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**Australian Government**  
**Defence**

# **Complex Materiel Volume 1**

## **Pricing Workbook Guide**



Version 1.0

**OFFICIAL**

**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 ‘*Complex Materiel Volume 1 Pricing Workbook*’, which is released as a part of the *ASDEFCON (Complex Materiel) Volume 1* 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**

Feedback and suggestions should be sent to: [procurement.ASDEFCON@defence.gov.au](mailto:procurement.ASDEFCON@defence.gov.au)

**Amendment Record**

Version	Release Date	Description of Amendments
1.0	April 2023	Initial release for the CMV1 Pricing Workbook V1.0.

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## INTRODUCTION

### Purpose

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The purpose of this guide is to assist Defence and Industry users of the Complex Materiel Volume 1 Pricing Workbook (CMV1PW) when tendering, and to develop or update the pricing details for a low-complexity acquisition contract during negotiations or when a costed Contract Change Proposal (CCP) is required.

In addition to pricing, the CMV1PW 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. In accordance with the Defence Policy on Industry Participation 2019 (DPIP 2019), an AIC program will apply to contracts equal to or exceeding \$4 million in value, unless otherwise exempt.

This guide was written for version 1.0.0 of the CMV1PW.

### Background

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The CMV1PW is intended for contracts that use the *ASDEFCON (Complex Materiel) Volume 1* template. This template is structured for fixed and firm-price contracts<sup>3</sup>, with payments to be made to the Contractor, following the delivery of Supplies and related services (eg, Training courses).

The CMV1PW, developed in Microsoft Excel®, serves as a mechanism by which to collect tendered financial data. For the successful tenderer, specific worksheets from the CMV1PW will form annexes to the Price and Delivery attachment of any resulting contract.

The CMV1PW 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 the 'Contractor under any resultant contract', and so on for Subcontracts.

### References

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In addition to the ASDEFCON templates listed above the following references are applicable to the completion of the CMV1PW:

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

### Definitions

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

- *ASDEFCON (Complex Materiel) Volume 1* Glossary and Details Schedule;
- the *ACE Measurement Rules*; and
- the *CASG Cost Principles*.

### Links from ASDEFCON template files

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In the ASDEFCON templates the financial tender data requirements (TDR C) refer to individual worksheets within the CMV1PW, which are to be prepared as part of the tender response. Similarly, the Price and Delivery 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 names on each worksheets' tab. If the names of the worksheets are changed, then TDR C and Attachment B will need to be updated.

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<sup>3</sup> Prices are fixed, or in cases where a contract continues for an extended period, firm-priced (meaning defined but subject to escalation), with the exception of any further quantities or optional extras that are yet to be agreed.

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 personnel in understanding the prices.

## Before you begin

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The CMV1PW 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 Subcontractors), tenderers may need to create separate 'data collection' tools based on worksheets in the CMV1PW.

*Please note: emailing the CMV1PW out of the Defence Protected Environment may corrupt the links to named ranges and the operation of macro code. The CMV1PW can be distributed through AusTender. Otherwise, distributing the CMV1PW may require a different method, such as saving to a USB drive.*

## INFORMATION WORKSHEETS AND STRUCTURE

### Layout of Workbook

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Within the CMV1PW, 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 worksheet, which provides a contract-level summary of pricing data;
- Subcontractors and Constants worksheets, which are used to identify proposed Subcontractors and foreign currencies – the currencies are used in drop down lists within the pricing information worksheets;
- Pricing information worksheets, which contain the individual price-level data to be tendered and included in any resultant contract; 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 Worksheets

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

Once the 'Instructions for Drafters' checklist has been completed, the worksheet may be hidden (optional). The 'Instructions for Drafter' worksheet also identifies and requires the drafter to determine which of the optional pricing and supporting information worksheets will be required to be used for the tender.

In the 'Instructions for Tenderer', tenderers need to insert their company name and the currencies to be used in the tender.

## CONSTANTS AND SUBCONTRACTORS

### Introduction

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The '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.

## Constants Worksheet

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The 'Constants' worksheet contains information and currency values that can be selected on other worksheets using drop down lists. Note that this worksheet may be hidden when a request for tender is released as, in many cases, tenderers will not need to amend it.

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) historical exchange rates, and the publishing date inserted above the table. If applicable, these can be updated, pre-contract, for the exchange rates published as at the Base Date.

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

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The 'Subcontractors' worksheet identifies proposed Subcontractors, as required by Annex C to Attachment A to the COT. If the Subcontractor is unknown (ie, the Subcontract is yet to be tendered), include a title to identify the Subcontract.

