contract governance framework

1. GOVERNANCE overview
   1. Scope
      1. This Attachment sets out the governance arrangements through which the Commonwealth and the Contractor will manage their bilateral relationship, oversee and guide performance of the Contract, and perform their respective obligations under the Contract to maximise achievement against the objectives specified in clause 1.4 of the COC (‘the Objectives’).
      2. This Attachment addresses:
         1. the general principles and aims of the governance arrangements; and
         2. the bilateral framework and governance bodies that will oversee and guide performance of the Contract.
      3. Nothing in this Attachment, or agreements resulting from the application of this Attachment, changes the scope of the Contract without the change being implemented through a CCP or Approval, as applicable to the nature of the change.
      4. For the purposes of this Attachment, ‘Enterprise’ refers to the combination of the systems program office or program office, capability manager, Contractor and Subcontractors, and other ‘fundamental inputs to capability’, that together deliver the most effective and efficient Capability outcome for Defence.
   2. Aim
      1. The aim of the governance arrangements is to facilitate the performance of the Contract, including the parties’ obligations under the Contract, to achieve the Objectives and to promote ‘best for Enterprise’ decision making by:
         1. providing leadership, oversight and guidance on performance of the Contract;
         2. facilitating informed, effective and timely decision making;
         3. facilitating problem solving and Dispute resolution;
         4. maximising the value of the skills and knowledge and experience available within the Commonwealth’s and the Contractor’s organisations by appointing or inviting (as applicable) suitably skilled, knowledgeable and experienced individuals to the governance bodies; and
         5. ensuring the governance arrangements operate efficiently and effectively.
2. STEERING COMMITTEE GOVERNANCE ARRANGEMENTS
   1. Membership
      1. The members of the Steering Committee are:

Note to drafters: Add details for members of the Steering Committee, consistent with the functions described below. Permanent members of the Steering Committee, including external parties, should have a long-term involvement with the Capability and/or Contract.

* + - 1. the Senior Representatives specified in the Details Schedule;
      2. **[…INSERT Capability Manager or senior representative…]**; and
      3. **[…INSERT OTHER MEMBERS AS REQUIRED…]**.
  1. Functions
     1. The principal function of the Steering Committee is to be the most senior forum for the management of the relationship of the parties. Accordingly, the Steering Committee will provide the overarching, high level governance of the Contract in terms of providing strategic oversight and guidance and initiation of action within the Commonwealth and the Contractor to maximise the extent to which the Objectives are achieved through performance of the Contract.
     2. The functions of the Steering Committee include:
        1. to exchange views about key matters relevant to work under the Contract, particularly where the work may affect the achievement of the Objectives;
        2. to provide guidance to the Leadership Team;
        3. to provide guidance in relation to, and to prioritise and co-ordinate, any significant CCPs in a manner consistent with achievement of the Objectives;
        4. to act as an advocate for the Enterprise;
        5. to agree key messaging for external communications in relation to the Contract;
        6. to act as the final internal point of Dispute resolution if the Dispute cannot be resolved by the Leadership Team, including by supporting the Senior Representatives to resolve a Dispute in accordance with the Dispute resolution procedure set out in clause 13.1 of the COC; and
        7. to discharge any other function that the parties agree in writing is to be a function of the Steering Committee.
  2. Meetings
     1. The Steering Committee shall meet twice yearly, or at such other times as either party may require. At least 10 Working Days’ prior notice shall be given for meetings. Reduced notice may be given, as is reasonable in the circumstances.
     2. The Steering Committee may invite external advisers and observers to attend Steering Committee meetings from time to time.
     3. The parties agree that meetings shall be conducted in accordance with the arrangements for ad hoc meetings set out in clause 3.6 of the SOW as if the Commonwealth is the party calling the meeting.

1. Leadership Team GOVERNANCE ARRANGEMENTS
   1. Membership
      1. The members of the Leadership Team are:

Note to drafters: Add details for members of the Leadership Team, consistent with the functions described below. Permanent members of the Leadership Team should have a long-term involvement with the Capability and/or Contract, and may include representatives from key Approved Subcontractors and Capability Manager’s representatives from Other Capabilities.

