

1 CONTRACT FRAMEWORK

1.1 Definitions

- 1.1.1 In the Contract, unless the contrary intention appears, words, abbreviations and acronyms have the meaning given to them in the Details Schedule, or by the Glossary at Attachment M. The Glossary also contains a list of documents referred to in the Contract and details of the version that is applicable to the Contract.

1.3 Objectives

- 1.3.1 The objectives of the parties in entering into the Contract are:
- a. to establish and maintain a recruiting capability that is scalable and adaptable, modern and competitive and transparent and collaborative that achieves the objectives described in 47E(d)
 - b. to ensure that, for the payments provided for under the Contract, the Capability Partner provides the Services on time, on budget and to the required level of performance, safety, quality and capability, including the Objectives and otherwise in accordance with the Contract;

- c. to:
- (i) within the context of clause 1.3.1d, identify and pursue opportunities to maximise the participation of Australian Entities in the performance of the Contract;
 - (ii) ensure that Australian Industry has the necessary technology, IP rights, TD, know-how and know-why to participate in future development and sustainment work in relation to the Services; and
 - (iii) facilitate the creation, enhancement and/or maintenance of Industry Capabilities within Australia and New Zealand to satisfy the Contract requirements, achieve the ADF Capability Objectives and support the government's and Defence's goals for Australian industry, as set out in Defence's industry policies,
(collectively, the 'AIC Objectives');
- d. to obtain value for money for the Commonwealth on an ongoing basis in relation to the provision of the Services;
- e. to achieve, over the Term, cost savings associated with the delivery of the Services, through the identification and implementation of Efficiencies and otherwise;
- f. to obtain for the Capability Partner as a commercial entity a reasonable return on its investment when it performs the Contract efficiently and successfully, being a return that appropriately reflects the properly managed risks assumed by the Capability Partner in the performance of the Contract;
- g. for the Commonwealth to have appropriate Intellectual Property rights arising out of or in connection with the provision of the Services;
- h. to encourage the most efficient use of resources for the delivery of the Services and achievement of the Capability;
- i. to work within a framework that ensures the safety of persons, and complies with all Laws and other regulatory requirements;
- j. to achieve these joint Objectives through a culture of mutual respect and co-operation, and in an environment that fosters innovation, continuous improvement, cost efficiency and transparency;
- k. for each party to perform their respective obligations under the Contract with full commitment to fostering trust, cooperation and collaboration, including by:
- (i) communicating openly and honestly and in a timely manner;
 - (ii) sharing information to support effective decision making and using information shared for positive outcomes;
 - (iii) working together respectfully, productively and in a timely manner to achieve best for Capability outcomes;
 - (iv) taking accountability and delivering on commitments;
 - (v) assigning Personnel with the requisite capability and capacity for collaborative working;
 - (vi) providing proactive, cooperative and flexible support when challenges arise; and
 - (vii) accepting and respecting decisions once made.
- 1.3.2 Without in any way affecting or overriding the other terms of the Contract, each party agrees to perform its obligations and enforce its rights under the Contract having regard to, and with the aim of, achieving the objectives described in clause 1.3.1.

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4 PROVISION OF SERVICES

4.1 Language and Measurement

- 4.1.1 All information provided as part of the Services under the Contract shall be written in English. If such documentation is a translation into the English language, the translation shall be accurate and free from ambiguity.
- 4.1.2 Measurements of physical quantity shall be in Australian legal units as prescribed under the *National Measurement Act 1960* (Cth), or, if Services are imported, units of measurement as agreed in writing by the Commonwealth Representative.

4.2 Performance Requirements

- 4.2.1 Without limiting any of its other obligations under this Contract, the Capability Partner shall:
- a. provide the Services and perform all obligations and requirements set out in this Contract including in the SOW;
 - b. perform all work under the Contract (including provision of the Services):
 - (i) in a professional manner exercising appropriate skill, care and diligence and in accordance with industry best practice;
 - (ii) in a timely manner including by meeting all timeframes specified in the Contract or imposed by the Commonwealth in accordance with this Contract;
 - (iii) otherwise in accordance with good industry practice;
 - (iv) to a standard at least consistent with levels of performance achieved by well managed operations performing services similar to the Services; and
 - (v) to meet or exceed the Required Performance Levels for KPIs;
 - c. ensure that the Deliverables are compatible with and do not restrict the performance of, or adversely affect, other equipment specified or referred to in the Contract that will or may be used with the Deliverables;
 - d. be responsive to external developments concerning the Services and plan for and respond to those developments to the reasonable satisfaction of the Commonwealth;
 - e. be receptive to comments and other feedback in relation to the Services, and plan for and respond to such comments and feedback to the reasonable satisfaction of the Commonwealth;
 - f. regularly seek feedback on the delivery of the Services from the Commonwealth and address any issues arising from that feedback to the reasonable satisfaction of the Commonwealth;
 - g. ensure that all reports required under this Contract are accurate and not misleading in any material respect; and
 - h. ensure that at all times it uses appropriately qualified Personnel to provide the Services, considering the nature of the obligations imposed on those Personnel.

- 4.2.2 For the purpose of clause 4.2.1c, 'good industry practice' means practices, methods and standards that would reasonably be expected from professional and experienced contractors in the relevant industry undertaking the same type of work as the Capability Partner in the same or similar circumstances.

4.3 Quality Management

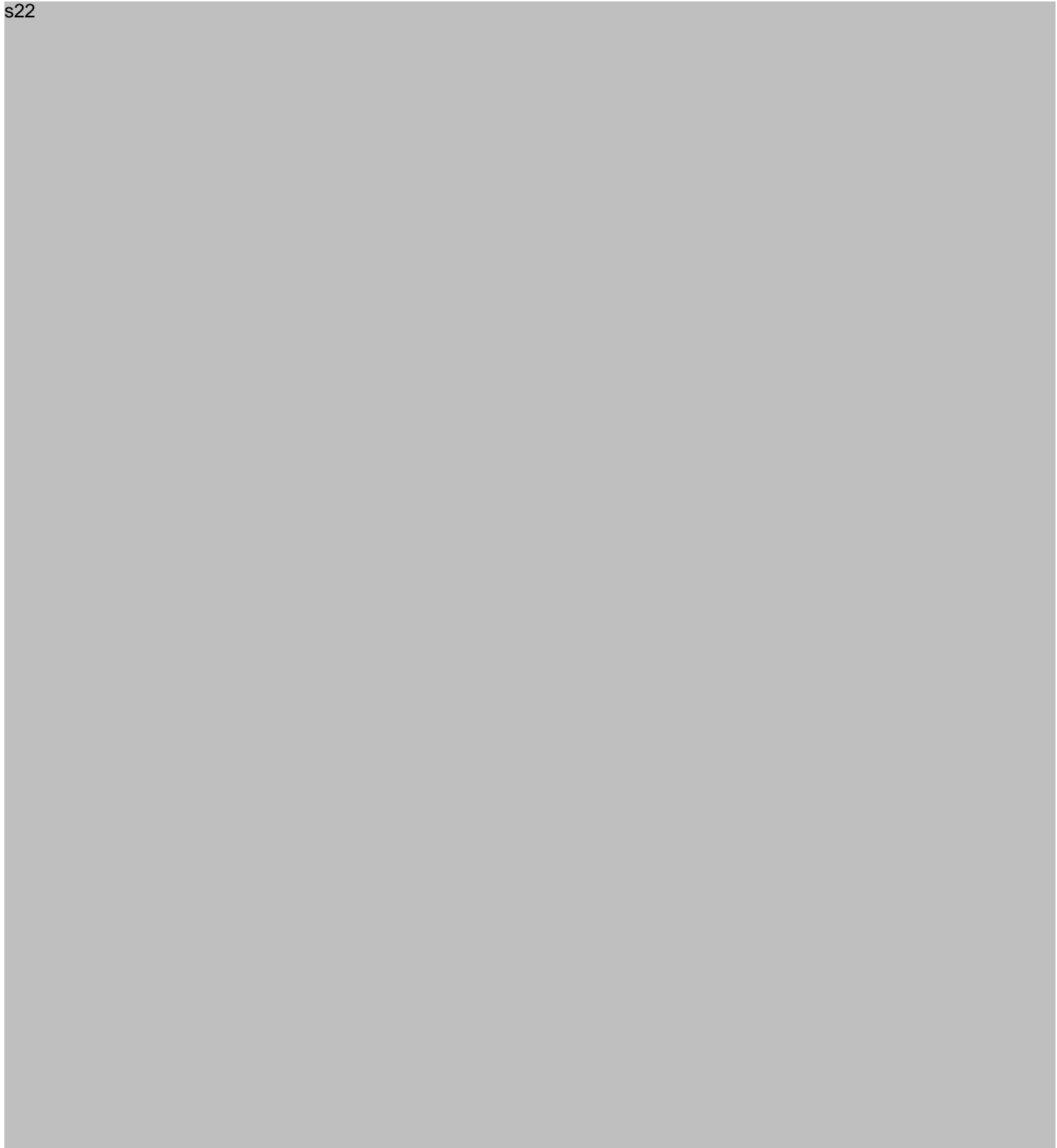
- 4.3.1 The Capability Partner shall have a Quality Management System (**QMS**), as updated from time to time) certified to AS/NZS ISO 9001:2016 'Quality Management Systems – Requirements', or other internationally accepted equivalent standard as agreed by the Commonwealth Representative, on or before the Operative Date.
- 4.3.2 The Capability Partner shall maintain and apply the QMS in clause 4.3.1 to the provision of the Services and shall notify the Commonwealth Representative of any changes to the certification status of the Capability Partner.
- 4.3.3 During the Term, the Commonwealth may perform Audit and Surveillance activities (either independently or by participating in the Capability Partner's internal audits, as determined by the Commonwealth Representative) in relation to the Services performed, including any of the following:
- a. System Audit; or
 - b. Process Audit.
- 4.3.4 The Capability Partner shall provide all facilities and assistance reasonably required by the Commonwealth in order for the Commonwealth to perform Audit and Surveillance activities as described in clause 4.3.3.
- 4.3.5 The Capability Partner will ensure that all Approved Subcontractors have Quality Management Systems that are appropriate to the work required under the Subcontract.
- 4.3.6 The Capability Partner will ensure that all Services performed under a Subcontract meets the requirements of the QMS to be applied by the Capability Partner under clause 4.3.
- 4.3.7 The Capability Partner shall maintain records pertaining to the planning and verification of the Quality of the Services for a minimum period of seven years after the Term.
- 4.3.8 The Capability Partner shall develop, deliver and update a Quality Management Plan as part of the SDMP.
- 4.3.9 The Capability Partner shall:
- a. ensure that Quality program plans are developed for all Approved Subcontractors; and
 - b. incorporate the Quality program plans for all Approved Subcontractors into the Quality Management Plan.
- 4.3.10 The Capability Partner shall manage the Quality program for the Contract in accordance with the Approved Quality Management Plan.
- 4.3.11 If at any time the Commonwealth Representative determines by Audit and Surveillance in accordance with clause 4.3.3 or otherwise that, in relation to the provision of the Services:
- a. the Quality system being applied no longer conforms to the certified QMS; or
 - b. the Quality procedures and processes do not conform to the Approved Quality Management Plan,
- then the Commonwealth Representative may notify the Capability Partner of the details of the non-conformance and require the Capability Partner to correct the non-conformance within the period specified in the notice.
- 4.3.12 The Capability Partner shall take whatever action is necessary to correct a legitimate Quality system/process/product non-conformance within the period specified in the notice issued pursuant to clause 4.3.11 or within any period agreed in writing by the Commonwealth Representative and shall notify the Commonwealth Representative immediately upon taking corrective action.

