



Australian Government

Department of Defence
Capability Acquisition and
Sustainment Group



THE PERFORMANCE EXCHANGE PROGRAM

INDUSTRY AND DEFENCE SCORECARD

PROCEDURAL MANUAL

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PART 1: OVERVIEW

INTRODUCTION

1. The Department of Defence's requirements for the measurement and management of Defence and Industry performance are promulgated in the Mandatory Requirements for the Performance Exchange Program Functional Instruction (the Functional Instruction).
2. This Industry and Defence Scorecard Procedural Manual (this Procedural Manual) describes the policies, principles and processes to be followed by both Defence and Industry personnel when participating in the Industry and Defence Scorecard process to which the aforementioned Program Functional Instruction relates. The Procedural Manual covers the following topics:
 - a. **Part 1: Overview** – including a brief description of the Performance Exchange Program, requirements for compliance with this Procedural Manual and a summary of the roles and responsibilities of various groups to which this Procedural Manual relates;
 - b. **Part 2: The Performance Exchange** – including an overview of the Industry and Defence Scorecard process, program Participation Criteria and further detail on each stage of the Industry and Defence Scorecard process; and
 - c. **Part 3: Performance Reports** – including details on the types and availability of Performance Reports and standards for the acceptable use of Performance Exchange information.
3. The standard practices described in this Procedural Manual provide the framework for a systematic and consistent approach to program participation and performance measurement that has been designed to enable the achievement of the key objectives of the Performance Exchange Program as detailed in the Program Functional Instruction.
4. Compliance with this Procedural Manual is necessary to ensure the reliability of program data and reports and the defensibility of any consequent decisions made by Defence and Industry leaders when delivering materiel outcomes to Defence end users.
5. Requests for assistance and advice regarding participation in the Performance Exchange, including but not limited to interpretation of this Procedural Manual are to be forwarded to Performance.Exchange.Scorecard@defence.gov.au.

PROGRAM OVERVIEW

6. The Performance Exchange involves the collection, analysis and reporting of Defence and Industry performance data to support the achievement of performance outcomes.
7. The Industry and Defence Scorecard enables Defence and Industry to assess the performance of its most significant materiel contracts at project and product level, with each contract that meets the Participation Criteria required to provide performance data.
8. The primary purpose of the Industry and Defence Scorecard is to provide both parties with an understanding of their individual and joint performance and the opportunity to reflect on and improve performance, where necessary.
9. Project and product performance data is aggregated and reported at program and portfolio levels to provide senior management with insights to direct senior management attention and inform performance management and business decisions at their respective levels.
10. Project and Product performance data is analysed and reported to meet a range of additional Capability Acquisition and Sustainment Group (CASG) business information needs, including support to tender evaluations and organisational reform initiatives.
11. Key terms and definitions are provided at Annex A to this Procedural Manual.

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COMPLIANCE REQUIREMENTS

12. Mandatory requirements in the Procedural Manual are identified through the use of the terms **must / must not**.
13. When considering a possible departure from a Mandatory requirement in this Procedural Manual:
 - a. consider whether a proposed departure from the requirement is reasonable and justified in the circumstances and would produce the same or better performance outcome;
 - b. consult their supervisor, wherever practicable, about a proposed departure – a properly informed decision may involve consulting the owner of this Procedural Manual;
 - c. be responsible and accountable for the consequences of departing from, or not adhering to, the content of this Procedural Manual, including where such departure or non-adherence results in adverse performance outcomes.
14. ‘Recommend’ and ‘may’ are used to denote a sensible performance management practice.

ROLES AND RESPONSIBILITIES

15. The following roles and responsibilities have been categorised according to the performance management function they support:
 - a. The “Executive” function – These are positions that are accountable for the delivery of performance on behalf of Defence or Industry. These positions can be defined as ‘performance risk owners’.
 - b. The “Business Delivery” function – These are positions that provide a specific project, product or business management function on behalf of Defence or Industry that support those within the Defence or Industry Executive to deliver performance.
 - c. The “Business Enabling” function – These are positions within Defence and Industry that provide support to project or product teams when delivering their responsibilities to the Performance Exchange. They are generally in a centralised role and act as a conduit between the Business Delivery function and the Performance Exchange Management function.
 - d. The ‘Performance Exchange Management’ function – These are positions that manage and administer the Performance Exchange and provide advice to all other functions in support of the execution of their respective roles and responsibilities.

