PRICE AND PAYMENTs (CORE)

Note to tenderers: Attachment B will consist of an amalgamation of information contained in TDR D, this draft Attachment, the successful tenderer’s response, including the details tendered within the Microsoft Excel® workbook ‘ASDEFCON Support Pricing Workbook’ (SPTPW), and any negotiated adjustments.

1. Pricing Structure (CORE)
   1. Attachment B consists of the following structure:

**Clause page**

2 Mobilisation Payments and Milestone Payments (CORE) 2

3 Recurring Services (CORE) 2

4 Performance Payments (CORE) 3

5 Task-Priced Services (CORE) 4

6 S&Q Services (CORE) 4

7 Adjustments (CORE) 5

8 Australian Contract Expenditure (CORE) 8

9 Contractor Standing Capability (OPTIONAL) 10

Note to drafters: Some Annexes will include a file with the appropriate pricing table, such as a PDF copy of a worksheet from the ‘SPTPW’. For Recurring Services, multiple schedules will be included under Annex B. Update the following table for the Annexes (and schedules) to be included in the draft Contract. Files names may be added prior to ED, when known. The examples below are based on the tabs for worksheets within the SPTPW.

|  |  |  |
| --- | --- | --- |
| Annex | Title | File Names |
| 1. A | 1. Milestone Payments (Core) | 1. Milestone Payments Schedule |
| 1. B | 1. Recurring Services (Core) | 1. Schedule CS1: Core Services OD to X 2. *Schedule CS2: Core Services X to Y* 3. *Schedule CS3: Core Services Y to Z* 4. *…* 5. *Schedule ES1: Excluded Services* |
| 1. C | 1. Performance Payments (Core) | 1. *(no schedules)* |
| 1. D | 1. Task-Priced Services (Core) | 1. *Task Priced Services* |
| 1. E | 1. S&Q Services (Core) | 1. *S and Q Services* |
| 1. F | 1. Adjustments (Core) | 1. *Adjustments* |
| 1. G | 1. Contractor Standing Capability Pricing (Optional) | 1. *Contractor Standing Capability* |

* + 1. The dates specified in the Delivery Schedule at Attachment C shall have precedence over any dates specified in this Attachment B in the event of any inconsistency.
    2. The obligations of the Commonwealth under this Attachment B are subject to the:
    3. Contractor making a claim for payment in accordance with clause 7.3 of the COC; and
    4. other provisions of the Contract.
    5. Except where expressly indicated to the contrary, the amounts set out in this Attachment B are inclusive of all costs and other payments associated with providing the Services (including achieving the Milestones) and carrying out all matters and doing all things necessary for the due and proper performance and completion of the Contract. This includes 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.

1. Mobilisation Payments and Milestone Payments (CORE)

Note to tenderers: Clause 2 and Annex A will consist of an amalgamation of the price schedules in TDR D-2, the successful tenderer’s response, and any negotiated adjustments.

* 1. Introduction
     1. This clause 2 describes the amounts payable by the Commonwealth to the Contractor for the achievement of Milestones **(INSERT THE FOLLOWING WHERE A MOBILISATION PAYMENT HAS BEEN AGREED, “or as a Mobilisation Payment”)** in accordance with the Contract.
  2. Mobilisation Payment (RFT CORE)
     1. The amount of the Mobilisation Payment is **(INSERT AMOUNT OF MOBILISATION PAYMENT)**.
     2. The Commonwealth shall pay to the Contractor the Mobilisation Payment upon **(INSERT CRITERIA FOR MOBILISATION PAYMENT)**.
  3. Milestones

Note to drafters: Prior to RFT release drafters need to populate the ‘Milestone Schedule’ worksheet of the SPTPW, consistent with the Milestones in draft Attachment C. Refer to TDR D-2 for details.

Note to tenderers: Annex A will consist of an amalgamation of the SPTPW ‘Milestone Schedule’ worksheet for the successful tenderer’s response to TDR D-3, and any negotiated adjustments.

* + 1. The Milestone Payment Schedule is detailed in the file: (…INSERT the file name for the "Milestone Schedule" from the workbook…), and forms Annex A to this Attachment.
    2. Attachment C sets out the Milestone details for the Contract, including the entry and exit criteria and the Milestone Dates. Annex A details the Milestone Payments for the Contract (noting that some Milestones may not have a Milestone Payment (ie, ‘nil payment Milestones’).
    3. The Commonwealth shall, for achievement of a Milestone, pay to the Contractor the relevant Milestone Payment as specified in the Milestone Schedule.
    4. The Contractor is taken to have achieved a Milestone only if all of the corresponding criteria for the Milestone, as set out in Attachment C, have been satisfied.