4.3.13 Pursuant to clauses 4.3.11 and 4.3.12 the Commonwealth may perform an Audit to verify that the non-conformance has been corrected.



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7 PERFORMANCE, ACCEPTANCE AND OWNERSHIP

7.1 Performance

- 7.1.1 The Capability Partner shall provide the Services in accordance with the Contract, including:
- a. providing Deliverables by the relevant dates (if applicable) and in the manner required;
 - b. achieving Acceptance of any Deliverables by the relevant dates (if applicable) and in the manner required;

- c. achieving Milestones by the relevant Milestone Dates;
 - d. achieving, or exceeding, the Required Performance Level for each KPI and for each Review Period; and
 - e. in relation to those Services to which no KPI relates, achieving a level of performance that a competent contractor would achieve when providing services of the same type as those Services.
- 7.1.2 The Capability Partner's performance against the KPIs shall be measured and reported in accordance with Attachment P and the SOW.
- 7.1.3 The Capability Partner's entitlement to Performance Payments under Annex D to Attachment B is subject to its performance against the KPIs.
- 7.1.4 Without limiting the Commonwealth's other rights and remedies under the Contract or at law, if the Capability Partner does not comply with its obligations under clause 7.1.1, the Commonwealth may be entitled to:
- a. issue a direction under clause 7.3;
 - b. issue a direction under clause 7.6;
 - c. exercise its Step-in Rights under clause 7.11;
 - d. require the Capability Partner to prepare and comply with a Remediation Plan in accordance with clause 7.12;
 - e. suspend payment under clause 8.11;
 - f. recover liquidated damages or accept compensation under clause 12.6; or
 - g. terminate the Contract under clause 15.2.
- 7.1.5 Without limiting the Capability Partner's obligations under clause 7.1.1, the Capability Partner shall ensure that the Commonwealth is placed in a position where the Commonwealth can perform the tasks it is required to perform under the Contract in sufficient time to enable the Capability Partner to:
- a. achieve each Milestone by the relevant Milestone Date; and
 - b. achieve or exceed the Required Performance Level for each KPI for each Review Period,
- in accordance with the requirements of the Contract.

7.2 Delay

- 7.2.1 Without affecting the Capability Partner's obligations under clause 7.1.1, the Capability Partner shall take all reasonable steps to prevent and minimise delay and to mitigate both parties' Losses due to delay.
- 7.2.2 If the Capability Partner becomes aware that the provision of the Services or the achievement of a Milestone will or may be delayed for any reason, the Capability Partner shall notify the Commonwealth Representative of the following matters, to the extent that the Capability Partner is aware of them:
- a. the cause and nature of the delay;
 - b. the steps that the Capability Partner and its Subcontractors are taking and will take to minimise the delay and mitigate the effects of the delay;
 - c. the anticipated duration of the delay; and
 - d. whether the Capability Partner will be claiming Performance Relief or Postponement of the date for the provision of the Services or the Milestone Date under clause 7.4, or seeks any other change to the Contract, on the basis of the delay.

- 7.2.3 A notice under clause 7.2.2 shall be given as soon as practicable after the Capability Partner becomes aware of the delay or potential delay, but no later than 30 days after the Capability Partner becomes so aware.
- 7.2.4 The Capability Partner shall notify the Commonwealth as soon as practicable after the Capability Partner becomes aware of a material change to information notified under clause 7.2.2.
- 7.2.5 The Capability Partner shall comply with any request by the Commonwealth Representative for information concerning a delay or potential delay in the provision of the Services or the achievement of a Milestone.

7.3 Performance Shortfalls

- 7.3.1 If the Capability Partner's performance for a KPI is in Performance Band C or D for a Review Period:
- a. the Capability Partner shall immediately take all reasonable steps to minimise the adverse effects of the Capability Partner's performance, including mitigating any losses of the parties arising as a result; and
 - b. the Commonwealth may direct the Capability Partner to take any measures the Commonwealth Representative considers reasonably necessary to remedy the Capability Partner's performance and the Capability Partner shall comply with the direction at no additional cost to the Commonwealth.
- 7.3.2 The Capability Partner shall, within five Working Days after becoming aware that its performance for a KPI for a Review Period will be, or is likely to be, in Performance Band C or D for any reason, notify the Commonwealth Representative in writing of the matter and provide details of:
- a. the Capability Partner's actual or anticipated performance against the KPI during the Review Period;
 - b. the events or circumstances which affected or are likely to affect the Capability Partner's performance during the Review Period; and
 - c. the effects of the Capability Partner's performance during the Review Period on the provision of the Services.
- 7.3.3 The Capability Partner shall, within five Working Days after a notification under clause 7.3.2, notify the Commonwealth Representative in writing:
- a. of the steps it has taken and will take to minimise the adverse effects of the Capability Partner's performance;
 - b. of the period during which the Capability Partner expects that its performance for the relevant KPI will or is likely to be in Performance Band C or D; and
 - c. whether it will be claiming relief under clause 7.4 in respect of performance against the relevant KPI.
- 7.3.4 The Capability Partner shall undertake the steps specified in a notification provided under clause 7.3.3.

7.4 Performance Relief and Postponement

- 7.4.1 Subject to clauses 7.4.3 to 7.4.8, the Capability Partner shall be entitled to Performance Relief to the extent that a Performance Event:
- a. is beyond the reasonable control of the Capability Partner and its Subcontractors and could not have been reasonably contemplated and allowed for by the Capability Partner or its Subcontractors before entering into the Contract; or
 - b. resulted from:
 - (i) a Commonwealth Default;
 - (ii) an Excepted Risk;

- (iii) a GFF Delay Event; or
 - (iv) the Commonwealth exercising its Step-in Rights in accordance with clause 7.11.1b.
- 7.4.2 Subject to clauses 7.4.3 to 7.4.8, the Capability Partner shall be entitled to Postponement to the extent that a Postponement Event:
 - a. in relation to Milestone 10 (Readiness Review 5), is caused or contributed to by any act or omission of the Commonwealth or a Commonwealth Contractor;
 - b. is beyond the reasonable control of the Capability Partner and its Subcontractors and could not have been reasonably contemplated and allowed for by the Capability Partner or its Subcontractors before entering the Contract; or
 - c. resulted from:
 - (i) a Commonwealth Default;
 - (ii) an Excepted Risk;
 - (iii) a GFF Delay Event; or
 - (iv) the Commonwealth exercising its Step-in Rights in accordance with clause 7.11.1b.
- 7.4.3 The Capability Partner shall only be entitled to Performance Relief under clause 7.4.1 or Postponement under clause 7.4.2, as applicable, if:
 - a. the Capability Partner notified the Commonwealth of the relevant event or circumstance as required by clause 7.2 or 7.3, as applicable;
 - b. the work under the Contract cannot be performed in such a way as to meet the performance requirements at clause 7.1, as is reasonable having regard to any other relevant circumstances;
 - c. the Capability Partner has made and continues to make all reasonable endeavours to minimise or prevent:
 - (i) its failure to perform; or
 - (ii) delay,
 and the Capability Partner mitigates both parties' Losses;
 - d. the Capability Partner submits a claim for Performance Relief in accordance with clause 7.4.6 or Postponement in accordance with clause 7.4.7, as applicable; and
 - e. the Capability Partner has complied with clause 7.4.8, as applicable.
- 7.4.4 The Capability Partner shall not be entitled to Performance Relief or Postponement to the extent that the relevant Performance Event or Postponement Event resulted from:
 - a. a Capability Partner Default;
 - b. compliance with a direction under clause 14.6.10; or
 - c. the Commonwealth's inability to action a data item within the timeframes described in the CDRL in the circumstances described in clause 2.3 of the SOW.
- 7.4.5 The Capability Partner shall not be entitled to Performance Relief or Postponement for a period longer than the duration of the relevant Performance Event or Postponement Event.
- 7.4.6 The Capability Partner may claim Performance Relief by submitting to the Commonwealth the Performance Measurement Report which includes:
 - a. details of the Performance Event and its claim for Performance Relief; and
 - b. documentation demonstrating the Capability Partner's entitlement to Performance Relief.
- 7.4.7 The Capability Partner may claim Postponement by submitting to the Commonwealth:

- a. a notice setting out the details of the Postponement Event and its claim for Postponement; and
 - b. documentation demonstrating the Capability Partner's entitlement to Postponement.
- 7.4.8 If the Capability Partner has notified the Commonwealth that it proposes to claim Postponement, or to seek some other change to the Contract on the basis of a failure to perform or delay, the Capability Partner shall make the claim, or seek the change:
- a. as soon as it is practicable to do so after that notification; or
 - b. if the Commonwealth directs the Capability Partner to do so, in accordance with the Commonwealth direction.
- 7.4.9 To avoid doubt, unless and until a claim for Performance Relief or Postponement is Approved under this clause 7.4, the Capability Partner shall be fully responsible for:
- a. complying with its obligations under this Contract;
 - b. any potential or actual Performance Event or Postponement Event; and
 - c. any Loss arising from such failure or delay.
- 7.4.10 Whether or not the Capability Partner has sought or is entitled to seek Performance Relief or Postponement under this clause 7.4 and without affecting any other rights of the Commonwealth, the Commonwealth may, at any time, by notice to the Capability Partner:
- a. increase the Adjusted Performance Score (which may result in a change to the Performance Band) for a KPI for a Review Period;
 - b. in accordance with Annex D to Attachment B, suspend the requirement to measure the Capability Partner's performance against a KPI for a Review Period or part thereof; or
 - c. postpone a Milestone Date or the delivery date (including the Operative Date) for provision of the Services to the date specified in the notice to reflect the expected date on which the relevant Milestone will be achieved or the Services will be provided.
- 7.4.11 The parties acknowledge that:
- a. a notice under clause 7.4.10 does not affect any rights the Capability Partner may have to claim Postponement to a date that is later than the date specified in the notice;
 - b. the Commonwealth Representative is not required to give a notice under clause 7.4.10; and
 - c. giving, or failing to give, a notice under clause 7.4.10 is not capable of being the subject of a dispute for the purposes of clause 15.1 or otherwise subject to review.
- 7.4.12 If the Commonwealth Representative issues a notice under clause 7.4.10 to postpone a Milestone Date or the delivery date for provision of the Services, and that postponement requires a change to the Contract, the Capability Partner shall submit a CCP to give effect to the notice in accordance with clause 13.1.

