AUSTRALIAN INDUSTRY capability (core)

*Draft COC reference: clause 4*

*Attachment F to the draft Contract*

*Draft SOW reference: clause 10*

Note to drafters: If the expected value of any resultant Contract is less than $20 million, drafters should refer to the Australian Industry Capability (AIC) Guide for ASDEFCON.

Drafters should consult with the AIC Directorate at [aic.info@defence.gov.au](mailto:aic.info@defence.gov.au) or visit <http://drnet/strategy/DIPD/Pages/Defence-Industry-Branch.aspx> for AIC guidance and support, including to determine whether Sovereign Industrial Capability Priorities (SICPs) will apply.

For further information when tailoring AIC program requirements, refer to the ‘AIC Guide for ASDEFCON’.

For drafting guidance and support drafters should consult with CASG Commercial Division at [defence.procurement@defence.gov.au](mailto:defence.procurement@defence.gov.au) .

Note to tenderers: Tenderers should familiarise themselves with the 2016 Defence Industry Policy Statement, 2018 Defence Industrial Capability Plan, Sovereign Industrial Capability Priority (SICP) plans, 2018 Defence Export Strategy, 2019 Defence Policy for Industry Participation, and Australian Industry Capability (AIC) guidance available at:

* <https://www1.defence.gov.au/business-industry>;
* <https://www1.defence.gov.au/business-industry/capability-plans>;
* <https://www1.defence.gov.au/business-industry/capability-plans/implementation-industry-plans>; and
* <https://www1.defence.gov.au/business-industry/export/strategy>.

Note to tenderers: Tenderers are required to provide the Commonwealth with a clear and concise understanding of the work that the tenderer proposes will be undertaken by Australian Industry to provide the Services required under any resultant Contract. This will necessarily include identifying the aspects of the work for which the sources of supply have already been determined through the development of the tender as well as the further opportunities for Australian Industry that are likely to exist under any resultant Contract.

Note to tenderers: Subject to negotiations, key elements of the successful tenderer’s AIC proposal will be incorporated into (as applicable):

* Attachment B – Price and Payments;
* Attachment F – Australian Industry Capability (as AIC Obligations); and
* Attachment K – Draft Data Items (as the basis of the AIC Plan to be delivered under the Contract).

Note to tenderers: If a tenderer is selected to participate in Offer Definition and Improvement Activities (ODIA) under clause 3.6 of the COT, the tenderer will be required to address any Commonwealth feedback on its AIC proposal, including addressing any further opportunities for promoting the AIC Objectives that have been identified, either by the tenderer in response to TDR G‑4 or in consultation with the Commonwealth.

Note to tenderers: A stand-alone AIC Plan, which complies with DID-SSM-AICP, is not required as part of the tender response. However, the AIC Plan for any resultant Contract is to be derived from the successful tenderer’s AIC planning proposal submitted in response to this Annex G, and any negotiated changes. A Public AIC Plan (an annex to the AIC Plan) will be completed by the successful tenderer / Contractor under any resultant Contract, published on a Commonwealth internet website, and will be maintained in accordance with the Contract.

1. AUSTRALIAN INDUSTRY CAPABILITY PLANning and Business Case (CORE)

Note to tenderers: If the tenderer and/or any proposed Approved Subcontractors are overseas companies, the following requirement should describe how the tenderer and the proposed Approved Subcontractors are working with Australian Industry to achieve the AIC Objectives and satisfy the AIC Obligations in Attachment F. If the tenderer and/or any of the proposed Approved Subcontractors are Australian Entities, the following requirement should describe how the tenderer and the proposed Approved Subcontractors are working to achieve the AIC Objectives and satisfy the AIC Obligations in Attachment F, both within their own organisations and more broadly with Australian Industry.

Note to drafters: If the optional supply chain implementation and development clauses are included in the draft SOW, drafters should consider adding additional requirements into either the following clause or clause 1.5 to ensure that the tender response addresses the SOW provisions.