1. Recurring Services (CORE)

Note to tenderers: Annex B will consist of an amalgamation of the price data submitted in response to TDR D (including applicable worksheets from the SPTPW), the successful tenderer’s response, and any negotiated adjustments.

* 1. Introduction
     1. This clause 3, Annex B and the schedules to Annex B, describe the amounts payable by the Commonwealth to the Contractor for the provision of Recurring Services in accordance with the Contract.
     2. The Recurring Services Fee is the sum of:
        1. the Core Services Fee (determined in accordance with clause 3.2); and
        2. the Excluded Services Fee (determined in accordance with clause 3.3).
  2. Core Services Fee

Note to drafters: Prior to the release of the RFT drafters need to prepare high-level Contract Work Breakdown Structure (CWBS) details and ‘Core Services’ worksheets in the SPTPW. Refer to TDR D-3 for details.

Note to tenderers: In relation to the Core Services, Annex B, including the schedules for Core Services, will consist of an amalgamation of the SPTPW ‘Core Services’ worksheets for the successful tenderer’s response to TDR D-3, and any negotiated adjustments.

* + 1. The Core Services schedules, at Annex B to this Attachment, set out the Core Services Fees for the Contract.
    2. The Commonwealth shall pay to the Contractor, for the provision of the Core Services, the Core Services Fees comprising:
       1. a Base Fee, paid monthly in arrears; and
       2. a Performance Payment, paid monthly in arrears, which may be adjusted following each Review Period as determined in accordance with Annex C.
  1. Excluded Services Fee

Note to drafters: Excluded Services Fees apply to costs that are ‘passed through’ to the Commonwealth. Increments in the Excluded Services Fee may reflect stepped increases in these costs (eg, following occupation of GFF at a new site). If not applicable to the draft Contract, the following clauses should be replaced with ‘Not used’. If applicable, then drafters should prepare the ‘Excluded Services’ worksheets in the SPTPW. Refer to TDR D-3 for details.

Note to tenderers: In relation to the Excluded Services Annex B, including the schedule for Excluded Service Fees, will consist of an amalgamation of the SPTPW ‘Excluded Services’ worksheets for the successful tenderer’s response to TDR D-3, and any negotiated adjustments.

* + 1. The Excluded Services schedule, at Annex B to this Attachment, sets out the Excluded Services Fees for the Contract.
    2. The Commonwealth shall pay to the Contractor the amounts specified in the Excluded Services schedule(s) monthly in arrears.

1. Performance Payments (CORE)

Note to drafters: Ensure that the Performance Payment requirements in Annex C are consistent with the Performance Assessment requirements in Attachment P and that, together, these are consistent with the level of Core Services available (including during any Ramp Up stages) for the relevant period, as identified through Annex B.

Note to tenderers: Annex C will consist of an amalgamation of the price schedules in TDR D, the successful tenderer’s response, and any negotiated adjustments.

* 1. Calculation of Performance Payments
     1. Annex C describes the basis on which Performance Payments are calculated and payable by the Commonwealth to the Contractor in accordance with the Contract.

1. Task-Priced Services (CORE)

Note to drafters: Prior to RFT release drafters may list expected ‘Task-Priced Services’ in the ‘Task Priced’ worksheet in the SPTPW. Refer to TDR D-4 for details.

Note to tenderers: Annex D will consist of an amalgamation of the SPTPW ‘Task Priced’ worksheet from the successful tenderer’s response to TDR D-4, and any negotiated adjustments.

* 1. Introduction
     1. The amounts payable by the Commonwealth to the Contractor for the provision of Task-Priced Services, in accordance with the Contract, are detailed in the file: (…INSERT the file name for the "Task-Priced Services worksheet" from the SPTPW…), and forms Annex D to this Attachment.
  2. Task-Priced Services
     1. The Commonwealth may request Task-Priced Services by notice, in accordance with clause 3.14 of the COC.
     2. For each Task-Priced Service the Commonwealth shall pay to the Contractor the price for the Task-Priced Service, as specified in the Annex D, applicable to that month in which the Task-Priced Service was Accepted in arrears at the end of that month or in such other manner as may be agreed in writing by the parties in respect of that Task-Priced Service.

