

Version 1.4

# Final AIC Plan Template

## Individual Work Package



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Originator: Australia

## Introduction

This template is designed for use by Suppliers bidding for NGA-issued work packages under the Future Submarine Program (FSP).

This template supplements the Naval Group AIC Plan Guidelines for Suppliers, and is intended to support Suppliers in development of a satisfactory Final level AIC Plan. The AIC Plan is an evolving document, with different versions required to reflect the expected level of detail available at different stages of the procurement process – this is further explained in the Australian Industry Capability (AIC) Plan: Guidelines for Suppliers guidance document available on the Naval Group Suppliers website.

## Instructions for use

Required subheadings and content have been provided in the template. Guidance concerning content expectations has been included under each subheading. This guidance should be overwritten by Supplier responses, to support ease of reading.

Suppliers are welcome and encouraged to expand any sub-section or add additional sections to best convey their AIC Proposal.

Formatting is a guide only and Suppliers are welcome to apply their company's branding or style.

## Prior to submission

Suppliers should:

- Remove the Naval Group cover page and this page – the first page of the submission should be the Company's cover page
- Ensure the document is marked appropriately with copyright and IP markings, as applicable
- Provide a suitable point of contact alongside their submission.

## Protecting Official Information

Official Information is any information received, developed or collected by, or on behalf of, the Australian Government, by Defence personnel and person's engaged under a contract in their professional capacity and may include:

- a. documents and paper;
- b. data;
- c. software or systems and networks on which the information is stored;
- d. intellectual information (knowledge) acquired by individuals; and
- e. physical items from which information regarding design, components or use could be derived

[Company cover page – please apply company branding]

[Company logo]

[Company name]

[Work package name]

[AIC Plan Version]

[Date]

SAMPLE

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**1. ASSUMPTIONS**

List any assumptions upon which the baseline AIC Proposal is developed.

**2. TECHNICAL & CAPABILITY CONTEXT**

**2.1. Equipment Technical Overview**

Provide a brief technical overview of the equipment, to support context to the AIC Proposal. Outline key components, systems and sub-systems. No classified information should be included.

This section may expand on any detail provided in the Draft AIC Plan based on the new level of technical information provided.

**2.2. Required Inputs**

Provide an overview (using the table below) of the inputs required to deliver the scope of supply.

	Lifecycle Phase / Required Capabilities		
	Design	Build / Manufacture	Sustain
Key skills / competencies	•	• [e.g. specific casting / machining / other capabilities]	•
Key infrastructure (e.g. machines)		•	•
Raw materials		•	
Intellectual Property	•	•	•

**If applicable**, detail which of the capabilities identified above are available or not in the Australian industry landscape.

Describe how this market intelligence was obtained, including when and how the Australian market was engaged (if applicable).

**3. COMPANY CAPABILITIES**

Briefly describe the company's core capabilities, as relevant to this scope of supply. Any information provided as part of a Draft AIC Plan should now be tailored to reflect improved understanding of the scope of supply.

Include:

- A small amount of contextual information on the company's journey to develop those capabilities

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- The collective volume of business and customers that support the continuity and ongoing development of that capability.

**4. BASELINE AIC PROPOSAL**

**4.1. Executive summary**

What core activities will be undertaken in Australia?  <i>Select all which apply. Provide relevant comments in Sections below.</i>	<input type="checkbox"/> Design <input type="checkbox"/> Manufacture (100%) <input type="checkbox"/> Manufacture (Partial – X% approximately) <input type="checkbox"/> Assembly / Installation <input type="checkbox"/> Testing <input type="checkbox"/> Upkeep <input type="checkbox"/> Update / upgrade <input type="checkbox"/> Project management, contract management, administration etc
What core activities will be undertaken overseas?  <i>Select all which apply. Provide relevant comments in Sections below.</i>	<input type="checkbox"/> Design <input type="checkbox"/> Manufacture (100%) <input type="checkbox"/> Manufacture (Partial – X% approximately) <input type="checkbox"/> Assembly / Installation <input type="checkbox"/> Testing <input type="checkbox"/> Upkeep <input type="checkbox"/> Update / upgrade <input type="checkbox"/> Project management, contract management, administration etc
Is any Transfer of Technology to Australian Industry, NGA or the CoA anticipated?	Click here to enter text.
Overall, does this supply solution provide the in-country ability to upkeep, update and upgrade?	Click here to enter text.