Information required for Subcontracts includes the subcontract type, being the main purpose of the Subcontract (eg, to supply labour, materials or for other direct costs such as freight). Subcontracts can include a mix of materials and labour (eg, the labour involved to deliver materials), so this is just an indication of the main purpose or the larger component of the Subcontract price.

Data entered for the source currency and total price columns will help the Commonwealth to decide whether to pay amounts all in \$A, or partly in source currency, under any resultant contract. If amounts will be paid in \$A but significant costs are in a foreign source currency, fluctuations for foreign exchange rates can be included under clause 7.4 of the COC with clauses available from a 'clause-bank'.

## SUMMARY WORKSHEETS

### Contract Summary

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Values in the 'Contract Summary' worksheet are calculated using the price data in the 'Price and Delivery' or 'Price and Delivery (simple)' worksheet, whichever is populated, and foreign exchange rates if applicable. All information is calculated; hence, there is no need to enter data into this worksheet.

The 'Contract Summary' and 'Price and Delivery' / 'Price and Delivery (simple)' worksheets allow for up to 10 currencies to be used. If additional currencies are expected, the project office should seek assistance from Commercial and Financial Analysis - Financial Investigation Services (FIS).

## PRICING INFORMATION WORKSHEETS

### Introduction

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The worksheets that detail pricing information provide the basis of the financial tender response (TDR C) and the annexes to Attachment B of any resulting contract. Although requirements for pricing data may be similar to other pricing workbooks, the following descriptions apply only to the CMV1PW.

The selected 'Price and Delivery' or 'Price and Delivery (simple)' worksheet (the two options are explained below) is the primary information source for the tendered Price and Delivery Schedule.

'Specific Prices' and 'Further Quantities' worksheets are considered during the tender and, subject to negotiations may amend the Contract Price for any resultant Contract.

If applicable to the Contract, the 'Adjustments' worksheet defines the basis on which actual amounts paid, under any resultant contract, are calculated from the Base Date pricing information to the payment date.

## Price and Delivery

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The 'Price and Delivery' worksheet is applicable to those contracts using the *ASDEFCON (Complex Materiel) Volume 1* template that require an AIC program, being contracts valued above A\$4 million including GST, and not otherwise exempt in accordance with AIC policy.

If the 'Price and Delivery (simple)' worksheet (see below) is used for contracts that do not require an AIC program, then the 'Price and Delivery' worksheet should be annotated as 'Not Used' and then hidden.

The 'Price and Delivery' worksheet is developed by the Commonwealth and the tenderer, it has a significant role in defining scope and is the primary information source for defining the Contract Price. To the extent known, the Commonwealth should identify the primary items required and their quantities, the delivery points (locations) and delivery dates if reasonably known. The Commonwealth should include details for other known Supplies and deliverable services, such as Training courses (refer to TDR D-1). Without knowing exactly what Support Resources are required, the Commonwealth may insert headings for groups of Support Resources (eg, Spares, Technical Data) so that delivery details can be entered.

Tenderers will need to complete the remaining details, including the specific names (Item Description) and part numbers, details of all recommended Support Resources, delivered services such as Training courses, and cost / price information for performance of the SOW.

Note that the Contract Price and the 'Price and Delivery' worksheet does not include any prices from the 'Specific Prices' worksheet that are designated as 'not included', or prices for further quantities or optional extras from the 'Further Quantities' worksheet where a decision has not yet been made to include them in the Contract.

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 this worksheet there are no 'subtotals'. All prices should only be entered once. This means that any heading should not have price data entered.*** For example, do not include a subtotal for a heading like 'Spares', as line items for each type of spare requires a price, and a price against a heading will result in those prices being counted twice in the totals below the table.

**Item Descriptions.** The first column is for a unique (eg, sequential) line number, and when printed, this number repeats from one page to the next, so that each line item can be traced over multiple pages. The next two columns identify each line item by its description and part number (as applicable).

It is not essential that an indented work breakdown structure be used to organise items, but it may be useful – note that leaving a space in the fourth character position will automatically format as a heading. Note that headings should not have prices, as described above. Quantity is inserted at column (d).

In some cases, one line item may have more than one price, for example, if a training course is delivered to two different locations and the prices are different due to travel, etc. In this instance, an 'Item Description' may require more than one row to be entered into the worksheet, with a line for each additional course requiring a unique price. The 'Item Description' or 'Comments' column could be used to note the difference in courses.

