



DESTROYER ENTERPRISE SHIP REPAIRER Public AIC Plan

COMPANY DETAILS

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DESTROYER ENTERPRISE SHIP REPAIRER

Australian Industry Capability Plan

Public AIC Plan

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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 Hobart Class destroyer will ensure the Royal Australian Navy has supreme interoperability with its allies and will be the most powerful maritime air defence capability the Navy has operated due to its integrated Aegis Combat System and other supporting capabilities. The Destroyer Enterprise Ship Repairer program will manage the execution of all maintenance related activities for the Hobart Class platforms, to high standards, safely and on time, every time, ensuring the platforms are materially ready for required operational taskings.

The Destroyer Enterprise is comprised of the Commonwealth of Australia, BAE Systems Australia, Thales Australia Limited, Raytheon Australia and Navantia Australia. BAE Systems is performing the role of the DDGSPO Managing Contractor with Raytheon in the role of Combat System Integrator and Navantia as Platform System Designer.

Thales, in the role of the Ship Repairer, is tasked with the following scope:

- 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 External Maintenance Periods (EMP) or Maintenance Windows of Opportunities (MWOs);
 - 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 ship's 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 having 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 potential vendors for participation in the Request For Information stage and subsequently 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 have had to be procured overseas.

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Irrespective of the source of supply, we have taken steps to ensure that whatever we procure can be supported in Australia.

Contract Duration and Price

The Ship Repair Transition Support Period Contract (TSPC) duration, with a contract Effective Date (ED) of 01 February 2018, extends from ED until last repairs and delivery on 30 June 2021, a total of 3 years and 4 months.

The total Contract price is \$106.7 million (ex GST). Total contract expenditure (TCE) for Total Budget Estimate period 1 (TBE 1) was \$7.8 million (ex GST) with a Local Industry Activity (LIA) value of \$6.7 million. TCE for TBE 2 was an estimated budget price of \$45.5 million (ex GST), of which \$40.1 million has contributed to LIA. TCE for TBE3 was an estimated budget price of \$53.2 million (ex GST), of which \$47.6 million has contributed to LIA.

Industry Requirements

The contracted activities of the Destroyer Enterprise Ship Repairer focus on two Industry Requirements (IR), which are both Strategic Industry Capabilities (SIC) as seen in Table 1 below.

Table 1: Destroyer Enterprise Ship Repairer Industry Requirements

IR No	IR Title	Workpackage Description
IR 2	SIC – Naval Shipbuilding	Maintenance Management and Conduct – The planning, scheduling and conduct of maintenance availability, including the associated engineering, supply support, data analysis and monitoring, to provide assurance to the Commonwealth that the maintenance requirements of the capability are optimised and achieve value for money.
IR 3	SIC – Systems Assurance Capability	Work can only be conducted outside Australia in the case of an Urgent Defect (URDEF) when the ship is deployed away from its home port and repair in an overseas country is the most expeditious solution for restoring operational capability.

The work packages that are linked to an IR are listed below. Table 2 shows the linkages of the IR and SIC through to the LIA. The LIA are the activities required to be undertaken by Australian and/or New Zealand industry.

Table 2: Destroyer Enterprise Ship Repairer Work Packages/LIA

IR No	Strategic Industry Capability	Work Package/Local Industry Activity
IR 2	Naval Shipbuilding	LIA002.1 Fixed Management Services LIA002.2 External Level Maintenance Activities

The overall value of LIA subcontracted works for TBE 3 is \$47.6 million. There are still a number of contestable processes ongoing to determine which Australian Industry participants will be awarded work. Once finalised these will be included in subsequent updates to the Public AIC Plan.

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The work performed under this contract will primarily occur in the Garden Island Defence Precinct (GIDP), with the Program and Project staff also located within this area. Our suppliers are also required to complete work within the GIDP. In line with IR 3, 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, 2 and 3 have included an Enterprise Industry Event and multiple Ship Repairer Industry Feedback Sessions with strategic suppliers. Thales has also offered access to suppliers currently completing works on board the DDGs to the Thales Citadel Team DDG Industry Hub which is a secured app-based communication system that is helping to keep suppliers connected and updated on tactical and execution tasks affecting production. Thales is also working with Original Equipment Manufacturers (OEMs) and their In-Country Agents (ICAs) to develop training opportunities and workshops for Enterprise to develop corporate knowledge of the DDG platform and its operating systems. As the Enterprise continues to mature, there will be additional opportunities for key offerings to Australian industry 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. 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 Hobart Class Destroyer will be sought to support the scope of work intended to occur throughout the current contract period, with these works being conducted in the GIDP location. This will include the delivery of the HMAS *Sydney* Intermediate Maintenance Availability (IMAV), HMAS *Brisbane* IMAV, and HMAS *Hobart* Selected Restricted Availability (SRA). Key areas of interest for Australian Industry based on the current scope of works will include services such as:

- Mechanical,
- Electrical,
- Structural,
- Fabrication,
- Electronic,
- Preservation, and
- Ancillary services.

FUTURE OPPORTUNITIES INDUSTRY ENGAGEMENT

Thales is a global company with 80,000 employees in 56 countries. Thales Australia has proven its capacity to support Australian SMEs with relevant capabilities to access global markets. Proactive market engagement initiatives improve the ability of local SMEs to access international markets. The associations listed below provide an important medium for Thales to scan Australian Industry to identify potential Australian suppliers:

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- Australian Industry & Defence Network (AIDN) – Gold Member.
- Skilling Australia's Defence Industry (SADI).
- Australian Defence and Industry Electronics Systems Association (ADIESA) – Founding Member.
- Defence Materials Technology Centre – Foundation Member.
- Defence's Rapid Prototyping Development & Evaluation (RPDE) – Founding Member.
- Strategic alliance with Defence Science Technology Organisation (DSTO).
- Australian Defence Industry Business Unit – Corporate Member.
- Defence CRC for Trusted Autonomy – Project Lead.
- Industry Capability Network – Business Network Member.

Thales has invested in creating SME engagement opportunities, demonstrating its desire to meet and understand these businesses. In 2019, Industry Engagement seminars were held across all Australian states in collaboration with Industry partners including Australian Industry Defence network (AIDN), Defence Teaming Centre (DTC), Australian Defence Alliance (ADA), Defence West, Henderson Alliance and Tasmanian State Growth. These seminars were attended by representatives from over 600 Australian companies, the majority of which were SMEs.

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 based on capability gaps and their compliance with mandatory Thales on-boarding criteria and their company's technical credentials and skillsets. This ensures 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 suppliers' 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.

If the Contract is extended, it is the intention of Thales to develop Service Level Agreements (SLAs) through internal governance procedures with key DDG 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 companies abilities, innovations and demonstrate value you can provide for future work opportunities contact Mr Stuart Stafford, DDG Services Manager via email: stuart.stafford@thalesgroup.com.au or Mr David Attard, DDG Supplier Relationship Manager via email: david.attard@thalesgroup.com.au.

Authorised on behalf of Thales Australia Limited.

**Anthony
Mills**

Digitally signed by
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Anthony Mills
Program Manager
Maritime

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