

SCHEDULE 2 – PRICING

SCHEDULE

(DFAT is seeking industry feedback on all aspects of the Schedule 2 and the following is provided on a draft basis only)

1. TOTAL AMOUNT PAYABLE

1.1. The maximum amount payable by DFAT to the Contractor for the provision of the Goods and/or Services shall not exceed the sum of AUD[insert amount] plus GST if any up to a maximum amount of AUD[insert 10 percent of the Contract amount]. DFAT shall not be liable for any Costs or expenditure incurred by the Contractor in excess of this amount.

- (a) Management Fees not exceeding the sum of AUD[insert amount] plus GST;
- (b) Performance Fee not exceeding the sum of AUD[insert amount] plus GST;
- (c) Personnel Fees including:
 - (i) Long term Personnel Costs (ARF) up to a maximum of AUD[insert amount] plus GST;
 - (ii) Short term Personnel Costs (ARF) up to a maximum of AUD[insert amount] plus GST;
 - (iii) Long term Personnel Costs (non ARF) up to a maximum of AUD[insert amount] plus GST;
 - (iv) Short term Personnel Costs (non-ARF) up to a maximum of AUD[insert amount] plus GST;
- (d) Personnel Support Costs up to a maximum of AUD[insert amount] plus GST;
- (e) Operational Costs up to a maximum of AUD[insert amount] plus GST; and
- (f) Cost of Works, Consultancies and Services up to a maximum of AUD[insert amount] plus GST.

2. MANAGEMENT FEE

2.1. The maximum amount payable to the Contractor in Management Fees shall not exceed the sum of AUD[insert amount] plus GST.

2.2. The Management Fee is comprised of the following:

- (a) profits, including commercial margins and mark-up for personnel and project management;
- (b) financial management costs; including the cost of financial charges;
- (c) costs of Contractor administrative and head office staff if any;
- (d) insurance costs as required by this Contract, but exclusive of medical insurance costs for Personnel;
- (e) taxation, as applicable;
- (f) costs of complying with the Contractor's reporting and liaison obligations under this Contract;
- (g) costs associated with all personnel briefings in Australia or in-country;
- (h) costs associated with any subcontracting and procurement of goods and services;
- (i) costs, including domestic and international travel, accommodation, per diems and local transport costs where required for Contractor Head Office personnel;
- (j) any other overheads required to perform the Services in accordance with this Contract;
- (k) all escalators for the management fees for the term of this Contract; and
- (l) any allowance for risks and contingencies.

2.3. DFAT shall pay the Contractor the Management Fees as follows:

- (a) a Fixed Management Fee of up to AUD[insert amount] plus GST calculated based on a monthly payment of up to AUD[insert amount]. DFAT shall pay the Contractor the Fixed Management Fee at the end of each **one (1) month** period on a reimbursable basis in arrears subject to receipt of a correctly rendered invoice;
- (b) a Variable Management Fee [DFAT is seeking industry comments on a scalable and manageable variable management fee structure].

3. **PERFORMANCE FEE**

3.1. DFAT shall pay the Contractor a Performance Fee at the end of each **twelve (12) month** period and subject to the Contractor's Partner Performance Assessment (PPA), in accordance with **Schedule 9**. The amount payable will

be calculated based on the Contractor's overall PPA rating and calculated on the following basis:

- (a) 3% of the Management Fee for the relevant period where the overall score on the PPA is rated *Adequate (4)*;
- (b) 3% of the Management Fee where the overall score on the PPA is rated *Good (5)*;
- (c) 3% of the Management Fee where the overall score on the PPA is rated *Very Good (6)*.

3.2. The overall score on the PPA is to be calculated as the average of the "Overall Ratings" for the 5 performance criteria specified in **Schedule 9** rounded to the nearest whole number.

4. **PERSONNEL FEES**

4.1. DFAT shall reimburse the Contractor at actual cost up to a maximum of AUD[insert amount] plus GST for Personnel Fees as follows:

[to be taken from the preferred tenderer's response]

LONG TERM PERSONNEL COSTS (ARF)

4.2. DFAT shall reimburse the Contractor at actual cost up to a maximum of AUD[insert amount] plus GST for the Long Term ARF Personnel Costs as specified in **Table [XX] in Annex [XX]** to this **Schedule 2**. For each Long Term Personnel engaged under the ARF, DFAT shall pay the Contractor the following items:

- (a) the Monthly Remuneration Rate in accordance with the Job Level and Professional Discipline Category specified in the position Terms of Reference and calculated in accordance with the Adviser Remuneration Framework. The Monthly Remuneration Rate shall be inclusive of:
 - (i) base salary;
 - (ii) Superannuation Guarantee Contribution, if any;
 - (iii) paid annual leave allowances of up to **twenty (20) days** per annum, to accrue on a pro rata basis per **twelve (12) months'** continuous engagement on the Project;
 - (iv) any locally recognised public holidays;
 - (v) private transport costs;

- (vi) all escalators for the term of this Contract; and
- (b) Mobility Allowance, where applicable;
- (c) Mobility Allowance Supplement, where applicable;
- (d) Special Location Allowance, where applicable.

