FINANCIAL (CORE)

1. TENDERED PRICING INFORMATION – GENERAL REQUIREMENTS (Core)

Draft COC reference: clause 7 and Attachment B

Note to drafters: The Microsoft Excel® workbook ‘Support Pricing Workbook’ (SPTPW) supporting this TDR D requires some pre-population by the contract drafting team before release of the RFT. Further, if the drafting team has changed the name of the Workbook, drafters will need to update the references to it in the clauses and notes to tenderers within this annex.

Note to tenderers: The Microsoft Excel® workbook ‘Support Pricing Workbook’ (SPTPW) supporting this TDR D is designed to collect information suitable for use as the Annexes to Attachment B under any resultant Contract, inform the calculation of Australian Contract Expenditure (ACE) percentages, and enable the Commonwealth to complete its financial evaluation of the tendered response.

* 1. Tenderers are to complete and submit tender pricing information within the Microsoft Excel® Workbook titled ‘Support Pricing Workbook’ (SPTPW) included as an appendix to this Annex D.

Note to tenderers: It is Defence policy that when any proportion of the total price that is payable in source currency is significant, the applicable portions of the Contract are to be priced in their respective source currencies (see TDR D-8, ‘Adjustments’ for further information).

* 1. Prices for tendered Services are to be stated in Australian dollars except for any portion of the Services to be imported from overseas, which is to be stated in foreign currency. Prices for tendered Services are to be stated on the basis that payments provided for under any resultant Contract will be subject to adjustments as described at TDR-8 and in accordance with clause 7.4 of the COC.
  2. Tendered prices (including rates for ad hoc Services) are to be inclusive of all costs associated with providing the Services and carrying out all matters and doing all things necessary for the due and proper performance and completion of the proposed Contract. These include (except where expressly stated otherwise) all licence fees, royalty payments, overseas taxes, duties and charges, Australian (Federal, State and Local Government) taxes including GST, customs and other duties and charges and arranging customs clearance and services of representatives. Tenderers are not to include any contingency for exchange rate fluctuations in their tendered price.

Note to tenderers: The CASG Cost Principles can be found here:

<https://www.defence.gov.au/business-industry/procurement/policies-guidelines-templates/cost-principles>.

The Australian Contract Expenditure (ACE) Measurement Rules can be found here:

<https://www.defence.gov.au/business-industry/procurement/policies-guidelines-templates/procurement-guidance>.

* 1. Tenderers are to apply:
     1. the CASG Cost Principles when preparing tendered prices; and
     2. the Australian Contract Expenditure (ACE) Measurement Rules, when defining the ACE and Imported Contract Expenditure (ICE) within tendered prices (noting the use of alternate deeming rates as per TDR-12).

Note to tenderers: The successful tenderer will be responsible for ensuring that it is registered in accordance with the requirements of the GST Act (as amended). Tenderers who are non-residents of Australia and are not currently registered for GST, are advised to obtain independent advice on whether they will be required to be registered for GST purposes in accordance with the GST Act.

If a tenderer intends to exercise the option of appointing a resident agent to act on its behalf for GST purposes in accordance with clause 7.13 of the draft COC, tenderers are requested to provide the details of their proposed agent at TDR D-10.

If the successful tenderer fails to quote an ABN in its dealings with the Commonwealth, the Commonwealth may be required to withhold a percentage of all payments under any resultant Contract in accordance with Australian taxation legislation.

* 1. Tenderers are required to submit tender prices inclusive of all overseas taxes and charges and all Australian (Federal, State and Local Government) taxes including GST, duties and charges that are applicable at the Base Date. For Services on which GST will be payable, the tenderer is to indicate the amount of GST to be applied.

1. Proposed Mobilisation Payments and Milestone Payment Schedule (CORE)

Draft COC reference: clause 7 and Attachment B

Note to tenderers: A Mobilisation Payment will be considered by the Commonwealth when the tenderer can demonstrate that it is appropriate and represents value for money to the Commonwealth, such as when required for the building of new support infrastructure.

* 1. If Mobilisation Payments will be sought for any resultant Contract, tenderers are to state the amount, purpose(s) of and date of the proposed Mobilisation Payments.

