

Armidale Class Patrol Boat (ACPB) In Service Support Contract Public AIC Plan

COMPANY DETAILS

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ARMIDALE CLASS PATROL BOAT (ACPB) IN SERVICE SUPPORT CONTRACT

Australian Industry Capability Plan

Public AIC Plan

FRN: 39468

Company Details

Company Name: Thales Australia

Location: 7 Murray Rose Avenue, Sydney Olympic Park

Website Address: <https://www.thalesgroup.com/en/homepage/australia>

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EXECUTIVE SUMMARY

Background

The Armidale Class Patrol Boat (ACPB) will ensure the Royal Australian Navy has supreme interoperability with its allies whilst primarily tasked with border protection, fisheries patrols and other supporting capabilities. The ACPB Program will manage the execution of all maintenance related activities for the Armidale Class platforms, to high standards, safely, and on time every time. This will ensure the platforms are materially ready for required operational taskings.

The Patrol Boat Enterprise is comprised of the following parties:

- Commonwealth of Australia (Commonwealth);
- the Patrol Boat System Program Office (PBSPO), acting in the role of Commonwealth Representative;
- The Patrol Boat Group (PBGRP);
- Fleet Support Unit (FSU);
- Commonwealth Concurrent Workers (CCW);
- the Royal Australian Navy's (RAN) ACPB Ship Staff; and
- Thales Australia (Thales), providing In Service Support (ISS).

Thales, under the In Service Support Contract (ISSC), provides the following services;

- a. Maintenance Planning and Support;
- b. Supply Support including the Supply Delivery Services component of Supply Support;
- c. Provision and support of Support Resources; and
- d. Coordination and management of all aspects of maintenance delivery including:
 - i. delivery of tasks and services outlined in the Approved Annual Work List (AWL);
 - ii. initial and continuous validation maintenance instructions;
 - iii. draft defect rectification procedures;
 - iv. preventative maintenance;
 - v. corrective maintenance, both planned and unscheduled;
 - vi. incorporation of engineering changes during Maintenance Periods (MP);
 - vii. coordination of ship access, WHS, security and visitor supervision for the purpose of conducting maintenance;
 - viii. provision of dockyard staging services;
 - ix. procurement services embedded in the Enterprise team;
 - x. supervision of maintenance activities;
 - xi. collation and reporting of maintenance close out documentation, including the certification of completed maintenance tasks; and
 - xii. update of maintenance activity in the ships' maintenance record.

From the commencement of activities, Thales has worked to source suppliers who could provide us with the componentry, subsystems and services necessary to complete maintenance activities. We consulted with our external supply chain participants and also conducted, in parallel, a comprehensive industry engagement activity. This included discussions with a range of industry representative bodies, such as Australian Industry Defence Network, holding briefing sessions with supplier organisations, incumbent suppliers, and standard market research activities. We then identified an extensive range of

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potential vendors for participation in the Request For Information stage and subsequent Purchase Order and delivery stages.

Where possible, we have pursued Australian based products and services for the project work packages. However, in several instances where this was not possible, key items required overseas procurement. Irrespective of the source of supply, we have taken steps to ensure that everything procured can be supported in Australia.

Contract Duration and Price

The Contract is a long-term (an Initial Term of 5 years), 'rolling wave' contract, with the Operative Date at 22nd May 2017. There is the possibility of extensions until the eventual withdrawal of the ACPBs from service (circa 2025). The total Contract value is \$545 million (inc GST).

Industry Requirements

The contracted activities of the ACPB ISS focus on one Industry Requirement (IR), which is seen in Table 1 below.

Table 1: ACPB ISSC Industry Requirements

IR No	IR Title	Workpackage Description
IR 1	Remove Weapon Station – Toplite	Maintain the Toplite System to deliver the required performance specifications

The work package of Combat and Electronic Systems identifies the IR for this project. The IR is 'Maintain the Toplite System to deliver the required performance specifications'.

Total contract expenditure for TBE 1 was \$60.4 million (ex GST) with a Local Industry Activity (LIA) value of \$6.9 million, and for TBE 2, \$95 million (ex GST), of which \$11.7 million has contributed to LIA as at 30th December 2019.

The location of the work will be performed in the home ports of the ACPBs, which are in Darwin, Northern Territory and Cairns, Queensland. Thales is prepared, and requires its suppliers to also perform work as required outside the home port location to conduct repairs, maintenance, or provide Items Of Supply (IOS) to restore operational capability to the platform.

Thales' key offerings (in addition to work) for Australian Industry throughout TBE 1 and 2 have included an Enterprise Industry Event and multiple Industry Feedback Sessions with strategic suppliers. Thales is also collaborating with Original Equipment Manufacturers (OEMs) and their In Country Agents (ICAs) to continually develop training opportunities and workshops for the Enterprise to develop corporate knowledge of the platform and its operating systems. As the Enterprise continues to mature, opportunities for key offerings to Australian industry will occur in future TBE periods.

SCOPE OF FUTURE WORK OPPORTUNITIES

Future work opportunities exist for Australian industry within the Contract for local companies with the appropriate level of skills, training and experience in support of external maintenance activities (see key service areas listed below) and importantly, who have proven on time and high-quality delivery.

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Additionally, Thales seeks to ensure that all companies it engages demonstrate a strong safety and security culture with adherence to all applicable Health Safety and Environment legislation, as well as Enterprise values, behaviours and attitudes that support the delivery of the capability to the customer.

Services for work across all LIAs for the Armidale Class will be sought to support the scope of work intended to occur throughout the current Contract period, with these works being conducted in the various locations. This will include the delivery of the 60 monthly Dockings in Cairns. Key areas of interest for Australian Industry based on the current scope of works will include services such as:

- a. Combat and Electronic Systems
- b. Mechanical and HVAC
- c. Electrical
- d. Structural
- e. Preservation
- f. Docking Services

FUTURE OPPORTUNITIES / INDUSTRY ENGAGEMENT

Thales aims to support the growth of Australian industry and has robust policies and processes regarding supplier selection, which includes a strong focus on governance. Thales will assess potential local suppliers for maintenance support work required under the Contract, to ensure technical competence and value for money for the Commonwealth is obtained. The strategy is underpinned by a clear 'make team buy' policy. Where possible, Thales will use local suppliers from our approved supplier's database. These suppliers will be contacted to provide Request for Quotations (RFQs) for required services and material for upcoming works through an established tendering process.

For suppliers who are not listed on our approved suppliers database, we welcome the opportunity to meet with them and understand the company's specialisation and skill sets with the intention of filling any capability gaps in our supplier network. Recommendations through supplier advocates, professional networks and business access arrangements are all actively encouraged.

Australian industry will be evaluated for subcontractor selection based on capability gaps in our existing technical support network of approved suppliers, as well as their compliance with mandatory Thales on boarding criteria and their company's technical credentials and skillsets. If the Contract is extended, it is the intention of Thales to develop Service Level Agreements (SLAs) through internal governance procedures with key ACPB Industry to provide enhanced collaboration and security to the Industry suppliers supporting the capability and delivery of this Program.

For Industry to register their interest and make representation of their company's abilities, innovations and to demonstrate the value they can provide for future work opportunities, please contact Mr Ashley Challis, ACPB Business Performance Manager via email: ashley.challis@thalesgroup.com.au

Authorised on behalf of Thales Australia Limited.

Alex Strehle
ACPB Program Manager
Maritime

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