* 1. For the tenderer and separately for each proposed Approved Subcontractor (as identified in response to TDR A‑3 (Schedule of Proposed Subcontractors)), tenderers are to provide the following information for any resultant Contract:
     1. a brief description of the work to be undertaken in Australia or New Zealand and/or by each Australian Entity, including:
        1. the Services to be provided and the outcomes to be achieved; and
        2. any interrelationship with any work being performed overseas as part of the Services;

Note to tenderers: Under any resulting Contract, an Approved Subcontractor may be classified as an AIC Subcontractor if they meet the applicable criteria in clause 11.9 of the draft COC.

* + 1. for each proposed Approved Subcontractor, identification as to whether or not they should also be classified as an AIC Subcontractor and, if not, the rationale for excluding it;

Note to drafters: Refer to Attachment F to define AIAs and their applicability to SICPs or otherwise as an input to Defence capability.

* + 1. a description of how the work will contribute to the creation, enhancement or maintenance of one or more Industry Capabilities in Australia or New Zealand, including in relation to:
       1. those Industry Capabilities identified as Australian Industry Activities (AIAs) in Attachment F, cross-referring, as applicable, to the tenderer’s response to TDR G-2;
       2. Industry Capabilities, not identified in Attachment F, but which the tenderer considers:

they are, or could enable, a Critical Industrial Capability under the Sovereign Industrial Capability Priorities (SICPs) (eg, the work would make use of an existing Critical Industrial Capability under a SICP, and the work helps to maintain the viability of that Critical Industrial Capability); or

while not related to SICPs, they are applicable to the Capability or Capabilities to which the Products Being Supported relate and should be resident in Australian Industry for reasons of Sovereignty, security, sensitivity of technology, Intellectual Property and/or the implications for other Defence capabilities; and

* + - 1. for each of the Industry Capabilities identified in response to paragraphs (i) and (ii), describing the specific commitments being made by the tenderer (including proposed Approved Subcontractors) as part of the tendered offer to facilitate these outcomes;
    1. a description of how the work addresses any ‘other requirements’ identified as AIAs in draft Attachment F, that are not related to Industry Capabilities;
    2. where the work is not addressed in response to paragraph 1.1c above, a description of how the work performed by Australian Industry will contribute to Sovereignty; and

Note to drafters: For medium to-large support contracts (eg, over $10m per year for Recurring Services), the following clause should be included to obtain the implications for the workforces of the tenderer and the proposed Approved Subcontractors. The Contractor will be required to report on these aspects under the resultant Contract, while government also seeks this type of information to better understand the implications of Defence contracts on jobs.

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| Option: Include this clause when required.  Note to tenderers: The following requirement is different from, but should be consistent with, TDR E‑6 (Staff/Skills Profile). The following requirement is looking at the total Australian workforces to be employed by the tenderer and the proposed Approved Subcontractors that are Australian Entities to ascertain the impact of any resultant Contract on the respective workforces. TDR E‑6, on the other hand, is looking at the staff/skills requirements for the work required under any resultant Contract without necessarily considering the implications on the overall workforces.   * + 1. a brief summary of the Australian and/or New Zealand workforce profile for the tenderer and for any proposed Approved Subcontractors that are Australian Entities, which identifies:        1. the forecast total workforce numbers during the Initial Term (but after the Operative Date); and        2. any workforce groups that may be adversely affected or have a limiting effect on the achievement of the AIC program (eg, potential skills shortages in a particular region). |

Note to drafters: For medium-to-large contracts with scope for a reasonable amount of subcontracting, include the following optional clause and Table H‑2. If the Contractor under any resultant Contract will perform all or almost all of the work, using established supply chains, then replace the clause and Table H‑2 with ‘Not used’.

