GUIDANCE PAGES TO BE DELETED WHEN PUBLISHED

ASDEFCON (SUPPORT)

SECTION 1: GUIDANCE for DSD-SUP-SACC

(STOCK AssessMENT, CodifICATION and CataloguING SERVICES)

Status: Optional

This DSD is for use when the Contractor is required to perform Stock Assessment, Codification and/or Cataloguing. Stock Assessment, in this cases, is performed to assess the adequacy of the number of Stock Items held, particularly to assess the implications for new or modified Stock Items associated with changes to the Products Being Supported (not simply adjustments based on historic use). Codification and then Cataloguing address the entry of new Stock Items, and the accuracy of existing item identification data for modified items, within the ‘global catalogue’ (items identified by NATO Stock Numbers) and Defence’s inventory management system.

The Defence Enterprise Resource Planning (ERP) System will replace existing Defence information system over a number of years, with functions that have been performed using MILIS being replaced by ‘Supply Chain Management’ functions within ERP. Refer to the Defence ERP Program websites for further information.

**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 for the Defence ERP System functions, and an individual tender, references to the MILIS and DEFLOGMAN / ESCM in this DSD may need to be updated before tender release, during negotiations, or during any resultant Contract.

Purpose: Refer to ‘Description and Intended Use’, clause 3.

Policy: DEFLOGMAN Part 2 Volume 5 Chapter 5, *Item Identification and Recording of Defence Logistics Assets in support of the Military Integrated Logistics Information System*

Guidance: The Services described in this DSD could be incorporated into the Contract in a number of different ways, including as part of Recurring Services, as Ad Hoc Services or, perhaps, as some mix of the two, depending upon the expected scope of work for these Services and whether or not the scope can be adequately defined. The Services described in this DSD will also be dependent upon the type of Contract being envisaged (ie, whether the proposed Contract ‘fits within’ a Scenario 1, 2, 3 or 4 style of Contract – refer to Annex A to the SOW Tailoring Guide for the explanation of these different scenarios).

DEFLOGMAN Part 2 Volume 5 Chapter 5, *Item Identification and Recording of Defence Logistics Assets in support of the Military Integrated Logistics Information System*, provides policy regarding the requirement to codify and catalogue Stock Items owned by the Commonwealth. Drafters should also consider Contractor-owned Stock Items to be codified in order to cater for distribution through the Defence supply chain, including distribution to a foreign country.

Related Clauses/Documents:

Draft SOW clause 7, Supply Support

DSD-SUP-SERV, Routine Supply Services

Optional Clauses: None

6.2.2 Stock Assessment

Status: Optional

Purpose: To require the Contractor to undertake Stock Assessment activities when circumstances warrant that these activities be conducted.

Policy: TBD

Guidance: Initially, drafters need to determine whether the Contractor will be tasked to undertake Stock Assessment or whether that task will be performed by the SPO alone. If performed only by the SPO, then the content of clause 6.2.2 may be replaced with ‘Not used’. For example, against each of the four scenarios that were defined to support the development of this template, the following generic guidance is provided:

1. Under Scenario #1, where the Contractor is responsible for support at the Mission System level (and the Commonwealth does not have any Maintenance or Supply responsibilities), Stock Assessment may only be required for changes to ROE (which may only occur annually), proposed changes to RSL, and/or in support of Engineering Change Proposals (ECPs). Under Scenario #1, Stock Assessment Services could be incorporated into the Contract under any of the options defined in the overall guidance for this DSD.
2. Under Scenario #2, where support is required for Mission Systems and Stock Items (and the Commonwealth does have Maintenance and some Supply responsibilities), Stock Assessment requirements could be extensive. Scenario #2 is an example of a style of Contract where these Services would be likely to be included in the firm-priced portion of the Contract; however, other options could be considered depending upon the scope of the Contract.
3. Under Scenario #3, where support is required for Stock Items, Stock Assessment requirements will be highly dependent upon the scope of the Contract. As for Scenario #1, Stock Assessment Services could be incorporated into the Contract under any of the options defined in the overall guidance for this DSD.
4. Under Scenario #4, where the Commonwealth undertakes all of the Stock Assessment requirements, these Services may not be needed at all (note that this scenario is unlikely to use the *ASDEFCON (Support)* template).

