



Public AIC Plan

For CASG/MSD/Contract 225/2017

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Authorised by:	Roger Gleeson, National Manager, Defence Programmes Group Robert Gibson, ISS Contract Manager

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1 Company Details:

Penske Power Systems Pty Ltd.

Registered Office: 72 Formation Street, Wacol, Queensland 4076

Website: <http://www.penskeps.com>

2 Executive Summary

Penske Power Systems [PPS] has contracted to the Commonwealth to deliver whole of life maintenance and support services for the propulsion diesels, power generation diesels, compressors and ancillary equipment for ANZAC Class Frigates.

PPS will also deliver ad-hoc maintenance services for a range of maritime and land platforms.

2.1 Scope

The services that PPS will provide include:

- Maintenance and repairs for diesels, compressors and ancillary equipment
- The provision of spares and consumables
- Warehousing and distribution of Rotatable Pool and support spares
- Project Management for the detailed planning and co-ordination of:
 - Field Service Activities
 - Depot Level Overhaul
 - Repair, preservation and provision of Rotatable Pool items
 - Responses to urgent defects and item failures
- Contract Management for the co-ordination of:
 - Contract services
 - Contract reporting
 - Nation-wide service provision (including surge capability)
 - Long term planning of overhaul and maintenance activities
 - Configuration management
 - Documentation management
 - Total Cost of Ownership
 - Obsolescence management
 - Reliability and availability improvements
 - System and sub-system upgrade and product evolution recommendations
 - Condition-based monitoring in conjunction with OEM maintenance recommendations
 - Efficiencies and product improvement opportunities
 - Failure analysis reporting
- 24 hour Help-Desk support

2.2 Supported Equipment

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PPS will provide maintenance and support services for maritime and land equipment which includes the following:

- ANZAC Class
 - MTU 12V1163 Cruise Propulsion Diesel Engine
 - MTU 8V396TE54 Auxiliary Generating Equipment
 - Sauer Compressor WP80L-100
 - Sauer Compressor WP80L-101
 - Sauer Hand Compressor H-25
- M113 / ASLAV Platforms
 - MTU 6V199TE20 Diesel Engine
 - Detroit 6V53T Diesel Engine
 - Allison MT653DR Transmission
- Other Platforms
 - Detroit 6-71T SSDG
 - Detroit 12V92TA PDE
 - Detroit 149TIB Mobile Generator Set
 - Detroit 6V92TA Diesel Engine
 - Detroit 8V92T Diesel Engine
 - Allison HT750 Transmission
 - Allison HT740 Transmission
 - Allison HD4060 P/R Transmission
 - Allison X1100 Cross Drive Automatic Transmission
 - Allison 2500 FP Transmission
 - MTU 16V4000M70 PDE
 - MTU 12V538TB91 Diesel Engine
 - MTU 10V2000 Diesel Engine
 - Sauer Compressor WP4351
 - Sauer Compressor WP151L
 - Sauer Compressor SCK51
 - Sauer Compressor WP4341
 - Sauer Compressor WP4325
 - Sauer Compressor WP22L
 - Sauer Compressor WP4331
 - Sauer Compressor WP4341
 - Daimler OM457LA Power Drive Unit

2.3 Contract Duration

The duration of the Contract is 5 years, with an option for an additional 5 years

2.4 Contract Price

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\$80 Million

2.5 Work Packages related to Industry Requirements

Individual Industry Requirements have not been established for this contract, beyond an overarching requirement to maximise the amount of work to be carried out by Australian industry.

2.6 SOW Contracted to Australian Industry

PPS will deliver the services under the Contract using its own resources and the resources of its accredited subcontractors.

The overall sub-contracted value is approximately \$450,000 - \$1,000,000 per annum

2.7 Subcontractor Details

Current and projected subcontractors are:

Subcontractor	Work to be Subcontracted	Equipment / Services	Location of work to be performed (incl. postcode)
A1 Metallising	Metal Spraying in the repair of Rotatable Items	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
ABB Australia Pty. Ltd	Part repair, manufacturing	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
A.C.M Laboratory Pty Ltd	Scientific testing	Oils, Coolant Testing	Kings Park [2148]
Advance Bearings Pty Ltd	Part repair, manufacturing	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
Allied Industries	Chemical Cleaning of Heat Exchangers	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
Ausbright Electrical Solutions Pty Ltd	Onsite support		Kings Park [2148]
BAE Systems Australia Defence Pty Ltd	Platform Integration of Sub-system Design Projects, Project Management, Unique site access and subcontract functions	Systems Engineering	Kings Park [2148] and Hazelmere [6055]
Bale Defence Industries Pty Ltd	Subcontracted manufacturing, servicing	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
Baxters Pty Ltd	Subcontracted manufacturing, servicing	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
Beralon Pty Ltd	Oil/Water Cooler cleaning and repairs.	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
Chris's Automotive and Marine Electric	Auto Electrical and air conditioning works	Diesel Propulsion, Generator Engines and Compressors	Darwin

