

Project Data Summary Sheet¹⁶⁴

Project Number	SEA 1654 Phase 3
Project Name	Maritime Operational Support Capability (Replacement Replenishment Ships)
First Year Reported in the MPR	2017-18
Capability Type	Replacement
Acquisition Type	Australianised MOTS
Capability Manager	Chief of Navy
Government 1st Pass Approval	Apr 14
Government 2nd Pass Approval (or key Government pre-Second Pass Approval)	Apr 16
Budget at 2 nd Pass Approval (or key Government pre-Second Pass Approval)	\$1,004.6m
Total Approved Budget (Current)	\$1,084.7m
2019-20 Budget	\$195.3m
Project Stage	Detailed Design Review
Complexity	ACAT II



Section 1 – Project Summary

1.1 Project Description

The SEA 1654 Phase 3 Maritime Operational Support Capability (MOSC) Project will replace both HMA Ships *Success* and *Sirius* with a single class of two Auxiliary Oiler Replenishment (AOR) Ships to sustain deployed maritime forces.

The primary role of the AOR Ships is the provision of afloat-support capability to fleet units. Afloat support is the underway replenishment of liquid and solid cargo, including high-flashpoint marine diesel fuel and aviation fuel, potable water, explosive ordnance, fresh and frozen provisions and general stores, utilising ship fitted systems or helicopters. The secondary role of the AOR Ships is to provide limited resupply in support of operations ashore.

1.2 Current Status

Cost Performance

In-year

As at end of June 2020, the project underspent by \$88.2m. This variance is primarily due to delays to construction of both ships as a result of closure of the shipyard in response to the COVID-19 pandemic. In addition there were delays against the prime contract with Navantia associated with Contract Change Proposals (CCP's) for training delivery, equipment and aids. The delivery of the Close in Weapon System (CIWS) for Ship 1 from Raytheon was also delayed. Due to delays in the prime contract of approximately six months, the end of financial year forecast is an expected underspend of \$88.2m with affected milestones reprogrammed to the next financial year.

Project Financial Assurance Statement

As at 30 June 2020, the SEA 1654 Phase 3 Project has reviewed the project's approved scope and budget for those elements required to be delivered by Defence. Having reviewed the current financial contractual obligations of Defence for this project, current known risks and estimated future expenditure, Defence considers, as at the reporting date, there is sufficient budget including contingency remaining for the project to complete against the agreed scope.

Contingency Statement

The project has **not** applied contingency in the financial year.

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Forecast dates and Sections: 1.2 (Material Capability Delivery Performance), 1.3 (Major Risks and Issues), 4.1 (Measures of Materiel 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 Review Report by the Auditor-General* in Part 3 of this report.

Schedule Performance

Production of the AOR Ships continued in Spain until the shipyard was shut down for 12 weeks from 14 March 2020 to 08 June 2020 in response to the COVID-19 pandemic and the nationwide lockdown. On return to work, productivity was reduced by the need to meet strict post-COVID work procedures limiting workforce numbers, additional cleaning and social distancing. The overall forecast delay to various Ship 1 milestones is 6 months, including Ship 1 transit, arrival in Australia and Ship 1 Acceptance. Consequently, Initial Materiel Release (IMR) has been similarly delayed, however Initial Operational Capability (IOC) has been delayed only 4 months. Final Materiel Release (FMR) and Operational Capacity (OC) for Ship 2 have also been delayed by approximately 6 months as a result of the shutdown and production delays.

Major SEA 1654 Phase 3 Project milestones achieved in 2019-20 include:

- Launch of *Stalwart* in August 2019;
- Training Readiness Review (TNGRR) held in December 2019.

The achievement of Final Operational Capability (FOC) remains forecast in December 2022. This is within the original schedule approved by Government at Second Pass.

