Project Data Summary Sheet[242]

Project Number	**LAND 75 Phase 3.4**
Project Name	**BATTLEFIELD COMMAND SUPPORT SYSTEM**
First Year Reported in the MPR	2010-11
Capability Type	New
Acquisition Type	Australianised MOTS
Service	Australian Army
Government 1st Pass Approval	Dec 05
Government 2nd Pass Approval	Nov 09
Total Approved Budget (Current)	**$313.0m**
2014-15 Budget	**$21.3m**
Project Stage	**Final Materiel Release**
Complexity	ACAT II

Section 1 – Project Summary

1.1 Project Description

The LAND 75 Phase 3.4 Battlefield Command Support System (BCSS) project **provides** a digital command and control support system to enhance combat capability of the Australian Army through supporting timely and quality decision-making in the land tactical environment. The BCSS project also **delivered** a Battle Management Systems (BMS) capability to equip a Battle Group (BG). The BMS consists of software that is designed to be simple and intuitive to use and hardware that can survive in the land tactical [combat] environment. The hardware is mounted in a number of fielded vehicles including: Bushmaster Protected Mobility Vehicles (PMV), G-Wagons, and Unimogs. **Kits intended for installation into Mack will be redistributed to other platforms.** The BMS is a computer-based command and control system designed to enhance the tactical commanders' Situational Awareness and ability to execute operations.

The BMS is the central component of the BG and Below Command, Control and Communications System (BGC3) that is being jointly delivered by the LAND 75 Phase 3.4, LAND 125 Phase 3A and JP 2072 Phase 1 projects, **known as LAND 200 Tranche 1** and **incorporates** a mobile, data capable communications system and be able to exchange combat information with BCSS and other Land BMS. The BGC3 will form the basis of a land combat identification (Blue Force Tracking) system by providing commanders with a 'real-time' Situational Awareness display of friendly force locations. LAND 75 Phase 3.4 is also delivering a Track Management System (TMS) which is the primary interface between the BMS and the Joint forces Global Command & Control Systems. The TMS provides Battle Group and above connectivity for units equipped with the BMS and TMS.

1.2 Current Status

Cost Performance

In-year

The year end variation is due to the delay in processing a CCP for the Track Management System. The

242 Notice to reader

Future dates and Sections: 1.3 (Major Risks and Issues), 4.1 (Measures of Materiel Capability Delivery Performance), 5.1 (Major Project Risks) and 5.2 (Major Project Issues) are out of scope for 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.

variance also includes an undisclosed amount to recognise assets received as Liquidated Damages.

Project Financial Assurance Statement

As at 30 June 2015, project LAND 75 Phase 3.4 has reviewed the approved scope and budget for those elements required to be delivered by the project. Having reviewed the current financial and contractual obligations of the 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.

Contingency Statement

The project has not applied contingency in the financial year.

Schedule Performance

Initial Materiel Release (IMR) was achieved on 14 June 2011 and the Initial Operating Capability (IOC) was declared by the Chief of Army as the Capability Manager on 20 April 2012.

In December 2011, the Prime Minister agreed to align the LAND 75 Phase 3.4 Final Operational Capability (FOC) with Army's Brigade rotation cycle circa December 2013. The approval was linked to a Basis of Provisioning (BOP) change sought by Army. The DMO negotiated this change **with the Contractor**, Elbit Systems Ltd (ESL), and in January 2013 Contract Change Proposal (CCP) 13 (CCP013) to the contract was signed. Changes to the BOP **were** implemented into the schedule. In July 2013 Army sought further modifications to the BOP and clarified FOC activities as part of the Government approval submission for a follow-on procurement of BMS under LAND 75 Phase 4 Work Package A.

As at **June 2015**, the project has installed the BGC3 into **237** PMVs **and five gold sets (the gold set for the PMV Ambulance variant is expected to be accepted by the project in August 2015),** 207 Unimog Trucks **and one gold set**, **and 388** G-Wagons **and two gold sets**, and these vehicles are now in use with Army. All 90 Mack Truck kits **and 1 gold set have been formally Accepted** by the project although at Army's direction, **and with Approval from Government,** will not be installed. Army has decided to independently **re-distribute and** install the Mack kits into selected vehicles in accordance with their priorities.

Gold set equipment is used as a design reference to support further design, testing and quality assurance in production.

