

**ASDEFCON (SUPPORT)  
CONTRACTOR STANDING CAPABILITY MODULE  
HANDBOOK**

**CUSTOMISING ASDEFCON (SUPPORT)  
TO INCLUDE A CONTRACTOR STANDING CAPABILITY**

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## INTRODUCTION

### Background

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*ASDEFCON (Support) V5.0* is a template for Productivity and Performance Based Contracts (PPBCs), which use Key Performance Indicators (KPIs) with related rewards and remedies to motivate the Contractor to achieve Defence's required outcomes for the Contract. Notwithstanding, not all Contract work can or should be measured using KPIs. Specialist engineering and design work is often not suited to KPIs, because the scope cannot be adequately defined in advance of a contract. Work, such as detailed investigations of defects and the development of Engineering Change Proposals (ECPs), can only be scoped once the individual activity is identified and analysed. The *Contractor Standing Capability (CSC) Module* provides a method for managing these types of emergent work, where the scope is not able to be accurately forecast.

### The CSC Module

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The *CSC Module* provides a mechanism for managing and maintaining a team with specialist expertise for the duration of a contract and, ultimately, for the Life-of-Type (LOT) of a Materiel System. This is particularly important in circumstances where the system (or key part(s) of it) is unique to Australia (eg, because it was developed locally or become a technological orphan over time). The complexity of the Products Being Supported and the scope and pace of expected changes over the LOT of these Products are two factors that affect whether or not a CSC should be established.

The purpose of the CSC is to provide access to an on-going pool of expertise. These are often used for specialist engineering and design activities, for both hardware and software, but may also be used for maintaining Training Materials or other activities where each event is difficult to forecast. The alternative is often a continuous series of S&Q Services; however, S&Q Services generally incur higher labour charges and reduced skills continuity due to their stop/start nature. Note that the CSC is not a replacement for Recurring Services.

The CSC Module comprises the following files:

- a. 01\_SPTV5.0\_CSC\_General.docx (this document)
- b. 02\_SPTV5.0\_CSC\_COT.docx
- c. 03\_SPTV5.0\_CSC\_COC.docx
- d. 04\_SPTV5.0\_CSC\_CATTB\_PriceAndPayments.docx
- e. 05\_SPTV5.0\_CSC\_CATTM\_Glossary.docx
- f. 06\_SPTV5.0\_CSC\_SOW.docx
- g. DID-ENG-CSCMS-V5.0.docx
- h. DID-ENG-CSCSR-V5.0.docx
- i. DID-ENG-CSCTP-V5.0.docx
- j. DSD-ENG-CSC-V5.0.docx

### How to use this Handbook

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This Handbook is designed to provide an understanding of the CSC clauses and to assist drafters to customise the *ASDEFCON (Support)* template to incorporate a CSC. The *CSC Module* comprises this handbook and the following changes to *ASDEFCON (Support)* template:

1. conditions of contract (COC) changes add a new clause 15, to specify the composition of and manage changes to the CSC, and modifies extant clauses of key relevance to implementing a CSC;
  - k. Attachment B is extended to include a new Annex G for CSC pricing;
  - l. Attachment M, the Glossary, is updated to include CSC relevant definitions;

- m. Statement of Work (SOW) changes incorporate a new Detailed Service Description (DSD) and associated Data Item Descriptions (DIDs) to specify the work-related management framework for the CSC, including modifying DID-ENG-CEMP for the overall management of the CSC; and
- n. conditions of tender (COT) changes incorporate the applicable Tender Data Requirements (TDRs) for the CSC.

This Handbook should be read together with the *ASDEFCON (Support)* template and the SOW Tailoring Guide (SOWTG). Drafters may also wish to consult the Defence Procurement Policy Manual (DPPM) or the Complex Procurement Guide.

There are a number of other considerations that should be taken into account when assessing whether or not to use this *CSC Module*. Firstly, the approach embedded in the *CSC Module* can be resource-intensive for the Commonwealth (although, managing emergent engineering work under a contract (eg, as S&Q Services) is often resource-intensive, and it is really the degree of intensiveness that must be assessed here). Equally, the approach defined for the CSC would not be appropriate if it were envisaged that there would only be a small amount of emergent engineering work (eg, for less than five people). Finally, the clauses are premised on the Commonwealth being able to identify sufficient task work in order to keep the CSC team fully occupied. As such, it may be appropriate to consider starting with a small CSC and then building it up over time, if required, as a more accurate understanding of the amount of work is established. In all of these regards, drafters will have to determine the best solution for their Contract.

### Template Versions and Help

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The version of the *CSC Module*, supported by this Handbook, is intended for use with:

ASDEFCON (Support) V5.0

Advice regarding the *CSC Module* may be sought from:

- your Materiel Procurement Branch (MPB) representative;
- ASDEFCON and Contracting Initiatives (ACI) for changes to the COT, COC and Attachments other than the SOW; and
- ASDEFCON Statement of Work (SOW) Policy Directorate, for changes to the SOW, DSDs and DIDs.

E-mail contacts:

ASDEFCON and Contracting Initiatives: [procurement.ASDEFCON@defence.gov.au](mailto:procurement.ASDEFCON@defence.gov.au)

ASDEFCON SOW Policy: [asdefconsow.support@defence.gov.au](mailto:asdefconsow.support@defence.gov.au)

### Referenced Documents

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The following table lists the documents referenced or used to complement this handbook:

Reference	Description
ASDEFCON (Support) template	ASDEFCON (Support) template, including covering pages, COT, COC, SOW, and associated attachments and annexes.

### Definitions, Acronyms and Abbreviations

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The definitions of terms, acronyms and abbreviation used in this handbook are defined in:

- a. *ASDEFCON (Support)* Attachment M, Glossary; and
- b. *CSC Module* glossary updates ('Draft Attachment M for CSC').

## GENERAL GUIDANCE FOR THE CSC PROVISIONS

This initial guidance section provides an overview of the CSC and introduces a number of the key concepts associated with its use. This guidance should be read in conjunction with the guidance included at the start of draft DSD-ENG-CSC.

### Overview of the CSC

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The purpose of the CSC is to provide, on an on-going basis, a pool of personnel with specific knowledge and areas of expertise to be made available to the Commonwealth for tasking. Although the *CSC Module* was developed primarily for specialist engineering and related activities, and is included under the engineering clauses of the SOW, it can be used for other Services where:

- a. expertise can be difficult to obtain and retain; and
- b. the scope of work can be difficult to define upfront.

**Note: The CSC cannot be used to undertake Recurring Services<sup>1</sup>**

If a CSC were not to be implemented, the required work would need to be undertaken through a series of S&Q Services (eg, for various engineering tasks, such as performing investigations and developing modifications), which is likely to incur higher overheads and labour charges and reduced skills continuity due to the stop/start nature of S&Q Services. Additionally, there are no 'schedule' guarantees for the start and provision of S&Q Services because the Contractor is unlikely to have appropriate expertise and numbers of staff available and standing by, waiting to undertake any newly identified work – thus the start of work may be delayed by recruiting and/or subcontracting activities. When this expertise is obtained, however, there is the likelihood that those personnel will take time to 'come up to speed' with specific knowledge of the Materiel System, which further impacts upon the schedule and may be less productive than using personnel familiar with the system. The complexity of the Products Being Supported and the scope and pace of expected change over the life of the Products are two factors that affect whether or not a CSC should be established for Engineering Services and/or other work that cannot be accurately forecast prior to the Effective Date.

The CSC provisions, established through the COC and DSD-ENG-CSC, creates a separate portion of the Contract in which the outcomes are regularly assessed and reviewed (in accordance with the COC, as tailored by the drafter) to confirm that the CSC continues to meet Commonwealth requirements. The provisions function such that if the CSC were no longer required, the CSC could be removed by setting the number of personnel to zero, and the remainder of the Contract would continue to operate effectively with work being undertaken as S&Q Services. In this regard, the CSC provisions establish:

- a. a new clause 9 to Attachment B (the Price and Payment Schedule (P&PS)) and new Annex G (from the ASDEFCON (Support) Pricing Workbook (SPTPW)), to identify CSC Personnel, their rates and the monthly CSC Fee;
- b. a performance management framework for the CSC, including planning, reporting and periodic review, which is independent of the PPBC framework of the Contract; and
- c. a separate work / task management framework structured around the use of CSC Task Plans and the CSC Master Schedule.

Under the CSC provisions, the Commonwealth pays for a pool of Contractor and/or Subcontractor personnel whom are available to undertake those (and only those) tasks authorised by the Commonwealth Representative through the Approval of CSC Task Plans. If the Commonwealth does not provide sufficient work to fully employ all of the CSC Personnel, then the Commonwealth is still required to pay for those

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<sup>1</sup> Generally this would create a double-dipping (double payment) situation; however, the Commonwealth may override this and direct CSC resources to be used for Recurring Services when necessary to address a Surge (ie, Contingency) situation.

Personnel. In other words, a CSC should only be established when there is sufficient Ad Hoc work to warrant one, and the size and composition of the CSC should be established commensurate with the envisaged scope and nature of the required work.

CSC Personnel do not need to be full-time members of the CSC. The number, labour categories and skill levels, and the hours of Service to be provided by each category and skill level, are defined in Annex G to Attachment B. The numbers of CSC Personnel are listed as 'Full Time Equivalent (FTE)' personnel (measured in CSC Service Hours), which may allow, for example, two members of the CSC share a position on a 50:50 basis, or 0.5 of an FTE person to enable access to an 'expert in the field' on a part-time basis (splitting their time between this and other contracts). However for planning purposes, and to ensure the benefit of lower costs than the equivalent S&Q rates, the composition of the CSC should be based on individuals being fully employed unless there are valid reasons to seek only part-time access to a skill set. The exact number of hours worked by a single person is likely to vary from company to company and potentially by category and skill level, depending upon other commitments such as internal training, leave and the like; so Service hours per FTE, rather than total work hours per person, is specified in the Contract.

### **CSC Scope and Additional Resources**

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The CSC is task-oriented, which requires the Commonwealth to provide ongoing management and liaison for each Approved CSC Task (conducted in accordance with an Approved CSC Task Plan). This creates an overhead, which can be significant when there is a large CSC team and a high number of CSC Tasks, however, the overhead should be less than managing the equivalent work as S&Q Services. Either way, managing the CSC needs to be factored into the considerations as to whether or not a CSC should be established. The tasking process is defined in DSD-ENG-CSC with clause 15 of the COC providing governing conditions.

Where the work scope of a CSC Task exceeds the capacity and/or capability of the CSC Personnel available, CSC Additional Resources can be obtained using a quotation process. This is undertaken like quoting for S&Q Services, while being managed in accordance with the CSC Task Plan, and also uses the S&Q Services' rates and mark-ups in Annex F to Attachment B. Part 2 of DID-SSM-S&Q can also be used as the format for quotations, but are not subject to the S&Q clauses in the Contract as these are superseded by COC clause 15.4.

The CSC's composition must be reviewed on a regular basis (eg, every year or two years as defined by the drafter) to ensure that the number of CSC Personnel is appropriate and that the team includes the correct mix of skills for the next extension to the CSC Term. The Contract should aim for a CSC core team with the skills and numbers of CSC Personnel that approximate a minimum level of the expected workload, and then use CSC Additional Resources to supplement that core team when the workload exceeds the CSC team's capacity or skills base.

The inclusion of provisions relating to CSC Additional Resources means that the composition of a CSC does not need to be established in order to cater for every possible task. Notwithstanding, CSC Additional Resources have the same cost and schedule issues and constraints as any other resources obtained through S&Q Services (as explained above). There needs to be a balance struck between having ready access to skilled resources and the potential delays while CSC Additional Resources are being obtained. In this regard, a good strategy for the CSC can be to maintain a core team of experts who can handle an on-going level of (Ad Hoc) work effort, and who can also guide and manage the CSC Additional Resources when taking on larger individual tasks or an overall increase in demand for those kinds of Services.

The CSC is scoped in terms of available effort (ie, CSC Service Hours in each labour category and skill level), which means that an individual could be a part-time member of the CSC as well as a part-time member of the Contractor's team performing the Recurring Services (provided that the Commonwealth is not charged twice for the same work hours). This approach may be necessary for intermittent Services that

form part of CSC Tasks, but which are not required to be conducted 100% of the time (eg, configuration management, quality assurance, independent engineering review, and integrated logistic support). These intermittent Services could also be provided by CSC Additional Resources.

### Overview of CSC Tasks

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Tasks can be performed by the CSC for many purposes. These are categorised within DSD-ENG-CSC (refer clause 6.3) as follows:

- a. Major Change Tasks. These (also called Class 1 engineering change tasks) are managed in accordance with DSD-ENG-SERV and DSD-ENG-SW, if applicable to software. For the CSC, these are broken into stages with a mixture of CSC Time and Materials (T&M) and CSC Capped Price Task work.
- b. Study Tasks. These include investigative analyses of supportability, maintenance requirements, reliability or efficiencies, and are usually CSC T&M Tasks.
- c. Other Tasks. These could include Minor Changes (Class 2 engineering changes), Technical Data updates, or any other CSC Task not included in the above task groups or CSC management activities (standing tasks). These are all managed as CSC Capped Price Tasks, unless otherwise agreed.
- d. Standing Tasks. These are tasks to manage the CSC and must not exceed 10% of the monthly CSC effort.

By way of explanation, T&M tasks are not to exceed a set 'budget' (ie, a budget including both the CSC Service Hours and CSC Additional Resources identified in the Approved CSC Task Plan) without the Commonwealth Representative's written Approval. If Approval is not granted, the CSC Task ceases and is deemed to be complete. In some cases a CSC T&M Task may be closed before the budget is reached, such as a study task where the findings were made or outcomes achieved in less time than was originally forecast. Any unused hours are then made available for use by the Commonwealth on other CSC Tasks.