**4.2. Design phase/Prototyping work**

Provide an overview of key activities to be undertaken as part of Design and Prototyping. Highlight:

- All key activities, e.g. concept design, detailed design, testing etc.
- Expected subcontractors or workshare arrangements (if any identified, provide overview of their proposed contribution to this phase)

*If <100% of Key Activities (in Design phase) will be undertaken in Australia, provide the following. Delete if 100% of Key Activities (in Design phase) will be delivered in Australia.*

For each work package, identify where (which country) each key activity will be undertaken. This should be shown as clearly as possible, for example:

Key Activity	Country Z	Australia
<i>Detailed Design</i>	X	
<i>Concept Design</i>	X	

Key Activities should be at an increased level of detail compared to what was provided in the Draft Plan (as appropriate).

**4.3. Build / Manufacture phase work**

Provide an overview of Key Activities to be undertaken as part of Build / Manufacture. Highlight:

- All key activities, e.g. machining, assembly, testing etc
- Any capability gaps identified in the Australian market
- Expected subcontractors or workshare arrangements (if any identified, provide overview of their proposed contribution to this phase)
- Any sub-components or sub-assemblies that would be wholly manufactured by third-parties

*If <100% of Key Activities (in the Build/Manufacture/Assembly phase) will be undertaken in Australia, provide the following. Delete if 100% of Key Activities (in the Build/Manufacture/Assembly phase) will be delivered in Australia.*

For each Key Activity, identify where (which country) it will be undertaken. This should be shown as clearly as possible, for example:

	First of Class (Boat 1)		Future Boats	
	Country Z	Australia	Country Z	Australia
<i>Manufacture of sub-component ABC</i>	X			X
<i>Manufacture of sub-component DEF</i>		X		X

Key Activities should be at an increased level of detail compared to what was provided in the Draft Plan (as appropriate).

**4.4. Sustainment proposal**

Provide a high-level overview of the sustainment strategy for the scope of supply.

Note: Sovereign Capability Requirements are to be addressed fully in the Sovereign Capability Requirement Template at Appendix 5)

**4.5. Work not transitioning to Australia**

*Complete if applicable.*

Consolidate the Key Activities not transitioning to Australia and provide a rationale (e.g. capability gap identified, risk to quality / cost / schedule, commercial grounds etc.) against each.

Identification of any options to transition these elements to Australia, and the expected (approximate) impact on quality / cost / schedule, is highly encouraged.

Examples have been provided in italics.

<b>Work not transitioning</b>	<b>Justification</b>	<b>Comments</b>
<i>Design</i>	<i>Design house capabilities located overseas and cannot be replicated in</i>	<i>Transferring this capability to Australia would take X years and would cost X\$AUD</i>

	<i>Australia for cost reasons</i>	
<i>Manufacture of component A</i>	<i>Manufacturing facility located overseas and cannot be replicated for cost and scheduling reasons</i>	<i>Transferring this capability would take X years and X\$AUD</i>

**4.6. Transfer of capability / technology**

*Complete if intending to transfer capability / technology to Australia. E.g. if intending to transfer Design Authority, how will this be achieved, etc.*

Where transfer of capability/technology is proposed, the supplier shall outline:

- The description of the capability/technology being transferred
- The rationale for transferring the capability/technology to Australia (e.g. critical for sovereign operation or sustainment, contributes to maximising Australian Industry Involvement, business decision to have a subsidiary in Australia etc.)
- Whom the recipient(s) of the transfer of capability/technology are (e.g. Naval Group Australia, an Australian supplier xyz or the Royal Australian Navy)
- Outline, if applicable, the commercial model to be adopted in relation to the transfer of the capability/technology (e.g. joint venture, subsidiary, sub-contracting etc)
- Outline how the capability/technology will be transferred, and approximate timings if known
- What the transfer’s components are for each capability/technology (e.g. IP, skills development, suppliers, technical assistance, oversight, data, tools and infrastructure) and when in the program the transfer will occur.

Expanding on the Draft Plan, this section should identify additional details, such as the number of employees involved in any Transfer activities, the approximate expected timeframes, any key dependencies etc.

**4.7. Organic development of capability**

*Complete if intending to develop new capability in Australia, in response to an identified capability gap. Complete Section 4.6 if transferring your capability to Australia.*

Outline the capabilities proposed for development, and whether it is self-funded or contingent on receiving grants or external funding.

Outline any approximate costs or required lead times (if known) associated with developing this capability.

**5. AUSTRALIAN INDUSTRY CONTENT**

Provide expected Australian Industry Content (i.e. dollars spent on Australian goods & services directly associated with supplying the equipment/technology), expressed as a ROM percentage of expected total contract value. At a minimum, this must be providing for the first contract to be signed under the scope of work, with estimates for the total of subsequent contracts. Suppliers should also summarise their high-level expectations for Australian Content in each lifecycle phase.