Materiel Capability Delivery Performance

The SEA 1654 Phase 3 Project has not delivered any materiel capability to date. Supply was launched in November 2018, and *Stalwart* was launched in August 2019. The project will have a delay to IMR, now forecast to occur in December 2020. FMR is now forecast in June 2021.

Note

Forecast dates and capability assessments are excluded from the scope of the Auditor-General's Independent Assurance Report.

1.3 Project Context

Background

The Royal Australian Navy (RAN) currently has two afloat-support ships to conduct Replenishment at Sea (RAS) operations. HMAS *Success* was commissioned in 1986 and is based on the French designed Durance class AOR. HMAS *Sirius* was commissioned in 2006 and is a Korean built commercial product tanker acquired and converted to an Auxiliary Oiler (AO).

The Defence White Paper 2013 (DWP 2013) identified the requirement for the RAN to resupply its deployed ships as an essential capability given the size of the area over which its Naval forces operate and the extended periods they may be required to remain at sea. It advised the Government's intention to replace the capability currently provided by *Success* and *Sirius* at the first possible opportunity; which would include the examination of options for local, hybrid and overseas build, or the leasing of an existing vessel.

In light of the urgent need to forestall a capability gap in this crucial area, and supported by value for money considerations, the Government provided First Pass approval in April 2014 for Defence to conduct a limited competitive tender process between Navantia S.A. (Navantia) of Spain and Daewoo Shipbuilding and Marine Engineering (DSME) of South Korea for two replacement replenishment ships based on existing Military-Off-the-Shelf (MOTS) designs.

The SEA 1654 Phase 3 Project entered into contracts with DSME and Navantia on 7 and 10 October 2014 respectively, for the Risk Reduction and Design Studies (RRDS). The primary RRDS deliverable was the Mission System Specification (MSS) for the AOR Ship design solution, as well as an indicative support strategy.

The Government provided Second Pass approval in April 2016 to acquire two AOR ships and associated support systems from Navantia, including an initial period of five years in-service support. On 5 May 2016, the \$640 million acquisition contract was signed with Navantia to build the two AOR Ships in Spain, with delivery contracted to occur in 2019 and 2020 respectively.

Although the new AOR Ships will be built overseas, Australian Industry participation is estimated to be in excess of \$120 million. In addition, the initial \$250 million five-year sustainment contract also signed with Navantia, will be undertaken in Australia (note this contract is not included within Section 2.1 of this PDSS given it refers to the funding of sustainment).

On 17 November 2017, the Minister for Defence announced the AOR Ships would be named HMAS *Supply* and HMAS *Stalwart*.

Uniqueness

The acquisition and support contracts were both signed on the same date and with the same Contractor, Navantia, with linkages between the acquisition and initial transitional five year in-service support Conditions of Contract.

While the AOR Ships are based on the existing MOTS design, based on the Spanish *Cantabria* class design, the minimal changes incorporated into the MSS have been limited to those required to meet the RAN's essential requirements, environmental obligations and statutory requirements.

The AOR Ships will be built and delivered in Spain, before transit to Australia for completion of an Australian fit out period prior to the introduction into service of each AOR Ship.

Major Risks and Issues

The COVID-19 pandemic caused major delays to the SEA 1654 Phase 3 Project in 2020. The Project is currently managing the issue of a 6 month delay to the achievement of Initial Operational Release (IOR), now forecast in February 2021.

The project is still managing an issue relating to delays to delivery and Approval of ILS deliverables and delivery and installation of training equipment leading up to Acceptance of the AOR Ship Support System. The Operative Date (OD) of the Support Contract is forecast to be delayed to December 2020 as a result of the delays to ship delivery.

The risk associated with completion of supply and installation of long lead Part Task Training aids appeared resolved, with the deliveries being made in time, however interstate travel restrictions have further delayed set to work. Training has been rescheduled again, and the equipment will be available just in time.

The potential risk regarding limitations to the magazine design is being quantified, and is now being managed by the project as a legacy issue associated with the Military Off The Shelf design of the ship.