Note to drafters: Drafters should populate the ‘Milestone Schedule’ worksheet of the SPTPW with known Milestones, such as Operative Date. Drafters should ensure consistency between the SPTPW and the Milestones described in Attachment C. Attachment C is to list the Milestone date, entry and exit criteria, and whether or not a Milestone will be a Stop Payment Milestone.

Note to tenderers: Subject to negotiations, the preferred tenderer’s Milestone Schedule details will be included at Annex A to Attachment B to the COC. When a Milestone is used to identify the start of a pricing period (including Ramp Up stages) for Recurring Services, tenderers should ensure consistency between the Milestone criteria (draft Attachment C) and the requirements for commencing and providing those Recurring Services (as priced in response to TDR D-3).

* 1. Tenderers are to provide a Milestone schedule in the form of the ‘Milestone Schedule’ worksheet of the SPTPW that includes:
     1. for the identified Milestones, the amount of each proposed Milestone Payment in applicable source currencies, or a zero amount if there is no Milestone Payment (ie, the Milestone only identifies the start of a payment period for Recurring Services Fees); and
     2. any additional proposed Milestones, with corresponding details.

Note to tenderers: Subject to negotiations, the successful tenderer’s response to clause 2.3 will be incorporated into Attachment C (Delivery Schedule) to the draft COC.

* 1. Tenderers are to provide a proposed update to Attachment C to the draft COC (Delivery Schedule), which:
     1. is consistent with the Statement of Non-Compliance at TDR A‑4;
     2. identifies any additional Milestones proposed by the tenderer;
     3. provides the information for each Milestone required by Attachment C, including the proposed entry and exit criteria; and
     4. is consistent with the list of Milestones included in the ‘Milestone Schedule’ worksheet of the SPTPW and any Milestones as set out in Attachment D to the draft COC.
  2. When completing the ‘Milestone Schedule’ worksheet and Attachment C, as required by clauses 2.2 and 2.3 respectively, tenderers are to:
     1. if a proposed Milestone date is considered unsuitable or if no date is proposed, identify a preferred or best date for achieving the Milestone, having regard to other commitments;
     2. propose additional Milestones as may be required, and further describe these within the RFT response (including within draft plans and/or schedules, as applicable); and
     3. if a Milestone is used to designate the start of a payment period in Recurring Services (eg, a stage in Ramp Up for Core Services or Excluded Services), detail the Milestone entry – exit criteria that will enable progression to that payment period.

1. Proposed Recurring Services Fees (Core)

Note to drafters: Drafters should develop the ‘Core Services’ worksheets of the SPTPW to provide a suitable high-level breakdown of the Core Services Fee for each expected pricing period (including any expected Ramp Up stages) during the Initial Term.

* 1. **Core Services Fee.**  Tenderers are to complete the ‘Core Services’ worksheets of the SPTPW, from commencement of these fees until the completion of the Initial Term of the draft Contract.

Note to tenderers: A separate worksheet is required for Core Services for each payment period, including the stage during the Ramp Up period (if applicable) and subsequent periods during the Initial Term (often aligned to annual Adjustment Dates). The start of each Ramp Up stage, when applicable, should correspond to a Milestone (including entry – exit criteria) included in the tenderer’s response to TDR D-2 and draft Attachment C. Subject to negotiations, the preferred tenderer’s Core Services Fee details will be included in Annex B to Attachment B to the draft COC. Refer to the SPTPW for instructions.

* 1. When defining the Core Services Fees within the SPTPW ‘Core Services’ worksheets, as required by clause 3.1, tenderers are to:
     1. apply a pricing breakdown structure that is consistent with the Contract Summary Work Breakdown Structure defined in the draft Glossary, and the guidance included in Annex A to DID-SSM-CWBS;
     2. provide sufficient detail to demonstrate to the Commonwealth that the tenderer has captured the full scope of the Core Services; and
     3. amend and insert additional worksheets, as required, to define the payment periods for Core Services Fees (including for stages within any proposed Ramp Up that increase the range and/or scale of the Core Services provided).

Note to drafters: Refer to the note to tenderers. Drafters should populate the ‘Excluded Services’ worksheet of the SPTPW to identify any expected Excluded Services Fees. In relation to GFF the Commonwealth should, if possible, identify the related fees that will be applicable as the basis for an Excluded Services Fee. Drafters should also identify related events (eg, handover of GFF to a contractor) as a Milestone in draft Attachment C.