Column (e) is used to select a source currency, either 'AUD' or another currency for items procured from overseas. Column (f) displays the corresponding exchange rate. If the

required currency is not available from the drop down list, a new currency and exchange rate can be added to the [‘Constants’](#) worksheet (discussed above).

If the Commonwealth is considering making payments in source currencies (refer to TDR C regarding payment in source currencies), or if a significant cost component could be affected by fluctuations in foreign exchange rates, a line item may be broken down, with lines for each currency component, to facilitate payments in more than one currency or price adjustments, as applicable.

Line no.	Item Description	Part No. / NSN	Quantity	Source currency	Exchange rate
(a)	(b)	(c)	(d)	(e)	(f)
	<b>15. Generator Set</b>				
	15.01 4kVA Generator Set	GS4KVA-1A	100	AUD	1.0000
	15.02 6.5hp motor for Generator Set (GS4KVA-1A)	UL4S-6S	100	USD	0.7148
	15.03 4kW single phase electrical generator for Generator Set (GS4KVA-1A)	EGSP-4	100	JPY	93.2100

The above example displays a breakdown where an item is separated into components in order to identify high cost components in foreign currencies. This approach would enable the Commonwealth to assess the need for payment adjustments under any resultant Contract, to allow for fluctuations in applicable source currencies.

**Direct Costs.** Column group (g) identifies the tenderer’s / Contractor’s labour, materials and other direct costs (ODCs) and Subcontracts. If the work and/or other inputs within the same line item are based in two or more different currencies, then additional rows must be added for each currency, as described above. Such a breakdown can also help to identify ACE.

Under the labour, materials and ODCs categories, the tenderer / Contractor is to enter the amount in source currency. Direct costs for labour include on-costs and direct overheads and should be consistent with the ‘Labour Rates’ worksheet and the on-costs and direct overheads in the ‘Schedule of mark-ups’ worksheet, when those worksheets are required to be completed. Once indirect overheads and fees/profit are added (in their respective columns) the resulting prices are ‘GST exclusive and fully burdened’, as noted in the ‘Instructions for Tenderer’ worksheet, before GST is added. Like calculations apply to materials and ODCs.

If the tenderer / Contractor is not the primary supplier for a line item, a separate line can be used for a subcontract. The Subcontract price (or the appropriate portion of a Subcontract Price) can be inserted under ‘Other Direct Costs and Subcontracts’, while the Contractor’s costs and fees for managing the Subcontract are entered in the ‘Contractor Overheads and Fees’ group.

In the columns identified with (l), the tenderer / Contractor is to insert the percentage of each amount that would qualify as ACE in accordance with the *ACE Measurement Rules*. The ACE amount in source currency (m) is calculated from these values. Note that this method allows prices to be identified in a foreign currency even when some of the work is performed (or other costs are incurred) in Australia or New Zealand (eg, when a foreign Contractor has the installation of their equipment performed by a local Subcontractor).

To clarify, ODCs do not include indirect costs, such as General and Administrative (G&A) costs or profit. These are added under column group (h), as described below.

**Overheads and Fees.** Column group (h) identifies the Contractor’s ‘indirect overheads’ and ‘profit’ for each line item. ‘Indirect overheads’ includes G&A charges (refer to ‘Indirect Costs’ in the *ACE Measurement Rules* and the *CASG Cost Principles*) and these may be applied to:

- the tenderer’s / Contractor’s labour and materials costs and ODCs; and
- Subcontract prices (or a portion of a Subcontract price allocated to a line item), which is also a Contractor’s direct cost, and included under ODCs.



The 'profit' amount is the Contractor's profit that is applicable to the Contractor's direct costs in column group (g) and the 'indirect overheads'. The Indirect Overheads and the amount of Profit should be consistent with the Indirect Overheads and the profit levels identified in the 'Schedule of Margins' worksheet, when this worksheet is required as part of the tender.

**Totals.** Column group (i) calculates the totals from the other column groups, with the exception of GST.

The applicable GST amount 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. Additionally, if procuring items from overseas and paying in source currency, the Customs Duty, GST and a processing fee may be paid to a Commonwealth freight forwarder, rather than being paid by the Contractor (ie, GST is paid outside of the Contract and the GST for the line item may be zero).

On occasion, *ASDEFCON (Complex Materiel) Volume 1* is used for a contract with an overseas supplier where the 'Delivery Point' is Defence's freight forwarder in that country (eg, UK or USA). In these cases, the GST will be zero and the overheads in the CMV1PW will not include customs duties, as these are not paid by the Contractor. The GST and customs duty will be paid 'on landing' by the Commonwealth, through the freight forwarder as a customs agent. Note that the GST and customs duties must be considered when evaluating the overall price of a procurement, even if they do not appear on the worksheet.