Other Current Related Projects/Phases

Project N2262 - Facilities to Support SEA1654 Phase 3 MOSC: The SEA 1654 Phase 3 Project Second Pass Approval also included the approval of scope for, and a significant percentage of the capital acquisition cost allocated to, the delivery of the facility

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requirements for the MOSC under the Estate and Infrastructure Group (E&IG) Project N2262. The supporting facilities and infrastructure works being delivered at Stirling, Garden Island Defence Precinct and Randwick Barracks under N2262 will be critical to the successful introduction and sustainment of the MOSC. Note the total approved budget and expenditure history included within this PDSS only includes Capability Acquisition and Sustainment Group (CASG) allocated funding and therefore Project N2262 budget and expenditure is excluded from the scope of this report.

Note

Major risks and issues are excluded from the scope of the Auditor-General's Independent Assurance Report.

Section 2 – Financial Performance

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	\$m	Notes
Project Budget			
Apr 14	Original Approved (Government First Pass Approval)	13.2	1
Apr 16	Government Second Pass Approval	991.4	2
	Total at Second Pass Approval (or key Government pre-Second Pass Approval)	1,004.6	
Jun 16	Real Variation – Transfer	69.1	3
Apr 19	Real Variation – Transfer	0.3	5
Jan 20	Real Variation – Transfer	12.0	6
Jun 20	Exchange Variation	(1.3)	
	Total Budget	1,084.7	
Project Expenditure			
Prior to Jul 19	Contract Expenditure – Navantia S.A	(507.9)	4
	Contract Expenditure – Raytheon Australia	(25.1)	
	Other Contract Payments/Internal Expenses	(17.2)	
		(550.2)	
FY to Jun 20	Contract Expenditure – Navantia S.A	(91.8)	7
	Contract Expenditure – Raytheon Australia	(4.1)	4
	Other Contract Payments/Internal Expenses	(11.2)	
		(107.1)	7
Jun 20	Total Expenditure	(657.3)	
Jun 20	Remaining Budget	427.4	
Notes			
1	This project's original budget amount is that prior to achieving Second Pass Government approval.		
2	The Government Second Pass Approval transfer amount only includes funding transferred to CASG, including contingency. It does not include approved capital funding transferred to Navy and other Defence Groups.		
3	Transfer of funding for Training under the acquisition contract Not To Exceed (NTE) price for Training delivery and development CCPs from Navy.		
4	Other expenditure comprises operating expenditure, minor contract expenditure and other capital expenditure not attributable to the listed contracts.		
5	Transfer of funding is for Materiel Data Exchange Specification (MDES) CCP under the acquisition contract from Navy.		
6	Transfer of funding from Estate and Infrastructure Group (E&IG) project N2262 – Facilities to Support SEA1654 Phase 3 MOSC. Funding will cover additional costs expected in Australian fit out activities, engineering and ILS costs associated with CCPs and additional project support costs to cover the period of delay.		
7	This amount includes \$0.6m paid from Navy (outside CASG) which relates to the project. This was for work completed regarding the Materiel Data Exchange Specification.		

2.2A In-year Budget Estimate Variance

Estimate PBS \$m	Estimate PAES \$m	Estimate Final Plan \$m	Explanation of Material Movements
191.8	196.0	195.3	PBS-PAES: The forecast variation is primarily due to the increase in Contract Change Proposals for the Prime Contract relating to Training Development and spares. PAES-Final Plan: Foreign exchange movements
Variance \$m	4.2	(0.7)	Total Variance (\$m): 3.5
Variance %	2.2	(0.4)	Total Variance (%): 1.8

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan \$m	Actual \$m	Variance \$m	Variance Factor	Explanation
			Australian Industry	In-year variance of \$88.2m to date is primarily due to the prime contract (Navantia) , associated
		(88.2)	Foreign Industry	
			Early Processes	
			Defence Processes	

