



### 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 Services Pricing Workbook*’, which is released as a part of the *ASDEFCON (Complex Services)* 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	May 2023	Initial release of the Complex Services Pricing Workbook V1.0.0 with the ASDEFCON (Complex Services) template

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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 Services Pricing Workbook (CSERPW) when tendering, and to develop or update the pricing details for a medium-complexity or high-complexity services contract.

This guide was written for version 1.0.0 of the CSERPW, which supported the release of:

- *ASDEFCON (Complex Services) V1.0.*

### Background

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The CSERPW is intended for contracts that use the *ASDEFCON (Complex Services)* template.

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

The CSERPW 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

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In addition to the *ASDEFCON (Complex Services)* template, the following references are applicable to the completion of the CSERPW:

- *CASG Cost Principles*

Users should note that DID-SSM-CWBS (from the *ASDEFCON (Support)* template) may assist when structuring the pricing levels in the CSERPW.

### Definitions

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

- the *ASDEFCON (Complex Services)* Glossary, and the Details Schedule of the conditions of contract (COC); and
- the *CASG Cost Principles*.

### Links from ASDEFCON template files

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In the ASDEFCON templates, the financial tender data requirements (TDR D) refer to individual worksheets within the CSERPW, which are to be prepared as part of the tender response. Similarly, the Price and Payment schedules in Attachment B to the 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 the Commonwealth in understanding the prices.

### Before you begin

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The CSERPW 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.

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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 CSERPW.

*Please note: emailing the CSERPW out of the Defence Protected Environment can corrupt the links to named ranges and the operation of macro code. The CSERPW can be distributed through AusTender. Otherwise, distributing the CSERPW 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

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Within the CSERPW, 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 to 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 for Drafters and Tenderers

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The worksheets within the workbook provide some in-workbook guidance, generally in the form of notes defining each table, 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 checklists for completing the workbook.

Once the 'Instructions for Drafter' checklist has been completed, the worksheet may be hidden (optional). In the 'Instructions for Tenderer', tenderers need to insert their company name and the currencies to be used in the tender.

## MENUS, CONSTANTS AND SUBCONTRACTORS

### Introduction

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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

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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 [Recurring Services](#) pricing information worksheets. It also identifies the stages for the Recurring Services Fees.

**Contract Name and Number.** The Contract 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 is also inserted in this table, which appears in some of the summary worksheets.

## Recurring Services Stages and Timings

The drop-down list in the first (smaller) table identifies the number of 'stages' of Recurring Services Fees. Unless the scope of work changes between stages, these are often structured as a stage per year (to facilitate annual price adjustments), starting from the Operative Date (if different to Effective Date) – refer to the '[Recurring Services](#)' worksheet discussion (below) for additional detail. The lower table identifies the start and stop dates / events and these will appear at the top of each of the Recurring Services worksheets. When months are added to the lower table, the total months is updated in the upper table.

**CWBS / Pricing Levels.** The pricing levels entered in the 'Menus' worksheet will appear in drop down lists in other worksheets. 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, 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 pricing level 1 (CWBS level 2) entries into the 'Menus' worksheet in order to facilitate a consistent pricing structure within tender responses. The CWBS should identify the primary services required (ie, Services provided to an end-user / customer) before listing the work needed to enable those primary Services, and then to manage and comply with the Contract. The Commonwealth will generally need to include 'Level 2' entries in the pricing structure; for example "1.01.01 – Help Desk Services". Lower level entries may be added, deleted, or changed as necessary, while leaving as much as possible undefined, to enable tenderers to structure their financial tender responses.

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 of their proposal, including how significant work activities would be decomposed (eg, for services that involve multiple trade skills or different locations). For *ASDEFCON (Complex Services)*, this may also include an understanding of the scope of work related to any [Milestone](#) Payments. For guidance, refer to Annex A to DID-SSM-CWBS (from *ASDEFCON (Support)*).

If additional rows are required to define the 'CWBS Number and Title' for the Recurring 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'.

## Constants Worksheet

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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) exchange rates, where possible with the publishing date inserted above the table. Refer: <https://www.rba.gov.au/statistics/historical-data.html#exchange-rates>

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.

The Commonwealth evaluates tenders using the same exchange rates; hence, 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, if known, or titles to identify Subcontracts that are yet to be completed. Approved Subcontractor names (or Subcontract titles) will then appear in the drop down lists for 'Service Provider' in the '[Recurring Services](#)' 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 role. During a tender, more detailed pricing information may be required for the highest value proposed Approved Subcontracts (eg, up to three). Additional details may also be sought for any other Approved Subcontracts during negotiations with a successful tenderer.