* + - 1. the Management Representatives specified in the Details Schedule; and
      2. **[…INSERT OTHER MEMBERS AS REQUIRED…]**.
  1. Functions
     1. The principal functions of the Leadership Team are to:
        1. be a forum for the management of the relationship of the parties;
        2. oversee and provide guidance on key concerns relevant to the performance of work under the Contract (including coordination with related programs, projects or sustainment activities); and
        3. report to the Steering Committee on significant risks impacting the performance of the Contract or achievement against the Objectives.
     2. The functions of the Leadership Team include:
        1. to exchange views about matters relevant to the work under the Contract;
        2. to monitor performance of the Contract and identify and review key opportunities and risks;
        3. to ensure that appropriate action is taken to mitigate risks and that such action is managed by Personnel best suited to do so;
        4. to monitor the parties' progress towards achieving the Objectives;
        5. to coordinate and collaborate with related programs, projects or sustainment activities, as needed, to ensure the effective performance of the Contract and any related programs, projects or sustainment activities;
        6. to assess the health of the relationship between the parties, and take rectification action, as necessary and appropriate;
        7. to give guidance to the Contract Team and to hold the Contract Team to account for the performance of its functions;
        8. to respond to matters referred for consideration by the Contract Team;
        9. to give advice to the Steering Committee, as required, including generally on the status of the Contract and Disputes that have not been resolved;
        10. to act as a further internal point of Dispute resolution if the Dispute is not resolved by the Contract Team, including by supporting the Management Representatives to resolve a Dispute in accordance with the Dispute resolution procedure set out in clause 13.1 of the COC; and
        11. to discharge any other function that the parties agree in writing is to be a function of the Leadership Team.
  2. Meetings
     1. The Leadership Team shall meet at least three times a year, or at such other times as the parties may agree, generally scheduled to coincide with a Services Performance Review, Contract Performance Review, or other significant review or Milestone.
     2. The Leadership Team may invite the Commonwealth Representative and the Contractor Representative to attend meetings as advisers.
     3. The Leadership Team may invite external advisers and observers to attend Leadership Team meetings from time to time.
     4. The parties agree that meetings shall be conducted in accordance with the arrangements for ad hoc meetings set out in clause 3.6 of the SOW as if the Commonwealth is the party calling the meeting.

1. Contract Team Governance Arrangements
   1. Membership
      1. The members of the Contract Team are:

Note to drafters: Add details for members of the Contract Team that will perform the functions described below. Permanent members of the Contract Team should have a long-term involvement with the Contract, and may include representatives from Approved Subcontractors, Other Capabilities, and other Associated Parties including ADF regulatory / assurance agencies and customer units.

* + - 1. the Commonwealth Representative;
      2. the Contractor Representative; and
      3. **[…INSERT OTHER MEMBERS AS REQUIRED…]**.
  1. Functions
     1. The principal functions of the Contract Team are to:
        1. be responsible for the day to day performance of the Contract; and
        2. report to the Leadership Team on material risks impacting the performance of the Contract or achievement against the Objectives.
     2. The functions of the Contract Team include:
        1. to be informed and keep up to date about the progress of work under the Contract;
        2. to exchange views about matters relevant to the work under the Contract;
        3. to ensure the parties’ obligations under the Contract are being appropriately monitored and managed, with prompt action taken as necessary and appropriate by the relevant party (eg, through reallocation of resources, closer management oversight, as necessary) to support performance of the Contract;
        4. to consider and implement, where appropriate, improvements to working level arrangements and activities between the parties to achieve efficiencies and improvements in the quality of performance of the delivery of the Capability;
        5. to identify and review opportunities and risks;
        6. to ensure that appropriate action is taken to give effect to opportunities and to mitigate risks, with such action managed by Personnel best suited to do so;
        7. to assess the health of the relationship between the parties, and take rectification action, as necessary and appropriate;
        8. to give advice to the Leadership Team, as required, including by promptly escalating risks appropriately, particularly those risks which may have a material impact on achievement against the Objectives;
        9. to act as the first internal point of Dispute resolution for the parties for the purposes of the Dispute resolution procedure set out in clause 13.1 of the COC; and
        10. to discharge any other function that the parties agree in writing is to be a function of the Contract Team.
  2. Meetings
     1. Without limiting the Contract (including any requirement to conduct periodic performance reviews or ad hoc meetings as required or permitted by the SOW), the Contract Team shall meet or otherwise communicate on an ongoing basis to ensure the effective performance of the Contract.
     2. The Contract Team may invite external advisers and observers to attend Contract Team meetings from time to time.