			Foreign Government Negotiations/Payments	with the closure of the shipyard in Spain and the nationwide shutdown as a result of the COVID-19 pandemic, Contract Change Proposals and delays in delivery of the Close In Weapon System.
			Cost Saving	
			Effort in Support of Operations	
			Additional Government Approvals	
195.3	107.1	(88.2)	Total Variance	
		(45.2)	% Variance	

2.3 Details of Project Major Contracts

Contractor	Signature Date	Price at		Type (Price Basis)	Form of Contract	Notes
		Signature \$m	30 Jun 2020 \$m			
Navantia S.A.	May 16	646.8	772.6	Fixed with indices escalation	ASDEFCON	1, 2, 3
Raytheon Australia	Nov 16	45.8	45.0	Fixed	ASDEFCON	3, 4
Notes						
1	This relates to the acquisition contract with Navantia only. The responsibility for the scope and funding of support contract is under the AOR Systems Program Office (AORSPPO).					
2	The increase in the acquisition contract price with Navantia predominantly relates to CCPs that have been implemented since the end of June 2019 for the provisioning of spares, training delivery and other deliverables.					
3	Contract value as at 30 June 2020 is based on actual expenditure to 30 June 2020 and remaining commitment at current exchange rates, and includes adjustments for indexation (where applicable).					
4	The decrease in the contract price with Raytheon Australia is due to minor fluctuations in foreign exchange and a reduction in escalation.					
Contractor	Contracted Quantities as at		Scope	Notes		
	Signature	30 Jun 20				
Navantia S.A.	2	2	AOR Ships Mission and Support Systems.			
Raytheon Australia	2	2	Phalanx Block 1B Baseline 2 Close-In Weapon System (CIWS) and ancillary equipment.	1		
Major equipment accepted and quantities to 30 Jun 20						
Nil.						
Notes						
1	The CIWS will be delivered with one Remote Control Station (RCS) and one Local Control Station (LCS) per AOR Ship.					

Section 3 – Schedule Performance

3.1 Design Review Progress

Review	Major System / Platform Variant	Original Planned	Current Contracted	Achieved / Forecast	Variance (Months)	Notes
System Requirement	Mission System	May 16	N/A	May 16	0	1
Preliminary Design	Support System	Jul 16	N/A	Jul 16	0	
Critical Design	Mission System and Support System	Dec 16	N/A	Dec 16	0	
	Mission System and Support System	Jun 17	N/A	Jun 17	0	2
Notes						
1	The key objectives of the System Requirements Review (SRR) and System Definition Review (SDR) for the Mission System, primarily establishing and validating the functional baseline contained in the contracted MSS, were achieved prior to the acquisition contract Effective Date (ED) as part of the First Pass RRDS contract and subsequent Request for Tender (RFT) Offer Definition and Improvement Activity (ODIA).					
2	Production on the AOR Ships commenced following Critical Design Review (CDR) with cutting steel occurring on 19 June 2017.					

3.2 Contractor Test and Evaluation Progress

Test and Evaluation	Major System / Platform Variant	Original Planned	Current Contracted	Achieved / Forecast	Variance (Months)	Notes
System Integration	AOR Ship 1	Aug 19	N/A	Aug 20	12	1,2,5
Acceptance	AOR Ship 2	May 20	N/A	Feb 21	9	1,2,5
	AOR Ship 1	Sep 19	Jun 20	Dec 20	15	3,4,5
	AOR Ship 2	Jun 20	Dec 20	Jun 21	12	3,4,5
Notes						
1	System integration planned and forecast dates, including the installation, set-to-work, and testing of all systems on-board the AOR Ships by Navantia, are based on the completion of the Sea Acceptance Trials (SATs) for each AOR Ship.					
2	The integration of some systems such as the torpedo-self-defence (NIXIE), CIWS, Integrated Broadcast System (IBS), and remaining Information Communications Technology (ICT) Networks are required to take place in Australia after delivery of each AOR Ship from Spain.					
3	The current contracted dates for Acceptance are based on the current contract with Navantia.					
4	The Support System Acceptance is a prerequisite for the Acceptance of both AOR Ships Mission Systems. This includes the successful completion of the Provisioning Preparedness Review (PPR), Long Lead Times Item (LLTI) Review, and Facilities					