Note to tenderers: Excluded Services Fees apply to costs that are ‘passed through’ to the Commonwealth without profit but which may incur general and administrative charges. These may include lease fees or fixed utilities contributions for Government Furnished Facilities (GFF) or any other ‘pass through’ costs. Excluded Services Fees are not included in the At-Risk Amount that is used for the calculation of Performance Payments.

When any resultant Contract would include Milestones that start or change the scope of the Excluded Services Fee (eg, occupation of GFF, which may commence before the Operative Date) and these are not included in the SPTPW, additional details should be added to the worksheet to define the Excludes Services Fees. Once the full amount of the Excluded Services Fee is payable, details should be prepared for each subsequent year, aligned to the Adjustment Dates.

* 1. **Excluded Services Fee.**  If Excluded Services Fees will apply to any resultant Contract, tenderers are to complete the ‘Excluded Services’ worksheet of the SPTPW, from the commencement of these fees until the completion of the Initial Term of the draft Contract.
  2. When defining the Excluded Services Fees within the SPTPW ‘Excluded Services’ worksheet, as required by clause 3.3, tenderers are to:
     1. amend the worksheet to define the payment periods for Excluded Services Fees (including stages within Phase In and/or any proposed Ramp Up used to identify changes in Excluded Services Fees);
     2. define the events that designate the start of each payment period for Excluded Services Fees as Milestones in draft Attachment C (including Milestone entry and exit criteria).

1. Proposed Task-Priced Services (OPTIONAL)

Note to drafters: Drafters should populate the item descriptions in the ‘Task Priced Services’ worksheet of the SPTPW, where known, including for any tasks identified in the SOW or DSDs as Task-Priced Services. Task-Priced Services are stand-alone tasks of known effort (and cost), but unknown and/or irregular occurrence (eg. for the purchase of particular repairable items or the delivery additional Training courses).

Note to tenderers: Subject to negotiations, the preferred tenderer’s Task-Priced Services Fees will be included in Annex D to Attachment B to the draft COC. The list should include all known Task-Priced Services, not only those likely to occur in the first year of any resultant Contract.

* 1. Tenderers are to complete the ‘Task Priced Services’ worksheet of the SPTPW.

1. Survey and Quote Services (CORE)

Note to tenderers: Subject to negotiations, the preferred tenderer’s rates for S&Q Services will be included in Annex E to Attachment B to the draft COC, to be used as the basis for providing quotes under clause 3.14 of the draft COC.

* 1. Tenderers are to complete the ‘S&Q Services’ worksheet of the SPTPW, including the:
     1. Schedule of Labour Rates for Survey and Quote Services; and
     2. Margins for S&Q Services (defining mark-up rates for materials, Subcontracts and other Allowable Costs).
  2. When defining the S&Q labour rates within the SPTPW, as required by clause 5.1, tenderers are to identify all of the labour categories and skill levels expected to carry out the S&Q Services described in the draft SOW (including DSDs) and provide an hourly rate for both normal time and other time.
  3. Tenderers are to define ‘normal time’ and ‘other time’ to be used for the purposes of calculating the price of S&Q Services (eg, normal time is 8 hrs/day any Working Day between 07:00 – 19:00).

Note to drafters: If materials are to be supplied by the Contractor, drafters should request a price list to be included under this section to cover those materials that are known. Insert the threshold amount for mark-ups into the following note to tenderers and in the ‘Margins for Survey and Quote amounts’ table on the ‘S&Q Services worksheet of the SPTPW.

Note to tenderers: The Commonwealth prefers differential mark-ups on Contractor purchased Materials, Subcontracts and other Allowable Costs so that higher value purchases attract a lower percentage mark-up. Purchases shall not be split to remain under any thresholds set. Mark-ups on purchases over [INSERT AMOUNT] will be negotiated.

* 1. In regards to the mark-ups for materials, Subcontracts and other Allowable Costs within the ‘Margins for S&Q Services’ table,tenderers are to explain the basis for the mark-ups, including in comparison to the margins for Recurring Services in the ‘Schedule of Margins’ worksheet.