A capped-price task requires a task budget that includes:

- a. the total amount of CSC Service Hours to be used (with a breakdown by hours per labour category and skill level);
- b. a scheduled completion date; and
- c. a quotation for CSC Additional Resources (if any).

If the capped-price task is not completed in accordance with the budget, then the task must be completed at the Contractor's expense. In this situation the Contractor may use CSC personnel but cannot use any hours that have been allocated to other CSC Tasks or claim any additional CSC Fees.

The Commonwealth may also choose to withhold up to 20% of the budget until the completion of a capped-price task, similar to a completion milestone payment. This aims to encourage the Contractor to complete the tasks rather than, for example, being paid for 99% based on the number of hours used but not completing the task because they are actually running over budget. Refer to clause 15.6 of the COC in the *CSC Module*.

### CSC and Key Persons

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In accordance with DSD-ENG-CSC, SOW clause 9.1 and an Approved Contractor Engineering Management Plan (CEMP), CSC Personnel should generally be managed as Key Persons. The use of Key Persons in this regard is appropriate, given the intent of the CSC, at least in part, is in relation to retaining and maintaining the critical knowledge and core skills needed to efficiently sustain the Materiel System. Where the CSC is large however, it may be appropriate to only manage the more significant CSC positions as Key Persons, such as team leaders.

## Payment of the CSC Fee

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All CSC Personnel, by category of labour and skill level, and their respective hourly rates, are specified in Annex G to Attachment B (developed from the SPTPW for the preferred tender response). The prices per category are totalled per annum, and then a monthly CSC Fee is determined. The Commonwealth then pays the CSC Fee, monthly on account, on the condition that:

- a. the Contractor provided the CSC Personnel for the required number of CSC Service Hours for the six-month CSC Period (if not, an adjustment is made); and
- b. the Commonwealth does not pay for work on CSC Capped Price Tasks when the Contractor has exceeded the cap (note that a final percentage of payment for a CSC Capped Price Task may be temporarily withheld until completion of the task).

If the Contractor does not provide CSC Personnel for the specified number of hours (eg, they provide only nine personnel instead of 10), then at the end of the six-month CSC Period the CSC Fee is reduced in that month to effect an appropriate price adjustment for the CSC Period (refer COC clause 15.5).

CSC Capped Price Tasks encourage task completion and help to manage risk when scope cannot be set accurately (eg, to develop an Engineering Change Proposal). For the Commonwealth, this avoids an unquantified T&M task or a high level of contingency within a firm-price that is lost to the Commonwealth should the task be completed with fewer resources. The capped-price, including contingency, may be in the upper range of an hour / price estimate that is acceptable to the Commonwealth, because any unused CSC Service Hours (at task completion) will be made available for use by the Commonwealth on other CSC Tasks. However, it may not be possible to reallocate CSC Additional Resources, so these need to be more closely scrutinised.

To encourage completion, up to 20% of the capped amount (the actual percentage is included in the individual CSC Task Plan) may be held until completion of the CSC Task (refer COC clause 15.5). When an amount is being withheld this reduces the baseline CSC Fee paid for that month, but upon completion of the CSC Task the amount is added to the baseline CSC Fee paid for that month.

There is a risk to the Contractor if they underestimate a task in terms of CSC Service Hours and CSC Additional Resources. Any overrun required to complete the CSC Capped Price Task is at Contractor expense; so if CSC Personnel are used to complete the task then this time cannot be included in the CSC Service Hours when reconciling the Contractor's entitlement to the CSC Fee at the end of the CSC Period. Note that if the scope of an existing CSC Capped Price Task is changed by the Commonwealth, then the price cap must be reviewed and changed when appropriate.

Importantly, if CSC Personnel are provided but not fully utilised by the Commonwealth, then the CSC Fee is still paid on the basis that those personnel were available for tasking. This requires Commonwealth to manage the CSC to ensure value for money by utilising the CSC efficiently. This is also why the size of the CSC would generally be less than that needed for the anticipated work load (to keep them fully occupied) with any shortfall being addressed through CSC Additional Resources.

## Tendering and Commencement

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Details for the CSC are requested through additions to TDR D-13, for the CSC composition and pricing information, and TDR E-15, for the rationale behind the proposed composition of the CSC and the intended management arrangements.

To enable each tenderer to provide a reasonable and comparable tender response, the Commonwealth must outline a range of indicative tasks that the resultant Contractor may undertake during the first CSC Term. For combined acquisition and support RFTs, this may be particularly difficult at the time of RFT release; hence,



drafters should consider using Phase In to finalise the composition of the CSC, with provisions to this effect incorporated into COC clause 1.5, 'Operative Date' (OD).

In addition, or as an alternative, the Commonwealth may wish to specify particular skills and experience for particular CSC Personnel (not necessarily the entire CSC team), which is often appropriate where CASG wants the Contractor to retain knowledge in relation to a unique / orphaned Materiel System. Initially, this requirement can be included by an optional clause in TDR E-15, but could also be captured as an annex to DSD-ENG-CSC, for longer term reference. This information would supplement the initial task descriptions and enable the tenderers to determine an appropriate CSC size and skills mix. The parties should subsequently finalise the CSC during negotiations.

For a stand-alone Contract, where the scope of CSC work can be reasonably estimated, the indicative CSC Tasks in TDR E-15 should enable tenderers with sufficient information to propose staff numbers and skills for the CSC. Pricing the CSC is included in response to TDR D-13, which includes the table of CSC Fees to be transferred into Annex G to Attachment B for any resultant Contract.

If the Contract is linked to a Contract (Acquisition), CSC requirements are generally less well defined (as discussed above), which means that the composition of the CSC is unlikely to be finalised in response to TDR E-15. The rates provided in response to TDR D-13 would still be applicable but the skills and numbers of Personnel would need to be revisited, most likely after a 'Support System Detailed Design Review' under the Contract (Acquisition) and prior to the OD under the Contract (Support). Once the composition of the CSC for the initial CSC Term is agreed, a number of documents need to be updated, including:

- a. Annex G to Attachment B, for CSC Pricing;
- b. the draft CEMP; and
- c. if necessary, the draft Support Services Management Plan (SSMP).

The Phase In period should be used to propose and Approve the initial CSC Task Plans and the CSC Master Schedule, so that the CSC Tasks can commence as soon as possible (eg, if the CSC Commencement Date is defined as occurring on the OD). Where the Contract is linked to a Contract (Acquisition), which will have an on-going Engineering capability during system roll-out (and which includes warranty provisions for those systems already transitioned), it may be more appropriate to delay the CSC Commencement Date until sometime after the OD, or to commence with a small CSC for the initial CSC Term and expand the team when the Contract (Acquisition) concludes.

## Related Clauses/Documents

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The following clauses and documents are needed to implement the CSC:

### Conditions of Tender

- TDR D-13, in Annex D to Attachment A to the COT, sets out the requirements for tenderers to provide financial information, including in relation to the CSC.
- TDR E-15, in Annex E to Attachment A to the COT, sets out the requirements for tenderers to provide CSC-related management information.

### Conditions of Contract

- COC clauses 1.5, 1.11, 3.20, 7.1, 7.4 and 7.14 require CSC-related additions.
- COC clause 15, provides the commercial terms associated with the CSC itself.

Attachment B, Annex G, CSC Pricing

- Annex G to Attachment B, sets out the available hours and rates for each of the CSC labour categories and skill levels, other annual costs, and the monthly CSC Fee. This annex is populated base on the response to TDR D-13.

#### Attachment B, Annex F, Rates for Survey and Quote Services

- Annex F to Attachment B, 'Rates for Survey and Quote Services' sets out the S&Q rates, which are also used for CSC Additional Resources.

#### Attachment M, Glossary

- Several CSC-related definitions are to be added to the Glossary.

#### Statement of Work

- SOW clause 5, Engineering Support, and SOW Annex B, the CSRL, integrate DSD-ENG-CSC into the SOW.
- DSD-ENG-CSC sets out the work requirements for managing the CSC itself, including planning, scheduling, reporting and specific requirements for the types of tasks (Major Changes, Study Tasks, etc) that will be performed as CSC Tasks.
- Other DSDs identify Services to be provided as S&Q Services that, when a CSC is included in the Contract, may be addressed by particular CSC Tasks (eg, DSD-ENG-SERV sets out the framework for managing Major Changes, which would be utilised whenever the CSC is required to undertake a specific Major Change).
- CSC Task Plans, prepared in accordance with DID-ENG-CSCTP, define the scope of each CSC Task in terms of the requirement, categorisation, and both CSC and CSC Additional Resources (note that DID-SSM-S&Q may be used as the basis for quoting the CSC Additional Resources for a proposed CSC Task Plan).
- CSC Master Schedule, prepared in accordance with DID-ENG-CSCMS, schedules all current and planned CSC Tasks.
- CSC Status Report, prepared in accordance with DID-ENG-CSCSR, reports on the status of all current and proposed tasks, and those closed within the reporting period.
- CEMP, prepared in accordance with DID-ENG-CEMP as modified by this *CSC Module* (refer to the draft SOW clauses), is the governing plan for the CSC.
- SSMP, prepared in accordance with DID-SSM-SSMP, is the Contractor's governing plan for Key Persons.

## TAILORING GUIDANCE FOR THE CONDITIONS OF TENDER

### General

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Drafters must incorporate the changes in the file '02\_SPTV5.0\_CSC\_COT' into the COT Attachment A and Annexes. Refer to the preceding section of 'CSC and Tendering' for an overview and general guidance. Note that some of the essential details for the CSC are defined by terms in the Glossary.

### Updates to Tender Data Requirements

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Annex D: Clause 13 (TDR D-13). This clause requires the tenders to respond by completing the 'ContractorStandingCapability' worksheet in the SPTPW, including by considering those CSC Tasks and skills identified in TDR E-15.

'ContractorStandingCapability' worksheet in the SPTPW identifies the proposed composition and pricing for the CSC Personnel, broken down by 'category of labour

and skill level'. This table may be left empty or, where CASG wishes to specify certain CSC Personnel, those labour categories and skill levels may be included in the table. The number of FTE personnel column should be left empty as minimum Commonwealth requirements can be included at Annex E, TDR E-15.

Annex E: Clause 15.1. The proposed tasks to be described for the initial CSC Team are indicative, but need to be adequate enough in detail to allow for an accurate scoping of workload in order for tenderers to define each labour category and skill level. Drafters need to compile this list and indicate the time period over which the work would be completed (eg, the 'first CSC Term' if those tasks can be specified, or a lesser time period such as three or six months).

Clause 14.2. This clause is optional and only required if Defence / CASG needs to specify a minimum number and type of CSC Personnel to ensure the continuity of specialist skills and knowledge of bespoke or unique Defence systems. Details should be added as indicated by the note to drafters and fields. Otherwise the clause may be replaced with 'Not used'.

Clause 14.3. This clause requires the tenderer to justify the composition of proposed CSC Team (which should reflect the two previous requirements). This clause should be retained without change.

Clause 14.4. This clause requires the tender to describe how the CSC Team will be managed efficiently. This clause should be retained without change.

Clause 14.5. This clause is optional. If a draft CEMP is required with the tender response (which is typical) then the clause may be deleted. Otherwise, the clause should be retained without change.

Related Clauses:

COT Attachment A, Annex G, TDR G-8, Contractor Engineering Management

Attachment B, Price and Payments

Attachment M, Glossary

Optional Clauses: None

## TAILORING GUIDANCE FOR THE CONDITIONS OF CONTRACT

### General

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Drafters must incorporate the changes in the file '03\_SPTV5.0\_CSC\_COC' into the COC at the clauses indicated. Note that many of the details for the CSC are defined by terms in the Glossary.

### Existing Clause Updates

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Clause 1.5: This clause is optional. It requires the CSC to commence from the OD. Alternatively, this clause may be left out of the draft Contract and a different CSC Commencement Date defined in the Glossary. The CSC Commencement Date definition in the Glossary refers to OD by default, alternatives may be described with respect to OD (eg, 'six months after OD') or some other Milestone.

Clause 7.1: This clause adds the CSC Fees to the price basis for payments. The clause should be retained without change.

Clause 7.4.1b: This clause is a replacement clause for clause 7.4.1b in the draft COC. This ensures that CSC Additional Resources for Approved CSC tasks (under a 'fixed-priced quote') are not adjusted with annual indexation. This is consistent with S&Q Orders.

### Clause 15. Contractor Standing Capability

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Clause 15.1: Contractor Standing Capability Background. Clause 15.1.1 identifies the purpose of the CSC and its application through DSD-ENG-CSC and the Approved CSC Task Plans that inter-related with COC clause 15. This should be reviewed and amended to reflect the scope and nature of CSC Tasks, if necessary. Clause 15.1.2 should be included without change.