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| Option: Include this clause and Table H‑2 as required.   * 1. Tenderers are to provide a table, in accordance with the format of Table H‑2 below, which identifies those elements of the Contract scope for which the exact provider for particular Services has not been finalised (noting that Services includes goods, this scope includes all Subcontractors providing goods and services under any resultant Contract). |

* 1. Tenderers are to complete an Australian Industry Capability Schedule in accordance with the Australian Industry Capability Schedule Response Format at Table H-3 below.

Note to tenderers: Defence encourages contractors to maximise the use of ‘local’ businesses in their supply chains, particularly when contracts require work to be performed in Australia. For example, if work is to be performed at or near a Defence base (particularly in regional or remote Australia), Defence expects that, for any resultant Contract, processes for selecting companies to participate in the supply chain will include mechanisms to engage competitive local businesses that are based or primarily operate in the area where the Defence base is located.

In responding to clause 1.4, the tenderer is to set out ‘local business’ criteria against which local Australian Industry will be assessed. These criteria might include a distance or range from the Defence base or work location, or an identifiable area or region within which a company must have its principal place of business, or at least a major presence, to qualify as a ‘local business’. These distances, ranges, areas or regions could differ depending on the location or nature of the work, but the proposed definition will be assessed by the Commonwealth in accordance with the Defence Policy for Industry Participation. A definition of ‘local business’ that is agreed with the Commonwealth will be included in the Glossary of the resultant Contract.

* 1. Tenderers are to identify how they propose to define a ‘local business’, including the rationale for the proposed definition in the context of the outcomes being sought under the Defence Policy for Industry Participation.

Note to tenderers: The response to paragraph 1.5 below should contain targeted and definitive information and should not include marketing information. The recommended number of pages for this element of the tender response is 10 pages (A4 size or equivalent, excluding any graphics).

* 1. In the context of the information provided in response to paragraphs 1.1 – 1.4, tenderers are to provide a business case that argues how the tenderer’s offer achieves each of the AIC Objectives while also satisfying the other requirements of the draft Contract, including by:
     1. describing how the tenderer has:
        1. scanned and engaged with Australian Industry and industry representative organisations / advocates (eg, the Centre for Defence Industry Capability (CDIC)) to identify, to the extent practicable, the maximum number of potential Australian Entities that could contribute to the delivery of the SOW requirements; and
        2. down-selected and optimised, in the context of the AIC Objectives, the set of Australian Entities that have been included in the tenderer’s offer, particularly in relation to Small to Medium Enterprises (SMEs) and local businesses;
     2. describing the tenderer’s specific commitments (including the associated timeframes) to continue to promote the AIC Objectives under any resultant Contract and to identify and pursue opportunities for Australian Industry to participate in the delivery of the Contract requirements, including in relation to Industry Capabilities;
     3. identifying the specific commitments that the tenderer either has made, or will make if the tenderer’s bid is successful, to individual Australian Entities (other than the tenderer) associated with the delivery of the draft SOW’s requirements, including identifying any qualifications on those commitments (ie, limitations or conditions on those commitments);
     4. identifying the specific commitments obtained from each of the proposed Approved Subcontractors in relation to individual Australian Entities (other than the tenderer or the proposed Approved Subcontractors) associated with the work required under the proposed Approved Subcontract, including identifying any qualifications on those commitments;
     5. where the work to be undertaken by Australian Industry is facilitated or made possible due to technology transfer (or similar assistance) from the tenderer or another company (eg, from a parent company or from an Original Equipment Manufacturer (OEM) under a proposed Subcontract), describing the tenderer’s commitments and the commitments of the other company(ies) to enable this work to be undertaken in Australia, including specific details in relation to:
        1. transfer of technology, TD/IP, knowhow and know-why, including training;
        2. any materiel limitations or conditions on the proposed technology transfer program and the implications for Sovereignty; and
        3. the mechanisms and timeframes associated with this assistance;

Note to drafters: Include the following clause, irrespective of whether the R&D clause is included in the draft SOW in DSD-ENG-SERV. The intent here is to seek the tenderer’s commitments in relation to innovation and R&D, irrespective of whether the Commonwealth is separately seeking R&D opportunities through the draft SOW. These commitments would be incorporated into the Contract through Attachment F, the SOW, and/or the AIC Plan.

