



Australian Government

Defence

Support Pricing Workbook Guide



Version 1.1



Authority

This *Guide* does not create procurement policy. This *Guide* may refer to mandatory procurement policies contained in the *Commonwealth Procurements Rules*, the *Defence Procurement Manual*, and other Defence policies (refer to the “Reference” section), which are applicable to *Australian Standard for Defence Contracting* (ASDEFCON) templates. Any mandatory procurement guidance referred to in this *Guide* is sourced from appropriate legislation and mandatory Commonwealth and Defence policy.

Note to Defence Staff and External Agencies

This Guide provides information regarding the ‘*Support Pricing Workbook*’, which is released as a part of the ASDEFCON (*Support*) template. Defence staff and external agencies intending to use an associated ASDEFCON template will need to tailor that template to their specific procurement requirements and should seek appropriate professional guidance as required.

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Feedback and suggestions should be sent to: procurement.ASDEFCON@defence.gov.au

Amendment Record

Version	Release Date	Description of Amendments
1.0	November 2022	Initial release for the Support Pricing Workbook V5.0.1.
1.1	April 2024	Minor incremental change.

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TABLE OF CONTENTS

Introduction	4
Purpose	4
Background	4
References	4
Definitions	4
Links from ASDEFCON template files.....	4
Before you begin	5
Information Worksheets and Structure	5
Layout of Workbook.....	5
Instructions and definitions	5
Menus, Constants and Subcontractors.....	5
Introduction.....	5
Menus Worksheet.....	5
Constants Worksheet.....	7
Subcontractors Worksheet.....	7
Summary Worksheets	8
Contract Summary.....	8
Payment Schedule	8
ACE Summary.....	8
Pricing Information Worksheets	10
Introduction.....	10
Core Services	10
Excluded Services	13
Task Priced Services.....	14
S&Q Services	15
Milestone Schedule	16
Contractor Standing Capability.....	17
Specific Prices	19
Adjustments.....	20
Supporting Information Worksheets	23
Introduction.....	23
Schedule of Margins.....	23
Labour Rates	23
Material.....	23
Other Direct Cost.....	23
Preparing Worksheets as Annexes	23
Background	23
Header Information.....	24
Notes on Print Areas and Page Sizes	24

INTRODUCTION

Purpose

The purpose of this guide is to assist Defence and Industry users of the Support Pricing Workbook (SPTPW) when tendering, and to develop or update the pricing details for a medium-complexity or high-complexity materiel support contract.

In addition to pricing, the SPTPW enables users to calculate the planned Australian Contract Expenditure (ACE) and planned Imported Contract Expenditure (ICE), in support of the Australian Industry Capability (AIC) program for a contract.

This guide was written for version 5.0.1 of the SPTPW.

Background

The SPTPW is intended for contracts that use the *ASDEFCON (Support)* template.

Although there is commonality in a number of payment types, a simpler pricing workbook is required for *ASDEFCON (Support Short)*.

The SPTPW, developed in Microsoft Excel®, serves as a mechanism by which to collect tendered financial data. For the successful tenderer, specific worksheets from the SPTPW will form annexes to the Price and Payments attachment of any resulting contract.

The SPTPW can be used for both the tender process and under contract. This document aims to provide guidance in both situations. Accordingly, for tender purposes, any reference to the 'Contract' should be read as 'any resultant contract', and any reference to the 'Contractor' should be read as the 'Contractor under any resultant contract', and so on for Subcontracts.

References

In addition to the *ASDEFCON (Support)* template, the following references are applicable to the completion of the SPTPW:

- *ACE Measurement Rules*
- *ACE Guide for ASDEFCON*
- *CASG Cost Principles*

Users should note that DID-SSM-CWBS, from the *ASDEFCON (Support)* template, is relevant to structuring the pricing levels in the SPTPW even if a Contract Work Breakdown Structure (CWBS) is not required to be delivered under any resulting contract.

Definitions

Terms presented as defined terms within this guide have the meanings given in:

- the *ASDEFCON (Support)* Glossary and Details Schedule of the conditions of contract (COC);
- the glossary additions for the *Contractor Standing Capability (CSC) Module*, when applicable;
- the *ACE Measurement Rules*; and
- the *CASG Cost Principles*.

Links from ASDEFCON template files

In the ASDEFCON templates, the financial tender data requirements (TDR D) refer to individual worksheets within the SPTPW, which are to be prepared as part of the tender response. Similarly, the Price and Payment schedules in Attachment B to the conditions of contract (COC) identify those worksheets that will form annexes to that Attachment.

In both cases, the templates refer to the name on the tab of each worksheet. If the names of the worksheets are changed, then TDR D and Attachment B will need to be updated.

Some worksheets are not referenced in the ASDEFCON templates; however, they may need to be completed to either complete the worksheets that are referenced, or to provide supporting information to assist Commonwealth in understanding the prices.

Before you begin

The SPTPW includes links between worksheets in order to perform calculations and enable the drop down lists to function. Hence, it is not generally practical to break-up the workbook into worksheets that can be given to different parties and populated separately. If the workbook is broken up to collect data, considerable care will need to be taken in order to reconstruct the workbook from separate parts. This is not recommended.

If information is required to be collected from different parties (eg, proposed Approved Subcontractors), tenderers may need to create separate 'data collection' tools based on worksheets in the SPTPW.

Please note: emailing the SPTPW out of the Defence Protected Environment can corrupt the links to named ranges and the operation of macro code. Distributing the SPTPW may require a different method, such as saving to a USB drive or burning to an optical disk.

INFORMATION WORKSHEETS AND STRUCTURE

Layout of Workbook

Within the SPTPW, worksheets are organised into a number of groups, which are:

- Information worksheets, which describe the workbook structure and provide basic instructions for the Commonwealth drafter and tenderer;
- Summary worksheets, which provide contract-level summaries of pricing data;
- Menus, Subcontracts and Constants worksheets, which are used define the work breakdown structure and identify subcontractors and foreign currencies, all of which are used in drop down lists within the pricing information worksheets;
- Pricing information worksheets, which contains the individual price-level data to be tendered and included in any resultant contract, including specific prices and price adjustment indices; and
- Supporting information worksheets, which are used to explain the price basis used in the preparation of the pricing information.

The first worksheet, 'Layout of Workbook', identifies the above groups, which are colour coded, and the order in which they would usually be populated (not as listed above).

Instructions and definitions

The 'Instructions for Each Layout' worksheet provides a high-level summary of the data needed by each worksheet. This provides some in-workbook guidance, with additional detail provided by this guide.

The 'Instructions for Drafter' and 'Instructions for Tenderer' worksheets require some information to be entered, but otherwise act as a checklist for completing the workbook.

The 'Definitions' worksheet is provided for convenience only, and does not take precedence over any definitions within the Glossary of a draft contract or any resulting contract.

MENUS, CONSTANTS AND SUBCONTRACTORS

Introduction

The 'Menus', 'Constants' and 'Subcontractors' worksheets need to be addressed before pricing data is entered, in order to populate drop-down menus and error checking tables.

Some requirements in the 'Menus' and 'Constants' worksheets should be addressed by the Commonwealth drafter before releasing the tender.

Menus Worksheet

The 'Menus' worksheet is used to identify the contract (or tender) name and number, and define the pricing level structure to be used in the 'Core Services' pricing information worksheets. It also identifies and names the number of stages for the Core Services Fees and Excluded Services Fee (both are components of Recurring Services Fees).

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Contract Name and Number. The Contract (or tender) name and number inserted in the small table at the top of the 'Menus' worksheet will appear at the top of other worksheets. The planned Effective Date (ED) is also inserted in this table, which appears in some of the summary worksheets.

CWBS / Pricing Levels. The pricing levels entered in the 'Menus' worksheet will appear in drop down lists. The 'Menus' worksheet may contain an example pricing level structure for illustration purposes. Note that:

- the top pricing level is at level 2 of the CWBS; for example, a pricing level 1 entry might be '1.03 – Maintenance Support' where '1.03' is CWBS level 2, because CWBS level 1 is the whole of the draft Contract; and
- due to conditional formatting, pricing level 1 text will appear bold (this is conditional on having a blank space ' ' in the fifth character position).

Commonwealth drafters should add all pricing level 1 entries into the 'Menus' worksheet. These entries should match the Contract Summary CWBS under clause 4 of the Glossary. Drafters should also ensure that the CWBS item descriptions in the Glossary are correct, modifying the template definitions as appropriate. Lower level entries in the structure may be deleted or have the names removed.

Tenderers will need to develop a pricing level structure with sufficient detail to demonstrate that the tenderer has a thorough understanding of the work scope. This should also enable the Commonwealth to understand the pricing in the proposal, including how significant work activities would be decomposed (eg, a deeper maintenance activity involving multiple trades and subsystems) and the scope of work related to any Milestone Payments. The pricing level structure / CWBS for pricing should be consistent with the draft CWBS, if one is required in the tender response, or otherwise consistent with Annex A to DID-SSM-CWBS (ie, including when a draft CWBS does not need to be tendered).

