

ONLINE MATERIAL  
VOLUME 2



Web Table 4 Previously reported Top 30 Projects

Project name	Project number	Last financial year reported in Top 30	Approved project expenditure \$m	Cumulative expenditure to 30 June 2009 \$m	Actual 2009-10 \$m	Status Report
<b>Aerospace Systems</b>						
Hornet Upgrade Project - Target Designation System	AIR 5376 Phase 2.4	2006-07	153	107	7	Full Operational Capability has been delayed from December 2009 to May 2011. While the Hornet Target Designation System is in RAAF service, software and flight clearance aspects to operate the pod on Hornet Weapon Station 4 has proved more complex than anticipated.
P-3C Update Implementation	AIR 5276 Phase 2	2007-08	906	869	2	Final Operational Capability was delivered on 16 December 2004. However, the acoustics and radar aspects of the project remain outstanding. Acoustics Stage 2: Prime contractor General Dynamics—Canada—passed Factory Acceptance Testing in May 2009. Installation contract signed with BAE Systems Australia in October 2009 with prototype aircraft installation scheduled for January 2011. Radar Processor—Advanced: Acceptance Test and Evaluation was completed in September 2010. Installation design contract signed with BAE Systems Australia in September 2009. Prototype modification kit delivered due for aircraft installation by Australian Aerospace in October 2010.
Airbourne Surveillance for Land Operations	JP 129 Phase 2	2008-09	136	2	-	JP 129 achieved Second Pass approval in July 2010. Letters of Offer and Acceptance for a Foreign Military Sales acquisition of the RQ-7B Shadow 200 system were accepted in August 2010.

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C-17 Globemaster III	AIR 8000 Phase 3	2008-09	1,856	1,307	6	All four C-17 Globemaster III aircraft are in operational service with Initial Operational Capability declared by the Air Force in September 2007. Remaining capability objectives include delivery of acquisition logistics support assets, enhancement of C-17 Globemaster III self-protection, delivery of specialist role equipment and in-country training infrastructure. Delivery of these capabilities is anticipated on schedule and under budget.
Maritime Patrol and Response Aircraft	AIR 7000 Phase 2	2008-09	150	15	20	Production, sustainment, and follow-on development negotiations with the United States Navy will begin in 2010-11.
Strategic Air Lift Capability	AIR 5216 Phase 1	2005-06	1,050	1,023	1	The capability has been delivered and accepted into service. Project closure activities have commenced.
<b>Land Systems</b>						
Australian Light Armoured Vehicles	LAND 112 Phase 3	2005-06	694	590	5	All prime equipment has been delivered. The Australian Light Armoured Vehicle (ASLAV) Surveillance prototype has been accepted and the Stage 2 Production contract is being negotiated. Crew Procedural Trainer (CPT) has been introduced into service and a CPT through-life support contract has been let. Extensions to ASLAV hangars and support facilities are being managed by Infrastructure Division.

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General Service Field Vehicles - Overlander	LAND 121 Phase 2	2005-06	94	63	6	<p>Land Rover Handling Upgrade - To be removed from Phase 2A scope due to no viable engineering solution being identified. Project closed.</p> <p>Mack In-Cabin Noise Reduction - Contract complete. Project closure is due in October 2010.</p> <p>Unimog and Mack Gun Tractors Personnel/Cargo Restraint and Segregation - Contract is complete. Project closure scheduled for December 2010.</p> <p>Land Rover Safety Improvements - Modification of the Regional Force Surveillance Vehicles is complete. The Fitted-For-Radio variant is to be removed from the scope, due to no viable engineering solution being identified. Project closure is scheduled for December 2010.</p>
Tank Replacement Project	LAND 907 Phase 1	2007-08	564	430	6	<p>Project remains within budget. All major capability platforms have been delivered and are in service. Current focus is on negotiation for the through-life support contract, Leopard tank disposal and the acquisition of Tank Urban Survivability Kits (TUSK). The project is scheduled for closure in December 2011, although this may be impacted by the delivery schedule of some minor ancillary items such as some elements of TUSK.</p>
<b>Maritime Systems</b>						
Anzac Ship	SEA 1348 Phase 2	2007-08	5,381	5,348	7	<p>A program of safety and suitability modifications to upgrade ships continues to be progressed during the ships maintenance availability periods.</p>