- Clause 15.2: Contractor Standing Capability Term and Composition. This clause defines the CSC Term, conditions for extending the CSC Term, and related changes to CSC composition.
- Clause 15.2.1 defines the initial CSC Term from the CSC Commencement Date for the period specified by the drafter. Drafters need to insert an appropriate timeframe for the initial CSC Term, noting that it does not have to be the same as the extensions in clause 15.2.2. The composition of the CSC Team is defined in Annex G to Attachment B, which also defines the basis for the CSC Fee.
- Clause 15.2.2 allows the Commonwealth to extend the CSC, by defined periods, for as long as may be required. Drafters need to insert an appropriate timeframe for extensions. The duration will often be a trade-off between the flexibility of more frequent changes to the CSC composition and the effort to implement those changes (eg, one year), versus longer-term stability and less frequent negotiation of changes but an obligation on the Commonwealth to keep all of the CSC Team gainfully employed over the longer term (eg, two years).
- Clause 15.2.3 allows the Commonwealth to change the composition of the CSC Team when the CSC Term is extended. The extension is enacted through the CCP under clause 15.3.4. Both clauses should be retained without change.
- Clause 15.2.5 allows started CSC Tasks to be completed (and paid for) even when they extend beyond the CSC Term. This clause should be retained without change.
- Clause 15.3: CSC Tasks. Clause 15.3 defines the commercial obligations related to tasking the CSC Team in accordance with Approved CSC Task Plans. The CSC Task proposal and Approval process is defined in DSD-ENG-CSC.
- Clause 15.3.1 states, for clarity, the Contractor's obligations to work in accordance with Approved CSC Tasks. This clause should be retained without change.
- Clause 15.3.2 and 15.3.3 restrict the CSC Task from making any inappropriate changes to the Contract (eg, undermining liability provisions). Some COC provisions, particularly Attachments may be 'effectively' changed by a CSC Task on a temporary basis (eg, a CSC Task may temporarily change the level of AIC activity or may require an additional skill, not listed in S&Q Services rates in Attachment B, as a CSC Additional Resource). These clauses should be retained without change.
- Clause 15.4: CSC Additional Resources. Based on the principle of retaining a core team of expertise at or slightly below the minimum forecast level of effort for the CSC, CSC Tasks that exceed the capacity of the CSC Team in the timeframe allowed need a method for accessing additional resources. Clause 15.4 defines the commercial obligations for that increase in resources, which are called CSC Additional Resources. In essence, CSC Additional Resources are resources accessed at S&Q rates but the clauses managing the S&Q request, quotation and order process are bypassed as much of the process is already addressed by the CSC Task (even though DID-SSM-S&Q can be used as a basis for presenting the quotation for CSC Additional Resources). The only planning requirement in addition to the proposed CSC Task Plan (and related changes to the CSC Master Schedule) is the financial quotation for CSC Additional Resources, addressed by this clause.
- To ensure appropriate CSC Additional Resources, in terms of labour categories and skills, are captured within tender responses, drafters should ensure that applicable labour categories and skills are included in the tables of 'Rates for S&Q Services' in Annex E to Attachment A to the COT.
- Clause 15.4 should be reviewed but, in general, should be retained without change.
- Clause 15.5: Payment for CSC Fee and CSC Additional Resources. This clause extends COC clause 7.3, Claims for Payment, to include payments for the CSC and CSC Additional Resources. Clause 15.5 should be reviewed but, in general, should be retained without change. Note that clause 15.5 refers to COC clause 3.18 to confirm that claims for payment for CSC Services do not overlap with other claims.
- Clause 15.6: Adherence to Approved CSC Task Requirements. This clause places an obligation on the Contractor to complete CSC Tasks within the CSC Service Hours defined in

the Approved CSC Task Plan and, subject to performance relief, by the scheduled completion date (noting that the CSC Task Plan can also be amended under clause 15.9). Importantly, this includes the obligation for the Contractor to complete a CSC Capped Price Task at no additional cost to the Commonwealth or CSC hours. Clause 15.6 should be reviewed but, in general, should be retained without change.

Clause 15.7: Warranties. This clause confirms that the warranty provisions of the Contract extend to the CSC work. This clause should be retained without change.

Clause 15.8: Commonwealth Representative's Directions. This clause allows the Commonwealth to manage the priorities and direction of CSC Tasks. Clause 15.8 allows the Commonwealth Representative to request a change, for the reasons described, within the limits of the contract. Clauses 15.8.2 and 15.8.3 concern the Commonwealth's rights and the Contractors responsibilities if the Commonwealth has requested work to stop on any CSC task. Clauses 15.8.4 and 15.8.5 allow the Contractor to assess the impact of the proposed change and for the Commonwealth Representative to make a final decision. Clause 15.8.6 requires the Contractor to comply with the change, while clauses 15.8.7 and 15.8.8 allow for the Contractor to claim corresponding adjustments to any CSC Task Plans, if applicable, and reasonable costs. Clause 15.8.9 clarifies that the claims under 15.8 are the limits of any such claims.

Clause 15.9: CSC Impact on Contract Services. Clause 15.3.2 allowed the Approved CSC Task Plan to result effectively in amendments to the Contract (eg, use of GFE not listed in Attachment E). However, in some instances a CSC Task will result in a permanent change to the Contract (eg, new or modified Products Being Supported with new or modified part numbers). In such cases, clause 15.9 requires that a CCP is prepared and submitted in accordance with clause 11.1.

### **Attachments**

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Attachment B: Drafters must incorporate the changes in the file '04\_SPTV5.0\_CSC\_CATTB\_PriceAndPayments' into Attachment B in the draft Contract.

Attachment M: Drafters must incorporate the changes in the file '05\_SPTV5.0\_CSC\_CATTM\_Glossary' to Attachment M in the draft Contract. Definitions are to be reviewed and updated as indicated.

### **TAILORING GUIDANCE FOR THE STATEMENT OF WORK**

#### **SOW and Annexes**

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Drafters must incorporate the changes in the file '06\_SPTV5.0\_CSC\_SOW' into SOW clause 5.5 and SOW Annex B, the Contract Services Requirements List (CSRL), and SOW Annex C, the Contract Data Requirements List (CDRL), as indicated.

The additional requirements for CSC management are to be transferred to clause 6.3.6 of DID-ENG-CEMP (where a clause that is currently 'Not used' acts as a placeholder).

#### **DSD-ENG-CSC**

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Refer to DSD-ENG-CSC for embedded guidance in section 1 and the notes to drafters.

#### **Data Item Descriptions**

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The CEMP should be amended as indicated above.

The *CSC Module* DIDs: DID-ENG-CSCMS, DID-ENG-CSCSR and DID-ENG-CSCCTP do not require tailoring.

Drafters must include the updated CEMP and *CSC Module* DIDs with the other DIDs in Schedule 1 to Annex C, the CDRL.

## CONDITIONS OF TENDER

### CONTRACTOR STANDING CAPABILITY RELEVANT CLAUSES

**Note to drafters: Amend Attachment A to the Conditions of Tender to include the following additional Tender Data Requirements:**

Tender Data Requirement Number	Tender Response Volume
	<b>General</b>
<b>D-13</b>	Contractor Standing Capability Pricing
<b>E-15</b>	Contractor Standing Capability

**Note to drafters: Add the following tender data requirement to the end of Annex D to Attachment A to the Conditions of Tender.**

#### 1. PRICING FOR CONTRACTOR STANDING CAPABILITY SERVICES

**Note to tenderers: Tenderers are to identify all the labour categories and skill levels required to resource the Contractor Standing Capability (CSC) and perform the CSC Tasks in accordance with clause 15 of the draft COC and DSD-ENG-CSC. TDR E-15 identifies the initial types of CSC Tasks that the Commonwealth requires the Contractor to perform.**

**Annex G to Attachment B for any resultant Contract will consist of the SPTPW 'ContractorStandingCapability' worksheet for the successful tenderer's response, and any negotiated adjustments.**

- 1.1 Tenderers are to complete the 'ContractorStandingCapability' worksheet of the SPTPW, for the initial CSC Term, including sufficient personnel in the each labour category and skill level including, as applicable:
- a. any positions proposed and described by the Commonwealth under TDR E-15; and
  - b. all additional positions required to achieve the nature and scope of CSC Tasks outlined in TDR E-15.

**Note to drafters: Insert the following new clause 15 at the end of Annex E to Attachment A to the Conditions of Tender.**

#### 15. CONTRACTOR STANDING CAPABILITY

**Note to drafters: Insert details of anticipated CSC Tasks under clause 15.1. The list of CSC Tasks must be consistent with the scope of DSD-ENG-CSC and other S&Q Services that the CSC is expected to undertake. Drafters are to update clause 15.1 with contract-specific requirements, sufficient for tenderers to scope the composition of the CSC. Descriptions may indicate likely skills (eg, 'for software tasks' or 'for mechanical systems'); however, care should be taken not to pre-empt what may be offered as the CSC's composition of skill categories and levels. Descriptions should quantify outputs if possible (eg, two software releases per year). Although clause 15.2 provides the ability to specify some skill sets, the task descriptions in clause 15.1 should be written in outcome terms to the extent practicable, to enable each tenderer to propose a mix of Personnel with associated skills and experience. All examples below are to be deleted if not overwritten.**

**Note to tenderers: The purpose of the CSC is to provide an on-going pool of expertise able to perform specialist engineering, design and other activities that would otherwise be managed as**

**S&Q Services. However, S&Q Services, can incur higher overheads and labour charges, and reduced skills continuity due to their stop/start nature. The CSC provides an efficient and effective alternative to the administration of S&Q Services for tasks that are undefinable at the time of releasing the RFT. The CSC Tasks listed below are indicative of the activities that may be requested by the Commonwealth under any resultant Contract.**

15.1 For the purposes of defining an initial CSC composition, the following list of CSC Tasks, to be [DRAFTER TO INSERT 'conducted concurrently' OR 'to be performed within the first six months' OR OTHER], is outlined below:

Major Change Tasks:

- (i) [DRAFTER TO INSERT];
  - (ii) [INSERT FOR EXAMPLE, structural and electrical interface design and development for the introduction of XYZ system under Project JPXXX]; and
  - (iii) [INSERT FOR EXAMPLE, Software Preventive, Adaptive and Perfective Maintenance for the applicable Software Products in draft SOW Annex A and in accordance with DSD-ENG-SW];
- b. Study Tasks:
- (i) [INSERT FOR EXAMPLE, Mechanical systems reliability monitoring and Growth program studies];
  - (ii) [INSERT FOR EXAMPLE, Life Cycle Costing Analysis in accordance with DSD-ENG-SERV, in preparation for forthcoming mid-life upgrade]; and
  - (iii) [INSERT FOR EXAMPLE, detailed inventory review and related stock assesment activities, in accordance with DSD-SUP-SACC, covering all RIs within the initial CSC Term];
- c. Other Tasks:
- (i) [INSERT FOR EXAMPLE, Technical Instruction development for mechanical systems, in accordance with DSD-ENG-SERV]; and
  - (ii) [DRAFTER TO INSERT].

**Note to drafters: The list of Personnel under clause 15.2 may be used to identify a minimum number of CSC Personnel required to maintain skills and retain specialist corporate knowledge of the Products Being Supported, particularly if Australia is the only operator of those Products. The inclusion of such skill sets within the CSC would be in addition to those retained through the performance of the Recurring Services. If the scope of Recurring Services is insufficient for full employment of sufficient numbers of skilled Personnel, and the retention of such corporate knowledge is essential, the CSC can provide a mechanism to retain those skills. Drafters should add to the list below as required. If the likely tasks under clause 15.1 (above) will be sufficient to enable the required skill sets to be identified by tenderers, then this clause 15.2 may be deleted and replaced with 'Not used'.**

15.2 In order to perform the CSC Tasks identified at clause 15.1, and to maintain a working knowledge of the Products Being Supported, the Commonwealth will require that the initial CSC team include, as a minimum and without limiting the size of the CSC proposed by the tenderer, Personnel with the following skill categories and levels:

- a. [INSERT LABOUR CATEGORY AND SKILL LEVEL], [INSERT NUMBER] person(s) with knowledge and skills regarding [INSERT PURPOSE / SPECIFIC SYSTEMS / FUNCTION]; and
- b. [INSERT LABOUR CATEGORY AND SKILL LEVEL], [INSERT NUMBER] person(s) with knowledge and skills regarding [INSERT PURPOSE / SPECIFIC SYSTEMS / FUNCTION].

**Note to tenderers: Rates for labour categories and skill levels identified in response to this requirement are to be included in response to TDR D-14.**

- 15.3 Tenderers are to describe the rationale for the composition for the proposed CSC to undertake CSC Tasks, as described above, during the initial CSC Term of any resultant Contract, including:
- a. the proposed labour categories and skill levels;
  - b. the numbers of Personnel proposed for each labour category and skill level; and
  - c. whether CSC Personnel will be provided by the Contractor and/or a Subcontractor.
- 15.4 Tenderers are to describe how the CSC will maximise the number of hours available to the Commonwealth to achieve CSC Task outcomes, while minimising the overhead costs associated with the provision of the CSC. The description is to include the expected annual working days and daily working hours for each labour category and skill level of CSC Personnel used in the calculation of CSC Service Hours.

**Note to drafters: If a draft CEMP is required to be provided as part of the tender response (in Annex G), then the following clause should be deleted and replaced with 'Not used'.**

- 15.5 Tenderers are to provide sufficient details to allow the Commonwealth to understand the proposed operation of the CSC, including details of:
- a. the organisational arrangements for the CSC, including the functional groups;
  - b. the proposed task management system, including how it will be employed to manage CSC Tasks, including monitoring and controlling individual CSC Tasks and resources;
  - c. the management of standing CSC Tasks, including how the effort associated with standing tasks will be managed and controlled;
  - d. the management of CSC Personnel to ensure that the CSC is staffed with Personnel having the necessary qualifications, expertise and experience to perform their respective functions and achieve the CSC objectives, including the management of:
    - (i) CSC Personnel;
    - (ii) CSC Staff Positions and Key Persons (cross-referenced to the draft SSMP); and
    - (iii) Subcontractors and Subcontractor Personnel, if applicable; and
  - e. the processes to be employed to obtain CSC Additional Resources.