If additional rows are required to define the 'CWBS Numbers and Titles' for the Core Services Fees' pricing levels, these can be inserted before the last line of the table, within the shaded area, and they should appear in the drop down lists in other worksheets. If they do not appear, check that the new rows are contained within the data range called "Level1".

Core Services Stages. Under a medium or larger support contract, the Core Services may be increased in a number of stages until a mature and steady state is reached (referred to as 'Ramp Up', refer to the 'Core Services' worksheets below for an explanation). Once a mature state is reached, Core Services are priced for each year between Adjustment Dates. The SPTPW uses a 'Core Services - #' worksheet for each stage.

Selecting a number of 'Stages Required' (from the drop down list) will show or hide the number of 'Core Services - #' worksheets available. Up to 10 stages are included in the SPTPW; if more may be required, seek assistance from Financial Investigation Services (FIS), CASG, to add additional worksheets and to link the totals into the 'Contract Summary' and 'Payment Schedule' worksheets.

Identifying the 'Start Event', 'End Event' and the 'Length (months)' for a stage will transfer this information to the applicable 'Core Services' worksheet. In the majority of cases, the first 'Start Event' will be 'Operative Date' (OD). The months from all stages will be totalled above this table and the total should, in most cases, equal the duration of the Initial Term as identified in the Details Schedule, from OD to expiry.

Excluded Services Stages. If applicable to a contract, Excluded Services Fees may be introduced and increased in stages; however, these stages may be different to those for Core Services (refer to the 'Excluded Services' worksheet below for an explanation). The 'Excluded Services' worksheet includes a table for each stage.

Selecting a number of 'Stages Required' (from the drop down list) will show or hide the number of tables displayed on the 'Excluded Services' worksheet. Up to 10 stages are included in the worksheet; if more may be required, seek assistance from FIS to add additional tables and to link the totals into the 'Contract Summary' and 'Payment Schedule' worksheets.

Identifying the 'Start Event', 'End Event' and the 'Length (months)' for a stage will transfer this information to each applicable table on the 'Excluded Services' worksheet. The months from all stages will be totalled above this table. The start, end and total duration will depend

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on the nature of the Excluded Services; for example, the duration for the Contractor occupying Government Furnished Facilities (GFF) when a fixed contribution to utilities (eg, electricity, water, etc) is charged.

Constants Worksheet

The 'Constants' worksheet contains information and calculates values that can be selected on other worksheets using drop down lists. The only data to be entered in this worksheet are the foreign currencies, updated exchange rates, and the date when the exchange rates were published.

Commonwealth drafters should review the currencies listed and, if a new currency is expected to be used by potential tenderers, add the new currency by overwriting one that is not expected to be used. All exchange rates should be updated using Reserve Bank of Australia (RBA) rates, and the publishing date inserted above the table.

Note that, if work or materials are being acquired from multiple European nations, it may be necessary to identify different EUROS (eg, EURO-F for France and EURO-G for Germany) because the escalation factors (the indices used in the 'Adjustments' worksheet) will move at different rates between these countries, even though the same exchange rate is used.

Tenderers should not need to amend this worksheet unless an unlisted foreign currency is required by themselves or a proposed Subcontractor. If applicable, the new currency and exchange rate can be added by overwriting an entry that is not required.

Subcontractors Worksheet

The 'Subcontractors' worksheet identifies proposed Subcontractors, if known, or titles to identify Subcontracts that are yet to be competed. Approved Subcontractor names (or Subcontract titles) will then appear in the drop down lists for 'Service Provider' in other worksheets.

Tenderers should identify if a proposed Subcontractor is likely to be considered to be an Approved Subcontractor in accordance with the criteria in the draft COC. If a proposed Subcontract, which is still to be tendered, would meet the Approved Subcontractor criteria, then this entry should also be identified as an Approved Subcontractor. More detailed pricing information will be required for some or all Approved Subcontractors, depending on what has been specified in the tender data requirements. Additional pricing data may be sought during negotiations, when the Commonwealth and preferred tenderer can review the scope of the proposed Approved Subcontracts.

Please note that the SPTPW does not readily handle proposed Subcontractors that would be Approved Subcontractors to higher-level Approved Subcontractors.

This worksheet also requires the identification of non-Approved Subcontractors that are proposed as direct subcontractors to the tenderer or as direct subcontractors to proposed Approved Subcontractors. Note that for work that is yet to be allocated, proposed subcontracts may be identified in the comments as 'to be tendered' or similar.

Some additional information is required for non-Approved Subcontractors, including the subcontract type, being the main purpose of the non-Approved Subcontract (eg, to supply labour, materials or other inputs, for example, freight), and the "related CWBS number and title". This information should correspond to entries in the 'Core Services' worksheets, which provides a cross-reference and an understanding of the Subcontractor's role in the CWBS.

Data entered for the source currency and total price columns will help the Commonwealth to decide whether to pay all amounts in \$A, or partly in source currency, under any resultant contract. The prices here also allow for a cross-check of the pricing information.

If there are insufficient rows for all proposed Subcontractors / Subcontracts, additional rows can be added to this table by inserting them before the last row of the table (ie, kept within the data range called 'Subcontractors'). If a proposed subcontractor will be a direct subcontractor to the tenderer and to one or more Approved Subcontractors, the proposed subcontractor will need to be inserted as many times as necessary to enable the parent contractor to be identified in each instance.

SUMMARY WORKSHEETS

Contract Summary

Values in the 'Contract Summary' worksheet are calculated using the price data in the 'Core Services', 'Excluded Services' and, if applicable, 'Milestone Schedule' worksheets – these represent the 'firm-priced' parts of the Contract. All information is calculated; hence, there is no need to enter data into this worksheet.

Payment Schedule

The 'Payment Schedule' worksheet establishes a payment profile in Australian and, when applicable, foreign currencies for:

- the Recurring Services Fees, including Core Services Fees and, if applicable, Excluded Services Fees;
- Milestone Payments, if applicable; and
- CSC Fees, if applicable.

Monthly amounts need to be entered manually; however to assist the tenderer / contractor, the upper table collects the total values in each currency from the relevant worksheets. The word 'ERROR' (in **bold red** font) will display below each individual currency until the sum of the amounts, in the applicable currency, from the lower table match the total value calculated in the upper table.

In the calculated totals (upper table) the monthly amounts for Core Services and Excluded Services are calculated using the monthly fee from the applicable worksheet, multiplied by the number of months in that stage, as entered into the 'Menus' worksheet. If the number of months at a given payment level (lower table) does not match the number of months in the 'Menus' worksheet, the upper and lower table values will not match.

The 'Contract Summary' and other worksheets allow for up to 12 currencies to be used. If additional currencies are required, the contracting team should seek assistance from FIS.

Note that if upper and lower tables do not match for a given currency, then there is most likely an error in the lower table (eg, possibly an amount or the timing when a pricing level starts or ends). To assist in fault finding, in each applicable worksheet (Core Services, Excluded Services, Milestones and CSC) there is a table of foreign currency totals below the pricing tables (which may need to be un-hidden). These tables will identify annualised total values for each currency, which will need to be converted into monthly values for comparison with this worksheet.

ACE Summary

The 'ACE Summary' worksheet calculates planned ACE percentages for any resultant contract. A planned ACE percentage can only be calculated for payments that are part of a contract at ED, which does not include any S&Q Services or Task Priced Services.

For the purposes of tendering, the ACE is considered across Recurring Services (including Core Services and, if applicable, Excluded Services) and Milestone Payments within the Initial Term. Under contract, forecasting and reporting of ACE may also include CSC Fees as these are predictable (but are subject to a 'true up' process if not all CSC hours are provided in a CSC Period).

If Prescribed ACE Percentages are required to be measured and reported under a contract (refer Attachment F to the draft Contract), then these will only apply to the Recurring Services Fees. The calculated ACE percentages from this worksheet can inform the setting of Prescribed ACE Percentages, but they are not necessarily the same.

If Prescribed ACE Percentages are not required under a contract, the calculated / planned ACE percentages may still be included in the Contractor's AIC Plan, reported in Contract Status Reports (CSRs), and reviewed at annual Contract Performance Reviews (CPRs).

ACE Summary Table

The large table to the left of the 'ACE Summary' worksheet includes months in the first column, however, the rest of the table needs to be manually populated with data from other worksheets. By default, the months start counting on the month following ED. If there is a significant gap between ED and initial payments under the contract (eg, because it is linked to and follows an acquisition contract), then the first month in the column can be entered manually and the rest will update automatically. Note that allowance may need to be made for Milestone Payments to be paid prior to OD.