1. ITEMS FOR WHICH SPECIFIC PRICES ARE REQUIRED (Core)

Note to drafters: Drafters should consider items that require specific prices to be tendered and update the Specific Price Descriptions in the ‘Specific Prices’ worksheet as required. Labels ‘Optional’, ‘Core’ and ‘RFT Core’ assist in tailoring (delete these before RFT release).

* 1. Tenderers are to complete the ‘Specific Prices’ worksheet of the SPTPW.

1. proposed PAYMENT SCHEDULE (CORE)

Note to tenderers: The Commonwealth uses the Proposed Payment Schedule to gain a better understanding of the cash flow requirements of any resulting Contract.

* 1. Tenderers are to detail how the proposed payment regime relates to the tenderer's anticipated work progress and cash flow under any resultant Contract.
  2. Tenderers are to complete the ‘Proposed Payment Schedule’ worksheet of the SPTPW to provide a consolidated schedule of payments.

1. adjustmentS (CORE)

Draft COC reference: clauses 7.3 and 7.4

Note to drafters: Prior to RFT release, confirm with Financial Investigation Services (FIS) that the foreign exchange rates included in the SPTPW ‘Constants’ worksheet are current and suitable for the purposes of the tender.

Note to tenderers: Subject to negotiations, the preferred tenderer’s indices and component weightings for adjustment calculations will be included in Annex F to Attachment B to the draft COC.

When payments under any resultant Contract will include significant component costs in foreign currencies, it is Defence policy to pay those amounts in the source currency rather than Australian dollars (including to avoid contingency funding or currency hedging under any resultant Contract – see ‘Australian Government foreign exchange risk management – guidelines for entities – Resource Management Guide (RMG) 120’ and the CASG Cost Principles):

* <https://www.finance.gov.au/government/managing-commonwealth-resources/managing-risk-internal-accountability/foreign-exchange-risk-management>;
* <https://www.defence.gov.au/business-industry/procurement/policies-guidelines-templates/cost-principles>.

The Commonwealth will only make payments in Australian currency when the foreign currency amounts are insignificant, in which case the Contract may be written in Australian dollars with adjustments allowed for exchange rate fluctuations. What is ‘significant’ will be determined by Defence following receipt of tenders; however, costs of AUD$1 million or more per annum may be considered significant.

For the purposes of evaluation, any foreign currency element of a tendered price for which an exchange rate is not included in the ‘constants’ worksheet of the SPTPW, may be added to the ‘constants’ worksheet by replacing one of the foreign currencies that will not be used (this preserves the functionality of the workbook). Exchange rates will be updated with the spot rate of exchange against the Australian dollar, as quoted by the Reserve Bank of Australia, at the Base Date.

* 1. Tenderers are to populate the SPTPW using, as applicable:
     1. Australian dollars; and
     2. foreign currencies, for all significant cost components where the applicable goods and services will be sourced in foreign currency.

Note to tenderers: If the Commonwealth determines that portions of the pricing for any resultant Contract will require adjustment for exchange rate fluctuation (ie, the cost is based in foreign currency but will be paid in $AUD), the Commonwealth will negotiate appropriate provisions with the successful tenderer.

* 1. Tenderers are to provide the following information which will be necessary in the event that any resultant Contract is written in Australian dollars and the payments provided for under any resultant Contract are subject to adjustment for exchange rate fluctuations:
     1. percentage of the tendered price (inclusive of all duties and charges) that is proposed to be subject to adjustment for exchange rate fluctuations (as a percentage of the tendered price and per currency if applicable);
     2. exchange rate upon which the tendered price is based: $A1 = (foreign currency); and
     3. name and address of the bank or financial institution whose rates have been used in tender preparation or are proposed to be applicable to any resultant Contract, including reasoning, if different from or additional to those included in the ‘constants’ worksheet of the SPTPW.

Draft COC reference: clause 7.4

Note to tenderers: The prices of any resultant Contract will be subject to the proposed adjustment reflecting fluctuations in the cost of labour and materials in accordance with the proposed formulae at clause 7 of Attachment B to the draft COC. Workplace enterprise bargaining agreements are not considered to be awards for the purposes of the formula for fluctuations in the cost of labour.

