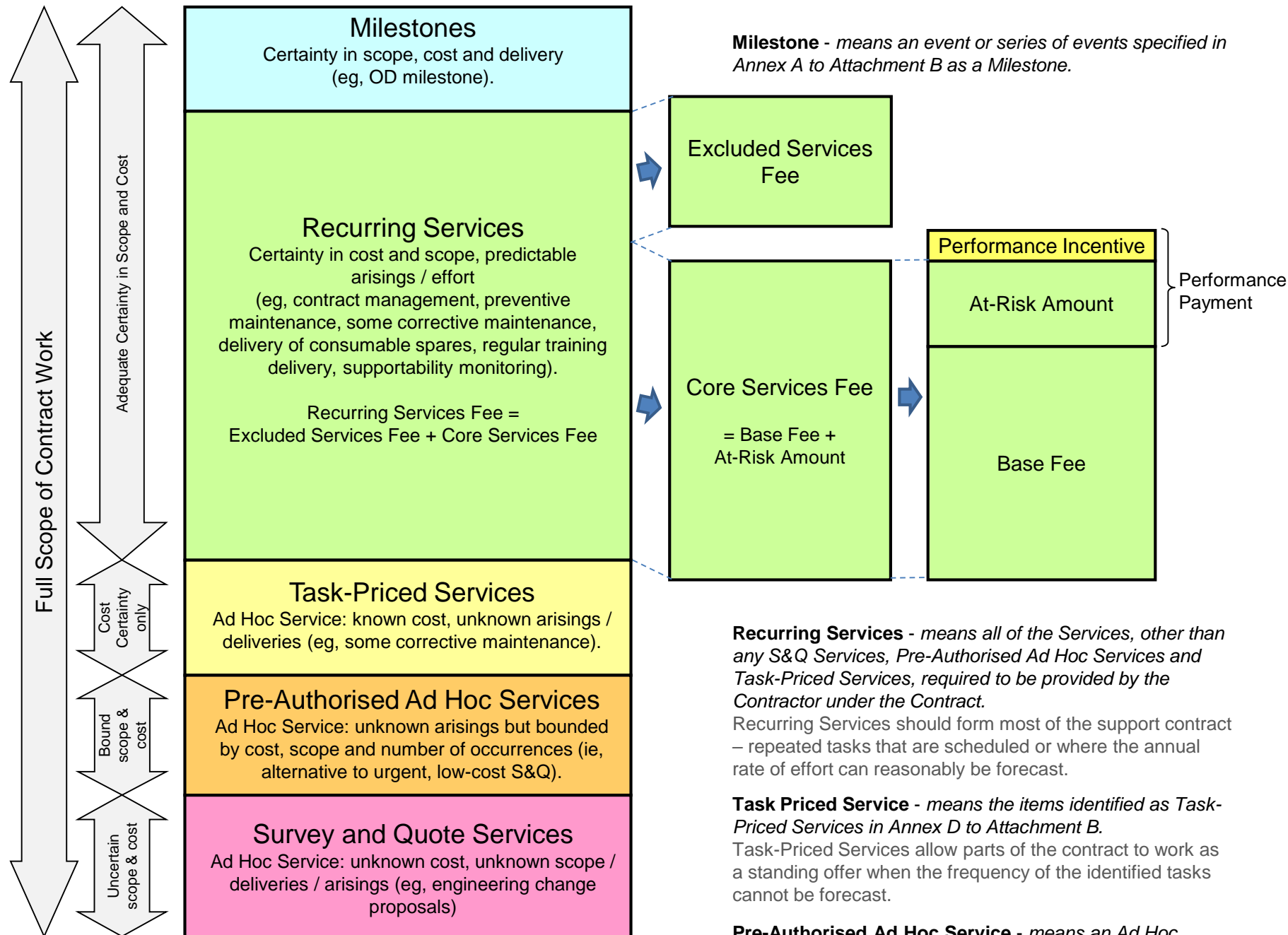


ASDEFCON (Support) v4.0 Payment Types



Milestone - means an event or series of events specified in Annex A to Attachment B as a Milestone.