* + 1. identifying the tenderer’s commitments and the commitments of proposed Approved Subcontractors under any resultant Contract to promote innovation and research and development (R&D) relating to the Contract and/or the Supplies, including:
       1. identifying any collaborative arrangements associated with the innovation and R&D activities, such as with Defence (including Defence Science and Technology Group (DSTG)), Commonwealth Scientific and Industrial Research Organisation (CSIRO), other government organisations, academia and/or Australian Industry; and
       2. describing the proposed outcomes and associated benefits to be realised, such as to develop ADF capabilities or Industry Capabilities (including the implications for Sovereignty), and/or to enhance and expand the products available from the Australian industrial base (eg, to support other Defence programs or to enhance the export offerings available from Australia);
    2. identifying the SMEs and local businesses that the tenderer and/or a proposed Approved Subcontractor commits to incorporate into its supply chain for the purposes of any resultant Contract, including identifying:
       1. the name and ACN/ABN (or NZCN/NZBN) for each SME and local business;
       2. the nature and scope of the work to be undertaken by each SME and local business, including the approximate timeframes for conducting this work;
       3. whether or not the SME or local business is an existing member of the tenderer’s and/or a proposed Approved Subcontractor’s supply chains and, if a new member, the rationale for selecting this SME or local business and whether there are any opportunities for the SME or local business to become a supplier within the tenderer’s and/or a proposed Approved Subcontractor’s global supply chains for future work; and
       4. whether or not the tenderer and/or the proposed Approved Subcontractor will be providing assistance to these SMEs or local businesses to enhance their Industry Capabilities and, if so, a brief description of the nature and scope of the assistance being offered;

Note to tenderers: In addressing the following requirement, tenderers should familiarise themselves with the document ‘Consideration of broader domestic economic benefits in procurement’, which can be found at: <http://www.finance.gov.au/government/procurement/commonwealth-procurement-rules>.

* + 1. briefly describing the tenderer’s assessment of the direct economic benefit to the Australian economy (eg, in terms of developing and maintaining Industry Capabilities, making better use of Australian resources than would otherwise occur, and increasing productivity);
    2. describing the specific initiatives that have been employed, and the tenderer’s commitments under any resultant Contract, to address the Indigenous Procurement Policy, including:
       1. where work under any resultant Contract will be performed by one or more Indigenous Enterprises, the name and ABN for each Indigenous Enterprise, including a brief description of the work to be undertaken, the outcomes to be achieved, and/or services to be provided;
       2. future commitments to consider and involve recognised Indigenous enterprises within the Contractor’s supply chain over the period of any resultant Contract; and
       3. future commitments to the employment of Indigenous Australians in delivering the SOW requirements; and
    3. describing any commitments made by the tenderer, and future commitments for any resultant Contract, to engage and employ veterans (previous members of the Australian Defence Force), including by Subcontractors that will employ veterans for the provision of the Services.

1. DEFENCE-REQUIRED AUSTRALIAN INDUSTRY CAPABILITIES (OPTIONAL)

Note to drafters: Include this requirement if DRAICs have been included in Attachment F. If not, delete all of the provisions and annotate the heading with ‘Not used’.

Note to tenderers: The relationships between DRAICs, SICPs and Critical Industry Capabilities, or Industry as an input to Defence Capability, are set out in Attachment F. As guidance, the tenderer’s response to this section 2 should not exceed three pages for each DRAIC.

* 1. For each Defence-Required Australian Industry Capability (DRAIC) identified in Attachment F, tenderers are to describe how they would satisfy the DRAIC requirements, including:
     1. an assessment of the viability of implementing the full scope of the DRAIC, and if the tenderer assesses that it is not viable (in full or in part), the rationale for this assessment in relation to the delivery and sustainment of the Industry Capability and the associated costs and schedule under any resultant Contract;
     2. if the DRAIC implements an element of a SICP, including one or more Critical Industry Capabilities, a summary of the contribution to be made to that SICP;

Note to tenderers: The following sub‑paragraphs only need to be addressed for each DRAIC that the tenderer assesses is feasible to implement in Australia (in full or in part).