Executive Function

CASG Division Heads and Heads of Defence Industry

16. Division Heads and Heads of Defence Industry are responsible to DEPSEC CASG for the delivery of effective performance management in their respective Divisions and Defence Industry organisations to deliver performance outcomes. Specifically, they are responsible for:
 - a. Implementing performance management policy and procedural requirements throughout their Divisions and organisations to meet the requirements of the Program Functional Instruction and this Procedural Manual;
 - b. Monitoring and reviewing performance risk management and Performance Exchange participation practices to ensure that performance objectives are met;
 - c. Using Performance reports to manage and improve performance at the portfolio level, including through active engagement and cooperative issue resolution with their respective Defence or Industry counterpart;
 - d. Creating a working environment and culture consistent with the achievement of performance

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management, including but not limited to the appropriate use of Performance Exchange information as specified at paragraph 6 of Part 3 of this Procedural Manual; and

- e. Ensuring that their staff display high standards of behaviour when engaging with Defence Industry Partners and Defence Business Units, consistent with the achievement of Joint Performance outcomes.

Defence Branch Heads and Defence Industry Executives

17. Branch Heads and Defence Industry Executives are responsible to their Defence Division Heads and Heads of Defence Industry for the oversight of performance management practices within their respective spans of control. Specifically, they are responsible for:
- a. Ensuring Business Delivery Unit participation in the Performance Exchange in accordance with Participation Criteria at paragraph 8 of Part 2 of this Procedural Manual;
 - b. Monitoring and reviewing participation practices to ensure compliance with this Procedural Manual;
 - c. Approving Performance Scorecard data through SurveyManager, prior to the survey closure date;
 - d. Considering formal challenges presented to them and engaging with their respective Defence or Industry Partner to resolve perceived inconsistencies in Performance Scorecard ratings and comments; and
 - e. Using Performance Reports and information to manage and improve Performance at the program level, including through active engagement and cooperative issue resolution with their Defence or Industry counterpart.

Business Delivery Function

Project and Systems Program Office Directors and Defence Industry Managers

18. Project and Systems Program Office (SPO) Directors and Defence Industry Managers are responsible for the performance management practices within their respective Business Delivery Unit. Specifically, they are responsible for:
- a. Promoting a positive culture within their Business Delivery Unit and ensuring that poor performance management practices and behaviour are addressed when they become evident;
 - b. Ensuring that understanding of Performance Exchange policy and procedures forms part of all employee induction and that staff maintain an appropriate level of awareness;
 - c. Providing their staff with adequate opportunities to fully understand requirements for participation in the Performance Exchange;
 - d. Completing Performance Scorecards or delegating completion to Defence and Industry Managers;
 - e. Endorsing that data entered in Performance Scorecards is an accurate and honest account of Defence Business Unit or Defence Industry Partner performance prior to submission to the Performance Exchange Management Team;
 - f. Ensuring that Performance Scorecard data is provided to the Performance Exchange Management Team in accordance with reporting timelines, including approval by Branch Heads and Defence Industry Executives;
 - g. Reviewing and endorsing any notifications of perceived inconsistency in Performance Scorecards, prior to the notification being provided to the other party;
 - h. Considering formal challenges presented to them and engaging with their Defence or Industry Partner to resolve perceived inconsistencies in Performance Scorecard ratings and comments; and

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- i. Using Performance Reports and information to manage and improve performance at the project or product level, including through active engagement and cooperative issue resolution with their Defence or Industry counterpart.

Defence and Industry Managers

19. Defence and Industry Managers are responsible to Project and SPO Directors and Defence Industry Managers and the Performance Exchange Management Team for:
 - a. Notifying Divisional and Industry Coordinators of all Agreements that meet the Participation Criteria set out at paragraph 8 of Part 2 of this Procedural Manual, within the timeframes requested by respective Divisional and Industry Coordinators;
 - b. Completing Performance Scorecards, where delegated by Project and Systems Program Office Directors and Defence Industry Managers;
 - c. Providing performance data in accordance with the requirements set out in this Procedural Manual;
 - d. Reviewing Performance Scorecards as developed by their Defence or Industry Partner;
 - e. Notifying their Defence or Industry Partner of any perceived inconsistency in ratings or commentary provided in a Performance Scorecard;
 - f. Coordinating and participating in Performance Exchange Conversations;
 - g. Notifying the Performance Exchange Management Team of the finalisation of a Performance Scorecard in accordance with Paragraph 44 of Part 2 to this Procedural Manual; and
 - h. Proper use of performance information contained within Performance Reports, in accordance with Paragraph 6 of Part 3 of this Procedural Manual.

