

## Project Data Summary Sheet<sup>139</sup>

Project Number	<b>LAND 121 Phase 4</b>
Project Name	<b>Protected Mobility Vehicle – Light</b>
First Year Reported in the MPR	2016-17
Capability Type	Replacement
Acquisition Type	Developmental
Capability Manager	Chief of Army
Government 1st Pass Approval	Oct 08
Government 2nd Pass Approval	Aug 15
Total Approved Budget (Current)	\$1,951.1m
2016-17 Budget	\$55.4m
Project Stage	Preliminary Design Review
Complexity	ACAT I



### Section 1 – Project Summary

#### 1.1 Project Description

LAND 121 Phase 4 will acquire and deliver into service 1100 Protected Mobility Vehicles – Light (PMV-L) and 1058 companion trailers for command, liaison, reconnaissance and utility roles.

The PMV-L will replace around one third of the current Land Rover fleet, and represents a new capability that will provide the Australian Defence Force (ADF) with a highly protected and deployable light vehicle fleet designed to provide an optimum balance of six fundamental requirements: survivability, mobility, usability, payload, sustainability and communications.

The PMV-L will be the ADF's only protected vehicle capable of being lifted by ADF Chinook helicopters. The vehicle will also pioneer a next-generation open architecture communications management system, the Integral Computing System (ICS), which will unify the vehicle's various communications systems through a common interface.

The PMV-L fleet will consist of two variants which may perform specific mission roles:

- 4 Door PMV-L: The 4 Door vehicle may perform the following roles:
  - Command - Carriage of up to four personnel with additional integrated electronic command, control and communication systems.
  - Liaison - Carriage of up to four personnel with a general communication fit.
  - Reconnaissance - Carriage of up to four personnel to perform light infantry, reconnaissance and Air Force security functions.
- 2 Door PMV-L: The 2 Door vehicle may perform the following role:
  - Utility - Carriage of two personnel and cargo.

Thales Australia has been contracted by Defence for the development, production and through-life-support of the PMV-L capability. Thales Australia is also the nominated Prime Systems Integrator for the ICS.

#### 1.2 Current Status

##### Cost Performance

###### In-year

The project identified a risk of \$27.8m against contracted Milestones 14 and 15 due to the extension of Stage 1 in order for Thales to prove the reliability of the Hawkei vehicle. This slippage was realised at the end of Feb 17 and reported to DEPSEC CASG. The balance primarily relates to planned C4IDA activities tied to Milestone 14, part payment of Milestone 13 and ILS spend delayed until early FY 2017-18.

In 2009 an amount of \$43.0m was spent to pursue the development of a 'next generation' PMV-L by joining the US Joint Light Tactical Vehicle (JLTV). The funding was provided by Capability Development group and has not formed part of the LAND 121

#### 139 Notice to reader

Forecast dates and Sections: 1.2 (Material Capability Delivery Performance), 1.3 (Major Risks and Issues), 4.1 (Measures of Material Capability Delivery Performance), and 5 (Major Risks and Issues) are excluded from the scope of the ANAO's review of this Project Data Summary Sheet. Information on the scope of the review is provided in the *Independent Assurance Report* by the Auditor-General in **Part 3** of this report.

