DATA ITEM DESCRIPTION

1. DID NUMBER: DID-PM-LCC-LCCMP-V5.3
2. TITLE: Life Cycle Cost Management Plan
3. Description and Intended Use

The Life Cycle Cost Management Plan (LCCMP) describes the Contractor's plans, methodologies and processes for meeting the Life Cycle Cost (LCC) program requirements of the Contract.

The Contractor uses the LCCMP to:

define, manage and monitor the LCC program;

ensure that those parties (including Subcontractors) who are undertaking LCC activities understand their respective responsibilities, the processes to be used, and the time-frames involved; and

ensure that those parties (including Subcontractors) who are providing data to enable LCC activities to be undertaken understand their respective responsibilities, the data to be provided, and the time-frames for providing that data.

The Commonwealth uses the LCCMP to:

understand and evaluate the Contractor’s approach to meeting the LCC program requirements of the Contract; and

identify and understand the Commonwealth’s involvement in the Contractor’s LCC program, including the monitoring of the Contractor’s program.

1. INTER-RELATIONSHIPS

The LCCMP is subordinate to the Project Management Plan (PMP).

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

Integrated Support Plan (ISP);

Systems Engineering Management Plan (SEMP); and

Support System Description (SSDESC).

1. Applicable Documents

The following documents form 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 data item 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
     1. General

The LCCMP shall describe the objectives, scope, constraints, and assumptions associated with the Contractor’s LCC program. Any risks associated with the Contractor’s LCC program shall be documented in the Risk Register in accordance with the Approved Risk Management Plan; however, the LCCMP shall describe the risk-management strategies associated with any global, LCC-related risks.

* + 1. LCC Program Organisation

If different from the PMP, the LCCMP shall describe the Contractor’s organisational arrangements for meeting the LCC program requirements of the Contract, including:

the Contractor’s and Approved Subcontractor’s project organisations and management structures, showing how the LCC organisational and managerial arrangements integrate into the higher-level management structures and organisations;

the interrelationships and lines of authority between all parties involved in the Contractor’s LCC program, including those parties responsible for the provision of LCC-related data; and

the responsibilities of all parties involved in the Contractor’s LCC program, including the identification of the individual within the Contractor’s organisation who will have managerial responsibility and accountability for meeting the LCC requirements of the Contract.

* + 1. LCC Program Overview

The LCCMP shall provide an overview of the Contractor’s program for meeting the LCC requirements of the Contract, including:

the major activities to be undertaken, when, and by whom;

the integration of Subcontractors into the Contractor’s LCC program;

the interfaces between the LCC program and the Systems Engineering (SE) and Integrated Logistics Support (ILS) programs, including the mechanisms for ensuring that the LCC activities and outcomes are integrated into the developmental activities for both the Mission System and the Support System;

an overview of any LCC modelling tools that will be used by the Contractor and Approved Subcontractors (including any LCC model or tool that will be used in conjunction with, or as a supplement to, the LCC model specified in the SOW);

the processes and procedures to be employed by the Contractor to undertake the LCC activities;

for any new or modified procedures, an overview of the scope of the new or modified procedures and the responsibilities and timeframes for developing and approving these procedures;

any LCC-related training that the Contractor and Subcontractors need to undertake, including details of proposed training courses, personnel or positions identified to undertake those courses, and timeframes in which the courses will be undertaken;

the provision of any training to Commonwealth personnel in any LCC model or tool (other than the LCC model specified in the SOW), including details of proposed courses and proposed timeframes for those courses; and

the expectations of the Contractor with respect to the Commonwealth.

* + 1. LCC Model Development

The LCCMP shall describe the Contractor’s methodology for undertaking the development of the LCC model(s) required under the Contract, including:

the suite of LCC models and tools that will be used, including the function of each of the models and tools and the relationships between each of these models and tools in performing the LCC activities;

the identification of extant LCC data at the start of the Contract, with such data to be grouped under each Level 3 element of the Contract Work Breakdown Structure (CWBS);

the identification of those elements of the Mission System and the Support System that are either most likely or least likely to be influenced by the program of LCC activities, including the rationale for this categorisation;

the program of activities for developing the LCC model (cross-referencing to the LCC activities in the Contract Master Schedule (CMS) and in any subordinate schedules);

the scope of LCC model that will be developed, including the indenture level of the physical build structure for the Mission System that will be modelled;

the processes for incorporating data for Government Furnished Equipment (GFE) and Government Furnished Services (GFS) into the LCC model;

the maturity of the model, with respect to both the Mission System and the Support System, that will exist at each of the Mandated System Reviews;

the assumptions that will be used to develop the LCC model, including any limitations or simplifications of reality;

the processes for validating the LCC model;

the processes for ensuring that the LCC model is consistent with the information sources used, the build structure of, and any assumptions underpinning:

the CWBS;

the Logistic Support Analysis Record (LSAR), if an LSAR is required under the Contract;

the Spares-optimisation model, if a Spares-optimisation model is required under the Contract; and

any other models used by the Contractor to model either the Mission System or the Support System (eg, Level Of Repair Analysis model);

the processes and procedures for collecting and recording LCC data, including how this data will be kept current with the developmental status of the Mission System and the Support System;

the identification of any LCC-related data that may have to be provided by the Commonwealth (eg, cost data for Commonwealth elements of the Support System and LCC-related data for GFE/GFS), including the timeframe for the delivery of this data;

the processes and procedures for identifying and analysing LCC drivers, including reviewing and updating these LCC drivers as the developmental status of both the Mission System and Support System changes and better information becomes available;

the strategy and methodology for using the LCC model to analyse LCC, including performing sensitivity and trade-off analyses; and

the strategy, methodology and assumptions associated with modelling software life-cycle costs.

* + 1. LCC Model Usage

The LCCMP shall detail the strategy, methodology and program of activities for utilising the outcomes of the LCC analyses, including:

the outcomes from the analyses of the LCC drivers; and

the outcomes from the sensitivity and trade-off analyses,

in the design and development of the Mission System and the Support System to minimise LCC across both of these systems, while meeting the other requirements of the Contract.

The LCCMP shall detail the strategy, methodology and program of activities for demonstrating to the Commonwealth at each applicable Mandated System Review that the Contractor’s developmental activities will result in a combined Mission System and Support System that minimises LCC, while meeting the other requirements of the Contract.