



Category C Supplier Guidance Handbook

Hunter Class Frigate Program

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Acronyms and Definitions

Abbreviation	Definition
ABN	Australian Business Number
AIC	Australian Industry Capability
ANZAC	Australian and New Zealand Army Corps
BAE	BAE Systems Australia Limited
BAESMA	BAE Systems Maritime Australia
BOM	Bill of Materials
CDP	Confidentiality Deed Poll
CDRL	Contract Data Requirement List
D&P	Design and Productionisation
DISP	Defence Industry Security Program
DOD	Department of Defence (Australia)
EOI	Expressions of Interest
FFG	Frigate Guided Missile
GCS-A	Global Combat Ship-Australia
HCFP	Hunter Class Frigate Program
ICN	Industry Capability Network
ILS	Integrated Logistic Support
ISN	Industry Security Notice
INDIGENOUS BUSINESS	Supply Nation's definition of an Indigenous business is one that is at least 50% owned by an Aboriginal or Torres Strait Islander person/s. If the business is registered with Supply Nation, it has satisfied that requirement which recognises Indigenous businesses can enter into structures that work for them whilst maintaining control.
ITAR	International Traffic in Arms Regulations
LHD	Landing Helicopter Dock
MOD	Ministry of Defence (UK)
MSA	Minor Services Agreement
NDA	Non-Disclosure Agreement
OQE	Objective Quality Evidence
OEM	Original Equipment Manufacturer
RAN	Royal Australian Navy
RFT	Request for Tender
SME	Small to Medium Enterprise
SQAM	Supplier Quality Assurance Manual
T26	British Type 26 Global Combat Ship
UOM	Unit of Measure
VFM	Value for Money – <i>refer to Website References for the link to Australian Government – Department of Finance website for expectations around Value for Money</i>

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The Supplier Handbook has been developed to assist prospective suppliers with the requirements of working on the Hunter Class Frigate Program (HCFP) and the Cat C team within BAE Systems Maritime Australia.

1. HUNTER CLASS FRIGATE PROGRAM (HCFP)

BAE Systems Maritime Australia has been contracted to design and build nine future frigates for the Royal Australian Navy (RAN) (Hunter Class Frigate Program or HCFP). The future frigate offering, also known as the Hunter Class GCS-A (Global Combat Ship – Australia) (Hunter class frigate or frigate), is a variant of the UK Type 26 GCS (T26).

The Hunter class frigate is designed for maximum versatility and flexibility in operational roles, from humanitarian and disaster relief operations to high-intensity warfare. Modified to meet Australian requirements, the frigate will be constructed on an acoustically quiet hull and feature unique sonar capabilities, modular digital design and open systems architecture to facilitate through-life support and upgrades as new technology develops.

The fleet of Hunter Class Frigates will be built at the Osborne Naval Shipyard – South in Osborne, South Australia. BAE Systems Maritime Australia is committed to maximising opportunities for Australian industry through the Hunter Class Frigate Program, which is the largest surface ship project in the nation’s defence history.

2. HUNTER CLASS FRIGATE PROGRAM – THE SHIP – HUNTER CLASS SUMMARY

 <p>Dimensions: Length -149.9 metres Maximum beam - 20.8 metres</p>	 <p>Displacement: Full Load 8,800 tonnes</p>	 <p>Propulsion: 2 electric motors 1 gas turbine</p>	 <p>Top Speed: 27+ knots</p>	 <p>Range: > 7,000 nautical miles in electric-motor drive</p>
 <p>Weapons: MU90 torpedos Mk45 Mod4 5" gun SM2 & ESSM missiles Advanced anti-ship missiles Mk41 Vertical Launch System Nulka Decoy System</p>	 <p>Sensors: CEAFAR2 Radar S2150 Hull Mounted Sonar S2087 Towed Array & Variable Depth Sonar Electro Optical Sensors Electronic Warfare Systems</p>	 <p>Combat System: Aegis with Saab Australian Interface</p>	 <p>Aircraft: 1 MH60 Romeo helicopter Mission bay for unmanned system or additional Romeo</p>	 <p>Accommodation: Approximately 180 crew including embarked flight, with accommodation and services for up to 208</p>