Drafters should note that these clauses are not intended to provide an avenue for the Contractor to justify changes to the Contract arising out of, for example, inefficiencies in Contractor-provided Maintenance or problems with the Contractor’s supply chain, particularly given that the Contractor has agreed to meet the requirements of the Contract (eg, KPIs relating to system availability). Any Stock Assessment analyses conducted by the Contractor must be considered in the context of the baseline Contract and the Contractor’s responsibilities for meeting the Contract outcomes. Additionally, any agreement to change Stock Item levels must be considered against other options (eg, speeding up the repair pipeline) and in life-cycle terms.

The template provides optional clauses for the Contractor to conduct Stock Assessment activities using OPUS10 (or an alternative that is Approved by the Commonwealth Representative). A process description for the application of OPUS10 is provided in the *ESCM Volume 6 Section 2 Chapter 4, ‘OPUS – Requirements for Repairable Item Management Optimisation’.* As stated in the note to drafters, OPUS10 is a complex modelling tool, which may not be cost-effective for smaller, less complex items of equipment. Nevertheless, the Contractor should still be required to justify any recommendations for changes to Stock Item levels. Constant confidence techniques (such as may be provided using a spreadsheet or the Navy’s Fleet Logistic Support Improvement Program (FLSIP) model) may be more appropriate in these circumstances. Additionally, some logistics managers use Omega Analyzer in lieu of OPUS10. Drafters should consider whether or not to include reference to these alternative techniques within the DSD, as an alternative to the OPUS10 clauses, if the circumstances are appropriate.

If OPUS10 is not the preferred Stock Optimisation model of the Commonwealth Representative (ie, usually the SPO, but may include support agencies), then the drafter should amend clause 6.2.2.7 to include the preferred model.

If the Commonwealth Representative will only accept OPUS 10, or another preferred model, then clause 6.2.2.7 may be edited to remove reference to an ‘alternative Approved by the Commonwealth’, and clause 6.2.2.8 may be deleted.

The template clauses only request that the Contractor provide a report in a format proposed by the Contractor and Approved by the Commonwealth, with some high-level content requirements included within the clause. Alternatively, the drafter could specify the format and content using a DID (eg, if the recommendation list is expected to be large and greater levels of supporting information are required). In this instance, the drafter may wish to slightly modify the *ASDEFCON (Strategic Materiel)* RSPL DID (DID-ILS-SUP-RSPL) to identify the difference between current Stock Item levels and the Contractor’s recommendations for changes to those levels. Clause 6.2.2.10 should then be modified to refer to the applicable entry in the CDRL.

If these Services are to be included in this DSD, and procurement of additional assets will be through the Contractor (Support), the drafter should also include DSD-SUP-PROC or DSD-SUP-MILIS, as applicable, to address the additional requirement for procurement Services.

Related Clauses/Documents:

Draft SOW clause 7, Supply Support

DSD-SUP-SERV, Routine Supply Services

DSD-SUP-PROC, Procurement Services

DSD-SUP-MILIS, Military Integrated Logistics Information System Use

Optional Clauses: None

6.2.3 Codification

Sponsor: National Codification Bureau

Status: Optional

Purpose: To ensure that Stock Items are codified in accordance with current policy.

Policy: DEFLOGMAN Part 2 Volume 5 Chapter 4, *Defence Procurement Routing Rules in support of the MILIS*.

DEFLOGMAN Part 2 Volume 5 Chapter 5, *Item Identification and Recording of Defence Logistic Assets in support of the MILIS*.

DEFLOGMAN Part 2 Volume 5 Chapter 14, *Supply Aspects of Contractor Owned Spares*.