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

For non-Approved Subcontractors a drop down list is used to select the 'Subcontract Type', being the main purpose of the Subcontract (eg, to supply labour, materials or 'other', for example, freight services).

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

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Values in the 'Contract Summary' worksheet are calculated using the price data in the '[Recurring 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

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The 'Payment Schedule' worksheet establishes a payment profile in Australian and, when applicable, foreign currencies for the [Recurring Services Fees](#) and [Milestone Payments](#), 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 [Recurring 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 'Recurring Services' and other worksheets allow for up to 12 currencies to be used. If additional currencies are required, the contracting team should seek assistance from Commercial and Financial Analysis - Financial Investigation Service (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 (Recurring Services

and Milestones) 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.

## 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 described below.

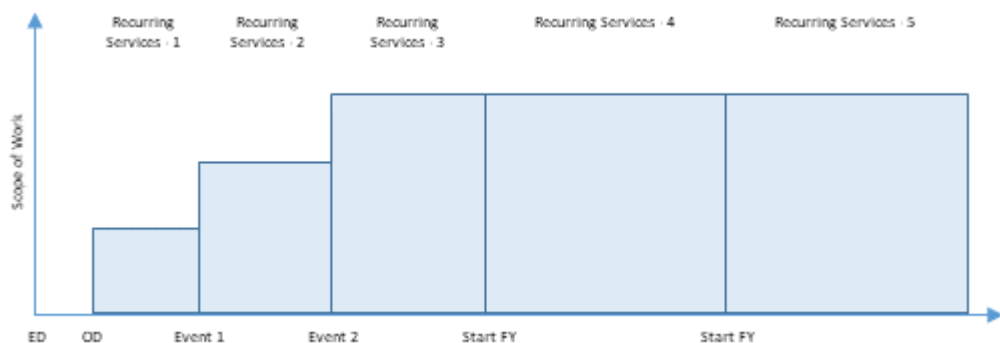
The CSERPW includes worksheets for four different types of pricing and payment, plus worksheets for Specific Prices and Adjustments (for fluctuations in pricing); each one is described below.

### Recurring Services

The Recurring Services Fees are paid for the Recurring Services and would usually form the bulk of the payments made under an *ASDEFCON (Complex Services)* based contract. Recurring Services Fees should cover all on-going fees for scheduled Services or where the level of effort for the Services are able to be reasonably forecast on an annual basis. For example, a help desk that runs throughout the year could have a Recurring Services Fee even though the number of service requests per day is unpredictable, and where payment is for a 'help desk capability' (ie, not a 'per-event' payment). Regular Training Services may also be paid for using Recurring Services Fees, rather than 'per course' fees. The Recurring Services usually include most of the contract management activities.

Under a contract, the Recurring Services may increase in stages during a 'Ramp Up' period between Operative Date and a mature or steady state of Services, which is commonly used for *ASDEFCON (Support)* contracts but less often for *ASDEFCON (Complex Services)* contracts. A 'Ramp Up' can occur when an out-going contractor hands over to a new contractor in stages (ie, and Services start at different bases in different months). This results in stepped increases in resource requirements (eg, Contractor Personnel) and the Recurring Services Fees. Once a steady state is reached, the Recurring Services Fees are projected out on an annual basis until the end of the Contract. As a result, the CSERPW includes 10 worksheets for Recurring Services, even though an Initial Term of a contract is generally less than 10 years.

The 'Ramp Up' concept is illustrated in the following diagram. In this example, the scope of Recurring Services increases in three steps and the Contracting team has decided to align subsequent annual pricing periods with financial years. A Recurring Services worksheet for each pricing period would be required.



Any Ramp Up stages and the annual periods for the Recurring Services are identified in the ['Menus'](#) worksheet. The start and end for each stage or year, and the duration of each stage, will appear in the title of each applicable 'Recurring Services - #' 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.





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***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 printed 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 ['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 Contractor and one or more Approved Subcontractors, or one or more Approved Subcontractors without separately priced work for the Contractor. Note that if the Contractor is not a Service Provider for a line item / pricing level, the Contractor's overheads and profit, for managing the Subcontract, are still entered into the 'Contractor Overheads and Fees (annual basis) (g)' group of columns.

The 'Service Provider' drop down list will identify the (tenderer) Contractor and (proposed) Approved Subcontractors that have been listed in the ['Subcontractors'](#) worksheet. Depending on the tender data requirements chosen by the Commonwealth, for Recurring Services Fees (TDR D-3), separate pricing for proposed Approved Subcontracts may be required. The requirements for each case are described below.