7.5 Postponement Costs

- 7.5.1 Subject to clause 7.5.3 and except to the extent that another provision of the Contract provides to the contrary, the Capability Partner shall only be entitled to costs in respect of Postponement when all of the following are satisfied:
- a. the relevant Postponement Event resulted from a Commonwealth Default or GFF Delay Event;
 - b. the Capability Partner claims the costs by notifying the Commonwealth Representative of the amount of the Postponement costs as soon as practicable after the determination of the costs by the Capability Partner but no later than six months after the notification under clause 7.4.10 was given; and

- c. the Capability Partner provides substantiating evidence to the satisfaction of the Commonwealth Representative of the costs and steps taken to mitigate the Capability Partner's Loss and Commonwealth's Loss in connection with the Postponement Event.
- 7.5.2 The Commonwealth Representative shall within 30 days after receiving a claim under clause 7.5.1:
- a. Approve the claim if it satisfies the requirements of clause 7.5.1, and notify the Capability Partner of the amount of the Postponement costs to be paid; or
 - b. reject the claim if it does not satisfy the requirements of clause 7.5.1, and notify the Capability Partner of the reason for rejection.
- 7.5.3 The Capability Partner shall only be entitled to Postponement costs equal to the unavoidable additional costs incurred by the Capability Partner as a direct consequence of the Commonwealth Default or GFF Delay Event referred to in clause 7.5.1a.
- 7.5.4 The Capability Partner shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to justify all Postponement costs claimed to have been incurred by the Capability Partner.
- 7.5.5 The Capability Partner's rights under this clause shall be its sole remedy for any Loss suffered by the Capability Partner in connection with a Postponement Event caused by an act or omission of the Commonwealth.

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8 PRICE AND PAYMENT**8.1 Price**

- 8.1.1 Subject to the other provisions of the Contract and the Capability Partner achieving a Milestone or providing the Services (as applicable), in accordance with the Contract (including achieving Acceptance of Deliverables or Services where required by the Contract), the Capability Partner is entitled to make a claim for payment:
- a. for achievement of a Transition In Milestone, the relevant Milestone Payment in accordance with Annex A to Attachment B;
 - b. for achievement of a Milestone, the relevant Milestone Payment in accordance with Annex B to Attachment B;
 - c. for the provision of Recurring Services (not forming part of a Milestone):
 - (i) the Base Fee in accordance with Annex C to Attachment B; and
 - (ii) the Performance Payments in accordance with Annex D to Attachment B;
 - d. for the provision of a Task-Priced Service, a payment in accordance with Annex E to Attachment B;
 - e. for the provision of an S&Q Service, a payment in accordance with the S&Q Order; and
 - f. for an Adjustment Payment following an Adjustment Date in accordance with clause 8.4.4a.

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8.5 Adjustments to Costs of Labour

- 8.5.1 Without limiting clause 8.4.1, the parties acknowledge and agree that, in the event of a significant variation between the cost of labour, as set out in Attachment B and adjusted in accordance with clause 8.4.1, and the Capability Partner's actual cost of labour, then the Capability Partner may propose a change to the Services Fees, in accordance with clause 13.1, to reflect the cost of labour consistent with the Capability Partner's actual cost of labour. For the purposes of this clause 8.5.1, the following shall apply:
- a. a variation between the cost of labour, as set out in Schedule 5 of the Pricing Workbook and the Capability Partner's actual cost of labour is "significant" only if the variation is at least 10%;
 - b. the Capability Partner shall request in writing to vary the cost of labour in accordance with this clause 8.5.1 within three months after the occurrence of the "significant" variation;
 - c. the Capability Partner shall substantiate to the Commonwealth's satisfaction the Capability Partner's actual cost of labour;
 - d. the Capability Partner acknowledges and agrees that its cost of labour for providing the Services is set out in Schedule 5 of the Pricing Workbook and any request to vary the cost of labour shall be limited to the roles specified in Schedule 5 of the Pricing Workbook; and
 - e. if a variation to the cost of labour is sought and agreed by the parties, then the adjustment shall take effect when the CCP is executed by both parties, unless otherwise set out in the CCP.

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10 DEFECT NOTIFICATION AND RECTIFICATION

10.1 Notification of Defects

- 10.1.1 If during the Defect Notification Period specified in the Details Schedule, the Capability Partner becomes aware of any Defect in the Services which adversely affects, or is likely to adversely affect:
- a. the safety of a Product or a Deliverable or the safety of persons, the Capability Partner shall notify the Commonwealth Representative of the Defect within one Working Day; or
 - b. the operation or capability of a Product or a Deliverable, the Capability Partner shall notify the Commonwealth Representative of the Defect within five Working Days.

- 10.1.2 The Capability Partner shall, within 30 days after a notification under clause 10.1.1, provide the Commonwealth with a report, including supporting evidence on:
- a. the nature of the Defect;
 - b. its cause;
 - c. its effects; and
 - d. proposed rectification action.
- 10.1.3 For the purposes of clause 10.1.2b, the Capability Partner will be taken to have caused the Defect unless the Capability Partner can demonstrate, to the satisfaction of the Commonwealth Representative, that the Defect arose from an act or omission of:
- a. the Commonwealth;
 - b. an Unrelated Party under another contract; or
 - c. the Capability Partner under another contract.

10.2 Defect Rectification and Assistance Obligations

- 10.2.1 If the Commonwealth Representative notifies the Capability Partner of a Defect in the Services, or the Capability Partner notifies the Commonwealth under clause 10.1 (or otherwise), during the relevant Defect Rectification Period (specified in the Details Schedule), the Capability Partner shall, within 20 Working Days after the notification, or a longer period agreed in writing by the Commonwealth, by repair, replacement or modification:
- a. rectify the Defect and Defects of a similar nature; and
 - b. rectify any adverse effect of the Defect or the rectification on other Products or Deliverables,
- whether or not the Defect arises out of or as a consequence of a Capability Partner Default.
- 10.2.2 The Capability Partner shall be entitled to claim for an additional amount (calculated in accordance with Attachment B as an S&Q Service) for any rectification work performed under clause 10.2.1 but only to the extent that the Defect arose out of or as a consequence of any of the following:
- a. a Commonwealth Default;
 - b. an act or omission of a Commonwealth Contractor under a previous acquisition, support or other contract with the Commonwealth, provided that the requirements at clause 10.1.2 have been met;
 - c. the Commonwealth wilfully damaging a Product Being Supported or Deliverable; or
 - d. damage to a Product Being Supported or Deliverable caused by any of the following:
 - (i) the Product Being Supported or Deliverable being stored, installed, configured, used, maintained or modified by the Commonwealth or a Commonwealth Contractor in a way that deviates from any specifications, instructions or manuals provided by the Capability Partner, unless such deviation is necessary to enable the Services to be fit for purpose in accordance with clause 4.4;
 - (ii) an Excepted Risk occurring, except to the extent that the loss or damage could have been prevented or mitigated by reasonable care on the part of the Capability Partner or Capability Partner Personnel; and
 - (iii) a breach of a general law duty or an applicable law by an Unrelated Party, except to the extent that the Capability Partner is liable for such damage under clause 12.8.2.

- 10.2.3 To the extent that any identified Defect in the Services arose as a consequence of work performed or deliverables provided under a contract referred to in 10.2.2b, the Capability Partner shall assist the Commonwealth in the gathering of evidence to support a claim under that other contract.
- 10.2.4 The Capability Partner's obligations under clause 10.2.1 do not require the Capability Partner to rectify a Defect in GFM provided under this Contract or incorporated into the Services except to the extent that the Defect resulted from a Capability Partner Default.
- 10.2.5 Subject to clauses 10.2.2 and 10.2.9, the Capability Partner shall bear all costs of, and incidental to, rectifying Defects as required by the Contract, including the costs of any removal, disassembly, packing, freight relevant testing, re-assembly and reinstallation, except to the extent that the Commonwealth Representative otherwise reasonably agrees.
- 10.2.6 If the Capability Partner fails to rectify a Defect within the period specified in clause 10.2.1, the Commonwealth may rectify the Defect itself or by a third party. If the Commonwealth engages a third party to rectify the Defect, the Capability Partner's warranties and obligations will be reduced to the extent of the warranty given by the third party in relation to the rectification work. The Commonwealth may elect to recover from the Capability Partner under clause 15.7 the amount of the Commonwealth's costs of rectifying the Defect. No amount shall be owing to the Commonwealth under this clause 10.2.6 until the Commonwealth elects to recover the amount.
- 10.2.7 If a Defect (other than a Latent Defect) in any Services is rectified in accordance with clause 10.2.1, the Defect Rectification Period for those Services shall expire on the later of:
- a. the end of the original Defect Rectification Period; or
 - b. the date that is half the original Defect Rectification Period after the rectified Products or Deliverables are returned to the Commonwealth.
- 10.2.8 If the Capability Partner has performed rectification work on Products as required by this clause 10.2 and the Commonwealth is not satisfied that the Defect has been rectified, the Capability Partner shall perform any additional tests that are required by the Commonwealth to determine whether the Defect has been rectified.
- 10.2.9 If tests conducted under clause 10.2.8 show that the Defect has been rectified, the cost of the tests shall be borne by the Commonwealth. If the tests show that the Defect has not been rectified:
- a. the Capability Partner shall rectify the Defect as soon as practicable; and
 - b. the costs of the rectification work and the tests shall be borne by the Capability Partner.