* 1. Tenderers are to provide the following details in relation to the proposed formulae contained at clause 7 of Attachment B to the draft COC:
     1. acceptability or otherwise of the formulae; and
     2. if unacceptable, any proposed alteration(s) or alternative(s).
  2. Tenderers are to review the indices proposed by the Commonwealth in the ‘Adjustments’ worksheet of the SPTPW and, if applicable, propose any preferred alternative or additional indices. In proposing preferred indices, tenderers should take into consideration the notes provided following the formula at clause 7 of Attachment B to the draft COC.

Note to drafters: The SPTPW includes two options for specifying indices for Adjustments; a simple method and a more complex method. Refer to Attachment B and the SPTPW for further details. If the more complex method is required (eg, to provide greater accuracy for Prescribed ACE Percentages), drafters should include the following optional clause. If a Contractor Standing Capability (CSC) module is included in the draft Contract, amend the following clause to include indices for the CSC worksheet.

|  |
| --- |
| Option: Include this option when using the more complex Adjustments worksheet.   * 1. Tenderers are to identify, in the Adjustments worksheet of the SPTPW, which indices would be applied to different prices within the Core Services, Excluded Services, Task-Priced Services, S&Q Services and Milestone Schedule worksheets. |

Note to tenderers: The Commonwealth wants to understand the component values or ‘weightings’ applicable to the indices used for Adjustments to assist in forecasting the out-turned price of any resultant Contract.

* 1. Tenderers are to identify the component values (weightings) that would be applied to each labour and materials index included in the Adjustments worksheet.

1. SECURITIES (core)

Draft COC reference: clauses 7.5, 7.6, and 7.7

Note to tenderers: The draft conditions of contract requires both a Bank Guarantee in respect of the Contractor’s performance and a Deed of Guarantee and Indemnity. Tenderers should note that whether the Commonwealth requires the Contractor to provide both types of security will be determined during negotiations with the preferred tenderer and based on the risk profile associated with the preferred tenderer’s provision of the Services. The Commonwealth expects it will only require both a Bank Guarantee in respect of the Contractor’s performance and a Deed of Guarantee and Indemnity where it is assessed as necessary in the circumstances.

If the tenderer proposes the payment of a Mobilisation Payment in the Schedule of Payments in this Annex, the Commonwealth will require a non-reducing Bank Guarantee for 50% of the amount of the Mobilisation Payment in accordance with clause 7.4 of the draft COC.

The Commonwealth may not require any of the securities requested in the draft COC in which case the amount nominated for such securities will be deducted from the tendered price and will not be included in any resultant Contract.

If the tenderer has a Master Guarantee and Indemnity Deed with Defence, the tenderer can elect to have the Master Guarantee and Indemnity apply to any resultant Contract. If the tenderer has pre-agreed with Defence amendments to the template Bank Guarantee Deed, the tenderer should indicate which alterations it is seeking are pre-agreed. Information on the Master Guarantee Program is available at:

<https://www.defence.gov.au/business-industry/procurement/policies-guidelines-templates/master-guarantee-program>.

* 1. Tenderers are to provide the following details in relation to the proposed Bank Guarantee and Deed of Guarantee and Indemnity contained in Annexes D and E to Attachment I to the draft COC:
     1. acceptability or otherwise of the security deeds;
     2. any proposed alterations or alternatives;
     3. proposed promisor for the Bank Guarantee, if applicable;
     4. proposed Guarantor for the Deed of Guarantee and Indemnity, if applicable; and
     5. where the tenderer is an approved participant in the Master Guarantee and Indemnity Program, whether the tenderer proposes that the tenderer’s Master Guarantee and Indemnity be used for the draft Contract.

1. AGENCY ARRANGEMENTS (CORE)

Draft COC reference: 7.13

Note to tenderers: The Commonwealth prefers to deal directly with the tenderer and not to have an agent interposed. This preference is not intended to preclude Australian companies being commissioned by overseas companies to work on their behalf or to collaborate with them in the development of proposals.