<p>Phase 4 project budget.</p> <p><u>Project Financial Assurance Statement</u></p> <p>As at 30 June 2017, the project has reviewed its approved scope and budget for those elements required to be delivered by Defence. Having reviewed the current financial and contractual obligations for this project, current known risks and estimated future expenditure, Defence considers, as at the reporting date, there is sufficient budget remaining for the project to complete against the agreed scope.</p> <p><u>Contingency Statement</u></p> <p>The project has not applied contingency in the financial year.</p>
<p><b>Schedule Performance</b></p> <p>Thales Australia is providing the deliverables as required under the contract. Under Stage 1 (Engineering and Manufacturing Development) of the LAND 121 Phase 4 Acquisition Contract, Thales Australia delivered 10 vehicles and five trailers on schedule for the purpose of further development and testing.</p> <p>As part of Stage 1 (Engineering and Manufacturing Development), Thales Australia is required to conduct a Reliability Growth Trial (RGT) and successfully exit Stage 1 prior to commencing Stage 2 (Low Rate Initial Production). During RGT, the performance of the vehicles exceeded the number of critical failures allowable. Defence requested Thales Australia remediate these critical failures in order to fulfil the contractual reliability requirements of Stage 1. This remediation activity resulted in an additional RGT, extending Stage 1 by a further four months, with the exit of Stage 1 now expected to occur in August 2017. It is currently anticipated that this extension of Stage 1 has no overall impact on Initial Materiel Release (IMR) and Final Materiel Release (FMR).</p> <p>From July 2016 the system definition for the ICS was finalised and design reviews successfully undertaken on schedule. An ICS Integration Lab in Sydney was established and a bench (stand-alone) and on-vehicle demonstration of the ICS capability was undertaken as contracted. The project is on track to undertake a live demonstration of the ICS with the capability manager in July 2017.</p> <p>In March 2017, the PMV-L successfully passed its scheduled survivability test events for the specified level of under-belly land mine threat. Both the 4 door and 2 doors PMV-L Pilot build state were subjected to land mine testing and passed all criteria.</p> <p>Following Thales Australia's successful exit of Stage 1, all other supplies and project activities are expected to be delivered in accordance with the Materiel Acquisition Agreement (MAA) schedule.</p>
<p><b>Materiel Capability Delivery Performance</b></p> <p>10 PMV-L pilot vehicles and 5 trailers have been delivered out of a total planned delivery of 1116 PMV-L and 1067 trailers (of which 16 vehicles and 9 trailers are for test purposes only).</p>
<p><b>Note</b></p> <p>The capability assessments and forecasts by Defence are not subject to the ANAO's assurance review.</p>
<p>1.3 Project Context</p>
<p><b>Background</b></p> <p>LAND 121 Phase 4 was established to address a new capability requirement within the ADF's land mobility assets emanating from the absence of lightweight and light class field vehicles with the requisite levels of ballistic and blast protection.</p> <p>At First Pass in October 2008, Government agreed for Defence to pursue the development of a 'next generation' PMV-L by joining the US Joint Light Tactical Vehicle (JLTV) Program (Option 1) and at the same time retain the possibility of acquiring a Market Available Vehicle (MAV) in the event JLTV proves unsuitable (Option 2). In May 2009, Government directed that an Australian indigenous option for PMV-L be considered. In June 2009, a Manufactured and Supported in Australia (MSA) Option (Option 3) was included in LAND 121 Phase 4 through the release of a Request for Proposal. In 2009, Defence paid \$43.0m to pursue the development of a 'next generation' PMV-L by joining the US Joint Light Tactical Vehicle (JLTV) Program. The funding was provided by Capability Development group and has not formed-part of the LAND 121 Phase 4 project budget. First to Interim Pass funding was provided in November 2009 following approval of MAA v2.0. Where, Government agreed that Land 121 Phase 4 would return to Government for an Interim Pass decision on which option is to be pursued to Second pass.</p> <p>In May 2010, Government agreed that the MSA Option be further investigated prior to Interim Pass through the conduct of initial prototyping activities. On 30 June 2010, a draft schedule for each option to deliver the PMV-L capability was submitted to the Government for consideration. Stage 1 MSA funding was provided in July 2011 following approval of MAA v2.1. Stage 1 of the MSA Option consisted of assessing six developmental Line of Departure vehicles (LOD) that met the Australian content requirement. Two from each of the three companies - Force Protection Europe Ltd, General Dynamics Land Systems-Australia and Thales Australia Ltd against function and performance specifications and value for money. Through the procurement process, it was determined that there were no off-the-shelf options available that met <u>all</u> ADF requirements.</p> <p>At Interim Pass in December 2011, Government refined its direction to the following:</p> <ul style="list-style-type: none"> <li>directed Defence to cease active participation in the US JLTV Program;</li> <li>selected Thales Australia's PMV-L as the preferred vehicle for further development and testing under Stage 2 of the MSA Option (Option 3); and</li> <li>directed Defence to continue observing the US JLTV Program, given its potential to provide an alternative at Second Pass.</li> </ul> <p>Interim pass funding was provided in April 2012 following approval of MAA v3.0. Defence entered into Stage 2 of the MSA Option with Thales Australia to carry out further development of their PMV-L, culminating in a program of trials and testing of the prototypes</p>