HONOUR, HONESTY, COURAGE, INTEGRITY, LOYALTY
www.navy.gov.au

3. HUNTER CLASS FRIGATE PROGRAM – LOCATIONS

Australia

- BAE Systems Maritime Australia
 - Osborne Naval Shipyard – South, Osborne, South Australia – Headquarters
 - Melbourne, Victoria - location of Supply Chain (joint teams); Engineering Capability.

UK

- BAE Systems Surface Ships Limited's Naval Shipyard in Scotstoun UK is the headquarters for the Type 26 Global Combat Ship (GCS) – Reference Ship Design (RSD).

4. HUNTER CLASS FRIGATE PROGRAM – OSBORNE SHIPYARD



5. AUSTRALIAN INDUSTRY CAPABILITY (AIC)

The maximisation of Australian Industry Capability (AIC) and the development of a Continuous Naval Shipbuilding (CNS) enterprise are closely interconnected. Increases in AIC raise Australian industry's ability to compete for and win domestic and international maritime work. This increased demand will facilitate long-term investment and the development of a sustainable and competitive sovereign naval shipbuilding industry.

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The HCFP aims to:

- Maximise the involvement of Australian industry and Australian economic benefits with appropriate consideration such as performance, program cost, risk and schedule, ensuring:
 - Sovereign naval shipbuilding capabilities are secured as a priority; and
 - AIC solutions represent Value for Money (VfM) and are sustainable both during, and after, the HCFP Acquisition Program.
- Build a sustainable, competitive and continuously improving diverse Australian supply chain with the ability to deliver locally and globally.
- Maximise technology transfer covering Technical Data & Software Rights (TDSR) critical to the building of a globally competitive sovereign naval shipbuilding industry in Australia.
- Promote and maximise return on investment through exports, global supply chain contracts and the commercialisation and adoption of Australian innovations.

6. INDIGENOUS CAPABILITY DEVELOPMENT

Indigenous (Aboriginal and Torres Strait Islander) capability is a critical element of AIC. BAE Systems Maritime Australia is committed to working with all of its suppliers, Indigenous and Non-Indigenous, to develop Indigenous supply chain capability over the course of the HCFP. Supply Nation is the peak body to facilitate and promote Indigenous procurement in Australia. Suppliers are encouraged to visit the [Supply Nation](#) website to learn more. Support for HCFP specific initiatives is also available within the AIC team in BAE Systems Maritime Australia.

7. HUNTER CLASS FRIGATE PROGRAM – CAT A, B, C & D

Category A – Major Subcontracts:

- High value; low volume; bespoke; project specific & high risk.
- Key AIC opportunities in identifying OEM in country support, technology transfer to Australian partners, small scale manufacture / assembly in Australia. Engagement of Australian Tier 2, 3 & 4 Defence suppliers.
- eg Propulsion Gearbox, Gas Turbine Assembly, Towed Array Sonar.

Category B – Major Subcontracts:

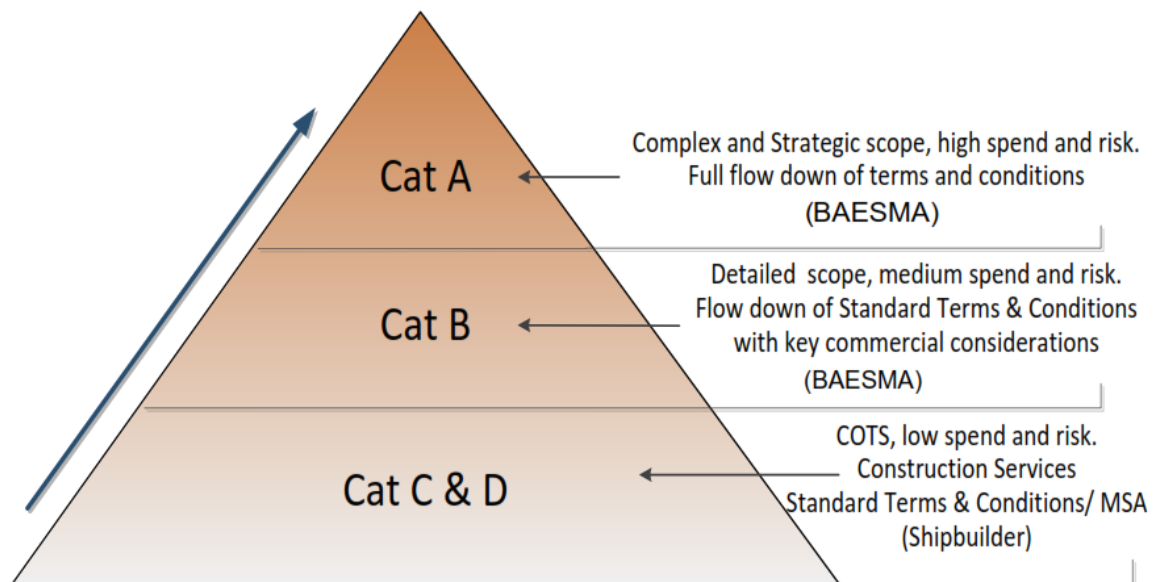
- Medium value; low volume; established equipment/ systems; low risk.
- Key AIC opportunities in identifying OEM in country support, technology transfer to Australian partners, small scale manufacture/ assembly in Australia. Engagement of Australian Tier 2, 3 & 4 suppliers.
- eg Chilled Water Plant, Sewage Treatment Plant, Doors, Scuttles and Hatches.

Category C – Supply Chain Procurement:

- Low value; big volume; off the shelf & low risk.
- Key AIC opportunities in identifying Australia agents sourcing equipment locally. Established supply chain throughout Australia.
- eg Raw Materials, Equipment Parts, Consumables.

Category D –Sub-contracted Services:

- Key AIC opportunities identified through previous subcontractors based on LHD, ANZAC & FFG programs.
- eg Cable Reeving, Abrasive Blasting & Paint Application, Insulation, Accommodation Outfitting, Offsite Fabrication Services.



8. CAT C BREAKDOWN STRUCTURE – Cat C1, C2 and C3

Raw Materials (Cat C1-Commodities)	Cat C2 (Equipment Parts)
<p>A part considered to be a raw material.</p> <p>High value; high volume; Off the Shelf; high BOM risk churn / change driver / rework</p> <p>High price sensitivity – worldwide markets</p> <p>Focus on proactive measurement of Demand vs Consumption vs Wastage in order to reduce wastage levels.</p> <p>High level of handling of heavy materials.</p> <p><i>Specific category of steel, pipe & cable</i></p>	<p>C2–Complex - Project specific modified part, medium value; low volume; medium risk. Specific supplier data requirements for product maturity. <i>Product examples: Roller Shutters, Marine Evacuation System</i></p> <p>C2–Modified – Minor modification to a Commercial Off the Shelf product or specific data requirement (eg drawings).</p> <p>Medium value; low volume; low risk <i>Product examples: Guardrails & Stanchions, Ship-Wide Rigging, Partition Bulkheads & Linings</i></p> <p>C2–COTS - Commercial off the shelf items. Non-complex; low individual value; high volume; & low risk.</p>
<p>C3–Managed Stocks & Stores / Consumables</p> <p>A part consumed during the build, support or operation of the ship(s).</p> <p>High volume; very low individual value; low risk.</p> <p>Specific catalogue parts provide under a Service Level Agreement (SLA).</p> <p>Managed supply on ship / KANBAN (min/max bins)</p> <p>Demand vs Consumption vs Wastage focus <i>Typical products: Welding Rods, Screws, Washers</i></p>	<p>Zero tolerance to modifications. <i>Product examples: Electrical Switches & Sockets, signs, Warnings and Notices</i></p>

9. SUPPLIER QUOTES

BAE Systems Maritime Australia requires suppliers responding to the RFT (Suppliers) to quote Value for Money pricing and achievable lead times for fully compliant products and services. The Suppliers’ performance is measured around meeting or exceeding all quoted commitments.