Business Enabling Function

Divisional and Industry Coordinators

20. Divisional and Industry Coordinators are responsible to Division Heads, Heads of Industry and The Performance Exchange Management Team for:
 - a. Coordinating, managing and providing visibility of the Performance Exchange registration process to ensure that the Performance Exchange Management Team receives a complete list of Agreements meeting the Participation Criteria set out at paragraph 8 of Part 2 of this Procedural Manual;
 - b. Coordinating, managing and providing visibility of the distribution of survey invitations, where the IndustryPartner has opted for invitations to be provided to Industry Coordinators rather than to individual business units;
 - c. Coordinating, managing and providing visibility of the approval of Performance Scorecards by Branch Heads and Defence Industry Executives, as provided to them through the SurveyManager two-stage approval process; and
 - d. Acting as the primary point of contact for Business Units within their Division or Industry organisation to:
 - i. provide clarification on the Performance Scorecard and participation requirements;
 - ii. ensure accountability for continued engagement with Program intent and objectives; and
 - iii. enable business area planning capability, visibility and monitoring of program activities within their business areas.
 - e. Acting as the primary point of contact for the distribution of Performance Exchange Scorecards and Program Reports (subject to Business Unit agreement) including creating and monitoring dedicated mailboxes for Program activities to ensure:
 - i. Streamlined distribution of Performance Scorecards to enable the conduct of Performance

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Exchange Conversations;

- ii. Central coordination, reporting and visibility to Defence and Industry Partner executives and Performance Exchange Management Team of any amendments to Performance Scorecards arising from Performance Exchange Conversations; and
 - iii. Timely dissemination of Performance Reports to Defence and Industry Executives, as required and agreed with report owners.
- f. Maintaining accurate and up to date records, including Program Reports and Registration data to facilitate ease of access to reports and to support ongoing performance management and improvement within the relevant Business Unit.

Performance Scorecard Management Function

CASG Group Business Manager

21. CASG Group Business Manager is accountable to DEPSEC CASG for ensuring compliance with the Program Functional Instruction and the Procedural Manual. Specifically, CASG Group Business Manager is responsible for ensuring that:
- a. the Program Functional Instruction is monitored and reviewed, as necessary to minimise risks to performance;
 - b. a suitable compliance program is developed and administered to monitor and address failures to comply with the minimum mandatory requirements set out in the Procedural Manual;
 - c. Defence Business Delivery Units and their Defence Industry Partners have adequate training and awareness to fully understand their enterprise performance management responsibilities; and
 - d. Contract management and engagement practices are consistent with the achievement of Performance Scorecard objectives and performance outcomes.

Assistant Secretary Supplier Analysis and Engagement

22. Assistant Secretary Supplier Analysis and Engagement (AS SA&E) is responsible to Defence Group Business Manager for the oversight and governance of the Performance Exchange Program. Specifically, AS SA&E is responsible for ensuring that the Procedural Manual is monitored and reviewed, as necessary to meet the objectives of the Performance Exchange Program.

Performance Exchange Management Team

23. The Performance Exchange Management Team is responsible to AS SA&E for the administration of the Performance Exchange Program. Specifically, The Performance Engagement Management Team is responsible for:
- a. Overseeing and assuring Performance Exchange registration and participation processes;
 - b. Providing advice and support to Business Delivery Units in the execution of their responsibilities as specified in the Procedural Manual;
 - c. Collecting and maintaining performance data provided by Business Delivery Units, including Performance Scorecards;
 - d. Developing and maintaining Performance Exchange participation support and awareness materials, including but not limited to the Procedural Manual;
 - e. Developing Performance Reports for Defence and Industry stakeholders; and
 - f. Providing support to Defence and Industry Executives in the interpretation and application of information contained within Performance Reports.

UPDATES AND AMENDMENTS

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24. The Procedural Manual is a living document which is reviewed and updated on an 'as required' basis. It is anticipated that all parts will be reviewed at least annually.