1. S&Q Services (CORE)

Note to drafters: Prior to RFT release drafters should refer to the ‘S&Q Services’ worksheet in the SPTPW and review and revise the value thresholds for the application of mark-ups on subcontracts, materials and other Allowable Costs, as applicable. Refer to TDR D-5 for details.

Note to tenderers: Annex E will consist of an amalgamation of the SPTPW ‘S&Q Services’ worksheet from the successful tenderer’s response to TDR D-5, and any negotiated adjustments. The definition of ‘normal time’ will consist if the successful tenderer’s response to TDR D-5 and any negotiated adjustments

* 1. S&Q Rates
     1. The amounts payable by the Commonwealth to the Contractor for the provision of S&Q Services, in accordance with the Contract, shall be determined using the:
        1. labour categories and skill levels for labour rates; and
        2. mark-ups on purchased materials, Subcontract costs and other Allowable Costs,

as detailed in the file: (…INSERT the file name for the "S&Q Services worksheet" from the SPTPW…), which forms Annex E to this Attachment.

* + 1. For the purposes of determining whether to use “normal time” or ‘other time” labour rates:
       1. “normal time” is defined as (…INSERT definition of “normal time” EG, “eight hours per day between 07:00 – 19:00”…) on a Working Day; and
       2. “other time” includes all times other than “normal time”.

|  |
| --- |
| Option: Include the following clause when foreign currencies are applicable.   * + 1. If an S&Q Service will include component costs in foreign currencies, for rates that are not included in Annex E, values are to be quoted in source currency and equivalent Australian dollars (using the Reserve Bank of Australia rate as at the day prior to the submission of the S&Q Quote) inclusive of all applicable taxes and other duties, or as otherwise agreed between the parties.     2. Where an S&Q Quote is submitted that includes amounts priced in foreign currencies, and equivalent Australian dollar amounts determined in accordance with clause 6.1.3, the Commonwealth may elect to pay any amounts under any resulting S&Q Order in either source currency or Australian dollars, as applicable. |

* 1. Not-To-Exceed S&Q Services
     1. This clause applies to an S&Q Service to the extent that the S&Q Order specifies a Not-To-Exceed basis for pricing and payment.
     2. The Commonwealth shall, for each Not-To-Exceed S&Q Service, pay to the Contractor, monthly in arrears, the lesser of:
        1. the costs incurred by the Contractor in performing the S&Q Service, calculated using the labour rates specified in Annex E and by applying the mark-up specified in Annex E to materials, Subcontract and other Allowable Costs (where applicable); or
        2. the Not-To-Exceed price set out in the S&Q Order.
  2. Firm Price S&Q Services
     1. This clause applies to an S&Q Service to the extent that the S&Q Order specifies a Firm Price basis for pricing and payment.
     2. The Commonwealth shall, for each Firm Price S&Q Service, pay to the Contractor, monthly in arrears, the following:
        1. if the Contractor achieves a milestone specified in the S&Q Order, the amount specified for the milestone in the S&Q Order;
        2. upon Acceptance of the S&Q Service (and Acceptance of any associated Deliverables), any amount specified in the S&Q Order as being payable upon Acceptance; and
        3. any other amount specified to be payable in accordance with the S&Q Order.

1. Adjustments (CORE)

Note to tenderers: Clause 7, including Annex F, will consist of an amalgamation of the successful tenderer’s response to TDR D-8, including the SPTPW ‘Adjustments’ worksheet, and any negotiated adjustments. Agreements reached as a result of workplace enterprise bargaining are not considered to be awards for the purposes of the formula set out below.

* 1. General

Note to tenderers: The Adjustment Date is defined in the Glossary in relation to the Effective Date. Where this is not optimal with respect to the publishing of applicable labour and materials indices, tenderers may identify a more suitable date (eg, that corresponds to the release of pricing indices in the predominant currency used under any resultant Contract).

