GUIDANCE PAGES TO BE DELETED WHEN PUBLISHED

ASDEFCON (SUPPORT)

SECTION 1: GUIDANCE for DSD-SUP-MILIS

(MILITARY INTEGRATED LOGISTICS INFORMATION SYSTEM USE)

Status: Optional

This DSD is for use in Contracts where the Contractor is required to use Defence information systems to manage Stock Items, as part of the Supply Services.

The Defence Enterprise Resource Planning (ERP) System will replace existing Defence information systems over a number of years, with inventory management and stock control functions that have been performed using the MILIS being scheduled for replacement by the ‘Supply Chain Management’ functions within ERP. For further information, refer to the Defence ERP Program websites.

**Once details for the introduction of the relevant Defence ERP System functions are known, this DSD, and documents referenced by it, will require update.**

Depending on the implementation schedule of Defence ERP System functions, and an individual tender, some or all of this DSD may need to be updated before tender release, during negotiations, and/or under any resultant Contract. Changes will be required in clauses that reference MILIS, manuals (that replace the ESCM), and the number and title of the DSD (and the corresponding CSRL entry and SOW Clause 7.3). Note that a number of functions, which can be performed using the MILIS, are described in other DSDs, such as Requirements Determination under DSD-SUP-SERV and Cataloguing in DSD-SUP-SACC, and these will need to be co-ordinated. There may also be changes required to the lists of GFE, GFD/GFI, and GFS in Attachment E that provide access to Defence information systems.

Policy: DEFLOGMAN Part 3 (ESCM) Volume 2 Section 3 Chapter 1 Annex A, *MILIS Ellipse Security and Access*

FINMAN2 (Financial Delegations Manual), Schedule 21A, Delegation to prescribe certain persons as officials of the Department of Defence

Guidance: This DSD addresses those Supply Services for which the Contractor is required to use a Defence inventory management system.

The DSD addresses the provision of Contractor access to the MILIS. Under the MILIS business processes, access is provided through the Defence Protected Environment (DPE), with this access further managed through profiles relating to the job / task functions (eg, Maintenance and Supply are separate job functions). Access is only provided to personnel with appropriate security clearances and demonstrated proficiency; hence, there is a link between this DSD and SOW clause 3.16, Training In Defence Information Systems.

The drafter should read the general guidance given in DSD-SUP-SERV as it applies to MILIS use.

Related Clauses/ Documents:

DID-SUP-CSSP

DSD-SUP-SERV

Draft SOW clause 3.16, Mandated Defence Information Systems

Optional Clauses: None

6.2.1 General

Status: Core

Policy: DEFLOGMAN Part 3 (ESCM) Volume 2 Section 3 Chapter 1 Annex A, *MILIS Ellipse Security and Access*

Guidance: As an introduction, this clause identifies that the use of MILIS is to be in accordance with the applicable documents, namely the ESCM, and that access to MILIS must be approved though the Commonwealth approval process.

Where other Applicable Documents, in addition to the ESCM, are to be referenced, these should be added to clause 5 and listed under clause 6.2.1 with the sections applicable to the required Supply Support Services identified.

Contractors are required to prepare and submit a form *AC847 – Application for Contractor Access to MILIS* for each staff member requiring access to MILIS. Form AC847 is available as a ‘WebForm’ on the DPE, or from Defence Publishing Service’s *WebForms on CD*. Refer to the ESCM regarding applications to allow non-Commonwealth employees to have access to MILIS. Contractor and Approved Subcontractor staff will require access to the DPE as a prerequisite to MILIS access.

If MILIS access is required for managing and recording Maintenance activities, under DSD-MNT-MGT, then this same application for MILIS applies.

Related Clauses/ Documents:

DID-SUP-CSSP

DSD-SUP-SERV

DSD-MNT-MGT

Optional Clauses: None

# 6.2.2 Contractor Use of MILIS

Status: Core

Policy: FINMAN2 (Financial Delegations Manual), Schedule 21A, *Delegation to prescribe certain persons as officials of the Department of Defence*

Guidance: Clause 6.2.2 identifies the Supply Support Services for which the Contractor is to use MILIS, and key requirements for that use. This clause should only identify Supply Support Services; if Maintenance Services also require the use of MILIS then this should be covered in the Maintenance DSDs, in particular DSD-MNT-MGT clause 6.2.2, Maintenance Management System.