POINT OF CONTACT

25. The point of contact for this document is the Performance Exchange Management Team.

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PART 2: THE PERFORMANCE SCORECARD

INDUSTRY AND DEFENCE SCORECARD PROCESS OVERVIEW

2. Performance Scorecard Performance Periods are as follows:
 - a. 01 October to 31 March; and
 - b. 01 April to 30 September.
3. Defence and Industry Partner performance data is collected through the completion of a Performance Scorecard at the conclusion of each Performance Period. Defence and Industry Partners are provided with an opportunity to assess each other as well as reflect on their own performance through a self-assessment component.
4. Performance Scorecards are completed by Defence and Industry Managers with the use of SurveyManager, endorsed by Project and SPO Directors and Defence Industry Managers and provided to Branch Heads and Defence Industry Executives for approval.
5. Approved data is collected by the Performance Exchange Management Team and compiled into Performance Scorecards.
6. Approved Performance Scorecards are provided to respective Defence and Industry Partners for review. A Performance Scorecard Conversation is then held between the two parties to discuss, formalise and report any necessary amendments to Performance Scorecards and to discuss any necessary performance improvements.
7. Performance Scorecards are only considered final and used for analysis and reporting once a Performance Scorecard Conversation is held and any amendments are reported to the Performance Exchange Management Team.
8. The Performance Exchange Management Team will update Performance Scorecards to reflect the Performance Scorecard Conversation and produce Performance Reports for use by Executive and Business Delivery Function use.
9. The Performance Exchange Reporting Process and a schedule of key activities are provided at Annex B to this Procedural Manual.

PARTICIPATION CRITERIA

10. The Performance Exchange and this Procedural Manual apply to Agreements between CASG and Industry where the Total Contract Value, which includes the original contract price, plus the values of any contract extensions, survey and quote tasks and possible options to extend, GST Inclusive, meets the minimum financial thresholds set out in Figure 1 below.



Figure 1: Program Minimum Financial Thresholds

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11. This Participation Criteria applies to all Agreements between CASG and Industry, including, but not limited to:
 - a. Agreements formed under:
 - i. Standing Offer Panels;
 - ii. Whole of Government or Intra-Agency Standing Offer Panels;
 - b. Alliance contracts; and
 - c. Agreements with classified or sensitive content.
12. The following Agreements are currently exempted from participating in the Performance Scorecard, unless voluntary participation is desired.
 - a. Foreign Military Sales;
 - b. Direct Commercial Sales;
 - c. Classified Agreements, particularly where the existence of the Agreement is classified.
13. The inclusion of any Agreements that don't meet the Participation Criteria will be considered on a case by case basis, including those Agreements considered as high risk, but otherwise fall below the minimum thresholds above.

Procedural Directive

D1: All CASG and Industry Agreements that meet the Participation Criteria must participate in the Industry and Defence Scorecard process.

REGISTRATION

14. All Agreements that meet the Participation Criteria specified in paragraph 8 of Part 2 of this Procedural Manual must be registered with the Performance Exchange Management Team.
15. Divisional Coordinators must liaise with Project and SPO Directors and Defence Industry Managers to identify all Agreements that meet the Participation Criteria.
16. The Performance Exchange Management Team is responsible for providing Divisional Coordinators with a standard form to record all applicable Agreements.
17. Divisional Coordinators must provide the Performance Exchange Management Team with a full list of current Agreements satisfying the Participation Criteria at paragraph 8 of Part 2 of this Procedural Manual.
18. Divisional Coordinators should also confirm Defence and Industry points of contact for the purpose of performance data collection, notifying the Performance Exchange Management Team of any updates.
19. It is recommended that Divisional Coordinators use the standard form provided to maintain a register of Agreements that meet the Participation Criteria as specified at paragraph 8 of Part 2 of the Procedural Manual to expedite the registration process on a round-to-round basis.
20. Industry Partners are encouraged to notify the Performance Exchange Management Team of any agreements that meet the Participation Criteria as specified at paragraph 8 of Part 2 of this Procedural Manual, where they believe that an Agreement has not been registered.
21. The Performance Exchange Management Team must maintain a master register of Agreements.

Procedural Directive

D2: Divisional Coordinators must identify and report all Agreements that meet the Participation Criteria to the Performance Exchange Management Team.

UNCLASSIFIED**PROVISION AND APPROVAL OF PERFORMANCE DATA**

22. Defence and Industry Partner performance data is collected on a six monthly basis for performance demonstrated over the recently concluded Performance Period. The Industry and Defence Scorecard timeline is illustrated in Figure 2, below.