SHORT TERM PERSONNEL COSTS (ARF)

- 4.3. DFAT shall reimburse the Contractor at actual cost up to a maximum of **AUD[insert amount]** plus GST for Short Term ARF Personnel Costs as specified in **Table [XX] in Annex [XX]** to this **Schedule 2**. For each Short Term Personnel engaged under the Adviser Remuneration Framework, DFAT shall pay the Contractor the following items:
- (a) the Daily Remuneration Rate in accordance with the Job Level and Professional Discipline Category specified in the position Terms of Reference and calculated in accordance with the Adviser Remuneration Framework. The Daily Remuneration Rate shall be inclusive of:
 - (i) base salary; and
 - (ii) Superannuation Guarantee Contribution, if any.

LONG TERM PERSONNEL COSTS (NON-ARF)

- 4.4. DFAT shall reimburse the Contractor at actual cost up to a maximum of **AUD[insert amount]** plus GST for Long Term non-ARF Personnel Costs as specified in **Table [XX] in Annex [XX]** to this **Schedule 2**. For each Long Term Personnel, DFAT shall pay the Contractor the following items:
- (a) a Monthly Remuneration Rate inclusive of:
 - (i) base salary;
 - (ii) Superannuation Guarantee Contribution, if any;
 - (iii) paid annual leave allowances of up to **twenty (20) days** per annum, to accrue on a pro rata basis per **twelve (12) months'** continuous engagement on the Project;
 - (iv) any locally recognised public holidays;
 - (v) private transport costs; and
 - (vi) all escalators for the term of this Contract.

SHORT TERM PERSONNEL COSTS (NON-ARF)

- 4.5. DFAT shall reimburse the Contractor at actual cost up to a maximum of AUD[insert amount] plus GST for Short Term Personnel Costs as specified in Table [XX] in Annex [XX] to this **Schedule 2**. For each Short Term Personnel, DFAT shall pay the Contractor the following items:
- (a) a Daily Remuneration Rate inclusive of:
- (i) base salary; and
 - (ii) Superannuation Guarantee Contribution, if any.
- 4.6. Personnel Fees must be exclusive of any profit, overheads, administration or management fee, or any other mark-up or margins by the Contractor.
- 4.7. Leave accrued by Personnel during the Project shall be deemed to be taken in the **twelve (12) month** period it falls due and cannot be accumulated or paid out.
- 4.8. Personnel remuneration Rates are based on a working day of at least **eight (8) hours**. The Contractor is not entitled to claim for additional Personnel Costs if Personnel work more than **eight (8) hours** per working day.
- 4.9. The Contractor shall be paid for the lesser of actual number of days or months' work undertaken by its Personnel or the maximum values specified in Table [XX] in Annex [XX] to this **Schedule 2**. The Contractor must keep verifiable records to enable verification of actual time spent undertaking the Services.
- 4.10. DFAT shall pay the Contractor for Personnel Fees at the end of each **one (1) month** period on a reimbursable basis in arrears subject to receipt of a correctly rendered invoice.

5. PERSONNEL SUPPORT COSTS

- 5.1. DFAT shall reimburse the Contractor at actual cost up to a maximum of AUD[insert amount] plus GST for Personnel Support Costs in accordance with **Table 2** (Personnel Support Costs) below.