Government approved in October 2014 to move the scope for the M113AS4 design work to LAND 75 Phase 4 Work Package A, and the intention to move the funds required to retrofit the PMVs to the baseline to sustainment. This approval resulted in CCP019 and agreed that Final Acceptance would be achieved by November 2015. The project achieved Final Material Release (FMR) in March 2015. The Chief of Army declared FOC with caveats in March 2015 for the LAND 200 Tranche 1 program and the LAND 75 Phase 3.4 project achieved FOC Certification in April 2015. The project aims to transition all equipment to sustainment by Final Acceptance and close the Materiel Acquisition Agreement (MAA) by mid 2016.

Materiel Capability Delivery Performance

The DMO provided release of supplies to Army in 2013 in sufficient quantities to conduct operational test and evaluation activities commencing in June 2013. These activities are complete and **were** in support of a planned declaration of FOC by the Chief of Army. In providing project approval of LAND 75 Phase 4 in August 2013, the Government agreed to FOC declaration in mid 2014. FMR was subsequently delayed again with Government approval to March 2015. **In October 2014 Government approved a revised FMR date of March 2015, which was declared on 26 March 2015. The Chief of Army declared FOC with caveats on 27 March 2015 for the LAND 200 Tranche 1 program. The FOC Certificate for LAND 75 Phase 3.4 was completed on 8 April 2015 with elements of the design acceptance and establishment of the support system outstanding. These are expected to be achieved prior to the Contracted Final Acceptance in November 2015.**

Note

The capability assessments and forecasts by the project are not subject to the ANAO's assurance review.

1.3 Project Context

Background

The capability need was identified in 2002-03 by Capability Development Group (CDG) and the Land Warfare Development Centre. The need arose from analysis of operational experience through the use of BCSS, regional threat and technology assessments, and support from allied programs and technology

growth. The capability was refined from 2003 to 2005 culminating in the submission for first pass approval in late 2005. The duration of time from concept to contract has allowed the Australian Defence Force (ADF) to capitalise upon generational advancements in technology and support the alignment of complementary projects to deliver a holistic solution.

The project received Government first pass approval in December 2005. In June 2006, the Minister for Defence agreed that the solicitation of the LAND 75 Phase 3.4 BMS and the LAND 125 Phase 3 C4I sub-system was to be combined to enable Defence to obtain a fully integrated system for mounted and dismounted battle management. The communications bearer (originally to be provided separately by the JP2072 Phase 1 Battlespace Communications System project) for the mounted BMS was added in January 2007. Combining the Request For Tender (RFT) enabled Defence to seek a coherent and integrated solution from industry.

The BGC3 RFT closed on the 27 August 2007, with tenders received from four companies. The initial down selection was to two preferred tenders in January 2008. Phase 1 of the Offer Definition Activity (ODA) selected ESL as the preferred tender to proceed to Phase 2 of ODA in May 2008. ESL successfully completed the ODA and provided a refined risk, schedule and cost proposal that constituted the basis of the approval proposal. Government Second Pass Approval was gained in November 2009, with the contract awarded to ESL as the prime contractor in March 2010.

In the 2012-13 Federal Budget, the Government decided to remove installation of the BGC3 into the M113AS4 Family of Vehicles and apply a real cost decrease of $7.0m. The contract change, together with previously approved changes to the BOP and FOC schedule sought by Army, was executed in early 2013.

The design work for the M113AS4 installation kits will still continue in the project at this stage; however in the 2012-13 Federal Budget, the Government decided to remove installation of the BGC3 into the M113AS4 Family of Vehicles from LAND 75 Phase 3.4. Installation now falls under the scope of LAND 75 Phase 4.

In October 2014, Government approved the movement of scope for the M113 design work to LAND 75 Phase 4 Work Package A. This approval also approved a delay to FMR, acknowledging the impact of the Contractor schedule delay. The Contractor incurred a Liquidated Damages liability as a result of failing to meet the Contracted Milestone for Final Acceptance originally planned for 31 July 2014. The relevant period of delay and extend to the liability was negotiated and agreed in CC019 to represent a total value of $6.0m. The project accepted compensation in lieu for the full amount in the form of 850 additional BGC3 software licences and ten additional Mapa Base installation kits. The additional licences and installation kits have been accepted by the project as at June 2015.