Examples have been provided in italics.

Table 1 Australian Content Percentage per lifecycle phase

Design	Build (prototype)	Build (FoC)	Build (subsequent shipsets)	Sustainment
X%	X%	X%	X%	X%
X%	X%	X%	X%	X%

Table 2 Australian Content percentage per contract

	Total Contract Value	Australian Content Percentage
[scope description of first contract to be signed]	\$XXXX	Y%
[Contract 2]		
[Contract 3]		
[Contract #]		

## 6. AUSTRALIAN INDUSTRY ENGAGEMENT

*Complete if intending to partner with Australian companies.*

Indicate which Australian companies are being considered or have been selected to perform the relevant aspects of the scope of supply in Australia.

If further market engagement is required to identify Australian suppliers or partners, outline how (e.g. via ICN, engagement with current supply chain partners etc.) and when this will be done.

## 7. BUSINESS CONTINUITY / STRATEGIC OPPORTUNITIES

Outline if capabilities relevant to this scope of work will be leveraged to pursue opportunities (current or future):

- On other Defence projects (e.g. SEA5000, LOTE, etc.)
- Or similar work in adjacent industries.

Outline other planned or current initiatives relevant to sustaining Australian industry capability overtime, such as:

- Specific research & development projects
- Apprenticeship and skills pipeline orientated programs

## 8. RISK ANALYSIS

Outline any key risks associated with achieving the baseline AIC Proposal outlined in this Plan.

## 9. AIC PLAN MANAGEMENT AND EXECUTION

Describe the key roles and responsibilities within their Program organisation structure responsible for the execution (and associated reporting) of their AIC Plan. If Section 4.6 applies, include how the Transfer of Capability program will be managed (organisation and roadmap).

The Supplier should be able to define any major expected milestones which would trigger an update to their Plan.

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**10. ADDITIONAL INFORMATION**

Please provide any additional information relevant to how Australian Industry will be engaged throughout this scope of supply, or any other detail to support your AIC proposal.

SAMPLE

**APPENDIX 1: AIC COMMITMENTS**

This section is required to clearly outline high level AIC commitments across the life of the Program, to inform future monitoring activities. Milestones should be identified as part of any activities which achieve AIC outcomes, including (but not limited to):

- Delivery of components in Australia
- Major sources of Australian Contract Expenditure
- Transfer of know-how or know-why to Australia, from overseas (if applicable).

Examples have been provided in italics below for context. For 100% Australian companies, these milestones should reflect general project activities.

Activity/ commitment	Milestones	Current or Future Contract Scope?	FTE require to deliver		Expected Dates		Expected cost (estimates as appropriate)
			Australia	Other	Start	End	
<i>Maintenance of AIC Plan</i>	<i>AICP update 60 days after the start of each Contract and quarterly</i>	<i>Current</i>	<i>1</i>	<i>-</i>	<i>DD/MM/YYYY</i>	<i>DD/MM/YYYY</i>	
<i>Manufacture (in Australia) of prototype for test facility</i>	<i>Manufacturing commences</i>	<i>Current</i>	<i>10</i>	<i>2</i>			
	<i>Delivery of Key Component ABC</i>	<i>Current</i>			<i>[Forecast]</i>	<i>[Forecast]</i>	
	<i>Delivery of Key Component XYZ</i>	<i>Current</i>			<i>[Forecast]</i>	<i>[Forecast]</i>	
	<i>Assembly of Prototype</i>	<i>Current</i>			<i>[Forecast]</i>	<i>[Forecast]</i>	
...							
<i>Transfer of design knowledge to support upgrade activities</i>	<i>Australian engineers commence overseas training to support design knowledge transfer</i>	<i>Future</i>	<i>2</i>	<i>1</i>	<i>[Forecast]</i>	<i>[Forecast]</i>	
	<i>Australian engineers complete overseas training</i>	<i>Future</i>	<i>2</i>	<i>1</i>	<i>[Forecast]</i>	<i>[Forecast]</i>	

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**APPENDIX 2: SUPPLIER AUSTRALIAN CONTRACT EXPENDITURE (ACE) REPORT – LOCAL INDUSTRY ACTIVITY (LIA) SCHEDULE**

*Please complete the Excel template and insert reference to the filename as delivered.*

*The LIA Schedule requests the following information:*

- *Future Submarine Program Australian Contract Expenditure (ACE): Planned ACE. Outline the expected ACE (the aggregate of individual LIAs) to be achieved for the current contract*
- *Future Submarine Program forecast Australian Contract Expenditure (ACE): Forecast ACE to be achieved as part of future contracts (estimate only)*
- *Full-Time Equivalent (FTE) Employee Information: FTEs planned to be utilised or created in support of the Program*

Filename:

Version:

Date:

### APPENDIX 3: LOCAL INDUSTRY ACTIVITY DESCRIPTION SHEETS

The Local Industry Activity (LIA) Description Sheet provides a detailed explanation of the summary information contained in the LIA Schedule. One Sheet per Schedule line item should be developed.