* + 1. whether or not the Industry Capability already exists in Australian Industry and, if so, whether it needs enhancing to satisfy the DRAIC requirements;
    2. the proposed location(s) for the DRAIC, including the proposed Australian Entities (by name and ABN / NZBN) to be involved in implementing the DRAIC and/or operating and supporting the DRAIC once it is operational;
    3. any significant assumptions, constraints and/or risks associated with implementing, operating and/or supporting the DRAIC, including the proposed approach to address or mitigate the identified assumptions, constraints and risks; and
    4. for any new or enhanced Industry Capabilities to be implemented in Australian Industry to satisfy the DRAIC requirements, an overview of the tenderer’s plan for implementing the DRAIC, including to identify:
       1. the specific commitments required for successful implementation, including in relation to transfer of technology, knowhow, know-why, and TD/IP (cross-referring, as applicable, to the commitments identified in response to paragraph 1.5e of TDR H-1), and identifying any required commitments that are still to be obtained and the risks and proposed risk treatments associated with obtaining these commitments;
       2. any specific Authorisations (eg, Export Approvals) associated with the DRAIC and, if so, the specific details and timings associated with each different type of applicable Authorisation;

Note to drafters: Delete reference to the PHIP and/or the RUMP in the following clause if draft versions of these plans are not being sought as part of the tender response.

* + - 1. the different DRAIC Elements required for the DRAIC, showing how these will be brought together to produce an operational and supported DRAIC (cross-referring to the draft Phase In Plan (PHIP) and/or draft Ramp Up Management Plan (RUMP), as applicable); and
      2. timings (eg, for stages of implementation, including in relation to Operative Date, Ramp Up and/or other Milestones).

1. Australian Contract Expenditure Measurement (CORE)

Note to tenderers: The formula for calculating an estimated ACE percentage is included at clause 8 of Attachment B to the draft Contract. An ACE amount, in dollars, is to be provided in response to TDR D-11. The ACE percentage for the Defined Contract Value (Recurring Services + Milestone Payments + Mobilisation Payment (if applicable)) will be included in the AIC Plan, including the Public AIC Plan, of any resulting Contract.

* 1. Tenderers are to provide estimated Australian Contract Expenditure (ACE) percentages for the Defined Contract Value and, separately, for each of its component elements for the Initial Term of any resultant Contract.

Note to drafters: If the Recurring Services Fee for the Contract is expected to exceed A$20 million per annum, then Prescribed ACE Percentages will be included at Attachment F and the following option is to be included. Refer to Attachment F for further information.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Option: Include this option if the Contract WILL include Prescribed ACE Percentages.  Note to tenderers: The ACE measurement periods for Table H-1 should correspond to the ‘pricing periods’ for each Core Services Fee schedule, where a pricing period is the applicable duration of a Core Services Fee worksheet in the ASDEFCON Support Pricing Workbook (SPTPW) to be tendered in response to TDR D-3. These pricing periods correspond to stages in Ramp Up and the years between Adjustment Dates for Core Services Fees. If a pricing period during Ramp Up is relatively short (eg, six months or less) the Commonwealth and preferred tenderer, during negotiations, may consider merging more than one pricing period into a single ACE Measurement Period.  The Prescribed ACE Percentages to be included in the response for Table H-1 are to be determined for all Recurring Services Fees in each ACE Measurement Period (ie, for Core Services and, if applicable, Excluded Services). Prescribed ACE Percentages may be different to but should be consistent with the calculated ACE percentages provided in response to TDR D-11.   * 1. Tenderers are to provide, in relation to Recurring Services Fees for the Initial Term of any resultant Contract, the Prescribed ACE Percentages that would be achieved for each ACE Measurement Point, in the format of Table H-1.   2. When preparing the response to clause 3.2, tenderers are to identify ACE measurement periods using the pricing periods applicable to each schedule for Core Services Fees, as tendered in response to Annex D to Attachment A to the COT.   Table H-1: ACE Measurement Points and Prescribed ACE Percentages   |  |  |  | | --- | --- | --- | | ACE measurement period (in accordance with Attachment F) | | Prescribed ACE Percentage  (c) | | Start (a) | ACE Measurement Point (b) | | 1. […INSERT EG, "Operative Date"…] | 1. […INSERT EG, "Ramp Up Milestone 1"…] | 1. ( )% | | 1. […INSERT EG, "Ramp Up Milestone 1"…] | 1. […INSERT EG, "Ramp Up Milestone 2"…] | 1. ( )% | | 1. […INSERT EG, "Ramp Up Milestone 2"…] | 1. […INSERT EG, "October 2024"…] | 1. ( )% | | 1. […INSERT EG, "September 2025"…] |  | 1. ( )% | |  | 1. end of the Initial Term | 1. ( )% | |

