



Australian Government
Department of Defence
Capability Acquisition and
Sustainment Group

Challenges and Opportunities in Acquisition and Sustainment of the Integrated Force

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Scope

- Assessing IAMD project complexity
- Challenges applying traditional procurement methods
- An engagement model for success

Assessing Project Complexity

DIRECTIONAL

STRUCTURAL

TEMPORAL

TECHNICAL

- Remington and Pollack's Model for complexity circa 2007

Assessing Project Complexity

DIRECTIONAL

STRUCTURAL

TEMPORAL

TECHNICAL

- Lack of a clear narrative or vision for IAMD
- Multiple areas of applicability - regional / trans-regional / homeland
- Weighting of deterrence vs passive vs active effects
- More choice than money and time

Assessing Project Complexity

DIRECTIONAL

STRUCTURAL

TEMPORAL

TECHNICAL

- Joint agreement on requirements
- Interoperability
- ITARS
- Infrastructure reliance (networks, communications)
- Intellectual Property – multiple industry players
- Industry partnerships yet to be established

Assessing Project Complexity

DIRECTIONAL

STRUCTURAL

TEMPORAL

TECHNICAL

- 30 year evolving system
- IAMD vision unlikely to be realised during acquisition stage
- Dynamic external environment (UAVs, political)
- How will learning feed back into the development cycle?

Assessing Project Complexity

DIRECTIONAL

STRUCTURAL

TEMPORAL

TECHNICAL

- No complete, existing product
- Depth of implementation can drive time and cost (ie. Data links)
- Fielded systems are also evolving, driving C4I system changes
- Need for rapid technology insertions in response to contingencies (ie. CRAM)

Assessing Project Complexity

DIRECTIONAL



STRUCTURAL



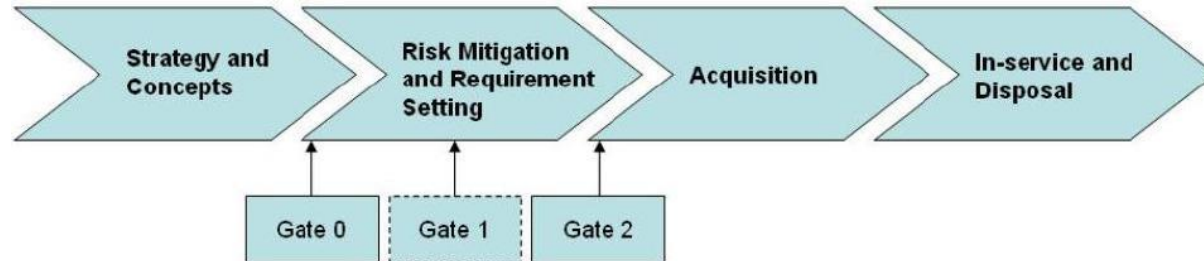
TEMPORAL



TECHNICAL



Traditional Acquisition Approach



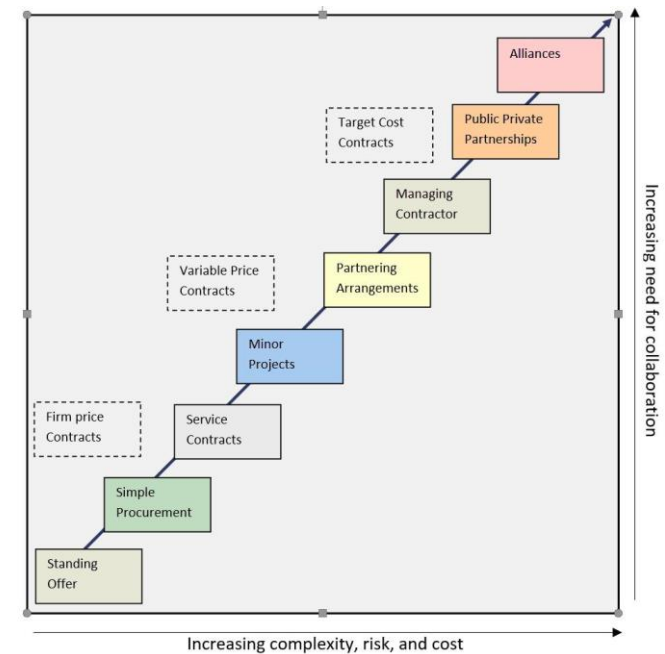
- Retains a sequential approach to the life cycle which relies on solid requirements prior to project approval
- Separates the acquisition and in-service phase – both in phase and funding approach
- Model doesn't overtly propose a funded Defence-Industry concept definition phase prior to execution
- Implies reduced oversight from the capability sponsor during the acquisition phase.
- Underplays doctrinal exploration during acquisition

Traditional Contracting Approach

- CASG has traditionally used fixed or firm priced contracts to constrain costs and transfer clear delivery responsibilities to prime contractors.
 - Inappropriate where requirements are unclear
 - Costly if implementation is not studied
 - Ineffective if a large amount of interfacing with Government equipment/policy is required
- Industry engagement in the lead up to acquisition tends to be a written response to an established set of requirements

Proposed Contracting Approach

- Use of Collaborative Contracting
 - Joint decision making
 - Target cost not fixed cost
 - Transparency and open book
 - Executive involvement of the capability sponsor
 - Dispute resolution framework
- Scope *and* cost certainty not locked down at project approval
- Cost as an Independent Variable (CAIV)



Potential Acquisition Model

Partner



Select Program
Advisory Group

Establish IAMD
Vision



Select Industry
Partners & PSI

Potential Acquisition Model



Potential Acquisition Model