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Collins Replacement Combat System	SEA 1439 Phase 4A	2007-08	450	415	7	The first Replacement Combat System baseline has been installed successfully on HMA Ships <i>Waller</i> and <i>Farncomb</i> . Both have been operationally accepted by the Navy. Work on the second baseline is presently being installed on HMAS <i>Sheean</i> during its Full-Cycle Docking. The project is proceeding to schedule.
Anzac Anti-Ship Missile Defence	SEA 1448 Phase 2A	2008-09	390	172	24	Progressive systems installations continue. Testing of systems in the lead-ship HMAS <i>Perth</i> has commenced.
Armidale class Patrol Boat	SEA 1444 Phase 1	2007-08	537	472	7	Under a program to rectify a range of production-related defects that are affecting performance and reliability of the ships, four ships have been modified. The program is scheduled for completion in December 2011.
Ships Self Defence Capability - rapid acquisition	SEA 1779 Phase 1	2007-08	53	38	6	A review of spares requirements is currently being undertaken by the Navy.
Collins class Submarine Reliability and Sustainability	SEA 1439 Phase 3	2008-09	411	275	24	The project manages the delivery of various sub-projects, of which five engineering enhancements have been completed and two new capabilities are currently being implemented.
<b>Amphibious Ships</b>						
Maritime Operations Support Capability	SEA 1654 Phase 2A	2006-07	139	132	4	Integrated Logistics Support (ILS) rectification continues with the aim of achieving ILS and Initial Operational Release certification in 2010. Final Operational Capability is scheduled for the end of 2010.
<b>Electronic Systems</b>						
MILSATCOM Terrestrial Infrastructure	JP 2008 Phase 3E	2007-08	210	198	7	The project has delivered all of the capability required and has transitioned to sustainment. Project closure has commenced including remaining finalisation of integrated logistic support and engineering products.

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Jindalee Radar Network	JP 2025 Phase 3 and 4	2006-07	1,249	1,230	8	Capability entered service in May 2003. Final facility works are scheduled for completion in late 2010, with project closure anticipated in late 2011.
High Frequency Modernisation	JP 2043 Phase 3A	2008-09	671	373	42	The prime contractor has delivered the final fixed network and achieved all major contracted milestones. Selected Mobile Platforms are now being upgraded.
<b>Explosive Ordnance</b>						
Lightweight Torpedo Replacement	JP 2070 Phase 2	2006-07	346	213	7	JP 2070 Phase 2 achieved a major milestone in 2009-10, successfully firing practice and exercise weapons from an Adelaide class frigate. Further Test and Evaluation firings are planned for 2010-11 which will continue testing weapon performance and prove the Mobile Post Exercise Facility Capability. The project continues to work to transition the weapon and systems into sustainment.
Explosive Ordnance Reserve Stocks	JP 2085 Phase 1B	2008-09	236	166	31	The project has delivered the majority of its required capability. Items yet to be fully delivered include 155mm Precision Guided Artillery Munitions and related fire control software, plus a small number of minor items from local suppliers. Project closure is anticipated in 2011-12.
<b>Helicopter Systems</b>						
Anzac Ship Helicopter	SEA 1411 Phase 1	2006-07	990	953	-	Project Sea 1411 was cancelled by the Government on 5 March 2008. The Project remains open for sale of the equipment purchased under the Project in accordance with the Deed of Settlement dated 19 March 2008.
<b>Total</b>			<b>16,669</b>	<b>14,391</b>	<b>225</b>	

# EXTENDED CONSULTANCIES

Web Table 5 shows a breakdown of the 43 consultancy services by method of procurement and reason for engagement and as a percentage comparison.

**Web Table 5 Breakdown of Consultancy Services by Selection Process**

Method of Procurement - Selection Process	Number of Contracts	Contract Value \$m	Percentage \$m by method
Open Tender	2	283,104	5.60%
Select Tender	6	1,444,969	28.58%
Direct Sourcing	19	1,905,643	37.70%
Panel	16	1,421,549	28.12%
<b>Total</b>	<b>43</b>	<b>5,055,265</b>	<b>100.00%</b>

Web Table 6 provides details of the 43 consultancy contracts let in 2009-10, that had a total individual contract value of \$10,000 or more (inclusive of GST). The total value of these contracts were \$5m.