1. OPPORTUNITIES TO ENHANCE AIC (Optional)

Note to drafters: This requirement is applicable to medium-to-larger contracts with sufficient scope of work such that it may be possible to identify opportunities to enhance AIC. If not required as part of the tender, delete the clauses below and annotate the heading as ‘Not used’.

Note to tenderers: The Commonwealth is keen to investigate opportunities with the potential to further promote AIC Objectives and enhance AIC under the Contract, particularly in relation to furthering opportunities for Australian Industry, building Industry Capabilities, and promoting export opportunities. For clarity, this should not include any elements identified in Table H‑2, as any elements in this table are considered as part of the tenderer’s baseline AIC offer. To this end, the Commonwealth is seeking the tenderer’s proposals for those areas where these types of opportunities might be able to be realised without unduly affecting cost (including Total Cost of Ownership (TCO)), schedule or the Capability.

The Commonwealth reserves the right to use ideas put forward by any tenderer in relation to proposed opportunities to enhance AIC for the purposes of any resultant Contract and, more generally, for the purposes of the Commonwealth.

The responses to this requirement are not assessed as alternative proposals in accordance with clause 2.15 of the COT, but the Commonwealth will include any identified opportunities in its assessment of the tenderer’s offer.

* 1. Tenderers are to identify any opportunities that would improve their offer from an AIC perspective, but were not included in their baseline proposal because of the implications for other aspects of their offer (eg, in relation to cost, schedule and/or Capability), including for each proposed opportunity:
     1. describing the nature and scope of the potential opportunity, including:
        1. the envisaged outcomes, such as enhancing opportunities for Australian Industry under any resultant Contract; implementing or enhancing one or more Industry Capabilities (including in relation to a SICP); enhancing Sovereignty; undertaking R&D to enhance the Capability; achieving benefits that span various Defence capabilities; promoting export opportunities; and/or incorporating a supplier into the tenderer’s supply chain;
        2. the specific benefits to Australian Industry and Defence, as applicable, that would be likely to occur if the opportunity were to be pursued under any resultant Contract; and
        3. the rationale for including it as an opportunity, rather than including it in the tenderer’s baseline proposal;
     2. identifying the recipient(s) of the opportunity under any resultant Contract, which could be:
        1. the tenderer itself;
        2. a proposed Subcontractor, which may include a lower-tier proposed Subcontractor (eg, an SME working to an overseas proposed Subcontractor);
        3. the Commonwealth (eg, in relation to any studies or R&D); or
        4. a third party (eg, academia);
     3. identifying the parties that would be involved in implementing the opportunity (eg, the Contractor under any resultant Contract, one or more proposed Subcontractors, the Commonwealth, other Commonwealth contractors, DSTG and/or academia);
     4. providing a brief description of the scope of work and an outline of the proposed plan to implement the opportunity under any resultant Contract, including:
        1. identifying the potential location(s) where the opportunity could be implemented;
        2. identifying the proposed timings for implementation, including any linkages to Milestones;

Note to tenderers: The Commonwealth is not seeking definitive costs in the following requirement, but sufficient insight into the likely costs to be able to make decisions as to whether to progress the opportunity. The Commonwealth may elect to pursue one or more of these opportunities with a tenderer during ODIA (if held) or during contract negotiations.

