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LIFE OF TYPE EXTENSION (LOTE)

PUBLIC AUSTRALIAN INDUSTRY CAPABILITY PLAN

Company Details

ASC Pty Ltd

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Amended Tasking Statement: BM29144937, dated 10th February 2022

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1. Executive Summary

ASC is the prime contractor for the Commonwealth of Australia (CoA) under the Collins Class submarine (CCSM) Life of Type Extension (LOTE), project number SEA 1450 LOTE. Together, ASC and the CoA have an active Not to Exceed contract for the project, under Tasking Statement number BM29144937, valued at \$180.5 million (ex GST) as of October 2022.

ASC delivers advanced engineering design, development, integration, construction and through-life-support services for the six-vessel CCSM fleet's sustainment and LOTE. The Royal Australian Navy's (RAN) submarine capability is integral to national security, providing a powerful conflict deterrent. Australian Industry must have the ability to enhance, sustain, repair and upgrade this capability.

ASC is committed to national sovereignty, Indigenous and veteran employment opportunities, and Indigenous business engagement, through government initiatives such as Supply Nation and the CoA Veterans Employment Program.

Under the terms of the current LOTE scope for detailed design, ASC and its authorised approved subcontractors will carry out Australian Industry Activities (AIAs). Outlined in section 2, these AIAs include, but are not limited to: detailed design; long-lead procurements; and feasibility studies.

The LOTE will ensure Australia has access to world-class submarines for an extended period, maintaining each CCSM's potency for an additional 10 years. Throughout the project, ASC will continue to provide the fleet with optimal platform capability to support the RAN.

ASC will ensure its approved subcontracts replace and enhance the submarines' diesel engines; generators; power conversion and distribution systems; and propulsion systems. The company will also conduct a number of hull inspections and assessments while integrating the new equipment into the existing command and control system.

Detailed design activities are forecast to be completed by 2025. Future scopes of work are on schedule, with First of Class (FoC) implementation on HMAS *Farncomb* to begin circa 2026.

2. Subcontract Work

ASC is working closely with the RAN, Naval Shipbuilding and Sustainment Group (NSSG), Australian suppliers and international partners to deliver the Navy's specific requirements.

ASC is contracted by the CoA under the CCSM In-Service Support Contract (ISSC), with components originating from the Australian Standard for Defence Contracting framework, which now includes enhanced Australian Industry Capability (AIC) requirements. The company is committed to supporting small, medium and large enterprises to meet AIC Objectives and enhance Australian Industry.

AIC Objectives under the LOTE are to:

- Identify and pursue opportunities to maximise Australian entities' participation.
- Facilitate the creation, enhancement and/or maintenance of industrial capabilities within Australia and New Zealand to satisfy the LOTE contract requirements, achieve ADF capability objectives, and support government's and Defence's goals for Australian Industry.

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- Ensure that Australian Industry has the necessary technology, IP rights, Technical Data, know-how and know-why to participate in future development and sustainment work in relation to the defined or proposed supplies.

In accordance with the LOTE Contract Data Requirements List, ASC must report on Australian Contract Expenditure (ACE) and AIAs during the detailed design phase.

As ASC progresses through this phase, it will progressively provide the Commonwealth with ACE as a percentage and forecast value.

The LOTE will include a number of subcontractors undertaking AIAs during the detailed design phase, subsequently identifying partnerships to maximise Australian Industry participation without unduly compromising capability, cost and schedule.

AIAs

Entity Name	Location	Scope of Work	Indigenous Enterprise	Veterans
a	b	c	d	e
ASC Pty Ltd	Osborne, South Australia; Henderson, Western Australia	i. Engineering analysis, modelling, reviewing, integration, verification and validation activities. ii. Program and project management services. iii. Procurement, subcontractor and purchase order management services.	N	N

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		<p>Mission-system design coordination services for:</p> <ul style="list-style-type: none"> i. Replacement Diesel Generator (RDG), including air revitalisation; ii. Replacement Propulsion System, (RPS) consisting of an updated main motor and control system; iii. Power Conversion and Distribution (PC&D); iv. Control and Monitoring (C&M); and v. hull project activities. 		
Pacific Marine Batteries (PMB)	Osborne, South Australia	i. Feasibility studies on main batteries and associated systems.	N	N
SAAB Australia	Mawson Lakes, South Australia	i. Design integration of platform equipment local area network.	N	N
Rolls Royce Solutions/Penske Power Systems	Friedrichshafen, Germany/Kings Park, NSW	i. Replacement Diesel Generator (RDG)	N	N
EuroAtlas	Bremen, Germany	i. Power Conversion and Distribution (PC&D)	N	N
Jeumont Electric Australia Pty Ltd	Waverton, New South Wales	<ul style="list-style-type: none"> i. Engineering Design Authority secondment to Jeumont Electric during detailed design, procurement and installation of FoC Synchronous Permanent Magnetic Motor (SPMM). ii. Sourcing, assembly and preliminary 	N	N

		testing of Propulsion Electric Cabinets (PEC).		
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3. Creation, Enhancement and Maintenance of AIC