ATTACHMENT B**PRICE AND PAYMENTS**

- 1.1 Attachment B consists of the following Annexes:
- A. Transition In;
 - B. Milestone Payments;
 - C. Recurring Services;
 - D. Performance Payments;
 - E. Task-Priced Services;
 - F. S&Q Services;
 - G. Adjustments;
 - H. Australian Contract Expenditure;
 - I. Pricing for PowerForce sustainment an s47
 - J. Termination or expiry of Existing Leases;
 - K. Termination or reduction for convenience; and
- s47G
- 1.2 The dates specified in the Delivery Schedule at Attachment C shall have precedence over any dates specified in this Attachment B in the event of any inconsistency.
- 1.3 The obligations of the Commonwealth under this Attachment B are subject to the:
- a. Capability Partner making a claim for payment in accordance with clause 8.3 of the Conditions of Contract; and
 - b. other provisions of the Contract.
- 1.4 Except where expressly indicated to the contrary, the amounts set out in this Attachment B are inclusive of all costs and other payments associated with providing the Services (including achieving the Milestones) and carrying out all matters and doing all things necessary for the due and proper performance and completion of the Contract. This includes all licence fees, royalty payments, overseas taxes, duties and charges, Australian (Federal, State and Local Government) taxes including GST (where specified), customs and other duties and charges and arranging customs clearance and services of representatives.

ANNEX A TO ATTACHMENT B

TRANSITION IN

1. INTRODUCTION

1.1 This Annex A describes the amounts payable by the Commonwealth to the Capability Partner for the delivery of Transition In, in accordance with the Contract.

2. TRANSITION IN MILESTONES

2.1 The Milestones, the criteria for achievement of the Milestones, the Milestone Dates and the Milestone Payments for Transition In are set out in the Transition In Plan.

2.2 The Capability Partner is taken to have achieved a Transition In Milestone only if all of the Acceptance Criteria for the Milestone set out in the Transition In Plan have been satisfied.

2.3 Liquidated damages apply to the failure to achieve the Acceptance Criteria for Transition In, in accordance with Attachment D.

3. PAYMENT OF TRANSITION IN MILESTONES

3.1 With the exception of Milestone 1, Table A-1, Table A-2 and Table A-3 set out the Milestone Payment for each Milestone to be met by the Capability Partner during the Transition In Period.

3.2 The Milestone Payment for Milestone 1 shall be payable to the Capability Partner on the Effective Date. The Milestone Payment for Milestone 1 is s47G, s47D

3.3 The Commonwealth shall, for the provision of the general management and labour costs for Transition In, pay to the Capability Partner the monthly Milestone Payment set out in Table A-1, monthly in arrears, in accordance with clause 8.3.1 of the COC.

Table A-1: Monthly Milestone Payments

#	Description	Milestone Date	\$ Payment value (excl. GST)	\$ Payment value (incl. GST)
2	Monthly payment	s47E(d)	s47G, s47D	
3	Monthly payment			
4	Monthly payment			
5	Monthly payment			
6	Monthly payment			
7	Monthly payment			
8	Monthly payment			
9	Monthly payment			
	Total			

ANNEX A TO ATTACHMENT B

3.4 The Commonwealth shall, for achievement of a Readiness Review Transition In Milestone, pay to the Capability Partner the relevant Milestone Payment as set out in Table A-2, in accordance with clause 8.3.1 of the COC.

Table A-2: Readiness Review Transition-In Milestone Payments

#	Milestone	Description	Milestone Date	Criteria for achievement of the Milestone	\$ Payment value (excl. GST)	\$ Payment Value (incl. GST)
1	Milestone 3	Readiness Review 1	s47E(d)	Acceptance Criteria met	s47G, s47D	
2	Milestone 5	Readiness Review 2		Acceptance Criteria met		
3	Milestone 7	Readiness Review 3		Acceptance Criteria met		
4	Milestone 9	Readiness Review 4		Acceptance Criteria met		
	Total					

3.5 The Commonwealth shall, for the achievement of each Facilities Transition In Milestone, pay to the Capability Partner the actual costs incurred by the Capability Partner for achieving the relevant Milestone up to the maximum payment value set out in Table A-3, in accordance with clause 8.3.1 of the COC.

3.6 If the Capability Partner anticipates that its actual costs to deliver a Facilities Transition In Milestone are likely to exceed the maximum payment value set out in Table A-3:

- a. the Capability Partner shall, as soon as becoming aware that it is likely to exceed the relevant maximum payment value, and in any event not less than 20 Working Days prior to the date it expects to exceed the relevant maximum payment value:
 - (i) provide substantiating evidence to the satisfaction of the Commonwealth Representative of the actual costs incurred and anticipated to be incurred for the relevant activity; and
 - (ii) submit a CCP in accordance with clause 13.1 of the COC to adjust the relevant maximum payment value; and
- b. the Commonwealth's Approval of the Capability Partner's request to adjust the relevant maximum payment value shall not be unreasonably withheld.

3.7 The Commonwealth shall not be liable to pay any amount incurred by the Capability Partner in excess of the relevant maximum payment value that has not been approved by the Commonwealth in accordance with clause 13.1 of the COC.

3.8 The Milestone Date for each Facilities Transition In Milestone is the last Working Day in the applicable month, unless specified otherwise in the Approved Facilities Plan.

ANNEX A TO ATTACHMENT B

Table A-3: Facilities Transition In Milestone Payments

#	Milestone	Description	Milestone ID (refer to Attachment C)	Milestone Date	\$ Maximum payment value (excl. GST)	\$ Maximum payment value (incl GST)
1	Milestone 2	Facilities Milestone	s47G	s47E(d)	s47G, s47D	
2	Milestone 3	Facilities Milestone				
3	Milestone 4	Facilities Milestone				
4	Milestone 5	Facilities Milestone				
5	Milestone 6	Facilities Milestone				
6	Milestone 7	Facilities Milestone				
7	Milestone 8	Facilities Milestone				
8	Milestone 9	Facilities Milestone				
	Total					

4. NOT TO EXCEED TRANSITION IN FEES

- 4.1 This clause 4 describes the maximum amount payable to the Capability Partner for the performance of particular Transition In activities set out in Schedule 7a of the Pricing Workbook (**Not to Exceed Transition In Fees**).
- 4.2 The Not to Exceed Transition In Fees have been included as part of the Milestone Payments and are payable by the Commonwealth in accordance with clause 3 of this Annex. However, the Commonwealth is only liable for the actual costs for the Transition In activities accrued by the Capability Partner up to the value of the Not to Exceed Transition In Fee, as set out in Schedule 7a of the Pricing Workbook.
- 4.3 Following Acceptance of Transition In, the parties shall undertake a reconciliation at the times specified in Schedule 7a of the Pricing Workbook to establish the Capability Partner's actual costs to deliver each Transition In activity as set out in Schedule 7a of the Pricing Workbook.
- 4.4 To assist the Commonwealth's reconciliation, the Capability Partner shall provide to the Commonwealth on an Open Book Basis a detailed account of the actual costs incurred by the Capability Partner to deliver the relevant Transition In activity.
- 4.5 If the actual cost for a Transition In activity in Schedule 7a of the Pricing Workbook is less than the Not to Exceed Transition In Fee and the Commonwealth has paid the Capability Partner an amount exceeding the total of the actual cost of the Transition In activity, the Capability Partner shall repay the amount to the Commonwealth within 30 days following notification by the Commonwealth by setting off the amount against a future invoice. Otherwise, the Commonwealth shall recover the amount under clause 15.7 of the COC as a debt due to the Commonwealth.

ANNEX A TO ATTACHMENT B

- 4.6 If the Capability Partner anticipates that its actual costs to deliver a Transition In activity set out in Schedule 7a of the Pricing Workbook will exceed the relevant Not to Exceed Transition In Fee:
- a. the Capability Partner shall, as soon as becoming aware that it is likely to exceed the relevant Not to Exceed Transition In Fee, and in any event not less than 20 Working Days prior to the date it expects to exceed the relevant Not to Exceed Transition In Fee:
 - (i) provide substantiating evidence to the satisfaction of the Commonwealth Representative of the actual costs incurred and anticipated to be incurred for the relevant Transition In activity; and
 - (ii) submit a CCP in accordance with clause 13.1 of the COC to adjust the relevant Not to Exceed Transition In Fee; and
 - b. the Commonwealth's Approval of the Capability Partner's request to adjust the relevant Not to Exceed Transition In Fee shall not be unreasonably withheld.
- 4.7 The Commonwealth shall not be liable to pay any amount incurred by the Capability Partner in excess of a Not to Exceed Transition In Fee that has not been approved by the Commonwealth in accordance with clause 13.1 of the COC.

ANNEX B TO ATTACHMENT B

MILESTONE PAYMENTS

1. INTRODUCTION

1.1 This Annex B describes the amounts payable by the Commonwealth to the Capability Partner for the achievement of Milestones, in accordance with the Contract.

2. MILESTONES

2.1 Table B-1 sets out the Milestones, the criteria for achievement of the Milestones, the Milestone Dates and the Milestone Payments.

2.2 The Commonwealth shall, for achievement of a Milestone, pay to the Capability Partner the relevant Milestone Payment as specified in Table B-1 under this clause 2.

2.3 The Capability Partner is taken to have achieved a Milestone only if all of the Acceptance Criteria for the Milestone set out in the following Table B-1 have been satisfied.

Table B-1: Milestone Payments

#	Description	Milestone Date	Criteria for achievement of the Milestone	\$ Payment value (incl. GST)
1	Readiness Review 5	s47E(d)	Acceptance of the relevant Deliverables	s47G, s47D
	Total			

3. DCDC MILESTONES

3.1 Table B-2 sets out the Milestones and the Milestone Payments attached to those elements of DCDC noted in Attachment C to the Conditions of Contract.

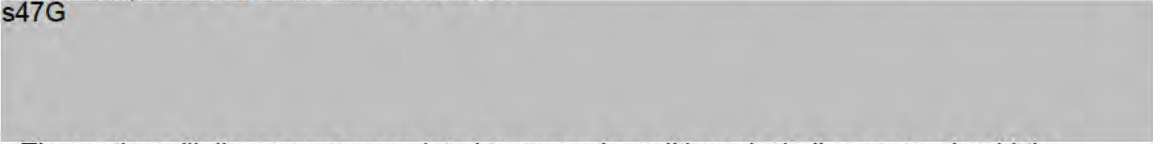
3.2 The Commonwealth shall, for achievement of a Milestone, pay to the Capability Partner the relevant Milestone Payment as specified in Table B-2 under this clause 3.

3.3 The Capability Partner is taken to have achieved a Milestone only if all of the Acceptance Criteria for the Milestone set out in Attachment C to the Conditions of Contract have been satisfied.