**Australian Contract Expenditure.** Column group (j) is used to determine the total ACE% and amount in \$A. These numbers are calculated from the previous columns. Note that an ACE amount (in dollars) and an ACE percentage are calculated and presented in the totals at the top of the worksheet.

**Delivery Details.** The 'delivery point' or location (t) may be entered by the Commonwealth in the first instance. If the Commonwealth is offering a number of options for delivery points (or pick up via a Defence-wide warehousing and logistics contract), this should be explained when tailoring TDR-D. A preferred 'delivery date' may also be inserted if the procurement is time critical. Otherwise, these columns are to be populated by the tenderer.

**Comments.** The comments column allows entry of any comments and explanatory notes. This may be used to provide additional explanation of either, or both, the Commonwealth's requirements and the tenderer's proposal, as applicable to that line item.

**Economic Order Quantity and Price.** The final two columns identify and offer an Economic Order Quantity (EOQ) for applicable line items such as spares, in response to TDR C-3. For example, if the recommended quantity of a spare part was calculated as five, but the part is usually sold in a 'six-pack' at a quantity discount. Column (w) identifies the EOQ and column (x) is the price for the EOQ in source currency, excluding GST.

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

- Check that prices for each row are unique and not duplicated, including that there are no prices identified as an item price and then also included against a heading.
- Confirm that the totals (immediately below the price breakdown) are capturing prices from all lines (particularly if new rows were added to the bottom of the table). Note that these totals are copied to the top of the worksheet.
- Confirm that the values in the 'Total Currency Calculator' (the grey table below the Price and Delivery Schedule 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.

### Price and Delivery (simple)

The 'Price and Delivery (simple)' worksheet is applicable to contracts using the *ASDEFCON (Complex Materiel) Volume 1* template that do not require an AIC program,

being contracts that are below A\$4 million including GST or otherwise exempt in accordance with AIC policy.

If the 'Price and Delivery' worksheet (see above) is to be used for contracts that do require an AIC program, then the 'Price and Delivery (simple)' worksheet should be annotated as "Not Used" and then hidden. When the 'Price and Delivery (simple)' worksheet is printed for inclusion in a contract, the annex is titled "Price and Delivery", without the word "simple".

The 'Price and Delivery' worksheet is developed by the Commonwealth and the tenderer, it has a significant role in defining scope and is the primary information source for defining the Contract Price. To the extent known, the Commonwealth should identify the primary items to be procured and their quantities, and delivery points (locations) and delivery dates if reasonably known. The Commonwealth should include details for other known Supplies and deliverable services, such as Training courses (refer to TDR D-1). Without knowing exactly what Support Resources are required, the Commonwealth may insert headings for groups of Support Resources (eg, Spares, Technical Data) so that delivery details can be entered.

Tenderers will need to complete the remaining details, including the specific names (Item Description) and part numbers, details of all recommended Support Resources, delivered services such as Training courses, and cost / price information for performance of the SOW.

Note that the Contract Price and the 'Price and Delivery (simple)' worksheet does not include any prices from the 'Specific Prices' worksheet that are designated as 'not included', or prices for further quantities or optional extras from the 'Further Quantities' worksheet where a decision has not yet been made to include them in the Contract.

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 populated.

***In this worksheet there are no 'subtotals'. All prices should only be entered once. This means that any heading should not have price data entered.*** For example, do not include a subtotal for a heading like 'Spares', as line items for each type of spare requires a price, and a price against a heading will result in those prices being counted twice in the total at the bottom of the table.

**Item Descriptions.** The first column is for a unique (eg, sequential) line number, and when printed, this number repeats from one page to the next so that each line item can be traced over multiple pages. The next two columns identify each line item by its description and part number (as applicable).

It is not essential that an indentured work breakdown structure be used to organise items, but it may be useful – note that leaving a space in the fourth character position will automatically format as a heading. Note that headings should not have prices, as described above. Quantity is inserted at column (d).

In some cases, one line item may have more than one price, for example, if a training course is delivered to two different locations and the prices are different due to travel, etc. In this instance, an 'Item Description' may require more than one row to be entered into the worksheet, with a line for each additional course requiring a unique price. The 'Item Description' or 'Comments' column could be used to note the difference in courses.

Column (e) is used to select a source currency, either 'AUD' or another currency for items procured from overseas. Column (f) displays the corresponding exchange rate. If the required currency is not available from the drop down list, a new currency and exchange rate can be added to the ['Constants'](#) worksheet (discussed above).