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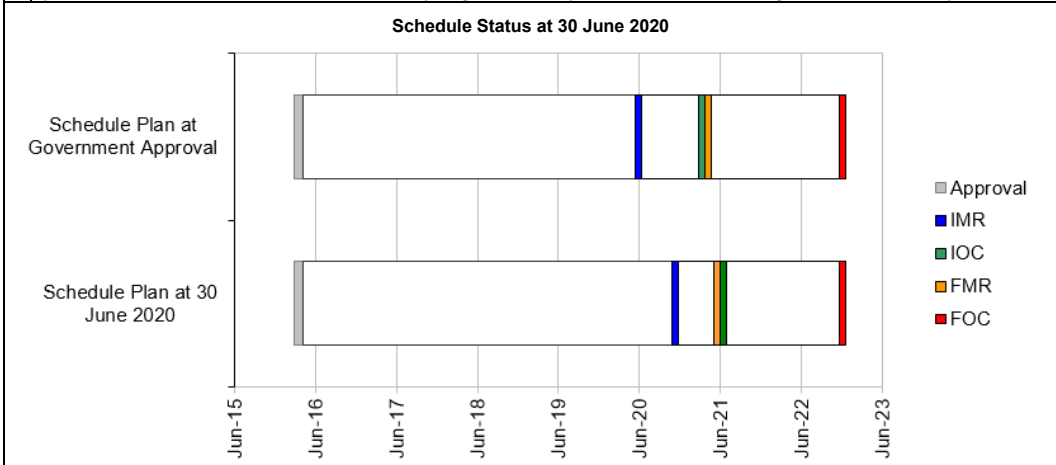
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	Readiness Review (FACRR), Training Readiness Review (TNGRR), Functional Configuration Audit (FCA), Physical Configuration Audit (PCA), crew Training and the Support System Effectiveness Demonstration.
5	The forecast dates for System Integration and Acceptance of the AOR Ships are based on the latest agreed forecast dates, which will be included in the next Contract Master Schedule (CMS), Revision W, and forecast to be delivered by Navantia in July 2020. The Project Integrated Master Schedule reflects this forecast. Delays to System Integration and Acceptance for AOR Ship #1 and #2 against all milestones result from Navantia's shutdown of Shipyard during the Alarm State Covid-19 pandemic crisis.

3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/Forecast	Variance (Months)	Notes
Initial Materiel Release (IMR)	Q2 2020	Dec 20	6	2
Initial Operational Capability (IOC)	Q1 2021	Jul 21	4	2
Final Materiel Release (FMR)	Q1 2021	Jun 21	6	2
Final Operational Capability (FOC)	2022	Dec 22	0	1

Notes	
1	Current forecast achievement of FOC aligns with the latest SEA 1654 Phase 3 Integrated Project Management Planning documentation. This integrated planning has matured the project's understanding of FOC activities since the 2017/18 MPR, which previously forecast an early achievement of FOC.
2	The variance is mostly due to the Contractor's shipyard shut down in March 2020 in response to the COVID-19 pandemic and the nationwide lockdown and partly due to the production and test delays for both AOR Ships.



Note	
	Forecast dates in Section 3 are excluded from the scope of the Auditor-General's Independent Assurance Report.