If the Commonwealth expects the *contract value to be below \$4m* including GST, over the Initial Term, TDR D-3 will allow (as an option selected by the drafter) all pricing to be detailed with the tenderer / Contractor as the only 'Service Provider', with prices for all Subcontracts (ie, both proposed Approved and non-Approved Subcontracts) included under 'Non-Approved Subcontract Costs' columns.

Note that Subcontract 'prices' are Contractor 'costs' – the worksheet does not seek a breakdown of Subcontract prices into different costs and profit. However, if a proposed Subcontract is significant to more than one line in the Recurring Services Fees tables, the price of that Subcontract may be allocated (split) across several lines, as appropriate.

If the Commonwealth considers that the *contract value may reach or exceed \$4m* including GST, over the Initial Term, TDR D-3 will require additional pricing details for some proposed Approved Subcontracts. In this case, the Contractor's costs and the prices for up to three proposed Approved Subcontractors (those with the highest expected Subcontract values), will need to be identified as Service Providers with their own rows in the 'Recurring Services - #' worksheets. As above, prices for a proposed Approved Subcontract can be allocated across several lines, if appropriate.

If additional pricing breakdown details are required for the applicable proposed Approved Subcontractors, the price (or the amount allocated to a line) can be included under the column groups (described below) that best describe the nature of that work / Service.

Pricing details for the Contractor's non-Approved Subcontracts, included on the same line as other Contractor costs, are to be included under the 'Non-Approved Subcontract Prices' columns. Names of non-Approved Subcontractors do not appear on this worksheet unless included in the comments.

If some Contract costs or Approved Subcontract prices will be in foreign currencies, the pricing levels within a CWBS entry may be broken down further, as illustrated below.

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Line no.	CWBS Number and Title	Service Provider (Prime Contractor or Approved Subcontractor)	Source currency	Exchange rate
(a)	(b)	(c)	(d)	(e)
1	1.01 - Operating Support			
2	1.01.01 - Help Desk Service Delivery	Insert Prime Contractor/Tenderer Name	AUD	1.00
3	1.01.01 - Help Desk Service Delivery	An Approved Subcontractor	GBP	0.57
4	1.01.02 - Help Desk management activities	Insert Prime Contractor/Tenderer Name	AUD	1.00

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

Note that the Commonwealth may consider making some payments in source currencies (refer to TDR D regarding payment in source currencies); however, when this is not the case, identifying the source currency will still be applicable for adjustments to the prices for Recurring Services (see the 'Adjustments' worksheet).

**Direct Costs (annual basis).** Column group (f) identifies labour, materials, other direct costs and non-Approved Subcontract prices 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.

When prices for (proposed) Approved Subcontracts are required, the Subcontract price (as a cost to the Contractor), or a portion of the price allocated to each applicable line item, should be included under the column group (Labour, Materials or Other Direct Costs) that best describes the Subcontract's contribution to that part of the CWBS. For example, providing materials will require some labour, however, a single amount can be included under 'Materials Costs', being the purpose or nature of that part of the work / Service. Note that the price may be divided between labour, materials and other direct costs, if that assists the tenderer to calculate ACE for the Subcontract (using price breakdown provided by the Subcontractor).

***In the Recurring Services worksheets, costs (including Subcontract prices) are to be entered on an annual basis, even if Ramp Up stages only last for five or eight months, or some other duration. This means that, if an activity occurs, on average, 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 amounts in source currency. Direct costs for labour include on-costs and direct overheads, and when indirect overheads and fees are added in the respective columns the resulting prices, per line, are 'GST exclusive and fully burdened', as noted in the '[Instructions for Tenderer](#)' worksheet. The labour prices should be consistent with the '[Labour Rates](#)' worksheet and the on-costs and direct overheads in the '[Schedule of mark-ups](#)' worksheet, if those worksheets are completed. Likewise, for materials and other direct costs.

When considering materials costs versus non-Approved Subcontracts for materials, the pricing model will not be 'broken' by including materials costs under Contractor materials costs instead of a non-Approved Subcontract; however, 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, which may include some or all Approved Subcontracts depending on the tender data requirements), the tenderer / Contractor needs to identify the nature of the 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 dominant purpose for those Subcontract(s) should be selected from the drop down.

Contractor other direct costs (under column group (f)) does not include indirect costs (eg, General and Administrative (G&A) costs) and profit. These are added under column group (g), as described below.