A tenderer / Contractor may separate a line item into components on separate lines, in order to identify high-cost components in a foreign currency. This approach would enable the Commonwealth to assess the need for payment adjustments, to allow for fluctuations in source currencies, under any resultant Contract. Refer to the diagram above (from the 'Price and Delivery' worksheet) for an example.

**Item Prices.** Column (g) is used to identify the line item 'amount' or 'per unit price' in source currency, while column (h) calculates a total price from the quantity (d) and amount (g).

**Totals (\$A).** The GST amount is entered manually into column (i), and the total price for the line item is calculated in column (j) by summing the Total (ex. GST) and GST amounts.

The applicable GST amount 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. Additionally, if procuring items from overseas and paying in source currency, the Customs Duty, GST and a processing fee may be paid to a Commonwealth freight forwarder, rather than being paid to the Contractor (ie, GST is paid outside of the Contract and the GST for the line item may be zero).

**Delivery Details.** A 'delivery point' or location (k) may be entered by the Commonwealth in the first instance. If the Commonwealth is offering a number of options for delivery points (or pick up via a Defence-wide warehousing and logistics contract), this should be explained when tailoring TDR-D. A preferred 'delivery date' may also be inserted if the procurement is time critical. Otherwise, these columns are to be populated by the tenderer.

**Comments.** The comments column allows entry of any comments and explanatory notes. This may be used to provide additional explanation of either, or both, the Commonwealth's requirements and the tenderer's proposal, as applicable to that line item.

**Economic Order Quantity and Price.** The two final columns are used to identify and offer an Economic Order Quantity (EOQ) for applicable line items such as spares, in response to TDR C-3. For example, if the recommended quantity of a spare part was calculated as five, but the part is often sold in a 'six-pack' with a quantity discount. Column (n) identifies the EOQ and column (o) is the price for the EOQ in source currency, excluding GST.

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

- Check that prices for each row are unique and not duplicated, including that there are no prices identified as an item price and also included against a heading.
- Confirm that the totals (immediately below the price breakdown) are capturing prices from all lines (particularly if new 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 grey table below the Price and Delivery Schedule 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.

## Specific Prices

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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 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' or 'optional' – these are included as guidance for the drafter and must be deleted before the tender is released as prices will be required for everything that remains listed.

Some prices are identified as core, such as insurance. Any prices indicated as optional are included if required for the scope of the draft Contract. Commonwealth drafters need to ensure consistency between the list in the 'Specific Prices' worksheet and the requirements in TDRs that ask for specific prices.

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 price descriptions. Tenderers may also add relevant comments to the comments column.

**Final checks – Commonwealth.** The Commonwealth drafter should confirm that the list of specified prices includes all of those that are required to support the tender and the scope of the draft contract.

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

- Confirm that the prices 'included in price & delivery schedule' are included in the 'Price and Delivery' / 'Price and Delivery (simple)' worksheet, as applicable (noting that some, like insurance, will be within 'Indirect Overheads').
- Ensure that the prices identified as NOT 'included in acquisition pricing' have not been included in the 'Price and Delivery' / 'Price and Delivery (simple)' worksheet, as applicable, to avoid double-counting.

## Further Quantities

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The 'Further Quantities' worksheet identifies any further quantities of Supplies and/or optional extras for which prices are to be tendered. These items may be Supplies or services (eg, additional training) or a combination of both (eg, option for equipment to be installed into a Defence facility) identified by the Commonwealth or proposed by a tenderer.

When identified by the Commonwealth, the drafter should include a description, quantity (if known), and relevant comments such as identifying a Statement of Work (SOW) clause or specified requirement in relation to the further quantities or optional extras.

Tenders should identify the source currency, quantity if not inserted by the Commonwealth, and the item price in source currency. If an AIC program is applicable to the draft Contract, then an ACE percentage should be inserted. Additional lines may be added to the table if required.

The 'Option Expiry Date' is relevant when a decision regarding the further quantities or optional extras may only be offered for a limited period of time, for example, because the availability of the option is related to the production of other items or because the price validity is only offered for a particular time period. If there is no time limit, leave blank or insert "NA" for "not applicable".

If the 'Adjustments' worksheet is required for the Contract then, subject to the conditions in Attachment B, the indices and formula in the 'Adjustments' will be applied. If a single index series (instead of a combination of labour and materials indices) would be more appropriate, this can be identified in the comments column with reference to the individual index from the 'Adjustments' worksheet.