Table B-2: Milestone Payments

#	Milestone	Descriptor	\$ Payment value (ex. GST)
1	Milestone 1	s47G, s47D	
2	Milestone 2		
3	Milestone 3		
3	Milestone 4		
4	Milestone 5		
5	Milestone 6		
6	Milestone 7		
	Total		

ANNEX C TO ATTACHMENT B

- 3.4 The above costs exclude any:
- (a) costs associated with the rework of creative content as a result of the Master Branding guidelines that are unforeseen; and
 - (b) marketing costs associated with product launch that are mutually determined as required for the success of Go Live.
- 3.5 s47G 
- 3.6 The parties will discuss any associated terms and conditions, including costs, should the Commonwealth seek support around Hypercare or potential transition.¹

¹ Amended by CCP 014 effective 26 June 2024

ANNEX C TO ATTACHMENT B**RECURRING SERVICES****1. INTRODUCTION**

- 1.1 This Annex C describes the amounts payable by the Commonwealth to the Capability Partner for the provision of Recurring Services in accordance with the Contract.

2. SUMMARY OF PRICING FOR RECURRING SERVICES

- 2.1 The Recurring Services Fee is determined in accordance with clause 3 of this Annex C.

3. RECURRING SERVICES FEE

- 3.1 The Commonwealth shall, for the provision of the Recurring Services, pay to the Capability Partner the Recurring Service Fee, which is comprised of:

s47G

- 3.2 The Base Fee is comprised of:

s47G

4. MANAGEMENT FEE

- 4.1 This clause 4 describes the amounts payable by the Commonwealth to the Capability Partner for the provision of general management and administration of the Services in accordance with the Contract.

- 4.2 The Commonwealth shall, for the provision of the general management and administration of the Services, pay to the Capability Partner the applicable Management Fee, monthly in arrears, in accordance with clause 8.3.1 of the COC. For the purpose of determining the relevant Management Fee, s47G and therefore not included in the management fee.

- 4.3 The applicable monthly Management Fee is set out in Schedule 1 of the Pricing Workbook and includes the Not to Exceed Fees set out in clause 6 of this Annex.

s47G, s47D

4.4

- 4.5 If the Recruiting Target for a year is s47G, s47D Candidates or s47G, s47D Candidates, the parties will negotiate in good faith, an appropriate adjustment to the Management Fee for that year to reflect the management costs for the Recruiting Target. Any change to the Management Fee will be given effect in accordance with clause 13.1 of the COC.

- 4.6 For the avoidance of doubt, the Management Fee for the Initial Term as set out in Schedule 1 of the Pricing Workbook includes the cost for the management and maintenance of the DCDC.

ANNEX C TO ATTACHMENT B**5. CANDIDATE FEE**

5.1 This clause 5 describes the amount payable by the Commonwealth to the Capability Partner for the Enlistment or Appointment of a Candidate, in accordance with the Contract.

5.2 The Commonwealth shall, for the Enlistment or Appointment of a Candidate, pay to the Capability Partner the applicable Candidate Fee for each Enlisted or Appointed Candidate, monthly in arrears, in accordance with clause 8.3.1 of the COC. s47G

5.3 s47G, s47D

5.4 The Category for each role / position as at the Commencement Date is set out in Schedule 2 of the Pricing Workbook. By no later than 31 March each year, the Commonwealth may, as part of determining the Recruiting Targets for the next financial year, change the Category allocated to a particular position / role. The Commonwealth shall notify the Capability Partner of any changes to the applicable Category for a position / role, together with the Recruiting Targets, for each yearly period during the Term.

5.5 For the purposes of calculating the Candidate Fee payable, a Candidate will be taken to be Enlisted or Appointed once the Capability Partner has submitted to the Commonwealth the Form s47E(d)

Once this step has been completed for a Candidate, the Capability Partner will be entitled to invoice the Commonwealth for the applicable Candidate Fee.

6. NOT TO EXCEED FEES

6.1 This clause 6 describes the maximum amount payable to the Capability Partner during the Initial Term for the performance of the activities set out in Schedule 7b of the Pricing Workbook (**Not to Exceed Fees**).

6.2 The Not to Exceed Fees have been included as part of the Management Fee and are payable by the Commonwealth in accordance with clause 4 of this Annex. However, the Commonwealth is only liable for the actual costs for the activities accrued by the Capability Partner up to the value of the Not to Exceed Fee, as set out in Schedule 7b of the Pricing Workbook.

6.3 Within 20 Working Days of each anniversary of the Operative Date during the Initial Term, the parties shall undertake a reconciliation to establish the Capability Partner's actual costs to deliver the applicable activity.

6.4 To assist the Commonwealth's reconciliation, the Capability Partner shall provide to the Commonwealth on an Open Book Basis a detailed account of the actual costs incurred by the Capability Partner to deliver the relevant activity.

ANNEX C TO ATTACHMENT B

- 6.5 If the actual cost for an activity set out in Schedule 7b of the Pricing Workbook is less than the Not to Exceed Fee and the Commonwealth has paid the Capability Partner an amount exceeding the total of the actual cost of the activity, the Capability Partner shall repay the amount to the Commonwealth within 30 days following notification by the Commonwealth by setting off the amount against a future invoice. Otherwise, the Commonwealth shall recover the amount under clause 15.7 of the COC as a debt due to the Commonwealth.
- 6.6 If the Capability Partner anticipates that its actual costs to deliver the applicable activity set out in Schedule 7b of the Pricing Workbook will exceed the relevant Not to Exceed Fee:
- a. the Capability Partner shall, as soon as becoming aware that it is likely to exceed the relevant Not to Exceed Fee, but in any event not less than 60 Working Days prior to the date it expects to exceed the relevant Not to Exceed Fee:
 - (i) provide substantiating evidence to the satisfaction of the Commonwealth Representative of the actual costs incurred and anticipated for the relevant activity; and
 - (ii) submit a CCP in accordance with clause 13.1 of the COC to amend the relevant Not to Exceed Fee; and
 - b. the Commonwealth's Approval of the Capability Partner's request to amend the relevant Not to Exceed Fee shall not be unreasonably withheld.
- 6.7 The Commonwealth shall not be liable to pay any amount incurred by the Capability Partner in excess of a Not to Exceed Fee that has not been approved by the Commonwealth in accordance with clause 13.1 of the COC.

ANNEX D TO ATTACHMENT B

PERFORMANCE PAYMENTS

1 INTRODUCTION

1.1 This Annex D describes the basis on which Performance Payments are calculated and payable by the Commonwealth to the Capability Partner in accordance with the Contract.

2 AT-RISK AMOUNTS

2.1 Allocating the At-Risk Amount to KPIs

2.1.1 Subject to clause 4, the At-Risk Amount in respect of a Review Period is s47G of the Recurring Services Fee payable for the Review Period, less any fees payable for S&Q Orders and Milestones. The At-Risk Amount is allocated to each KPI in accordance with Table D-1.

Table D-1: At-Risk Amounts and Review Periods for each KPI

KPI	Weighting (%)	Review Periods per year
KPI-01: Volume	s47G, s47D	s47E(d)
KPI-02: Velocity		
KPI-03: Timeliness and Quality of Deliverables		
TOTAL	100%	

Note: Table D-1:

KPI: The serial number and name of the KPI, as per Attachment P.

Weighting: The percentage of the At-Risk Amount allocated to the KPI.

Review Periods per year: The number of Review Periods per year for this KPI.

2.2 Entitlement to the At-Risk Amount

2.2.1 For each KPI and for each Review Period the Capability Partner’s entitlement to the At-Risk Amount shall be calculated in accordance with the following formula:

s47G

s47G

ANNEX D TO ATTACHMENT B**2.3 Provisional Payments**

- 2.3.1 Except for the final month in a Review Period for a KPI, the Capability Partner is entitled to claim in respect of each KPI a monthly payment (Provisional Payment) representing the At-Risk Amount attributable to that KPI for the month, on account of the Capability Partner's potential future entitlement to the At-Risk Amount for that KPI as determined under clause 2.2.
- 2.3.2 At the Performance Assessment Review for each Review Period in accordance with clause 5.3 of Attachment T, the Commonwealth shall calculate the Capability Partner's entitlement to a Performance Payment for each KPI for the Review Period in accordance with clause 2.2 and:
- a. if the Performance Payment for the KPI for the Review Period is more than the sum of the Provisional Payments claimed for the KPI during the Review Period, then the Capability Partner is entitled to submit a claim for the amount of the difference; or
 - b. if the Performance Payment for the KPI for the Review Period is less than the sum of the Provisional Payments claimed for the KPI during the Review Period, then the Commonwealth may elect to recover the amount of the difference from the Capability Partner, and the Commonwealth may recover the amount from the Capability Partner under clause 15.7 of the COC. No amount shall be owing under this clause 2.3.2b until the Commonwealth elects to recover the amount.

2.4 Suspension of Performance Assessment of a KPI

- 2.4.1 The Commonwealth may, in its discretion and by notice to the Capability Partner, suspend the requirement to assess the Capability Partner's performance against a specified KPI for a Review Period.
- 2.4.2 If the Commonwealth suspends the requirement to assess the Capability Partner's performance against a specific KPI, the Capability Partner is entitled to claim the full At-Risk Amount allocated to that KPI for that Review Period.

3 INCENTIVE AMOUNT**3.1 Introduction to Incentive Amount**

- 3.1.1 The purpose of the Incentive Amount is to reward the Capability Partner for achieving high levels of performance in delivering 100% of the required recruiting volumes for §47G [REDACTED] positions, being those that are higher difficulty to attract as defined in Annex A to Attachment P.
- 3.1.2 The Review Period used in this clause 3, is the KPI-01 Review Period as defined in Attachment P.
- 3.1.3 The Incentive Amount is §47G, [REDACTED] for each Review Period.

3.2 Entitlement to the Incentive Amount

- 3.2.1 Subject to clause 4, and clause 8.13 of the COC, the Capability Partner shall be entitled to all or part of the Incentive Amount if the Required Performance Level for KPI-01 of §47G for §47G [REDACTED] positions is exceeded in the Review Period.
- 3.2.2 Subject to clause 3.2.3, the portion of the Incentive Amount payable for the Review Period shall be calculated as follows:
- a. If the AP is less than §47G, in accordance with the following formula:
§47G [REDACTED]
 - b. If the AP is equal to or greater than §47G, in accordance with the following formula:
§47G [REDACTED]

ANNEX D TO ATTACHMENT B

where:

s47G

3.2.3 The PIA shall not exceed the Incentive Amount for a Review Period and shall not be less than zero. For clarity, if the PIA calculated in accordance with clause 3.2.2 exceeds the Incentive Amount defined at clause 3.1.3, then the PIA is set to the Incentive Amount.

4 PERFORMANCE IMPLEMENTATION PERIOD (PIP)

4.1 Modifications during PIP

4.1.1 The PIP is two and a half years in duration and comprises three stages, namely:

- a. Stage 1: Commences at OD and duration is twelve months;
- b. Stage 2: Commences at the end of Stage 1 and duration is six months;
- c. Stage 3a: Commences at the end of Stage 2 and duration is six months; and
- d. Stage 3b: Commences at the end of Stage 3a and duration is six months.