Section 4 – Materiel Capability Delivery Performance

4.1 Measures of Materiel Capability Delivery Performance

Pie Chart: Percentage Breakdown of Materiel Capability Delivery Performance	
	<p>Green: The project expects to meet the Materiel Capability Requirements as expressed in the Materiel Acquisition Agreement (MAA).</p> <p>Amber: N/A</p> <p>Red: N/A</p>

Note	
	This Pie Chart represents Defence's expected capability delivery. Capability assessments and forecast dates are excluded from the scope of the Auditor-General's Independent Assurance Report.

4.2 Constitution of Materiel Release and Operational Capability Milestones

Item	Explanation	Achievement
Initial Materiel Release (IMR)	AOR Ship 1 delivered ready for training, work-up and Operational Test and Evaluation (OT&E). Those CASG Fundamental Inputs to Capability (FIC) elements including transition into sustainment as defined by the AOR Support System sufficient to support OT&E. IMR is currently forecast to be achieved in December 2020 .	Not yet achieved.
Initial Operational Capability (IOC)	IOC is defined as the ability for an AOR Ship to conduct replenishment at sea for existing Navy Major Fleet Units by demonstrating the capacity to operate two replenishment stations concurrently with helicopter replenishment. IOC is currently scheduled to be achieved in July 2021 .	Not yet achieved.
Final Materiel Release (FMR)	AOR Ship 1 and AOR Ship 2 complete in accordance with the Government Approved scope. FMR is currently scheduled to be achieved in June 2021 .	Not yet achieved.
Final Operational Capability (FOC)	FOC is defined as: a. both new AOR Ships being able to deploy with a Navy Task Group to an operational area, major exercise or activity and conduct fully-integrated Task Group replenishment operations including multi-ship replenishment of liquids, solids and explosive ordnance, including by embarked helicopter; and b. achievement of the full scope of the project including delivery and acceptance into operational service of the Mission System, Support System and training systems and required facilities. FOC is currently scheduled to be achieved in December 2022 .	Not yet achieved.

Section 5 – Major Risks and Issues

5.1 Major Project Risks

Identified Risks (risk identified by standard project risk management processes)	
Description	Remedial Action
There is a chance that the SEA 1654 Phase 3 Project may not meet Navy's forecast date for introduction into service for the first AOR Ship, <i>Supply</i> , as a result of the current delays and deficiencies associated with the LSA program and related ILS deliverables.	The SEA 1654 Phase 3 Project has agreed corrective actions with Navantia for current omissions and defects of ILS deliverables to ensure fitness for purpose in time for IOR of Ship 1, <i>Supply</i> . Navy direction for the commercial crew delivery of the AOR Ships from Spain to Australia has reduced the risk to schedule for introduction into service due to the resultant shift in scheduled training and in service support activities. Note this risk has been downgraded to medium due to progress of the corrective action plan and submission of ILS deliverables and reduced likelihood of delays and quality issues.
Production progress Ship 1 Supply There is a chance that the SEA1654 Phase 3 Project may not meet Navy's forecast date for introduction into service for the first AOR Ship, <i>Supply</i> , as a result of delays associated with the production and test program in Ferrol Spain prior to the ship transit to Australia.	Implementation of risk response strategies by Navantia including engagement of additional workforce and prioritisation of engineering publishing activities, as well as active management by the SEA 1654 Phase 3 Project. These strategies have only been partially effective. The delivery of the ship will be delayed somewhat, however this delay is not expected to affect introduction of the ship into service.
Emergent Risks (risk not previously identified but has emerged during 2019-20)	
Description	Remedial Action
Shortage of CoA Resources at Ferrol; There is a chance that Ship Acceptance - Ship 1 will be affected by the Commonwealth not having enough suitable resources to witness the remainder of HATs and SATs for Ship 1, the Australian Fit Out period for Ship 1 at FBW, initially due to delays in Navantia's construction program causing a conflict/overlap between ship 01 Australian Fitout, and subsequently further impacted by Covid-19 restrictions.	1. Continue to make best use of TEEKAY Production surveillance activities and utilise these resources to provide assurance over the BDTs, BSTs, selected HATs and selected SATs. 2. Lloyds Register is contracted to appraise the design, conduct surveillance over the Production activities, and some aspects of assurance, and certification. 3. Detailed mapping of the Functional Baseline requirements to HATs and SATs test procedures that are reviewed and approved by the CoA are used by onsite representatives (TEEKAY) to confirm proper conduct of the tests and recording of results

