Utility Vehicles Support Requirements

Statement of Work

Context for Utility Vehicle Through Life Support Support (TLS) for the vehicles from Respondents. Both the initial acquisition costs and the TLS costs will be assessed to jointly establish the Whole of Life Costs of any proposal.

ILS for the UV is intended to work within the current NZDF maintenance philosophy and existing support procedures. The NZDF has established relationships and partnerships with local and international industry; some who provide direct support at the operational and tactical logistics levels. Lockheed Martin New Zealand (LMNZ), is NZDF's strategic logistics partner and provides engineering, warehousing, maintenance and logistics support. Some Original Equipment Manufacturer (OEM) providers of major equipment have embedded Logistics Support Managers (LSM) and Field Service Representatives (FSR) providing in-depth logistics support to major vehicle fleets.

The TLS for the vehicles is intended to operate under similar arrangements. The NZDF and LMNZwilundertake scheduled and unscheduled light, medium and heavy repairs and maintenance on the Vehicles and related equipment. Similarly, NZDF/LMNZ will normally undertake operator and maintenance training in support of the vehicles.

The NZDF intends to establish an agreement (Through Life Support Contract (**TLSC**)) with the successful Respondent ('the Contractor') to allow for; technical support, maintenance support, training, and spares support. Where the NZDF requires maintenance tasks to be completed by external organisations, NZDF intends to use repair agencies that are authorised and supported by the Contractor. The split of work between NZDF/LMNZ and any Contractor authorised repair agencies would be agreed during the establishment of the TLSC.

As a key component of TLS for the Utility Vehicles the services provided under the TLSC will need to be scalable and variable throughout the UV life of type. Subject to the price that is offered, it is the NZDF's preference that the Contractor provides the NZDF with a bundled service, with only a few exceptions as agreed, e.g., lubricants,

tyres, batteries. As a bundled service, the TLSC would become the primary source of external support for the vehicles.

The TLSC will be negotiated in conjunction with the acquisition contract with the Contractor.

Support Information Technology Systems. The NZDF Enterprise Resource Planning (ERP) Logistics Information Management System (SAP) will be used to manage the Utility Vehicles. The SAP architecture established in support of the Utility Vehicle capability aligns with NZDF inventory and maintenance support polices. This system uses NATO Stock Numbers as the primary reference field for configuration and inventory control.

The following sections of this document outline a framework that will be used to the define and confirm the scope of services subsequently included in any TLSC.

TLSC Framework

Engineering Support

Configuration Management.

In order to facilitate safety, operational capability and maintenance support of equipment, knowledge of the configuration of systems and equipment is required, and changes in configuration must be properly controlled throughout all phases of the life cycle of the system or equipment.

A Configuration Management Plan (see DID ECP-2.2) will establish the baseline for the initial information deliveries under the Acquisition contract. This baseline will become the foundation for a subsequent Configuration Management Plan for the TLSC, which will describe how the NZDF will be informed on any future change or modification to:

- Technical manuals or procedures,
- Equipment build state
- Changes needed to anyGovernment Furnished Equipment (GFE)
- Software
- Configuration of physical equipment
- Spares or repair parts.

Engineering Authority

The Contractor must act as a Design Authority. This role requires the pro-active supply of information that affects the use and maintance of the vehicles. The Design Authority must maintain a robust knowledge of the design of the vehicles and respond to NZDF requests on a case by case basis to provide access to the vehicle design and manufacture data to support the continues operation of the fleet.

All engineering changes to NZDF vehicles will require the approval of an NZDF engineering authority. Engineering Changes (EC), or modifications may be initiated by the Contractor or by the NZDF.

Obsolescence

The Contractor will be expected to provide information on pending or actual obsolescence. Obsolescence management will be included in the in-service support contracts and arrangements with the Contractor. The Contractor will be expected to act proactively and take accountability for the minimisation of obsolescence and its impacts throughout the intended life of type.

