DATA ITEM DESCRIPTION

1. DID NUMBER: DID-SSM-IEAIR-
2. TITLE: Innovation / EFFICIENCY ANALYSIS AND IMPLEMENTATION REPORT
3. DESCRIPTION AND INTENDED USE

The Innovation / Efficiency (IE) Analysis and Implementation Report (IEAIR) documents the Contractor’s analysis of a potential IE for inclusion in the Capability Innovations and Efficiencies (CIE) Program. Each IEAIR is developed in accordance with the processes defined in the Approved IE Implementation Plan (IEIP).

The Contractor uses the IEAIR to:

report on its analysis of a potential IE;

determine whether or not a potential IE has merit and will realise cost savings to the Commonwealth;

provide an initial assessment of the likely scope of work associated with implementing a potential IE; and

identify the required changes to the Contract to incorporate the potential IE.

The Commonwealth uses the IEAIR to:

understand and evaluate the implications of adopting a potential IE;

determine whether or not a potential IE should be Approved or rejected;

determine the priority for a potential IE that may be Approved;

determine whether or not the Commonwealth wishes to contribute to the costs of implementing an IE; and

understand the Commonwealth’s involvement in the implementation of any Approved IEs.

1. INTER-RELATIONSHIPS

The IEAIR is subordinate to the IEIP.

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

all data items relating to cost modelling required under the Contract;

Contractor Engineering Management Plan (CEMP);

Engineering Change Proposals (ECPs); and

Australian Industry Capability (AIC) Plan.

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 IEAIR shall summarise these aspects and refer to the other data item.

* 1. Specific Content
     1. General

The IEAIR shall provide sufficient detail to enable the Commonwealth Representative to make a full and complete assessment of the feasibility and importance of a potential IE and to ascertain the resources required for implementation.

* + 1. Overview of the Potential IE

The IEAIR shall provide an overview of the potential IE, including:

a brief outline of its scope and main characteristics, including whether or not its main objective is to reduce the Total Cost of Ownership (TCO), enhance AIC, or enhance the Capability or related capabilities;

the key benefits to be realised;

an estimate of the implications for cost (including broad parameters around the likely costs), including 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;

if relating to enhancing AIC:

the identification of the actual or proposed suppliers involved;

the assessed impact on each of the AIC Objectives, including a brief justification for this assessment; and

the assessed impact on the Contractor's ability to provide the Services in accordance with the Contract, including the implications for Capability, cost (as per subclause c above) and schedule;

if relating to enhancing the Capability or related capabilities:

an overview of the functionality and performance of the system or systems that would be affected;

a description of the products affected and/or proposed to be introduced;

an assessment in relation to the technical risk introduced by the implementation of any design changes; and

the implications for cost (as per subclause c above) and schedule;

the assessed priority;

any impact on the Contractor and Subcontractors and, where applicable, the Commonwealth, including any implications for operations, sustainment, supportability, survivability, safety and security;

the required changes to the Contract to incorporate the potential IE;

the Contractor’s expectations of the Commonwealth in delivering the envisaged benefits of the IE (eg, in relation to funding or participating in the implementation of the IE for a proposal to reduce TCO); and

any other information that enables the Commonwealth to fully understand the proposed IE and be able to decide whether or not to progress it.

* + 1. Detailed Description of the Potential IE

The IEAIR shall provide a detailed description of the costs, benefits and risks associated with each potential IE, including:

where the potential IE involves enhancing Capability and/or related capabilities, an accompanying ECP to set out the details for the proposed Configuration Change(s);

the underpinning analyses that support the Contractor’s assessment of the costs involved and/or the cost-savings to be achieved, including:

sources of data;

mechanisms used to validate the source data (if required);

cross-references to the applicable data sets used for cost estimation;

risks associated with the cost estimates, including, where applicable, achieving the assessed cost-savings; and

risk treatments required to mitigate the impact of the identified risks;

where the potential IE involves reducing TCO or enhancing AIC, the impact on all parties associated with the IE, such as (where applicable):

changes in work scope;

reductions in unnecessary processing of work or handling of work products;

changes to the Contractor’s processes (eg, as defined in the Contract or in an Approved plan), the Commonwealth’s processes, or both (such as at a point of interface between the parties);

transfer of responsibilities and/or work between the Contractor and the Commonwealth or between the Contractor and a Subcontractor;

transfer of risk between the Contractor and the Commonwealth; and

impact on Australian Industry, including Local Businesses and Small-to-Medium Enterprises (SMEs);

the identification of any critical assumptions (eg, sponsorship, workload, resource availability, and Commonwealth resource requirements) associated with achieving the benefits and other outcomes for the potential IE and a description of how each assumption affects the associated implementation plan for achieving the benefits and other outcomes;

the identification of any barriers, including non-technological barriers such as organisational culture, which require addressing in order to achieve the identified benefits and other outcomes, including a description of the strategies to mitigate the identified barriers; and

details of required changes to the Contract to enable the IE benefits and other outcomes to be achieved, including, where applicable, the Contractor’s recommendations in relation to:

the timeframe for incorporating the potential IE into the Contract; and

where the potential IE involves reducing TCO, 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 associated with the IE.

* + 1. Overview of the Implementation Requirements for the Potential IE

The IEAIR shall provide an assessment of the scope of work associated with implementing the potential IE, including:

the proposed method of implementing the potential IE, including management arrangements and proposed entities (eg, Contractor personnel, Subcontractors, other contractors, and/or the Commonwealth) to carry out key work packages;

the estimated costs and resource requirements for implementing the potential IE, including the tolerances associated with the cost and resource estimates;

the proposed schedule to achieve the identified outcomes;

any alternative solutions and/or implementation strategies, where applicable;

whether or not the implementation of the potential IE is likely to have an adverse impact on other Approved IEs or existing Contract work, including such aspects as cost, schedule, and Mission System availability or performance;

risks associated with implementation; and

details of the Contractor’s requirements of the Commonwealth to implement the potential IE, including a fully detailed cost breakdown where the Commonwealth has indicated a preparedness to assist with implementation costs.