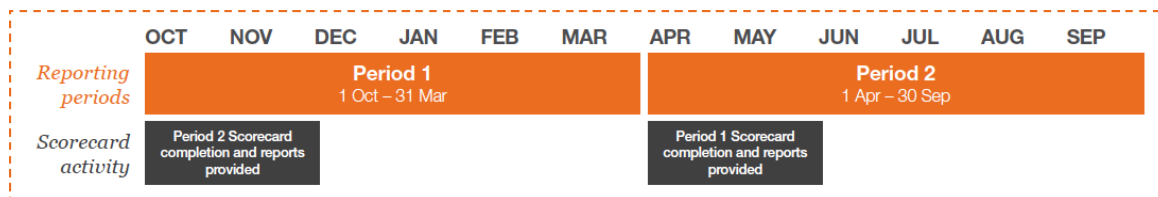


Figure 2: Performance Scorecard Timeline

23. Project and product performance data is collected through electronic Performance Scorecards developed and distributed to Business Delivery Units through SurveyManager, Defence's mandated survey tool.
24. The Performance Exchange Management Team is responsible for the development and distribution of Performance Scorecard invitations through SurveyManager.
25. Performance Scorecard invitations will be issued to Project and SPO Directors.
26. Industry Partners with more than 3 contracts registered with the Performance Exchange Program may nominate for Performance Scorecard invitations to be issued to and distributed by a single point of contact, including but not limited to the Industry Coordinator.
27. It is recommended that Industry Partners notify the Performance Exchange Management Team of their preference for the centralised receipt and distribution of Performance Scorecard invitations during the registration process.
28. Project and SPO Directors and Defence Industry Managers are responsible for completing Performance Scorecards or nominating completion to Defence and Industry Managers, as desired.
29. Project and SPO Directors and Defence Industry Managers and Defence and Industry Managers must complete Performance Scorecards in accordance with the guidance provided within the survey. Further information on SurveyManager is available in the SurveyManager User Guide.
30. Where Defence and Industry Managers are delegated to complete Performance Scorecards, Defence and Industry Managers are responsible for completing Performance Scorecards, gaining endorsement from Project and Systems Program Office Directors and Defence Industry Managers.
31. Once a Performance Scorecard is endorsed by Project and Systems Program Office Directors and Defence Industry Managers in SurveyManager, the Performance Scorecard will be provided to Branch Heads and Defence Industry Executives for approval using the in-built two-stage approval process within Survey Manager.
32. Project and SPO Directors and Defence Industry Managers and Defence and Industry Managers may wish to use the summary page function within SurveyManager for interim records-keeping purposes until final Performance Scorecards are available.
33. Divisional and Industry Coordinators are responsible for ensuring Branch Head and Defence Industry Executive approval of Performance Scorecards in SurveyManager within the required timeframes.

Procedural Directive

- D3: Project and SPO Directors and Defence Industry Managers are responsible for completing Performance Scorecards or nominating completion to Defence and Industry Managers, as desired.
- D4: Branch Heads and Industry Executives are responsible for the approval of Performance Scorecards in SurveyManager.

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PERFORMANCE DATA REPORTING STANDARDS

34. Project and SPO Directors and Defence Industry Managers must ensure that Performance Scorecards meet the following data reporting standards prior to endorsement and submission to the Performance Exchange Management Team:
 - a. Information reported must be an honest and objective account of performance;
 - b. Scores and ratings selected must be capable of being substantiated by information contained within Mandated Defence Systems, where possible;
 - c. Report only on events and performance occurring during the preceding Performance Period;
 - d. Report only on performance required under the scope of work and performance conditions as set out in the relevant Agreement;
 - e. Reports must be consistent with comments and feedback provided during formal contract reviews; and
 - f. Provide sufficient detail in any comments fields to enable comprehension and action by the assessed party, where required.

PERFORMANCE SCORECARD REVIEW

35. The Performance Exchange Management Team must distribute approved Performance Scorecards to Defence and Industry Managers for review.
36. Defence and Industry Managers must review approved Performance Scorecards, as provided to them by the Performance Exchange Management Team.
37. It is recommended that Defence and Industry Managers consider the following when undertaking their reviews;
 - a. The degree to which performance assessments are consistent with contract governance review findings;
 - b. The degree to which performance assessments are substantiated by data from Defence Mandated Systems;
 - c. The overall objectivity of the performance assessment; and
 - d. The availability of data or information that might contradict ratings or comments within an approved Performance Scorecard.
38. Defence and Industry Managers are recommended to notify their Defence or Industry partner of any point of inconsistency with the approved Performance Scorecard, particularly in relation to any inconsistency relating to items under paragraph 37 of Part 2 of the Procedural Manual, prior to the conduct of a Performance Exchange Conversation.
39. It is recommended that notifications of inconsistency are endorsed by Project and SPO Directors and Defence Industry Managers prior to communication with the other party.
40. The Performance Exchange Management Team must conduct sample auditing of approved Performance Scorecards during the Performance Scorecard Review Period for the purpose of data quality and report development assurance. Where data quality issues are identified by the Performance Exchange Management Team, the Defence or Industry Manager responsible for the completion of the Performance Scorecard will be contacted.