## CONDITIONS OF CONTRACT

## CONTRACTOR STANDING CAPABILITY RELEVANT CLAUSES

**Note to drafters: Incorporate the following changes to the COC to provide the commercial coverage for the CSC. Refer to 01\_SPTV5.0\_CSC\_General for further tailoring guidance.**

### 1.5 Operative Date

**Note to drafters: The following addition to the Operative Date is optional, depending upon the required start date for the CSC. The CSC can have its own CSC Commencement Date, as addressed in clause 15.2.1 which may occur on or after the Operative Date.**

1.5.3a (xiv) establish the Contractor Standing Capability (CSC);

### 1.11 Periodic Cost Reviews

**Note to drafters: Insert the new subclause to the end of clause 1.11.6 and correct clause structure and numbering as necessary.**

1.11.6d. for CSC Services, an analysis of the labour and mark-up rates set out in Attachment B, including, when adjustment to the rates is considered necessary, a proposal to adjust the rates, including suitable justification for each labour category for which the rate is proposed to be changed (eg, by providing a comparison with current industry norms).

### 3.20 Non Exclusivity

**Note to drafters: Insert the new subclause to the end of clause 3.20.1 and correct clause structure and numbering as necessary.**

3.20.1e. CSC Services under clause 15.

### 7.1 Price

**Note to drafters: Insert the new subclause to the end of clause 7.1.1 and correct clause structure and numbering as necessary.**

7.1.1h. for the provision of the CSC, payment of the CSC Fee and the fee for CSC Additional Resources in accordance with clause 15.5.

### 7.4 Adjustments

**Note to drafters: Insert the amended subclause as the replacement for clause 7.4.1b.**

7.4.1b. prices for Services other than Services included in Milestones, on each Adjustment Date. However, unless stated otherwise in an S&Q Order or an Approved CSC Task Plan where CSC Additional Resources are utilised, the formulae in Attachment B shall not be applied to an S&Q Order or to prices for CSC Additional Resources (including in relation to any unperformed S&Q Services or CSC Task).

### 7.14 Cost Principles

**Note to drafters: Insert the amended subclause as the replacement for clause 7.14.1c.**

7.14.1c. price for any CCP under clause 11.1, S&Q Order under clause 3.15, or CSC Additional Resources under clause 15.4; or

**Note to drafters: Insert the following provisions as new COC clause 15. Do not use paste special, or this will convert all of the cross-references to fixed numbers. After inserting and ensuring that all of clause numbers are correct, select the entire COC (CTRL A) and press the F9 button. This will update the Table of Contents and ensure that all cross-references are updated. Do a search on 'error' and fix any cross-referencing errors.**

## **1 CONTRACTOR STANDING CAPABILITY**

### **1.1 Contractor Standing Capability Background**

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- 1.1.1 The Contractor shall perform the CSC Services in accordance with the provisions of this clause 1, DSD-ENG-CSC, the Approved CSC Task Plans, and the directions given by the Commonwealth Representative.
- 1.1.2 The Contractor shall not use the CSC to perform Services other than CSC Services, except to the extent that the Commonwealth Representative may otherwise direct in writing.

### **1.2 Contractor Standing Capability Term and Composition**

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**Note to drafters: Insert the appropriate duration for the CSC into the following clause.**

- 1.2.1 Subject to clause 1.2.2, the Contractor shall establish and maintain the CSC, comprising the CSC Personnel needed to provide the CSC Service Hours, commencing from the CSC Commencement Date and expiring on the date being [...INSERT TIMEFRAME, eg, 12 months or 2 years ...] after the CSC Commencement Date (**CSC Term**).

**Note to drafters: Insert the CSC Term duration (as above) and an appropriate time for notifying the Contractor of any proposed changes to the CSC.**

- 1.2.2 The Contractor grants to the Commonwealth the option to extend the CSC Term for one or more periods, each of [...INSERT TIMEFRAME, eg, 12 months or 2 years ...] in duration, or where the extension enters the Off Ramp Period, in accordance with the Phase Out provisions under clause 14 and the Approved Phase Out Plan (if applicable). Subject to clause 1.2.4, the Commonwealth may exercise its option to extend the CSC Term by providing the Contractor with written notice of its intention to do so at any time before the date that is [...INSERT TIMEFRAME, eg, three months ...] prior to the expiry of the then current CSC Term.
- 1.2.3 The Commonwealth Representative may in its notice under clause 1.2.2, require an adjustment to the number of CSC Personnel, labour categories and/or skill levels of CSC Personnel and the CSC Service Hours that are to be provided by the Contractor during the extended CSC Term.
- 1.2.4 Within 10 Working Days of the Commonwealth issuing a notice under clause 1.2.2, the Contractor shall submit a CCP to give effect to the extension including, when applicable, proposed changes to Annex G to Attachment B and a change to the CSC Fee representing any adjustment to the composition of the CSC. The CSC Term shall be extended following both parties signing the CCP. An extension to the CSC Term commences from the end of the current CSC Term.
- 1.2.5 Notwithstanding any other provision of this clause 1, and unless otherwise directed by the Commonwealth Representative to cease work, all CSC Tasks that commenced during the CSC Term shall be completed by the Contractor, even if the CSC Term has expired. Subject to clause 1.6.1, where CSC Service Hours are provided after the expiry of the CSC Term, that portion of the CSC Fee attributable to the CSC Service Hours provided after the expiry of the CSC Term shall be payable to the Contractor.

### **1.3 CSC Tasks**

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- 1.3.1 The performance of a CSC Task:
- a. is a Service to be provided under the Contract; and
  - b. shall be provided in accordance with the terms of the Contract, except to the extent that the Approved CSC Task Plan states that, a provision of the SOW or another attachment:
    - (i) does not apply to the provision of the CSC Task; or
    - (ii) is amended for the purposes of providing the CSC Task.

- 1.3.2 Notwithstanding the terms of an Approved CSC Task Plan, the Approved CSC Task Plan shall not amend the COC and the COC shall apply to the extent of any inconsistency with the Approved CSC Task Plan.
- 1.3.3 If the Contractor determines that a proposed CSC Task or the provision of a CSC Task in accordance with an Approved CSC Task Plan requires or has resulted in a need to amend the Contract, the Contractor shall promptly raise the issue with the Commonwealth Representative and seek a direction as to whether the proposed CSC Task or the Approved CSC Task Plan is to be amended or whether the Contractor is to submit a CCP in accordance with clause 11.1 to give effect to the required change.

#### **1.4 CSC Additional Resources**

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- 1.4.1 If the Contractor considers, in respect of a proposed CSC Task, that CSC Additional Resources are required to perform and complete that proposed CSC Task, the Contractor shall submit to the Commonwealth Representative, as part of the relevant CSC Task Plan, a quotation for those CSC Additional Resources, identifying the:
- rates, calculated in accordance with Annex E to Attachment B (S&Q Services), for all CSC Additional Resources that the Contractor considers will be required to complete the relevant CSC Task; and
  - total number of hours for each skill set, and items of material (if any), that are required to complete the relevant CSC Task.
- 1.4.2 The Contractor shall not engage or employ or otherwise be required to enter into any arrangement to engage or employ any CSC Additional Resources in relation to any CSC Task unless and until:
- the CSC Task Plan, which includes the quotation in respect of those CSC Additional Resources, has been Approved by the Commonwealth Representative; or
  - the Commonwealth Representative otherwise notifies the Contractor in writing to do so on the basis that costs and expenses incurred by the Contractor in relation to such direction will be borne by the Commonwealth.
- 1.4.3 Any liability, cost or expense incurred by the Contractor in relation to any CSC Additional Resources (other than where Approval is given as contemplated in clause 1.4.2a or in accordance with the Commonwealth's written notice under clause 1.4.2b) shall be solely at the Contractor's cost and risk.

#### **1.5 Payment for CSC Fee and CSC Additional Resources**

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- 1.5.1 Subject to clause 3.18, the Contractor shall be entitled to submit a claim for payment, in accordance with clause 7.3, for:
- the CSC Fee, monthly in arrears, subject to any withholding or reduction under clauses 1.5.2 or 1.5.3, during the CSC Term;
  - any amount withheld by the Commonwealth under clause 1.5.2 to which the Contractor has become entitled to submit a claim for payment;
  - the fee for CSC Additional Resources (if applicable), monthly in arrears as incurred or as otherwise set out in the applicable Approved CSC Task Plan, subject to any adjustment under clause 1.5.2; and
  - direct costs incurred by the Contractor where expressly permitted in accordance with an Approved CSC Task Plan (eg, for reimbursement of travel costs) and/or a Commonwealth direction under clause 1.4.2b.
- 1.5.2 During the performance of a CSC Capped Price Task the Contractor is entitled to be paid the first 80% of the 'budget' for that CSC Capped Price Task through the monthly CSC Fee. The Commonwealth may then withhold from the monthly CSC Fee an amount of up to 20% of the 'budget' for that CSC Capped Price Task until that CSC Capped Price Task is completed in accordance with the Approved CSC Task Plan. On completion of the CSC Capped Price Task in accordance with the Approved CSC Task Plan, the Contractor shall be entitled to submit a claim for payment for the total amount withheld for that CSC Capped Price Task. For the purposes of this clause, the 'budget' for the relevant CSC Capped Price Task is the total of the person-hours of effort allocated to the CSC Task (as detailed in the Approved CSC Task Plan)

multiplied by the applicable hourly rate (as set out in Annex G to Attachment B) plus the fee for CSC Additional Resources (if applicable) set out in an Approved CSC Task Plan.

- 1.5.3 If, during the CSC Period, the Contractor fails to make available to the Commonwealth the CSC Service Hours as specified in Annex G to Attachment B (or such other number of CSC Service Hours as may be agreed in writing between the parties from time to time), whether or not those Personnel were required to perform a CSC Task, the CSC Fee payable to the Contractor for the final payment of the CSC Period shall be reduced by an amount equal to the value of the CSC Service Hours not provided during the relevant CSC Period as determined in accordance with Annex G to Attachment B. The amount shall either be agreed between the parties, or where the parties are unable to agree within 10 Working Days after the expiry of the CSC Period, be reasonably determined by the Commonwealth Representative.
- 1.5.4 The Commonwealth shall be entitled to recover any reduction to the CSC Fee in accordance with clause 1.5.3 as a debt due to the Commonwealth under clause 13.7.
- 1.5.5 For the avoidance of doubt, clause 1.5.3 does not apply if, and only to the extent that during the CSC Period, the Contractor did make available to the Commonwealth the CSC Personnel needed to provide the CSC Service Hours in accordance with Annex F to Attachment B (or such other number of CSC Service Hours as may be agreed in writing between the parties from time to time), but the Commonwealth failed to task those CSC Personnel to perform CSC Tasks sufficient to utilise the available CSC Service Hours.

## **1.6 Adherence to Approved CSC Task Requirements**

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- 1.6.1 For any CSC Capped Price Task that is not completed within the resources allocated in the relevant Approved CSC Task Plan (including CSC Service Hours and/or Additional CSC Resources), the Contractor shall, subject to clause 1.8, complete the remainder of that CSC Task at its sole risk, liability and expense (including, unless otherwise directed by the Commonwealth Representative, after the expiry of the then CSC Term). For the avoidance of doubt, compliance with this requirement does not limit or reduce the Contractor's obligation to provide the CSC Service Hours nor entitle the Contractor to a claim for performance relief under clause 6.4 or otherwise.
- 1.6.2 Any unused CSC Service Hours from a completed CSC Capped Price Task shall be available for use by the Commonwealth for another CSC Task.
- 1.6.3 For any CSC T&M Task, the Contractor shall not exceed the relevant budget for that CSC Task without obtaining the Commonwealth Representative's Approval, which shall be given within five Working Days, or where such Approval is not given by the Commonwealth Representative, the Contractor shall cease work on the CSC Task.

## **1.7 Defect Notification and Rectification**

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- 1.7.1 For the avoidance of doubt and without limiting or affecting the Contractor's other obligations under the Contract, clause 8 shall apply to all goods, services and other items provided to the Commonwealth under or in connection with the CSC or a CSC Task.

## **1.8 Commonwealth Representative's Directions**

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- 1.8.1 The Commonwealth Representative may, at any time by written notice to the Contractor:
- a. require the Contractor to cease work (whether permanently or temporarily) on any CSC Task (whether in whole or in part);
  - b. direct the Contractor to prioritise work on a particular CSC Task, or particular CSC Tasks over other CSC Tasks;
  - c. amend a CSC Task including changing any requirement, process, criteria or procedure in relation to the CSC Services being provided under a CSC Task; or
  - d. take any other reasonable action under or in connection with the performance of a CSC Task.
- 1.8.2 Where the Commonwealth requires the Contractor to cease work permanently in respect of the whole or part of a CSC Task in accordance with clause 1.8.1, the Commonwealth may perform that work (whether in whole or in part) itself or enter into an arrangement with a person other than the Contractor to undertake that work (whether in whole or in part).