Maintenance Support

Maintenance Support Concept. The maintenance concept in support of the Utility Vehicle capability will work to the NZDF (Army) maintenance philosophy of three lines of maintenance support:

<u>Integral Maintenance Support (First Line of Maintenance)</u>. Integral (first line) maintenance will be provided by the unit operating the equipment and will mainly be light grade repairs – although some medium grade repairs could be performed depending on the work required and the nature of the equipment.

<u>Close Maintenance Support (Second Line of Maintenance)</u> Close Maintenance Support will be provided by workshops that provide support to units and LMNZ.

<u>National Maintenance Support (Fourth Line of Maintenance)</u>. With exception of warranty claims and specialist maintenance, National Maintenance Support is likely to be provided by the NZDF repair contractor, LMNZ and/or with the Contractor.

Supply Support

The NZDF's exisiting supply system will be used to support the Utility Vehicle capability vehicles and equipment, where possible and practical.

The NZDF intends to hold appropriate Utility Vehicle inventory. As far as practicable, bulk holdings, and high cost, slow moving and/or low population spares are ideally owned and managed by the Contractor at a mutually agreed location. However, inventory splits between the NZDF and the Contractor, the storage locations and size of inventory needs to realistically allow for shipping times (including import clearances), demand rates and procurement lead times. Contractor holding and management of inventory will be part of an integrated approach that with the NZDF holdings and will be negotiated as part of the TLSC. The Contractor will be expected to provide contractual assurances in the TLSC for resupply and timeframes and costs. Options for supporting overseas deployments will also be need to be included in the TLSC.

Codification.

All spare parts and assemblies must be uniquely identified according to NZDF's codification policy (see DID ILS 5.9). Where existing NATO stock numbers exist, these shall be supplied by the Contractor under the acquisition contract. If not already assigned a NATO Stock Number, the OEM will otherwise supply information on all items of supply for codification. Codification data will be required under the TLSC for any new parts or support equipment.

Training Support

Training Concept. Information from the Contractor will inform who is trained before the introduction into service of the capability. It is preferred that the "train the trainer" method will be employed to allow NZDF to be self-sufficient for subsequent training. Training information is initially established per the Training Package defined at DID TRA-7.2.

Training Aids and Simulation. The Contractor is required to provide recommendations on what training aids and simulation could be used to assist in the delivery and maintenance of the UV capability. This includes part-task training aids for operators and maintainers. These are 'Crown Costed Options' under the Acquisition Contract.

Support and Test Equipment (S&TE)

The Contractor will be required to recommend the S&TE required to support the operation, maintenance and general support to the vehicle and overall capability per DID ILS-5.4., S&TE is acquired under the acquisition contract. The Contractor is also required to outline ongoing support requirements for the S&TE, such as certification and calibration (DID ILS-5.4, section 6.I).

S&TE Concept. Maximum use of existing S&TE is preferred. The Contractor will also identify what vehicle systems are capable of self-testing and fault diagnosis, and identify the schedule for use as part of the overall vehicle maintenance plan. The Recommended Support and Test Equipment List (RSTEL) per DID ILS-5.4 uses two categories:

- General Purpose Test Equipment. The general purpose test equipment that is required and what testing regime is needed (and at what frequency) to ensure test data information is accurate and valid.
- **Special-to-Type Test Equipment.** The Test equipment and support tools that are unique to this type of vehicle that are required and maintenance manuals **shall** outline how this equipment is used to provide support.

The Contractor will provide an ongoing service via the TLSC to support any Specialto-Type Test Equipment

Technical Data/ Data Management

Technical Data Management. Once the vehicles are "in-service", the continuing development and maintenance of technical manuals, engineering drawings and schedules, repair parts schedules and other technical data that contain the requirements for the safe operation, training, repairing and maintenance of the Utility Vehicle Fleet will require support from the Contractor.

Safety Alerts and Notification of Failures. The Contractor will be required to provide Safety Alert/Notification of Failures to inform users of potential and actual equipment defects or safety concerns. See clause 26.12 of the Acquisition Contract and Clause 19.3 of the draft TLSC. Timeframes for this notification will be agreed as part of a KPI.

