

Australian Industry Participation (AIP) Plan Executive Summary

1. General Project Details

Company Name: Department of Industry, Innovation and Science and the European Southern Observatory (ESO): Australia-European Southern Observatory Strategic Partnership

Description of the project: On 11 July 2017, the Australian Government entered into a 10-year Strategic Partnership with the European Southern Observatory (ESO). As detailed in the Australia-ESO Strategic Partnership Arrangement, Australian businesses and institutions are eligible to tender competitively for ESO procurements relating to the telescopes, instrumentation, and auxiliary buildings and infrastructure exclusively at the La Silla-Paranal Observatory (LPO) in Chile.

To facilitate engagement and maximise opportunities for suitable Australian businesses to tender for ESO contracts, the department has appointed an Industrial Liaison Officer (ILO). Key responsibilities of the ILO include: being the primary liaison between ESO and potential Australian suppliers; raising Australian industry awareness of ESO commercial opportunities; recommending suitable Australian suppliers and capabilities for ESO consideration in its procurement process and supplier database.

Further Information: ESO Procurement Process: <http://www.eso.org/public/industry/>
ESO-ILO cooperation http://www.eso.org/public/industry/cp/docs/Cooperation_ESO-ILOs_v2.pdf

Estimated total project value: The estimated 10-year cost of the Australia-ESO Strategic Partnership is \$129.2 million. Under the Partnership, Australian firms are eligible to tender for a variety of ESO work packages at LPO subject to ESO strategic and maintenance needs.

Estimated value of key goods and services procured for the project (if different to total project value): It is not possible to predict the total value of goods and services to be procured at LPO over the 10-year partnership. ESO captures statistics on the distribution of industrial contracts across its Member States and has a nominal, non-binding aim to return 70 percent of each Member's operational fees in the form of ESO contracts. The Department is working with ESO to develop a suitable objective for Australia consistent with tendering restrictions under the Strategic Partnership.

Project location: La Silla Paranal Observatory, Chile

Link to project information: <https://www.industry.gov.au/strategies-for-the-future/astronomy-and-space-projects/optical-astronomy-in-australia>

Project contact for procurement information: Anthony Holzward, Australian Industrial Liaison Officer to the European Southern Observatory, +61 408 630 441 anthony.holzward@austmine.com.au

2. Opportunities for Australian industry involvement

Advance notifications of ESO Calls for Tender / Preliminary Inquiries are publically available at <http://www.eso.org/public/industry/cp/docs/CFT-advance.html>.

List of goods and services to be procured for the project and the expected opportunity for industry participation	Opportunities for Australian suppliers	Opportunities for overseas suppliers
<i>Tender opportunities as at November 2018:</i> Overhaul of the 8-meter mirror coater system for the Very Large Telescope at Paranal Observatory, including replacement of the existing coater control system and motion system (2018, Q4)	Yes	Yes
<i>Indicative potential future opportunities:</i> Opportunities for Australian firms at the LPO are as yet unknown but will likely include electrical & mechanical engineering, advanced optical instrumentation, electronics and electrical systems, sensors, precision mechanical structures, cranes and handling equipment, actuators, controllers, cooling systems, software, data systems, logistics, maintenance or refurbishment of infrastructure, and consultancies on a variety of ESO operational needs. Many would align with existing Australian strengths.	Yes	Yes

Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the project contact.

3. Communication Strategy

- The Department has appointed an ILO to serve as the prime contact between ESO and potential Australian suppliers to ESO; to raise industry awareness of ESO commercial opportunities; to encourage and shortlist expressions of interest from suitable Australian firms, assist ESO to contact and invite qualified Australian firms to tender for ESO contracts; and to help ESO to incorporate Australian firms and their capabilities on the ESO supplier database.
- The ILO will work through relevant departmental programs and divisions, industry sector bodies, and research sector organisations to deeply understand ESO's procurement needs, map relevant capabilities of Australian firms and institutions to compete in procurements at ESO and other 'big science' projects, and help ESO develop a live database of Australian suppliers and capabilities.
- The department and ILO will work together to maximise Australian industry awareness of ESO commercial opportunities through a range of targeted and wide-reaching web channels.
- ESO may offer themed industry days, or trade missions in Australia, Europe or Chile. Where viable, the department would work with Austrade and ESO to plan and conduct these events to raise mutual awareness of procurement opportunities and Australian industry capability,
- The ILO will liaise with ESO and the other Member State ILOs to plan annual strategies and respond pro-actively to forthcoming ESO procurement needs.

4. Opportunities through all tiers of supply and in all stages of the project

- Standards applicable to the procurement of goods and services at ESO will vary according to the technical and operational requirements of each work package, and will be specified in contracts.
- The ILO will allow equal and reasonable timeframes for Australian suppliers to register interest in ESO work packages, before shortlisting and recommending firms for consideration by ESO.
- ESO adheres to established procurement policies and regulations based on principles of public procurement, non-discrimination, transparency, accountability, fairness, economy and efficiency.
- ESO clarifies the decision criteria for its assessment of suppliers in each of its work packages.
- Firms invited to compete in ESO tender processes are selected based on ESO's supplier database, ESO staff members' knowledge, and information provided by the ILOs from Member States, but are also selected based on the interest expressed by suppliers towards ESO.
- The ILO will contact successful suppliers from Australia or overseas, and research institutions collaborating with ESO, to facilitate their contact with Australian suppliers with the capacity to subcontract for the provision of relevant goods/services, or provide relevant project expertise.
- ESO is moving from a 'lowest cost compliant bid' selection criterion to 'best value for money'.
- For ESO non-commercial research and development projects with a highly scientific scope, ESO may allocate to participating Australian institutions guaranteed observing time on ESO instruments in return for goods/services supplied in-kind in the provision of those instruments.

5. Opportunities for longer-term participation

- The department will work with Australian firms on the ESO supplier database to identify further opportunities to participate in global science projects, including areas outside astronomy.
- The ILO will work with ESO to review its industry engagement, scope for improved procurement processes, and ways to better target or build Australia's competitiveness in ESO tendering.
- The ILO will provide feedback to unsuccessful Australian firms tendering for ESO procurements.
- The ILO will refer eligible Australian firms to departmental programs for advice and support to develop research connections and build competitiveness in ESO contracting / subcontracting.
- The department will refer Australian firms on ESO's database to other collaboration and business opportunities arising in global astronomy projects and through the new Australian Space Agency.
- The ILO will work with other ILOs to build multi-national industry relationships to participate in global supply chains relevant to astronomy and other 'big science' opportunities.

6. Procedures and Resources

- To complement and support the AIP Plan, the Department is developing an overarching strategy to foster and maximise the impact of engagement between Australian industry and research institutions with ESO and other major international scientific projects.
- The department will also monitor and evaluate the extent and nature of industry and scientific engagement with ESO, and its wider commercial and economic benefits for Australia.