Guidance: DEFLOGMAN Part 2 Volume 5 Chapter 4 requires ‘any [item of supply] that is repetitively procured, or repaired and supports an operational capability or is subject to deployment must be codified in accordance with the NATO Codification System’. Furthermore, DEFLOGMAN Part 2 Volume 5 Chapter 5 requires ‘all [items of supply] that are owned or stored by Defence must be identified and recorded by the allocation of a unique identification number’ and, for materiel, ‘the allocation of a NATO Stock Number (NSN) and subsequent codification is the default method of identification and only with justification are [items of supply] to be identified by other means’.

However, ‘Contractor owned and managed [items of supply] need not be Codified unless required by technical regulation or the Capability Manager’ as directed in DEFLOGMAN Part 2 Volume 5 Chapter 14. An operational reason for Contractor-owned Stock Items to be codified (and subsequently catalogued) is the need for those Stock Items to be distributed through the Defence Supply Chain.

New Stock Items, introduced through modifications or as substitute items, are highly likely to be introduced over the Term of a larger support contract (particularly a long-term contract). On occasion, existing Codification data may also be found to have errors and require correction.

Clause 6.2.3.2 deliberately allows for alternatives to be agreed for the delivery of Codification Data. For an overseas supplier / OEM, the preferred approach within participating nations is that new / modified items are codified in the country of origin. Codification Data can also include sensitive design information, thus the clause allows for the Commonwealth to agree that Codification Data from Subcontractors be delivered directly to the SPO or National Codification Bureau (NCB).

The optional clause at clause 6.2.3.3 refers to Contractor-owned Stock Items that need to be stored and distributed through the Defence Supply Chain, even if only on occasion (eg, to support a deployment for a Contingency). If Contractor-owned Stock Items will not need to moves through the Defence Supply Chain, the option can be deleted.

The final clauses for Codification addresses any Technical Data that is sensitive to the item manufacturer (Contractor or Subcontractor / supplier). If Technical Data is only provided as part of Codification Data then it will be retained by the NCB in CASG (and other NCBs internationally) for Codification management purposes and the general Use and Sublicensing provisions of COC clause 5 do not apply. If the same Technical Data is provided for another purpose (eg, in a Maintenance Manual or Safety Data Sheet) then the provision of COC clause 5 apply to that part of the Technical Data / Codification Data.

Payment methods for Codification may vary. Codification is unlikely to be a regular (Recurring Services) activity but it could be a Task-Priced Service or included as part of a larger S&Q Service for a modification program. In any case, a price for ‘Codification per line item’ is typically an ‘item for which specific prices are required’ in the tender response (refer to the Support Pricing Workbook).

The National Codification Bureau should be consulted for further advice via email at: [ncb.helpdesk@defence.gov.au](mailto:ncb.helpdesk@defence.gov.au).

Related Clauses/Documents:

Draft SOW clause 7, Supply Support

DSD-SUP-SERV, Routine Supply Services

TDR D and the Support Pricing Workbook, Items for which Specific Prices are Required

Optional Clauses: None

6.2.4 Cataloguing

Status: Optional

Purpose: Placement of Codified equipment on to the Defence Supply System.

Policy: DEFLOGMAN Glossary

DEFLOGMAN Part 2 Volume 5, Chapter 5, *Item Identification and Recording of Defence Logistics Assets in support of the MILIS*.

Guidance: Cataloguing is the act of recording and promulgating selected management data relating to items of supply in the catalogues of the MILIS global record and other supply systems. If Cataloguing Services are not required and will be performed by the SPO or an Associated Party, including the collection of the required data, then clauses under the heading clause 6.2.4 can be replaced with a single ‘Not used’.

Maintenance of the MILIS Global Catalogue data is the responsibility of the Designated Logistics Manager and may be conducted by SPO staff or delegated to a Contractor that may, or may not, have access to MILIS. As a result, there are two options for clause 6.2.4.

