

PUBLIC AUSTRALIAN INDUSTRY CAPABILITY PLAN

Warship Asset Management Agreement

Company Details

Name: BAE Systems Australia Limited

Location: 42 Quill Way, Henderson, W.A. 6166

Website Address: www.baesystems.com/australia

Executive Summary:

BAE Systems Australia (BAE Systems), is an Australian based Defence Prime, who for over 60 years we have built and sustained complex platforms including Naval Frigates, Landing Helicopter Ships, and patrol boats for the Royal Australian Navy in shipyards around Australia as well as land and air based platforms. With over 3,500 staff around Australia; we are Australia's largest defence industry company, and have a proven track record of growing Australian Industry Capability (AIC).

BAE Systems, in an Alliance with Naval Ship Management Australia (NSM) and Saab Australia (Saab), has been selected to deliver the Warship Asset Support Agreement to the Commonwealth of Australia, to maintain the ANZAC Fleet. In order to commence works pursuant to the WAMA, the Alliance Partners execute Program Agreements.

BAE Systems, with its Alliance Partners, has recently executed Program Agreement 2 in support of the WAMA. Program Agreement No. 2, which commenced in January 2018, is a 5 year agreement, with an approximate value to BAE Systems of \$380,000,000 – incorporating an approximate Australian Contract Value of \$456,528,047, and a Local Industry Activity Value of \$317,702,896.

Works associated with Program Agreement No. 2 occur in multiple locations, mainly:

- BAE Systems Henderson Shipyard
- Fleet Base West, HMAS Stirling
- Fleet Base East, HMAS Kuttabul

Whilst providing both maintenance and engineering change to the WAMA, BAE Systems is also undertaking the ANZAC Midlife Capability Assurance Program (AMCAP), a major upgrade of the ANZAC Platform, to ensure that it maintains its warfighting capability.

The below suppliers have already been engaged to support BAE Systems in delivering its scope of work under the WAMA:

Company	Scope of Work
BAE Systems Australia	Program Management
BAE Systems Australia	Maintenance Support
BAE Systems Australia	Engineering Support
BAE Systems Australia	Supply Support
Noske-Kaeser Marine Australia Pty Ltd	Environmental Cooling System and Provisions Cooling Upgrade Subcontract. This includes the Machinery Space Ventilation, Provisions Cooling and the Heating Ventilation and Air Conditioning Systems.

Penske Power Systems	Installation of an upgraded Propulsion Diesel Engine Seawater Cooling System and the installation of a new Propulsion Diesel Engine Electronic Governor and Control System.
Evoqua Water Technologies	Marine Growth Protection System
Frontline Australasia	Marine Valves

BAE Systems utilises a significant number of additional suppliers to support its ongoing works. At least 17 of these suppliers provided support in the following:

- Scaffolding
- Asset Preservation
- Non-Destructive Testing
- Ships Classification Approvals
- Naval Architecture and Engineering
- Welding, Mechanical and Testing Services
- Mechanical Fitting
- Service and Repair of Integrated Systems
- Supply and Fitting of Insulation Materials
- Maritime Electronic Systems Maintenance and Installation
- Supply and Integration of Naval Equipment, Systems and Support

Scope of Future Work Opportunities:

BAE Systems has an established workforce and supply chain for supporting the execution of its works under the WAMA, however where a requirement exists for new goods and services to be provided, BAE Systems will approach suitably qualified and skilled SMEs to competitively tender for prescribed work packages on a value for money basis.

BAE Systems also regularly test the local market (through RFIs, Industry Briefings etc.) to identify potential new suppliers and subcontractors, for inclusion on BAE Systems Approved/Preferred Supplier Lists.

Whilst the major subcontract packages have already been awarded, and identified in the table above, BAE Systems continually seeking high performing, well managed and capable businesses to strengthen its team of key suppliers; and ensure that it is getting value for money.

Specific opportunities during WAMA that may be available to other suppliers are:

1. Provision of marine electrical services
2. Provision of scaffolding services
3. Provision of mechanical fitting services
4. Provision of fabrication services

In regard to marine electrical and mechanical fitting services, opportunities may be available both in Western Australia and New South Wales.

A supplier selected by BAE Systems Australia to perform works to the WAMA, will be provided with access to the BAE Systems Global Supply Chain.

BAE Systems has a specialist Global Access Program (GAP) Team, who are responsible for creating and maximising global supply chain opportunities for Australian Suppliers. The GAP Team supports development and continuous improvement activities with SMEs, provides advice surrounding regulatory issues, and acts as a single point of contact into BAE Systems Global Supply Chain. The GAP Team also holds regular briefing sessions, at locations throughout Australia, where suppliers can be informed about domestic and international opportunities, and have opportunities to register their interest, and present their abilities and innovations.

In the United Kingdom, BAE Systems is currently constructing the Type 26 Frigate for the Royal Navy. This £3.7bn program is to deliver the first three Type 26 Frigates to the Royal Navy. Australian suppliers, through BAE Systems Global Supply Chain, have already been provided opportunities on the Type 26 program, and have successfully been chosen to provide products to support the construction of the Type 26.

Additionally, BAE Systems has recently been down-selected to deliver the SEA 5000 – Hunter Class Frigates to the Royal Australian Navy (RAN). This \$35b program will see nine new frigates delivered to the RAN to replace the ANZAC Class. Opportunities for Australian suppliers will be available on this program.

By entering the BAE Systems Supply Chain, the opportunities are worldwide, across multiple sea, air and land Defence Programs.

Industry Engagement:

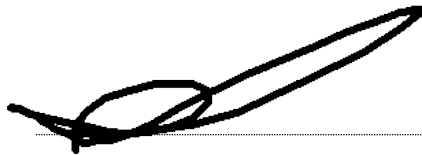
It is BAE Systems preference to source through preferred supplier agreements, and BAE Systems is continually seeking high performing, well managed and capable businesses to strengthen its team of key suppliers – to ensure it continues to deliver project success, and receives value for money.

To gain a better understanding of opportunities with BAE Systems in delivery of the WAMA, please visit the BAE Systems website <https://www.baesystems.com/en-aus/what-we-do/suppliers/australia>, or the contact the below:

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Authorised on behalf of BAE Systems Australia Limited

Signature:



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Title:

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Date:

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