, which measures project office understanding and application of contract requirements;
- DMO's effectiveness in articulating and implementing **Australian Industry Capability (AIC)** requirements;
- **Contract Management** (incorporating Project Management), which measures DMO's ability to manage agreed contract terms and conditions, and DMO's core skills and capabilities in project execution;
- DMO's effectiveness in **Intellectual Property (IP) Management**; and
- The ability of the project office to maintain business **Relationships** through reasonable and cooperative behaviour.

360° View ScoreCard assessments use ratings ranging from *Very Good* to *Unsatisfactory*, illustrated by a 'traffic light' colour rating system.

What happens to the feedback provided by industry?

Industry responses are compiled and provided to the DMO Executive for consideration and discussion with project staff. Contractor generated feedback, detailed in the ScoreCard, will contribute to contract and project performance improvement in DMO.

The DMO Executive reviews company feedback to identify both project-specific issues requiring attention, and any DMO wide issues.

Further Information

Further information regarding the ScoreCard Programs may be obtained from the following Defence sites:

Internet - http://www.defence.gov.au/dmo/id/cscard/csc_home.cfm

or

Intranet - <http://intranet.defence.gov.au/dmoweb/sites/CSC/>

Or contact:

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