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in late 2013. Additional development work and testing were carried out in 2014 under the MSA Stage 2 through a Risk Reduction Activity (RRA) aimed at reducing residual technical risk to an acceptable level.

In August 2015, Government provided Second Pass Approval for LAND 121 Phase 4 to acquire Thales Australia's PMV-L. Second Pass funding was provided in September 2015. Subsequently, LAND 121 Phase 4 signed a contract in October 2015 with Thales Australia to acquire and support 1100 PMV-L vehicles and 1058 trailers.

The Acquisition Contract contains three distinct stages that reflect the developmental nature of the PMV-L capability, and which minimises production rework:

- Stage 1: Engineering and Manufacturing Development. Includes the provision of ten vehicles and five trailers, including test vehicles and trailers; the conduct of a vehicle RGT and other developmental test and evaluation activities. Acceptance of these results by Defence is required prior to exiting Stage 1.
- Stage 2: Low Rate Initial Production. Includes the production of 106 vehicles and 104 trailers, including test vehicles and trailers based on an approved Production baseline; the conduct of a production reliability assessment test, and final acceptance testing and evaluation activities. Acceptance of these results by Defence is required prior to exiting Stage 2.
- Stage 3: Full Rate Production. The production of the remaining vehicles and trailers based on the approved Full Rate Production baseline, and the achievement of IMR and FMR.

Support requirements for the PMV-L have been incorporated into the existing Protected Mobility Vehicle (Bushmaster) Through Life Support Contract, as integrating the support arrangements for both fleets is predicted to result in significant savings to the Commonwealth.

#### Uniqueness

LAND 121 Phase 4 is a developmental project specifically designed to meet the ADF's requirements. The uniqueness of the PMV-L stems from the combination of the following in a single vehicle:

- A high level of blast, ballistic and fragmentation protection, enabling greater deployability within high risk operational environments;
- External Air Transport Mass, enabling the capability to be the ADF's only protected vehicle capable of being lifted by ADF Chinook helicopters;
- A next-generation Generic Vehicle Architecture based C4I solution - Integrated Computing System (ICS); and
- Utilise a modular armour system to enable enhanced protection based on mission specific roles.

#### Major Risks and Issues

The Project Office previously managed a number of open risks associated with vehicle reliability with the highest level of pre-mitigation being medium. During RGT3 from 03 May till 28 July, 2017, on the third Incident Scoring Board (ISB#3) it was found that the vehicles had experienced seven (7) critical failures which was greater than the allowable range specified in the Contract.

As a result, risk items are now recorded and managed as 'Issue'. The Commonwealth letter was subsequently issued and requested remediation plan from the contractor. Thales is contractually required to conduct further activities under a Reliability Remediation Plan to overcome these critical failures and meet the contracted reliability.

#### Other Current Sub-Projects

LAND 121 is a multi-phased program providing the ADF with current-generation high-capability field vehicles, modules and trailers. Other LAND 121 projects are:

- LAND 121 Phase 3A – This project has delivered 2,146 lightweight (4x4) and light (6x6) Mercedes-Benz G-Wagons and 1,799 matching Haulmark trailers, replacing approximately two thirds of the current Land Rover 4x4 and 6x6 vehicle fleets. The new G-Wagons will be used primarily for tactical training, but will also be available to support humanitarian assistance or disaster relief operations, and to help secure Australia's coastline.
- LAND 121 Phase 3B – This project will provide the ADF with 2,707 protected and unprotected medium and heavy vehicles, along with 1,753 matched trailers. This will provide payloads of between four and seventy tonnes for a range of logistics functions, including vehicle recovery, freight, bulk liquid distribution and personnel carriage.