4.1.2 During the PIP, the operation of clauses 2 and 3 are subject to the modifications in this clause 4. After the PIP has completed, clauses 2 and 3 have full effect in accordance with their terms.

4.1.3 s47G

4.1.4 Prior to the conclusion of Stage 1, the Commonwealth and Capability Partner shall review:

- a. the health of the Candidate pipeline compared to the historical data set out in items 1 and 2 of Schedule 8b of s47G; and
- b. any performance data relating to KPI achievement and its relationship with the PIP, to determine whether Stage 1 should be extended (**PIP Review**).

4.1.5 Following the PIP Review, the Commonwealth shall notify the Capability Partner of the outcome of the PIP Review, including whether the Commonwealth acting reasonably proposes to extend Stage 1.

4.1.6 If the Commonwealth notifies the Capability Partner, under clause 4.1.5, that Stage 1 is to be extended, the Capability Partner shall, within 10 Working Days after receiving notification, submit a CCP to the Commonwealth to extend Stage 1 in accordance with clause 13.1 of the COC.

4.1.7 For Stage 2 of the PIP the At-Risk Amount is s47G of the At-Risk Amount determined in accordance with clause 2.1 and no Incentive Amount is payable.

4.1.8 For the Stage 3 of the PIP the At-Risk Amount is s47G of the At-Risk Amount determined in accordance with clause 2.1.

4.1.9 For the duration of the PIP, Table D-1 in clause 2.1.1 is modified as follows:

Table D-2: At-Risk Amounts for each KPI during the PIP

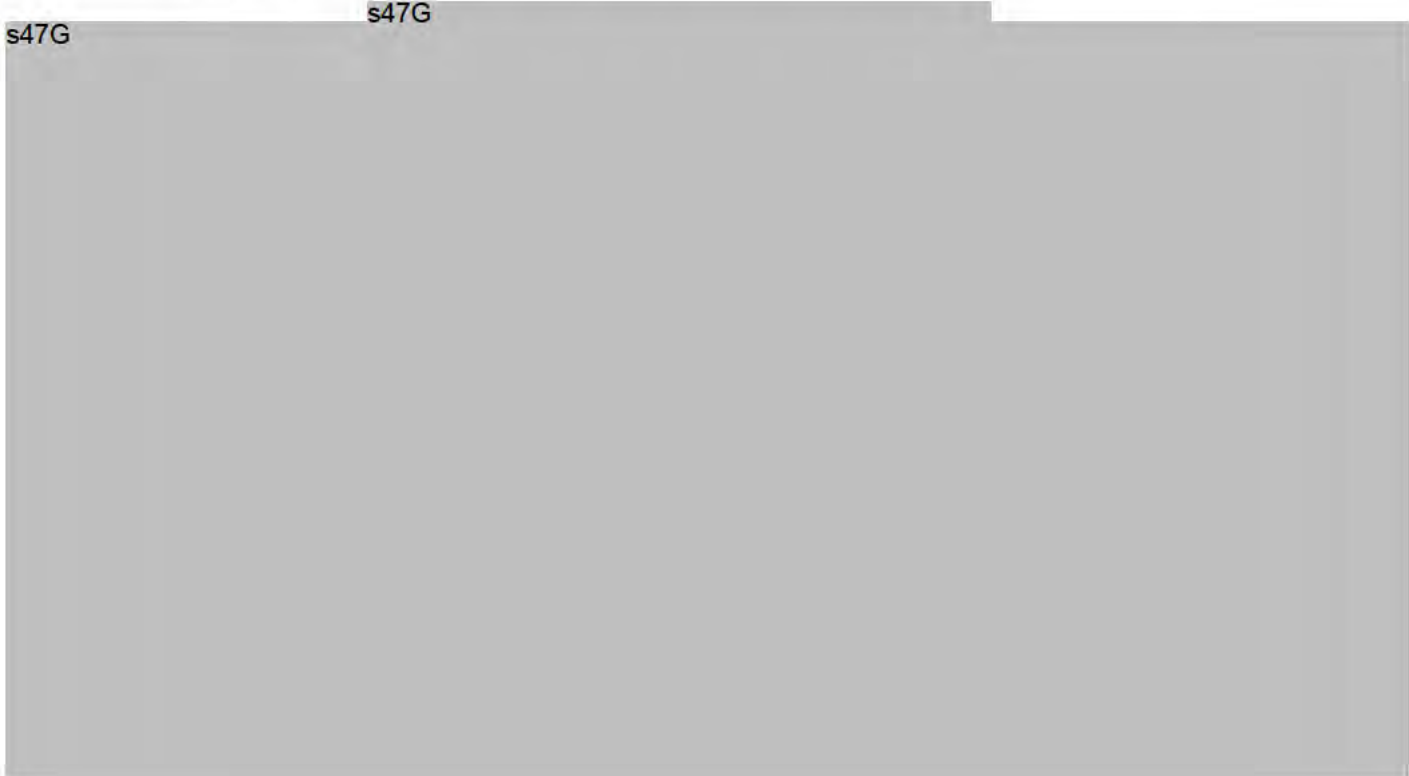
KPI	Weighting (%)
KPI-01: Volume	s47G
KPI-02: Velocity	
KPI-03: Timeliness and Quality of Deliverables	

ANNEX D TO ATTACHMENT B

4.1.10 If the Capability Partner is entitled to Postponement for a Milestone for the delivery and implementation of DCDC in accordance with clause 7.4.2 of the COC, the Capability Partner shall be entitled to seek an extension to the PIP and shall submit a CCP in accordance with clause 13.1 of the COC.

4.2 PIP figure

4.2.1 The operation of the PIP is illustrated in Figure P-D1. The figure is provided for information only and clause 4.1 takes priority to the extent of any inconsistency between the figure and clause 4.1.



s47G

s47G

ANNEX E TO ATTACHMENT B

TASK-PRICED SERVICES

1. INTRODUCTION

1.1 This Annex E describes the amounts payable by the Commonwealth to the Capability Partner for the provision of Task-Priced Services in accordance with the Contract.

2. TASK-PRICED SERVICES

2.1 Schedule 6 of the Pricing Workbook sets out the Task-Priced Services for:

s47G
[Redacted]

3. MEDICAL SERVICES

3.1 The price for each Task-Priced Service is calculated as follows:

s47G
[Redacted]

Where:

s47G
[Redacted]

s47G
[Redacted]

Period	Passthrough
Effective Date to 30 June 2027	s47G
1 July 2027 to 30 June 2028	[Redacted]
1 July 2028 until the expiry or termination of the Contract	[Redacted]

3.2 In accordance with clause 6.7.3 of the SOW, the Capability Partner shall obtain the Commonwealth’s Approval before providing a medical service to a Candidate, if:

- a. the medical service proposed to be provided to a Candidate is not specified in Schedule 6 of the Pricing Workbook; or
- b. the Task-Priced Service will exceed the capped amount specified in Schedule 6 of the Pricing Workbook for that Task-Priced Service.

3.3 The Commonwealth is not liable to pay the Capability Partner any amount for a Task-Priced Service that exceeds the applicable capped amount in Schedule 6 of the Pricing Workbook, unless it has been Approved by the Commonwealth in accordance with clause 3.2.

3.4 For each Task-Priced Service, the Commonwealth shall pay to the Capability Partner the price for the Task-Priced Service as calculated in accordance with clause 3.1 applicable to that

ANNEX E TO ATTACHMENT B

month in which the Task-Priced Service was Accepted, in accordance with clause 8.3.1 of the COC.

- 3.5 All Task-Priced Services must be reasonably and necessarily required. The Capability Partner must keep and maintain evidence that justifies the duration and provision of all Task-Priced Services and provide this evidence to the Commonwealth on request. Without limiting its other rights under the Contract, the Commonwealth reserves the right to audit the Capability Partner's provision of all Task-Priced Services, including to determine whether the provision and duration of the Task-Priced Services meet the requirements under this clause.

4. RFSU ACTIVITIES

- 4.1 To enable the Capability Partner to effectively plan and manage the RFSU Activities, the Commonwealth shall notify the Capability Partner of the final number of Candidates attending an RFSU Activity no later than 14 days before the commencement of an RFSU Activity. The price for the RFSU Activity will be calculated on the number Candidates as advised by the Commonwealth, notwithstanding that that number may or may not present for the RFSU Activity.
- 4.2 The Capability Partner shall calculate the price of an RFSU Activity based on the number of Capability Partner Personnel required to support the RFSU Activity multiplied by the duration of the RFSU Activity based in whole or part days and applying the rates and other costs in Schedule 6 of the Pricing Workbook. The costs for Capability Partner Personnel to perform RFSU Activities are set out in Schedule 6 of the Pricing Workbook. The Capability Partner shall obtain the Commonwealth's Approval if:
- a. the Personnel category proposed to be provided by the Capability Partner to deliver an RFSU Activity is not specified in Schedule 6 of the Pricing Workbook;
 - b. the Personnel category proposed will exceed the applicable hourly or daily rate specified in Schedule 6 of the Pricing Workbook; or
 - c. the other costs proposed will exceed those noted in Schedule 6 of the Pricing Workbook.
- 4.3 The Commonwealth is not liable to pay the Capability Partner any amount for a Task-Priced Service that exceeds the costs in Schedule 6 of the Pricing Workbook, unless it has been Approved by the Commonwealth in accordance with clause 4.2 or clause 4.4.
- 4.4 For each Task-Priced Service, the Commonwealth shall pay to the Capability Partner the price for the Task-Priced Service as calculated in accordance with this clause 4 applicable to that month in which the Task-Priced Service was performed, in accordance with clause 8.3.1 of the COC.

ANNEX F TO ATTACHMENT B
SURVEY & QUOTE SERVICES**1. INTRODUCTION**

- 1.2 This Annex F describes the amounts payable by the Commonwealth to the Capability Partner for the provision of Survey & Quote (S&Q) Services in accordance with the Contract.

2. RATES FOR S&Q SERVICES

- 2.1 Schedule 3 of the Pricing Workbook sets out the labour categories / skill levels and labour rates applicable for the S&Q Services.

3. MATERIALS, SUBCONTRACTS AND OTHER ALLOWABLE COSTS

- 3.1 The maximum mark-up that the Capability Partner may apply on purchased materials, Subcontract costs and other Allowable Costs for the purpose of S&Q Services is 47%.
- 3.2 Subject to the limit in clause 3.1, the Capability Partner shall determine the mark-up taking into account the associated effort and risk of the S&Q Services.