Sufficient rows are required for each month of the proposed contract. Rows may be added above the totals line at the bottom of the table, with the formulae for months and totals dragged down to the lower cells.

Tenderers will need to insert values for Core Services, Excluded Services, etc, from the other worksheets. For Recurring Services, the easiest way is to link from the first month of a stage to the total monthly price and monthly ACE amounts in Australian dollars (and including GST), from the applicable worksheet. For Core Services, these are located at the top-right of the worksheets for convenience; for Excluded Services the totals appear below each table. Make subsequent cells equal to that first cell, and drag down for as many months as required to complete that stage of the Core Services Fees and Excluded Services Fees. A similar process can be applied to insert CSC Fees, starting from the month for the CSC Commencement Date.

For Milestone Payments, simply link from the applicable month to the entries in the "Milestone Schedule" worksheet. Do not include any Mobilisation Payments in the Milestone Payments column. The value of Mobilisation Payments are recouped from Recurring Services, hence this would cause duplication and inflate the tendered price for the Initial Term.

Calculated ACE Percentages for Recurring Services

If Prescribed ACE Percentages for some or all ACE Measurement Points are to be tendered, then planned ACE percentages will also be required in response to TDR D. Commonwealth drafters should refer to the TDRs for AIC and Financial data for guidance, and to identify the ACE Measurement Points to be used for tender purposes. For support contracts, ACE Measurement Points will often align to the completion of stages during Ramp Up and, subsequently, on an annual basis.

By entering the 'Start' and 'End' months under the 'ACE Measurement Period' heading, the ACE, Total (A\$) and Calculated ACE% should all be calculated from the data in the ACE Summary Table. If Prescribed ACE Percentages are required, the 'End' month would correspond to the required ACE Measurement Points; otherwise, these would be aligned to reporting periods for reporting in the subsequent CSR.

Final checks.

Tenderers, the Contractor and the Commonwealth using or referring to this worksheet should check the following, as applicable:

- Confirm that prices linked from the Recurring Services and CSC Services worksheets start in the correct month, noting that OD may be some time after ED, and the CSC Commencement Date may occur at an entirely different time.
- Confirm that prices linked from the Recurring Services and CSC Services worksheets end in the correct month in relation to invoicing. For example, if a new Core Services stage starts at the end of a month, the work in that month is still invoiced at the current Core Services Fee.
- Confirm that for calculated ACE percentages, the ACE Measurement periods are entered without gaps or overlaps.

PRICING INFORMATION WORKSHEETS

Introduction

The worksheets that detail pricing information provide the basis of the financial tender response (TDR D) and the annexes to Attachment B of any resulting contract. Each of these are briefly described below, with more detail in subsequent sections.

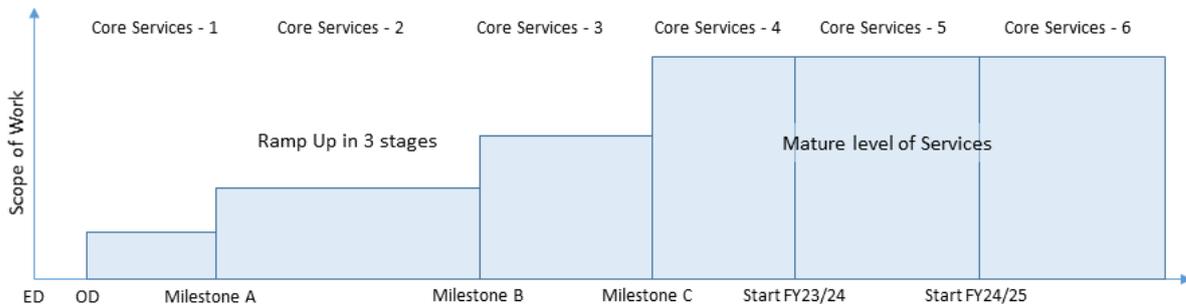
The SPTPW includes worksheets for six different types of payment, plus worksheets for Specific Prices and Adjustments (for fluctuations in pricing); each one is described below.

Core Services

The Core Services Fees are paid for the ‘core’ component of Recurring Services and would usually form the bulk of the payments made under a support contract. Core Services Fees should cover all on-going fees for scheduled Services or Services that are able to be reasonably forecast on an annual basis. For example, Core Services normally include scheduled maintenance and corrective maintenance tasks if the work can be reasonably forecast from the rate of effort of the system and failure rates, or another measure of ‘mean-time between maintenance’. A predictable maintenance effort also creates a predictable demand for Supply Services. The Core Services usually include most of the contract management activities.

Under a contract, the Core Services may increase in stages during a ‘Ramp Up’ period between OD and a mature or steady state of Services. For example, if a support contract follows-on from an acquisition contract, the demand for Services can increase with each new Mission System or batch of systems being delivered. This results in a corresponding increase in resource requirements (eg, Contractor personnel) and the Core Services Fees. Once a steady state is achieved, the Core Services Fees are projected out on an annual basis until the end of the Term of the Contract, which allows expected price changes from known changes in rate of effort or Efficiencies to be forecast and documented. As a result, the SPTPW includes a number of worksheets for Core Services.

A diagrammatic example of a Ramp Up is shown below.



Ramp Up Milestones and the annual periods for the Core Services are identified on the ‘Menus’ worksheet. The start and end Milestones for each stage or year, and the duration of each stage, are transferred onto the ‘Core Services - #’ worksheet for applicable stages and will appear in the title of the worksheet.

An explanation of each group (of columns) and each column of pricing data is included in the notes below the table, at the bottom of the worksheet. The following description explains how these groups and columns are inter-related and how they are populated.

In these worksheets there are no ‘subtotals’. All prices should only be entered once, at the lowest level of the price breakdown. This means that the cells for prices in the higher levels of the pricing structure will not have price data entered. For example, do not include pricing at level 3 and then subtotal those prices at level 2 of the price structure, as this will cause these prices to be counted twice in the totals below the table.

Price Breakdown. The first column is for a unique (eg, sequential) line number. When printed, this number repeats from one page to the next so that the price breakdown can be traced over multiple pages. The next three columns create a contract price breakdown structure comprising of the ‘CWBS Number and Title’ (ie, using the pricing levels from the

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'Menus' worksheet), Service Provider and source currency. Column (e) displays the exchange rate for the selected source currency.

One 'CWBS Number and Title' (ie, a pricing level from the 'Menus' worksheet) may have more than one Service Provider and, therefore, require more than one row to be entered into the worksheet. For example, a pricing level may have the prime contractor and one or more Approved Subcontractors, or one or more Approved Subcontractors without separately priced work for the contractor. Note that if the prime contractor is not a Service Provider for a line item / pricing level, the prime contractor's overheads, for managing the Subcontract, are still entered into the 'Contractor Overheads and Fees (annual basis) (i)' group of columns.

The 'Service Provider' drop down list will identify the prime contractor and Approved Subcontractors that have been listed in the 'Subcontractors' worksheet. Only the prime contractor and some or all proposed Approved Subcontractors (depending on the tender data requirements) need to be identified with their own rows in the 'Core Services - #' worksheets. Pricing details for the Contractor's non-Approved Subcontracts, and for the Approved Subcontractor's non-Approved Subcontracts, are generally included on the same line as the Contractor or Approved Subcontractor, respectively, except where there are non-Approved Subcontractors of different categories (ie, Labour, Materials and Other); in which case additional lines will be required. Names of non-Approved Subcontractors do not appear on this worksheet, unless included in the comments.

If the Commonwealth is considering making payments in source currencies (refer to TDR D regarding payment in source currencies), the pricing levels within a CWBS entry may be broken down further if payments for a Service Provider would be in more than one currency.

CWBS Number and Title	Service Provider	Source currency	Exchange rate
(b)	(c)	(d)	(e)
1.03.01.04 - MS1 Repairable Items Group 1 Maintenance	Military Materiel Maintainers Ltd - Prime	AUD	1.00
1.03.01.04 - MS1 Repairable Items Group 1 Maintenance	Euro Overhauls plc - AppSub	AUD	1.00
1.03.01.04 - MS1 Repairable Items Group 1 Maintenance	Euro Overhauls plc - AppSub	EUR	0.64

In the above example, the price for work performed by one Service provider (in two different countries) is broken down into the two currencies.

Contractor Direct Costs (on an annual basis). Column group (f) identifies labour, materials, other direct costs and non-Approved Subcontract prices for the Services provided by the prime contractor, in a particular currency. If Services provided within the same pricing level will have components in two or more different currencies, then an additional row may be needed for each additional currency.

In the Core Services worksheets, costs / prices are to be entered on an annual basis, even if a Ramp Up stage lasts for five, eight or nine months. This means that, if an activity occurs seven times per year, the price for seven activities is included. The total price is divided by 12 to determine a monthly payment amount.