## Section 2 – Financial Performance

### 2.1 Project Budget (out-turned) and Expenditure History

Date	Description	\$m	Notes
	<b>Project Budget</b>		
May 08	Original Approved	1.8	
Nov 09	Real Variation - Scope	5.7	1
Jul 11	Real Variation - Scope	31.5	2
Apr 12	Real Variation - Scope	48.4	3
Sep 15	Government Second Pass Approval	1,857.6	
		<b>1,943.1</b>	4
Jul 10	Indexation	0.4	
Jun 17	Exchange Variation	5.9	
Jun 17	<b>Total Budget</b>	<b>1,951.1</b>	

Project Expenditure			
Prior to Jul 16	Contract Expenditure – Thales Australia (Prime Contract)	(161.3)	5
	Contract Expenditure – Thales Australia prototyping activities (MSA Stage 1 and Stage 2 Contract)	(58.7)	
	Other Contract Payments/Internal Expenses	(28.6)	
		<b>(248.6)</b>	6
FY to Jun 17	Contract Expenditure – Thales Australia (Prime Contract)	(20.3)	7
	Other Contract Payments/Internal Expenses	(4.0)	
		<b>(24.3)</b>	
Jun 17	<b>Total Expenditure</b>	<b>(272.9)</b>	4
Jun 17	<b>Remaining Budget</b>	<b>1,678.2</b>	
Notes			
1	This amount reflects funding approval at First Pass Approval.		
2	This amount reflects approval to undertake MSA Stage 1 prototyping.		
3	This amount reflects funding approval at Interim Pass for MSA Stage 2 prototyping		
4	The Budget and Expenditure amounts do not reflect the \$43.0m paid in 2009. Due to the payment being provided by Capability Development group and has not formed part of the LAND 121 Phase 4 project budget.		
5	These expenditures relate to pre Second Pass costs associated with exploring the Government initiated MSA Option (Option 3) and the contracts are now closed.		
6	Expenses comprise of: MAV prototyping activities (\$17.7m). Project administrative costs (\$4.0m); External Service Providers (\$2.1m); Legal costs (\$2.0m); US JLTV Program (\$1.6m); and MSA Option (Option 3) costs not related to major projects (\$1.1m).		
7	Expenses comprise of: External Service Providers (\$1.9m); Costs related to testing/trials (\$1.1m); Project administrative costs (\$1.0m).		

## 2.2A In-year Budget Estimate Variance

Estimate PBS \$m	Estimate PAES \$m	Estimate Final Plan \$m	Defence's Explanation of Material Movements
95.2	55.8	55.4	PBS – PAES: The variation is primarily due to the rescheduling of design review payments from June to July 2017. PAES – Final Plan: The variation is due to foreign exchange budget update.
Variance \$m	(39.4)	(0.4)	Total Variance (\$m): (39.8)
Variance %	(41.4)	(0.7)	Total Variance (%): (41.8)

## 2.2B In-year Budget/Expenditure Variance

Estimate Final Plan (Jun 17) \$m	Actual (Jun 17) \$m	Variance (Jun 17) \$m	Variance Factor	Explanation
		(31.1)	Australian Industry	The project identified a risk of \$27.8m against contracted Milestones 14 and 15 due to the extension of Stage 1 in order for Thales to prove the reliability of the Hawkei vehicle. This slippage was realised at the end of Feb 17 and reported to DEPSEC CASG. The balance) primarily relates to planned C4IDA activities tied to Milestone 14, part payment of Milestone 13 and ILS spend delayed until early FY 2017-18.
			Foreign Industry	
			Early Processes	
			Defence Processes	
			Foreign Government Negotiations/Payments	
			Cost Saving	
			Effort in Support of Operations	
			Additional Government Approvals	
55.4	24.3	(31.1)	<b>Total Variance</b>	
		(56.1)	<b>% Variance</b>	

