Public AIC Plan

For CASG/MSD/Contract 225/2017

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Robert Gibson, ISS Contract Manager
Public AIC Plan
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1 Company Details:

Penske Power Systems Pty Ltd.
Registered Office: 72 Formation Street, Wacol, Queensland 4076
Website: http://www.penskeps.com

2 Executive Summary

Penske Power Systems [PPS] has contracted to the Commonwealth to deliver whole of life maintenance and support services for the propulsion diesels, power generation diesels, compressors and ancillary equipment for ANZAC Class Frigates.

PPS will also deliver ad-hoc maintenance services for a range of maritime and land platforms.

2.1 Scope

The services that PPS will provide include:

- Maintenance and repairs for diesels, compressors and ancillary equipment
- The provision of spares and consumables
- Warehousing and distribution of Rotatable Pool and support spares
- Project Management for the detailed planning and co-ordination of:
  - Field Service Activities
  - Depot Level Overhaul
  - Repair, preservation and provision of Rotatable Pool items
  - Responses to urgent defects and item failures
- Contract Management for the co-ordination of:
  - Contract services
  - Contract reporting
  - Nation-wide service provision (including surge capability)
  - Long term planning of overhaul and maintenance activities
  - Configuration management
  - Documentation management
  - Total Cost of Ownership
  - Obsolescence management
  - Reliability and availability improvements
  - System and sub-system upgrade and product evolution recommendations
  - Condition-based monitoring in conjunction with OEM maintenance recommendations
  - Efficiencies and product improvement opportunities
  - Failure analysis reporting
- 24 hour Help-Desk support

2.2 Supported Equipment
PPS will provide maintenance and support services for maritime and land equipment which includes the following:

- **ANZAC Class**
  - MTU 12V1163 Cruise Propulsion Diesel Engine
  - MTU 8V396TE54 Auxiliary Generating Equipment
  - Sauer Compressor WP80L-100
  - Sauer Compressor WP80L-101
  - Sauer Hand Compressor H-25

- **M113 / ASLAV Platforms**
  - MTU 6V199TE20 Diesel Engine
  - Detroit 6V53T Diesel Engine
  - Allison MT653DR Transmission

- **Other Platforms**
  - Detroit 6-71T SSDG
  - Detroit 12V92TA PDE
  - Detroit 149TIB Mobile Generator Set
  - Detroit 6V92TA Diesel Engine
  - Detroit 8V92T Diesel Engine
  - Allison HT750 Transmission
  - Allison HT740 Transmission
  - Allison HD4060 P/R Transmission
  - Allison X1100 Cross Drive Automatic Transmission
  - Allison 2500 FP Transmission
  - MTU 16V4000M70 PDE
  - MTU 12V538TB91 Diesel Engine
  - MTU 10V2000 Diesel Engine
  - Sauer Compressor WP4351
  - Sauer Compressor WP151L
  - Sauer Compressor SCK51
  - Sauer Compressor WP4341
  - Sauer Compressor WP4325
  - Sauer Compressor WP22L
  - Sauer Compressor WP4331
  - Sauer Compressor WP4341
  - Daimler OM457LA Power Drive Unit

### 2.3 Contract Duration

The duration of the Contract is 5 years, with an option for an additional 5 years.

### 2.4 Contract Price
$80 Million

### 2.5 Work Packages related to Industry Requirements

Individual Industry Requirements have not been established for this contract, beyond an overarching requirement to maximise the amount of work to be carried out by Australian industry.

### 2.6 SOW Contracted to Australian Industry

PPS will deliver the services under the Contract using its own resources and the resources of its accredited subcontractors.

The overall sub-contracted value is approximately $450,000 - $1,000,000 per annum

### 2.7 Subcontractor Details

Current and projected subcontractors are:

<table>
<thead>
<tr>
<th>Subcontractor</th>
<th>Work to be Subcontracted</th>
<th>Equipment / Services</th>
<th>Location of work to be performed (incl. postcode)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1 Metallising</td>
<td>Metal Spraying in the repair of Rotatable Items</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>ABB Australia Pty. Ltd</td>
<td>Part repair, manufacturing</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>A.C.M Laboratory Pty Ltd</td>
<td>Scientific testing</td>
<td>Oils, Coolant Testing</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>Advance Bearings Pty Ltd</td>
<td>Part repair, manufacturing</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>Allied Industries</td>
<td>Chemical Cleaning of Heat Exchangers</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>Ausbright Electrical Solutions Pty Ltd</td>
<td>Onsite support</td>
<td></td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>BAE Systems Australia Defence Pty Ltd</td>
<td>Platform Integration of Subsystem Design Projects, Project Management, Unique site access and subcontract functions</td>
<td>Systems Engineering</td>
<td>Kings Park [2148] and Hazelmere [6055]</td>
</tr>
<tr>
<td>Bale Defence Industries Pty Ltd</td>
<td>Subcontracted manufacturing, servicing</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>Baxters Pty Ltd</td>
<td>Subcontracted manufacturing, servicing</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>Beralon Pty Ltd</td>
<td>Oil/Water Cooler cleaning and repairs.</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>Chris's Automotive and Marine Electric</td>
<td>Auto Electrical and air conditioning works</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Darwin</td>
</tr>
</tbody>
</table>
### Subcontractor