Under the labour, materials and other direct costs categories, the tenderer / Contractor is to enter the amount in source currency. These costs are 'GST exclusive and fully burdened', as noted in the 'Instructions for Tenderer' worksheet. Hence, labour prices should be consistent with the 'Labour Rates' worksheet and the on-costs and direct overheads in the 'Schedule of mark-ups' worksheet (excluding indirect overheads and profit), when these worksheets are required.

The tenderer / Contractor is to insert the percentage of each amount that would qualify as ACE in accordance with the *ACE Measurement Rules*. An ACE amount in source currency is calculated from these values. Note that this method allows prices to be defined at the same pricing level in two or more different currencies, even when some of the work is being performed (or other costs are being incurred) in Australia or New Zealand.

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Contractor materials costs versus non-Approved Subcontracts for materials. While the pricing model will not be 'broken' by including materials costs under Contractor materials costs instead of a non-Approved Subcontract, it is important that the same cost does not appear under both columns as this would cause duplication.

For the Contractor's non-Approved Subcontract prices (ie, those not meeting the criteria for an Approved Subcontract), the tenderer / Contractor needs to identify the nature of the non-Approved Subcontract(s) from the 'Subcontract Type' drop down (ie, labour, materials or other). Many Subcontracts will include a combination of components (eg, providing materials will involve labour and freight charges) but only the primary cost component or dominant purpose for those Subcontract(s) should be selected from the drop down.

Contractor's 'other direct costs' (under column group (f)) does not include indirect costs (eg, General and Administrative (G&A) costs) and profit. Indirect cost components are added under column group (h), as described below.

Approved Subcontractor Prices (annual basis). Column group (g) identifies labour, materials, other direct prices and non-Approved Subcontract prices for the Services provided by an Approved Subcontractor, in a particular currency. These prices are inclusive of the Approved Subcontractor's overheads and profit, as applicable to each cost category, as would be charged to the prime contractor. As described for Contractor cost data (above), additional rows will be required for any additional source currencies.

Contractor Overheads and Fees (annual basis). Column group (h) identifies the Contractor's overheads and other fees for each line in the price breakdown. Indirect Overheads includes general and administrative (G&A) charges (refer to 'Indirect Costs' in the *ACE Measurement Rules* and the *CASG Cost Principles*) and these may be applied or allocated, as applicable, to:

- the Contractor's direct costs for Labour, Materials and Other Direct Costs (on an annual basis), including the Contractor's non-Approved Subcontract prices (column group (f)); and
- Approved Subcontract prices on an annual basis (which are costs to the Contractor but separated to provide greater insight) including the Approved Subcontractor's non-Approved Subcontract prices (column group (g)).

The 'Management Reserve' in this instance includes contingency and management reserve amounts (refer *CASG Cost Principles*) and any other risk or uncertainty-related fee or premium (however described) calculated for, or allocated to, the line item in the pricing breakdown. As with Indirect Overheads, these may apply to column groups (f) and (g).

The 'Profit' amount is the Contractor's profit applicable to the Contractor's costs in column group (f), the Approved Subcontract prices in column group (g), Indirect Overheads, and Management Reserve. Different profit levels may apply to different cost categories and, therefore, the 'Profit' amount inserted is not automatically calculated. However, the amount of profit should be derived from the profit levels identified by the tenderer / Contractor in the 'profit' section in the 'Schedule of Margins' worksheet.

The 'Contractor Overheads and Fees' should also be consistent with the information in the 'Schedule of Margins', 'Labour Rates', 'Material' and 'Other Direct Cost' worksheets, when these are required in the tender or the Contract.

Totals. Column group (i) calculates the totals from the other column groups, except for GST. The applicable GST must be inserted, in \$A. In most cases this will be 10% of the 'Total (ex. GST) (\$A)' amount; however, as some prices may have a GST-exempt component this has been left for manual entry.

Australian Contract Expenditure. Column group (j) is used to determine the total ACE% and amount in \$A. These numbers are automatically calculated from the previous columns.

Adjustments (reference). If the 'Adjustments (Complex)' worksheet is to be used, column (u) should include a cross-reference to that worksheet to identify the applicable column in the two 'Weightings' tables in that worksheet for the indices to be used to adjust the line item for fluctuations in price. If the 'Adjustments (Simple)' worksheet is to be used, this column can be left blank to use the default indices for the currency, otherwise a specific labour or materials index series may be identified.

OFFICIAL

Comments. The comments column allows entry of any comments and explanatory notes. This may be used to name non-Approved Subcontractors applicable to a line, or identify when a proposed Approved Subcontract (that has not been tendered) will be tendered.

Final checks. Tenderers, the Contractor and the Commonwealth using or referring to this worksheet should check the following, as applicable:

- That there are no price duplications within an individual line-item, especially where non-approved Subcontractor prices have been separated from the Contract amounts on the same line.
- Check that prices for each row are unique and not duplicated, including that there are no prices identified at a lower level price breakdown and also included in a higher level price within the same part of the price breakdown structure.
- Confirm that the totals (immediately below the price breakdown) are capturing prices from all lines (particularly if rows were added to the bottom of the table). Note that these totals are also copied to the top of the worksheet.
- Confirm that the values in the 'Total Currency Calculator' (the table below the Core Services table) appear to be totalling the correct currency breakdown. Note that whatever source currency is used, all GST is totalled to the top line (for AUD).
- Confirm that total prices are being transferred to the 'Contract Summary' worksheet.

Excluded Services

Excluded Services Fees are general pass-through costs (ie, no profit) that may be paid to cover expenses such as fixed charges for GFF utilities and some insurances. As such, Excluded Services Fees are not included in the calculation of Performance Payments.

Excluded Services Fees may increase in stages until a steady state is reached like Core Services Fees, but in this instance, a step up in pricing may be due to commencing occupation of GFF at a new base, rather than a change to the Services. In some cases, Excluded Services Fees can start before the Core Services; for example, if occupying GFF a couple of months before OD. In general, there will be fewer stages in the Ramp Up of Excluded Services Fees when compared to Core Services Fees.

Not all contracts will require Excluded Services Fees and the different types of fees will be limited. Accordingly, all Excluded Services Fees (for up to 10 stages) are included on the one worksheet. Applicable Ramp Up Milestones and the annual periods for the Excluded Services are identified on the 'Menus' worksheet. The start and end Milestones for each stage or year, and the duration of each stage in months, are transferred onto the 'Excluded Services' worksheet and appear as a heading above each table.

An explanation of each group (of columns) and each column of pricing data is included in the notes below the tables, at the bottom of the worksheet. The following description explains how these groups and columns are inter-related and how they are populated.

Item no. The first column is for a unique line number. When printed, this number repeats from one page to the next so that the price breakdown can be traced over multiple pages.

Item Description – columns (b) to (d). The line Item Description for an Excluded Service is entered directly into column (b). When a Source Currency is selected from a drop down list in column (c) the Exchange Rate will appear in column (d), with exchange rates from the 'Constants' worksheet.

Direct Costs – column (e) to (g). The Direct Costs are costs charged to the Contractor (eg, fixed utilities charge for GFF). Where the Commonwealth is aware of what these will costs be prior to tender, they may be entered and the comments column can be used to provide cross-references to GFF licences or other information. In other cases these columns will be completed by the tenderers.

Indirect Costs – columns (h), (f) and (g). The Indirect Costs, related to the Direct Costs, includes G&A charges (refer to 'Indirect Costs' in the *ACE Measurement Rules* and the *CASG Cost Principles*).

Totals – columns (i) to (k). These columns calculate the totals from the other column groups, except for GST. The applicable GST must be inserted, in \$A. In most cases this

OFFICIAL

will be 10% of the 'Total (ex. GST) (\$A)' amount, however, as some prices may have a GST-exempt component this has been left for manual entry.

ACE – columns (l) to (n). These columns for ACE, as a percentage and in source currency and \$A, are automatically calculated from the Direct Costs, Indirect Costs, and Total Price (inc GST) columns.

Adjustments. If the 'Adjustments (Complex)' worksheet is to be used, column (p) should include a cross-reference to that worksheet. For Excluded Services, it may be appropriate to identify a single index described on the Adjustments (Complex) worksheet, rather than a column from the 'Weightings' tables in that worksheet. If the 'Adjustments (Simple)' worksheet is to be used, this column can be left blank.

Comments. If applicable, further information may be included in the Comments column. For example, this may refer to the location of GFF if not included in the Item Description.

Final checks. Tenderers, the Contractor and the Commonwealth using or referring to this worksheet should check the following, as applicable:

- Confirm that the Price Total (\$A) at the top-left of the worksheet has captured the total amount for the Term of the Contract (in Base Date dollars).
- Confirm that total prices are being transferred into the 'Contract Summary' worksheet.