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Subcontractor	Work to be Subcontracted	Equipment / Services	Location of work to be performed (incl. postcode)
Eaton Fluid Power	Supply of hose assemblies	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148] and Hazelmere [6055]
Germanischer Lloyd	Class Surveying	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
H.I.Fraser Group Pty Ltd	Subcontracted manufacturing, servicing	Compressors	Kings Park [2148]
HM Engines and Parts	Part repair, manufacturing	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
IKAD Engineering	Subcontracted manufacturing, servicing	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
MR Scaffold Hire Pty Ltd	Equipment Hire and Installation [on ship]	Support Services	Kings Park [2148]
MTQ Engine Systems Aust Pty Ltd	Part repair, manufacturing	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
Noske-Kaeser Marine Australia Pty Ltd	Subcontracted manufacturing, servicing	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]
R Moore and Sons	Surge capability for machining of Rotatable Items	Diesel Propulsion, Generator Engines and Compressors	Hazelmere [6055]
Robertson Lifting and Rigging Pty Ltd	Equipment Hire and Installation [on ship]	Support Services	Kings Park [2148]
Tasocs Pty Ltd	Chemical Cleaning of Heat Exchangers	Diesel Propulsion, Generator Engines and Compressors	Hazelmere [6055]
Transpacific Waste Management	Waste Services, Defence and Kings Park sites	Support Services	Kings Park [2148]
WIKA Australia Pty Ltd	Parts Testing	Diesel Propulsion, Generator Engines and Compressors	Kings Park [2148]

2.8 Key offerings for Australian Industry

The services to be provided by PPS under the Contract offer an extension of the work currently being performed for the support and maintenance of Defence Maritime and Land platforms. The amount of work to be performed under the contract will be determined by the operating tempo of the supported platforms and their availabilities for extended work packages to be carried out.

PPS's requirement for subcontracted work will be assessed on a continuous basis to ensure that the delivery of the Services is achieved in the most cost-effective manner consistent with the maintenance of technical and quality standards.

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3 Scope of Future Work Opportunities

3.1 Planned and Future Procurements

The expected introduction of other maritime platforms into the scope of the Contract will increase the amount of work to be carried out due to the increase in the number of equipment sets that will be in the Defence Maritime inventory. The nature of the work to be carried out, though, will be essentially the same as for the currently supported platforms.

Future procurements will be limited to the acquisition of Rotatable Pool items required to support the additional platforms. Such RP items can be expected to include a range of locally sourced hoses and shelf-life limited items.

Future Land platforms are not currently addressed under this Contract, but additional ad-hoc tasking by the Commonwealth in support of these platforms may eventuate.

3.2 Locations

PPS intends to carry out the bulk of the work under the Contract, including any expansions in scope or volume, at its facilities at:

- Altona, Victoria
- Kings Park and Chipping Norton in NSW
- Glendenning in NSW [Training]
- Hazelmere in WA
- Adelaide in SA
- Townsville in Qld
- Darwin in NT

4 Future Opportunities / Industry Engagement

4.1 Engagement Opportunities

PPS will seek to engage with Australian industry through its current network of consultants and resourcing advisers.

PPS's preference is to undertake work in-house wherever practicable, as it allows PPS to manage the quality standards associated with any repair work and to make best use, in a controlled manner, of access to the engineering material and expertise available through MTU and other OEMs.

In the event that PPS requires a subcontract partner, these are selected carefully using credible quality comparisons, considering the cost impact and technological advantages and after viewing necessary documentation and certifications. PPS also has a preference for Australian companies due to local employment, access and freight costs. These decisions are not made frequently within PPS and are usually long term decisions which are highly valued by the subcontracting organisation, as such assessments require significant commitment of resources. The necessary engagement protocols are documented and regular meetings and audits are undertaken to ensure compliance with the critical KPI's.

Engagement processing timeframes will be dependent upon the nature of the outsourcing opportunity, and the requirement for market testing of the proposed solution.

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4.2 Contact Details

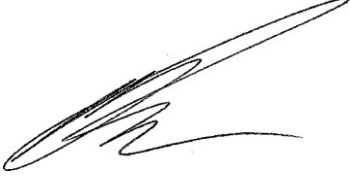

Australian companies wishing to register their interest and/or to present their capabilities to provide innovative means of supporting PPS in delivering services under the Contract, should contact the following:

Services	PPS Group	Contact Details
Contract Administration and Support	Defence Programmes Group	Robert Gibson Contract Manager Unit 5, 167 Prospect Highway Seven Hills NSW 2147 Phone: +61 2 8825 6163
Logistics	Penske Distribution Centre	Michael Hickey General Manager, Parts Penske Commercial Vehicles 72 Formation Street, Wacol, Queensland 4076 Phone: +61 7 3271 9372
Procurement	Corporate Services	John Blundell Procurement Category Manager 78-82 Riverside Road Chipping Norton NSW 2170 Phone: +61 2 9794 2692
Equipment Overhaul and Maintenance Services	Defence Programmes Group	Robert Gibson ISS Contract Manager Unit 5, 167 Prospect Highway Seven Hills NSW 2147 Phone: +61 2 8825 6163

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Approved by	 Roger Gleeson National Manager, Defence Programmes Group	 Robert Gibson ISS Contract Manager Defence Programmes Group

Amendments

Please Note:

- The issue of an update invalidates the previous issue;
- The currently valid version of the policy can be accessed on the intranet;
- Hard copy print-outs are not covered by any subsequent amendments;
- Always verify that the version is current before using the information contained therein.