Computer Support

Released under the Official Information Act, 1982 It is anticipated that due to the irregular, and specialist nature of software and firmware upgrades that Contractor support may be required to for any vehicle software or firmware. The Contractor will be required to provide an indicative update

Through Life Support Requirements – Draft Statement of Work

This draft Statement of Work defines a complete list of potential support services that has been identified for possible inclusion in any Through Life Support Contract (TLSC). RFP Respondents **shall** use this outline to respond with the support concept that is offered.

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The NZDF prefers a TLSC that supplies a bundled package of services. However, the extent of the services that are subsequently confirmed in the TLSC will depend on the price for any services and the value that is assessed by the Crown as part of the RFP Evaluation.

Due to the relatively simple nature of the Utility Vehicles, the NZDF's expectation is that there would be relatively modest fixed prices for a standing level of support under the TLSC. This level of standing support includes acting as the Design Authority, defect notification and obsolecence management.

Most other support in this Statement of Work would be obtained on a case-by-case basis, as required.

The TLS Price Response shall clearly identify all fixed prices for the standing level of support.

		, c.C	EVIDENCE/RESPONSE REQUIRED
			How will you deliver the requirements? Provide details on how the requirements will be
			delivered for each of the key activities including consideration of:
		the second se	• What systems or processes would you use to support your approach?
			What additional value could you provide?
		NZDF is committed to a strategic partnering	For information. No response required.
	1.	relationship with Lockheed Martin New Zealand (LMNZ) to provide agile logistic support. LMNZ is located in Trentham Military Camp and conducts light, medium and heavy grade repairs and warehousing for NZDF equipment.	Note: LMNZ are also located at Burnham, Waiouru, Linton and Papakura Military Camps with Utility Vehicle maintenance support occurring at Trentham, Linton and Burnham.
	S	Respondents will confirm their willingness to engage with the NZDF on all ILS Management matters throughout the life of the system.	 Respondents are to confirm their agreement to engage with the NZDF and LMNZ on ILS matters throughout the life of the vehicle.
	۷.	Respondents are to confirm their agreement to work with NZDF and LMNZ on all ILS matters.	• Describe how you will coordinate management activities with the NZDF (e.g. periodic review meetings, etc).

	Through Life Support Contract	
	The NZDF intends to establish an agreement (Through Life Support Contract (TLSC)) with the successful Tenderer ('the Contractor') to allow for; technical support, maintenance support, training, and spares support.	Describe the concept for in-service maintenance,. Identify any regional or local support entities and facilities that are proposed to be Contractor authorised repair agencies.
3.	Where the NZDF requires maintenance tasks to be completed by external organisations, NZDF intends to use the Contractor authorised repair agencies.	
	The split of work between NZDF/LMNZ and Contractor authorised repair agencies will be agreed during the establishment of the TLSC.	Act
4.	The TLSC will be negotiated in conjunction with the acquisition contract with the Contractor. It is the NZDF's preference that the Contractor provides the NZDF with a bundled service, with only a few exceptions as agreed, e.g., lubricants, tyres, batteries. As a bundled service, the TLSC would become the primary source of external support for the vehicles. As a key component of TLS for the Utility Vehicles the TLSC will be scalable and variable throughout the UV life of type. While not exclusive, the TLSC is expected to include the following elements: Standing support (help desk or funded on- call support) Access to user community Configuration Management Support Engineering/ technical advice/support Supply/usage of spare parts, repair parts, rotables and tools, codification and manuals Operator and maintenance training, including, training aids, simulation, part- task training devices Technical Contractor assistance Obsolescence and upgrade management Provision of updates (including safety issues) and any recommended product improvements In factory repairs undertaken by the Supplier or their designated agent, with potential field repairs for deployable system; and future training Domestic and deployed operational support	 Respondents are to confirm their agreement to negotiate a TLSC with the N2DF and explain how they intend to provide the necessary support for the 20 year life of the system to achieve 85% availability. The NZDF requires Respondents to demonstrate sound methodologies for developing and delivering ILS solutions and expects the Respondent to provide information that will help the NZDF identify the life cycle costs associated with the maintenance and logistic support options for the system. Confirm which of these listed services you are offering for the TLSC.