ASC will remain the primary AIAs contributor during the LOTE detailed design phase and is responsible for overall platform system integration. In addition, ASC has partnered with Saab Kockums (Kockums) as a capability partner. Kockums will provide invaluable engineering expertise and help facilitate the Transfer of Technology (ToT).

Where applicable to the LOTE scope, ASC will leverage ISSC localisation initiatives and ‘make or buy’ decisions in accordance with its ISSC Make or Buy plan. This will help identify opportunities for overseas products to be replaced with Australian ones.

ASC’s localisation stream, while not specifically a LOTE activity, also facilitates ToT. It enables the required know-how and know-why for a product’s manufacture to be transferred from the original equipment manufacturer (OEM) to an Australian enterprise or, in some cases, ASC, supporting ASC’s AIC Objectives.

In August 2022, ASC launched a Science and Technology Hub at Lot Fourteen in the Adelaide central business district, to further research and development activities by collaborating with academic, industry and research partners. This new hub will place ASC’s subcontracted engineering SMEs at the cutting edge of ideas and opportunities to enhance and increase Australian capabilities. Where practical, ASC will seek to leverage these technologies within the LOTE without unduly compromising capability, cost and schedule.

4. Future Work Opportunities

In addition to the propulsion systems, diesel engines, generators, and power conversion and distribution systems, ASC will also upgrade the CCSMs optronics and cooling system.

What's more, as the LOTE progresses and the designs of its core work scope mature, it's expected that further opportunities will arise for Australian Industry.

ASC is continually seeking to identify these opportunities and will seek to engage Australian businesses accordingly as LOTE scopes are approved.

Opportunities for Australian Industry

The current LOTE scope is focused on the major systems and components required by the RAN. As this phase progresses, opportunities for Australian suppliers will be identified and advertised as work packages through the Industry Capability Network (ICN) and other channels (see section 5).

5. Market Engagement

To further support developing AIC, ASC has developed a Sovereign Supply Chain Hub (SSCH), which can be found here: <https://www.asc.com.au/supply-chain/sovereign-supply-chain-hub/>

The SSCH is supported by a dedicated AIC team to guide Australian enterprises through the ASC registration process, including onboarding, cyber security, security and quality.

The SSCH forms part of ASC's commitment to increase Australian businesses' participation in the CCSM program. ASC's supplier selection criteria assists in ensuring the CCSM fleet consistently meets RAN requirements for quality and performance. ASC's main aims with the SSCH are to:

- increase the number of Australian enterprises supplying both ASC and its Tier 1 suppliers;
- increase direct interaction with Australian enterprises to reduce barriers to ASC Supply Chain entry; and
- direct suppliers to seek appropriate support through ASC Tier 1 suppliers and key defence and industry bodies, such as the Office of Defence Industry Support, Defence SA, Defence WA, Defence Teaming Centre (SA), Victorian Defence Alliances, Australian Industry Defence Network (ICN) and the Industry Capability Network.

To increase industry awareness, ASC representatives engage with the sector through a number of mechanisms, including industry and association briefings, workshops, and major events such as IndoPacific.

Prospective Australian suppliers can find informative videos and links on the ASC website to help them prepare for working with ASC. Businesses are invited to express their interest in becoming an ASC supplier through the SSCH.

ASC also works closely with the ICN to maximise Australian Industry opportunities. As the LOTE matures, formal work packages containing scope, timeframes and evaluation criteria will be advertised on ASC's ICN portal, which can be found here:

<https://gateway.icn.org.au/project/4038/asc-pty-ltd-supplier-capability-and-innovation-portal>

ASC's work packages may also be promoted on or in:

- Supply Nation noticeboards;
- social media platforms; and
- ASC external communication campaigns.

For further information, contact:

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Authorised on behalf of ASC Pty Ltd by:



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Date: 21 December 2022