Option A requires the Contractor to provide data to enable the Cataloguing activity to be performed by SPO personnel. This information is to be delivered in the appropriate format. Form AE724 – Request for Identification and Supply of Equipment is used by non GASG personnel to request identification and support for a new item of Supply, and allocation of a SPO to act as Stock Item Owner. Form AE724 is available here:

<https://formsportal.dpe.protected.mil.au/bin/forms-portal/form?AE724>

Option B requires the Contractor to manage this data within MILIS. This clause can only be used if DSD-SUP-MILIS is included in the draft Contract. DSD-SUP-MILIS should also include reference to maintaining the MILIS Global Catalogue data as one of the applicable Services to be provided using MILIS (this is included in the guidance for that DSD).

The Materiel Logistics Functions Delivery Branch should be consulted for further advice via email at: [mlo.helpdesk@defence.gov.au](mailto:mlo.helpdesk@defence.gov.au).

Related Clauses/Documents:

Draft SOW clause 7, Supply Support

DSD-SUP-SERV, Routine Supply Services

Optional Clauses: None

Detailed Service Description

1. DSD NUMBER: DSD-SUP-SACC-V5.2
2. TITLE: STOCK AssessMENT, CodifICATION and CataloguING SERVICES
3. DESCRIPTION AND INTENDED USE

Note to drafters: Amend the description in this clause to accord with the other requirements of the Contract. Do not automatically delete ‘Contractor-owned Stock Items’ because it may be important to have visibility into those Contractor-owned Stock Items that need to travel through the Defence Supply Chain. Refer to the guidance in relation to Codification.

This DSD describes the Stock Assessment Services and the Codification and Cataloguing Services required to be conducted by the Contractor with respect to the following types of Stock Items, as applicable:

Commonwealth-owned Stock Items; and

Contractor-owned Stock Items.

This DSD is applicable where the Contractor is required to provide:

Engineering Services, such as the development of Engineering Change Proposals (ECPs);

Supportability Analysis Services, such as the assessment of the implications for Stock Items arising from changes to:

those equipment design characteristics that provide inputs to the Stock Assessment process (eg, MTBF);

those Support System design characteristics that provide inputs to the Stock Assessment process (eg, Turn-Around-Time (TAT) and delivery time); and

those operating characteristics that provide inputs to the Stock Assessment process (eg, duration of deployments and distribution of assets);

supporting documentation to assist with assessing the implications for the Contract resulting from a change to the Rate of Effort (ROE);

justification for any proposed changes to the Working Stockholding Levels (WSLs) or the Reserve Stockholding Levels (RSLs) for RIs;

justification for any proposed changes to the RSLs for Non-RIs;

justification for any proposed changes to minimum and maximum Stock Item holding levels;

justification for any proposed changes to the payments to be made under the Contract arising from issues relating to Stock Items;

Codification and Cataloguing Services:

for new Stock Items that are neither Codified nor Catalogued; and

to correct errors in, or to make changes to, existing Codification Data; or

some combination of the Services defined in sub-clauses a to h of this clause.

This DSD is not applicable for the ongoing Requirements Determination activities conducted by the Contractor as part of meeting the Maintenance Support and the other Supply Support requirements of the Contract, including:

Requirements Determination relating to the need to induct RIs into the repair pipeline or to redistribute RIs to meet forecast demand; and

Requirements Determination relating to the need to procure Non‑RIs to meet forecast demand, except as defined in the preceding clause.

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 this DSD (ie, include relevant references applicable to the assessment, Codification and Cataloguing of Stock Items). 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.

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

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

Note to drafters: Amend the following list for the scope of the DSD. For example, if Contractor-owned Stock Items are not a requirement, delete the applicable sub‑clause.

The Contractor shall provide Stock Assessment, Codification and Cataloguing Services, as described in this DSD, for the following types of Items:

Commonwealth-owned Stock Items; and

Contractor-owned Stock Items.

* 1. Services
     1. General

Note to drafters: If only a portion of the Applicable Documents listed in clause 5 are applicable then the following clause would need to be modified to ensure that only the applicable portion of each of the documents is mandated on the Contractor.

