

ASDEFCON AND DEFENCE PROCUREMENT REVIEW

23 December 2021

The Australian Standard for Defence Contracting (ASDEFCON) and Defence Procurement Review has been finalised.

The ASDEFCON suite of tendering and contracting templates is often used by procurement officers when drafting solicitation documents and contracts for the acquisition of goods and services by Defence.

The ASDEFCON templates are designed for a range of procurements; from high-risk and software intensive procurements all the way through to simple off-the-shelf procurements.

The templates can be adapted to enable more rapid procurements, which enable delivery of equipment to the Australian Defence Force more quickly.

The Review found that the ASDEFCON templates need to cater for agile procurements. As an outcome of the Review, Defence is working with industry to revise its templates and guidance to meet that need.

For Defence's larger materiel acquisition projects, the time from starting to develop its requirements through to Government approval and contract signature can be many years.

In order to deliver capability for the Australian Defence Force to meet changing strategic circumstances, Defence will compress the time for acquisition processes.

For large materiel acquisition activities in particular, Defence will focus on shortening the time from capability needs identification through to contract signature, with a target of up to 12 months' reduction for a process that can take four or more years.

This will be achieved through a number of mechanisms, including Defence:

- designing better procurement processes at project inception, through strengthened guidance around understanding industry, schedule, cost and capability manager requirements such that early decisions are made on the most time and cost effective procurement process tailored specifically for each project – depending on the procurement method undertaken, there is the potential to save in the order of 12 months from complex projects;
- introducing capped (rather than the current indicative) tender evaluation periods – expected to save in the order of three months for larger projects – with tender evaluation to be completed:
 - within a similar time to that provided to industry for their Tender response for lower risk and value projects, but not to exceed six months; and
 - not more than double the industry consideration time for more complex and higher risk projects, but not to exceed 12 months;
- changing the use of Offer Definition and Improvement Activities (workshops to clarify and enhance aspects of an offer) from routine to exceptional circumstances, based on clearly defined criteria and required approvals, which is expected to save at least six to 12 months for future procurements that do not use ODIA.

Better procurement process design will also result in mature requests for tender being released to market, which will reduce uncertainty for industry and promote higher quality tenders.

Defence will enhance and improve its communication with industry, particularly when developing requirements before tender release and also during the tender process, through initiatives including:

- providing greater transparency of upcoming procurements through its Annual Procurement Plan on AusTender;
- assessing how a centralised contractor accreditation framework could be adopted to cut red tape for industry;
- improving probity practices, guidance and training for procurements in order to reduce communication barriers between Defence and industry;
- providing more opportunities for industry to brief Defence on tenders they submit to further clarify the offer proposed in support of Defence's evaluation;
- keeping industry better informed as to the status and progress of tender processes, especially where delays occur; and
- providing feedback as quickly as possible for unsuccessful tenderers so they can improve their future tender responses.

Defence also recognises that industry needs to be informed as quickly as possible in instances where a tender response is clearly uncompetitive.

Prompt feedback on tender submissions will enable unsuccessful tenderers to improve their future tender responses.

Accordingly, Defence processes will be amended to require tender debriefs to be offered at the time a tenderer is advised it has been unsuccessful in a process, rather than after the process is concluded.

The Review identified probity as a current barrier to frank and open discussions.

Defence will take a more reasonable, pragmatic and risk based approach to probity by amending its probity practices, guidance and training for procurements.

Defence will more openly engage with industry during the tender period to clarify procurement requirements and risks, and support better procurement outcomes.

FACT SHEET