DATA ITEM DESCRIPTION

1. DID NUMBER: DID-SSM-IEIP-V5.2
2. TITLE: INNOVATION / EFFICIENCY IMPLEMENTATION PLAN
3. DESCRIPTION AND INTENDED USE

The Innovation / Efficiency (IE) Implementation Plan (IEIP) documents the activities, resources and required outcomes for achieving the objectives of the Capability Innovations and Efficiencies (CIE) Program. The IEIP describes the Contractor’s plan to deliver IEs, so as to enable:

enhancements in AIC outcomes when assessed against the AIC Objectives;

cost savings in relation to the Total Cost of Ownership (TCO) to be realised by the Commonwealth; and

Capability enhancements in relation to technology evolution and technology insertion, particularly to address changing operational imperatives and threats.

The Contractor uses this document to:

provide evidence and assurance to the Commonwealth that the Contractor has sound and coherent management arrangements in place to meet the objectives of the CIE Program as specified in clause 13.2.1 of the SOW;

define the arrangements for managing the CIE Program, including undertaking modelling of the TCO;

define the program of activities to assist with the identification of IEs;

identify all IEs, including Approved (but yet-to-be implemented), implemented, and rejected IEs;

define the program of activities to achieve the benefits for the Approved (but yet-to-be implemented) IEs; and

control and monitor the activities to be performed for Approved IEs.

The Commonwealth uses this document to:

understand and evaluate the way the Contractor proposes to meet the CIE Program requirements of the Contract;

gain assurance that the Contractor’s CIE Program will achieve the required outcomes;

monitor and assess the progress of Approved IEs;

maintain a record of rejected IEs; and

understand the Commonwealth’s involvement in any Approved IEs.

1. INTER-RELATIONSHIPS

The IEIP is subordinate to the following data items, where these data items are required under the Contract:

Support Services Management Plan (SSMP);

Australian Industry Capability (AIC) Plan; and

Contractor Engineering Management Plan (CEMP).

The IEIP interrelates with the following data items, where these data items are required under the Contract:

all other plans required under the Contract that are not identified under clause 4.1;

IE Analysis Implementation Report (IEAIR); and

Contract Status Report (CSR).

1. APPLICABLE DOCUMENTS

The following document forms a part of this DID to the extent specified herein:

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| 1. Nil. |  |

1. PREPARATION INSTRUCTIONS
   1. Generic Format and Content

The data item shall comply with the general format, content and preparation instructions contained in the CDRL clause entitled ‘General Requirements for Data Items’.

When the Contract has specified delivery of another data item that contains aspects of the required information, the IEIP shall summarise these aspects and refer to the other data item.

* 1. Specific Content
     1. IE Program Management

The IEIP shall describe the arrangements for managing the overall CIE Program and the set of Approved IEs being implemented at any one time, including:

the identification of the manager with overall responsibility for the CIE Program;

the program requirements for the analysis of potential IEs including the preparation of IEAIRs;

the methodology, systems, processes and tools to be used for undertaking the CIE Program, including for managing the implementation of Approved IEs;

the mechanisms to be used to enable the Contractor to monitor the plan for implementing each Approved IE and how deviations from the plan will be recognised and acted upon; and

the mechanisms to be used to report implementation progress for an Approved IE to all stakeholders, including the Commonwealth.

* + 1. IE Identification

The IEIP shall describe the methodology, systems, processes and tools to be used to assist with the identification of potential IEs, including:

the specific program of activities to analyse elements of the Contractor’s and Approved Subcontractor’s required work scope to identify opportunities for AIC improvements, Capability innovations and/or cost savings; and

the specific methodology or methodologies to be employed for each of the different categories of IE, as follows:

summarise the approach documented in other plans (eg, AIC Plan and CEMP) for IEs relating to AIC and Capability innovations; and

in this plan, for IEs relating to reducing TCO (eg, Lean, Six Sigma, Business Process Re‑engineering), including measurement and comparison against industry benchmarks.

* + 1. Total Cost of Ownership Modelling

The IEIP shall describe:

the processes, procedures and tools to be used by the Contractor to undertake the TCO modelling activities required under the Contract;

the methodology for undertaking the development of the TCO model(s) required by the Contract;

the processes and procedures for collecting and recording TCO data;

the processes and procedures for identifying and analysing cost drivers;

the strategy and methodology for using the TCO model to analyse the collected TCO data, including performing sensitivity and trade-off analyses;

the strategy, methodology and assumptions associated with modelling Software life-cycle costs (if applicable); and

the strategy and methodology for demonstrating to the Commonwealth at the applicable Periodic Performance Reviews (eg, the Performance Assessment Review), as defined by the SOW, that:

the Contractor is achieving the outcomes required under the CIE Program; and

the Contractor’s on-going support activities will result in a minimised TCO to the Commonwealth, while meeting the other requirements of the Contract.

* + 1. Overview of Approved IEs

The IEIP shall identify each Approved IE to be implemented.