* + 1. In this clause 7, the following interpretations apply:
       1. when applicable, the pricing tables in the Annexes to this Attachment are adjusted annually, from the Adjustment Date, in accordance with clause 7.4 of the COC;
       2. the price for a Milestone is the price applicable to the due date for achievement of that Milestone (ie, not a price applicable to a later date, if achievement of the Milestone or if the invoice was submitted, subsequent to the Adjustment Date);
       3. subject to paragraph b, the price for a Service is the price applicable to the period of when the Service was performed, not the date of the invoice (ie, if the invoice was submitted subsequent to the Adjustment Date);
       4. for any Excluded Services Fee applicable to an amount that is charged by Defence (eg, a utilities contribution for GFF), the adjusted price is to be determined from the amount of the Commonwealth charge plus the Indirect Overheads (including general and administrative charge), rather than indices;
       5. in accordance with clause 7.4.1b. of the COC, unless stated otherwise in an S&Q Order, prices for an S&Q Service are not subject to an adjustment;
       6. if a source of an index publishes provisional and final index numbers, index numbers designated as provisional shall not be used;
       7. subject to paragraph f, if an index is published more than once during a year, for the purposes of the formulae, the index number for that year shall be taken to be the last index number officially published within that year; and
       8. if an index is discontinued, rebased or modified and the entity publishing that index provides official guidance on the replacement, bridging or re-baselining methodology to be applied, that guidance should be used as one of the inputs for determining any required update the index.
  1. Adjustment Process (CORE)

Note to drafters: Include the words “and foreign exchange rates” in the following clause if payments will not be made in source currency.

* + 1. For each price (excluding labour rates for S&Q Services) subject to adjustment for fluctuations in the cost of labour and materials […, and foreign exchange rates…] identified in this Attachment B, the following price adjustment formula shall be applied in accordance with clause 7.4 of the conditions of contract:

Note to drafters: There are two options provided for adjusting prices / S&Q rates:

* Option A allows for one labour index and/or one materials index to be applied for all prices in a source currency (ie, for each currency, only two indices can be used).
* Option B allows for multiple labour and/or price indices that can be applied to different prices, in each source currency.

Option A is the simpler method, using only two indices that reflect the broad-based changes to labour and materials prices in a given currency. This method can be less accurate with divergence between average and actual prices occurring over time, and assistance from FIS may be required to review and readjust pricing after a number of years.

Option B is intended to provide greater accuracy, but requires numerous indices and a more complex formula. This method uses sets of indices and corresponding component weightings, which can be applied to various prices. This option is suited to higher value contracts that include Prescribed ACE Percentages, when accurate adjustments to the Australian Contract Expenditure (ACE) and Imported Contract Expenditure (ICE) within prices will be required.

Both options apply a formula to an individual price or rate for S&Q Services on the assumption that the Commonwealth will pay in source currency. If the foreign currency amount is relatively low, and the Commonwealth choses to only pay in Australian dollars, then the price adjustment formula will need to be modified to include foreign labour and/or materials indices.

Option A: For when pricing in each currency will be adjusted using one labour index and/or one materials index.

where:

|  |  |
| --- | --- |
| Ref | Description |
| 1. P1 | 1. the new (ie, adjusted) price, in a particular source currency. |
| 1. P0 | 1. the baseline price in a particular source currency, being either the amount for the previous period or at the Base Date (for the first adjustment). |
| 1. Y | 1. the proportion (expressed as a decimal) of a price that is attributed to labour and associated with a specific labour index (L) for a source currency. |
| 1. L1 | 1. the labour index value (number) for the new pricing period, for a particular source currency. |
| 1. L0 | 1. the labour index value (number) for the period containing the previous Adjustment Date or the Base Date (for the first adjustment). |
| 1. Z | 1. the proportion (expressed as a decimal) of a price that is attributed to materials and associated with a specific materials index (M) for a source currency. |
| 1. M1 | 1. the materials index value (number) for the new pricing period, for a particular source currency. |
| 1. M0 | 1. materials index value (number) for the period containing the previous Adjustment Date or the Base Date (for the first adjustment). |

and where, for each price (P0), the sum of the components attributed to labour and materials equals one (ie, Y + Z = 1).

Option B: For use when more than two indices, for labour and/or materials, with corresponding component weightings, may be applied to a price or set of prices.