	Support System Information	
	The NZDF Enterprise Resource Planning (ERP)/ Logistics Information Management System SAP will be used to manage the Utility Vehicles. The SAP architecture established in support of the Utility Vehicle capability will be in line with NZDF inventory and maintenance support polices. This system uses NATO Stock Numbers as the primary reference field for configuration and inventory control.	For information. No response required. Note: Maintenance History from Contracted Authorised Repair Agencies or FSR must be transferable into NZDF SAP Asset maintnenace record.
5.	ILS for the UV is intended to work within the current NZDF maintenance philosophy and existing supply support procedures. The NZDF has established relationships and partnerships with local and international industry; some who provide direct support at the operational and tactical logistics levels. Lockheed Martin New Zealand (LMNZ), as NZDF's strategic logistics partner, provides engineering, warehousing, maintenance and logistics support.	mationAct
	Original Equipment Manufacturer (OEM) providers of major equipment typically have embedded Logistics Support Managers (LSM) and Field Service Representatives (FSR) providing in-depth logistics support to major vehicle fleets.	almo
	Engineering Support	
6.	Design Authority. The Contractor must act as a Design Authority. This role requires the pro- active supply of information that affects the use and maintance of the vehicles. The Design Authority must maintain a robust knowledge of the design of the vehicles and respond to NZDF requests on a case by case basis to provide access to the vehicle design and manufacture data to support the continues operation of the fleet. All engineering configuration and implemented changes will require the approval of an NZDF engineering authority. Engineering Changes (EC), or modifications may be initiated by the Contractor or by the NZDF.	Confirm how you propose to maintain this knowledge and provide this Design Authority support over the life of the vehicles.
7.	<u>Configuration Management</u> . In order to facilitate safety, operational capability and maintenance support of equipment, knowledge of the configuration of systems and equipment is required, and changes in configuration must	 Respondents will detail how they intend to provide configuration management and technical support to the NZDF throughout the life of the system. Via amendment of the DID ECP-2.2 requirements

	Defence Equipment Management Organisation (DEMO) is the Capability Management Authority.	for the TLSC which describes how the NZDF will be informed on any future change or modification to: • Technical/operator manuals or procedures, • Equipment build state • Changes needed to any Government Furnished Equipment (GFE) • Software • Configuration changes (modifications or upgrades that are not NZDF initiated) • Spares or repair parts. • Ancillaries or Accessory equipment including S&TE • Obsolescence Management	382
		XV	
8.	 <u>Maintenance Support Concept</u>. The aim of the NZDF maintenance system is to ensure the maximum amount of serviceable equipment is available to the user and supported during its lifetime. NZDF maintenance is achieved through a graduated range of maintenance activities, dependent on time, location, parts, tools and test equipment holdings. Maintenance activities are conducted but not restricted to combat missions, combat training and non-combat training within NZ and whilst deployed overseas. The maintenance concept in support of the Utility Vehicle capability will work to the NZDF (Army) maintenance philosophy of three lines of maintenance support. The more complex or time consuming the activity, the higher the grade of repair. In general, maintenance tasks include operator maintenance and repair tasks, completed by trained maintenance personnel, are identified as being a particular grade of repair; Light, Medium, or Heavy, as follows: Integral Maintenance Support (First Line of Maintenance will be provided by the unit operating the equipment and will mainly be light grade repairs – although some medium grade repairs – althoug	Please outline the concept for the ongoing maintenance of the Utility vehicles, identifying the roles of all organisations that are proposed (including NZDF and LMNZ).	