## 2.3 Details of Project Major Contracts

Contractor	Signature Date	Price at		Type (Price Basis)	Form of Contract	Notes
		Signature \$m	30 Jun 17 \$m			
Thales Australia	Jul 10	9.0	58.7	Firm	ASDEFCON	3
Thales Australia	Oct 15	1,328.5	1352.2	Variable	ASDEFCON	1, 2
Notes						

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1	Price variation from Contract Signature is due to: a. approved Contract Change Proposals, predominantly to progress the development and integration of ICS.			
2	Contract Value as at 30 June 2017 is based on actual expenditure to 30 June 2017 and remaining commitment at 30 June spot rates current exchange rates, and includes adjustments for escalation (where applicable).			
3	Price variation from contract signature was to exercise the MSA Stage 2 option.			
Contractor	Quantities as at		Scope	Notes
	Signature	30 Jun 17		
Thales Australia	2 PMV-L	8 PMV-L	Design, develop and demonstrate prototype vehicles	
Thales Australia	1100 PMV-L and 1058 Trailers	1100 PMV-L and 1058 Trailers	Thales Australia is contracted to deliver 1100 PMV-L (635 4-Door and 465 2-door vehicles) and 1058 Trailers	1
<b>Major equipment received and quantities to 30 Jun 17</b>				
Defence received 10 vehicles and five trailers from Thales Australia on schedule for the purpose of further development and testing under Stage 1 (Engineering and Manufacturing Development) of the LAND 121 Phase 4 Acquisition Contract.				
<b>Notes</b>				
1	In addition to the above quantities Thales is also contracted to deliver 16 test vehicles and 9 test trailers.			

### Section 3 – Schedule Performance

#### 3.1 Design Review Progress

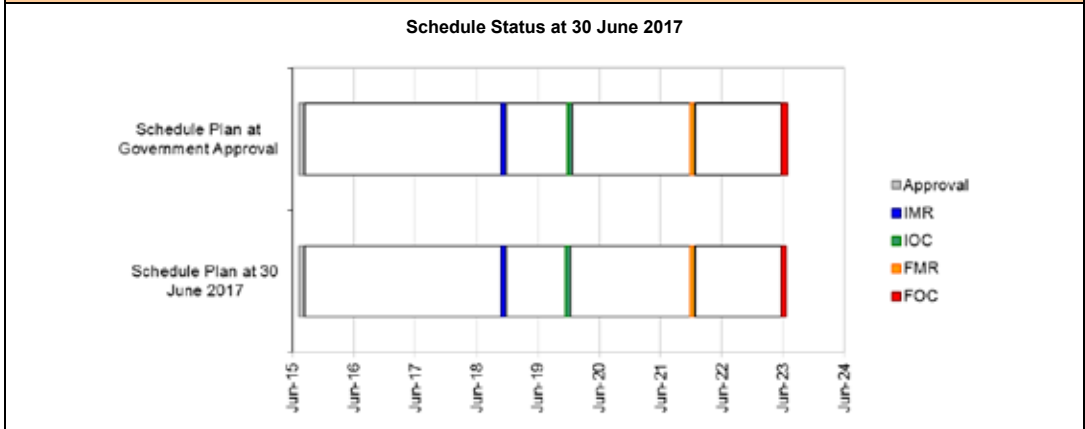
Review	Major System/Platform Variant	Original Planned	Current Planned	Achieved/Forecast	Variance (Months)	Notes
Detailed Design Review	PMV-L and Trailer	Mar 16	N/A	Apr 16	1	1
	ICS	Jan 17	N/A	Dec 16	(1)	2
Preliminary Design	ICS	Sep 16	N/A	Sep 16	0	
Critical Design	PMV-L, Trailer and ICS	Apr 17	Aug 17	Aug 17	4	3
Support System Detailed Design Review	Support System	Jun 17	N/A	Nov 17	5	4
<b>Notes</b>						
1	The variance is caused by the Contractor's delay in closing out the action items					
2	The Contractor and the project agreed to conduct the Review early, thus the early achievement. The CoA approval of ICS DDR Minutes of Meeting was achieved on 19 Dec, 2016.					
3	The variance is due to the vehicle performance exceeding the number of critical failures allowable under RGT. Stage 1 (Engineering and Manufacturing Development) has been extended by a four month period via CCP032 (executed 05 Apr 2017) to allow Thales Australia to remediate the critical failures and to undertake an additional RGT in order to fulfil the contractual requirements under Stage 1.					
4	The variance of SSDDR of 5 months is due to the LRIP baseline not ready for SSDDR review till CDR exit in August 2017 and the contractor failed to meet the entry criteria in SSDDR Checklist (Annex D Attachment A of Statement of Work).					