Table 2: Personnel Support Costs

Category	Number of Inputs	Value per Input (AUD)	Total Value (AUD)
Housing Costs			
Mobilisation Costs			

Category	Number of Inputs	Value per Input (AUD)	Total Value (AUD)
Demobilisation Costs			
Airfares			
Hotel Accommodation			
Travelling Allowance			
International Communication Costs			
Compulsory Arrival and Departure Taxes and Travel to and from Airport (e.g. taxis).			
Transport Costs			
Medical Insurance			
Total Personnel Support Costs			

5.2. The categories of payment for the Personnel Support Costs are as follows:

- (a) **Housing Costs:** expenses associated with accommodation for Long Term Personnel under the ARF only. Long Term Personnel with spouses or partners who are already in receipt of an expatriate accommodation allowance will not be eligible for reimbursement of Housing Costs;
- (b) **Mobilisation/Demobilisation costs:** for Long Term Personnel under the ARF only, including all reasonable one-off costs associated with mobilisation and demobilisation including: any necessary medical clearances and inoculations; uplift of effects; storage; and the cost of one return international flight from home location for the Long Term Personnel and dependents;
- (c) **Airfares:** reimbursed at economy class for all domestic flights, and for international flights less than **two (2) hours** continuous flight time; and business class for international flights over **two (2) hours** continuous flight time. Any travel undertaken at cheaper rates (e.g. discount fares) does not entitle the Contractor to reimbursement of the cost of any higher class of travel. Travel must be via the most direct and cost effective route;
- (d) **Hotel Accommodation:** reimbursed at lesser of actual cost incurred or amount specified, per **24 hour** period;

- (e) **Travelling Allowance:** a daily rate towards the costs of meals and incidentals;
- (f) **International Communication costs:** an agreed rate for costs that are directly related to the Services;
- (g) **Compulsory Arrival and Departure Taxes and Travel to and from Airport:** reimbursed at reasonable cost;
- (h) **Transport Costs:** which includes reasonable costs directly relating to the Services and for overseas Project purposes only; and
- (i) **Medical Insurance:** reimbursed at reasonable cost.

5.3. If requested by DFAT, for payment verification purposes, the Contractor shall provide DFAT with appropriate documentation to support all Personnel Support Costs claimed (excluding travelling allowance).

5.4. DFAT shall pay the Contractor for Personnel Support Costs at the end of each **one (1) month** period on a reimbursable basis in arrears subject to receipt of a correctly rendered invoice.

6. **OPERATIONAL COSTS**

6.1. DFAT shall reimburse the Contractor at actual cost up to a maximum of AUD[insert amount] plus GST for Operational Costs as follows:

- (a) **Logistical, Administrative and Secretariat Support Costs:** to cover the costs associated with venue hire, catering, travel and accommodation for project related events including JU governance and oversight committees, stakeholder meetings, public events and forums;
- (b) **Office Administration, Equipment and Operational Costs** for the costs of establishing and running the PDO offices, including rent (as necessary), utilities, office security, office insurances, office equipment and maintenance, telecommunications and consumables;
- (c) **Project vehicle costs** limited to the costs of purchasing, leasing and maintaining project vehicles;
- (d) **Insurance costs** limited to the cost of obtaining professional indemnity and other insurances required for works delivered under the project;
- (e) **Publicity, Recruitment and Tendering Costs:** to cover the cost of project related publicity activities and advertising for personnel recruitment and tenders.

- 6.2. DFAT shall pay the Contractor for Operational Costs at the end of each **one (1) month** period on a reimbursable basis in arrears subject to receipt of a correctly rendered invoice.

7. **COSTS OF WORKS, CONSULTANCY SERVICES, AND EQUIPMENT**

- 7.1. DFAT shall reimburse the Contractor at actual cost up to a maximum of **AUD[insert amount]** plus GST for the cost of works, consultancy services and equipment required for the redevelopment of ANGAU.
- 7.2. DFAT shall pay the Contractor for the costs of works, consultancies services and equipment at the end of each **one (1) month** period on a reimbursable basis in arrears subject to certification by the Contractor that works have been satisfactorily completed and receipt of a correctly rendered invoice.

8. **CLAIMS FOR PAYMENT**

- 8.1. The Contractor's tax invoice must be submitted when due pursuant to this **Schedule 2** in a form identifiable with the Goods and/or Services and in accordance with **Clause 45 (Payment)** in **Part 5**. Invoices must also reference the Payment Event number(s) as notified by DFAT.
- 8.2. All claims for payment must be made to:
- Chief Finance Officer
Department of Foreign Affairs and Trade
RG Casey Building
John McEwen Crescent
Barton ACT 0221
AUSTRALIA
- 8.3. Tax invoices should be sent to the above address. Alternatively DFAT shall accept electronic tax invoices. These can be sent to accounts@dfat.gov.au and copy in the DFAT Activity Manager.
- 8.4. Invalid invoices will be returned to contractors.

Information on what constitutes a valid tax invoice can be found at <http://www.ato.gov.au/businesses/content.asp?doc=/content/50913.htm>.