The Contractor shall provide Stock Assessment, Codification and Cataloguing Services in accordance with the applicable documents listed in clause 5 of this DSD.

The Contractor shall maintain a schedule of known Stock Assessment, Codification and Cataloguing activities, projecting work effort for a period of not less than one year in advance, or until the end of the Term where that period is less than one year.

The Contractor shall provide a copy of the Contractor’s Stock Assessment, Codification and Cataloguing schedule in the format requested and within five Working Days (or other timeframe agreed between both parties) of a request for a copy of this schedule from the Commonwealth Representative.

* + 1. Stock Assessment

Note to drafters: Amend the following list of analyses to accord with the other requirements of the Contract and the applicability list defined in clause 3. If Surge is not applicable to the draft Contract, subclause d should be deleted and the other subclauses amended accordingly.

The Contractor shall conduct Stock Assessment analyses to justify any proposed changes to the WSLs for RIs and to the RSLs for both RIs and Non‑RIs that are required under the Contract, including changes arising out of:

ECPs, which change equipment design characteristics;

changes to the supply chain and other changes to the Support System’s design characteristics, including any changes proposed by the Contractor;

changes to the operating characteristics, including ROE, role and environment; and

specific Surge requirements that are outside of the scope of the Surge planning assumptions defined under the Contract.

The Contractor shall conduct Stock Assessment analyses to justify any procurement of RIs when an RI has been lost to the RI pool.

Note to drafters: The following clause assumes that procurement of Non‑RIs is managed either as part of the firm-priced portion of the Contract or under an S&Q Order with an NTE price for a defined period under the Contract (eg, a year). If neither of these situations hold true, then the following clause should be amended accordingly.

The Contractor shall conduct Stock Assessment analyses to justify any proposed changes to the payments to be made under the Contract, arising out of issues relating to Stock Items.

The Contractor shall conduct Stock Assessment analyses and provide the findings to the Commonwealth Representative as supporting documentation to assist with assessing the implications for the Contract resulting from a change to the ROE.

When Supportability analyses and/or particular Performance Measures indicate that Supportability problems may exist (eg, equipment reliability is lower than predicted or supply chain times are longer than predicted), the Commonwealth Representative may notify the Contractor, in writing, that Stock Assessment needs to be undertaken in accordance with the requirements of this clause 6.2.2.

When the Commonwealth notifies the Contractor under clause 6.2.2.5, the Contractor shall undertake the required Stock Assessment activities in accordance with the requirement set out in the notice.

Note to drafters: The following three clauses refer to the use of OPUS10 for Stock Assessment analyses. If the Products Being Supported are not complex, consideration should be given to deleting the clauses if the use of OPUS10 is unlikely to be cost-effective. If the clauses are deleted, they should be replaced with ‘Not used’.

OPUS10 is Defence’s recommended software model for the optimisation of RIs (Omega Analyzer is an alternative software package used by some). If an alternative is to be used, edit the clause below accordingly (note that software models that require historical consumption / use data are not applicable in this context).

The Contractor shall perform the Stock Assessment analyses required under this clause 6.2.2 using the Stock Optimisation software package, OPUS10 (or an alternative Approved by the Commonwealth Representative).

If the Contractor produces a Stock Optimisation model (or part thereof) using an Approved software package, other than the package specified in 6.2.2.7, the Contractor shall provide all the necessary programs, licences, and training to enable the Commonwealth to efficiently access and manipulate the Stock Optimisation model.

The Contractor shall deliver to the Commonwealth Representative the data used in the Stock Optimisation model to enable the Commonwealth to verify the recommended results.