#### 3.2 Contractor Test and Evaluation Progress

Test and Evaluation	Major System/Platform Variant	Original Planned	Current Planned	Achieved/Forecast	Variance (Months)	Notes
Maintenance Demonstration	PMV-L, Trailer and ICS	Dec 16	Dec 16	Mar 17	3	1
Reliability Growth Trial (RGT)	PMV-L and Trailer	Mar 17	Jul 17	Jul 17	4	2
Development Test & Evaluation (DT&E)	PMV-L, Trailer and ICS	Mar 17	N/A	Jul 17	4	3
Maintenance Evaluation	PMV-L, Trailer and ICS	Oct 17	N/A	Oct 17	0	
Production Reliability Acceptance Test (PRAT)	PMV-L and Trailer	Jun 18	N/A	Jun 18	0	
Acceptance Verification and Validation (AV&V)	PMV-L, Trailer and ICS	Jun 18	N/A	Jun 18	0	
Low Rate Initial Production (LRIP) Acceptance Last Batch	PMV-L, Trailer and ICS	Jun 18	Sep 18	Sep 18	3	4
Full Rate Production (FRP) Acceptance Last Batch	PMV-L, Trailer and ICS	Oct 20	Jan 21	Jan 21	3	4
<b>Notes</b>						
1	The variance is due to availability of resources over the Christmas/New Year Stand Down period.					
2	The variance is due to the vehicle performance exceeding the number of critical failures allowable under RGT. Stage 1 (Engineering and Manufacturing Development) has been extended by a four month period to allow Thales Australia to remediate the critical failures and to undertake an additional RGT in order to fulfil the contractual requirements under Stage 1.					
3	As part of the extension of Stage 1 (Engineering and Manufacturing Development), DT&E has also been extended to facilitate further development testing and to mitigate against the Acceptance Verification and Validation (AV&V) activities required under Stage 2 (Low Rate Initial Production).					
4	As part of the extension of Stage 1 (Engineering and Manufacturing Development), the start dates of some Stage 2 (Low Rate Initial Production) and Stage 3 (Full rate Production) activities have also been delayed. The project office is working closely with the stakeholders to adhere to the agreed schedule.					

### 3.3 Progress Towards Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
Initial Materiel Release (IMR)	Dec 18	Dec 18	0	
Initial Operational Capability (IOC)	Dec 19	Dec 19	0	
Final Materiel Release (FMR)	Dec 21	Dec 21	0	
Final Operational Capability (FOC)	Jun 23	Jun 23	0	



## Section 4 – Materiel Capability Delivery Performance

### 4.1 Measures of Materiel Capability Delivery Performance

Pie Chart: Percentage Breakdown of Materiel Capability Delivery Performance	
<p>100%</p>	<b>Green:</b> The project expects to meet the materiel capability requirements as expressed in the Materiel Acquisition Agreement and in accordance with the requirements of the Technical Regulatory Authorities.
	<b>Amber:</b> N/A
	<b>Red:</b> N/A
Note	
This Pie Chart does not necessarily represent capability achieved. The capability assessments and forecasts by Defence are not subject to the ANAO's assurance review.	