All Suppliers are expected to provide a fully compliant quote in accordance with the Technical Specification(s) (and Drawings if applicable) as set out in the RFT. If the Supplier is unable to provide a fully compliant quote in accordance with the RFT, details of the deviation/waiver are to be clearly defined in the Pricing Schedule of the Supplier’s response to RFT. Any deviations will undergo formal review and require acceptance by BAE Systems Maritime Australia Engineering.

BAE Systems Maritime Australia requires Suppliers to quote in their home currency and advise exchange rate and date used. The quote should clearly identify any extra costs (e.g. exchange contingencies, forward currency protection).

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All lead times quoted should be realised and achievable. Any changes to the delivery date or schedule **MUST** be communicated to the BAE Systems Maritime Australia Procurement Officer as soon as they occur. The Supplier must also justify the reason for the delivery change. **On Time Deliveries** and **Right First Time** deliveries are also included as part of the Supplier's performance requirements and will be managed via a formal contract review process.

10. NEW SUPPLIER

All new Suppliers to BAE Systems Maritime Australia are required to complete an ASC Shipbuilding Supplier Qualification Questionnaire. This will be conducted with the successful Supplier upon contract award, after the RFT phase.

11. EOI PROCESS

All Procurable Packages (ProcPacks) are published on the ICN Gateway for Expressions of Interest (EOI) submissions.

All EOI submissions go through a stringent evaluation process, and Suppliers are down selected before a Request for Tender (RFT) is issued.

12. NON-DISCLOSURE AGREEMENTS (NDAs)

BAE Systems Maritime Australia requires that all Suppliers who have been down selected for the RFT stage, sign a Non-Disclosure Agreement prior to issue of the RFT.

13. HANDLING & TRANSMISSION OF DEFENCE CLASSIFIED INFORMATION – INDUSTRY SECURITY NOTICE (ISN) 2018/06

The Department of Defence of Australia (AUS DoD) and the Ministry of Defence of the United Kingdom of Great Britain and Northern Ireland (UK MOD) have signed a bilateral security Arrangement for the Protection of Defence Classified Information which came into effect on 9 November 2018. The Arrangement provides a government to government assurance for the exchange and protection of defence classified information between the AUS DoD, UKMOD and their respective suppliers.

The purpose of this Industry Security Notice (ISN) is to inform suppliers of the specific arrangements that have been agreed concerning the handling and transmission procedures for defence classified information at UK OFFICIAL-SENSITIVE (UK OS) and Australian PROTECTED (AUS P) levels between our two countries.

Refer to the link below for **ISN Number 2018/06**:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/770067/ISN_2018-06-AUS-UK_Security_Arrangement.pdf

14. RFT PROCESS

All RFT submissions go through evaluation by BAE Systems Maritime Australia Procurement, and its various stakeholders until a preferred Supplier is selected, negotiated and a contract is awarded.

15. TECHNICAL SPECIFICATIONS AND DRAWINGS

The Supplier is required to destroy and delete both physically (if applicable) and electronically all Technical Specifications and Drawings issued to the Supplier as part of the quote and supply process when the order has been fulfilled, and provide written confirmation from the Supplier's representative to BAESMA, confirming the above obligations have been complied with.

16. MINOR SERVICES/GOODS AGREEMENTS

Category C Suppliers may be contracted under a Minor Services/Goods Agreement which will be the formal agreement between BAE Systems Maritime Australia and the Supplier.