Uniqueness

The capability introduced by this project will fundamentally change the methods used by tactical forces in the implementation and collaborative distribution of battlefield data. Command and Control processes will move from analogue, hard copy based information distribution to an electronic, near-real time capability with improved situational awareness. Implementation of this capability is considered a conversion rather than simply a rollout for the ADF, as it introduces a significant number of organisational and personnel change management requirements. LAND 75 Phase 3.4 has captured lessons by using the system which have influenced the requirements and dependencies of related projects. The understanding gained by Army has provided the basis for further phases of LAND 75.

Major Risks and Issues

The only outstanding risk is that project closure may be affected by an inability to complete financial closure activities leading to an impact on schedule. Most risks previously reported have been retired due to both the BGC3 system and Track Management System (TMS) achieving Information and Communications Technology (ICT) accreditation, BGC3 system having achieved Introduction Into Service (IIS) approval from Army, Design Acceptance being granted, the contractor having achieved contracted milestones, the contractor now adequately achieving baseline management, and the requirement for the Multilateral Interoperability Program Gateway being removed by Army. One issue remains in regard to the Design Acceptance schedule for the PMV Ambulance Group 2 Platform, this Design Acceptance is expected to be achieved in October 2015.

Other Current Sub-Projects

LAND 75 Phase 4 Work Package A: Approved by Government in August 2013, this project will continue the rollout of vehicles using the installation designs developed in LAND 75 Phase 3.4.

Section 2 – Financial Performance

2.1 Project Budget (out-turned) and Expenditure History

Date	Description	$m		Notes
	Project Budget			
Dec 05	Original Approved		7.9	1
Nov 09	**Government Second Pass Approval**	325.0		
Jun 12	Real Variation – Scope	(7.0)		2
May 15	**Real Variation – Scope**	**(8.3)**		**3**
			309.7	
Jul 10	Price Indexation		15.6	**4**
Jun 15	Exchange Variation		**(20.2)**	
Jun 15	**Total Budget**		**313.0**	**5**
	Project Expenditure			
Prior to Jul 14	Contract Expenditure – Elbit Systems Limited	**(157.2)**		
	Contract Expenditure – Northrop Grumman	**(10.4)**		
	Other Contract Payments/Internal Expenses	**(35.4)**		**6**
			(203.0)	
FY to Jun 15	Contract Expenditure – Elbit Systems Limited	**(11.6)**		
	Contract Expenditure – Northrop Grumman	**(0.7)**		
	Other Contract Payments/Internal Expenses	**(11.5)**		**7**
			(23.8)	
To Jun 15	**Total Expenditure**		**(226.8)**	
To Jun 15	**Remaining Budget**		**86.2**	**5**

Notes	
1	This project's original DMO budget amount is that prior to achieving Second Pass Government approval.
2	The May 2012 Commonwealth Budget decreased the Project Budget by $7.0m and removed the installation of BGC3 into the M113AS4 family vehicle from the project scope.
3	**This is the amount of funds identified as scope reductions for LAND 75 Phase 3.4, which has been approved by Government, and has been transferred to support M113AS4 BGC3 design work now to be conducted as part of LAND 75 Phase 4 Work Package A.**
4	Up until July 2010, indexation was applied to project budgets on a periodic basis. The cumulative impact of this approach was $8.3m. In addition to this amount, the impact on the project budget as a result of out-turning was a further $7.3m having been applied to the remaining life of the project.
5	**This amount includes funds identified as scope reductions for LAND 75 Phase 3.4, which have been approved by Government, but are yet to be transferred to support the Retrofit of PMVs to the final BGC3 product baseline.**
6	Other expenditure comprises: Contractor Support **($15.1m)**, Consultants **($8.7m)**, Operating Expenditure **($7.5m)**, Offer Definition ($3.0m), and Minor Capital **($1.1m),** expenditure not attributable to the Prime contract.
7	Other expenditure comprises: Consultants **($2.6m)**, Contractor Support **($2.1m)**, **and** Minor Capital **($0.5m)**, and **other** Operating Expenditure **and Liquidated Damages ($6.3m)**.