- 1.8.3 If the Commonwealth Representative issues a notice under clause 1.8.1a, the Contractor shall:
- stop work in accordance with the notice;
  - comply with any directions given to the Contractor by the Commonwealth; and
  - mitigate all loss, costs (including the costs of its compliance with any directions) and expenses in connection with the notice, including those arising from affected Subcontracts.
- 1.8.4 The Contractor shall, within five Working Days (or such longer period as may be agreed by the Commonwealth Representative) of its receipt of any direction under clause 1.8.1 notify the Commonwealth Representative of the impacts (if any) the direction may have on the Contractor's compliance with its obligations under the Contract, including its obligation to complete CSC Tasks in accordance with the relevant Approved CSC Task Plans.
- 1.8.5 The Commonwealth Representative may, but is under no obligation to, revise or withdraw any direction issued under clause 1.8.1 in the light of the Contractor's notification under clause 1.8.4.
- 1.8.6 The Contractor shall comply with the directions of the Commonwealth Representative issued under clause 1.8.1 (including as such directions may be revised under 1.8.5).
- 1.8.7 Subject to clause 1.8.9, where the Commonwealth Representative issues a notice under clause 1.8.1 and compliance with the direction requires an amendment to one or more Approved CSC Task Plans, the Contractor shall, within 15 Working Days (or such longer period as may be agreed by the Commonwealth Representative), submit the amended CSC Task Plan(s) and amended CSC Master Schedule to the Commonwealth Representative for Approval, to address those aspects notified in accordance with clause 1.8.4.
- 1.8.8 If the Commonwealth Representative issues a notice under clause 1.8.1a requiring the Contractor to cease work permanently on a CSC Task, the Commonwealth's liability to pay the fee for CSC Additional Resources shall be limited to:
- payments under the payment terms of the Contract for work conducted before the effective date of the notice in accordance with clause 1.8.1a; and
  - any reasonable costs incurred by the Contractor in relation to the Additional CSC Resources that are directly attributable to the cessation work on the CSC Task,
- if the Contractor substantiates these amounts to the satisfaction of the Commonwealth Representative, or if these amounts cannot be so substantiated, as otherwise determined reasonably by the Commonwealth Representative.
- 1.8.9 Except as expressly provided in this clause 1.8, the Contractor shall not be entitled to make or bring any claim against the Commonwealth arising from or in connection with any direction of the Commonwealth Representative under clause 1.8.1.

## **1.9 CSC Impact on Contract Services**

***Note to drafters: The following clause requires a CCP to change those elements of the Contract that the parties agree need to be amended as an outcome of a CSC Task. For example, the CSC may develop a modification to one of the Products Being Supported, which then needs to be incorporated into the Contract to enable the modified elements to be supported.***

- 1.9.1 Where required by the Commonwealth, the Contractor shall submit a CCP to amend the Contract to reflect the outcomes of a CSC Task.

## ATTACHMENT B

## PRICE AND PAYMENTS (CORE)

## CONTRACTOR STANDING CAPABILITY RELEVANT CLAUSES

**Note to drafters: Amend clause 9 in Attachment B as follows.**

**1 CONTRACTOR STANDING CAPABILITY**

**Note to tenderers: Annex G will consist of an amalgamation of the SPTPW Contractor Standing Capability' worksheet from the successful tenderer's response to TDR D-14, and any negotiated adjustments.**

**1.1 Contractor Standing Capability Pricing**

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- 1.1.1 The amounts payable by the Commonwealth to the Contractor in relation to the Contractor Standing Capability (CSC), in accordance with the Contract, shall be:
- a. for on-going CSC Services, as detailed in the file: (...INSERT the file name for the "ContractorStandingCapability worksheet" from the SPTPW...), which forms Annex G to this Attachment; and
  - b. for CSC Additional Resources, as determined in accordance with clause 15.4 of the COC.

## CONDITIONS OF CONTRACT

## CONTRACTOR STANDING CAPABILITY ABBREVIATIONS AND DEFINITIONS

## ACRONYMS AND ABBREVIATIONS

**Note to drafters: Insert the following abbreviation into the table under clause 1 of Attachment M.**

CSC	Contractor Standing Capability
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## DEFINITIONS

**Note to drafters: Insert the following definitions into the table under clause 2 of Attachment M.**

Contractor Standing Capability (CSC)	means the capability that the Contractor is required to establish and maintain in accordance with, and for the purposes outlined in, COC clause 15.
CSC Additional Resources	in respect of any CSC Task, means those resources required to perform the CSC Task that are in addition to the CSC Personnel, and any other permanent resources used by the CSC, and which are not included in the price for any other Services under the Contract.
CSC Category 1 Task	<b>Note to drafters: Amend the number in the following definition, as required, to adjust the cut-off point between a Category 1 and Category 2 CSC Task.</b> means a CSC Task that is estimated by the Contractor as requiring greater than 400 person-hours of effort to complete.
CSC Category 2 Task	<b>Note to drafters: Amend the number in the following definition, as required, to adjust the cut-off point between a Category 1 and Category 2 CSC Task.</b> means a CSC Task that is estimated by the Contractor as requiring less than, or equal to, 400 person-hours of effort to complete.
CSC Commencement Date	<b>Note to drafters: Amend the following to define the CSC Commencement Date.</b> means the date on which the CSC commences, being [...INSERT DATE / MILESTONE (EG, 'the Operative Date' OR 'six months after the Operative Date' ...)].
CSC Fee	means the fee specified for the CSC in accordance with Annex G to Attachment B.
CSC Capped Price Task	means a CSC Task which the Contractor is required to complete within a specified number of hours in accordance with COC clause 15.6.
CSC Period	means each six month period over which the Contractor's provision of CSC Service Hours is measured; the first such period commencing on the CSC Commencement Date.
CSC Personnel	means those Contractor and/or Subcontractor Personnel within the labour category and with the skill levels required to provide the CSC Service Hours in accordance with Annex F to Attachment B.
CSC Services	means the CSC Tasks and the standing administrative activities performed by the CSC.

CSC Service Hours	means the annual hours specified in Annex G to Attachment B to be provided by the CSC Personnel.
CSC Staff Positions	means the positions designated as CSC Personnel in the Approved Contractor Engineering Management Plan (CEMP) and/or the Approved Support Services Management Plan (SSMP), as applicable.
CSC Task	means, as the context requires: a. a task that is proposed by the Commonwealth in accordance with clause 6.2.2 of DSD-ENG-CSC; or b. the work, tasks and activities in respect of which the Commonwealth has Approved a CSC Task Plan in accordance with clause 6.2.2 of DSD-ENG-CSC.
CSC Task Plan	means the plan for a CSC Task developed and updated by the Contractor in accordance with DID-ENG-CSCTP.
CSC Term	has the meaning given to it in COC clause 15.2.1.
CSC T&M Task	means a CSC Task other than a CSC Capped Price Task.
Recurring Services	<b>Note to drafters: Replace the existing Recurring Services definition with the following.</b> means all of the Services, other than any S&Q Services, CSC Services, Pre-Authorised Ad Hoc Services Task-Priced Services and Phase-In Services, required to be provided by the Contractor under the Contract.



## STATEMENT OF WORK

## CONTRACTOR STANDING CAPABILITY RELEVANT CLAUSES

**Note to drafters: Incorporate the following changes to the main body of the SOW and the SOW Annexes to incorporate the governing work-related provisions for the CSC. The detailed work-related requirements are specified in DSD-ENG-CSC.**

*Statement Of Work*

**Note to drafters: Include the following additional subclause to clause 5.5 of the SOW.**

5.5.4 The Contractor shall provide the Contractor Standing Capability (CSC) and the associated CSC Services in accordance with CSRL Line Number ENG-400.

*Annex B to the SOW*

**Note to drafters: Insert the following new row into the CSRL table.**

Line Number	Detailed Service Description Title	SOW Clause	Detailed Service Description Reference	Notes
a	b	c	d	e
ENG-400	Contractor Standing Capability	5.5	DSD-ENG-CSC	

*Annex C to the SOW*

**Note to drafters: Insert the following new rows into the CDRL table. The initial CSC deliverables are with respect to the CSC Commencement Date.**

CDRL Line Number	Data Item Title	SOW Clause Ref	Ref	Version	Delivery Schedule	Quantity	Delivery Location	Data Item Description Reference	C'wealth Action Period	C'wealth Action Required	Maintenance	Notes
a	b	c	d	e	f	g	h	i	j	k	l	m
ENG-900	Contractor Standing Capability Task Plan	DSD-ENG-CSC 6.2.2	a	Final	Initial tasks: CSC Commencement Date - 20 For each subsequent task: Task Start - 15	DMS	CR	DID-ENG-CSCTP	by Task Start	Approval	1M	A CSC Task Plan is prepared for each CSC Task and maintained until the task is closed.
ENG-910	Contractor Standing Master Capability Schedule	DSD-ENG-CSC 6.2.1	a	Final	CSC Commencement Date - 10	DMS	CR	DID-ENG-CSCMS	by CSC Commencement Date	Approval	NA	
			b	Updates	Monthly	DMS	CR		10	Approval	NA	
ENG-920	Contractor Standing Capability Status Report	DSD-ENG-CSC 6.2.1	a	Initial	CSC Commencement Date + 60	DMS	CR	DID-ENG-CSCSR	10	Review	NA	Reports should be delivered concurrently with Services Summary Reports when delivery occurs in the same month.
			b	Updates	Monthly	DMS	CR		10	Review	NA	

**DID-ENG-CEMP****1.1.1 Contractor Standing Capability Management**

**Note to drafters: Replace the words 'Not used' under the heading at clause 6.3.4 of DID-ENG-CEMP with the following clauses. After inserting, ensure that the clause numbering and the cross-reference to clause 6.2.8.1 (for Personnel position profiles) are correct, or amend as necessary.**

- 1.1.1.1** The CEMP shall describe the organisational arrangements, systems, processes, procedures and tools that the Contractor will employ to manage the Contractor Standing Capability (CSC), including details of:
- a. the organisational arrangements for the CSC, including the interrelationships and lines of authority between:
    - (i) all parties involved in the Contractor's CSC activities; and
    - (ii) the CSC and the Contractor's organisations, including with respect to the achievement of CSC outcomes and the transition of work between the CSC and these other organisations (and vice-versa);
  - b. the responsibilities of all parties involved in the Contractor's CSC activities;
  - c. the task-management system to be employed, and how it will be employed, to manage and control all proposed, pending, authorised, suspended and completed CSC Tasks, including monitoring and controlling individual CSC Tasks and CSC Task resources, and ensuring that work is only performed on Approved CSC Tasks;
  - d. the management of standing tasks, including how the effort associated with standing tasks will be managed and controlled;
  - e. the arrangements for the management of the interrelationships between CSC work and other Contract work, including any proposed 'hand-offs' from the CSC to other Personnel;
  - f. the management of CSC Personnel, including:
    - (i) to ensure that the CSC has the necessary qualifications, expertise and experience to provide CSC Services;
    - (ii) CSC Staff Positions and Key Persons (appropriately cross-referenced to the Approved SSMP and position profiles required under clause 6.2.8.1); and
    - (iii) Subcontractors and Subcontractor Personnel;
  - g. the systems and processes to be employed for developing CSC Task Plans for proposed CSC Tasks; and
  - h. the processes to be employed to obtain, manage and, where necessary, retain CSC Additional Resources.

**DATA ITEM DESCRIPTION**

**1. DID NUMBER: DID-ENG-CSCMS-V5.0**

**2. TITLE: CONTRACTOR STANDING CAPABILITY MASTER SCHEDULE**

**3. DESCRIPTION AND INTENDED USE**

**3.1** The Contractor Standing Capability (CSC) Master Schedule (CSCMS) provides the consolidated schedule for the complete set of CSC Tasks, and:

- a. describes the Contractor's planned sequence of activities, milestones and decision points to enable the objectives of each of the active and proposed CSC Tasks to be met;

**Note: A 'proposed CSC Task' is one that the Contractor has been requested to undertake planning for.**

- b. provides a consolidated summary of the individual schedules for each of the Approved and proposed CSC Tasks; and
- c. defines the current schedule status for the active CSC Tasks, comparing the current schedule with the contracted schedules.

**3.2** The Contractor uses the CSCMS to:

- a. plan the activities and sequencing of those activities to achieve the requirements of the Approved and proposed CSC Tasks;
- b. enable resource planning and reporting to be conducted across all Approved and proposed CSC Tasks;
- c. provide schedule direction and status to the management team responsible for the conduct of the work; and
- d. demonstrate to the Commonwealth that the requirements of the Approved and proposed CSC Tasks can be met.

**3.3** The Commonwealth uses the CSCMS to:

- a. gain visibility into the Contractor's schedule and resource planning;
- b. confirm that the schedule for a proposed CSC Task is realistic and achievable;
- c. understand and evaluate the Contractor's approach to meeting the requirements of the active CSC Tasks;
- d. assist with monitoring the progress of the Contractor in meeting the requirements of the Approved CSC Tasks;
- e. inform the Commonwealth Representative of scheduled Commonwealth inputs and related activities (eg, Acceptance of CSC Task outputs); and
- f. review the effective utilisation of CSC resources when evaluating future changes to the CSC.

**4. INTER-RELATIONSHIPS**

**4.1** The CSCMS inter-relates with the following data items, where these data items are required under the Contract:

- a. Support Services Management Plan (SSMP);
- b. Contractor Engineering Management Plan (CEMP);
- c. Support Services Master Schedule (SSMS);
- d. CSC Task Plans (CSCTPs); and
- e. CSC Status Report (CCSR).

## 5. APPLICABLE DOCUMENTS

- 5.1 The following documents form a part of this DID to the extent specified herein:  
Nil.

## 6. PREPARATION INSTRUCTIONS

### 6.1 Generic Format and Content

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- 6.1.1 The data item shall comply with the general format, content and preparation instructions contained in the CDRL clause entitled 'General Requirements for Data Items'.
- 6.1.2 The data item shall include a traceability matrix that defines how each specific content requirement, as contained in this DID, is addressed by sections within the data item.

### 6.2 Contractor Standing Capability Master Schedule

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#### 6.2.1 General

- 6.2.1.1 The CSCMS shall be developed and statused such that it would be regarded as sound and reliable by a prudent and competent contractor in the Contractor's position.
- 6.2.1.2 The CSCMS shall be prepared in the same software format as the SSMS, where one is required under the Contract.
- 6.2.1.3 The CSCMS shall be delivered as a copy of the CSCMS data file in the CSCMS software format.