**Contractor Overheads and Fees (annual basis).** Column group (g) identifies the Contractor's overheads and other fees for each line in the price breakdown. Indirect

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Overheads includes general and administrative (G&A) charges (refer to 'Indirect Costs' in 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); and
- Subcontract prices (which are costs to the Contractor) on an annual basis, including any Approved Subcontract and non-Approved Subcontract prices, as applicable to the line item.

The 'Profit' amount is the Contractor's profit applicable to the Contractor's costs in column group (f) and Indirect Overheads. Different profit levels may apply to different cost categories and, therefore, the 'Profit' amount inserted is not automatically calculated. For example, a Subcontract that is primarily comprised of labour would likely have a lower Contractor profit level (and on-costs) compared to employee labour (because the Subcontractor is managing related risks).

The 'Contractor Overheads and Fees' should 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 (h) 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 Annual (ex. GST) (\$A)' amount; however, as some prices may have a GST-exempt component this has been left for manual entry.

**Comments.** The final column (o) allows entry of any comments and explanatory notes. This may be used to name Subcontractors applicable to a line, or identify when a proposed Approved Subcontract (that has not been tendered) will be tendered. If a particular price should be adjusted using only one index instead of the full formula in the 'Adjustments' worksheet, the applicable index series could also be identified.

**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 Subcontract prices have been separated from other Contract costs on the same line.
- Check that prices for each row are unique and not duplicated, including that no prices identified at a lower level price breakdown are also included in a higher-level price within the price breakdown structure (ie, no subtotals or roll-up within the 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 copied to the top of the worksheet.
- Confirm that the values in the 'Total Currency Calculator' (the table below the Price 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.

### Task Priced Services

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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 in the Recurring 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). A Task Priced Service is 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 about the same each time, 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).

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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 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 is to be inserted (refer to 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 *CASG Cost Principles*).

**Profit – column (g).** Refer to the description of Contractor overheads and Fees in the '[Recurring Services](#)' worksheet section above.

**Total Prices – column (h).** 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.

**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. If a particular price should be adjusted using only one index (for labour or materials) instead of the full formula in the 'Adjustments' worksheet, the applicable index series could be identified.

### S&Q Services

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Survey and Quote (S&Q) Services are a core component of the *ASDEFCON (Complex Services)* 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 one-off purchases of goods related to the Contract, updates to training materials, short-term personnel hire, and more.

S&Q quotations are prepared in accordance with DID-SPTS-S&Q using the rates defined in this worksheet, when included in Attachment B of any resulting contract.

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 and, for convenience, in the group headings ((a) and (b)) within this worksheet.

Tenderers need to complete the pricing information, including source currency, for any labour skill categories identified by the Commonwealth, and insert any 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.

If 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), using 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 including potentially different costs for 'Other Time' (eg, with overtime loading or weekend rates). Hourly rates are to be included for direct labour costs (refer to 'direct labour cost' in the *CASG Cost Principles*).

Columns for Indirect Overhead / G&A and profit are to include those costs, which are priced on an hourly basis, as applicable to the hourly rates. Other than being hourly rates, G&A and profit are the same as described for the Indirect Costs for [Recurring Services](#).

The 'Total Hourly Rate (Source) (ex. GST)' is the sum of the previous three columns. GST is entered manually.

**Adjustments (reference).** If this column is left blank the labour price index series for the applicable source currency, in the 'Adjustments' worksheet, will be used to adjust the labour rates. If a different labour index series is more suitable, a 'series ID' or 'reference number' can be inserted, but this index will need to be fully identified in the [Adjustments](#) worksheet. Note that the simplified adjustment formula for S&Q Services will be used.

### 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 will often be a lower percentage because overheads do not increase linearly with the cost of materials, or 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

The CSERPW includes a 'Milestone Schedule' worksheet, which is optional. Not all *ASDFCON (Complex Services)*-based contracts will need Milestone Payments when the majority of payments are for Recurring Services Fees. When Milestones are not required, this worksheet should be hidden. Note that S&Q Services can include Milestone Payments even when the CSERPW and Attachment B to the Contract does not.

There may be Milestones in a Contract with no Milestone Payment, as these can be used to define the criteria to progress from one stage of a contract to the next (eg, in a 'Ramp Up' process). Accordingly, these Milestones identify when to change from the pricing in one 'Recurring Services - #' worksheet to the next.

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 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. Columns (b) and (c) identify the date (or event) and a

Milestone description. Select the applicable source currency from column (d) and the exchange rate will appear in column (e). When a Milestone Payment will include amounts paid in more than one source currency, a row will be needed for each currency.