2.2A In-year Budget Estimate Variance

Estimate PBS $m	Estimate PAES $m	Estimate Final Plan $m	Explanation of Material Movements
38.2	**15.2**	**21.3**	**PBS – PAES - the variation is due to reprogramming of the Final Acceptance Milestone into 2015-16.** **PAES – Final Plan - The variation is due to the accounting for an undisclosed amount to recognise assets received as Liquidated Damages and other adjustments.**
Variance $m	**(23.0)**	**6.1**	Total Variance ($m): **(16.9)**
Variance %	**(60.2)**	**40.1**	Total Variance (%): **(44.2)**

2.2B In-year Budget/Expenditure Variance

Estimate Final Plan $m	Actual $m	Variance $m	Variance Factor	Explanation
			FMS	**The variance is due to the delay in processing a CCP for the Track Management System. The variance also includes an undisclosed amount to recognise assets received as Liquidated Damages.**
		2.5	Overseas Industry	
			Local Industry	
			Brought Forward	
			Cost Savings	
			FOREX Variation	
			Commonwealth Delays	
			Additional Government Approvals	
21.3	**23.8**	**2.5**	**Total Variance**	
		11.7	**% Variance**	

2.3 Details of Project Major Contracts

Contractor	Signature Date	Price at		Type (Price Basis)	Form of Contract	Notes
		Signature $m	30 Jun 15 $m			
Elbit Systems Limited	15 Mar 10	176.2	**179.1**	Variable	ASDEFCON	1, 2
Northrop Grumman	24 Jun 11	10.3	**11.3**	Fixed Price	ASDEFCON	2

Notes	
1	This value represents the LAND 75 Phase 3.4 aspect of a contract which covers three other discrete projects. Total contract value is **$535.3m**, this includes both Acquisition and Sustainment.
2	Contract value as at 30 June 2015 is based on actual expenditure to 30 June 2015 and remaining commitment at current exchange rates, and includes adjustments for indexation (where applicable).

Contractor	Quantities as at		Scope	Notes
	Signature	30 Jun 15		
Elbit Systems Limited	Various	Various	Delivery of BMS installations or installation kits for: - Mack Truck: 90 **+ 1 gold set** - Unimog Truck: 207 **+ 1 gold set** - PMV: 237 **+ 5 gold sets** - G-Wagons: 388 **+ 2 gold sets**	1
Northrop Grumman	Various	Various	Software Licences for the Track Management System	

Notes	
1	**Gold set equipment is used as a design reference to support further design, testing and quality assurance in production.**

Major equipment received and quantities to 30 Jun 15
As at **June 2015**, the project has installed the BGC3 into **237** PMVs **and five gold sets (the gold set for the PMV Ambulance variant is expected to be accepted by the project in August 2015)**, 207 Unimog Trucks **and one gold set**, **and 388** G-Wagons **and two gold sets**, and these vehicles are now in use with Army. All 90 Mack Truck kits **and 1 gold set have been formally Accepted** by the project although at Army's direction, **and with Approval from Government**, will not be installed. Army has decided to independently **re-distribute and** install the Mack kits into selected vehicles in accordance with their priorities.

Section 3 – Schedule Performance

3.1 Design Review Progress

Review	Major System/Platform Variant	Original Planned	Current Planned	Achieved /Forecast	Variance (Months)	Notes
System Requirements	System – BMS	May 10	N/A	Aug 10	3	1
Preliminary Design	Group 1 – Selected Variants of PMV, Mack and Unimog	Sep 10	N/A	Sep 10	0	
	System – BMS	Aug 10	N/A	Sep 10	1	2
	Preliminary Design Review – Group 2 & 3 Remaining Variants of PMV (Group 2) and M113AS4 (Group 3)	Aug 11	N/A	Oct 12	14	3
Detailed Design	Group 1 – Selected Variants of PMV, Mack and Unimog	Dec 10	N/A	Jan 11	1	4, **8**
	System – BMS	Dec 10	N/A	Jan 11	1	
	Delta Detailed Design Review (dDDR) – Group 1 PMV only	Dec 11	N/A	May 13	17	5, **8**
	Group 2 – PMV Ambulance	Nov 11	N/A	Jun 14	30	6, **8**
	Group 3 – M113AS4	Dec 11	N/A	**Feb 15**	**38**	7