Task Priced Services

Task Priced Services are individual tasks where the price is known but the frequency is not known or is too variable from one year to the next, to be included within the Recurring Services (ie, as Core Services). Task-Priced Services allow parts of a Contract to function as a standing offer when the frequency of the identified tasks cannot be forecast. The list of Task Priced Services may include Services, such as performing an activity (eg, a training course) or the purchase of goods (eg, to procure additional Repairable Items from a catalogue of items). Under contract, Task Priced Services are initiated by a notice from the Commonwealth to the Contractor.

The list of Task Priced Services may be expanded over time, as the need arises or when it becomes more efficient. For example, if an S&Q Service is repeated a number of times and the cost is effectively the same, then to avoid the administration of each S&Q Service it may be easier to convert that into a Task Priced Service (ie, via a CCP).

An explanation of each group (of columns) and each column of pricing data is included in the notes below the table, at the bottom of the worksheet. The following description explains how these groups and columns are inter-related and how they are populated.

Item no. The first column is for a unique line number. When printed, this number repeats from one page to the next so that the price details can be traced over multiple pages.

Item Description – columns (b) to (d). The line Item Description for the Task Priced Service is entered into column (b). When a Source Currency is selected from a drop down list the exchange rate from the 'Constants' worksheet will appear in column (d).

Direct Costs (e). The direct cost of the Task Priced Service in source currency (refer to 'direct costs' in the definition of ACE and ICE within the *ACE Measurement Rules*, and Direct Costs in the *CASG Cost Principles*).

Indirect Overheads – column (f). The Indirect Costs related to the Direct Costs, which includes G&A charges, are to be inserted (refer to 'Indirect Costs' in the *ACE Measurement Rules* and the *CASG Cost Principles*).

Management Reserve and Profit – columns (g) and (h). Refer to the description of Contractor overheads and Fees in the 'Core Services' worksheet section above.

Total Prices – column (i). These columns calculate the totals from the other column groups, except for GST. The applicable GST must be inserted, in \$A. In most cases this will be 10% of the 'Total Price (ex. GST) (\$A)' amount, however, as some prices may have a GST-exempt component this has been left for manual entry.

ACE – column (j). A percentage and an amount of ACE, per line, is calculated in these columns from the data in the preceding columns. Note that, because there are no Task

OFFICIAL

Price Services actually included in the known price of the Contract at ED, these numbers are tendered but not included in the 'ACE Summary' worksheet. Note that the ACE within Task Priced Services will be reported when under Contract.

Adjustments (reference). If the 'Adjustments (Complex)' worksheet is to be used, this column should include a cross-reference to that worksheet. If a complex task with many components, the cross-reference may identify the applicable column from the 'Weightings' tables in that worksheet for the indices to be used to adjust the line item for fluctuations in price. In other cases, it may be preferable to refer to a single index (eg, a materials index for equipment or materials costs). If the 'Adjustments (Simple)' worksheet is to be used, this column can be left blank.

Comments. Any additional information or comment about the Task Priced Service. If applicable, this could identify a Subcontractor as a supplier of equipment or as the service provided for the Task Priced Service.

S&Q Services

Survey and Quote (S&Q) Services are a core pricing component of the *ASDEFCON (Support)* template, which are included to address any Services where the scope cannot be forecast or it is not reasonable to forecast them in advance of the Contract. S&Q Services may include system enhancements through engineering design activities, damage repairs, one-off purchases of supply items, significant updates to training materials, and more.

S&Q quotations are prepared in accordance with DID-SSM-S&Q using the rates defined in this worksheet when included in Attachment B of any resulting contract. Pre-Authorised Ad Hoc Services in *ASDEFCON (Support)* also use the S&Q Services rates.

An explanation of each group (of columns) and each column of pricing data is included in the notes below the tables, at the bottom of the worksheet. The following description explains how these groups and columns are inter-related and how they are populated.

Schedule of Labour Rates for S&Q Services

In the top table of the worksheet, for labour rates, the Commonwealth may identify some categories of labour and skill levels; however, in general these categories will be identified and the table will be completed by tenderers.

The labour rates for S&Q Services are divided into 'Normal Time', for normal working hours in column group (a), and 'Other Time', in column group (b). Tenderers need to identify the meaning of 'Normal Time' and 'Other Time' in their tender response to TDR D (but this is not necessary within this worksheet).

Tenderers need to complete the pricing information, including source currency, for any labour skill categories identified by the Commonwealth, and also insert all additional labour skill categories that will likely be required to perform S&Q Services.

Categories of Labour and Skill Levels. The 'Category of Labour and Skill Level' should be populated to identify all of the labour categories (ie, trades and professions) that would likely be required to perform Services identified as S&Q Services in the SOW. Additional rows should be included for each applicable skill level (eg, tradesperson, trade supervisor, etc, however described) within a labour category.

Where personnel will be located in different countries, additional rows should be added for each source currency for a labour category and skill level that is likely to be required (eg, an engineer working in Australia and one located overseas, if there is a possibility of both being required at some point in time). When a source currency is selected from a drop down, the exchange rate will appear in column (f), with exchange rates from the 'Constants' worksheet.

Normal Time and Other Time prices. Columns within the 'Normal Time' and 'Other Time' groups are the same, but with a higher cost anticipated for 'Other Time' (eg, with overtime loading or weekend rates). Hourly rates are to be included for direct labour (refer to 'salary and wages' in the *ACE Measurement Rules* example cost categories, and 'direct labour cost' in the *CASG Cost Principles*).

OFFICIAL

Columns for G&A fees and profit are to include those costs, priced on an hourly basis, as applicable to the hourly rates direct cost. Other than being hourly rates, G&A and profit are the same as described for the Indirect Costs for Core Services.

The Total Hourly Rate (Source) is the sum of the previous three columns.

An ACE percentage (ACE%) is to be inserted for each line item. This percentage may be similar for many rates, but it can differ significantly if the same category of labour and skill level has been identified for different countries. Note that source currency alone does not determine ACE (refer to the *ACE Measurement Rules*) and in some instances an amount paid to a contractor in foreign currency may be spent on personnel in-country (eg, field service representative). Although not included in the forecast expenditure for a contract in the 'ACE summary' worksheet, ACE is considered when quoting for high-value S&Q Services that are prepared using these labour rates.

Adjustments (reference). If the 'Adjustments (Complex)' worksheet is to be used, the Adjustments (reference) column should refer to a labour index included in the 'Adjustments (Complex)' worksheet (ie, not a column from the 'Weightings' tables in that worksheet). If the 'Adjustments (Simple)' worksheet is to be used, this column can be left blank.

Margins for S&Q Services

In the lower table on the 'S&Q Services' worksheet, the Commonwealth may set a threshold for which margins are applied to materials, Subcontracts and other Allowable Costs. The mark up for a higher value should be a lower percentage because overheads do not increase linearly with the cost of materials, the value of a Subcontract, etc.

Tenderers need to identify the margins / mark-ups to be applied to materials, Subcontracts and other Allowable Costs in the lower table. Refer to the *CASG Cost Principles* in regards to the scope of Allowable Costs.

Final checks

Tenderers, the Contractor and the Commonwealth using or referring to this worksheet should check the following, as applicable:

- Confirm that the hours defined for 'Normal Time' and 'Other Time' have been identified in response to TDR D for the tender, or included in Attachment B of any resulting contract.
- Confirm that the full range of labour categories and skills levels have been identified and priced, including when the same categories apply in different source currencies.

Milestone Schedule

For many support contracts, where the majority of payments are Recurring Services Fees, there may be little or no need for Milestone Payments within Attachment B. Note that S&Q Services can include Milestone Payments even when Attachment B to the Contract does not.

There may be Milestones included in a Contract with no Milestone Payment, as these can be used define the criteria to progress from one stage of Ramp Up to the next. Accordingly, these Milestones identify when to change from the pricing in one 'Core Services - #' worksheet to the next, and/or to the next table in the 'Excluded Services' worksheet. For example, occupying GFF in a new location may be a Milestone that starts an Excluded Services Fee, but a second Milestone may be needed for when Services can be provided from that new GFF, and from when a new Core Services Fee applies.

In a support contract, the performance of major work activities (eg, depot maintenance) may be linked to Performance Payments and, as a result, a Milestone Payment is not needed as a 'reward' for on-time completion.

Despite all of the above, Milestone Payments can still be useful in a support contract. For example, to enable payment for Phase In Services before OD, or in those few cases when Performance Payments are not used.

The Milestones listed in the 'Milestone Schedule' worksheet must be consistent with the Milestone Schedule in draft Attachment C. Note that Attachment C is the authoritative

OFFICIAL

reference for Milestone dates and descriptions; however, some details are copied here for convenience.

An explanation of each column is included in the notes below the table, at the bottom of the worksheet. The following description explains how these columns are inter-related and how they are to be populated.