* + - 1. outlining any investments (eg, setup, equipment and/or infrastructure) and associated costs required to implement the opportunity, including whether these costs will be met by the implementing party, the recipient, or some combination of the two; and
      2. providing an indication of the resources required by the implementing party or parties and the recipient(s) to achieve successful implementation of the opportunity;
    1. identifying any risks associated with implementing the proposed opportunity and, where applicable, its longer-term sustainability;
    2. identifying any provisions of the draft Contract (including the draft SOW) that the tenderer considers will unnecessarily impede the achievement of the envisaged outcomes and/or benefits; and
    3. describing any longer-term benefits for the Capability and any other direct benefits for the Australian economy (eg, on-going employment) associated with the opportunity.

1. AIC PAST Performance (CORE)

Note to tenderers: Tenderers without a significant presence in Australia may refer to example contracts where they assisted a customer country to develop local industry capabilities, which enabled that country’s industry to participate in the provision of significant sustainment-related services, and to establish and maintain a capable in-country industry support base.

* 1. For the purpose of demonstrating past performance in relation to AIC, tenderers are to identify up to [...INSERT NUMBER EG, three...] relevant and recent (ie, completed within the last five years) or current contracts (herein ‘**referenced contracts**’), which may be:
     1. Australian Defence contracts (either as the prime contractor or as a subcontractor), including contracts under the Global Supply Chain (GSC) program; and/or
     2. contracts from other reference sites nominated by tenderers,

in which the tenderer had significant AIC obligations (or similar obligations in a different country), including in relation to establishing or enhancing, or assisting with establishing or enhancing, and maintaining, local Industry Capabilities.

Note to tenderers: As guidance, the summary of each referenced contract in response to paragraph 5.2 should not exceed three pages.

* 1. For each referenced contract, tenderers are to summarise their role (eg, prime or subcontractor), the overall scope of work, the AIC requirements (or similar obligations in a different country), and the significant achievements with respect to AIC (or similar), including providing an overview of:
     1. any Industry Capabilities, for the sustainment or ongoing enhancement of products, which were established or enhanced as part of the referenced contract, identifying the type of products supported and scope of the sustainment or enhancement activities; and/or
     2. the tenderer’s role in the long-term maintenance of in-country sustainment capabilities, including details of the scope of Industry Capabilities maintained and their relevance to Sovereignty and economic benefit, as applicable.
  2. For any referenced contracts that are not Australian Defence contracts, tenderers are to provide contact details for a manager within the customer organisation.
  3. Tenderers who have Performance Exchange Scorecards held by Defence in the last five years are to refer to any ‘marginal’ or ‘unsatisfactory’ ratings received in relation to AIC in the last five years and, in relation to any such ratings, include in their tender the strategies through which they have or will implement performance improvements for the AIC program under any resultant Contract.
  4. For the purposes of this clause 5, ‘tenderer’ also encompasses any Related Body Corporate, any proposed Approved Subcontractor and their Related Body Corporate, and any special purpose vehicle (in which any of these entities have been involved).

Note to drafters: This table is optional and should be deleted (replaced with “Not used”) if TDR H-1.2 is not used.