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<p>State Mandated Travel Restrictions; There is a chance that Ship Acceptance (SA1) will be affected by state mandated travel restrictions leading to an impact on the project's cost and schedule.</p>	<p>1. Impact of State Mandated Travel Restrictions have been mitigated by providing letters of support cleared by FAS SHIPS for domestic and international contracted prime and subcontractor staff and AS-SASS for CoA and local contracted support.</p>
<p>Procurement, Delivery and Installation of Long Lead Time Part Task Trainers; There is a risk that PTTs may not be available for training due to lack of on site Navantia resources caused by travel restrictions.</p>	<p>1. Schedule training to meet availability of PPTs, and on a case by case basis seek alternate subcontract providers to undertake works when original providers unavailable due to travel restrictions.</p>
<p>EO and Armament Certification; There is a chance that certification of the AOR Explosive Ordnance (EO) facilities will not be awarded by the MARB leading to an inability to achieve Initial Operational Release (IOR).</p>	<p>1 - The Project has engaged an SME to coordinate all EO certification activities in the lead-up to the MARB. 2 - Preliminary MARB working groups have commenced, which involves close, collaborative working arrangements with RAN stakeholders. The have been progressing well to date. 3 - The Project has sought input from Navantia to link design evidence of compliance against ARM-TC requirements, to speed progression of magazine certification (BI458032).</p>