MILIS access can be provided with read-only access, which may be sufficient for visibility of stock levels. Other functions such as placing Demands (eg, for common Stock Items) or the procurement of Stock Items (eg, to maintain authorised stock levels of consumables) requires a financial delegation. In this case, FINMAN2 must be consulted. Drafters should also ensure that the appropriate management requirements are included as clauses within this DSD (noting that the FINMAN2 requires approval of this approach from a CASG SES Band 1 / O-7 (1 Star) Officer or above) – this requirement may be added to clause 6.2.1 after the clause for the general application for MILIS access. Additional clauses may also need to be inserted into the conditions of contract (eg, agency provisions). Note that MILIS functions that require the user to have financial delegations will require that the applicable Contractor staff undertake training in procurement competencies (not specific to MILIS). The use of MILIS itself requires specific training - Training in Defence Information Systems is addressed by clause 3.16 of the SOW.

Drafters may amend the timings in clauses 6.2.2.2 and 6.2.2.3 to support the required level of visibility for Contractor held Commonwealth-owned stock.

Clause 6.2.2.4 allows the Contractor to use MILIS for particular functions, such as Requirements Determination in support of DSD-SUP-SERV clause 6.2.2, but that this does not relieve the Contractor from any responsibility to provide a level of Service as measured using Performance Measures, such as KPIs (eg, incorrect Requirements Determination may result in stock-outs). Drafters should amend this list as required. If the Contractor will not be responsible for Requirements Determination (an optional clause in DSD-SUP-SERV), then the example should be deleted.

Drafters should consider whether the Contractor will undertake the entry and maintenance of MILIS Global Catalogue Data directly within MILIS or whether this function will be performed by the Designated Logistics Manager’s personnel within the SPO/project. If the Contractors will be responsible for managing MILIS Global Catalogue Data directly within MILIS drafters should consult with the Materiel Logistics Office (MLO), for guidance on the use of this DSD.

Clause 6.2.2.5 requires the Contractor to report periods when MILIS is not available for use (eg, system or network outages). This is particularly important in regards to analysing any failures to meet delivery times or to achieve the required performance level for a KPI.

Related Clauses/ Documents:

DSD-SUP-SERV

Draft SOW clause 3.11.6, Assurance and Stocktaking of Contractor Managed Commonwealth Assets

Optional Clauses: None

6.2.3 Government Furnished Equipment

Status: Core

Policy: Nil

Guidance: Clause 6.2.3 provides three options for the Contractor to be provided with access to MILIS, these include the provision of terminals (Option A), access via the Defence Remote Electronic Access Mobility Service (DREAMS) (Option B), and shared access to existing terminals at Commonwealth Premises (Option C).

Drafters may select one or more options, depending on the needs of the Contract. For example, the Contractor may be provided with terminals at a warehouse that is GFF (to be responsive to priority demands from Defence users) and remote access (via DREAMS) to account for items held off-site and under-going Maintenance. The selected options need to be tailored with additional details where indicated.

Caution must be used in this clause when GFM is to be provided, as any offer to provide GFM must be implemented on time (eg, before OD), or the Contractor may claim an act of prevention or performance relief. The drafter must ensure that equipment to be provided to the Contractor is included in Attachment E, and that the ability to provide timely access is addressed.

While Option B is shown as an alternative to Option A, it may be used as a temporary or fall-back option when there are delays in providing equipment for Option A. If this alternative approach is considered appropriate, drafters may include Option A and the replace the existing Option B, at clause 6.2.3.4, with the optional clause below.

Option C allows for shared access to MILIS terminal (eg, when in GFF). I should be deleted if not required, but in some instances more than one option (A, B and/or C) may apply to different locations and drafters should select options accordingly.

Related Clauses/ Documents:

Attachment E, GFM and GFS

Optional Clauses:

Note to drafters: Use the following clause as a replacement for clause 6.2.3.4 when DREAMS may be used as a back-up for Option A.