**Price / Payment amounts and totals – columns (f) to (i).** For Milestones that involve payment, tenderers are to insert the applicable price for the Milestone in source currency, and GST in \$A. Milestone details can be split over more than one line if there is more than one currency involved. GST is entered manually. In most cases, GST will be 10%, but some prices may include a GST-exempt component. Other values (eg, the total in \$A) should calculate automatically.

**Comments – column (l).** Any additional information or comment, not included in the description of the Milestone, may be included here. For example, this may refer to a Milestone checklist or a related 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 checklists, Contract clauses or other details when appropriate.
- Confirm that the total amounts for the Milestone, priced in \$A, are appearing on 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 required and suggested prices 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 pricing will be required for everything that remains listed.

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). RFT Core prices need to be tendered and, subsequently, it will be decided if they need to be included in any resulting contract.

Prices indicated as optional are included if required for the scope of the draft Contract. For example, if a Government Furnished Materials (GFM) such as Training Equipment is being considered then the added cost of not providing that GFM would be tendered, and the Commonwealth would use that information if deciding whether to provide the GFM. Similarly, Government Furnished Facilities (GFF) may be offered as an option and the Commonwealth may want to consider the cost difference of not providing 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 related TDRs, 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 (eg, if Defect Rectification premiums should be included in the Recurring Services Fees, 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 also 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 tendered price (ie, as opposed to those prices only appearing in this table).

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

- Confirm that the prices 'included in tendered price' are included in the appropriate worksheets (noting that some, like insurance, will be 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' worksheet enables prices to be adjusted for fluctuations in the cost of labour and materials. Following the standard *ASDEFCON (Complex Services)* process the pricing tables are updated as of the Adjustment Dates, usually on an annual basis. This worksheet identifies the indices and relevant cost components (weightings) needed to calculate the price changes.

The 'Adjustments' worksheet uses a single labour index series and a single materials index series for each applicable currency. Over time, the Australian Bureau of Statistics (ABS) and other international agencies publish index values for various indices. Using the published index values, for the identified index series, calculations are made to identify new, adjusted prices for a new year, using the previous year's prices.

For this template, one labour index series and one materials index series are identified for each applicable currency. The labour component (Y) and materials component (Z) identify the 'weighting' of prices attributable to those components. Unless a single index series is identified for a particular price (eg, in the comments column or for labour rates for S&Q), the same indices and weightings are used for all prices in a currency.

Adjusting prices for Recurring Services, and other Services that involve a mix of labour and materials, would use the following formula:

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

A single line in the 'Adjustment Indices' table of the 'Adjustments' worksheet identifies the indices to be used for prices in a currency. The applicable currency is selected in the first column from the currencies in the 'Instructions for Tenderer' worksheet. The relative components or 'weightings' attributed to labour (Y) and materials (Z) are entered in the next two columns, as decimals. Values for Y and Z must account for 100% of a price being adjusted (ie, Y + Z = 1.00). The remaining columns identify the labour index series and the materials index series by descriptions and 'series identifiers', to uniquely identify each index series within tables of published indices.

In addition to a price in a currency, and weightings for labour and materials, the labour index values ( $L_0$  and  $L_1$ ) and materials index values ( $M_0$  and  $M_1$ ) are required in a calculation. These index values are found in the published tables for the relevant index series.

The variable  $L_0$  represents the labour index value in the 'baseline' year, as used for the current contract prices.  $L_1$  represents the labour index value to be used for the next year. The same subscript notation applies to the materials index (M) values. The index values used are those published for the quarter preceding the relevant period – see the example timeline below.

Labour and materials indices apply to broad industry sectors and, as such, indexation may not perfectly match the labour and materials costs for a single contract. However, the formula in the 'Adjustments' worksheet calculates adjustments that are 'close enough' in most circumstances and if, after a few years, a variance between contract prices and real prices becomes evident, FIS can assist to review the pricing and make further adjustments.

### Example Adjustment Date Calculation

As an example calculation, a labour index in the first line of the 'Adjustment Indices' table (for AUD) will identify in an applicable labour index series by its description and provider series ID (ie, as described by the ABS). The labour component or weighting (Y) in column b might be 0.50, meaning that labour costs are attributed to 50% of the price movements (and 50% is attributed materials, because  $Y + Z = 1.00$ ).