The Contractor shall deliver, in a Contractor format Approved by the Commonwealth Representative, a report that details the outcomes from the Stock Assessment analyses conducted pursuant to this clause 6.2.2, and that includes:

the rationale for conducting the Stock Assessment analyses;

the scope and objectives of the analysis activities conducted;

details of the actual analysis activities conducted, including the assumptions, methodologies, processes and modelling tools used;

the source of any new data used, including its age, whether or not it is an estimate, the basis for the estimate, and the justification for using the data;

details of any sensitivity and trade-off analyses conducted;

the implications of the analysis outcomes for the performance measurement requirements of the Contract;

the implications of the analysis outcomes for LCC;

conclusions and recommendations;

supporting data; and

the source of supply, cost and delivery lead-time for any proposed additional Stock Items, including whether or not the Stock Items are already Codified.

Should the Commonwealth Representative assess and either determine or agree that additional RIs or Non‑RIs are required, the Commonwealth Representative and the Contractor shall negotiate as to the reasonable quantity of additional Stock Items to be provided.

If the agreement provided pursuant to clause 6.2.2.11 results in a change to the Contract, the Contractor shall raise a Contract change proposal in accordance with clause 11.1 of the conditions of contract.

Note to drafters: Amend or delete the following note to reflect the DSDs in the draft Contract.

Note: Procurement of additional Stock Items is covered under DSD-SUP-SERV, DSD-SUP-PROC and/or DSD-SUP-MILIS.

* + 1. Codification

The Contractor shall develop and update Codification Data, in accordance with CDRL Line Number SUP‑200, for:

all Commonwealth-owned Stock Items that are newly introduced under the Contract; and

to address any errors or changes in Codification Data for Stock Items that are already codified.

The Contractor shall deliver, or shall ensure the delivery of, Codification Data to the delivery location specified in CDRL Line Number ILS‑200, unless another delivery location is agreed in writing between the parties.

Note to drafters: Delete the following clause if not required, and replace with ‘Not used’.

|  |
| --- |
| Option: Include clause for Codification of Contractor-owned Stock Items.  Unless otherwise agreed by the Commonwealth Representative, the Contractor shall provide Codification Data, in accordance with CDRL Line Number SUP‑200, for all Contractor-owned Stock Items that are newly introduced under the Contract and that could reasonably be expected to utilise the Defence Supply Chain for their Distribution, including during periods of Surge. |

The Contractor acknowledges that Codification Data will be retained by the Australian National Codification Bureau (NCB) and may be retained by other NCBs, for Codification and associated NCB functions.

If elements of Codification Data are provided to the Commonwealth:

only for the purpose of Codification, those elements of Codification Data will only be used in accordance with this clause 6.2.3; or

for a purpose that is in addition to Codification, those elements of Codification Data will be subject to the requirements of clause 5 of the COC and this clause 6.2.3.

* + 1. Cataloguing

Note to drafters: If Cataloguing Services are not required (eg, Cataloguing will be performed by Defence staff), replace both of the following options with a single ‘Not used’.

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. References to the MILIS in this DSD should be considered as references to the Defence ERP System, used to perform 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.

|  |
| --- |
| Option A: For when the Contractor provides Cataloguing data to the Commonwealth for entry into MILIS by Defence staff.  The Contractor shall develop and provide to the Commonwealth Representative, for all Commonwealth-owned Stock Items that are introduced under the Contract, MILIS Global Catalogue Data in the format requested by the Commonwealth Representative.  When the Contractor identifies an error or other requirement to change MILIS Global Catalogue Data for a Product Being Supported, or when otherwise requested by the Commonwealth Representative, the Contractor shall provide an update to the MILIS Global Catalogue Data to the Commonwealth Representative, in the format requested by the Commonwealth Representative.  Option B: For when the Contractor enters Cataloguing data directly into MILIS.  The Contractor shall develop MILIS Global Catalogue Data and enter this data into MILIS in accordance with the ESCM, for all Commonwealth-owned Stock Items that are introduced under the Contract.  When the Contractor identifies an error or other requirement to change MILIS Global Catalogue Data for a Product Being Supported, or when otherwise requested by the Commonwealth Representative, the Contractor shall update the MILIS Global Catalogue Data in MILIS, in accordance with the ESCM. |