	by workshops that provide support to units and LMNZ.	
	 National Maintenance Support (Fourth Line of Maintenance). With exception of warranty claims and specialist maintenance, National Maintenance Support is likely to be provided by the NZDF's Repair Contractor, LMNZ and/or with the Contractor. Any data and equipment used by LMNZ must be delivered to and owned by the Crown and the Crown will subsequently furnish this to LMNZ to support maintenance. 	DCt NO
9.	Maintainability. Maintenance tasks refer to tasks carried out by one operator or one maintainer. The NZDF prefers a system that has minimal down time due to operator maintenance tasks. Operator maintenance tasks include (but not limited to) servicing and cleaning. The Vehicles are to be able to be cleaned by hand using light equipment.	 Respondents are to provide timings for typical amtenance tasks based on one person and include details where a task cannot be completed by one person. Respondents are to confirm that operator daily maintenance tasks shall be completed in less than 30 min. The Respondent is to provide a detailed list of all operator maintenance tasks (may refer to the operator manual if supplied). Respondents are to provide information on the recommended cleaning products or equipment used to clean the Vehicles. Respondents are to provide detailed documentation showing there will be no short or long term degradation of performance due to cleaning.
10.	 <u>Technical Maintenance</u>. Light and Medium grade repairs are undertaken by NZDF repair agencies in combat and non-combat environments using tented, vehicular or purpose-built facilities. Light Grade Repair - MTTR less than 4 hours Medium Grade Repair - MTTR less than 8 hours Heavy grade repairs are currently undertaken by LMNZ (or contracted service provider). Heavy Grade Repair - no repair time limit 	 Respondents are to provide evidence and maintenance documentation which shows that the equipment can be maintained in a deployed environment for all light-grade maintenance and repair. Optimally, light-grade and medium-grade maintenance and repair activities should be able to be undertaken in a deployed environment. Respondents are to confirm and provide evidence that the vehicle's routine scheduled maintenance shall not exceed 8 hrs, and that major service intervals shall not be less than 6 months. Respondents are to provide evidence and maintenance documentation which shows that the equipment can be maintained in deployed

Maintenance Solution. It is the NZDF's intent that operator maintenance and all grades of repair will be conducted by NZDF or LMNZ. 11.	 Respondents may additionally provide evidence and maintenance documentation which shows any medium-grade maintenance and repair activities that are able to be undertaken during deployments. Respondents are to advise of any maintenance activities, and a detailed description of the reasons why, that are unable to be performed by NZDF and/or LMNZ. In the event that Respondent proposes that repairs are to be conducted outside NZDFs maintenance system, the NZDF will require details of the proposed maintenance or support available. Details required include: The conditions for repair or maintenance The hourly rate for repair or maintenance Price list for spare parts Response and turnaround time The identity and location of proposed repair locations
Obsolescence Management Obsolescence management will be included in the through Life Support Contract and arrangements with the Contractor. The Contractor will be expected to act proactively and take accountability for the minimisation of obsolescence and its impacts. Obsolescence management aspects that will be of interest to NZDF include the following considerations: 12. 12. How the Tenderer responds to technological developments to maintain system equipment or system currency. • The position of the proposed solution in	 The identity and location of proposed repair locations Warranty offered for repaired items. Respondents are to provide details of their exixting obsolescence management process. Respondents will provide a separate list of any Lifed components advising accumulated kilometres/hours run before a mandatory replacement is required of that component when it reaches its specified life limit. How do you propose to provide obsolescence management services?

