DATA ITEM DESCRIPTION

1. DID NUMBER: DID-PM-AIC-MPBC-
2. TITLE: MATERIEL PROCUREMENT BUSINESS CASE
3. DESCRIPTION and intended use

The Materiel Procurement Business Case (MPBC) provides the arguments to justify a decision in relation to a procurement of materiel and/or associated services when the Contractor has conducted a procurement activity for the materiel and/or associated services and either:

is proposing not to utilise an Australian Entity; or

has identified that an Australian supplier could be a candidate for consideration as an Australian Industry Opportunity (AIO).

The Contractor uses the MPBC to:

describe the procurement activity that has resulted in the requirement for an MPBC, including the outcomes obtained and the alternatives being assessed;

demonstrate to the Commonwealth that the Contractor is appropriately addressing the Australian Industry Capability (AIC) Objectives and either:

cannot identify a way to further these objectives without placing other objectives at risk; or

has identified an opportunity to further these objectives, but cannot do so within the cost, schedule or capability requirements of the Contract;

assess the identified alternatives against the required criteria to highlight the respective trade-offs associated with each alternative; and

detail the analysis, rationale and recommendations associated with this assessment.

The Commonwealth uses the MPBC to:

understand and assess the Contractor’s analysis of the procurement activity, including the Contractor’s proposed way forward and the associated justification;

provide input for Commonwealth decision-making in relation to the MPBC; and

provide a repository of procurement information for future reference.

1. INTER-RELATIONSHIPS

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

Materiel Procurement Strategy (MPS);

System Specification (SS) for each different type of Mission System;

Support System Specification (SSSPEC);

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

* 1. Specific Content
     1. General Requirements

The MPBC shall describe the procurement activity that has resulted in the requirement for an MPBC, including the outcomes obtained and the alternatives being assessed.

The MPBC shall define the set of evaluation criteria by which the procurement alternatives have been compared and assessed, including any weighting of the criteria. Except where otherwise agreed, in writing, by the Commonwealth, these criteria shall include Capability, Mission System requirements, Support System requirements, cost (both acquisition costs and Life Cycle Cost), schedule, and AIC (in relation to both Australian Contract Expenditure (ACE) and Industrial Capabilities).

* + 1. Information Required – Proposal Not to Utilise an Australian Supplier

When the Contractor has conducted a procurement activity for materiel and/or associated services (for the scope of procurements identified under the Supply Chain Management clause of the SOW) and is proposing not to utilise an Australian supplier, the MPBC shall provide the following information to justify this proposal:

an assessment of each of the suppliers against the evaluation criteria, including the justification for the assessment;

the Contractor’s recommendation for the way forward, including justification;

an explanation as to why an Australian supplier could not be used, including:

a risk assessment associated with the Australian supplier(s); and

the rationale as to why none of the Australian supplier(s) could be treated as an AIO; and

except where otherwise agreed in writing by the Commonwealth, an assessment, including justification, of the necessary changes to each of the following if an Australian supplier were to be adopted:

the Capability needs, as documented in the Operational Concept Document (OCD);

the Mission System requirements, as documented in the Mission System Functional Baseline (FBL);

the Support System requirements, as documented in the Support System FBL;

the Statement Of Work (SOW);

the Contract Price; and

the Delivery Schedule.

* + 1. Information Required – Proposal to Include an Australian Supplier as an AIO

When the Contractor has conducted a procurement activity for materiel and is proposing to include an Australian supplier as an AIO, the MPBC shall provide the following information to justify this proposal:

an assessment of each of the suppliers against the evaluation criteria, including the justification for the assessment;

the Contractor’s recommendation for the way forward, including justification;

an explanation as to why the Australian supplier is being proposed as an AIO, including:

the nature and scope of the AIO;

where the goods and/or services from the Australian supplier require further development to be suitable for incorporation into the Supplies, an overview of the required work effort by both the supplier and the Contractor to enhance the goods and/or services so that they would be suitable, including expected timeframes, likely costs, and the assessed risks; and

the implications of the potential AIO on the Contractor's ability to provide the Supplies in accordance with the Contract, including the implications for Capability, cost (including Life Cycle Cost) and schedule; and

identification, with justification, of the necessary changes to the Contract associated with adopting the supplier as an AIO, including (as applicable):

the Capability needs, as documented in the OCD;

the Mission System requirements, as documented in the Mission System FBL;

the Support System requirements, as documented in the Support System FBL;

the SOW;

the Contract Price; and

the Delivery Schedule.