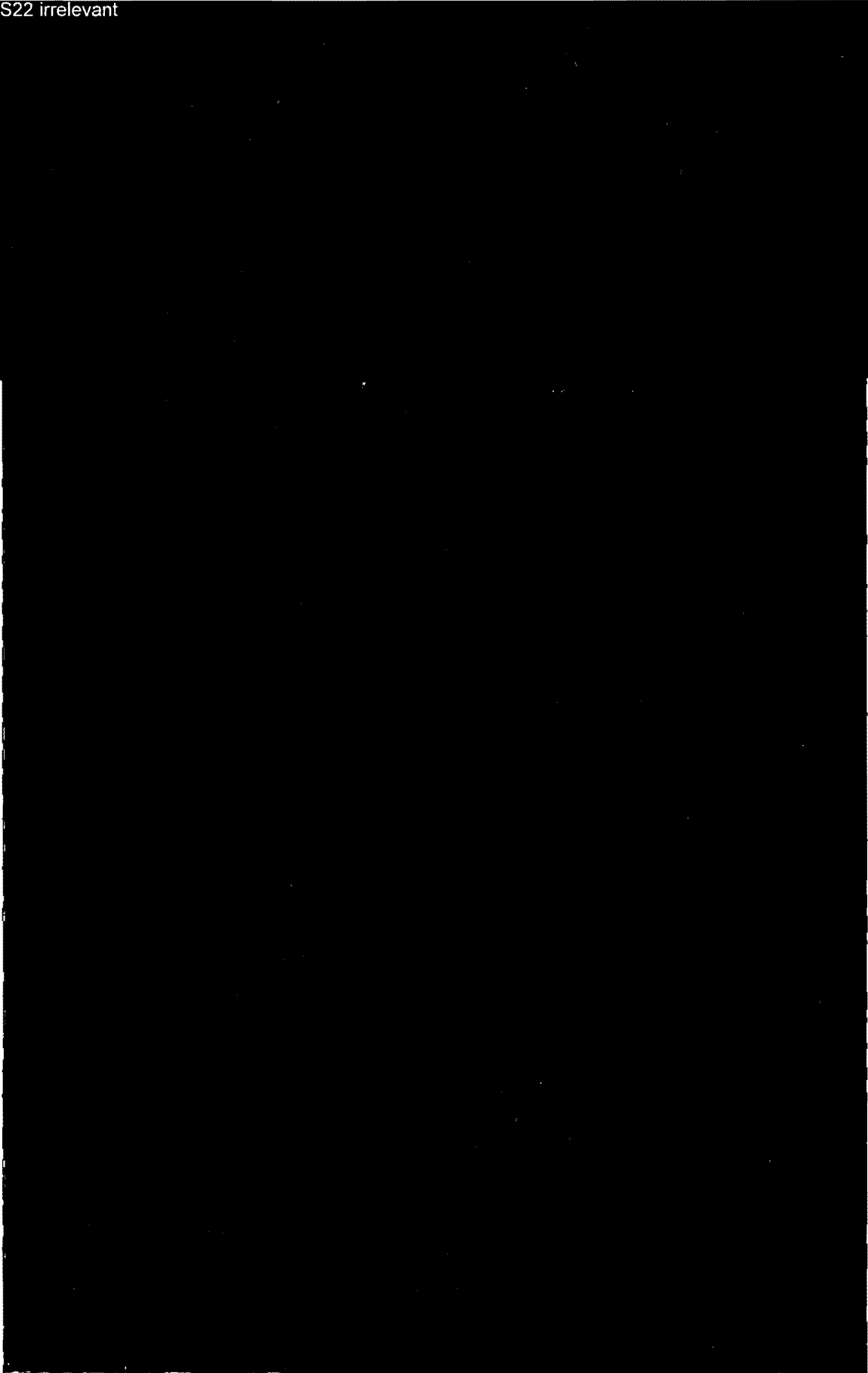


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### Procurement Method

10. This procurement will be a Direct Source to IBM Australia Ltd for the provision of IT related services and is consistent with the procurement method utilised in the Head Agreement between the Department of Defence and IBM Australia Ltd signed 11th July 2008

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11. Direct Source procurement is permitted under Paragraph 8.33e.

- a. For additional deliveries of property or services by the original supplier or the authorised representative that are intended either as replacement parts, extensions or continuing services for existing equipment, software, services or installations where a change of supplier would compel the agency to procure property or services that do not meet requirements of compatibility with existing equipment or services.

12. This procurement activity has been classified as a sustainment activity in consultation with the CIOG Group Financial Officer, CFO Group (ASRAA) and The Department of Finance and Deregulation (Ref. e).

13. A change of supplier would compel Defence to procure hardware and software that does not meet requirements of compatibility with existing equipment or services.

14. Other reasons that justify the use of the direct source procurement method include

- a. The requirement for IBM was determined as part of the Market Testing of the Defence Computing Bureau in 1999. Until such time as that decision is revisited the requirement to sustain our existing IBM infrastructure will remain.
- b. IBM is the only entity that can agree to changes to IBM's terms and conditions of supply and use.

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Department of Defence  
**AusTender Reporting**  
ROMAN / CMS Purchase

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