17. PURCHASE ORDERS (PO)

Purchase Orders may be issued against the Minor Services/Goods Agreement as and when goods/services are required, or issued as a stand-alone agreement, dependent on the type of product being purchased. If a PO is issued against a Minor Services/Goods Agreement, the Terms & Conditions in the agreement will override the Purchase Order Standard Terms & Conditions.

The Purchase Orders will include the following information:

Link to **Supplier Terms & Conditions** -

<https://www.baesystems.com/en-media/uploadFile/20210404062513/1434632794732.pdf>

Purchase Order Number
Delivery Terms
Payment Terms
Invoice and Delivery Details
Line Number, Part Number/Description, and Revision Number
Delivery Date
Quantity
UOM
Unit and Extended Price
Quality Assurance (OQE) requirements
CDRL requirements

18. COMMUNICATIONS

All communications must be conducted through the responsible BAE Systems Maritime Australia Procurement Officer during the EOI and RFT phase, either via email or phone call. Any clarification requests for BAE Systems Maritime Australia Engineering, or any other

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BAE Systems Maritime Australia department, must be directed to the BAE Systems Maritime Australia Procurement Officer in the first instance.

The Supplier may receive clarification requests from the Procurement Officer for any aspects of the RFT offer including: pricing, delivery schedules, quality requirements, deviations.

After the RFT submission and clarification process, Suppliers will be engaged in negotiations as part of BAESMA's Value for Money process to ensure that a fair and reasonable cost is determined, and covers all elements of price, goods, service and quality.

19. QUALITY / OBJECTIVE QUALITY EVIDENCE (OQE)

Category C works to strict quality standards and guidelines. A PDF copy of our Inspection and Assurance Codes and Supplier Quality Assurance Manual (SQAM) is available to download via the BAE Systems Australia website -> Our Company -> Our Suppliers.

All Inspection and Assurance Codes are communicated via the Purchase Order.

All Purchase Order specified OQE **MUST** be submitted 3 days prior to the shipment of goods, or the Supplier will receive a non-conformance rating.

Commodity Suppliers are required to provide the Purchase Order specified OQE via email with files in PDF format, to the nominated Procurement Officer.

The subject line of the email is to be the BAESMA Purchase Order number and Line Item.

20. OFFICIAL SENSITIVE CLASSIFICATION

Some data within the HCFP has an "Official Sensitive" Classification. This means we are restricted by what can be shared via usual forms of communication (e.g. email), even with a Non-Disclosure Agreement (NDA) in place. Secure File Transfer Portal (sFTP) is used to transmit Official Sensitive data.

21. PACKING REQUIREMENTS

All packaging shall be in accordance with the applicable Purchase Order specified OQE code.

All deliveries shall be accompanied with a packing list, in the Supplier's format, containing as a minimum, the following:

- PO Number and Line Number
- Catalogue Number and/or Part Number (if applicable)
- Item Description
- Item Quantity and Unit of Measure

All goods supplied are to be individually and clearly marked as detailed above.

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Groups of the same goods may be bundled together for ease of transport provided the groups are clearly marked as detailed above. Different goods within one container should be clearly segregated for ease of identification during receipt.

22. WAREHOUSE HOURS AND LOCATION

BAE Systems Maritime Australia's preferred incoterm is FCA through our 4PL Allyn International, unless otherwise negotiated and agreed.

The Warehouse delivery times are as follows:

6.30 am to 2.00 pm Monday to Friday

Ship To:

Gate 1
639 Mersey Road North
OSBORNE

A delivery docket **MUST** accompany ALL goods delivered to **ASC Shipbuilding Pty Limited trading as BAE Systems Maritime Australia**.

23. INVOICES

BAE Systems Maritime Australia's standard payment terms are 30 days after end of month ("EOM"). BAE Systems Maritime Australia's policy is to pay Australian Small to Medium Enterprises (SME's) within 30 days of a compliant invoice being received. Payment terms for International suppliers are 90 days after EOM.