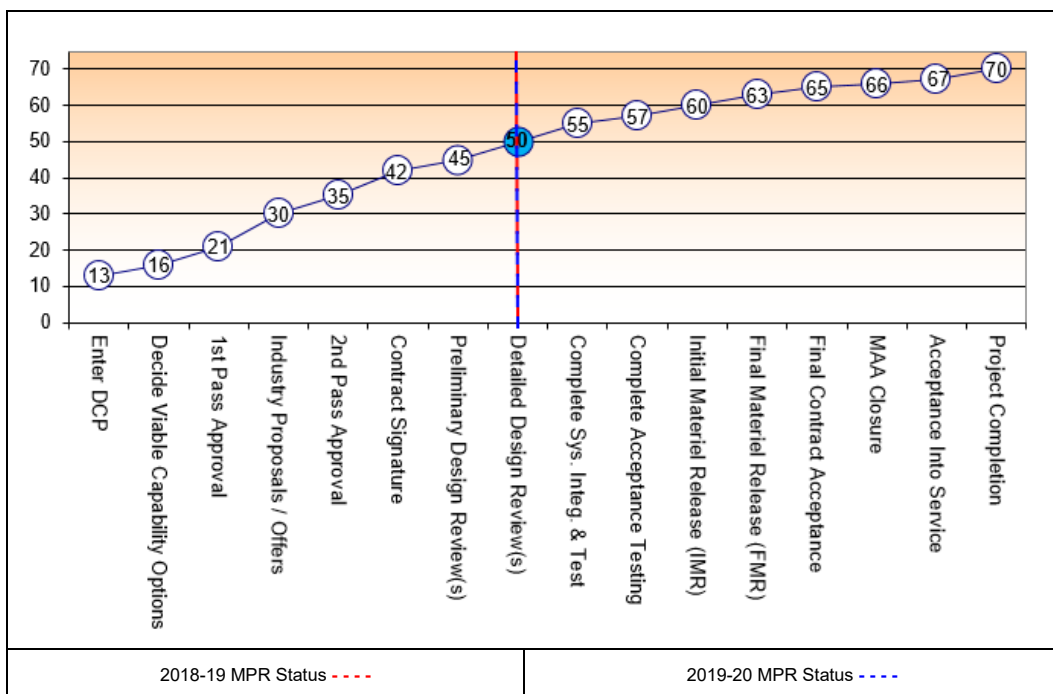
5.2 Major Project Issues

Description	Remedial Action
<p>Delays and deficiencies with ILS deliverables Delays and deficiencies associated with a range of Integrated Logistic Support (ILS) Supplies. Incorporating the necessary Technical Data (TD) furnished from subcontracted vendors, as well as the long lead times for the development and delivery of Training (including Training Facilities, Equipment and Aids), are impacting the delivery of the acquisition Support System, contractor Transition/Phase-In activities, and achievement of the OD of the Support Contract.</p>	<p>The SEA 1654 Phase 3 Project has agreed corrective actions with Navantia prior to submission of future ILS deliverables for Commonwealth review. This mitigation is ongoing and has seen a significant increase in the quality of ILS deliverables due to the implementation of a number of steps including improved quality processes and engagement of experienced local Australian industry by Navantia. Regular meetings, communication and proactive engagement on Training development and delivery between Navantia, the N2262 Project, COMTRAIN and CASG senior management. This issue currently has no realised impact on the forecast schedule for the Materiel Release and Operational Capability Milestones of the AOR Ships.</p>
<p>COVID-19 induced delays to Ship deliveries. There is a chance that the Commonwealth will not have enough suitable resources to witness the remainder of HATs and SATs for ship 1, the Australian Fit Out period for Ship 1 at FBW and HATS and SATs for Ship 2 in Ferrol Spain, initially due to delays in Navantia's construction program causing a conflict/overlap between ship 01 Australian Fitout and Ship 02 testing in Ferrol, and subsequently further impacted by Covid-19 restrictions. As a result, the V&V program may be compromised.</p>	<p>Augment TEEKAY resources to provide adequate test witnessing during the BDTs<HATs, BSTs, and SATs, with management oversight by a CoA appointed site representative on site</p>
<p>Note Major risks and issues in Section 5 are excluded from the scope of the Auditor-General's Independent Assurance Report.</p>	

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	7	7	7	8	7	7	7	50
Detailed Design Review	Project Status	7	7	7	7	8	7	7	50
	Explanation	<ul style="list-style-type: none"> Technical Understanding – The project is currently assessed as behind the benchmark maturity score for this attribute due to the ongoing management of the issue relating to ILS Supplies, identified in Section 5.2 of this PDSS. Technical Difficulty – The project is currently assessed as ahead of this benchmark maturity score following the successful completion of the Critical Design Review (CDR) in June 2017, and all subsequent internal Navantia Quality Gate reviews were completed in March 2018, to enable full production to be undertaken on the AOR Ships. 							



Section 7 – Lessons Learned

7.1 Key Lessons Learned

Project Lesson	Categories of Systemic Lessons
There is a requirement to recognise that projects on an accelerated schedule will have areas of ill-defined scope. Consequently, there needs to be some level of contingency added for these known unknowns (over and above those for standard projects) which can be readily accessed within compressed timeframes and thus avoiding negative impacts on schedule.	Schedule Management
Limitations exist with MOTS purchases when a significant amount of time has passed since the last unit was produced. The MOTS Strategy is most effective when procurement of a system can occur so that it is the next unit on a production run and there is little to no time lapsed in between units being produced. This would minimise the need for subsequent re-design as a result of changes to legislative requirements and or obsolescence issues that occurred during the time interval between production runs. Alternatively, planning needs to consider timeframes for re-design processes.	Off-the-shelf Equipment

Section 8 – Project Line Management

8.1 Project Line Management as at 30 June 20

Position	Name
Division Head	Ms Sheryl Lutz
Branch Head	Mr Peter Croser
Project Director/Manager	Mr Chris Horner

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