PERFORMANCE EXCHANGE CONVERSATIONS

41. Defence and Industry Managers must meet to jointly review Performance Scorecards, for the purposes of discussing:
 - a. any perceived inconsistencies in ratings and comments with Performance Scorecards and

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agreeing any amendments to be reported back to the Performance Exchange Management Team prior to the finalization of Performance Scorecards and production of Performance Reports; and

- b. agreeing any remediation actions to address areas of underperformance or improvement as identified in Performance Scorecards.
42. Defence and Industry Managers are encouraged to align Performance Exchange Conversations with planned contract review meetings, where possible.
43. Defence and Industry Managers must seek to resolve any perceived inconsistencies in ratings and comments within Performance Scorecards at the Business Delivery Unit Level, where possible.

Procedural Directive

D6: Defence and Industry Managers must review approved Performance Scorecards, as provided to them by the Performance Exchange Management Team.

44. Where Defence and Industry Managers are unable to resolve perceived inconsistencies at the Business Delivery Unit Level, the disagreeing party may wish to raise a formal challenge, involving resolution of the perceived inconsistency at the Branch Heads and Defence Industry Executive level, as required.
- a. Defence Managers are to notify the Performance Exchange Management Team by email to Performance.Exchange.Scorecard@defence.gov.au where amendments to Performance Scorecards have been agreed between the parties, detailing the nature of the changes through the scanned pen amended mark-up of the original Performance Scorecard;
 - b. a perceived inconsistency can't be resolved between Defence and Industry Managers, even after a formal challenge has been raised, detailing the unresolved inconsistency and the dissenting position of the reviewed party.

Procedural Directive

D7: Defence and Industry Managers must meet to jointly review Performance Scorecards to resolve any perceived inconsistencies in ratings and comments and discuss and agree remediation actions to address any areas of underperformance.

RIGHT OF REPLY

45. Industry Partners are also provided with a Right of Reply, being the opportunity to provide comment in response to Defence ratings and commentary.
46. Where an Industry Partner would like to provide comment, Industry Partners are to contact the Performance Exchange Management Team by email at Performance.Exchange.Scorecard@defence.gov.au to obtain the appropriate template.
47. Right of Reply responses are to be returned to the Performance Exchange Management Team by email at Performance.Exchange.Scorecard@defence.gov.au no later than 12 December 2018.

FINALISING PERFORMANCE SCORECARDS

48. Once Defence Managers have notified the Performance Exchange Management Team in accordance with Paragraph 44.a of Part 2 of this Procedural Manual, performance data is considered final.

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PART 3: PERFORMANCE REPORTS

AVAILABILITY OF REPORTS

1. Performance Reports are available for the primary purpose of supporting the Business Delivery Function and Executive Function in their efforts to manage and improve the performance outcomes delivered to Capability end users. Accordingly, Performance Reports will be available on the following basis, once Performance Scorecards have been finalised:
 - a. Project and SPO Directors and Defence Industry Managers and Defence and Industry Managers will be provided with the Performance Scorecards for their respective project or product;
 - b. Branch Heads will be provided with program level Performance Reports, include analysis of performance against key performance themes across their Projects and System Program Offices;
 - c. Division Heads will be provided with portfolio level Performance Reports, including analysis of performance against key performance themes across their Programs;
 - d. Heads of Defence Industry:
 - i. with three or more contracts in place with Defence will be provided with company level Performance Reports, including analysis of performance against key performance themes across Defence Divisions; and
 - ii. with three or less contracts in place with Defence are directed to their companies Performance Scorecards.
 - e. DEPSEC CASG will be provided with a CASG portfolio level Performance Report, including analysis of performance against key performance themes across CASG Divisions.
2. The availability of Performance Scorecards in support of tender evaluation is managed by the Supplier Analysis and Engagement Branch within CASG.
3. The availability of Performance Scorecard data, Performance Scorecards and Performance Reports on any other basis will be considered on a case-by-case basis.
4. Requests for access to Performance Scorecard data, Tender Evaluation support, Performance Scorecards and Performance Reports can be sent to Performance.Exchange.Scorecard@defence.gov.au.