#### 6.2.2 CSCMS Content

- 6.2.2.1 The CSCMS shall graphically depict the overall schedule for all Approved CSC Tasks, including the progress against the schedule, to a level that enables the interrelationships between the CSC Tasks to be readily apparent, particularly with respect to the requirements for, and availability of, resources.
- 6.2.2.2 The CSCMS shall also graphically depict each proposed CSC Task to show the impact of the task on Approved CSC Tasks. This representation of the CSCMS shall not be submitted for Approval. The schedule information for each proposed task shall not be incorporated into the Approved version of the CSCMS (and, therefore, requiring the CSCMS to be submitted for re-Approval in accordance with the CDRL) until the CSC Task is Approved, except where otherwise agreed between the parties.
- 6.2.2.3 The CSCMS shall be capable of being displayed in a variety of formats, including:
- a. a Gantt chart;
  - b. a listing of all tasks, together with their planned and actual start and completion dates; and
  - c. a listing of milestones, together with their original, rescheduled, forecast and actual completion dates.
- 6.2.2.4 The CSCMS shall include:
- a. activities and their estimated durations;
  - b. any significant CSC Task milestones;
  - c. the relationships and dependencies between activities and milestones to be accomplished by or for the Contractor in the performance of its obligations under the Approved and, where applicable, proposed CSC Tasks;
  - d. earliest and latest start and finish dates for all activities and milestones;
  - e. critical and non-critical paths;
  - f. floats available on all activities and milestones;
  - g. significant meetings and reviews associated with each CSC Task, such as System Reviews for Major Changes;

- h. allocated resources for each activity;
- i. Subcontractors' activities, to the extent consistent with the schedule detail for the Contractor's own schedule;
- j. Commonwealth tasks, where such tasks interface with, and may affect, Contractor tasks; and
- k. notes on the use of the CSCMS, including a glossary of terms and symbols used.

**6.2.2.5** Each submission of the CSCMS shall provide the current status against the schedule baseline for each Approved CSC Task, identifying:

- a. progress against all activities;
- b. the actual start and completion dates for all activities and milestones; and
- c. the current forecast completion dates for all activities and milestones.

## DATA ITEM DESCRIPTION

1. **DID NUMBER: DID-ENG-CSCSR-V5.0**
2. **TITLE: CONTRACTOR STANDING CAPABILITY STATUS REPORT (CSCSR)**
3. **DESCRIPTION AND INTENDED USE**
  - 3.1 The Contractor Standing Capability (CSC) Status Report (CSCSR) provides the formal mechanism by which the Contractor can report on the activities undertaken by the CSC during the period since the previous CSCSR (the 'reporting period'), including any opportunities, problems, risks and issues that could affect future activities.
  - 3.2 Both the Commonwealth and the Contractor use the CSCSR to:
    - a. review the level of activity and the effectiveness of the Approved CSC Tasks undertaken during the reporting period; and
    - b. provide a formal mechanism to document factors affecting the CSC that require management attention.
4. **INTER-RELATIONSHIPS**
  - 4.1 The CSCSR inter-relates with the following data items, where these data items are required under the Contract:
    - a. Contractor Engineering Management Plan (CEMP);
    - b. Contractor Standing Capability Task Plans (CSCTPs);
    - c. CSC Master Schedule (CSCMS);
    - d. Combined Services Summary Report (CSSR); and
    - e. Contract Status Report (CSR).
5. **APPLICABLE DOCUMENTS**
  - 5.1 The following documents form part of this DID to the extent specified herein:  
Nil.
6. **PREPARATION INSTRUCTIONS**
  - 6.1 **Generic Format and Content**


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    - 6.1.1 The data item shall comply with the general format, content and preparation instructions contained in the CDRL clause entitled 'General Requirements for Data Items'.
    - 6.1.2 When the Contract has specified delivery of another data item that contains aspects of the required information, the CSCSR shall summarise these aspects and refer to the other data item.
    - 6.1.3 The data item shall include a traceability matrix that defines how each specific content requirement, as contained in this DID, is addressed by sections within the data item.
  - 6.2 **Specific Content**


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    - 6.2.1 **General**
      - 6.2.1.1 When the CSCSR is delivered concurrently with the CSSR, the CSCSR may be integrated with this other report.
    - 6.2.2 **Summary**
      - 6.2.2.1 The CSCSR shall provide a brief summary that highlights the more important aspects of the report, including:
        - a. a summary of the CSC activity for the period; and

- b. any recommended changes to the provision of CSC Tasks resulting from lessons learned and anticipated changes to the requirements for future CSC Tasks.

### **6.2.3 CSC Activity**

**6.2.3.1** The CSCSR shall list the Approved CSC Tasks undertaken during the reporting period, including:

- a. a brief narrative summary of progress achieved for the CSC Category 1 Tasks over the reporting period, including any outputs or deliverables created; and
- b. performance status of each CSC Task against its relevant budget.

**6.2.3.2** The CSCSR shall identify all proposed, Approved, suspended and completed CSC Tasks.

**6.2.3.3** The CSCSR shall report on any events or on-going activities that the Contractor believes to be significant to the Contractor's performance of CSC Tasks during the reporting period.

**6.2.3.4** The CSCSR shall include a report of the hours spent by each labour category on each CSC Task during the reporting period.

**6.2.3.5** The CSCSR shall include any stakeholder feedback (ie, from the beneficiaries of the CSC Tasks), both positive and negative, in relation to the performance of the CSC Tasks.

### **6.2.4 CSC Opportunities**

**6.2.4.1** The CSCSR shall include a description of any opportunities identified by the Contractor or the Commonwealth to improve the effectiveness or efficiency (or both) of the CSC and associated CSC Task outcomes, including opportunities relating to:

- a. possible future CSC Tasks;
- b. the CSC organisational arrangements, including arrangements for the provision of Additional Resources, CSC personnel skills mix, and Subcontractor arrangements;
- c. the systems, processes and tools employed by the CSC;
- d. interactions between the CSC work and other work required under the Contract;
- e. interactions between the CSC and Commonwealth staff; and
- f. any other identified opportunities.

### **6.2.5 CSC Risk Report**

**6.2.5.1** The CSCSR shall include a risk report, which reflects the current status of risk for the Approved and proposed CSC Tasks.

**6.2.5.2** The risk report shall include risks from the Risk Register that affect the provision of the CSC Tasks.

**6.2.5.3** The risk report shall include the 10 most significant risks for the CSC as a whole, as well as all risks that are assessed as high (or higher) for each Approved CSC Category 1 Task.

**6.2.5.4** The risk report shall include highlights of progress of risk-mitigation activities and changes in risk status since the previous CSCSR.

### **6.2.6 CSC Problem Identification Report**

**6.2.6.1** The CSCSR shall include a summary any significant problems experienced during the reporting period and any potential problems in relation to the provision of CSC Tasks (a 'problem report'). For each problem, the summary is to include:

- a. an account of the problem;
- b. the effect of the problem on the CSC Tasks undertaken during the reporting period;
- c. the proposed resolution;
- d. any requested Commonwealth Representative actions to overcome or mitigate the problem;
- e. the effect on the CSC Tasks if the proposed actions are put into effect; and



- f. the consequence on the CSC Tasks if the proposed actions are not taken or fail.

**6.2.7 Factors Affecting Future CSC Tasks**

**6.2.7.1** The CSCSR shall summarise any long-term changes or foreseen events and the impact (beneficial or otherwise) on the provision of CSC Tasks. These changes may be derived from lessons learned, issues regarding the Products Being Supported (eg, due to Obsolescence) changes in the Commonwealth's requirements, or from changes in the Contractor's or Subcontractors' organisation and procedures.

**6.2.7.2** The CSCSR shall include an assessment of the labour categories and skill levels mix for the CSC, with recommendations for any changes to this mix in consideration of such aspects as expected future work. This assessment shall include any recommendations to transfer any CSC Additional Resources into the CSC.

**6.2.8 CSC Master Schedule**

**6.2.8.1** Subject to clause 6.1.2, the CSCSR shall include a CSCMS that is current as at the delivery date of the CSCSR.

## DATA ITEM DESCRIPTION

1. **DID NUMBER: DID-ENG-CSCTP-V5.0**
2. **TITLE: CONTRACTOR STANDING CAPABILITY TASK PLAN**
3. **DESCRIPTION AND INTENDED USE**
  - 3.1 The Contractor Standing Capability (CSC) Task Plan (CSCTP) is used to define the scope and to describe the Contractor's proposed methodology, processes, systems, tools and activities to undertake the applicable CSC Task.
  - 3.2 The Contractor uses each CSCTP to:
    - a. define the scope and effort of proposed CSC Tasks for Approval; and
    - b. manage and monitor each Approved CSC Task.
  - 3.3 The Commonwealth uses each CSCTP to:
    - a. review proposed CSC Tasks;
    - b. monitor Contractor progress against Approved CSC Tasks; and
    - c. understand the Commonwealth input required to a CSC Task, when applicable.
4. **INTER-RELATIONSHIPS**
  - 4.1 Each CSCTP is subordinate to the following data items, where these data items are required under the Contract:
    - a. Support Services Management Plan (SSMP); and
    - b. Contractor Engineering Management Plan (CEMP).
  - 4.2 The CSCTP inter-relates with the following data items, where these data items are required under the Contract:
    - a. CSC Master Schedule (CSCMS);
    - b. CSC Status Report (CSCSR); and
    - c. other Approved plans, as applicable to the nature of the CSC Task.
5. **APPLICABLE DOCUMENTS**
  - 5.1 The following documents form part of this DID to the extent specified herein:
 

Nil
6. **PREPARATION INSTRUCTIONS**
  - 6.1 **Generic Format and Content**


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    - 6.1.1 The data item shall comply with the general format, content and preparation instructions contained in the CDRL clause entitled 'General Requirements for Data Items'.
    - 6.1.2 When the Contract has specified delivery of another data item that contains aspects of the required information, the CSCTP shall summarise these aspects and refer to the other data item.
    - 6.1.3 The data item shall include a traceability matrix that defines how each specific content requirement, as contained in this DID, is addressed by sections within the data item.
  - 6.2 **Specific Content**


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    - 6.2.1 **Overview**
      - 6.2.1.1 The CSCTP shall include an initial overview for the CSC Task, which:

- a. identifies the purpose and/or objectives of the task;
- b. identifies the Products that are the subject of task activities;
- c. summarises the Contractor, Subcontractor and Commonwealth organisations involved in task activities; and
- d. identifies related Contract documents (eg, Engineering Change Proposals).

## **6.2.2 Task Plan**

### **6.2.2.1** The CSCTP shall include:

- a. the requirements set out in the Commonwealth's notice for the CSC Task, except where otherwise agreed by the Commonwealth Representative;
- b. a statement as to whether the proposed CSC Task is:
  - (i) a CSC Category 1 Task or a CSC Category 2 Task; and
  - (ii) a CSC T&M Task or a CSC Capped Price Task;
- c. the budget for the CSC Task (expressed in terms of CSC Service Hours and the cost of CSC Additional Resources, as applicable);
- d. details of the methodology for accomplishing the CSC Task, in sufficient detail to enable an evaluation for technical soundness and to demonstrate that the Contractor properly understands the scope of the work expected by the Commonwealth Representative;
- e. a specific statement as to whether or not the proposed CSC Task can be undertaken using the available resources of the CSC and, if not, include as part of the CSCTP the rationale and a quotation for CSC Additional Resources, prepared in accordance with DID-SSM-S&Q with the following exceptions:
  - (i) work planning and impact assessments shall refer to details within the CSC Task Plan to the extent practicable; and
  - (ii) Approval, order execution, commencement and payments shall also be subject to the provisions of clause 15 of the COC;
- f. the identification of the CSC Staff Positions that will be engaged in performing the proposed CSC Task;
- g. the estimated hours that each of the persons occupying those CSC Staff Positions will be required to spend to complete the proposed CSC Task;
- h. the maximum or 'capped' hours for the CSC Task, where applicable;
- i. the proposed start and completion dates for the CSC Task, including any intermediate milestones;
- j. a description of any likely adverse or beneficial impacts on, or implications for, the existing Approved CSC Tasks;
- k. except where otherwise agreed by the Commonwealth Representative, for multi-stage CSC Tasks (eg, Major Change Tasks):
  - (i) the estimated cost and schedule for the remaining stage(s); and
  - (ii) the planning and schedule requirements to develop updates to, and obtain Approval for, the CSCTP for the subsequent stage(s);
- l. whether the proposed CSC Task requires access to Commonwealth Premises, GFM, GFF and/or GFS and, if so, details of the requirements, including the period when access is required and whether or not the required GFM or GFF is already within the Contractor's control;
- m. any additional Technical Data and Software Rights required by the Contractor in order to perform the CSC Task that is not licenced to the Commonwealth in accordance with clause 5 of the COC;

- n. any other input requirements (ie, constraints, dependencies and exclusions) for the proposed CSC Task;
- o. any requirements of the Commonwealth; and
- p. reporting requirements.

**6.2.2.2** For CSC Category 1 Tasks, the CSCTP shall, in addition to the requirements of clause 6.2.2.1, include:

- a. a description of any likely adverse or beneficial impacts on, or implications for:
  - (i) other work being performed under the Contract;
  - (ii) work being performed by Associated Parties;
  - (iii) Commonwealth obligations;
  - (iv) the availability and utilisation of the Mission System(s) (if applicable);
  - (v) the Total Cost of Ownership (TCO); and
  - (vi) future Services (eg, the future impact on the Contract for supporting a Major Change once implemented, including the estimated change in scope and cost);
- b. a list of all other data specifically requested in the SOW, including DSDs, related to the particular CSC Task;
- c. proposed outputs in addition to those explicitly specified in this DID and the CSC Task notice; and
- d. a resource-loaded schedule, which shows the major milestones and projected dates and is divided, wherever possible, into tasks of no longer than two weeks and which clearly identify the individual resources, including Subcontractors, involved in the tasks.