Notes	
1	The System Design Review was achieved when all major action items resulting from the review were completed, and the progress certificate was issued.
2	System Preliminary Design Review (PDR) was delayed to align with the conduct of the Dismounted and Group 1 reviews.
3	PDR was delayed due to Protected Mobility Command Vehicle production being reprioritised by Army in order to provide a coherent capability to the customer. Design activities relating to installation of the BMS into the M113AS4 remains part of Group 3 design reviews, driving the achievement date. Mack and Unimog remaining variants designs were removed from Group 2 as part of CCP013 negotiations as a common design from Group 1 was implemented.
4	The DDR was aligned to incorporate the conduct of dismounted human factors trials and the dismounted design review, and significant input from Thales in its role of the vehicle Original Equipment Manufacturer (OEM) and Design Authority. The delay was subject to the finalisation of a major CCP for the design schedule.
5	The dDDR Review was held in December 2012 with one major action item remaining which **was** configuration management of the final design compared to the finite element analysis that was used to support the design review. This action **was** closed and the milestone **was** achieved.
6	Delay in completing the **PMV Ambulance detailed design was primarily due to the complexity of the Ambulance variant which required a different cable design.**

7	Delay **was** due to the time required for ESL to form a sub-contractual arrangement with BAE (who own all the intellectual property for the platform) and their collective ability to develop a design acceptable to Army. Physical space in the vehicle is severely limited and provided significant design challenges. Several designs **were required to ensure the capability trade-offs were understood and accepted by Army.**
8	**The Product Baselines and Design Certification have been achieved for all vehicle platforms (PMV, G-Wagon, Unimog and Mack), as well as the BGC3 System and Software Application.**

3.2 Contractor Test and Evaluation Progress

Test and Evaluation	Major System / Platform Variant	Original Planned	Current Planned	Achieved /Forecast	Variance (Months)	Notes
System Integration	Variable Message Format (VMF) Conformance to standard testing	Jun 11	N/A	Sep 13	27	1
	Communications	May - Oct 10	N/A	Dec 14	50	2
Acceptance	Acceptance Test and Evaluation – Group 1 Various Vehicles	Apr - Jun 11	N/A	**Jan 15**	**43**	3,4
	Acceptance Test and Evaluation – Group 2 PMV Ambulance	Feb 12	N/A	**Nov 14**	**33**	5

Notes	
1	The first set of VMF messages was completed June 2011, allowing demonstration of the interoperability element with other ADF systems. All message conformance testing is complete. The final compliance to standard certificate was issued by the ADF Tactical Data Link Authority in September 2013.
2	Initial communications developmental testing was related to communication performance of individual radios by radio OEMs (as delivered by the sister project JP 2072 Phase 1). Acceptance testing **was** platform related and **was** conducted on each new design to address the interdependencies, such as antenna location and collocation. The Communications **derived from LAND 75 Phase 3.4** requirements are complete. Army's Operational Test and Evaluation activity at Exercise TALISMAN SABRE 2013 trialled deployments of the system up to a Battle Group. Computer based modelling for deployments larger than a Battle Group are **complete and confirm the** scalability of the network beyond a Battle Group.
3	Final testing schedules **were delayed** due to the need for the contractor to redesign elements to improve human factors compliance and mine blast conformance with the platform design authority. Final testing activities are complete.
4	Delays in closing out the Acceptance **Test and Evaluation** for **the Group 1** vehicle platform designs was **primarily due to challenges relating to the collection of** objective quality evidence necessary **to demonstrate the requirements were satisfied**. The age of the vehicles in the Mack and Unimog and **the additional blast requirements of the PMV contributed to the complexity**. **Army agreed a number of deviations to requirements and all Design Certification activities for Group 1 vehicles are complete, with Product Baselines established.**
5	PMV Ambulance does not share a common design with the other PMV variants. Vehicle availability **and the need for additional test activities to confirm the BGC3 did not impact on medical equipment within the vehicle contributed to the delay. This was compounded by resource constraints limiting the ability to conduct concurrent Group 1 and Group 2 Acceptance Test and Evaluation activities.**

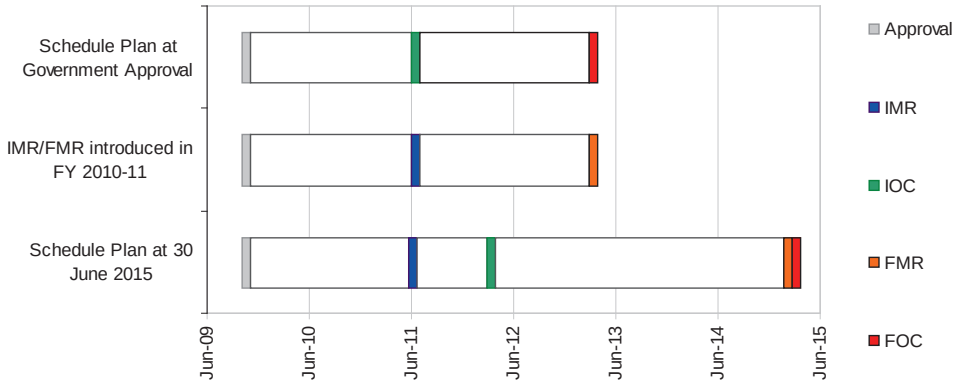
3.3 Progress Toward Materiel Release and Operational Capability Milestones