Recurring Services Fee - means the amount specified in Annex B to Attachment B as the Core Services Fee for that period.

Recurring Services Fees are regular monthly payments. The amount is specified for a given period as prices change with indexation, exchange rates, Efficiencies and scope.

Excluded Services Fee – means, in respect of a given period, the amount specified in Annex B to Attachment B as the Excluded Services Fee for that period.

This category of Recurring Services Fee is for costs ‘passed through’ to the Commonwealth with no At-Risk Amount or profit (eg, lease fees for Government Furnished Facilities).

Core Services Fee – means, in respect of a given period, the amount specified in Annex B to Attachment B as the Core Services Fee for that period.

The Core Services Fee includes the Base Fee plus the At-Risk Amount but does not include Performance Incentives.

Base Fee – means, in respect of a given period, the amount equal to the Core Services Fee less the At-Risk Amount, for that period. It is not varied by the Performance Payment.

At-Risk Amount - means the portion of the Core Services Fee that is either fully earned or reduced relative to the Contractor's performance in providing the Services that are measured by KPIs and determined in accordance with Annex C to Attachment B. The At-Risk amount may be expressed as a percentage or as a dollar amount.

The At-Risk Amount to be paid is determined for each KPI for each Review Period. The amount to be paid is part of the Performance Payment.

Performance Incentive - for a KPI for a Review Period, means the amount determined in accordance with clause 3.3 of Annex C to Attachment B in respect of the Contractor's performance against that KPI in that Review Period. The Performance Incentive is a part of the Performance Payment.

May be included in a contract for performance above the Required Performance Level that is to be encouraged and is justified in terms of value to Defence.

Performance Payment – for a KPI for a Review Period, means the amount determined in accordance with clause 3 of Annex C to Attachment B as the Performance Payment payable in respect of the Contractor's performance against that KPI in that Review Period.

Performance Payments include the At-Risk Amount payable plus any Performance Incentive, if applicable (see clauses 3.2 and 3.3 in Annex C to Attachment B).

CSC Fee - means the fee specified for the CSC in accordance with Annex F to Attachment B.

Regular payments made during the CSC Term, if applicable to the Contract. Refer to the optional CSC Module.

Payments provided for under the Contract

- = Milestone Prices +
- Recurring Services Fee
(ie. Excluded Services Fee + Core Services Fee
(including a Base Fee + At-Risk Amount)) +
- Performance Incentives (if available) +
- Contractor Standing Capability (CSC) Fee (if applicable, not shown) +
- Task-Priced Services (allowance for) +
- Pre-Authorised Ad Hoc Services (capped amount).

In addition, payments for S&Q Services are determined for each task.

Recurring Services - means all of the Services, other than any S&Q Services, Pre-Authorised Ad Hoc Services and Task-Priced Services, required to be provided by the Contractor under the Contract.

Recurring Services should form most of the support contract – repeated tasks that are scheduled or where the annual rate of effort can reasonably be forecast.

Task Priced Service - means the items identified as Task-Priced Services in Annex D to Attachment B.

Task-Priced Services allow parts of the contract to work as a standing offer when the frequency of the identified tasks cannot be forecast.

Pre-Authorised Ad Hoc Service - means an Ad Hoc Service undertaken in accordance with clause 3.16 of the conditions of contract.

These Services are intended as an efficient alternative to S&Q. Tasks are bound by the type, number per month, the individual cost and the cumulative cost per month.

Survey and Quote Service – means the Services identified as S&Q Services in the SOW and such other services requested by the Commonwealth from time to time in accordance with clause 3.15 of the conditions of contract which directly or indirectly relate to the Services.

The scope of S&Q Services cannot be defined when the Contract is signed. Quotations are prepared in accordance with DID-SSM-S&Q and rates in Annex E to Attachment B.