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

- Confirm that the full scope of further quantities and/or optional extras are captured (ie, avoid incomplete options or additional equipment without Support Resources).
- Confirm that the expiry dates make sense for decision points in the applicable phase of the contract.

## Adjustments

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The 'Adjustments' worksheet enables prices to be adjusted for fluctuations in the cost of labour and materials. Price adjustments are not included in the *ASDEFCON (Complex Materiel) Volume 1* template by default, however, for long duration contracts (ie, over one year), adjustments may be included. If required, price adjustment clauses are transferred from a clause-bank into the COC, Attachment B and TDR C. The CMV1PW is then used to document the relevant indices and the labour and materials component values.

The 'Adjustments' worksheet identifies the labour index series and the materials index series to be used, and their relevant component values (weightings), for each applicable source currency. Over time, the Australian Bureau of Statistics (ABS) and other international agencies publish index values. Using the published index values for the identified index series, calculations can be made to identify a price adjustment for the difference between 'current day prices' and the 'Base Date prices' contained in the CMV1PW.

**Example Adjustment Calculation**

Below the tables for indices in the worksheet are formulae, in which indices are used to calculate the price adjustment (PA) for applicable payments. A price adjustment is the change in price for an applicable delivery (including deliveries of Supplies and services such as training). The primary formula is:

$$PA = P \times ( X + Y \times \frac{L_n}{L_0} + Z \times \frac{M_n}{M_0} )$$

As an example, a labour index for line L<sub>1</sub> may be identified in the Labour Cost Indices table by its description and provider series ID (eg, to identify it in a table published by the ABS), and the relevant currency in which it is applied. A 'Labour Component (Y)' or 'weighting' for L<sub>1</sub> is listed the last column (eg, 0.50 if this labour index contributes 50% to the prices in an applicable currency).

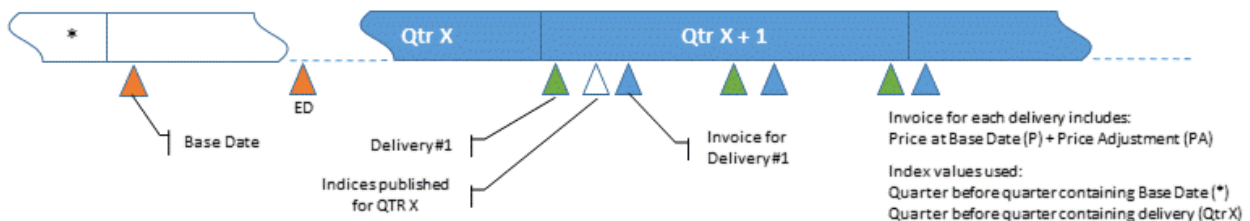
Extending the example, the labour index value for the Base Date (L<sub>0</sub>) might have been 3.00, and the latest published labour index (ie, n='now') value (L<sub>n</sub>) might be found to be 3.09, indicating an increase in labour costs over time. As a result, Y\*L<sub>n</sub>/L<sub>0</sub> = 0.50\*3.09/3.00 = 0.515. Meaning that for labour, which is 'worth' or 'weighted at' 50% of a payment, the amount to be paid has increased by 3% from the Base Date price (ie 3.09 divided by 3.00, minus 1.00 = 3%).

So if a delivery was priced at \$1000 in 'Base Date dollars', and the labour component was worth \$500 (ie, 50%) due to its weighting (Y=0.5), the amount of the payment has been adjusted by 3% of \$500, increasing to \$515 (ie, \$15) for just the labour component.

A similar calculation applies to the materials component of a price adjustment (the last part of the formula), using the respective material index values and weighting (Z). Together, a full adjustment including both labour and materials is calculated.

If applicable, the weighting for the non-variable / non-indexed portion X is also included in the formula. Importantly, for an individual price adjustment the component values (weightings) for labour, materials, and any non-variable / non-indexed component must add to 1.00. This means that together they account for 100% of the specified price.

Identifying the labour and materials index values, from the relevant index series, requires explanation. Firstly, values must be 'final' published values, not preliminary or any other forecast values. They are also the values for "the quarter preceding the quarter containing" the Base Date, or the delivery date, as applicable. This is because the final values for a quarter may be published up to a month after the end of that quarter, so using other values could be inaccurate or cause significant delays in payment.



In contrast to the template, if the index for the quarter containing a delivery was used, it could take three months for the index value to be published, significantly delaying payment of the price adjustment. For example, if a delivery occurs on 1 July, the applicable index

values for the quarter containing 1 July will not be published until October, delaying the calculation and payment of a price adjustment by over three months. Hence, index values for “*the quarter preceding the quarter containing*” the Base Date and delivery are used in the template. In addition, the quarter preceding the quarter containing a delivery is often more representative of when the work leading to a delivery would have been performed.