	Technical Data/ Documentation Updates	
13.	Once the vehicles are in the "in-service" phase, the continuing development and maintenance technical data and documentation will require input from the Contractor. This includes; technical manuals, engineering drawings and schedules, repair parts schedules and other technical data that contain the requirements for the safe operation, training, repairing and maintenance of the vehicles. Quality documentation is essential to assist the NZDF to safely operate and maintain the system(s) over its LOT. It is important for the NZDF to be able to maintain equipment overseas under a wide range of conditions. Therefore NZDF must be self reliant and be able to keep the system(s) functional for extended periods of time. In order to achieve this, NZDF repair the equipment down to the lowest component level. The NZDF require a detailed IPC that is accurate and is in a format that allows NZDF document writers to manipulate/adjust the drawings and data. All electronic copies of manuals and updates must be provided in English by the Contractor.	 Confirm your proposal for any on-going maintenance of Support Data (Publications, Training material and Tech Data). Deliverables are typically in Electronic format - English, Pdf or MS Word will be required as part of the TLSC, including the following: Operator Manuals Technical Maintenance Manuals Illustrated Parts Catalogue (IPC) Material Safety Data Sheets Engineering Drawing Package/TDP Configuration Management Plan
	Supply Support	
14.	The NZDF supply system will be used to support the Utility Vehicle capability vehicles and equipment, where possible and practical. The provision of supply support includes all spare parts (on units, assemblies, modules, etc), repair parts, consumables, special supplies and related inventory needed to support the offered solution during the in-service life of the vehicle. The NZDF intends to hold minimal Utility Vehicle inventory, as far as practicable, with bulk holdings, and high cost, slow moving and/or low population spares ideally managed by the Contractor at a mutually agreed location. This will also be considered alongside security and supply of inventory. Contractor holding and management of inventory will be negotiated as part of the TLSC. Options for Contractor support of overseas deployments will also be negotiated in the	 Respondents are to propose solutions/options to meet the NZDF's requirements for Utility Vehicle inventory, as far as practicable, with bulk holdings, and high cost, slow moving and/or low population spares ideally managed by the Contractor at a mutually agreed location. Respondents to propose contractual assurances (e.g. KPIs) in the TLSC for resupply timeframes. Respondents to propose that options for Contractor support of overseas deployments.

 15. Codification. Spares will be required to be uniquely identified according to NZDF's codification policy. 		• On-going data will be required under the TLSC for any new parts or support equipment.		
16.	<u>Barcoding</u> . NZDF uses barcodes to identify and track equipment.	Respondent to confirm that a barcode will be used on all spares packaging, the barcode will contain the following as a minimum: • Nato Stock Number • Quantity in package • LOT / Batch/ Serial Number		
	Packaging			
17.	New Zealand has stringent biosecurity regulations covering packaging materials. All packages and transit cases will comply with current NZ environmental regulations and the NZ Ozone Layer Protection Act 1996 (this information can be found at www.mfe.govt.nz/laws/ozone.html). Heat treatment or chemical preservation, in accordance with the International Standard for Phytosanitary Measures No15 (ISPM15) will be required on all solid wood packing material thicker than 6mm and stamped with an official ISPM 15 mark (this information can be found at <u>http://www.biosecurity.govt.nz/exports/forests</u> /wood-packaging-certification-scheme.htm).	Respondents to confirm compliance with packaging requirements.		
18.	 All spares and repair parts will be supplied in individually prepared packages to prevent the ingress of dirt, dust and moisture. All packages will be clearly labelled with the following information: Item Description Item quantity NATO Stock Number Manufacturers part number Serial / LOT / Batch Numbers (If applicable) Hazardous substance warning (if applicable) Handling precautions (if applicable) 	 Respondents to confirm compliance with packaging requirements. 		
	Training Support			
19.	<u>Training Concept</u> . It preferred that the "train the trainer" method will be employed to allow NZDF to be self-sufficient for subsequent training. The NZDF will negotiate provision for further training in the TLSC.	Respondents to indicate costs for possible follow- on training if the NZDF is unable to conduct training (e.g. personnel shortages).		

	Robustness of Supply Chain Design & Technical Support Design		
20.	Robust supply lines and logistic support arrangements that maximise platform availability at home and on deployed operations are important. NZDF prefers supply partners that have proven infrastructure, processes, and channels that will support front line operations and services for the whole TLS period. This includes both technical support and physical supply chains.	Analysis, documentation review	 Describe the approach to provide robustness of ongoing support and response to customer needs. Our considerations will include: The availability of relevant product user groups or forums The practice in managing, and timely availability of, technical bulletins Supply chain strength – How many organisations are involved? How established is the relationship? Where is value being added? What is the supply chain capacity for, and focus towards the NZDF? The proximity of the OEM's involvement in the supply chain and the support provision The level and profile of New Zealand-based, or New Zealand-specific, support (e.g. repair agencies)
	Support and Test Equipment (S&TE)		INT
21.	S&TE involves the identification and management of all equipment and tools necessary to monitor performance, measure, calibrate, maintain, service, operate or handle equipment. Test equipment also requires support in the form of calibration facilities and testing procedures. Maximum use of existing S&TE is preferred.	Analysis, documentation review	 Describe any ongoing service via the TLSC to support any Special-to-Type Test Equipment Describe the ongoing support requirements for the S&TE, such as certification, calibration and software. Identify any vehicle systems that are capable of self-testing and fault diagnosis, and identify how this information supports the overall vehicle maintenance plan.
	Computer Support		
22.	Software and firmware upgrades for any vehicle software or firmware (e.g. Electronic Control Units, etc).	Analysis, documentation review	 Respondents to describe the software and firmware on the vehicles and the approach to ensure that this software and firmware is supported over the life of the vehicle.
	Safety/Critical Defects		
23.	The successful Tenderer is to advise the NZDF of any safety critical defects/issues identified with their system(s),	Analysis, documentation	• Respondents will describe how they will comply with clause 26.12 of the Acquisition Contract and Clause 19.3 of the draft TLSC will be informed of safety critical information throughout LOT of the system