Item	Original Planned	Achieved/ Forecast	Variance (Months)	Notes
Initial Materiel Release (IMR)	Jul 11	Jun 11	(1)	
Initial Operational Capability (IOC)	Jul 11	Apr 12	9	1
Final Materiel Release (FMR)	Apr 13	**Mar 15**	**23**	2
Final Operational Capability (FOC)	Apr 13	**Apr 15**	**24**	2

Notes

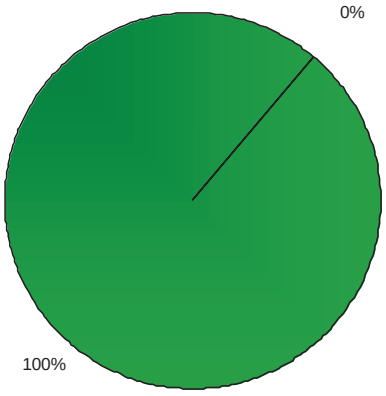
1	Longer than expected Operational Test and Evaluation (OT&E) activities were required to fully explore risk areas of interest to Army and Defence Science and Technology Organisation. The initial round of OT&E activities in 2011 following Exercise TALISMAN SABRE 2011 were inconclusive.
2	Based on approval from the Prime Minister, the FOC date was first moved to December 2013 to better align with the Army Brigade Rotation Cycle. In the 2012-13 Federal Budget, the Government decided to remove installation of the BGC3 into the M113AS4 Family of Vehicles. In the August 2013 Approval of LAND 75 Phase 4, FOC (and FMR) was agreed to be planned for mid-2014 in order to align with final deliveries of equipment required for FOC. The Government confirmed that the definition of FOC for LAND 75 Phase 3.4 is equipment for two motorised infantry Battle Groups, one Special Operations Task Group and one Air Field Defence Squadron. **In October 2014 Government approved to move the scope for the M113AS4 design work to LAND 75 Phase 4 Work Package A, contributing to a revised FMR date of March 2015, with FMR achieved on the 26 March 2015. The Chief of Army declared FOC with caveats on 27 March 2015 for LAND 200 Tranche 1 and FOC certification was achieved on 8 April 2015 for LAND 75 Phase 3.4. Design Acceptance for the BGC3 System was achieved on the 29 April 2015. Design Acceptance for the integration of the BGC3 into the vehicle platforms and a fully established support system are underway and are expected to be achieved in November 2015.**

Schedule Status at 30 June 2015



Section 4 – Materiel Capability Delivery Performance

4.1 Measures of Materiel Capability Delivery Performance

Pie Chart: Percentage Breakdown of Materiel Capability Delivery Performance	
	**Green:** The project is currently meeting **the majority of** capability requirements as expressed in the Material Acquisition Agreement and supporting suite of capability definition documentation. **Amber:** N/A **Red:** N/A
Note	
This Pie Chart does not necessarily represent capability achieved. The capability assessments and forecasts by the project 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)	**Delivery of Supplies required for a Company sized group from a Motorised infantry battalion.**	**Achieved**
Final Materiel Release (FMR)	**Delivery of sufficient Supplies to Army to equip two Motorised Infantry Battle Group (BG), one Special Operations Task Group and One Airfield Defence Squadron.**	**Achieved**
Note		
The Supplies comprise capability elements delivered by LAND 200 Tranche 1 (LAND 75 Phase 3.4, LAND 125 Phase 3A and JP 2072 Phase 1). These projects combine to form the BGC3 capability as delivered by the LAND 200 Tranche 1 program. In total Tranche 1 has delivered over 2500 systems comprising dismounted and vehicle mounted BMS configured to suit troop, logistic or command post (CP) functions. These elements are flexibly organised to suit the operational task of the manoeuvre headquarters. A Motorised Infantry BG, for example, may comprise dismounted BMS including CP variants distributed at the platoon and company level, supported by PMV troop and command post vehicles sufficient to lift and ensure Command and Control for the entire BG. The Motorised BG support elements employ BGC3 equipped G-Wagons and Unimogs. **Chief of Army has declared FOC in March 2015 and the MAA has been updated. The Contractor continues to address items in preparation for Final Acceptance in November 2015. M113AS4 has been transferred to LAND 75 Phase 4 Work Package A under revised MAA. Design Acceptance for the vehicle platforms and the finalisation of the support system is on schedule to be complete by Final Acceptance in November 2015. The contractual in-service support period commenced 7 March 2015 and transition to sustainment will be complete by November 2015.**		