Milestone details – columns (a) to (e). The Line no., date and description details should be copied from or otherwise aligned with Attachment C. When a Milestone Payment will include amounts paid in more than one source currency, an additional row will be needed for each additional currency.

Price / Payment amount details – columns (f) to (i). For Milestones expected to involve payment, tenderers are to insert the applicable price for the Milestone payment in source currency, and GST in \$A. GST is entered manually. In most cases, GST will be 10%, but some prices may include a GST-exempt component. Other values (payments in source currency and the total in \$A) should calculate automatically.

ACE – columns (j) and (k). An ACE percentage is to be inserted for each line item, other than for any nil-payment Milestones. The ACE Amounts should calculate automatically and will also be included in the Milestone Payments of the 'Contract Summary' worksheet.

Adjustments (reference) – column (l). If the 'Adjustments (Complex)' worksheet is to be used, then for Milestones with Milestone Payments, the Adjustments (reference) column may refer to the 'Adjustments (Complex)' worksheet.

If a Milestone includes a combination of cost components, then the Adjustments (reference) column may refer to one of the columns from the 'Weightings' tables in the 'Adjustments (Complex)' worksheet for multiple indices. If the Milestone only requires a single price index, then the Adjustments (reference) column may refer to that index listed in the 'Adjustments (Complex)' worksheet. Note that if a Milestone will occur within the first year, when Base Date amounts apply, there is no need to reference any indices.

If the 'Adjustments (Simple)' worksheet is to be used, then the Adjustments (reference) column can be left blank.

Comments. Any additional information or comment, not included in the description of the Milestone, may be included here. For example, this may refer to a unique Milestone checklist or a clause in the draft Contract (eg, for Operative Date).

Final checks. Tenderers, the Contractor and the Commonwealth using or referring to this worksheet should check the following, as applicable:

- Confirm that the descriptions of Milestones are adequate, with links to Attachment C and/or checklists, Contract clauses or other details as appropriate.
- When applicable, confirm that the Milestone descriptions used to progress from one 'Core Services' worksheet to the next, or one 'Excluded Services' table to the next, match the applicable Milestones in this worksheet (and Attachment C).
- Confirm that the total amounts for the Milestone, priced in \$A, are appearing on the 'Contract Summary' worksheet.
- When applicable, ensure that the Adjustments (reference) refers to the applicable column or index in the 'Adjustments (Complex)' worksheet.

Contractor Standing Capability

A Contractor Standing Capability (CSC) can be included in a contract using the optional CSC Module. The purpose of a CSC is to provide on-going access to a pool of expertise, often used for specialist engineering and design activities, but may also be used for maintaining Training Materials or other activities where each event is difficult to forecast. Without a CSC, the result is often a continuous series of S&Q Services that incur higher labour charges and have reduced skills continuity, due to their stop/start nature. The CSC provides a cost-effective alternative with on-going payments for the contractor and greater continuity of work for the contractor's personnel over the duration of the CSC Term. Further information and guidance is included in the CSC Module

OFFICIAL

The 'Contract Standing Capability' worksheet not only defines the pricing for the CSC, it also defines the composition of the CSC, in terms of the categories of labour and skill levels engaged, to be employed for a CSC Term. Note that a CSC Term may be one to three years, as defined in the Glossary (after which time, the composition may be changed for a new CSC Term); however, there is a 'true-up' of payments after each six-month CSC Period.

An explanation of each column is included in the notes below the table at the bottom of the worksheet. The following description explains how these columns are inter-related and how they are to be populated.

CSC Personnel – columns (a) to (h). The first seven columns describe the CSC Personnel and the hours that they are available for CSC tasking in a year. The 'Category of Labour and Skill Level' should be populated to identify all of the labour required to perform CSC Services. Some of these may be specified by the Commonwealth, particularly to enable the continuation of system knowledge in engineering teams used for major changes (which are otherwise managed as S&Q Services). The tenderer may be required to identify all other CSC Personnel (or all CSC Personnel if the Commonwealth does not specify any) based on a Commonwealth description of the nature of work and level of effort anticipated in the initial CSC Term.

Rows should be added for each skill level within a labour category and, where CSC Personnel will be located in different countries, additional rows should be added for each Source Currency. When a Source Currency is selected from a drop down the Exchange Rate will appear in column (d), with exchange rates from the 'Constants' worksheet.

Columns (e) and (f) are to specify the number of 'full time equivalent' (FTE) personnel and the number of hours per year a FTE person would be available for CSC Services. This allows for other than full time personnel to be employed in the CSC (eg, 0.5 FTE for part-time access to a specialist) and acknowledges that personnel have other commitments (eg, training) that limits the Annual CSC Service Hours available, as calculated in column (g).

A CSC Period lasts six-months, after which time there is a 'true-up' process and if the Contractor did not provide the number of CSC Service Hours required for the period (eg, it took longer than expected to recruit all of the CSC Personnel), then their payments are adjusted accordingly. The first CSC Period starts with the CSC Term, which may be at any time during a year (and not always the OD); hence, the two 6-monthly periods allows for different hours to be available in each CSC Period (eg, due to public holidays and stand-down periods).

CSC pricing – columns (i) to (l). The first four columns (i) to (l) identify the hourly rate of direct costs, plus G&A and Profit, in order to calculate a total hourly rate. These are defined similar to the hourly rates for S&Q Services (described above) but expected to be lower due to the on-going nature of a CSC (priced similar to Core Services).

Column (m) calculates an annual price in source currency, based on the hourly rate and the number of Annual CSC Service hours for that line item. GST, in \$A, is entered into column (n) and a total amount (including GST, in \$A) is calculated in column (o).

ACE – columns (p) and (q). An ACE percentage is inserted in column (p) and the ACE amount will be calculated in column (q). The ACE percentage and ACE amounts for the CSC may be reported in CSRs, but they are not included in Prescribed ACE Percentages, if these percentages are included in the contract.

Adjustments (reference) – column (r). If the 'Adjustments (Complex)' worksheet is to be used, the Adjustments (reference) column should refer to a specific labour index included in the 'Adjustments (Complex)' worksheet (ie, not a column from the 'Weighting' table in that worksheet). If the 'Adjustments (Simple)' worksheet is to be used, this column can be left blank.

Comments – column (s). Used for any additional comments, if required.

CSC Total and Fees – rows (t) to (x). The lower table totals the annual price for all CSC Service Hours. Any additional annual costs may be added (ie, a facilities-related cost or other costs not directly linked to the hourly rates). The CSC Term, in months, is used to calculate the CSC totals on the 'Contract Summary' worksheet.

OFFICIAL

Final checks. Tenderers, the Contractor and the Commonwealth using or referring to this worksheet should check the following, as applicable:

- Confirm that the details for CSC Personnel, including skills and available hours, are consistent with the needs of the CSC.
- Confirm that the full range of required labour categories and skills levels have been priced, including when the same categories apply in different source currencies.
- Confirm that the total section is complete and that the price for the CSC is appearing in the Contract Summary.

Specific Prices

The 'Specific Prices' worksheet identifies the specific prices that will be considered during tender evaluations and at negotiations. This worksheet needs to be tailored by the Commonwealth drafter before the tender is released.

An explanation of each column is included in the notes below the table at the bottom of the worksheet. The following description explains how these columns are inter-related and how they are to be populated.

Identifying Specific Prices. The default list of prices in the worksheet contains a number of required and suggested price descriptions that need to be reviewed, and potentially tailored by the Commonwealth drafter. To the left of column (a) are indicators as to whether a listed price is 'core', 'RFT core' or 'optional' – these are included as guidance for the drafter and must be deleted before the tender is released as all items remaining in the list will need to be priced.

Some prices are identified as core, such as insurance. Some prices may be identified as RFT Core, for example, prices for bank guarantees for mobilisation payments (if Mobilisation Payments will be considered by the Commonwealth) and performance. These prices need to be tendered and, subsequently, it will be decided if they need to be included in any resulting contract.

Any prices indicated as optional are included if required for the scope of the draft Contract. For example, if a Government Furnished Facility (GFF) is being considered then the added cost of not providing that GFF would be tendered, and the Commonwealth would use that information if deciding whether to provide the GFF.

If required, additional rows can be added if additional 'specific prices' need to be identified (eg, when there are multiple sites available for GFF, or for individual items or packages of GFM will be offered).

Commonwealth drafters need to ensure consistency between the list in the 'Specific Prices' worksheet and the requirements in TDRs that ask for specific prices, including Commercial (TDR C), Financial (TDR D), and General (TDR E).

Once the list of specific prices has been decided, the Commonwealth drafter should confirm that column (c) properly identifies if prices should be included or not included in the tendered price for the draft Contract for the Initial Term (eg, if Defect Rectification premiums should be included in the Core Services, most likely as overheads). If 'not included' in the tendered price, a specific price will only appear on this worksheet. The Commonwealth drafter may add relevant comments to the comments column.

