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FFG GROUP 2 GMC SUPPORT - PUBLIC AIC PLAN

COMPANY DETAILS

COMPANY NAME

Thales Australia Limited ("Thales Australia")

HEAD OFFICE

Level 2, 7 Murray Rose Avenue, Sydney Olympic Park, NSW 2127 Australia

PROJECT LOCATION

Building 51, Level 1, Garden Island, NSW, 2011, Australia

WEBSITE ADDRESS

www.thalesgroup.com.au

EXECUTIVE SUMMARY

The Ship Repair and Maintenance Reform Program, of which the Group Maintenance Contracts (GMC) are key elements, aims to offer greater predictability, certainty and stability in the program of repair and maintenance for the Major Fleet Units (MFU) of the RAN. The Program seeks outcomes that will:

- provide the Commonwealth with value for money;
- meet the Commonwealth's current and future Australian Defence Force (ADF) and Australian defence industry capability requirements;
- provide industry with increased certainty of work (promoting stability and security of tenure), a commonality of expectation and a manageable and predictable level of effort that it can plan against and deliver efficiencies from;
- provide a level of certainty as to the annual maintenance and repair budget required for the MFU; and
- create a commercial environment that moves away from throughput-based reward towards efficiency based reward.

The Program is adopting group asset, long-term, performance-based contracting methodologies that offer incentives to invest in the repair and maintenance sector's strategic skill-sets and infrastructure.

The contractor for the GMC for the Adelaide Class frigates, Thales Australia, is an Australian company incorporated in the ACT on 21 July 1988. The company employs approximately 3,200 people deployed across 35 sites nationwide, and with only limited exceptions, all

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employees are Australian citizens. Thales Australia along with its local subcontractors therefore meets the definition of local industry.

The Total Contract Value for the FFG Group 2 GMC is \$ 148,514,090.31 including GST.

Thales Australia with a range of local subcontractors have provided maintenance support services to the FFG fleet for more than 30 years. The team will build on the intimate knowledge of the requirements for FFG maintenance support services to deliver the following benefits:

- improvement to the materiel preparedness of the Ships (available, reliable and sustainable);
- provision of an effective capability to the ADF, including through the use of Captain Cook Graving Dock (CCGD) and the Garden Island Defence Precinct (GIDP);
- optimisation of the total cost of ownership of the Ships through the delivery of cost effective and responsive materiel support services in accordance with materiel preparedness requirements and the introduction of efficiencies and continuous improvement in ship repair and maintenance;
- creation of an integrated program of repair, maintenance and configuration change work for the Ships;
- provides value for money for the Commonwealth on an ongoing basis in relation to the provision of the Services;
- develops, maintains and enhances appropriate skill sets and capabilities within the Commonwealth, the Contractor and the Contractor's supply chain; and
- maintains and enhances the long-term viability of the Australian naval ship repair and maintenance industry capability.

The work and supplies for the FFG Group 2 GMC will be conducted at the Garden Island Defence Precinct, Sydney. Unless requested by the Commonwealth, all work and supplies will occur in this location.

SUPPLY CHAIN MANAGEMENT

The Australian Industry Content in this contract will be fully provided by Thales Australia and its local subcontractors. No foreign industry involvement is envisaged unless requested by the Commonwealth for repair through approved sub-contractors and the issue of a CCP.

SCOPE OF WORK OPPORTUNITIES

The scope of the maintenance support work available to local industry is sub-divided into maintenance tasks by trade category. Opportunities are available for local companies with the appropriate level of skills and experience who have track records of on-time, high quality services for the following trade categories:

- LIA #1 – Mechanical and HVAC;
 - Lube Oil and Fuel Oil Purifying Systems and equipment
 - Reverse Osmosis Systems and equipment

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- Boat Davit equipment
- RAST Systems and equipment
- Chemical Cleaning of Cooling Systems
- HP & LP Compressed Air Systems and equipment
- Diesel Generator Systems and equipment
- Pneumatic Equipment and Sewerage Systems
- HVAC Systems and Galley Extraction equipment
- Air Conditioning and Refrigeration Systems and equipment
- Reverse Osmosis equipment
- Mechanical load testing of Ship structure and equipment
- Propulsion Shaft Seal equipment
- Halon and CO2 Fire Fighting Systems and equipment
- LIA #2 – Electrical;
 - Gas Detection Systems and equipment
 - Maintenance on Galley equipment
 - Maintenance and calibration of Meters and Pressure Gauges
 - Electrical Trade Activities
- LIA #3 – Structural and fabrication
 - Structural and fabrication trade activities
- LIA #4 – Electronic;
 - Electro Optical Tracking System
 - Electronic trade activities
- LIA #5 – Preservation and Ancillary; and
 - Confined Space Management and Tank Cleaning activities
 - Preservation activities
 - Scuba Diving Services
- LIA #6 – Other Variable Costs
 - Provision of crange and material handling services
 - Hazardous waste disposal services
 - Liquid waste removal services

This is not an exhaustive list but an indication of the types of activities that will be undertaken during the FFG Group 2 GMC.

FUTURE WORK OPPORTUNITIES / INDUSTRY ENGAGEMENT

Thales will assess all potential local suppliers for maintenance support work required under the contract to ensure technical competence and value for money is obtained. Where possible, Thales will use local suppliers from our preferred supplier's database. For future work opportunities, Thales Australia can be approached by contacting:

NAME

Mr Paul Vaughan

TITLE

FFG GMC Services Manager

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EMAIL

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| Authorised on Behalf of Thales Australia Limited | | | |
|--|---|--|------------|
| Name | Signature | Title | Date |
| Max Kufner |  | Director, Asset Management Services, Maritime | 11.10.2017 |

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