As an alternative to the provision of equipment and GFS identified in clause 6.2.3.2, the Commonwealth may provide the Contractor with tokens for the Defence Remote Electronic Access Mobility Service (DREAMS), as detailed in Attachment E, in order to access MILIS via remote logon.

Detailed Service Description

Note to drafters: The Defence ERP System will replace the functions performed by MILIS in a series of tranches. Refer to the guidance section for additional information.

The following note to tenderers is appropriate for tenders released before delivery of Tranche 1 of the Defence ERP System. Drafters may amend the following note to tenderers if relevant information is available regarding the rollout of Defence ERP System functionality.

Note to tenderers: The Defence Enterprise Resource Planning (ERP) System will replace existing Defence information systems over a number of years, with inventory management and stock control functions the initial tranche including. References to the MILIS in this DSD should be considered as references to the Defence ERP System, used to perform the relevant functions.

Changes to the draft Contract, for the introduction of the Defence ERP System, may be included in negotiations for any resultant Contract. If the Defence ERP System performing the relevant functions has not been implemented by the Effective Date, then one or more CCPs will be required once the relevant functions in the Defence ERP System become available.

Refer to SOW clause 3.16 for training in the use of Defence information systems.

1. DSD NUMBER: DSD-SUP-MILIS-V5.2
2. TITLE: MILITARY INTEGRATED LOGISTICS INFORMATION System (MILIS) use
3. DESCRIPTION AND INTENDED USE

This DSD describes the use of the MILIS by the Contractor for the Supply Support management of the following types of Items, as applicable:

Commonwealth-owned Stock Items, including GFE; and

Commonwealth-owned Software, where the Software is managed as a Stock Item.

This DSD is applicable where the Contractor is required to use MILIS to provide Supply Services, including:

receiving and processing Demands for Stock Items;

accounting for Stock Items;

tracking of Stock Items through the Defence Supply Chain and through the Contractor’s supply network between Defence and the Contractor;

procurement of Stock Items;

issue and receipt of Stock Items;

entry and maintenance of the MILIS Global Catalogue Data; and

other Supply management activities.

This DSD is not applicable for the Supply management of Contractor-owned Stock Items.

1. INTER-RELATIONSHIPS

This DSD forms part of the SOW.

This DSD must be applied in conjunction with Supply Services defined in the Supply Support requirements of the SOW and the other associated DSDs.

1. APPLICABLE DOCUMENTS

The following documents form a part of this DSD to the extent specified herein:

Note to drafters: Edit the list of documents in the table below to suit the requirements of this DSD (ie, include the relevant references that are applicable to Services that involve the use of MILIS / Defence ERP System). Do not include reference to Defence policy unless the obligations for contractors are explicitly set out in the referenced policy; otherwise, these types of documents can be open to interpretation within a contract.

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| 1. ESCM | 1. DEFLOGMAN Part 3: *Electronic Supply Chain Manual* |

1. SERVICE DESCRIPTION
   1. Introduction
      1. Scope of DSD

The Contractor shall use MILIS, as described in this DSD, for the following types of Items:

Commonwealth-owned Stock Items, including GFE; and

Commonwealth-owned Software, where the Software is managed as a Stock Item.

* 1. Services
     1. General

Note to drafters: Drafters should edit the following clause to identify the specific sections of the ESCM that are applicable to the required Services. If other documents added to clause 5 are applicable, then the following clause would need to be expanded to list those documents and to ensure that only the applicable portion of each document is mandated on the Contractor.

Drafters may amend the following clauses if relevant information is available regarding the rollout of Defence ERP Systems and the availability of related procedural manuals.

The Contractor shall use MILIS in accordance with the following ESCM sections:

[...DRAFTER TO INSERT...]; and

[...DRAFTER TO INSERT...].

The Contractor shall, for each Contractor and Approved Subcontractor employee who is proposed for being provided with access to MILIS, prepare and submit to the Commonwealth Representative for Approval a form AC847, *Application for Contractor Access to MILIS*, in accordance with the ESCM Volume 2 Section 3 Chapter 1 Annex A.

The Commonwealth shall provide access to MILIS as described in this DSD.