* 1. Tenderers are to state whether they have entered into or propose to enter into agency arrangements relevant to any resultant Contract, including any agency arrangement for GST purposes in accordance with clause 7.13 of the draft COC. If so, tenderers are to provide the following details:
     1. in the event that the agent is a company, the name, ACN/ARBN and ABN as applicable, and registered office of the agent;
     2. in the event the agent is not a company, the name and address of the agent and if the agent is also not a natural person, an explanation of the legal personality of the agent (eg, partnership, etc);
     3. the basis of the arrangement; and
     4. the extent to which provision has been made for any payments in respect of the arrangements to be included, however indirectly, in the prices tendered.

1. AUSTRALIAN CONTRACT EXPENDITURE (CORE)

Draft COC reference: Attachment B clause 8, Attachment F clause 4

Note to drafters: If Recurring Services are expected to be AUD $20m or more per annum, then tenderers may need to submit Prescribed ACE Percentages; refer to TDR H for details. If not applicable, remove reference to Prescribed ACE Percentages in the following note to tenderers.

Note to tenderers: The draft Contract requires measurement of Australian Contract Expenditure (ACE) for a number of payment types. If the value of the Recurring Services is expected to be AUD $20m or more per annum, any resultant Contract will also be required to include Prescribed ACE Percentages that are derived from, but which may be different to, the calculated ACE percentage for Recurring Services. If Prescribed ACE Percentages are applicable, refer to Annex H to Attachment A to the COT.

* 1. When preparing the SPTPW, tenderers are to determine the planned Australian Contract Expenditure (ACE) and the planned Imported Contract Expenditure (ICE) for the applicable payment types for any resultant Contract, in accordance with clause 7.15 of the draft COC.

Note to drafters: In clause 11.2, reference to the Contractor Standing Capability at clause 11.2d should be deleted if not applicable to the draft Contract.

Note to tenderers: In relation to Australian Industry Capability (AIC), the Commonwealth wishes to assess the overall ACE of the tendered proposal. Note that ACE, as a financial measure, is only one aspect of the AIC program. Completing the ACE Summary worksheet in the SPTPW requires monthly payment amounts to be copied from related worksheets to produce a month-by-month payment and ACE profile. Note that the sum of the Recurring Services Fees (for Core Services and any Excluded Services) and Milestone Payments equate to the Defined Contract Value.

* 1. Tenderers are to complete the ACE Summary worksheet of the SPTPW for the Initial Term of any resultant Contract (using monthly payment and ACE values from related worksheets), and provide the resulting payment and ACE total values for each of the following payment types (as applicable):
     1. Core Services Fees;
     2. Excluded Services Fees;
     3. Milestone Payments (including for Phase-In Services); and
     4. Contractor Standing Capability Fees (for the initial CSC Term).

Note to drafters: If the Recurring Services Fee for the Contract is expected to exceed A$20 million per annum, then Prescribed ACE Percentages will be included at Attachment F and the following option is to be included to collect related pricing data.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Option: Include this option if the Contract WILL include Prescribed ACE Percentages.  Note to tenderers: The ACE measurement periods to be included in the format of Table D-1 (below) should be the same as the periods for the Core Services worksheets in the SPTPW, and match those tendered in response to TDR H-3 (refer to Table H-1). The Prescribed ACE Percentages, to be tendered in response to TDR H-3, may be different to but should be consistent with the calculated ACE percentages to be provided in the format of Table D-1. Values for planned ACE in each period will be available from the Pricing Schedule worksheet of the SPTPW. The values for planned ICE can be determined as the total contract expenditure calculated (for a given point in time), less the planned ACE, equals the planned ICE.   * 1. Tenderers are provide, in relation to Recurring Services Fees (including Core Services Fees and, if applicable, Excluded Services Fees) for the Initial Term of any resultant Contract, calculated ACE Percentages that would be applicable to each ACE Measurement Point, in the format of Table D-1, where:      + 1. ACE measurement periods (column a), including each ACE Measurement Point, correspond to the pricing periods applicable to each schedule for Core Services Fees as tendered in response to TDR D-3 (above);        2. the planned ACE amount (column b) and the planned ICE amount (column c) for the applicable ACE measurement period, have been determined in accordance with clause 11.1 and the values have been determined from the Proposed Payment Schedule required by TDR D-7 (and corresponding Core Services and Excluded Services worksheets in the SPTPW); and        3. a calculated ACE percentage (column d), calculated in accordance with clause 8.1.1 of Attachment B to the draft COC.   Table D-1: ACE Measurement Points and calculated ACE percentages   |  |  |  |  |  | | --- | --- | --- | --- | --- | | ACE measurement period (a) | | Planned ACE ($) (b) | Planned ICE ($) (c) | Calculated ACE%  (d) | | Start | ACE Measurement Point | |  |  |  |  | 1. ( )% | |  |  |  |  | 1. ( )% | |  |  |  |  | 1. ( )% | |  |  |  |  | 1. ( )% |  * 1. Tenderers are to provide justification for any difference between the calculated ACE percentages provided in response to clause 11.3, and the Prescribed ACE Percentages tendered in response to clause 3 of Annex H to Attachment A to the COT. |

