

# Australia's Defence Materiel Organisation<sup>1</sup> uses AWARD® to place a key maintenance contract for the Navy's Adelaide Class frigates

**The Defence Materiel Organisation, part of the Australian Department of Defence, selects AWARD® to support the placement of a Group Maintenance Contract for the Guided Missile Frigate.**



**Australian Government**  
**Department of Defence**

## Client Profile

The Defence Materiel Organisation (DMO) is part of the Australian Department of Defence and is responsible for the acquisition and sustainment of the Australian Defence Force (ADF) military equipment, as identified by the ADF and approved by Government. From fighter planes and satellites to tents and rations, the DMO is Australia's largest project management organisation. The DMO is involved in many of the largest and most demanding projects in Australia. The ADF is reliant on them to provide its equipment on time, on budget and to the required levels of quality and safety. The DMO's budget, totalling more than \$9.7 billion (2013-14) of goods and services, equates to about 38% of the overall Defence budget and approximately 0.6% of Australia's Gross Domestic Product.

## Project Overview

In May 2013 the DMO issued a Request for Tender (RFT) for the Guided Missile Frigate (FFG) Group Maintenance Contract. This project was designed to put a new maintenance contract in place for the Navy's fleet of four Adelaide Class Frigates. The contract is for an initial five-year period, with the potential for rolling year-on-year contract extensions if quality and service level requirements are met and efficiencies are achieved. The GMC contract is likely to continue up until the end of life of the class.

The RFT covered a number of technical areas related to maintenance as well as seeking the Tenderers' submissions on how they would work with the FFG System Program Office (SPO) in a collaborative and co-operative manner. Broadly, Group Maintenance Contract models offer significant benefits to the Royal Australian Navy (RAN) through improved forecasting and planning of maintenance localities and duration, and the opportunity to realise lower costs whilst achieving greater continuity in the repair and maintenance of its ships. The RFT was released to three short-listed companies.

## The procurement challenges

The key challenges on this complex project were:

- the criticality of demonstrating a clear and transparent decisionmaking process;
- the nature of the contract was both highly complex and of strategic operational interest;
- a large number of stakeholders were involved who were geographically dispersed across Australia; including the DMO, the RAN, other Australian Government representatives and independent probity advisors; and
- the proposed solutions had to be evaluated in an effective and efficient manner.



## Role and value of QinetiQ and AWARD®

Commerce Decisions Ltd (CDL) was engaged via QinetiQ Australia to provide tender evaluation support services and the AWARD® tool was used to manage the evaluation process. AWARD® had been selected by the project team to support the procurement based on its proven track record of delivering similar programs elsewhere and its enviable reputation within the UK Ministry of Defence.

QinetiQ services were primarily delivered from Lidcombe, New South Wales.

QinetiQ's support was split into two stages. The first stage was conducted over an initial three week period to set up and configure the AWARD® system and to provide training for the Tender Evaluation Working Groups (TEWGs).

This training was conducted at Garden Island Dockyard, New South Wales and ensured that the TEWGs could maximise the value that AWARD® delivered during the evaluation cycle. Most users learned how to use the system within 15 minutes. A number of 'How-To' guides were prepared for users to assist them with key activities such as Evaluation, Document Management and Clarification processes. These guides were also made available from within AWARD® for reference throughout the project.

**"Feedback from the evaluation teams, project managers and probity advisors has been highly positive."**

**Rodger Phillips (Executive Director Contracting, DMO Maritime Division).**

AWARD® was delivered to the project via a secure hosted service, allowing the various stakeholders access to their work at a time to suit them and from their own offices. This saved significant time and reduced disruption as the evaluators were able to fit their work around other business commitments. Moreover, AWARD® drastically reduced the cost of travel and subsistence by negating the need to regularly fly in and accommodate the teams in Canberra/ Sydney for meetings.

## Summary of the benefits of AWARD® and QinetiQ support

- AWARD® delivers a transparent audit trail that underpins the bidder debriefing process
- AWARD® is web enabled, allowing geographically dispersed users to work when and where they want to
- AWARD® supports and enhances the project and tender management process
- AWARD®'s powerful document management capability enables easy access to key documents as and when they are needed
- AWARD® is a highly flexible solution that can be configured to support a project's or organisation's specific procurement processes
- AWARD®'s powerful reporting capabilities allow reports to be generated rapidly and in real time
- AWARD® improves the quality of the project outcome and reduces the time taken to run the project
- AWARD® enhances stakeholder buy-in AWARD® enables a more efficient, effective, structured and better managed procurement process

**"AWARD® more than paid for itself with savings harvested from TEWG members not needing to travel interstate. Lengthy travel approval processes were also avoided."**

**Rodger Phillips (Executive Director Contracting, DMO Maritime Division).**

The second stage of QinetiQ's support involved assisting the Defence evaluation teams and providing status and progress reports from AWARD® to the Tender Evaluation Team (TET) Chair. Support was delivered throughout and consisted of ongoing site visits to allow for one-on-one support where required and discussions on refining reports to be sent

to senior stakeholders. Remote support was also provided to stakeholders via phone and email.

AWARD® fully supported the DMO procurement process and allowed each of the TEWGs (Maintenance, Commercial and Management) to evaluate the responses in line with the Commonwealth Procurement Rules (CPRs) and DMO policy requirements. The seamless flow of information and results from the Evaluators, through the Moderators, and to the respective TET's significantly simplified and accelerated the compilation of TEWG Reports and ultimately informed the selection decision and Source Evaluation Report.



*The Defence Materiel Organisation (DMO) is now the Capability Acquisition and Sustainment Group (CASG)<sup>1</sup>*

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