Invoice payments are subject to a compliant invoice being received, provided that the goods/services (and any subject Quality and/or Engineering documentation) have been delivered and accepted by BAESMA.

Your invoice should be emailed directly to BAE Systems Maritime Australia Accounts Payable in PDF format:
au.aphelpdesk@baesystems.com

In addition to the standard Australian Taxation Office Tax Invoice requirements, a compliant invoice must include the following:

- Company Name: **ASC Shipbuilding Pty Limited trading as BAE Systems Maritime Australia**
- Purchase Order number (only one Purchase Order per invoice)
- Purchase Order line number
- Unit price and quantity and total value that match the Purchase Order
- Delivery address

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Invoices that do not meet the requirements above will be returned to the Supplier for correction.

For further information/disputes, please email au.aphelpdesk@baesystems.com.au or phone 1300 223 457 (Option 3).

24. DEFENCE INDUSTRY SECURITY PROGRAM (DISP)

DISP Membership may be required for suppliers on the HCFP, dependant on scope. DISP Membership is beneficial in ensuring that suppliers are Defence Ready.

DISP is managed by the Defence Industry Security Office (DISO). The DISP:

- Helps you get the right security requirements for dealing with Defence; and
- Gives you access to Defence security advice and support services.

See Website References for the website link.

Category C Suppliers will be required to demonstrate that they are in the process of obtaining DISP membership, if it is not currently held. Cat C Suppliers may need to have a minimum of "Entry Level" DISP.

Note: If a Supplier is working across multiple areas of the Hunter Class Frigate Program, a higher level of DISP membership may be required.

Link to **Working Securely with Defence** – a guide to DISP Membership – <https://ext.defence.gov.au/sites/default/files/media/Working-Securely-with-Defence-Guide.pdf>

25. LLOYD'S REGISTER (LR)

Lloyd's Register is a leading international provider of classification, compliance and consultancy services to the marine industry. A number of products for the Hunter Class Frigate Program will be required to be manufactured to Lloyd's standards or at a Lloyd's accredited facility, or other specified independent body, as directed in the Technical Specification, which will be issued to down selected Suppliers during the formal RFT phase.

The Lloyd's Register classification supports international legal requirements placed on the marine sector and does not supersede it.

26. WEBSITE REFERENCES**BAE Systems Australia**

<https://www.baesystems.com/en-aus/home>

BAE Systems Australia – Hunter Class Frigates

<https://www.baesystems.com/en-aus/what-we-do/hunter>

BAE Systems Australia – Suppliers

<https://www.baesystems.com/en-aus/our-company/about-us/our-suppliers>

BAE Systems Australia – Invoicing and Payment Policy

<https://www.baesystems.com/en-aus/what-we-do/suppliers/australia/invoicing-and-payment>

BAE Systems Maritime Australia – Standard Terms & Conditions

<https://www.baesystems.com/en-media/uploadFile/20210404062513/1434632794732.pdf>

BAE Systems Maritime Australia – Supplier Quality Assurance Manual

<https://www.baesystems.com/en-media/uploadFile/20210407071226/1434643403408.pdf>

BAE Systems Maritime Australia – Inspection and Assurance Codes

<https://www.baesystems.com/en-media/uploadFile/20210407071235/1434654237364.pdf>

Defence Industry Security Program

<https://www1.defence.gov.au/security/industry>

Working Securely with Defence (a guide to DISP Membership)

<https://ext.defence.gov.au/sites/default/files/media/Working-Securely-with-Defence-Guide.pdf>

ICN Gateway

<https://gateway.icn.org.au/>

Lloyd's Register Australia

<https://www.lr.org/en-au/>

Australian Government – Department of Finance**Value for Money Definition**

<https://www.finance.gov.au/government/procurement/commonwealth-procurement-rules/value-money>

Supply Nation

<https://supplynation.org.au/>