ACCEPTABLE USE OF PROGRAM INFORMATION AND REPORTS

5. Performance Scorecards and Performance Reports must only be used for the purposes of assuring and improving performance in accordance with the following performance management principles:
 - a. Performance management issues and conflict are to be raised in a timely manner and resolved on a best for project basis, with the highest regard for mutually beneficial outcome, where possible;
 - b. Defence and Industry personnel are to behave with the highest of integrity, honesty, tolerance and respect when engaging with their counterparts during Performance Scorecard Conversations;
 - c. Defence and Industry personnel are to use information contained within Performance Scorecards and Performance Reports only for the purposes of performance management and improvement and for tender evaluation; and
 - d. Defence Business Units are to use Performance Scorecards objectively, including when evaluating Defence Industry Partner tender responses in accordance with probity requirements.

UNCLASSIFIED**ANNEXES:****ANNEX A: GLOSSARY**

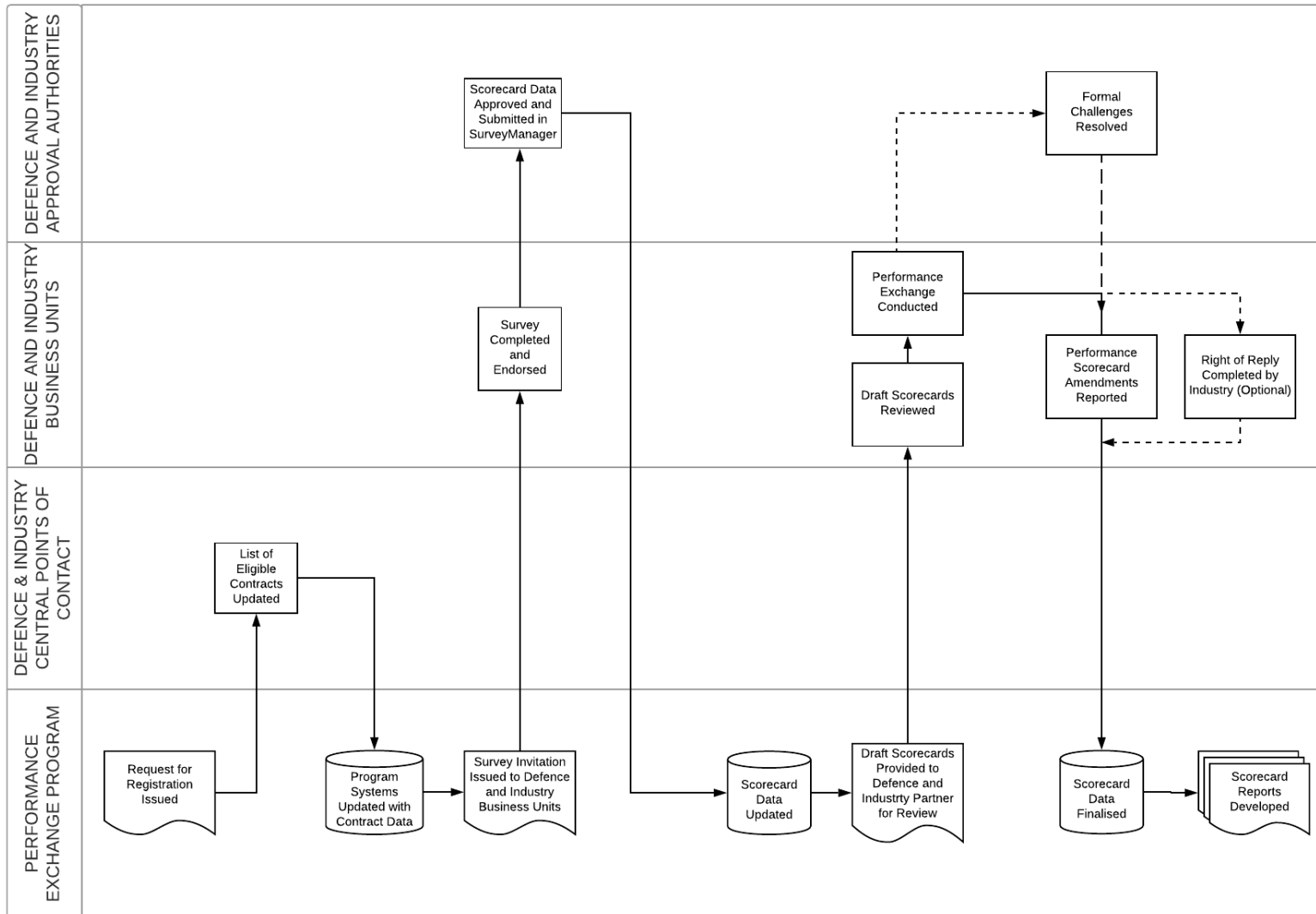
Term	Definition
Agreement	Means a commercial arrangement, including but not limited to contracts and purchase orders, for the delivery of goods or services in support of Defence materiel capability.
Branch Head	Means those senior executives within Defence at the SES Band 1/1 Star level.
Business Delivery Unit	Means the area within Defence or an Industry Partner organisation that is responsible for delivering performance outcomes on behalf of their respective organisation.
Defence and Industry Manager	Means those members of Defence and Industry Partner organisations with responsibility for administering a particular Agreement, such as Contract Managers, Project Managers or Sustainment Managers.
Defence Industry Executive	Means the senior members of Industry Partner organisations with accountability for the performance of a particular section of that organisation, such as Partners, General Managers or Vice Presidents.
Defence Industry Manager	Means the member of an Industry Partner organisation with responsibility for the performance delivered by the Industry Partner through a particular commercial agreement.
Defence Mandated System	Means those IT systems on the Defence Protected Network which are to be used for the recording and management of Defence data, including but not limited to finance, vendor management, schedule management, configuration management maintenance management, engineering management, requirements management and risk management.
Divisional and Industry Coordinators	Means those representatives of individual Defence Divisions and Industry Partner organisations' nominated to fulfil the roles and responsibilities set out at Paragraph 20 of Part 1 of this Procedural Manual.
Division Head	Means those senior executives within Defence at the SES Band 2/2 Star level
Heads of Industry	Means the most senior members of Industry Partner organisations, such as Chief Executive Officers, Managing Partners, Managing Directors or Presidents.
Industry Partner	Means an organisation that is signatory to an Agreement.
Participation Criteria	Means the mandatory thresholds for participation in the Performance Scorecard Program as specified at paragraph 8 of Part 2 of this Procedural Manual.
Performance Exchange	Means the Performance Exchange Program.
Performance Exchange Conversation	Means the conduct of a formal face-to-face review between both parties to an Agreement, whereby any perceived discrepancies in Performance Scorecards are discussed and agreed, including formalising any changes to the Performance Scorecards to be reported to the Performance Exchange Management Team.