where:

|  |  |
| --- | --- |
| Ref | Description |
| 1. Pn | 1. the new (ie, adjusted) price, in a particular source currency. |
| 1. P0 | 1. the baseline price in a particular source currency, being either the amount for the previous period or the Base Date (for the first adjustment). |
| 1. Yi | 1. the component or weighting (expressed as a decimal) that is attributed to a labour index (Li), where the labour index tracks price variations for a labour category in a currency. |
| 1. Ln | 1. a published value (number) for a specific labour index (Li) in the new pricing period (ie, in the new pricing period the value for the index Li is Ln). |
| 1. L0 | 1. the value (number) for a specific labour index (Li) for the period containing the previous Adjustment Date or the Base Date (for the first adjustment). |
| 1. Zk | 1. the component or weighting (expressed as a decimal) that is attributed to a materials index (Mk), where the materials index tracks price variations for a category of materials in a currency. |
| 1. Mn | 1. a published value (number) for a specific materials index (Mk) in the new pricing period (ie, in the new pricing period the value for the index Mk is Mn). |
| 1. M0 | 1. a value (number) for a specific materials index (Mk) for the period containing the previous Adjustment Date or the Base Date (for the first adjustment). |
| 1. i | 1. is a number that identifies the labour component (Yi) for the associated labour index value (Li) in the Adjustments annex (eg, if i=1, Yi=Y1 and Li=L1). |
| 1. q | 1. is the number of labour indices in a particular price adjustment formula (eg, if q=3, there are three labour indices (Li) with three related weightings (Yi) identified in Annex F). |
| 1. k | 1. is a number that identifies the materials component (Zk) for the associated materials index value (Mk) in the Adjustments annex (eg, if k=2, Zk=Z2 and Mk=M2). |
| 1. r | 1. is the number of materials indices in a particular price adjustment formula (eg, if r=2, there are two materials indices (Mk) with two related weightings (Zk) identified in Annex F). |

and where, for each price (P0) the sum of all components (weightings), attributed to labour and materials, equals one, ie:

Note to drafters: Include the following clause in all draft Contracts (this is not part of Option B).

* + 1. For labour rates for S&Q Services in Annex E to Attachment B, the following price adjustment formula shall be applied in accordance with clause 7.4 of the conditions of contract:

where:

|  |  |
| --- | --- |
| Ref | Description |
| 1. Pn | 1. the new (ie, adjusted) rate for S&Q Services, in a particular source currency. |
| 1. P0 | 1. the baseline rate for S&Q Services in a particular source currency, being either the amount for the previous period or at the Base Date (for the first adjustment). |
| 1. Ln | 1. the value (number) for the specific labour index (Li) in the new pricing period, where the labour index tracks price variations for a labour category in a currency. |
| 1. L0 | 1. the value for the specific labour index (Li) for the period containing the previous Adjustment Date or the Base Date (for the first adjustment). |

* 1. Indices
     1. The Australian and international indices for the Contract, and the proportions attributed to labour and materials components of the prices, are detailed in the file: **(…INSERT the file name for the “Adjustments” worksheet from the SPTPW…)**, and forms Annex F to this Attachment.

Note to drafters: Include the following notes to tenderers when the simple adjustment formula (ie, using only two indices per currency) is chosen under clause 7.2. If the more detailed option for price adjustment is required, seek advice from FIS.

Note to tenderers:

Note 1: For labour costs incurred in Australia, the only Input based (cost of labour) index acceptable to the Commonwealth is ABS catalogue ‘Wage Price Index’ - Table 9B.

Note 2: For labour costs incurred overseas, the labour index must be an appropriate index published by an agency of the relevant Government.

Note 3: For the Australian materials component, ABS catalogue ‘Producer Price Indexes, Australia’ – Table 12 should be utilised.

Note 4: For the imported materials component, the index must be appropriate and published by an agency of the relevant Government.

1. Australian Contract Expenditure (CORE)
   1. Australian Contract Expenditure Amounts (Core)

Note: The following formula is built into the Support Pricing Workbook (SPTPW) for applicable worksheets and component price calculations.

* + 1. Amounts for planned Australian Contract Expenditure (ACE) and planned Imported Contract Expenditure (ICE) are to be determined in accordance with clause 7.15 of the COC, and when required to be forecast for applicable payment types under the Contract, a calculated ACE percentage is to be determined in accordance with the following formula:

Note to drafters: If the Recurring Services Fee for the Contract is expected to exceed A$20 million per annum, then Prescribed ACE Percentages against the Recurring Services Fee will be included at Attachment F (refer to Attachment F and TDR H). Option A, below, is to be included when any resultant Contract will NOT include Prescribed ACE Percentages, while Option B is to be included when any resultant Contract WILL include Prescribed ACE Percentages.