### Single index adjustments.

In general, all prices in a currency are adjusted using the above formula, with one labour index and one materials index. However, if a price is attributed almost entirely to labour, a single labour index series (in the Adjustments worksheet) may be identified for a line item in the ‘Price and Delivery’ worksheet (ie, in the comments column). In this instance, the formula is simplified to the ‘Labour Rates only’ formula shown on the ‘Adjustments’ worksheet.

For a ‘materials-only’ example, the price for Spares in one currency may refer to an index series in the ‘Materials Cost Indices’ table of the ‘Adjustments’ worksheet. The cost component or ‘weighting’ for materials (Z) will be 1.00, applying to 100% of the material index value to the Spares in that currency (X and Y = 0). The price for those Spares would be listed in the Contract at a price that applied at the Base Date. This price will be increased by  $M_n/M_0$ , where  $M_0$  is the Base Date value for the index and  $M_n$  is the value for that index ‘now’, as published for the quarter preceding the quarter containing the delivery date.

Other worksheets contain prices for which adjustments may also be required in order to find current values from the prices in the CMV1PW and contract. These include the following worksheets:

- ‘Specific Prices’
- ‘Further Quantities’

For these worksheets, most prices relate to either labour or materials, and so a single index adjustment can be applied by referring to the relevant index series in the comments column.

### Completing the Adjustments worksheet

If the optional clauses for Adjustments from the ‘clause-bank’ are added to the draft Contract, the included notes refer to the indices endorsed 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 preferred labour and materials indices for the ‘Adjustments’ worksheet – refer to FIS for advice. Otherwise, indices and weightings are to be inserted by tenderers.

If different index series are required for different countries that use the same currency (eg, different countries using the Euro), then additional currency identifiers may be needed. In this case, refer to the ‘[Constants](#)’ worksheet (above).

Important note: the Price and Delivery schedule includes Base Date prices and any contract changes involving price must be in Base Date amounts for the price adjustment formula to be applied. If price changes are not de-escalated to the Base Date, when a contract is changed, then the price adjustment formula will produce incorrect results.

### Cost Reimbursement

Cost Reimbursement is a ‘time and materials’ payment method within a ‘Not-To-Exceed’ (NTE) price. It is a standard option in the *ASDEFCON (Strategic Materiel)* template but not in the *ASDEFCON (Complex Materiel) Volume 1* template. However, Cost Reimbursement has been used for services such as installation work, when it was not practical to provide multiple tenderers with access to Defence sites in order to fully cost an installation as part of their tender responses.

When used, Cost Reimbursement involves the identification of fully burdened labour rates, and mark-up rates for materials and Subcontracts. Certain limits apply to the use of Cost Reimbursement, including that the scope of the Cost Reimbursement Supplies (eg, the installation work) must be defined and the total fees will be subject to an NTE price (which can be listed in the 'Specific Prices' worksheet). If considering Cost Reimbursement, drafters should contact FIS for advice. If not used, the 'Cost Reimbursement' worksheet should be hidden.

## SUPPORTING INFORMATION WORKSHEETS

### Introduction

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The following worksheets provide supporting information to assist the Commonwealth to understand the tenderer's / contractor's pricing information contained in the 'Price and Delivery' and other worksheets:

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

These worksheets are used by FIS to assist Commonwealth teams with evaluation and/or cost investigation. The tables are also useful to assess any change in price during contract negotiations or for a CCP.

**Important:** Drafters need to determine if these worksheets will need to be addressed in tender responses. For low-risk, lower-value contracts, when FIS will not perform an evaluation or cost investigation, then some or all of these worksheets may not be required. Any worksheets that are not required should be annotated as 'Not Used' and hidden, to avoid them from being completed unnecessarily.

For FIS advice: [FIS.feedback@defence.gov.au](mailto:FIS.feedback@defence.gov.au)

### Schedule of Mark-ups

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The 'Schedule of Mark-ups' worksheet assists the Commonwealth to understand the margins applied to labour, materials and overheads identified in the 'Price and Delivery' worksheet.

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

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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 'Price and Delivery' worksheet.

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 'Cost Reimbursement' worksheet, if included, may have different rates to the 'Labour Rates' worksheet, particularly for work outside of normal working hours.

### Material

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The 'Material' worksheet assists the Commonwealth to understand the cost of materials that are priced in the 'Price and Delivery' worksheet.