**Web Table 6 Consultancy services let during 2009-10, of \$10,000 or more**

Consultancy name	Description	Contract Price \$ (incl GST)	Selection Process <sup>[1]</sup>	Justification [2]
IBM Australia Ltd	Strategy Review	394,281	Panel	C
IBM Australia Ltd	Strategy Review	54,583	Direct Sourcing	C
AMOG Pty Ltd	Due diligence Assessment	69,835	Direct Sourcing	B
Australian Government Solicitors	Legal services	38,052	Panel	B
Australian Government Solicitors	Legal services	3,677	Panel	B
Australian Strategic Policy	Management Services	11,200	Direct Sourcing	B
Babcock Integrated Technology	Military watercraft	28,808	Direct Sourcing	B
Blake Dawson Waldron	Legal services	550,000	Select Tender	B
Clayton Utz	Legal services	440,000	Select Tender	B
David Lawler	Consultancy services	122,477	Direct Sourcing	C

EXTENDED CONSULTANCIES

Consultancy name	Description	Contract Price \$ (incl GST)	Selection Process <sup>[1]</sup>	Justification [2]
Dr Ralph Neumann	Consultancy services	42,570	Direct Sourcing	C
Ernst & Young	Assurance Service	14,040	Panel	B
First Marine International	Build Strategy Advice	160,073	Open Tender	B
First Marine International	Advisory Services	187,878	Select Tender	B
Gault Armstrong Pty Ltd	Insurance Advisory services	14,936	Select Tender	B
Gault Armstrong Pty Ltd	Insurance Advisory services	30,000	Direct Sourcing	B
GHD Pty Ltd	Comparative study	78,102	Open Tender	B
GJP Project Management Services	Engineering Support Services	250,374	Direct Sourcing	B
Graeme Lawless	Consultancy services	142,477	Direct Sourcing	C
Hayes Response Management	Recruitment services	2,006	Panel	B
HBA Consulting	HR related services	10,450	Select Tender	C
Jacobs Australia	Engineering Support Services	241,706	Select Tender	B
Jacobs Australia	Consultancy support	250,401	Panel	B
Jacobs Australia	IT support services	44,929	Open Tender	B
Jennifer Clark	Consultancy services	172,416	Direct Sourcing	C
Michael Roche	AWD Chairman & Principals Board	78,125	Direct Sourcing	B
Minter Ellison	Legal services	39,875	Panel	B
Norton Rose	Legal services	29,205	Panel	B
Norton Rose	Independent gap analysis	30,545	Panel	C
Oakton AA Services	Scoping study services	8,893	Panel	C
Purcell Consultants Pty Ltd	Consultancy services	93,554	Direct Sourcing	C
QineteQ Novare Pty Ltd	Engineering Specialist Services	70,719	Panel	B
Qinetiq Aerostructures Pty Ltd	Cost Development	137,149	Panel	B
QineteQ Novare Pty Ltd	Technical certification	440,113	Direct Sourcing	B
QineteQ Novare Pty Ltd	Technical support	65,673	Direct Sourcing	B



Consultancy name	Description	Contract Price \$ (incl GST)	Selection Process <sup>[1]</sup>	Justification [2]
QineteQ Novare Pty Ltd	Technical support	167,099	Direct Sourcing	C
Ralph Neumann Consulting Pty Ltd	Consultancy services	75,838	Direct Sourcing	C
SAI Global	Audit service	8,108	Panel	B
SAI Global Ltd	Compliance Assessment	7,589	Panel	C
Sparke Helmore	Legal Services	311,609	Panel	B
The Phillips Group	Military watercraft	33,000	Direct Sourcing	B
The Phillips Group	Military watercraft	27,500	Direct Sourcing	B
Transaction Resources	Specialist support services	75,400	Panel	B
<b>Total</b>		<b>5,055,265</b>		

**NOTES:****1. Methods of Procurement**

- Open Tender** A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders.
- Select Tender** A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders in accordance with the mandatory procurement procedures.
- Direct Sourcing** A procurement process, available only under certain defined circumstances, in which an agency may contact a single potential supplier or suppliers of its choice and for which conditions for direct sourcing apply under the mandatory procurement procedures.
- Panel** An arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply property or services to an agency as specified in the panel arrangement.

**2. Reasons for engagement**

- A Skills currently unavailable within agency
- B Need for specialised or professional skills
- C Need for independent research or assessment