1. ALTERNATE AND ADDITIONAL DEEMING RATES (CORE)

Draft COC reference: Attachment B clause 8.2

Note to tenderers: Table B-2 under clause 8.2 of Attachment B may be pre-populated with some alternate and/or additional Subcontract categories, thresholds and deemed ACE and ICE percentages to those listed in the ACE Measurement Rules. Tenderers may also propose alternate and/or additional Subcontract categories, thresholds and deemed ACE and ICE percentages that, subject to confirmation by Defence’s Financial Investigation Services (FIS), will be considered for use under any resultant Contract. If FIS has previously confirmed proposed alternate and/or additional Subcontract categories, thresholds and deemed ACE and ICE percentages for a tenderer, and the same Subcontractor(s) will be used for the proposed Contract, for a like purpose, then these confirmed rates may be used in the tendered pricing information and the tenderer should note that these have already been confirmed. Any new proposed deeming rates must be confirmed by FIS prior to inclusion in any tendered pricing and/or any resultant Contract.

* 1. Tenderers may propose alternate and/or additional Subcontract categories, thresholds and deemed ACE and ICE percentages to those listed in section 3 of the ACE Measurement Rules and, if applicable, clause 8.2.1 of draft Attachment B, by providing a response in the format of Table D-2. Subject to confirmation, these alternate and/or additional Subcontract categories, thresholds and deemed ACE and ICE percentages will be considered by the Commonwealth for inclusion in clause 8.2 of Attachment B of any resultant Contract.

Table D-2: Approved Alternate and Additional Deeming Rates

| Nature of cost category / Subcontractor work | Applicable Threshold (GST exclusive) | Deemed Australian Contract Expenditure and Imported Contract Expenditure | |
| --- | --- | --- | --- |
| Australian Contract Expenditure | Imported Contract Expenditure |
| 1. (…INSERT description...) | 1. (…INSERT threshold value...) | 1. (…INSERT %...) | 1. (…INSERT %...) |
| 1. (…INSERT description...) | 1. (…INSERT threshold value...) | 1. (…INSERT %...) | 1. (…INSERT %...) |

Note to tenderers: Paragraph 4 of the ACE Measurement Rules allows for indirect costs to be deemed for Contractors and specific Subcontractors at different ACE and ICE percentages to those listed in the ACE Measurement Rules. If the tenderer proposes to use any such alternate deeming rates for indirect costs within the tendered pricing information, these need to have been confirmed by FIS and included below. Any proposals for new deeming rates will only be considered during contract negotiations with the preferred tenderer(s) and may be included in any resultant Contract at clause 8.2 of Attachment B.

* 1. Where alternate deeming rates for indirect costs (including overhead and general and administrative costs) have been confirmed by Defence’s Financial Investigation Services (FIS) team, and the tenderer has used these in calculating ACE and ICE for the tenderer and/or proposed Approved Subcontractors within the proposed pricing, the rates and date of confirmation are to be identified in accordance with the format in Table D-3.

Table D-3: Deeming Rates for Indirect Costs

|  |  |  |  |
| --- | --- | --- | --- |
| Entity Name | Deemed ACE percentage | Deemed ICE% percentage | Date of confirmation by FIS |
| 1. (… INSERT CONTRACTOR NAME …) | 1. (…INSERT %...) | 1. (…INSERT %...) | 1. (…DATE...) |
| 1. (… INSERT SUBCONTRACTOR NAME …) | 1. (…INSERT %...) | 1. (…INSERT %...) | 1. (…DATE...) |
|  |  |  |  |