4. NOT-TO-EXCEED S&Q SERVICES

- 4.1 This clause applies to an S&Q Service to the extent that the S&Q Order specifies a Not-To-Exceed basis for pricing and payment.
- 4.2 The Commonwealth shall, for each Not-To-Exceed S&Q Service, pay to the Capability Partner, monthly in arrears, the lesser of:
- the costs incurred by the Capability Partner in performing the S&Q Service, calculated using the labour rates specified in this Annex F and by applying the mark-up specified in this Annex E to materials, Subcontract and other Allowable Costs (where applicable); or
 - the Not-To-Exceed price set out in the S&Q Order.

5. FIRM PRICE S&Q SERVICES

- 5.1 This clause applies to an S&Q Service to the extent that the S&Q Order specifies a firm price basis for pricing and payment.
- 5.2 The Commonwealth shall, for each firm price S&Q Service, pay to the Capability Partner, monthly in arrears, the following:
- if the Capability Partner achieves a Milestone specified in the S&Q Order, the amount specified for the milestone in the S&Q Order;
 - upon Acceptance of the S&Q Service (and Acceptance of any associated Deliverables), any amount specified in the S&Q Order as being payable upon Acceptance; and
 - any other amount specified to be payable in accordance with the S&Q Order.

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Recruiting Services Contract 2022

ANNEX G TO ATTACHMENT B

ADJUSTMENTS

1. ADJUSTMENTS FOR FLUCTUATIONS IN THE COST OF LABOUR AND MATERIALS

- 1.1 If price adjustment will be based on a single index for fluctuations in the cost of labour and materials, payments are to be adjusted with effect on and from each relevant Adjustment Date in accordance with the following formula:

s47G



where:

s47G



- 1.2 The index for the labour component and materials applicable to this requirement are:

Table G-1: Index for Labour and Materials Price Adjustment - Single

Index	Table/Group (ABS Catalogue)	Series ID
Labour Wage Price Index align to specific roles and sub-categories	ABS Wage Price Index – 6345.0	See Schedule 5 of the Pricing Workbook for the Series ID for Industry sub-categories
Materials Consumer Price Index (CPI) for all other items excluding labour and lease related	ABS Consumer Price Index – 6401.0	A2325846C

2. ADDITIONAL ADJUSTMENTS

- 2.1 In addition to clause 1 of this Annex G to Attachment B, the Services Fees (or component of the Services Fees) may be adjusted in accordance with clause 8.5 and clause 8.6 of the COC.

3. ADJUSTMENTS TO COSTS FOR FACILITIES LEASED BY THE CAPABILITY PARTNER

- 3.1 Costs for Facilities leased by the Capability Partner shall be adjusted in accordance with clause 8.7 of the COC.

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ANNEX H TO ATTACHMENT B

AUSTRALIAN CONTRACT EXPENDITURE

1. AUSTRALIAN CONTRACT EXPENDITURE AMOUNTS

- 1.1 Amounts for planned Australian Contract Expenditure (ACE) are to be determined in accordance with clause 8.16 of the COC.
- 1.2 For Recurring Services, Table H-1 identifies:
- (a) each ACE measurement period, including the ACE Measurement Point (column a) as defined in Attachment F; and
 - (b) the planned ACE amount (column b) for the applicable ACE measurement period, using the pricing details contained in Annex C to this Attachment B.
- 1.3 For each CCP prepared in accordance with clause 13.1 of the COC that affects the planned ACE values in Table H-1, the Contractor shall prepare, as part of the CCP, changes to Table H-1 and, when applicable, changes to the Prescribed ACE Percentages under clause 3 of Attachment F to the COC.

Table H-1: ACE Measurement Points and planned ACE percentages

ACE measurement period (in accordance with Attachment F) (a)		Planned ACE (%\$) (b)
Start	ACE Measurement Point	
Operative Date	30 June 2024	s47G
Annually on the anniversary of the Operative Date (starting from 30 June 2024)	Annually on the anniversary of the Operative Date (with the first ACE Measurement Point being 30 June 2025).	

2. ALTERNATE AND ADDITIONAL DEEMING RATES

- 2.1 During Transition In, the Capability Partner shall advise the Commonwealth of the alternative and additional deeming rates required in this clause 2 and prepare and submit a CCP in accordance with clause 13.1 of the COC to update Table H-2 and Table H-3.
- 2.2 Table H-2 below specifies alternate or additional Subcontract categories, thresholds and deemed ACE for the purposes of the application of paragraph 3 of the ACE Measurement Rules.

Table H-2: Approved Alternate and Additional Deeming Rates

Nature of cost category / Subcontractor work	Applicable Threshold (GST exclusive)	Deemed Australian Contract Expenditure
(...INSERT description...)	(...INSERT threshold value...)	(...INSERT %...)
(...INSERT description...)	(...INSERT threshold value...)	(...INSERT %...)

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

Table H-3: Deeming Rates for Indirect Costs

Entity Name	Deemed ACE percentage
(... INSERT CONTRACTOR NAME ...)	(...INSERT %...)
(... INSERT SUBCONTRACTOR NAME ...)	(...INSERT %...)

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ANNEX J TO ATTACHMENT B

TERMINATION OR EXPIRY OF EXISTING LEASES

1. INTRODUCTION

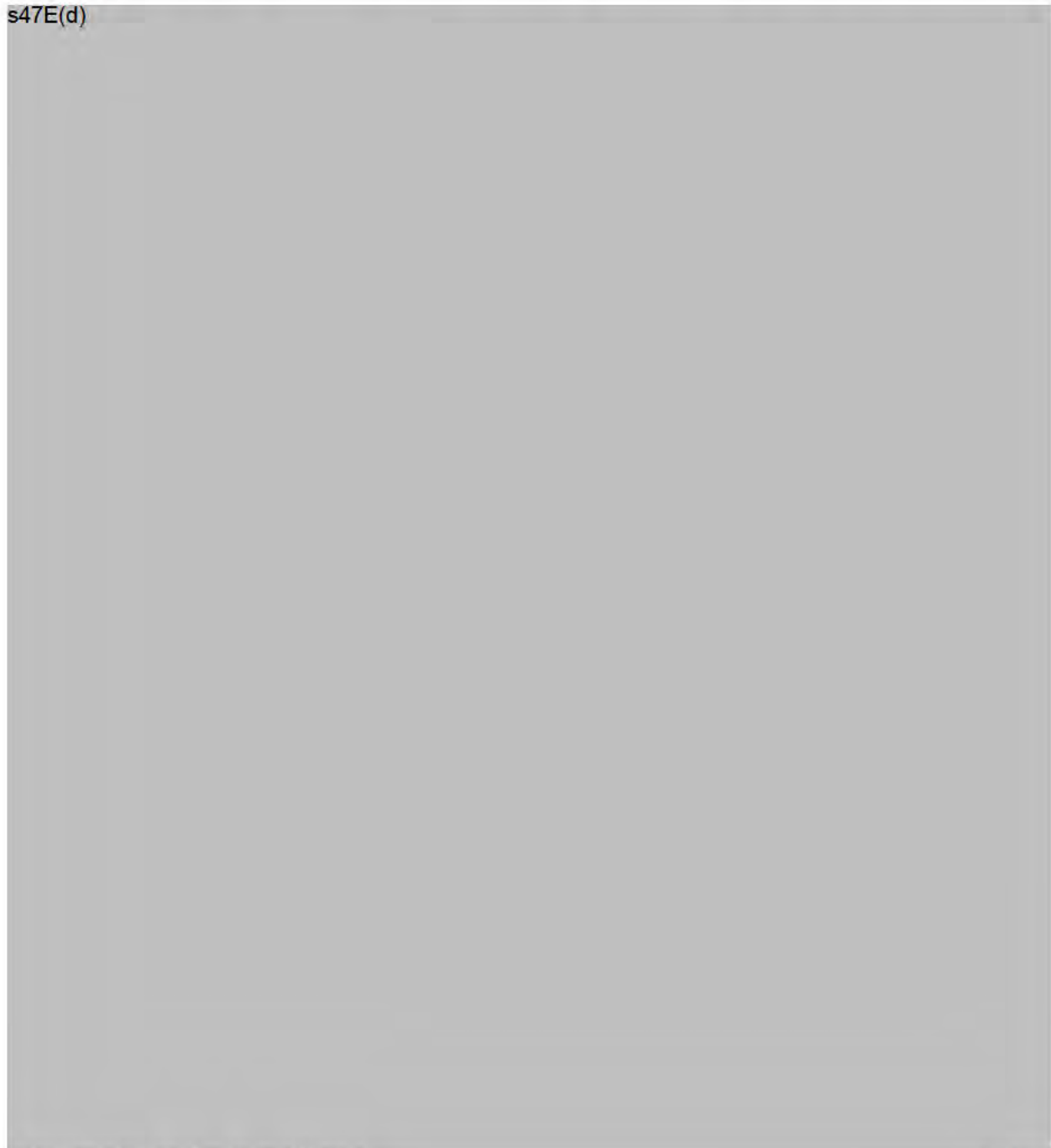
1.1 This Annex J describes the approach to liability for, and calculation of, costs applicable to the termination or expiry of an Existing Lease.

2. TERMINATION OR EXPIRY OF EXISTING LEASES

2.1 Subject to clause 2.2 and 2.3, the Commonwealth shall reimburse the Capability Partner for the costs of the termination or expiry of an Existing Lease in accordance with Table J-1.

Table J-1:

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s47E(d)

- 2.2 The Commonwealth shall only be liable to reimburse the Capability Partner for make good costs in accordance with Table J-1 if:
- a. the relevant circumstance has occurred; and
 - b. any such claim for payment is substantiated by the Capability Partner to the satisfaction of the Commonwealth Representative.
- 2.3 The Commonwealth shall only be liable to reimburse the Capability Partner for termination fees in accordance with Table J-1 if:
- a. the relevant circumstance has occurred; and
 - b. the relevant costs are:
 - (i) reasonable costs, that are unavoidably incurred by the Capability Partner and directly attributable to the termination of the Existing Lease; and
 - (ii) substantiated by the Capability Partner to the satisfaction of the Commonwealth Representative.
- 2.4 Except as set out in Table J-1, the Commonwealth shall not be liable for any other costs in relation to an Existing Lease, unless otherwise agreed by the parties.

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ANNEX K TO ATTACHMENT B**TERMINATION OR REDUCTION FOR CONVENIENCE****1. APPLICATION OF TERMINATION**

1.1 In the event that the Commonwealth terminates the Contract or reduces the scope of the Contract in accordance with clause 15.4 of the COC, the Commonwealth shall pay to the Capability Partner an amount:

- a. calculated in accordance with Schedule 4 of the Pricing Workbook; and
- b. up to the limit specified in Schedule 4 of the Pricing Workbook,

provided that any such claim for payment satisfies the requirements of clause 15.4.3b of the COC.