Pricing details. Tenderers are to provide pricing details (currency, amount and GST) against the listed specific price descriptions. Tenderers may add relevant comments to the comments column.

Final checks – Commonwealth. The Commonwealth drafter should confirm that:

- the list of specific prices includes all of those that are required to support the tender and the scope of the draft contract.
- the Commonwealth has identified which specific prices are to be included within the worksheets (ie, as opposed to those prices only appearing in this table).

Final checks – Tenderers. Tenderers should check the following, as applicable:

OFFICIAL

- Confirm that the prices 'included in tendered price' are included in the appropriate (noting that many, like insurance, will be included within 'Indirect Overheads').
- Ensure that the prices identified as NOT 'included in tendered price' have not been included in other worksheets, to avoid double-counting.

Adjustments

The 'Adjustments (Simple)' or 'Adjustments (Complex)' worksheets, whichever is chosen for the draft Contract, enables prices to be adjusted for fluctuations in the cost of labour and materials. Following the standard *ASDEFCON (Support)* process, each year the pricing tables are updated, and the worksheet identifies the cost indices (index series) to be used and the relevant cost components (weightings) needed to calculate 'current year' prices.

The 'Adjustments (Simple)' worksheet, as its name implies, is the simpler of the two. For each applicable currency, it uses a single labour index and a single materials index to calculate the adjusted price for a new year, from the previous year's price. A different set of labour and materials indices is required for each currency.

The labour and materials indices apply to an industry sector and, as such, indexation may not exactly match the mix of labour skills and materials costs applicable to the Contract but, in general, will calculate adjustments that are 'close enough'. If, after a few years, a variance between contract pricing and real prices becomes evident, FIS can assist to review the pricing and help to make further adjustments.

The 'Adjustments (Complex)' worksheet allows for a greater degree of accuracy when compared to the 'Adjustments (Simple)' worksheet; however, the consequence is a more detailed application of various indices, leading to added complexity. This worksheet enables different adjustments for different groups of prices, with each group of prices mapped against multiple labour and materials cost indices, each with applicable weightings.

The 'Adjustments (Complex)' worksheet is applicable when Prescribed ACE Percentages are included in the Contract (ie, for >\$20m per year in Recurring Services), as under-performance of the Achieved ACE Percentage is linked to remedies. Noting that ACE is calculated for expenditure (ie, not price) the added accuracy ensures that the ACE in adjusted prices remains accurate, and any variance between the Prescribed ACE Percentages and ACE in real costs does not incorrectly trigger an under-performance.

Adjustments (Simple)

Two formulae appear at the top of the worksheet, above a table for the indices. In the table for indices, one labour and one materials index series can be identified for each currency used in the Contract. The labour component (Y) and materials component (Z) identify the 'weighting' or percentage of the price that apply to those components – the same weightings are used for all prices in a currency. For each line, $Y + Z = 1.00$, to account for 100% of the labour and materials components that contribute to the price, in each currency.

Prices for Recurring Services, and other Services that include a mix of labour and materials, use the first formula:

$$P_1 = \left(Y * \frac{L_1}{L_0} + Z * \frac{M_1}{M_0} \right) * P_0$$

For S&Q Services (and CSC Services, if applicable) the second, simpler formula can be used, which adjusts a price (rate) using only a labour index series:

$$P_1 = \frac{L_1}{L_0} * P_0$$

Tenderers are requested in TDR D to identify the applicable indices for this worksheet. The currencies that appear in the first column are those that were entered in the 'Instructions for Tenderer' worksheet.

Adjustments (Complex) – Recurring Services

In the 'Adjustments (Complex)' worksheet, the top two tables on the left of the worksheet identify the various labour and materials index series. If a contract involves different currencies, indices are needed for each currency as the costs for the same category of

OFFICIAL

labour or materials will change at different rates in different countries. For preferred indices, refer to the notes in the Adjustments clause, in Attachment B of the draft Contract.

The top two tables to the right of the worksheet are the 'Weightings' tables, which identify 'cost components' (Y and Z) for the index series in the left tables (L and M). 'Weightings' are the 'percentage of a price' that is attributed to an individual labour or materials index series. Accordingly, each of the columns (A₁, A₂, etc) represent a price-adjustment formula, with unique combination of weightings and index series used.

In the 'Core Services' worksheets, the 'Adjustments Reference' column (u) for each CWBS Line Item cross-refers to the applicable column (A₁, A₂, etc) in the 'Weightings' tables to establish the formula to apply to that CWBS Line Item. Note that a cross-reference could also be made to an individual labour or materials index series, if a price was based solely on labour or materials from that one index series.

Each currency in the 'Core Services' worksheets is separately identified in its own CWBS Line (ie, different currencies are not mixed). Therefore, a column in the Weightings tables (and each formula) should only contain values against indices in the one currency.

The bottom table of the 'Adjustments (Complex)' worksheet provides the ability to error check the 'Weightings' tables. For each column, the sum of the values across the Labour and Materials Weighting tables must add to 1 or, in other words, account for 100% of the price for a Service. Hence, all numbers in the cells in the lower table should be 1.000. If a number other than 1.000 (or blank / zero) appears, then there is an error in the weightings.

Note that one column in the 'Weightings' tables may be used for many CWBS Line Items in the 'Core Services' worksheets, where the breakdown of labour and materials is the same. While the 'Weightings' tables include 25 different columns, columns should only be populated to the extent that there are different combinations of labour and materials for the prices in each of the applicable currencies.

Example Adjustment Calculation

Below the tables in the worksheet is a formula, copied from Attachment B, in which indices and weightings are used to calculate the adjusted price (P_n) for the new pricing period.

$$P_n = \left(\sum_{i=1}^q \left(Y_i * \frac{L_n}{L_0} \right) + \sum_{k=1}^r \left(Z_k * \frac{M_n}{M_0} \right) \right) * P_0$$

As an example, a price based on two labour and one materials component may be adjusted by a formula that uses values from column "A₁" (adjustment formula 1). The two labour indices (q=2) are L₁ and L₂, and one materials index (k=1) is M₁. Each labour index represents a 40% component of the price, and the materials represent the remaining 20%.

Labour Cost Indices					
Labour Index (Li)	Index Description	Index table	Series ID	Currency	A ₁
L ₁	6345.0 Labour Price Index, Australia	Table 9b Ordinary hourly R	A2638819F	AUD	Y ₁ 0.400
L ₂	6345.0 Labour Price Index, Australia	Table 9b Ordinary hourly F	A2638829K	AUD	Y ₂ 0.400
L ₃					Y ₃
L ₄					Y ₄
Materials Cost Indices					
Materials Index (Mi)	Index Description	Index table	Series ID	Currency	A ₁
M ₁	6427.0 Producer Price Index, Australia	243, Electrical Equipm	A3343901R	AUD	Z ₁ 0.200

Hence:

Y₁ = 0.40, Y₂ = 0.40 and Z₁ = 0.20

and Y₁ + Y₂ + Z₁ = 1.00 (as per the error checking in the bottom table in the worksheet).

In this example assume, for simplicity, that all of the previous year's index values equal 1.00. The current index values (n='now') are found by looking up the Australian Bureau of Statistics (ABS) tables, which show that prices have risen by 3%, 4% and 5% respectively, ie:

for labour index series L₁: L₀ = 1.00 and L_n = 1.03

for labour index series L₂: L₀ = 1.00 and L_n = 1.04

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for materials index series M₁: M₀ = 1.00 and M_n = 1.05

Working through the formula:

for labour index series L₁: $Y_1 * L_n / L_0 = 0.40 * 1.03 / 1.00 = 0.412$

for labour index series L₂: $Y_2 * L_n / L_0 = 0.40 * 1.04 / 1.00 = 0.416$

for materials index series M₁: $Z_1 * M_n / M_0 = 0.20 * 1.05 / 1.00 = 0.210$

then:

the labour values (i=1 to 2) are summed = 0.412 + 0.416 = 0.828

the materials values (k = 1) are summed = 0.210 (ie, only one in this example)

and labour and materials values are added = 0.828 + 0.210 = 1.038

Meaning that, overall, costs have increased by 3.8% since the last adjustment (or Base Date). Hence, if last year's price (P₀) was \$1000, then for the new pricing period following the Adjustment Date:

$$P_n = 1.038 * \$1000 = \$1038$$

Adjustments (Complex) – other payment types

For S&Q rates, the complex formula simplifies (after inserting 0's and 1's, as applicable) to the following:

$$P_n = \frac{L_n}{L_0} * P_0$$

The simplified formula will also apply to other prices that only require one index for price adjustment; for example, CSC Services (rates) and Task-Priced Services that are all or predominantly related to a single category of labour or materials. In the case of S&Q and other applicable payment types, the 'Adjustments (Reference)' cells in the respective worksheet can cross-refer to a single index (eg, L₁, L₂ ... or M₁, M₂ ...) as applicable, rather than a combination of indices through the 'Weighting' table columns (A₁, A₂ ... etc).

