ASDEFCON (SUPPORT)  
CONTRACTOR STANDING CAPABILITY MODULE  
HANDBOOK

CUSTOMISING ASDEFCON (SUPPORT)  
TO INCLUDE A CONTRACTOR STANDING CAPABILITY Table of Contents

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INTRODUCTION

Background

*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

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:

1. 01\_SPTV5.0\_CSC\_General.docx (this document)
2. 02\_SPTV5.0\_CSC\_COT.docx
3. 03\_SPTV5.0\_CSC\_COC.docx
4. 04\_SPTV5.0\_CSC\_CATTB\_PriceAndPayments.docx
5. 05\_SPTV5.0\_CSC\_CATTM\_Glossary.docx
6. 06\_ SPT\_CSC\_SOW.docx
7. DID-ENG-CSCMS-V5.0.docx
8. DID-ENG-CSCSR-V5.0.docx
9. DID-ENG-CSCTP-V5.0.docx
10. DSD-ENG-CSC-V5.0.docx

How to use this Handbook

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;
2. Attachment B is extended to include a new Annex G for CSC pricing;
3. Attachment M, the Glossary, is updated to include CSC relevant definitions;
4. 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
5. 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

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

ASDEFCON (Support)

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

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

| Reference | Description |
| --- | --- |
| 1. ASDEFCON (Support) template | 1. ASDEFCON (Support) template, including covering pages, COT, COC, SOW, and associated attachments and annexes. |

Definitions, Acronyms and Abbreviations

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

1. *ASDEFCON (Support)* Attachment M, Glossary; and
2. *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

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:

1. expertise can be difficult to obtain and retain; and
2. the scope of work can be difficult to define upfront.

Note: The CSC cannot be used to undertake Recurring Services[[1]](#footnote-1)!

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:

1. 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;
2. a performance management framework for the CSC, including planning, reporting and periodic review, which is independent of the PPBC framework of the Contract; and
3. 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 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

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

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

1. 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.
2. Study Tasks. These include investigative analyses of supportability, maintenance requirements, reliability or efficiencies, and are usually CSC T&M Tasks.
3. 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.
4. 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:

1. the total amount of CSC Service Hours to be used (with a breakdown by hours per labour category and skill level);
2. a scheduled completion date; and
3. 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

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

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:

1. 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
2. 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

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:

1. Annex G to Attachment B, for CSC Pricing;
2. the draft CEMP; and
3. 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

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

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

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

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

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

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.

Clauses 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.

Clauses 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

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

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

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

Data Item Descriptions

The CEMP should be amended as indicated above.

The *CSC Module* DIDs: DID-ENG-CSCMS, DID-ENG-CSCSR and DID-ENG-CSCTP 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.

1. 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. [↑](#footnote-ref-1)