[Name]

[ABN (if applicable)]

[Contractor Location]

[Contract Number]

[Work Package Title]

LIA Serial Number	LIA Title
A Subcontractor Details	<b>If engaging subcontractor(s) to complete this work</b> , provide details of the relationship with the party selected to deliver the LIA (e.g. number of projects/contracts, length of commercial partnering, number of new subcontracting arrangements, status of MoUs, teaming agreements, status of Technical Assistance Agreements (TAAs) and Non-Disclosure Agreements (NDAs)).
B LIA Scope	Provide a summary description of the work being addressed through this LIA.
C LIA Status	<input type="checkbox"/> Actual <input type="checkbox"/> Contracted commitment <input type="checkbox"/> Future projection
D Benefit(s)	<p><b>Note:</b> Where the supplier has been requested to provide a full AIC Plan and the below questions have been answered in this document, provide the cross reference.</p> <p>Describe the benefits of the LIA in terms of the following:</p> <ol style="list-style-type: none"> <li>a. The benefits (e.g. skills, knowledge, additional resources) to the company undertaking the LIA</li> <li>b. [if applicable] how skills and knowledge will be developed, transferred to, or enhanced in the company</li> <li>c. [if applicable] any new technologies or innovations that will result from the LIA</li> <li>d. Training to be provided including mentoring, up-skilling and trade training sponsorship.</li> </ol>
E Small to Medium Enterprises	Provide details of any SMEs engaged within the supply chain supporting the LIA, including their size, annual financial turnover, whether the business is regional or capital city based and the staff numbers.
F Indigenous Enterprise	Provide details of any Indigenous Enterprises engaged within the supply chain supporting the LIA.
G IP and Technical Data Arrangements	Identify Technical Data and the associated Intellectual Property rights required to be provided to Australian Industry for the delivery of the LIA.
H Approvals	Provide details of all actions, processes, accreditations and approvals required (ie. International Traffic in Arms Regulations, import controls, security and facility clearances etc.), or to be performed (including timing), and by whom, that will enable Australian Industry to deliver this LIA.
I Risks	Identify all risks known to potentially impact upon the delivery of this LIA. Provide a cross-reference to the individually identified risk recorded in the Risk Register. The Risk Register shall reference the LIA serial number, title and description.



**APPENDIX 4: SOVEREIGN CAPABILITY REQUIREMENTS**

*Attached to RFP Pack to assist suppliers in responding to SCR Template*

**APPENDIX 5: SOVEREIGN CAPABILITY REQUIREMENTS TEMPLATE**

*Attached to RFP Pack*

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**APPENDIX 6: AIC DELIVERY REPORT**

*Attached to RFP Pack*

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## APPENDIX 7: PUBLIC AIC PLAN

*The public AIC Plan shall be written on a company letterhead, signed by a duly authorised officer of the supplier, and be presented in a format that can be published on a Commonwealth internet website.*

The public AIC Plan shall include the following information, including using the same headings and structure:

### **Company Details**

- Company Name
- Address / Location
- Website Details

### **Executive Summary**

Provide a high-level overview of the contract, including details of the major work packages to be performed by Australian industry. In particular, the executive summary shall include:

- Scope of the contract with Naval Group;
- Scope of work to be performed by Australian Industry
- Capabilities that will be sought from Australian Industry.

### **Scope of Future Work Opportunities**

Briefly describe the future opportunities for Australian industry including:

- Major equipment systems, services and related capabilities that will be sought;
- Location(s) where it is desirable for this work to be performed (where relevant);
- Timing for when the equipment, systems, services and related capabilities will be required; and
- Any related research and development activities.

### **Future Opportunities Industry Engagement**

Briefly describe the process to be followed to engage Australian industry in the above opportunities, including:

- How these will be advertised (i.e. through the use of supplier advocates, Industry Capability Network, professional networks, business access arrangements or similar);
- How Australian Industry will be evaluated for supplier/subcontractor selection; and
- Indicative timeframes for these engagement activities.

For future work opportunities, provide sufficient details that will enable Australian Industry to contact the appropriate representative from within the company in order to register their interest.

[Signature block of supplier duly authorised officer]