

# **Integrated Teaming in Alliance Type Contracting in the Australian Defence Environment**

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## **ABSTRACT**

Alliance contracting is a currently one of the DMO's preferred models for acquisition, particularly for through-life support and upgrade programs. Although the model has a long, and successful history in major infrastructure projects, its effectiveness in the defence environment has not been researched to a similar degree. Rather, there has been an assumption that the model is appropriate, and its use mandated on specific projects. Underlying the alliancing model is the concept of —share the gain, share the pain|| amongst the participants, including the customer and suppliers, on a predetermined and agreed basis. Within the defence environment, this becomes synonymous with shared risk, which is itself an interesting concept for a notoriously risk-averse organisation like DMO.

Fundamental to the success of any project structured around an alliance type of contract is the ability of the participating organisations to create an effective integrated team from the resources assigned from their parent organisations. This paper investigates current practices within several alliance (or —accord||) projects within the Australian defence sector, and evaluates these practices through comparison with models of best practice in this area. The aim is to determine the nature of policies and procedures that the projects have in place to achieve the necessary integration, and to assess the suitability and effectiveness of these policies and procedures in achieving their intent.

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