For the identified labour index series, a published labour index value for the baseline year ( $L_0$ ) was, for example, 2.00. The following year a new labour index value is published as 2.04, indicating an increase in labour costs of 2% over the year (ie, 2.04 divided by 2.00 (being  $L_1 / L_0$ ) minus 1.00 = 0.02 or 2%).

If a price ( $P_0$ ) in the Recurring Services Fees table was \$1000, and labour represents 50% due to its weighting ( $Y=0.5$ ), the labour component of the price will be adjusted by 2% of \$500, increasing by \$10 to \$510.

A similar calculation can be applied to the materials component, using material index values from the ABS tables and the weighting (Z).

Using published index values for labour and materials, component values (Y and Z), and a price, the price for the next year ( $P_1$ ) is found from a single calculation using the formula.

To allow for changes in scope over time, and to have an accurate record of the contract prices, the subsequent tables for Recurring Services Fees are updated. That is, if the contract was using "Recurring Services – 2" worksheet, then "Recurring Services – 3" is updated, and the subsequent worksheets are updated. "Recurring Services – 4" and subsequent worksheets will be updated following the next Adjustment Date, and so on.

### Single index adjustments

In general, prices in a currency are adjusted using the above formula with one labour index and one materials index. For [S&Q Services](#), the second, simpler formula can be used, which adjusts a labour rate using only labour index values.

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

If the comments in a '[Recurring Services](#)' worksheet, or the [Task Priced Services](#) or [Milestones](#) worksheet, identifies an individual index as the preferred index for adjustments, that price is updated using the simpler formula with index values for that index series. If a price relates to materials, then use 'Ms' in the above formula in place of 'Ls'.

### Adjusting Prices for Milestone Payments

Prices for Milestone Payments, if included in *ASDEFCON (Complex Services)* contracts, are updated using the same formula as Recurring Services Fees. This is different to a payment adjustment used in materiel acquisition contracts (which always refer to the Base Date). This approach simplifies the 'Adjustments' worksheet and contract clauses for an *ASDEFCON (Complex Services)* contract. It is also appropriate because the indices and weightings are unlikely to change over time (the weightings usually change during a materiel acquisition).

### An Example timeline

As an example timeline, consider a contract with an Adjustment Date of 1 July. In this example, the contract managers want to align to financial years, so if Effective Date was not on 1 July, then the first Recurring Services Fees table will apply for more or less than one year.

The final indices for the April-June quarter are published in late July. For the index series listed in the 'Adjustments' worksheet, the contractor finds the latest index values ( $L_1$  and

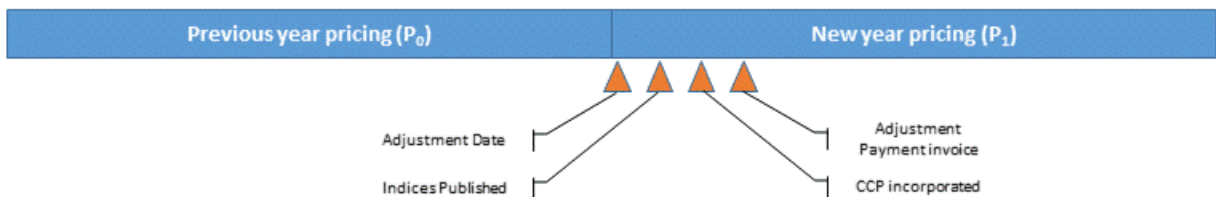


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$M_1$ ) for the *quarter preceding the quarter containing 1 July* (ie, Apr-Jun). The contractor also finds index values for the *quarter preceding the quarter containing the previous Adjustment Date* ( $L_0$  and  $M_0$ ), or the Base Date in the case of the first set of price adjustments under a contract.

Using the index values, component weightings, and prices in the current Price and Payment Schedule, the contractor prepares a CCP to update the Recurring Services Fees for the new financial year. S&Q rates will also be updated using only labour index values. Prices for Task-Priced Services and Milestones, if applicable, are also included in the CCP.

The CCP submitted to the Commonwealth may, for example, be agreed and incorporated in the contract by mid-September. By mid-September there will have been two monthly invoices submitted (for July and August) using the Recurring Services Fees at the previous year's rates. Hence, an 'Adjustment Payment' (under clause 7.3 of the COC) may be required for any difference between new and previous year pricing, for those two months.



### Completing the Adjustments worksheet

The note to tenderers in Attachment B to the draft Contract refers 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 applicable 'Adjustments' worksheet – refer to FIS for advice. Otherwise, indices and weightings are to be inserted by tenderers.

If there are many 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 entered into 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 negotiations or for a CCP.