	accessories or manuals within 2 working days of such defects being confirmed.		
	Performance Targets/KPIs		പ
24.	Key Performance Indicators will be agreed between NZDF and the successful Tenderer.		 Refer Attachment 1 to this Statement of Work. Respondents are invited to propose higher or alternate targets that reflect the attainment of high levels of service and outcomes.
Relea	ed under	the	calmonation

Attachment 1 to Draft TLSC Statement of Work

<u>Schedule: Performance – Draft Key Performance Indicators (KPIs)</u>

INTRODUCTION

1. Performance management under the Agreement is intended to assess both parties' performance, throughout the term of the agreement, using Strategic Performance Measures (SPMs) and Key Performance Indicators (KPIs).

2. NZDF and the Supplier are to evaluate the agreed performance measures at least annually. At each annual meeting, as described in Schedule xxx both parties will review the applicability of the SPMs and KPIs, agree revisions, and apply these to the Agreement.

STRATEGIC PERFORMANCE MEASURES

3. The SPMs are designed to measure the strategic objectives of the Agreement

4. The SPMs will be measured and reported on an annual basis at the xxxxx meeting in accordance with the reporting framework detailed in Schedule xxx

5. The agreed SPMs are as follows:

SPM Ref Title		Description of activities assessed	Measure
SPM - 01	Affordability	Securing the lowest whole of life support cost whilst meeting operational targets and service requirements.	Actual whole life cost versus estimated whole life cost, allowing for any requirement changes requested by NZDF.
SPM - 02	Safety	Going beyond compliance with legislation and demonstrating a 'safety first' ethic in all aspects of material safety through the proactive management activity.	No. safety incidents, or safety warnings.
SPM - 03	Reliability and Availability	Understanding and managing factors that impact on material reliability and platform availability, including configuration control, quality of workmanship, and obsolescence in order to meet NZDF's target outcomes and overall materiel availability by minimising failures and configuration issues.	Number of non-standard workarounds or retrospective fixes. Proportion of parts used that are obsolete or superseded. Number of improvements identified.

KEY PERFORMANCE INDICATORS

6. The KPIs are designed to measure the level of effectiveness in the delivery of Services. They identify trends in performance and serve to highlight opportunities for improvement.

7. NZDF and the supplier will measure and report on KPIs on a xxxxx basis in accordance with the reporting framework detailed in Schedule xxx

8. If either party fails to meet a KPI minimum target in three consecutive months, a CIP will be initiated to identify the root cause(s) of the failure and may implement appropriate changes to improve performance.

9. The agreed KPI measures are as follows:

	KPI Ref	KPI Name	Description	Measurement methodology
	KPI-01	QUALITY – Quality of Spares Supplied	To measure the quality of the Spares being provided by to NZDF.	The number of NZDF recieved Spares not accepted for quality reasons
	KPI-02	DELIVERY - Component Provision – Supplier	A measure of the timeliness for delivery of Components from xxxxx to NZDF, in relation to the Required Delivery Date (RDD).	Number of RDD achieved/total number for month = % delivery of Components.
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