Completing the Adjustments worksheet

Of the two worksheets 'Adjustments (Complex)' and 'Adjustments (Simple)', whichever one is not being used, should be annotated as 'Not Used' and the worksheet hidden.

The note to tenderers in Attachment B to the draft Contract refers to the indices preferred by FIS. Links can also be found on the FIS website:

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

The Commonwealth drafter may identify various preferred labour and materials index series for the applicable 'Adjustments' worksheet – refer to FIS for advice. Otherwise, indices and weightings are to be inserted by tenderers.

The 'Adjustments (Complex)' worksheet allows for a number of formulae using different sets of indices. However, with multiple currencies, more columns may be required (A₁, A₂ ... etc). Any additional columns can be added to the right of the existing columns.

If using either the 'Adjustments (Complex)' or 'Adjustments (Simple)', when there are several currencies in use additional rows may be required. Rows can be added to the bottom of the required table; however, the formula or cell data validation (drop down list) may need to be dragged down to the new rows.

If different index series are required for different countries that use the same currency, then additional currency identifiers may be needed. In this case, refer to the 'Constants' worksheet (above) discussion for details.

SUPPORTING INFORMATION WORKSHEETS

Introduction

The following worksheets provide supporting information to assist the Commonwealth to understand the tenderers / contractor's pricing information contained in the 'Core Services' and other worksheets:

- Schedule of Margins
- Labour Rates
- Material
- Other Direct Cost

These worksheets are used by FIS when assisting Commonwealth contracting teams with cost investigation. The tables are also useful when assessing any change in price during an Offer Definition and Improvement Activities (ODIA) phase, if applicable, negotiations, or for a CCP.

Commonwealth drafters should seek advice from FIS as to which of these supporting information worksheets should be included in a tender.

Schedule of Margins

The 'Schedule of Margins' worksheet assists the Commonwealth to understand the margins applied to labour, materials and overheads identified in the 'Core Services' worksheets.

Note that 'Labour on-cost components' and 'Labour Overhead / Direct Overhead' should not include the same (ie, duplicate) cost components – particularly if these numbers are used for calculations in the 'Labour Rates' worksheet.

Additional guidance is included in the worksheet.

Labour Rates

The 'Labour Rates' worksheet assists the Commonwealth to understand the individual labour rates for different positions in the workforce that will be included in the labour costs in the 'Core Services' worksheets, and 'Contractor Standing Capability' worksheet, when applicable.

The 'positions' to be identified are applicable labour skills in a given location. This acknowledges that the same skills at different geographic locations, but within the same country, may have different rates.

Note that the 'S&Q Services' worksheet will have different rates to the 'Labour Rates' worksheet, due to the short-term nature of S&Q work.

Material

The 'Material' worksheet assists the Commonwealth to understand the cost of materials that are priced in the 'Core Services' and other worksheets.

Other Direct Cost

The 'Other Direct Cost' worksheet assists the Commonwealth to understand the other direct costs that are priced in the 'Core Services' and other worksheets.

PREPARING WORKSHEETS AS ANNEXES

Background

Applicable worksheets from the SPTPW are intended to be used as the source for Annexes to Attachment B of any resultant contract. Due to the dynamic nature of Excel® workbooks, the worksheets are saved in searchable Portable Document File (PDF) format, to provide a 'stable' set of controlled documents that are suitable as part of a contract.

Header Information

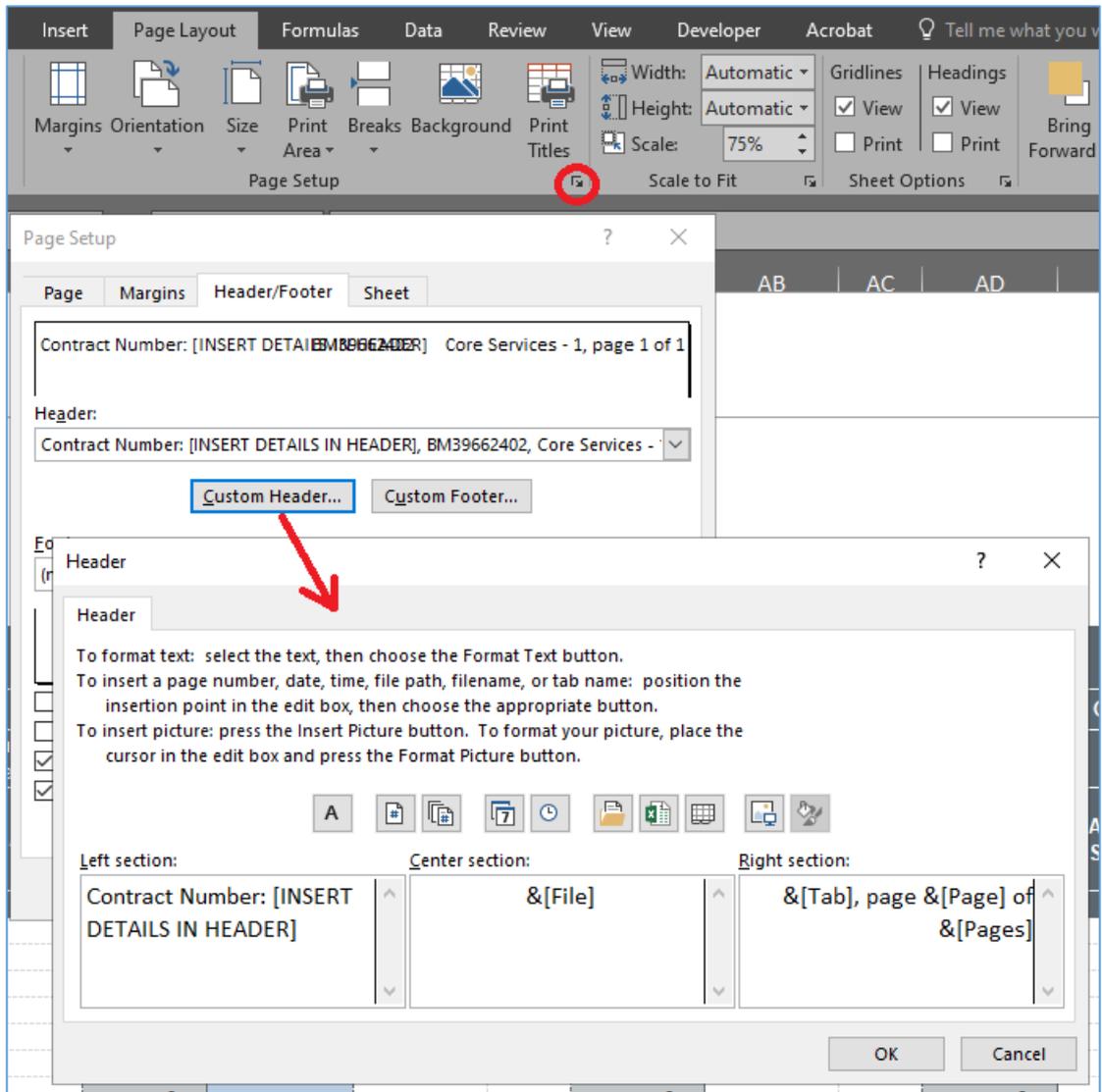
Header information, to be printed on each PDF page, should be sufficient to identify contract and document version information (ie, version numbers for CCPs) if printed. As of the 2016 release of Microsoft Excel®, the ability to reference document properties was limited and some details need to be manually inserted into the header.

Worksheet header information can be accessed from the ‘Page Layout’ ribbon and the ‘Page Setup’ group by clicking the expand icon (circled in the picture below), or by the page size or margin size options, and selected the “Header/Footer” tab.

To edit the header, click the “Custom Header ...” button and insert details where indicated.

If the document version number is not identifiable within the file name (included using the &[FILE] property), then a version number will need to be inserted manually.

Include appropriate security classification levels in the headers and footers.



Notes on Print Areas and Page Sizes

Print areas have been set for worksheets that will form the Annexes to Attachment B. Where possible, these have been sized to exclude ‘Notes to Drafters’ but should include explanatory notes for columns (unless they are for ‘tender-only’ data). If necessary, the ‘Print Areas’ may need to be resized to capture all relevant data.

Where possible, worksheets have been sized to print to either A4 or A3-sized pages. However some worksheets with many columns, such as the ‘Core Services’ worksheets,

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will span more than one page in a horizontal direction. If suitable, the page size may be increased to a larger format (eg, A2) or the print area can be scaled to fit. If scaling to fit, the resulting PDF file should still be readable if the pages are printed to paper.