<table>
<thead>
<tr>
<th>Subcontractor</th>
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<th>Equipment / Services</th>
<th>Location of work to be performed (incl. postcode)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eaton Fluid Power</td>
<td>Supply of hose assemblies</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148] and Hazelmere [6055]</td>
</tr>
<tr>
<td>Germanischer Lloyd</td>
<td>Class Surveying</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>H.I.Fraser Group Pty Ltd</td>
<td>Subcontracted manufacturing, servicing</td>
<td>Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>HM Engines and Parts</td>
<td>Part repair, manufacturing</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>IKAD Engineering</td>
<td>Subcontracted manufacturing, servicing</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>MR Scaffold Hire Pty Ltd</td>
<td>Equipment Hire and Installation [on ship]</td>
<td>Support Services</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>MTQ Engine Systems Aust Pty Ltd</td>
<td>Part repair, manufacturing</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>Noske-Kaeser Marine Australia Pty Ltd</td>
<td>Subcontracted manufacturing, servicing</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>R Moore and Sons</td>
<td>Surge capability for machining of Rotatable Items</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Hazelmere [6055]</td>
</tr>
<tr>
<td>Robertson Lifting and Rigging Pty Ltd</td>
<td>Equipment Hire and Installation [on ship]</td>
<td>Support Services</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>Tasocs Pty Ltd</td>
<td>Chemical Cleaning of Heat Exchangers</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Hazelmere [6055]</td>
</tr>
<tr>
<td>Transpacific Waste Management</td>
<td>Waste Services, Defence and Kings Park sites</td>
<td>Support Services</td>
<td>Kings Park [2148]</td>
</tr>
<tr>
<td>WIKA Australia Pty Ltd</td>
<td>Parts Testing</td>
<td>Diesel Propulsion, Generator Engines and Compressors</td>
<td>Kings Park [2148]</td>
</tr>
</tbody>
</table>

#### 2.8 Key offerings for Australian Industry

The services to be provided by PPS under the Contract offer an extension of the work currently being performed for the support and maintenance of Defence Maritime and Land platforms. The amount of work to be performed under the contract will be determined by the operating tempo of the supported platforms and their availabilities for extended work packages to be carried out.

PPS’s requirement for subcontracted work will be assessed on a continuous basis to ensure that the delivery of the Services is achieved in the most cost-effective manner consistent with the maintenance of technical and quality standards.
3 Scope of Future Work Opportunities

3.1 Planned and Future Procurements

The expected introduction of other maritime platforms into the scope of the Contract will increase the amount of work to be carried out due to the increase in the number of equipment sets that will be in the Defence Maritime inventory. The nature of the work to be carried out, though, will be essentially the same as for the currently supported platforms.

Future procurements will be limited to the acquisition of Rotatable Pool items required to support the additional platforms. Such RP items can be expected to include a range of locally sourced hoses and shelf-life limited items.

Future Land platforms are not currently addressed under this Contract, but additional ad-hoc tasking by the Commonwealth in support of these platforms may eventuate.

3.2 Locations

PPS intends to carry out the bulk of the work under the Contract, including any expansions in scope or volume, at its facilities at:

- Altona, Victoria
- Kings Park and Chipping Norton in NSW
- Glendenning in NSW [Training]
- Hazelmere in WA
- Adelaide in SA
- Townsville in Qld
- Darwin in NT

4 Future Opportunities / Industry Engagement

4.1 Engagement Opportunities

PPS will seek to engage with Australian industry through its current network of consultants and resourcing advisers.

PPS’s preference is to undertake work in-house wherever practicable, as it allows PPS to manage the quality standards associated with any repair work and to make best use, in a controlled manner, of access to the engineering material and expertise available through MTU and other OEMs.

In the event that PPS requires a subcontract partner, these are selected carefully using credible quality comparisons, considering the cost impact and technological advantages and after viewing necessary documentation and certifications. PPS also has a preference for Australian companies due to local employment, access and freight costs. These decisions are not made frequently within PPS and are usually long term decisions which are highly valued by the subcontracting organisation, as such assessments require significant commitment of resources.

The necessary engagement protocols are documented and regular meetings and audits are undertaken to ensure compliance with the critical KPI’s.

Engagement processing timeframes will be dependent upon the nature of the outsourcing opportunity, and the requirement for market testing of the proposed solution.
4.2 Contact Details

Australian companies wishing to register their interest and/or to present their capabilities to provide innovative means of supporting PPS in delivering services under the Contract, should contact the following:

<table>
<thead>
<tr>
<th>Services</th>
<th>PPS Group</th>
<th>Contact Details</th>
</tr>
</thead>
</table>
| Contract Administration and Support | Defence Programmes Group | Robert Gibson  
Contract Manager  
Unit 5, 167 Prospect Highway  
Seven Hills NSW 2147  
Phone: +61 2 8825 6163 |
| Logistics                        | Penske Distribution Centre    | Michael Hickey  
General Manager, Parts  
Penske Commercial Vehicles  
72 Formation Street,  
Wacol, Queensland 4076  
Phone: +61 7 3271 9372 |
| Procurement                      | Corporate Services            | John Blundell  
Procurement Category Manager  
78-82 Riverside Road  
Chipping Norton NSW 2170  
Phone: +61 2 9794 2692 |
| Equipment Overhaul and Maintenance Services | Defence Programmes Group | Robert Gibson  
ISS Contract Manager  
Unit 5, 167 Prospect Highway  
Seven Hills NSW 2147  
Phone: +61 2 8825 6163 |
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</table>

Roger Gleeson
National Manager,
Defence Programmes Group

Robert Gibson
ISS Contract Manager
Defence Programmes Group

Amendments

Please Note:

- The issue of an update invalidates the previous issue;
- The currently valid version of the policy can be accessed on the intranet;
- Hard copy print-outs are not covered by any subsequent amendments;
- Always verify that the version is current before using the information contained therein.