These worksheets may not be required in competitive environments for low-risk contracts. Commonwealth drafters should seek advice from FIS as to which of these supporting information worksheets should be included in a tender. If worksheets are not required, they

should be annotated as not used and hidden, to avoid them being completed unnecessarily. Contact FIS for advice: [FIS.feedback@defence.gov.au](mailto:FIS.feedback@defence.gov.au)

## Schedule of Margins

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

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

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

## Other Direct Cost

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

## PREPARING WORKSHEETS AS ANNEXES

### Background

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Applicable worksheets from the CSERPW are intended to be used as the source for Annexes to Attachment B of any resultant *ASDEFCON (Complex Services)* 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

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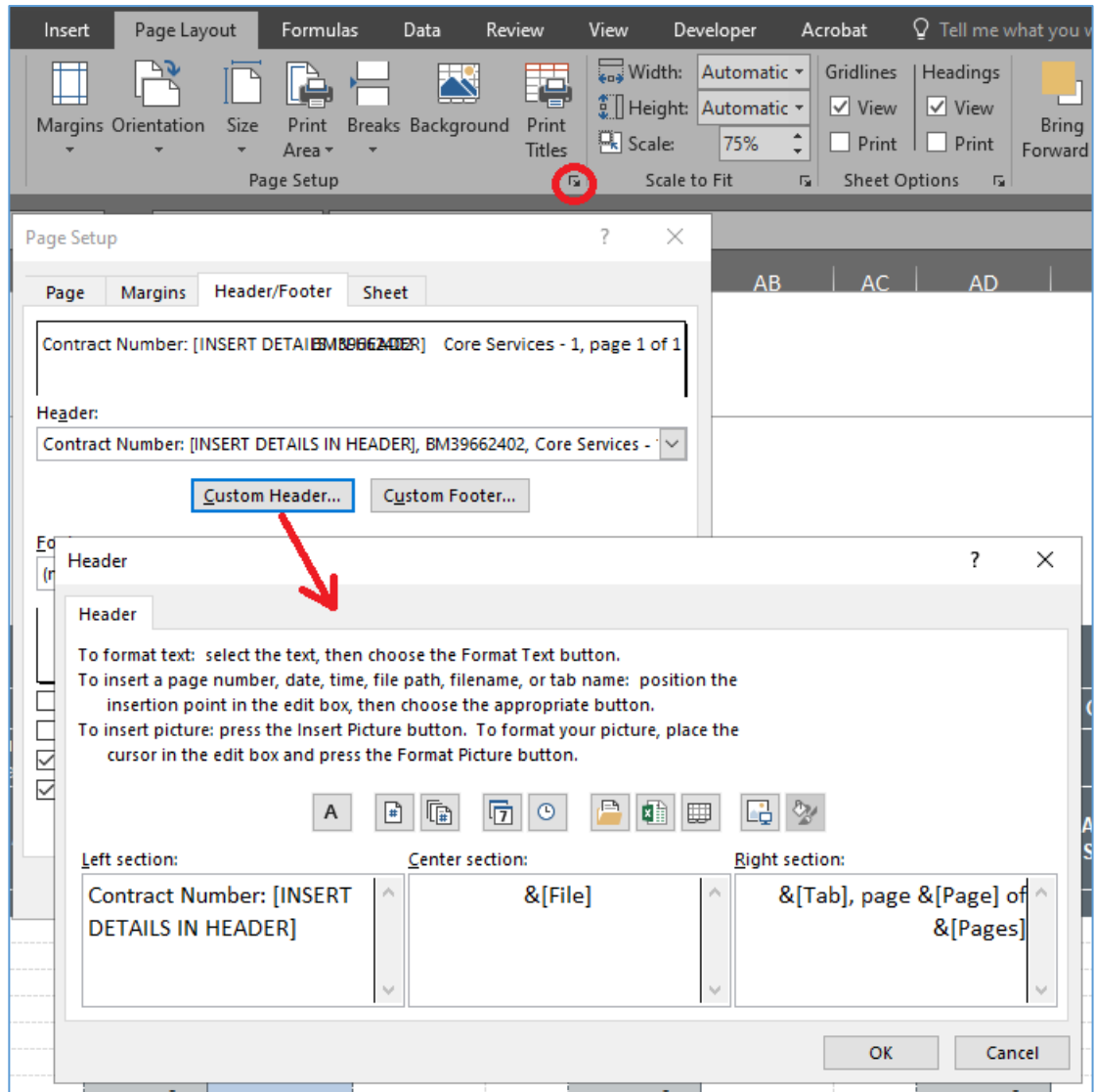
Header information, to be printed on each PDF page, should be sufficient to identify contract and document version information (ie, version numbers for CCPs) if printed. As of the 2016 release of Microsoft Excel®, the ability to reference document properties was limited and some details need to be manually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

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 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.