**6.2.3 CSC Master Schedule**

**6.2.3.1** The CSCTP shall include a proposed update to the CSCMS, which shows how the proposed CSC Task would be undertaken in conjunction with the Approved CSC Tasks and other proposed CSC Tasks.

GUIDANCE PAGES TO BE DELETED WHEN PUBLISHED

**ASDEFCON (SUPPORT)**

**SECTION 1: GUIDANCE FOR DSD-ENG-CSC  
(CONTRACTOR STANDING CAPABILITY SERVICES)**

<u>Status:</u>	Optional (to be used when access to an ongoing pool of Contractor Personnel is required to undertake engineering-related or other Services where the scope cannot be accurately forecast)
<u>Purpose:</u>	To define the SOW-related provisions associated with the management and utilisation of a standing capability provided by the Contractor.
<u>Policy:</u>	Nil.
<u>Guidance:</u>	See the guidance in the General Guidance document for the CSC.
Related Clauses/Documents:	

COC clause 15 provides the commercial terms associated with the CSC.

Annex G to Attachment B, 'Contractor Standing Capability Pricing' sets out the available CSC Service Hours and associated rates for the CSC skill sets, any overheads, and the baseline price for the CSC.

Annex D to Attachment B, 'Rates for Survey and Quote Services' sets out the rates for CSC Additional Resources, which are treated in the same way as any other work provided as S&Q Services.

Other DSDs set out the work requirements associated with particular CSC Tasks (eg, DSD-ENG-SERV sets out the framework for managing Major Changes, which would be utilised whenever the CSC was required to undertake a specific Major Change).

DID-ENG-CEMP (as modified by the *CSC Module*) is the governing plan for the CSC.

DID-SSM-SSMP is the governing plan for Key Persons.

COC clause 3.12, SOW clause 9.1 and DID-ENG-SSMP specify the requirements relating to Key Persons.

TDR D-13 sets out the tender data requirements for pricing information for the CSC.

TDR E-15 sets out the tender data requirements the required management and related information (eg, CSC composition) for the CSC.

Optional Clauses: None

**6.1.2 Purpose of the CSC**

<u>Status:</u>	Core
<u>Purpose:</u>	To define the purpose of the CSC.
<u>Policy:</u>	Nil.
<u>Guidance:</u>	This purpose of the CSC identified in clause 6.1.2 is likely to be suitable for the majority of situations, but may need to be modified to suit the particular requirements of the Contract.

Related Clauses/Documents:

COC clause 15 provides the commercial terms associated with the CSC.

Optional Clauses: None

**6.1.3 Duration**

Status: Core

Purpose: To define the duration within which the CSC is required to operate.

Policy: Nil.

Guidance: This clause enables the CSC to commence working from a date other than the Effective Date or the Operative Date and, therefore, the drafter can establish a start date that suits the particular requirements of the Contract. This is likely to be applicable when *ASDEFCON (Support)* is used in conjunction with an acquisition contract and there is no requirement to have an in-service engineering team until the acquisition contract's team is starting to wind down.

The use of the defined term, 'CSC Term', also enables the period of operation to be managed by the Commonwealth, and this approach has been provided because a standing capability may not be required for the entire life of the Contract.

Related Clauses/Documents:

COC clause 15 provides the commercial terms associated with the CSC.

Glossary, Attachment M includes the defined terms associated with the CSC.

Optional Clauses: None

**6.2.1 Management, Coordination and Reporting**

Status: Core

Purpose: To establish the management arrangements for the CSC.

Policy: Nil.

Guidance: This clause sets up a number of management requirements for the CSC, but drafters should also refer to clause 15 of the COC and Annex G to Attachment B to understand the full nature and scope of the management arrangements.

Clauses 6.2.1.1 and 6.2.1.2 require the Contractor to have a CSC Manager, who will be the primary point-of-contact for the Commonwealth Representative in relation to all CSC matters.

Clause 6.2.1.3 identifies the standing tasks of the CSC, which include the activities required for the efficient running of the CSC by the CSC Manager, but which are not covered through Approved CSC Task Plans. These standing tasks will consume available effort, and the drafter will need to determine the best way of handling this cost. Clause 6.2.1.4 makes it clear that the standing tasks must not exceed 10% of the available CSC Service Hours. This percentage has been selected for consistency with a reasonable upper limit on the level of effort for management tasks under earned value management systems.

Another option for managing these standing tasks is to raise a unique CSC Task Plan to cover this effort. If this latter option is selected, clause 6.2.1 will need to be modified accordingly.

Clause 6.2.1.5 enables the Commonwealth Representative to provide directions to the CSC Manager in relation to CSC matters. In essence, the provisions establish the CSC as a team that is subject to Commonwealth direction. Clause 15.8 of the COC establishes the parameters of these directions, which can include ceasing work on a task, prioritising particular tasks, and changing particular requirements and processes associated with a task. This provides the Commonwealth Representative with great discretionary powers, enabling the Commonwealth to use the CSC resources as an extension of the engineering (or other) expertise within the CASG SPO. However, there are commercial implications associated with this type of direction, and clause 15.8 of the COC also sets out these implications.

Clauses 6.2.1.6 and 6.2.1.7 require the parties to conduct joint workshops for planning purposes and to improve the efficiency and effectiveness of the CSC.

Clauses 6.2.1.8 - 6.2.1.11 set out the tactical requirements for managing and reporting against the respective CSC Tasks. Firstly, the Contractor is required to implement a task-management system to provide a database of all proposed, pending, authorised, suspended and completed CSC Tasks. This task-management system is accessed by both parties and provides a ready reference of the status of all CSC Tasks. Drafters should consider including this in the Data Management System (DMS) under SOW clause 2.3 if the CSC team is not located with or near the Commonwealth.

Secondly, the Contractor is required to have a CSC Master Schedule (CSCMS), which provides the schedule for all active and proposed tasks. While a schedule is provided when a CSC Task Plan is submitted for Approval, a consolidated schedule that includes all proposed tasks is required to enable the Commonwealth Representative to evaluate the implications of each proposed task on the existing tasks, to understand the constraints imposed by the existing tasks on the proposed task, and to ensure efficient utilisation of CSC team members (and expenditure). The schedule information for the proposed tasks is not formally incorporated into the Approved CSCMS until the CSC Task Plan is Approved (ie, the CSCMS, which includes a proposed task, is effectively an interim update).

Lastly, the Contractor is required to report its performance against the Approved CSC Task Plan in accordance with the CSC Status Report (CSCSR). As explained in the introductory guidance to this DSD, these schedules and reports have been deliberately separated from the Support Services Master Schedule (SSMS) and the standard Contract reports because the CSC may have a differing life to the remainder of the Contract.

#### Related Clauses/Documents:

COC clause 15 provides the commercial terms associated with the CSC.

Annex G to Attachment B, 'Contractor Standing Capability Pricing' sets out the available CSC Service Hours and associated rates for the CSC skill sets, any overheads, and the baseline price for the CSC.

Glossary, Attachment M includes the defined terms associated with the CSC.

SOW clause 2.3 for the task management system to be accessed through a DMS.

SOW clause 3.4.3 sets out the requirements for ad hoc meetings.

DID-ENG-CEMP (as modified by the *CSC Module*) sets out the requirements for the CSC task-management system.

DID-ENG-CSCMS sets out the requirements for the CSC Master Schedule.

DID-ENG-CSCSR sets out the requirements for CSC Status Reports.

Optional Clauses: None

### **6.2.2 CSC Task Plans**

Status: Core

Purpose: To require the delivery of CSC Task Plans.

Policy: Nil.

Guidance: Clause 6.2.2 requires the Contractor to develop, deliver and update CSC Task Plans, in accordance with the requirements defined in DID-ENG-CSCTP. The intent behind this clause is to ensure that all CSC activities are covered by Approved CSC Task Plans (with the exception of standing tasks).

For management purposes, two categories of CSC Task have been defined, which provides for greater visibility into the more complex CSC Tasks. The Glossary defines the breakpoint between a CSC Category 1 Task and a CSC Category 2 Task at 400 person-hours of effort (ie, approximately 10 person-weeks). The drafter can amend this breakpoint if so desired, but any change should be made carefully because it affects both Contractor and Commonwealth effort. The current breakpoint of 400 person-hours has been established as a reasonable and risk-balanced point.

CSC Category 1 Tasks require more rigorous planning and reporting than CSC Category 2 Tasks. For example, a CSC Task Plan for a CSC Category 1 Task requires (among other things) 'a resource-loaded schedule, which shows the major milestones and projected dates and is divided, wherever possible, into tasks of no longer than two weeks and which clearly identify the individual resources, including Subcontractors, involved in the tasks'.

In accordance with clause 6.2.2.9, a CSC Task Plan for a CSC Category 1 Task is required to be undertaken as a CSC Category 2 Task. This clause means that the development of the CSC Task Plan for a more complex task must be undertaken under an Approved CSC Task Plan (ie, a small plan to cover the planning required for the bigger plan). This approach accords with best practice process frameworks, such as the Capability Maturity Model Integration (CMMI)<sup>®</sup>. A separate CSC Task Plan to cover the planning for a CSC Category 2 Task is not required because this would not be efficient. Notwithstanding, the development of a CSC Task Plan for a CSC Category 2 Task will still take effort, which is factored into the available effort and costs through the standing tasks identified in clause 6.2.1.3.

In addition to the categorisation of the CSC Tasks, the DSD sets out the requirements for three different types of CSC Tasks (ie, Major Change Tasks, Study Tasks, and Other Tasks), which are addressed through clause 6.3 of this DSD.

Clauses 6.2.2.10 and 6.2.2.12 establish broad entry and exit criteria for each CSC Task and make it clear that each CSC Task operates under an Approved CSC Task Plan. Drafters may include additional entry and exit criteria, if required to suit the particular requirements of a Contract, but should aim to minimise administrative process where possible. Note that, in accordance with DID-ENG-CSCTP, one of the requirements for any multi-stage task is the development of the CSC Task Plan for any subsequent stage(s) as part of the scope of work for the current stage.

Clause 6.2.2.10 enables the Commonwealth Representative to direct that work on a CSC Task must commence before the CSC Task Plan is Approved. While this can increase risk, it may be necessary (for example) to satisfy urgent operational requirements.

Clause 6.2.2.10 enables the Commonwealth Representative to waive particular requirements of a CSC Task Plan, which can occur when these requirements are either no longer required or no longer represent value for money. The impact of the Commonwealth Representative's direction in this regard is addressed by clause 15.8 of the COC.

#### Related Clauses/Documents:

COC clause 15 provides the commercial terms associated with the CSC.

Glossary, Attachment M includes the defined terms associated with the CSC.

DID-ENG-CSCTP sets out the requirements for both categories of CSC Task Plan.

Optional Clauses: None

### **6.3.1 Major Change Tasks**

Status: Core

Purpose: To define the requirements for developing, implementing and achieving Acceptance of a Major Change.

Policy: TBD

Guidance: The technical requirements for undertaking a Major Change are defined in DSD-ENG-SERV, particularly clauses 6.2.4, 'Analysis of Change Requests' and clause 6.2.5, 'Developmental Activities for Major Changes'. This clause 6.3.1 does not change the provisions of DSD-ENG-SERV; instead, it places additional management requirements around DSD-ENG-SERV for the purposes of the operation of the CSC, as outlined in the following paragraphs.

Clause 6.3.1 breaks the Major Change process into four stages to reduce the risk to both parties. If a proposal for a Major Change were to be undertaken as a single



stage, the Contractor would be unlikely to be willing to provide a capped price and the Commonwealth would be exposed, therefore, to (potentially significant) price increases under Time and Materials (T&M) arrangements as the development progressed. If a capped price were to be obtained, however, it would be likely to include a significant contingency budget.

By breaking the process into stages, the risks can be identified during the analysis and requirements-definition phase, thereby reducing the potential cost exposure. The first two stages are undertaken as CSC T&M Tasks (although they can be undertaken as CSC Capped Price Tasks if agreed between the parties), while the final two stages are undertaken as CSC Capped Price Tasks. The Contractor should be reasonably able to provide a 'capped price' once the analysis during the first two stages has been completed; hence, there is no option to agree an alternative pricing approach for the latter stages.

Note that each stage would be typically undertaken under a separate CSC Task Plan; however, for simpler Major Change requirements, the separate plans can be combined, where agreed, to reduce unnecessary administrative overhead.

It may appear strange to be discussing T&M and 'capped price' when the Commonwealth is paying for a standing capability and, therefore, all work is effectively T&M. Essentially, the work is 'priced' in terms of hours to be used from the established pool of CSC Service Hours (as set out in Annex G to Attachment B) and the corresponding CSC Personnel, plus the cost of any CSC Additional Resources. The provisions governing CSC Capped Price Tasks and CSC T&M Tasks are included in clause 15 of the COC. Under the arrangements for a CSC Capped Price Task, the Commonwealth pays up to the ceiling price defined by the 'capped price' and, if the Contractor costs exceed the 'capped price', then it absorbs the cost overrun (in both CSC Service Hours and CSC Additional Resources). On the other hand, if the Contractor meets the requirements of a task for less than the 'capped price', then the unused hours become available for use for other CSC Tasks (ie, the Contractor is required to perform the requirements of the CSC Task within the 'capped price' for a CSC Capped Price Task).

While this approach may seem to encourage the Contractor to over-price any CSC Capped Price Tasks, the Commonwealth Representative should be continually monitoring the pricing information provided by the Contractor and, if over-pricing were to be identified, appropriate contract-management action should be taken. In this regard, the provisions of clause 15.2 of the COC encourage the Contractor not to over-price because the CSC Term is 'extendable' and subject to the adjustment of the quantity and type of CSC resources. It is important, therefore, that the provisions of clause 15.8.2 of the COC in relation to the use of third parties not be modified.