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Performance Exchange Management Team	Means the area within Defence with responsibility for managing and administering the Performance Scorecard Program.
Performance Scorecard Reporting Process	Means the business process to capture Defence or Industry Partner performance, as illustrated at Annex B to this Procedural Manual.
Performance Measure	Means those indicators used within the Performance Scorecard Program to assess Defence and Industry partner performance, as detailed at Annex C to this Procedural Manual.
Performance Period	Means the six month performance period immediately prior to the issue of a Performance Scorecard survey invitation, which is to be considered and reported against in a Performance Scorecard
Performance Scorecard	Means the final record of Industry Partner or Defence performance for a given Performance Period, which documents one Party's assessment of the other Party's performance.
Performance Report	Means the reports produced by the Performance Exchange Management Team, using data provided through Performance Scorecards.
Project and Systems Program Office Directors	Means those members of Defence with responsibility and delegation to administer a Project or Program, generally being at the EL2/OS6 level.
Program Functional Instruction	Means the <i>Mandatory Requirements for the Performance Exchange Program</i> .
Total Contract Value	Means the cumulative cost of an Agreement, including extensions, Survey and Quote, and possible options GST inclusive.

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ANNEX B: PERFORMANCE SCORECARD REPORTING PROCESS AND SCHEDULE OF KEY ACTIVITIES



UNCLASSIFIED**Schedule of Key Activities**

Activity	Responsible Party	Indicative Completion Dates
Registration	Divisional Coordinators	First two weeks of March/ September
SurveyManager Invitations Released	Performance Exchange Management Team	Start of April/October
SurveyManager Closes	Project and Systems Program Office Directors and Defence Industry Managers	Late April/October
Scorecards Issued for Review and Performance Exchange Conversations	Performance Exchange Management Team	Late April/October
Final Scorecard amendments reported (inc outcomes of Performance Exchange and any formal challenge)	Defence and Industry Managers Branch Heads and Industry Executives (for formal challenges)	Mid May/November
Performance Reports Developed and Signed-Off	Performance Exchange Management Team	Late May/November
Performance Reports Provided to Division Heads and Industry Partners	Performance Exchange Management Team	From Late May/November