**Other Direct Cost**

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

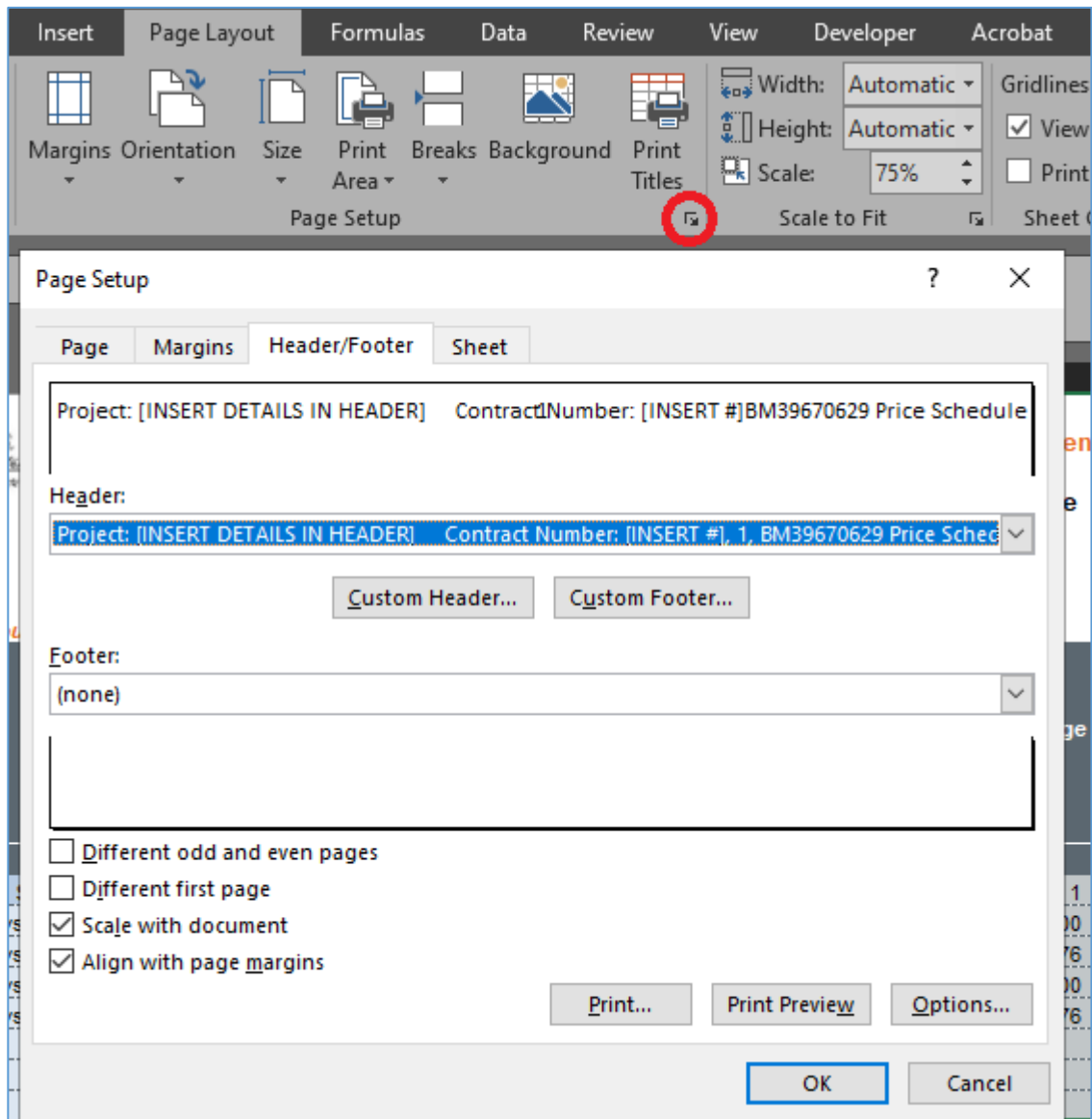
**PREPARING WORKSHEETS AS ANNEXES**

**Background**

Applicable worksheets from the CMV1PW 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 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.

Remember to include appropriate security classification levels in the headers and footers.

### **Notes on Print Areas and Page Sizes**

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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.

Note that some of the explanatory notes for columns include references to tender data and cross-references to other worksheets – these should be tidied up before a final version for the Contract is printed.

Where possible, worksheets have been sized to print to either A4 or A3-sized pages. However, some worksheets with many columns, such as the 'Price and Delivery' worksheet, 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.