DATA ITEM DESCRIPTION

1. DID NUMBER: DID-PM-AIC-MPS-V5.3
2. TITLE: MATERIEL PROCUREMENT STRATEGY
3. DESCRIPTION and intended use

The Materiel Procurement Strategy (MPS) describes the Contractor’s and/or Australian Industry Capability (AIC) Subcontractor’s plan for undertaking the procurement of applicable materiel and/or associated services for the Materiel System (as identified under the Supply Chain Management clause of the SOW), in order to satisfy the AIC Objectives while meeting the other requirements of the Contract.

Generally, an individual MPS is required for each applicable procurement requirement for a materiel item or service, except where the Contractor or AIC Subcontractor is proposing to amalgamate separate requirements into a single procurement for reasons of efficiency, the nature of the marketplace, the similarities of the individual requirements, or other applicable reasons. An MPS is not required for any materiel or associated services:

already included within the scope of a Subcontract with an AIC Subcontractor identified in Attachment H; or

for which the Contractor or an AIC Subcontractor has already identified, in writing, that it will procure from Australian Industry (eg, for Commercial-Off-The-Shelf (COTS) items).

The Contractor and/or the AIC Subcontractor uses the MPS to:

describe the plan for conducting the procurement of applicable materiel and/or associated services for the Mission System and/or Support System so that the procurement will satisfy:

the AIC Objectives, particularly in relation to promoting opportunities for Australian industry to participate in the Contract work; and

the other requirements of the Contract, particularly in relation to capability and schedule;

ensure that those parties (including the Commonwealth), who are undertaking activities in relation to a procurement, understand their responsibilities, the processes to be used, and the time-frames involved; and

provide assurance to the Commonwealth that the procurement appropriately balances the differing requirements of the Contract so that opportunities for Australian Industry are being actively pursued to achieve the AIC Obligations.

The Commonwealth uses the MPS to:

understand and evaluate the Contractor’s and/or AIC Subcontractor’s plan for undertaking a procurement of materiel and/or associated services, including monitoring the implementation of the plan;

enable the Commonwealth to provide input into the procurement, particularly to advise the Contractor or AIC Subcontractor of matters relating to the AIC Objectives that may not be known by the Contractor or AIC Subcontractor (such as procurement-specific Sovereignty requirements, Defence-specific security and/or export control issues, opportunities for bundling with other Defence projects, potential Australian suppliers that may be suitable, and insights into the Australian marketplace from its broader perspective), engage at key decision points, and provide other assistance where required; and

as an input into the Commonwealth’s own planning.

1. INTER-RELATIONSHIPS

The MPS is subordinate to the following data items, where these data items are required under the Contract:

Australian Industry Capability Plan (AICP); and

Supply Chain Management Plan (SCMP).

The MPS inter-relates with the following data items, where these data items are required under the Contract:

Defence-Required Australia Industrial Capability Plan (DRAICP);

Materiel Procurement Business Case (MPBC);

Software List (SWLIST);

Support and Test Equipment Provisioning List (S&TEPL);

Training Equipment List (TEL);

Support System Technical Data List (SSTDL);

Australia and New Zealand (ANZ) Subcontractor Technical Data List (ASTDL);

Contract Work Breakdown Structure (CWBS);

Contract Master Schedule (CMS); and

Contract Status Report (CSR).

1. Applicable Documents

The following document forms a part of this DID to the extent specified herein:

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| 1. Nil. |  |

1. Preparation Instructions
   1. Generic Format and Content

The MPS shall comply with the general format, content and preparation instructions contained in the CDRL clause entitled ‘General Requirements for Data Items’.

The data item shall include a traceability matrix that defines how each specific content requirement, as contained in this DID, is addressed by sections within the data item.

* 1. Specific Content

The MPS shall describe the Contractor’s and/or AIC Subcontractor’s plan for conducting a procurement for applicable materiel and/or associated services, including:

identification of the procurement objective and required key outcomes (eg, selection of a supplier and/or product for the project, qualification of a suite of suppliers, confirming the suitability of particular products, conducting a competitive design down-selection, and/or establishing a standing offer for particular COTS items), including whether or not there are any opportunities for cross-program bundling (eg, across related platforms and/or systems);

a description of the scope of work, including the materiel and/or associated services to be procured, key requirements to be met, any identified constraints (eg, security or export control), budgeted cost and estimated schedule;

an estimate of the whole-of-life costs for the materiel and/or associated services, including the supporting information that explains how this estimate was derived;

identification of the pricing model for the Subcontract (eg, fixed price, time and materials, or Target Cost Incentive (TCI)), including any the likely parameters associated with the model where appropriate (eg, for a TCI model, this would include the ceiling price, floor price, share ratios, and other selectable parameters) and the basis for choosing that pricing model;

a description of the approach for addressing the Commonwealth’s Sovereignty requirements (if any) notified in accordance with the Supply Chain Management clause of the SOW, including any proposed essential requirements that the suppliers may be required to meet to ensure those requirements are addressed;

if the procurement is proposed to be conducted in stages (eg, design stage, prototype stage and production stage), an explanation as to how any sole-source considerations for future stages will be addressed and managed;

an assessment of the competitiveness and maturity of Australian Industry to meet the procurement requirements;

identification of the proposed procurement method (ie, sole source, limited request (ie, a request that will be limited to a number of suppliers), or open request) and a justification for the proposed method;

if the procurement is proposed to be conducted as a sole source or limited request procurement:

identification of the supplier(s) that will be invited to participate in the procurement activity; and

details of any known potential Australian suppliers that could have the capability to meet the procurement requirements (within the required lead-time) but have not been shortlisted for participation in the activity, including the rationale for their exclusion;

a description of the key steps and risks associated with the procurement activity; and

identification of the proposed evaluation criteria and any weightings of those criteria, mapped to the procurement objective and required key outcomes, including justification for the selection of the criteria and any associated weightings.