### 4.2 Constitution of Initial Materiel Release and Final Materiel Release

Item	Explanation	Achievement
Initial Materiel Release (IMR)	IMR is a future dated milestone projected for December 2018.  By IMR, the following will be delivered: <ul style="list-style-type: none"> <li>110 PMV-L and 103 Trailers to be delivered in accordance with the Force Generation Cycle; and</li> <li>All logistics support arrangements.</li> </ul>	Not yet achieved
Final Materiel Release (FMR)	FMR is a future dated milestone projected for December 2021.  By FMR, the following will be delivered: <ul style="list-style-type: none"> <li>1100 PMV-L and 1058 Trailers; and</li> <li>Introduction Into Service (IIS) Training and transfer of IIS training packages.</li> </ul>	Not yet achieved

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## Section 5 – Major Risks and Issues

### 5.1 Major Project Risks

Identified Risks (risk identified by standard project risk management processes)	
Description	Remedial Action
N/A	• N/A
Emergent Risks (risk not previously identified but has emerged during 2016-17)	
Description	Remedial Action
N/A	N/A

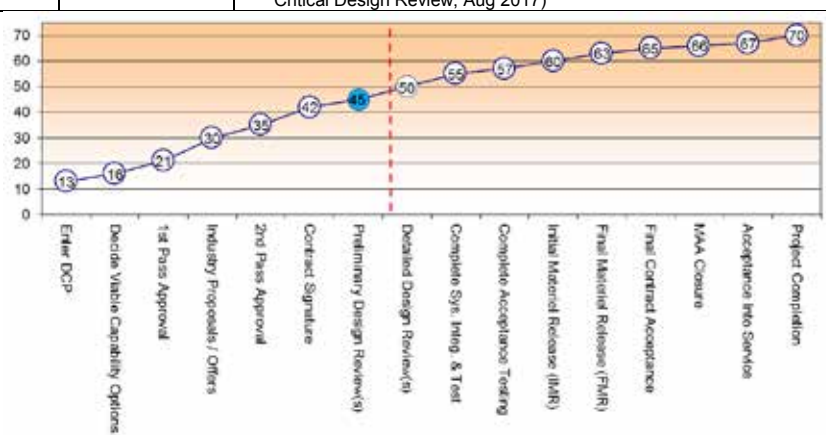
### 5.2 Major Project Issues

Description	Remedial Action
During RGT, the performance of the vehicles exceeded the number of critical failures allowable under the contract.	<p>Under a remediation activity agreed to by Defence, Thales Australia is to remediate these critical failures and undertake an additional RGT in order to fulfil the contractual requirements of Stage 1.</p> <p>It is anticipated that Thales Australia:</p> <ul style="list-style-type: none"> <li>• have reprioritised technical and assembly resourcing effort;</li> <li>• are progressing the remediation activity in concurrence to other scheduled activities;</li> <li>• will introduce additional vehicle monitoring systems for root cause analysis;</li> <li>• will continue to conduct progressive Critical Design Reviews (CDRs); and</li> <li>• will undertake a mid-point review to evaluate the PMV-L and progress of additional RGT against the remediation activity.</li> </ul>

