



Australian Government
Department of Defence

Reference: BM31956439

Mr Guillaume Jampy
Naval Group S.A.
40-42 Rue du Docteur Finlay
75015 Paris
FRANCE

Dear Mr Jampy,

**FUTURE SUBMARINE PROGRAM – SUBMARINE DESIGN CONTRACT - SFR
EXIT AND FUNCTIONAL BASELINE**

References:

s47(1)(b)

- B. SEA1000 Future Submarine Program - Submarine Design Contract (Contract No. CASG/SD/Con9044/2) dated 1 March 2019
- C. SEA1000 Future Submarine Program – Strategic Partnering Agreement (Contract No. CASG/SD/Con9044/1) dated 1 February 2019

1. The Commonwealth has provided guidance to Naval Group regarding the continuation of work and reimbursement of work under Core Work Scope 1 (CWS1) (as set out in the letter at Reference A) and through the execution of the CWS1 Extension Contract Change Proposal (executed on the 10 May 2021), of the Submarine Design Contract (SDC) at Reference B. The matters addressed in this correspondence do not provide any authorisation to continue work or for the reimbursement of that work under CWS1, other than in accordance with Reference A and Reference B.

2. s47(1)(b)

the purpose of this letter is to set out the path forward to ensure that formal exit of SFR and the subsequent establishment of the Functional Baseline (FBL) in the early phase of the SDC Core Work Scope 2 (CWS2) (entry into of which is subject to Government Approval) can be achieved.

3. In accordance with s47(1)(b), and the requirements of the SDC Statement of Work (SOW), the establishment of the FBL is of critical importance to progress the design work on the Mission System requirements allocated to Naval Group under CWS2 and later design phases. It is necessary for Naval Group to verify and validate, and for the Commonwealth to have assurance of, the system performance of the Whole Warship to demonstrate the achievement of the functional characteristics of the Commonwealth's requirements for the design, as represented by the Mission System Function and Performance Specification (FPS) allocated to Naval Group. s47(1)(b)

4. In other words, the FBL is necessary to continue the design work under CWS2 on sound engineering principles, and to demonstrate the basis on which the Future Submarine Program (FSP) Objectives in relation to the Whole Warship, such as a regionally superior submarine capability, can be achieved. s47(1)(b)

5. s47(1)(b) The formal conduct of, and entry into SFR, was held s47G(1)(a) Jan 2021 at which a number of actions were identified that were required to establish the FBL and exit SFR by April 2021. s47(1)(b)

6. s47(1)(b) However, the Commonwealth has, to date, demonstrated its commitment to working collaboratively with Naval Group throughout this process s47(1)(b)

7. In order to minimise disruption to the program, subject to Government approval and to enable the continuation of work under the SDC, the Commonwealth advises it will agree, in accordance with the SDC Statement of Work (c3.10.4.12), that Naval Group will exit SFR subject to the following conditions:

- a. the DOORS database (Functional Ship System/Subsystem Specification and General Technical Requirements) is aligned to the FPS (with requirements at least at the threshold values) and demonstrated to the Commonwealth's satisfaction by 30 Aug 2021 – this has been successfully completed;
- b. the existing three SFR related action plans are consolidated into one resourced plan (known as the SFR Exit Resourced Plan) that is approved by the Commonwealth by 3 Sep 2021 – at the time of writing this letter, this action remains open.

c. s47(1)(b), s47G(1)(a)


d. s47G(1)(a)

e. s47(1)(b)


f.

~~OFFICIAL: Sensitive~~

3

s47(1)(b)


8. The conditions described in paragraph 7 will be included in the CWS2 CCP. Upon Naval Group completing the actions, and agreeing to the conditions, in paragraph 7, the Commonwealth will send a subsequent letter formally advising Naval Group it has exited SFR.

9. If you have any questions in relation to the above, please contact Glen Burke +61
s22 

Yours sincerely,

s22


CD Bourke
Commodore
Royal Australian Navy
Director General Future Submarine Program
Capability Acquisition and Sustainment Group

Future Submarine Program Office
PO Box 169
Kilburn North SA 5084

s22


8 September 2021

For information:

Mr John Davis CEO NGA

OFFICIAL: Sensitive