## CONTRACT WORK BREAKDOWN STRUCTURES FOR ASDEFCON (COMPLEX SERVICES)

### Introduction

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For the purposes of pricing Recurring Services, the work associated with the various Services is described through a Contract Work Breakdown Structure (CWBS) that is first entered into the 'Menus' worksheets and then used to populate each applicable 'Recurring Services' worksheet.

As there is no standard CWBS for the *ASDEFCON (Complex Services)* template, this annex aims to provide guidance on constructing a CWBS.

### Objectives

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From the Commonwealth's perspective, the objective of developing a high-level CWBS within the 'Menus' worksheet is to provide direction to tenderers, in order to ensure that:

- a. each tenderer has a similar understanding of the full scope of work within the Recurring Services; and
- b. the tendered financial details are structured to allow the different tenders to be compared.

The CWBS that is further developed by the tenderer should demonstrate to the Commonwealth that the tenderer understands and is knowledgeable in performing the work required to deliver the Services.

By default, everything within the draft SOW is part of the Recurring Service unless explicitly stated otherwise within the contract (refer to clause 2.1 of the SOW, 'scope of work'). However, at a lower level of detail, some clarification may be required. For example, delivery of a regularly scheduled training course may be a Recurring Service, however, if delivered in different locations, related travel and accommodation may be subject to quoted, not-to-exceed amounts, with payments made based on expense claims. Accordingly, part of the objective in defining the scope and price for Recurring Services is to understand its boundaries.

### CWBS Levels and Examples

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The top pricing level of a CWBS (ie, Level 1) is the whole of the Contract, and all Services and related contracting functions fit below that one level. Accordingly, the Commonwealth should develop the CWBS to no more than Level 3 of the CWBS, which is effectively the 'second pricing level'. While this may seem contradictory with the objectives above, the limited breakdown recognises that a CWBS needs to reflect the Contractor's methodology for undertaking the work and, therefore, unless there are exceptional circumstances, the Commonwealth should not dictate a CWBS structure below Level 3. If the procurement team wishes to seek prices for individual elements of work, they should consider using the Specific Prices tab and adding applicable lines into that table, rather than decomposing the CWBS to the level where the specific information is being sought.

At the top level, major Services that the Commonwealth is seeking through the contract are listed before any enabling Services, including Services Management. For example:

- 1.01 – Major Services Group #1
- 1.02 – Major Services Group #2
- 1.03 – Major Services Group #3
- 1.04 – Support Resource Management
- 1.05 – Services Management

For consistency, a similar approach is included at the next level of detail in the CWBS, with primary outcomes before enablers. To identify what components are to be included as Recurring Services, the Commonwealth may need to identify some (but not necessarily all) of these within the 'Menus' worksheet. For example:

**1.01 – Training Program #1**

1.01.01 – Training course delivery

1.01.02 – Training course administrative support

**1.02 – Major Services Group #2**

**1.03 – Major Services Group #3**

**1.04 – Support Resource Management**

1.04.01 – Personnel management

1.04.02 – Training materials (Technical Data) management

1.04.03 – Training Equipment management

**1.05 – Services Management**

1.05.01 – Planning, reporting and review activities

1.05.02 – Defence security compliance

1.05.03 – Quality Management

**Tenderers** should add further detail to the CWBS, and may prefer to restructure some of the level 3 CWBS ('level 2' of pricing). For example:

**1.01 – Training Program #1**

1.01.01 – Training course delivery

1.01.01.01 – instructors (delivery)

1.01.01.02 – venue hire

1.01.01.03 – instructors (independent assessors)

1.01.02 – Training course administrative support

1.01.01.02.01 – course materials printing

1.01.01.02.02 – course materials freight

1.01.01.02.03 – VET reporting

**Notes:**

- Even though the CWBS has been expanded in the above example, the tenderer retained the higher-level structure of the Commonwealth CWBS.
- The CWBS element 'venue hire' was included as a Recurring Service; however, that does not imply that this is suitable for all contracts; this is just an example.
- When transferred (via the drop down lists) onto a 'Recurring Services' worksheet, the comments column can be used to clarify scope (eg, "1.01.01 - Training course delivery" ... "does not include travel costs").