## Section 6 – Project Maturity

### 6.1 Project Maturity Score and Benchmark

Maturity Score		Attributes							Total
		Schedule	Cost	Requirement	Technical Understanding	Technical Difficulty	Commercial	Operations and Support	
Project Stage	Benchmark	6	6	6	7	6	7	7	45
Preliminary Design Review	Project Status	6	7	7	7	7	8	6	48
	Explanation	<ul style="list-style-type: none"><li>• <b>Cost:</b> The project is on track to achieve outcomes within the allocated budget.</li><li>• <b>Requirement:</b> Design reviews indicate that the requirement will be met.</li><li>• <b>Technical Difficulty:</b> The design is being developed and validation activities are underway through the RGT.</li><li>• <b>Operations and Support:</b> The project is still in the design and development phase.</li><li>• <b>Commercial:</b> Contractor on track to achieve Detailed Design Review (Land 121- 4 Critical Design Review, Aug 2017)</li></ul>							



Project Stage	Maturity Score
Enter DCP	13
Decide Vehicle Capability Options	16
1st Pass Approval	21
Industry Proposals / Offers	25
2nd Pass Approval	35
Contract Signature	42
Preliminary Design Review(s)	45
Detailed Design Review(s)	50
Complete Sys. Integ. & Test	55
Complete Acceptance Testing	57
Initial Material Release (IMR)	60
Final Material Release (FMR)	63
Final Contract Acceptance	65
MAA Closure	66
Acceptance into Service	67
Project Completion	70

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## Section 7 – Lessons Learned

### 7.1 Key Lessons Learned

Project Lesson	Categories of Systemic Lessons
<p><b>Developmental Capability.</b> The PMV-L is a technically complex development project that requires active engagement with the contractor, multiple interagency stakeholders and projects from other domains.</p> <p>Establishing a strong, open and trusting relationship with all stakeholders is a critical element for success, particularly in relation to understanding the technical requirements for a first-of-type capability, and in facilitating proactive risk management and contingency planning across the design, development, testing and introduction into service phases.</p>	First of Type Equipment
<p><b>Adequate Resourcing.</b> First-of-type projects contain significant levels of complexity and require substantial effort to fulfil the right balance of technical, performance, risk, cost and schedule requirements. Appropriate investment is required by projects and the contractor from the outset to ensure such requirements are not over-optimistically represented or underestimated.</p> <p>Projects operating in a developmental environment are to pay greater attention to workforce management and project governance. The project is also to frequently assess contractor resources, capabilities and capacity in the lead up and during project delivery.</p>	Governance Contract Management First of Type Equipment
<p><b>Tender Evaluation and Negotiation.</b> During tender evaluation and negotiation, a number of external subject matter experts with vast Defence and commercial experience were engaged for advice and to provide independent assessments of technical, commercial and financial matters.</p> <p>Active participation of the externals in the lead up and during negotiations considerably improved the projects understanding and approach towards commercial, industry and programmatic issues.</p>	First of Type Equipment
<p><b>Integrated ICS Team.</b> The uncertainty in developing the ICS concept would have benefited from having an integrated and centralised team consisting of:</p> <ul style="list-style-type: none"> <li>• PMV-L project staff;</li> <li>• staff from other interrelated communication projects;</li> <li>• Capability Manager specialists;</li> <li>• external subject matter experts/contractors; and</li> <li>• specialist staff such as engineers.</li> </ul>	Resourcing Contract Management
<p><b>Establishment of a Strategic Relationship Board.</b> The project initiated a Strategic Relationship Board consisting of senior Defence and Thales Australia executives to monitor progress, evaluate performance and risks within the parameters of contractual obligations.</p>	Contract Management
<p><b>External Recommendations.</b> In the lead up to Second Pass, the project reviewed a number of independent reports undertaken in other vehicle projects to gain an understanding of the commercial, contractual, governance and procedural considerations to be incorporated into the contract. This exercise benefited the project significantly when considering risks, engaging stakeholders and during negotiations.</p>	Contract Management Governance

## Section 8 – Project Line Management

### 8.1 Project Line Management in 2016-17

Position	Name
Division Head	MAJGEN David Coghlan
Branch Head	BRIG Haydn Kohl (to Oct 16) Ms Sarah Myers (Oct 16 – current)
Project Director/Manager	COL John McLean

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