Table H‑2: Opportunities for Australian Industry

|  |  |  |
| --- | --- | --- |
| CWBS Level 3 Element (or equivalent)  (a) | Description of the goods / services for which the source of supply is still to be determined / finalised  (b) | Opportunities for the participation of Australian Industry  (c) |
|  |  |  |
|  |  |  |
|  |  |  |

Notes for Table H‑2:

Column (a): Where TDR E‑2 (Contract Work Breakdown Structure and Dictionary) is included in the tender, each Contract Work Breakdown Structure (CWBS) level 3 element number from the CWBS in the tendered response; otherwise, each applicable item number (to an equivalent level) from the Recurring Service Fee tables prepared in response to TDR D.

Column (b): Whether there are any goods or services under the CWBS (or equivalent) element for which a provider is still to be determined. If this is not the case (eg, because all of the work is planned to be conducted by the tenderer or under an existing subcontracting arrangement), tenderers are to insert the words “No providers of Services still to be determined” (and insert the words “Not Applicable” in column (c)). If there are open opportunities, tenderers are to provide a description of the specific goods and services for which the provider is still to be determined / finalised. This description is to include any goods and/or services that the Contactor will be acquiring through a proposed Approved Subcontractor, where the proposed Approved Subcontractor has not yet determined or finalised the source of supply for any elements (or parts thereof) that it will be providing to the Contractor.

Column (c): In relation to those CWBS (or equivalent) elements that the tenderer has identified that the source of supply is still to be determined / finalised, whether or not the tenderer considers that one or more opportunities exist for Australian Industry in relation to those goods and/or services. If this is not the case, tenderers are to insert the words “No opportunities for Australian Industry” and include a brief justification for this assessment. If this is the case, tenderers are to identify the Australian Entities (by name and ABN/NZBN) that have been identified by the Contractor as potentially suitable (if any), including a brief description of the goods and/or services that those entities offer.

Note to tenderers: The preferred tenderer’s response, any negotiated adjustments, and updates from pre-contract activities to engage proposed Approved Subcontractors and other Subcontractors, is to be transferred to the AIC Schedule within the AIC Plan for any resultant Contract.

Table H-3: Australian Industry Capability Schedule

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Entity Name | ACN/NZCN (if applicable) | Scope of Work to be conducted in Australia or New Zealand and/or by each Australian Entity | Location | SME | Local Business | Indigenous Enterprise | Veterans |
| a. | b. | c. | d. | e. | f. | g. | h. |
| 1. […Contractor name…] |  | 1. [… cross-refer to response to TDR H-1.1 …] |  |  |  |  |  |
| 1. […Approved Subcontractor A…] |  | 1. [… cross-refer to response to TDR H.1-1 …] |  |  |  |  |  |
| 1. [… Entity C (Subcontractor to Approved Subcontractor A)…] |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

Notes for Table H-3:

1. Entity Name: The name of the company or other entity if known. If not, insert “To be determined” where the tenderer expects to subcontract that element of the work, but no subcontractor has yet been identified.
2. ACN/NZCN: If applicable, the Australian Company Number or New Zealand Company Number.
3. Scope of Work: A brief description (eg, 2-3 bullet points) of the scope of work to be performed in Australia or New Zealand by each Australian Entity, including the approximate timing(s) / timeframes when the work will be undertaken and, if applicable, cross-references to DRAICs and other AIAs. For the tenderer and each proposed Approved Subcontractor, cross-refer to the descriptions of work scope provided in response to TDR H‑1.1a. If a particular Subcontractor, which is not an Australian Entity, is not performing any work in Australia or New Zealand, enter ‘Nil’ in this cell.
4. Location: The location(s) where the majority of work is to be performed. For the Contractor and each proposed Approved Subcontractor, the information provided here should be consistent with the location information provided in response to TDR F‑1 and TDR A‑3, respectively.
5. SME: Is the organisation a Small-to-Medium Enterprise (yes/no)?
6. Local Business: Is the organisation a Local Business (yes/no)?
7. Indigenous Enterprise: Is the organisation an Indigenous Enterprise (yes/no)?
8. Veterans: Has the organisation signed the Veterans Employment Commitment (yes/no)? (refer: [veteransemployment.gov.au](https://www.veteransemployment.gov.au/))