The number of CSC Service Hours actually provided by the Contractor is reconciled with the Commonwealth for each CSC Period (eg, six monthly, as defined in Attachment M) in accordance with clause 15 of the COC.

This approach means that the Commonwealth Representative must not only monitor the usage of CSC Service Hours by the CSC, but must also monitor under which tasks the hours are used. This also becomes particularly important for payment because in accordance with clause 15 of the COC, the Commonwealth only pays up to a set percentage of the 'capped price' under a CSC Capped Price Task (ie, 80%) and the balance is paid once the task is completed (or at agreed milestones). Note that this is made more complicated because there may not be sufficient tasks available to occupy all members of the CSC; however, as stated earlier, the Commonwealth is still liable to pay for any unused effort.

#### Related Clauses/Documents:

DSD-ENG-SERV sets out the governing requirements for Major Changes.

COC clause 15 provides the commercial terms associated with the CSC.

Optional Clauses: None

**6.3.2 Study Tasks**

<u>Status:</u>	Core
<u>Purpose:</u>	To define the requirements for undertaking studies into particular issues or problems associated with the Products Being Supported.
<u>Policy:</u>	Nil.
<u>Guidance:</u>	<p>Clause 6.3.2 sets out a minimal set of governing requirements for a study task because the nature and scope of required studies, which may be applicable over the period of the Contract, cannot be predicted or defined in advance. For this reason, Study Tasks are undertaken on a T&amp;M basis as CSC T&amp;M Tasks.</p> <p>Clause 6.3.2.3 requires any implementation activities, which arise from undertaking a Study Task, to be undertaken under a separate CSC Task Plan. For example, the initial Study Task may result in a more focussed follow-on study, as a Study Task, or the development and implementation of a Major Change, as a Major Change Task. In another example, a study into the reliability and availability of a set of Repairable Items (RIs) could identify that additional RIs are required. These additional RIs could be procured by the CSC through an 'Other Task' (see next clause) or through the Supply Services provisions of the SOW (including DSDs).</p>

## Related Clauses/Documents:

COC clause 15 provides the commercial terms associated with the CSC.

Optional Clauses: None

**6.3.3 Other Tasks**

<u>Status:</u>	Core
<u>Purpose:</u>	To define the requirements for undertaking tasks other than Major Change Tasks or Study Tasks.
<u>Policy:</u>	Nil.
<u>Guidance:</u>	The only provision placed on Other Tasks is that they must be undertaken on a 'capped price' basis, as CSC Capped Price Tasks. An example of an Other Task is a Minor Change (eg, an update to a publication). As the envisaged Other Tasks are either minor in scope or readily able to be scoped, it is not unreasonable that these be performed as CSC Capped Price Tasks.

## Related Clauses/Documents:

COC clause 15 provides the commercial terms associated with the CSC.

Other clauses in the SOW (including DSDs) that set requirements for S&Q Services, which do not relate to a Study Task or a Major Change.

Optional Clauses: None

**DETAILED SERVICE DESCRIPTION**

1. **DSD NUMBER:** DSD-ENG-CSC-V5.0
2. **TITLE:** CONTRACTOR STANDING CAPABILITY SERVICES
3. **DESCRIPTION AND INTENDED USE**
  - 3.1 This DSD describes the requirements for the use of a Contractor Standing Capability (CSC) to undertake a range of Services that are identified as S&Q Services in the SOW.
4. **INTER-RELATIONSHIPS**
  - 4.1 This DSD forms part of the SOW.
  - 4.2 This DSD must be applied in conjunction with the Engineering Services defined in the Engineering Support requirements of the SOW and associated DSDs.
5. **APPLICABLE DOCUMENTS**
  - 5.1 The following documents form a part of this DSD to the extent specified herein:

***Note to drafters: Edit the list of documents in the table below to suit the requirements of this DSD. Do not include reference to Defence policy (eg, DI(G)s) unless the obligations for contractors are explicitly set out in the referenced policy; otherwise, these types of documents can be open to interpretation within a contract.***

Nil

6. **SERVICE DESCRIPTION**

- 6.1 **Introduction**

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- 6.1.1 **Scope of DSD**

- 6.1.1.1 This DSD defines the nature of the work and the associated management requirements to be undertaken for, and by, the CSC.

- 6.1.2 **Purpose of the CSC**

***Note to drafters: Amend the following clause to align the CSC requirements for the Contract.***

- 6.1.2.1 The parties acknowledge and agree that the purpose of the CSC is to:
  - a. evolve and enhance the Products Being Supported; and
  - b. investigate any other issue or problem that is affecting, or could affect, the performance, technical integrity, supportability, cost or other consideration associated with the Products Being Supported over the Life-of-Type of the Materiel System.

- 6.1.3 **Duration**

- 6.1.3.1 The Contractor shall implement a CSC from the CSC Commencement Date and for the CSC Term in accordance with this DSD and clause 15 of the COC.

- 6.2 **CSC Management**

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- 6.2.1 **Management, Coordination and Reporting**

- 6.2.1.1 The CSC shall be managed and coordinated by the CSC Manager.
- 6.2.1.2 The Commonwealth Representative will liaise with the CSC Manager in relation to all CSC matters and in particular all proposed or Approved CSC Tasks, including in relation to tasking the CSC, prioritising work, monitoring performance, resolving performance deficiencies, witnessing Verification activities, and Approving or Accepting CSC Task outcomes. The CSC Manager will be the Commonwealth Representative's point of contact in relation to the CSC and CSC Additional Resources.

- 6.2.1.3** The CSC Manager shall be responsible for the standing tasks of the CSC, which include:
- a. developing CSC Task Plans for CSC Category 2 Tasks;
  - b. maintaining CSC Task Plans; and
  - c. meeting the requirements of this clause 6.2.1 in relation to task management, scheduling, reporting, and conducting the joint workshop.
- 6.2.1.4** Except where otherwise agreed, in writing, by the Commonwealth Representative, the effort required to perform the standing tasks under clause 6.2.1.3 shall not exceed 10% of the total CSC Service Hours in the CSC Period.
- 6.2.1.5** The Commonwealth Representative may issue directions to the CSC Manager in relation to CSC Tasks or any other matter in relation to the CSC, in accordance with the provisions of clause 15.8 of the COC.
- 6.2.1.6** The Commonwealth Representative and CSC Manager and representatives nominated by each party shall conduct a joint workshop, at least quarterly during the CSC Term, to:
- a. identify and prioritise proposed CSC Tasks to be undertaken over the planning period of interest (eg, six months);
  - b. review the effectiveness and efficiency of the Contractor's and Commonwealth's processes applied to current and closed CSC Tasks, with the intention of improving the performance of future CSC Tasks;
  - c. discuss the closure of CSC Tasks; and
  - d. any other matters agreed between the parties.
- 6.2.1.7** The parties shall conduct the preparation, notice and follow-up to the joint workshop as identified in clause 6.2.1.6 in accordance with clause 3.4.3 (Ad Hoc Meetings) of the SOW.
- 6.2.1.8** The Contractor shall develop and update a CSC task-management system to manage and control all proposed, pending, authorised, suspended and completed CSC Tasks in accordance with the Approved CEMP.
- 6.2.1.9** The Contractor shall provide all facilities and assistance reasonably required by the Commonwealth in order for the Commonwealth to access the CSC task-management system for the Term.
- 6.2.1.10** As part of the CSC task-management system, the Contractor shall develop, deliver and update a schedule for all active and proposed CSC Tasks in accordance with CDRL Line Number ENG-910.
- 6.2.1.11** The Contractor shall report against the performance of its Approved CSC Tasks in accordance with CDRL Line Number ENG-920.
- 6.2.1.12** Unless otherwise agreed by the Commonwealth Representative in writing, the Contractor shall manage all Personnel that fill CSC Staff Positions as Key Persons in accordance with clause 3.12 of the COC.
- 6.2.2 CSC Task Plans**
- 6.2.2.1** Where the Commonwealth requires the Contractor to perform a CSC Task, the Commonwealth Representative shall, by written notice to the Contractor, request the Contractor develop a CSC Task Plan for the proposed CSC Task.
- 6.2.2.2** The Commonwealth Representative may specify, in a notice under clause 6.2.2.1, that a proposed CSC Task be performed as a CSC Capped Price Task or as a CSC T&M Task.
- 6.2.2.3** Where a CSC Task is proposed by the Commonwealth, the notice under clause 6.2.2.1 shall include:
- a. the purpose of the proposed CSC Task; and
  - b. a brief written description of the proposed CSC Task, or a statement of work for a more complicated proposed CSC Task, to enable the Contractor to develop a CSC Task Plan in accordance with clause 6.2.2.4.

**6.2.2.4** The Contractor shall develop, deliver and update CSC Task Plans in accordance with CDRL Line Number ENG-900.

**Note: The CSC Task Plan also identifies the use of CSC Additional Resources, which supplement the capacity and capability of the CSC, when required.**

**6.2.2.5** The Contractor shall submit any requests for CSC Additional Resources as part of the CSC Task Plan, and in accordance with clause 15.4 of the COC.

**6.2.2.6** Where the CSC Service Hours have been 'used up' for the CSC Term for any CSC Personnel but those CSC Personnel are available for additional tasking for the remainder of the CSC Term, the Contractor may propose to use those CSC Personnel as CSC Additional Resources.

**6.2.2.7** The Contractor should, in determining whether CSC Additional Resources are required, utilise CSC Personnel on the basis set out in Annex G to Attachment B. The Contractor shall not use CSC Personnel outside the basis set out in Annex G to Attachment B for an extended period without the Commonwealth's prior written consent.

**6.2.2.8** The Contractor shall, in preparing each CSC Task Plan for the Commonwealth, ensure that:

- a. the CSC Task Plan is reasonable having regard to the Contractor's understanding of the activities required to complete the proposed CSC Task, and having regard to any instruction the Commonwealth Representative has provided as to the required date for completion of the proposed CSC Task and its priority;
- b. the CSC Task Plan takes into account reasonable contingencies for the time and effort it will take to initiate and complete the proposed CSC Task;
- c. the CSC Task Plan would be considered by a prudent and competent contractor in the Contractor's position to be a sound and achievable approach to the performance of the proposed CSC Task; and
- d. the CSC Service Hours estimated by the Contractor as being required to be undertaken by each person in the CSC to complete the proposed CSC Task are based on an efficient and effective use of those Personnel and are a reasonable estimate of the level of effort required to complete the proposed CSC Task.

**6.2.2.9** The Contractor shall undertake the development of a CSC Task Plan for a CSC Category 1 Task as a CSC Category 2 Task.

**6.2.2.10** Except where otherwise directed, in writing, by the Commonwealth Representative, the Contractor shall not commence work on a CSC Task until the CSC Task Plan for that task is Approved.

**6.2.2.11** Subject to clause 6.2.2.10, the Contractor shall undertake each CSC Task in accordance with:

- a. the Approved CSC Task Plan for that CSC Task;
- b. the Contract and the requirements for each type of CSC Task specified in this DSD; and
- c. any directions given in accordance with clause 6.2.1.5.

**6.2.2.12** The Contractor shall not close a CSC Task until the Commonwealth Representative agrees, in writing, that the requirements of the Approved CSC Task Plan have been satisfied, except to the extent directed by the Commonwealth Representative in accordance with clause 6.2.1.5.

### **6.3 Undertaking Specific Services using the CSC**

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#### **6.3.1 Major Change Tasks**

**6.3.1.1** When the development of a Major Change is required to be performed as a CSC Task (Major Change Task), the Contractor shall undertake this task in accordance with this clause 6.3.1 and DSD-ENG-SERV.

- 6.3.1.2** For each Major Change Task, the Contractor shall apply the following sequence of stages, except where otherwise agreed between the parties:
- a. Stage 1 – analysis of change requests;
  - b. Stage 2 – requirements analysis and development of the Engineering Change Proposal (ECP) and/or Software Change Proposal, as applicable;
  - c. Stage 3 – design and development of the Major Change; and
  - d. Stage 4 – implementation, Verification and Validation, Acceptance and incorporation of the Major Change.
- 6.3.1.3** Each of these stages identified in clause 6.3.1.2 shall be the subject of a separate CSC Task Plan, except where otherwise agreed between the parties, and may be the subject of a different category of CSC Task.
- 6.3.1.4** The Contractor shall undertake Stages 1 and 2 as CSC T&M Tasks, unless otherwise agreed between the parties.
- 6.3.1.5** The Contractor shall undertake Stages 3 and 4 as CSC Capped Price Tasks, unless otherwise agreed between the parties.
- 6.3.1.6** The CSC Manager shall present the relevant outcomes from undertaking these stages to the applicable Commonwealth CCBs, as specified in the Approved CSC Task Plan and in accordance with the Approved CEMP or the Approved CMP, as applicable to the Contract.
- 6.3.2 Study Tasks**
- 6.3.2.1** A CSC Task can involve studies into issues or problems that are affecting, or could affect, the performance, technical integrity, supportability, cost or other consideration associated with the Products Being Supported (Study Task).
- 6.3.2.2** The Contractor shall undertake all Study Tasks as CSC T&M Tasks, except where otherwise agreed between the parties.
- 6.3.2.3** Subject to clause 6.2.2.10, where the outcome of a Study Task recommends additional CSC activities, and the Commonwealth Representative agrees to those recommendations, the Contractor shall undertake these additional activities under a separate CSC Task Plan.
- 6.3.3 Other Tasks**
- 6.3.3.1** The Contractor shall conduct all CSC Tasks, other than Major Change Tasks and Study Tasks, as CSC Capped Price Tasks (Other Tasks) unless otherwise agreed between the parties.