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 risk that the BGC3 system will not achieve full ICT Accreditation.	**This risk has been retired as the BGC3 system has achieved ICT Accreditation on 26 November 2014 (V3.0.1.4) and accreditation was confirmed by Chief Information Officer Group (CIOG) in March 2015 for V4.0.0.1.**
There is a chance that the BGC3 will not achieve IIS approval from Army.	**This risk has been retired as the BGC3 system has achieved IIS approval from Army and Army declared FOC in March 2015.**
There is a risk that the TMS will not achieve ICT accreditation for the DSN.	**This risk has been retired as TMS has achieved ICT Accreditation for the DSN from CIOG on 26 August 2014.**
There is a risk that the BGC3 System may not be given Design Acceptance.	**This risk has been retired as the BGC3 System has been given Design Acceptance by the Design Acceptance Authority Representative and Director of Combat Operational Support System on 24 July 2015.**
Emergent Risks (risk not previously identified but has emerged during 2014-2015	
Description	Remedial Action
There is a risk that LAND 75 Phase 3.4 project closure will be affected by an inability to complete financial closure activities leading to an impact on schedule.	**Scheduled project financial closure tasks for Assets Under Construction write down and potential engagement of additional finance resources.**

5.2 Major Project Issues

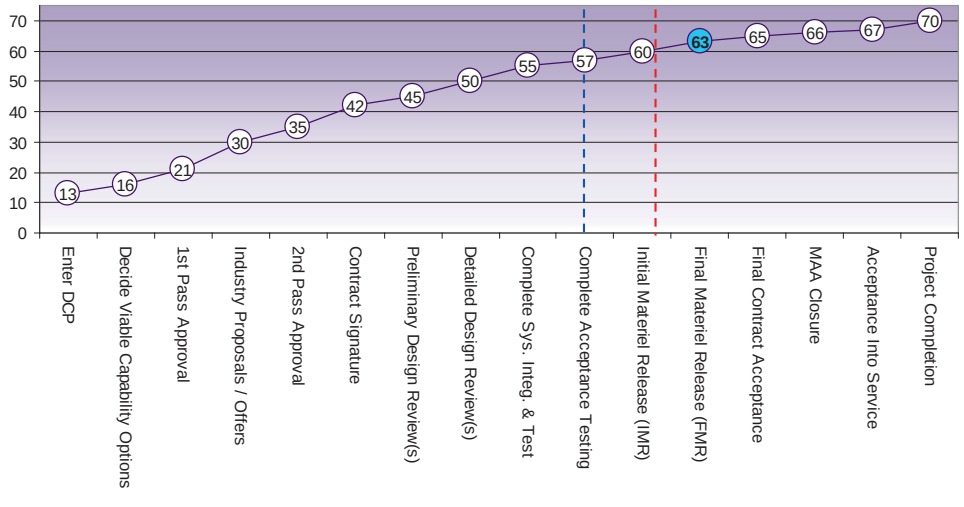
Description	Remedial Action
Detailed Design Review has not been met for the BGC3 system for the PMV due to scope changes to the baseline of the PMV impacting the requirements and subsequent baseline of the BGC3. The vehicle baseline is dynamic with competing projects installing capability in to the vehicles concurrently.	**This issue has been retired as Detailed Design Review has been met for the BGC3 System for the PMV.**
The contractor may be inexperienced in areas in working with Defence (contract and engineering processes, deliverables, culturally) and as such some deliverables are below standard subsequently there is a chance the contractor performance and achievement of contract milestones will not be met.	**This issue has been retired. Schedule performance treatments inserted as part of mitigations negotiated in CCP019 were effective, as demonstrated when the Contractor achieved the BGC3 Milestone on 6 March 2015.**
Schedule is not accurate - dates for vehicles availability are not 'solid', time frames are too aggressive, difficult to quantify amount of damages and warranty provision commencement/conclusion.	**This issue has been retired as vehicle installations are complete and FOC was achieved in March 2015.**
Inadequate baseline management by both the Commonwealth and the contractor (ESL) has resulted in an inability to strike a baseline for the BMS-D.	**This issue has been retired as the baseline management is now adequate and FOC was declared by Army in March 2015.**
There is a delay to Design Acceptance schedule for the PMV Ambulance Group 2 platform.	The project will continue engagement with ESL and insist on Thales involvement as well as frequent meetings to identify issues and address action items. **The CoA is progressing with Design Acceptance**