* + 1. Contractor Use of MILIS

Note to drafters: Drafters are to amend the subclause list below for the range of Supply Services to be managed through MILIS. MILIS can also be used to manage and record Maintenance Services, but if this circumstance exists these Maintenance Services should be specified through the Maintenance DSDs. The following clause should only address Supply Services.

If the use of MILIS by the Contractor involves exercising a financial delegation (eg, in order to place Demands for common Items), refer to the guidance in the first section of this DSD.

The Contractor shall use MILIS for the Items listed in clause 6.1.1.1 to provide the following Supply Services:

receiving and processing Demands for Stock Items;

accounting for Stock Items;

tracking of Stock Items;

procurement of Stock Items;

issue and receipt of Stock Items;

entry and maintenance of MILIS Global Catalogue Data; and

[… DRAFTER TO INSERT OTHER ACTIVITIES AS APPLICABLE …].

Note to drafters: The times in the following clauses may need to be adjusted to meet the specific requirements for the Contract. Drafters should note that the phrase, ‘unless otherwise allowed for in the Contract’, provides flexibility for certain data, such as Codification Data, which may exceed the timeframes specified because of the associated requirements defined in the Contract.

Subject to clause 6.2.2.3 of this DSD and unless otherwise allowed for in the Contract, the Contractor shall ensure that the information on MILIS for the Stock Items listed in clause 6.1.1.1 is never more than 24 hours out-of-date.

Note to drafters: If Surge is not applicable to the draft Contract, clause 6.2.2.3 should be replaced with ‘Not used’.

During periods of Surge, the Contractor shall ensure that the information on MILIS for the Stock Items listed in clause 6.1.1.1 is never more than two hours out-of-date.

Note to drafters: The following clause helps to ensure that the mandated use of MILIS does not impact upon the Contractor’s ability to meet Supply Support and other Contract Performance Measures (eg, demand satisfaction). Requirements Determination is listed below, but drafters may amend the following clause for other MILIS functions applicable to the Contract.

The Contractor may use MILIS to undertake the following Supply Services; however, the use of MILIS for these Services shall not relieve the Contractor from satisfying the Contract Performance Measures:

Requirements Determination for RIs; and

Requirements Determination for Non‑RIs.

The Contractor shall inform the Commonwealth:

if MILIS is not available for use,

how long it was not available, and

if known, the reason why it was not available.

* + 1. Government Furnished Equipment and Services

Note to drafters: This clause includes reference to what the Commonwealth will provide to the Contractor to allow MILIS use. Select from the following optional clauses based on the access to MILIS to be provided; in some cases more than one option may be applicable. Drafters must ensure that Attachment E is updated to capture the GFM and GFS requirements.

The Commonwealth shall provide the Contractor with on-line access to MILIS, as GFE and GFS provided in accordance with Attachment E, for the purposes of undertaking the requirements of this DSD.

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| Option A: For when the Contractor will be provided with hardware and Software to access MILIS.  The Commonwealth shall provide the Contractor with terminals and/or interfaces and GFS to support the use of MILIS, as detailed in Attachment E.  The Commonwealth shall be responsible for maintaining MILIS equipment […INSERT THE LIST OF HARDWARE/SOFTWARE IN AN ANNEX TO THIS DSD OR REFER TO ATTACHEMENT E…] provided as GFE and GFS to the Contractor.  Note to drafters: While the following clause is an alternative to the Option A, it can be used in conjunction with Option A as a solution to any delays in providing GFE under Option A. If applicable, refer to the guidance (in section 1 of this DSD) for an alternative clause.  Option B: For when the Contractor will be provided with DREAMS tokens to access MILIS.  The Commonwealth shall provide the Contractor with tokens for the Defence Remote Electronic Access Mobility Service, as detailed in Attachment E, in order to access MILIS via remote logon.  Option C: For access to Commonwealth MILIS terminals located on Commonwealth property. Drafter to insert number of terminals to be available and conditions of use (eg, shared access).  The Commonwealth shall provide access to […INSERT NUMBER…] of MILIS terminals at […INSERT LOCATION/TIME DETAILS…]. |