|  |
| --- |
| Option A: Include this option if the Contract will NOT include Prescribed ACE Percentages.   * + 1. Where the Contractor is required to forecast a calculated ACE percentage for Recurring Services Fees, for a given period under the Contract (eg, an annual reporting period for a Contract Status Report), the Contractor shall use the ACE percentages from the schedules to Annex B (calculated from the applicable worksheets of the Support Pricing Workbook) or provide justification to the Commonwealth, in writing, for the use of any alternative estimate. |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Option B: Include this option if the Contract WILL include Prescribed ACE Percentages.   * + 1. For Recurring Services (including Core Services and, if applicable, Excluded Services), Table B-1 identifies:        1. each ACE measurement period, including the ACE Measurement Point (column as defined in Attachment F;        2. the planned ACE amount (column b) and the planned ICE amount (column c) for the applicable ACE measurement period, using the pricing details contained in Annex B to this Attachment B; and        3. a calculated ACE percentage (column d), calculated in accordance with clause 8.1.1.     2. The Prescribed ACE Percentages, included at Attachment F as AIC Obligations, shall be based on the corresponding calculated ACE Percentages in Table B-1.   Note: The Prescribed ACE Percentage may be different to the calculated ACE percentage.   * + 1. For each CCP prepared in accordance with clause 11.1 of the COC that affects the planned ACE and/or planned ICE values in Table B-1, the Contractor shall prepare, as part of the CCP, changes to Table B-1 and, when applicable, changes to the Prescribed ACE Percentages under clause 4 of Attachment F.   Note to drafters: ACE measurement periods will generally correspond to the pricing periods for the Core Services Fees, during Ramp Up and then on an annual basis. If a Ramp Up stage is relatively short, the Commonwealth may combine two stages before scheduling an ACE Measurement Point. Drafters need to ensure that ACE Measurement Points in Table B-1 and Attachment F are the same.  Note to tenderers: TDR H-3 requires tenderers to propose Prescribed ACE Percentages for each ACE measurement period, which conclude with an ACE Measurement Point. Prescribed ACE Percentages may be different to the calculated ACE percentages (d) in Table B-1 but they should be consistent. Values for planned ACE in each period will be available from the Pricing Schedule worksheet of the SPTPW, which uses data from the Core Services and Excluded Services worksheets. 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. Table B-1 will consist of an amalgamation of the successful tenderer’s response to TDR D-11 and any negotiated adjustments.  Table B-1: ACE Measurement Points and calculated ACE percentages   |  |  |  |  |  | | --- | --- | --- | --- | --- | | ACE measurement period (in accordance with Attachment F) (a) | | Planned ACE ($) (b) | Planned ICE ($) (c) | Calculated ACE%  (d) | | Start | ACE Measurement Point | |  |  |  |  | 1. ( )% | |  |  |  |  | 1. ( )% | |  |  |  |  | 1. ( )% | |  |  |  |  | 1. ( )% | |

* 1. Alternate and Additional Deeming Rates (RFT Core)

Note to drafters: Table B-2 may be pre-populated by the drafter with alternative and/or additional deeming rates, prior to tendering, when the Commonwealth considers that deeming rates other than those listed in the ACE Measurement Rules should be applied to the proposed Contract.

Note to tenderers: The Commonwealth will consider deeming rates other than those listed in the ACE Measurement Rules for the proposed Contract. Table B-2 will consist of the successful tenderer’s response to TDR D-11, and any negotiated adjustments.

* + 1. Table B-2 below specifies alternate or additional Subcontract categories, thresholds and deemed ACE and ICE percentages for the purposes of the application of paragraph 3 of the ACE Measurement Rules.

Table B-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 %...) |

* + 1. The parties acknowledge and agree that, in accordance with paragraph 4 of the ACE Measurement Rules, alternate deeming rates for indirect costs (including overhead and general and administrative costs) for the Contractor and specified Subcontractors shall be applied in accordance with Table B-3, as follows:

Table B-3: Deeming Rates for Indirect Costs

|  |  |  |
| --- | --- | --- |
| Entity Name | Deemed ACE percentage | Deemed ICE% percentage |
| 1. (… INSERT CONTRACTOR NAME …) | 1. (…INSERT %...) | 1. (…INSERT %...) |
| 1. (… INSERT SUBCONTRACTOR NAME …) | 1. (…INSERT %...) | 1. (…INSERT %...) |
|  |  |  |

1. Contractor Standing Capability (OPTIONAL)

Note to drafters: To be included if the Contractor Standing Capability module is included as part of the draft Contract. Refer to the CSC Module for more information.