The IEIP shall, for each Approved IE, provide an overview of:

the Approved IE, outlining its scope and main characteristics;

the outcomes to be achieved (eg, cost-saving goals and other benefits) of the Approved IE;

the priority of the Approved IE;

the impact of the Approved IE on the Contractor and Subcontractors and, where applicable, the Commonwealth, including any implications for operations, safety and security;

the required changes to the Contract to incorporate the Approved IE, including, where applicable, the Contractor’s recommendations in relation to:

the timeframe to incorporate the Approved IE; and

the timeframe for, and quantum of, any reduction to the amounts payable by the Commonwealth under the Contract to provide the best balance between any return on investment made by the Contractor and the need for the Commonwealth to realise the benefits of the Approved IE; and

the Contractor’s expectations of the Commonwealth in delivering the envisaged benefits for the Approved IE.

* + 1. IE Implementation Planning

The IEIP shall provide a separate implementation plan for each Approved IE (‘Separate Implementation Plan’).

The Separate Implementation Plan shall, for an Approved IE:

describe the goals for the Approved IE, including how satisfaction of the goals will be assessed;

identify the cost of implementing the IE, including the basis of estimates and the associated justification for the basis;

in relation to cost-saving goals for those IEs related to reducing TCO, describe the expected impact upon:

the Contractor’s costs associated with performing the Services required in relation to the Products Being Supported;

the TCO; and

if applicable, the Commonwealth’s costs associated with owning, operating and supporting related capabilities;

identify the person responsible for implementation;

describe any unique management and reporting requirements associated with the implementation plan;

describe the resources required, including personnel, tools, facilities and other items necessary for implementation;

identify any critical assumptions (eg, sponsorship, workload, resource availability, and Commonwealth resource requirements) associated with achieving the goals for the Approved IE and describe how each affects the associated implementation plan for achieving the goals;

identify and discuss any risks, including those associated with the identified assumptions;

identify any barriers, which require addressing in order to achieve the identified goals; and

describe the strategies to mitigate the identified risks and barriers, including the criteria for initiating action for each risk.

The Separate Implementation Plan shall describe the organisational interfaces between the group performing activities for an Approved IE and the remainder of the Contractor’s organisation and any other parties involved or affected by the activities of this plan. It should describe how the Approved IE relates to any other improvement initiatives currently underway or planned within the organisation, including productivity-improvement and process-improvement initiatives.

The Separate Implementation Plan shall describe the specific tasks to be performed to achieve the goals for the Approved IE, including the identification of inputs and outputs for each task.

Except where otherwise specified by the Commonwealth Representative, the Separate Implementation Plan shall provide a stand-alone schedule for the activities associated with implementing the Approved IE, using the DID for the SSMS. Key accomplishments and outputs shall be indicated as milestones and tracked against original estimates.

The Separate Implementation Plan shall identify any changes required to Contract documents, including any delivered data items, associated with the Approved IE and the timeframes for updating the Contract documents to ensure consistency across all of these documents.

* + 1. Annexes

The IEIP shall include as separate annexes:

a record of Approved IEs and related CCPs, including IE Program Price Adjustments;

a listing of any completed Approved IEs, including a brief description of each IE, its goals and other benefits achieved;

a listing of any rejected IEs, including a brief description of each rejected IE, its proposed goals, and the rationale for its rejection; and

Separate Implementation Plans prepared in accordance with clause 6.2.5.

record OF APPROVED INNOVATIONS / EFFICIENCIES

1. IE PROGRAM PRICE ADJUSTMENTS
   1. This section records the price adjustments that have been made, and that are to be made, to Attachment B as a result of implementing Approved IEs.
   2. Table 1 sets out the changes to the applicable tables in Attachment B, resulting from CCPs for the implementation of Approved IEs. The columns in Table 1 are:
      1. Line Item No: a unique item number for each change or set of changes;
      2. CCP Number: the identification number of the applicable Approved CCP;
      3. IEIP Reference: the reference(s) to the separate implementation plan(s), attached to the IEIP, for each IE included in the CCP (ie, a CCP may incorporate more than one IE into the Contract);
      4. P&PS Change Details: identifies the location in Attachment B, the price and payment schedule (P&PS), and price change resulting from each Approved IE including for each affected line within a P&PS table (ie, a change may apply to several tables and/or lines within a table):

P&PS Table: the table affected by the change (eg, B-B-[schedule reference]);

Item no.: the line item number within the table that is affected by the change;

Previous Price (inc GST): the previous price in the P&PS, including GST (ie, other price details such as foreign currency amounts, duties and ex-GST amounts shall be detailed in the CCP);

New Price (inc GST): the new price to be included in the P&PS, including GST (ie, other price details such as foreign currency amounts, duties and ex-GST amounts shall be detailed in the CCP);

WEF Date: the date from which the new price takes effect; and

Price Basis Date: the year in which the price change was set, for use when calculating initial price variation, if applicable; and

* + 1. Overall Status: the status for incorporating Approved IEs within a CCP, such as ‘pending’ before a price change, ‘partial’ if some changes have been implemented and ‘completed’ once all price changes for an Approved IE have been implemented.

Note: Rows in Table 1 are to be split or merged to allow for the changes to several tables and/or table rows to be listed against a single CCP, as applicable.

Table 1: Summary of Price Changes for IEs

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| Line Item No. | CCP Number | IEIP reference | P&PS Change Details | | | | | | Overall Status |
| P&PS Table | Item no. | Previous Price (inc GST) | New Price (inc GST) | WEF Date | Price Basis Year |
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