	preparation across all PMV BGC3 designs with Thales and Mounted Combat System Program Office. Design Acceptance for the PMV Ambulance is expected to be achieved in October 2015.
There is a delay to Design Acceptance for the M113AS4 Family of Vehicles.	**This issue has been transferred as Design Acceptance for the M113AS4 Family of Vehicles has transitioned to Work Package A under Phase 4.**
The TMS is not able to connect with coalition head quarters via the MIP gateway	**This issue has been retired as the requirement for the Multilateral Interoperability Program Gateway has been removed by Army and transferred to Phase 4 Work Package A.**

Section 6 – Project Maturity

6.1 Project Maturity Score and Benchmark

Maturity Score		Attributes							
		Schedule	Cost	Requirement	Technical Understanding	Technical Difficulty	Commercial	Operations and Support	Total
Project Stage	Benchmark	**10**	**9**	**9**	**9**	**9**	**8**	**9**	**63**
Final Materiel Release	Project Status	**9**	**9**	**9**	**8**	**9**	**8**	9	**61**
	Explanation	• **Schedule: FMR and FOC have both been achieved. Outstanding items are Design Acceptance and Spares deliveries.** • **Technical Understanding: The Support System element of the BGC3 is still requiring final spares delivery to enable this item to be marked as Proven.**							



2013-14 MPR Status - - - - 2014-15 MPR Status - - - -

Section 7 – Lessons Learned

7.1 Key Lessons Learned

Project Lesson	Categories of Systemic Lessons
For Network Centric Warfare (NCW) projects that have many interfaces and stakeholders, it is essential to have the requirements not only well understood, but to have these very well defined in the suite of Second Pass project approval documentation. This provided a solid foundation to build an executable contract, and helps guide stakeholder projects who are seeking interoperability with the BGC3.	Requirements Management
The project has a well defined contract with clear conditions of contract that provide flexibility where it is needed. In particular, parties to the contract can agree to changes to the GFM by accession rather than via a formal contract change proposal, which allows far greater agility in the management of GFM and GFE requirements.	Contract Management
The project has formed a variety of contracts and sub-contracts with the Commercial Design Authorities for Army's platforms. There is a wide variety of Intellectual Property (IP) arrangements amongst the separate platform contracts. In the cases where the CoA has stronger IP rights these contracts have worked more effectively and at a lower overall cost. It is recommended for future platform projects that rights to the IP consistent with ownership are sought.	Contract Management
During the course of the program, it was found to be essential to continue with an expanded Integrated Project Team which had senior stakeholder representation of all groups involved, including projects delivering the platforms, technical regulatory agencies and the Capability Managers.	Governance
Considering the many stakeholder interfaces involved in the NCW programs (which this project is but one), the traditional PMSG forum was found to be insufficient and requiring a broader NCW program focus. As a result, higher level program management oversight, which involves all key stakeholder groups, including the Capability Manager, Capability Development Group and the DMO, has proven to be an essential management forum for the project.	Governance

Section 8 – Project Line Management

8.1 Project Line Management in 2014-15

Position	Name
General Manager	Ms Shireane McKinnie
Division Head	Mr Michael Aylward **(to Nov 14)** **Mr Ivan Zlabur (Acting Dec 14)** **Mr Brad Flux (Acting Jan 15)** **Mr Ivan Zlabur (Acting Feb 15)** **Ms Myra Sefton (Acting Mar 15–May 15)** **Mr Brad Flux (Acting Jun 15–current)**
Branch Head	Mr Brad Flux
Project Director	Mr Roger Grose
Project Manager	LTCOL Joanne Whittaker **(to Jun 15)** **Mr Chris Langton (Jun 15–current)**