2. REDUCTION OF SCOPE – IMPACT ON SERVICE FEES

2.1 If the Commonwealth reduces the scope of the Contract for convenience, the Service Fees will be adjusted as follows:

- a. Service Fees that wholly related to the removed Services will cease to apply from the date of the reduction of scope of the Contract; and
- b. Services Fees which relate to both the removed Services and the continuing Services will be reduced on a pro-rata or other basis agreed by the parties that reflects the reduction in costs to the Capability Partner and the reduction in the scope of Services provided to the Commonwealth. However, the reduction in Service Charges shall not result in:
 - (i) the Capability Partner making a higher percentage profit margin than before the scope reduction; or
 - (ii) higher Recurring Services Fees or prices for Task-Priced Services than that applied before the scope reduction.

ATTACHMENT C**DELIVERY SCHEDULE****1. MILESTONE SCHEDULE AND DELIVERY SCHEDULE (DELIVERABLES)**

- 1.1 The Capability Partner shall comply with the dates and locations identified in the Delivery Schedule – Table C-1: Milestone Schedule and Table C-2: Delivery Schedule for Deliverables. Milestones 1 to 9 inclusive in Table C-1: Milestone Schedule apply during the Transition In Period and any associated Milestone Payments are specified in Annex A to Attachment B to the COC. Milestone 10 in Table C-1: Milestone Schedule applies post the Operative Date and any associated Milestone Payment is specified in Annex B to Attachment B to the COC.
- 1.2 The Milestone Criteria (entry and exit) applying to the Milestones set out in Table C-1: Milestone Schedule are defined in clause 2, Table C-3 and Annex A to this Attachment C. In the event of an inconsistency, the delivery dates specified in this Schedule have precedence over dates specified elsewhere in the Contract.

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ATTACHMENT C
Table C-1: Milestone Schedule

ID	Milestone	Milestone Date (in months)	Stop Payment (Y/N)	Description of Relevant Deliverables Included in the Milestone (if applicable)	Delivery Location	Acceptance Required (Y/N)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Milestone 1	ED	N	N/A	DFR Headquarters, Fairbairn, Canberra ACT 2600	N
2	Milestone 2	ED + 1	N	<ol style="list-style-type: none"> In relation to the monthly Milestone Payment specified in Table A-1 of Annex A to Attachment B, performance of the relevant Transition In activities during the Milestone period, including as specified in the Transition In Plan and delivering the applicable data items specified in Table C-2 of this Annex and the CDRL. A signed Acceptance Certificate to support the achievement of the Milestones per Annex A to this Attachment C. 	DFR Headquarters, Fairbairn, Canberra ACT 2600 and Electronic Delivery (as appropriate)	Y
3	Milestone 3	ED + 2	N	<ol style="list-style-type: none"> In relation to the monthly Milestone Payment specified in Table A-1 of Annex A to Attachment B, performance of the relevant Transition In activities during the Milestone period, including as specified in the Transition In Plan and delivering the applicable data items specified in Table C-2 of this Annex and the CDRL. A signed Acceptance Certificate to support the achievement of: <ol style="list-style-type: none"> Readiness Review 1, per Table C-3 below; and the Milestones per Annex A to this Attachment C. 	DFR Headquarters, Fairbairn, Canberra ACT 2600 and Electronic Delivery (as appropriate)	Y
4	Milestone 4	ED + 3	N	<ol style="list-style-type: none"> In relation to the monthly Milestone Payment specified in Table A-1 of Annex A to Attachment B, performance of the relevant Transition In activities during the Milestone period, including as specified in the Transition In Plan and delivering the applicable data items specified in Table C-2 of this Annex and the CDRL. A signed Acceptance Certificate to support the achievement of the Milestones per Annex A to this Attachment C. 	DFR Headquarters, Fairbairn, Canberra ACT 2600 and Electronic Delivery (as appropriate)	Y

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ID	Milestone	Milestone Date (in months)	Stop Payment (Y/N)	Description of Relevant Deliverables Included in the Milestone (if applicable)	Delivery Location	Acceptance Required (Y/N)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
5	Milestone 5	ED + 4	N	<ol style="list-style-type: none"> In relation to the monthly Milestone Payment specified in Table A-1 of Annex A to Attachment B, performance of the relevant Transition In activities during the Milestone period, including as specified in the Transition In Plan and delivering the applicable data items specified in Table C-2 of this Annex and the CDRL. A signed Acceptance Certificate to support the achievement of: <ol style="list-style-type: none"> Readiness Review 2, per Table C-3 below; and the Milestones per Annex A to this Attachment C. 	DFR Headquarters, Fairbairn, Canberra ACT 2600 and Electronic Delivery (as appropriate)	Y
6	Milestone 6	ED + 5	N	<ol style="list-style-type: none"> In relation to the monthly Milestone Payment specified in Table A-1 of Annex A to Attachment B, performance of the relevant Transition In activities during the Milestone period, including as specified in the Transition In Plan and delivering the applicable data items specified in Table C-2 of this Annex and the CDRL. A signed Acceptance Certificate to support the achievement of the Milestones per Annex A to this Attachment C. 	DFR Headquarters, Fairbairn, Canberra ACT 2600 and Electronic Delivery (as appropriate)	Y
7	Milestone 7	ED + 6	N	<ol style="list-style-type: none"> In relation to the monthly Milestone Payment specified in Table A-1 of Annex A to Attachment B, performance of the relevant Transition In activities during the Milestone period, including as specified in the Transition In Plan and delivering the applicable data items specified in Table C-2 of this Annex and the CDRL. A signed Acceptance Certificate to support the achievement of: <ol style="list-style-type: none"> Readiness Review 3, per Table C-3 below; and the Milestones per Annex A to this Attachment C. 	DFR Headquarters, Fairbairn, Canberra ACT 2600 and Electronic Delivery (as appropriate)	Y
8	Milestone 8	ED + 7	N	<ol style="list-style-type: none"> In relation to the monthly Milestone Payment specified in Table A-1 of Annex A to Attachment B, performance of the relevant Transition In activities during the Milestone period, including as 	DFR Headquarters, Fairbairn, Canberra ACT 2600 and Electronic Delivery (as appropriate)	Y

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ID	Milestone	Milestone Date (in months)	Stop Payment (Y/N)	Description of Relevant Deliverables Included in the Milestone (if applicable)	Delivery Location	Acceptance Required (Y/N)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
				<p>specified in the Transition In Plan and delivering the applicable data items specified in Table C-2 of this Annex and the CDRL.</p> <p>2. A signed Acceptance Certificate to support the achievement of the Milestones per Annex A to this Attachment C.</p>		
9	Milestone 9	ED + 8	N	<p>1. In relation to the monthly Milestone Payment specified in Table A-1 of Annex A to Attachment B, performance of the relevant Transition In activities during the Milestone period, including as specified in the Transition In Plan and delivering the applicable data items specified in Table C-2 of this Annex and the CDRL.</p> <p>2. A signed Acceptance Certificate to support the achievement of:</p> <p>a) Readiness Review 4, per Table C-3 below; and</p> <p>b) the Milestones per Annex A to this Attachment C.</p>	Electronic Delivery	Y
10	Milestone 10	ED + 20	Y	<p>1. In relation to the monthly Milestone Payment specified in Table A-1 of Annex A to Attachment B, performance of the relevant Transition In activities during the Milestone period, including as specified in the Transition In Plan and delivering the applicable data items specified in Table C-2 of this Annex and the CDRL.</p> <p>2. Signed Acceptance Certificate to support the achievement of Readiness Review 5, per Table C-3 below.</p>	DFR Headquarters, Fairbairn, Canberra ACT 2600 and Electronic Delivery (as appropriate)	Y

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Notes on Table C-1:

- a. ID: A unique line item number.**
- b. Milestone: Milestone name or abbreviation.**
- c. Milestone Date: Scheduled date for the (start of the) Milestone in months after the Effective Date or a previous Milestone.**
- d. Stop Payment: Is this Milestone a Stop Payment Milestone in accordance with clause 8.11 of the COC.**
- e. Description of Relevant Deliverables Included in the Milestone (if applicable): Identify / list the Deliverables that are to be delivered and/or Accepted as part of the applicable Milestone.**
- f. Delivery Location: Location(s) for the Milestone activity and the delivery of associated Deliverables, where applicable.**
- g. Acceptance Required: Identify whether or not there are Deliverables in column e which will be subject to Acceptance – yes or no (Y/N).**

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Table C-2: Delivery Schedule for Deliverables

Deliverable	Delivery Date	Delivery Location	Approval Required (Y/N)
Deliverables identified in the Approved Transition In Plan	Per the Approved Transition In Plan	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Data items specified in the SOW in accordance with the CDRL	In accordance with the CDRL	In accordance with the CDRL	Y
Deliverables identified in the Approved Implementation Plan	Per the Approved Implementation Plan	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Input into updates to ADFRIs (per SOW clause 2.4)	By OD (prioritising updates relating to service delivery changes) ¹	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Updated Recruiting Policy (RECPOLS) (per SOW clause 2.4)	By OD (prioritising updates relating to service delivery changes) ²	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Updated Recruiting Procedures (RECPROs) (per SOW clause 2.4)	By OD (prioritising updates relating to service delivery changes) ³	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Updated Recruiting References (RECREFs) (per SOW clause 2.4)	By OD (prioritising updates relating to service delivery changes) ⁴	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
DFR recruiting and psychology policies, procedures, references (per SOW clause 2.4)	By OD (prioritising updates relating to service delivery changes) ⁵	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
ACE measurement report (per SOW clause 2.7)	Within 30 Working Days after the occurrence of an ACE Measurement Point	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Terms of Reference for required governance meetings (per SOW clause 5.2.1)	By OD	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y

¹ Amended by CCP-001, effective on 26 April 2023

² Amended by CCP-001, effective on 26 April 2023

³ Amended by CCP-001, effective on 26 April 2023

⁴ Amended by CCP-001, effective on 26 April 2023

⁵ Amended by CCP-001, effective on 26 April 2023

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Deliverable	Delivery Date	Delivery Location	Approval Required (Y/N)
Clinical governance framework (per SOW clause 6.7.9)	By OD	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Clinical audit schedule (per SOW clause 6.7.9)	By OD	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Training plans and schedules (per SOW clause 8.4.2)	In accordance with Approved SDMP	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Brand Strategy (per SOW clause 9.2.4)	In accordance with Approved Marketing and Attraction Plan	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Media plans (per SOW clause 9.4.5)	In accordance with Approved Marketing and Attraction Plan	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
ICT Bill of Materials (per SOW clause 10.2.1)	In accordance with Approved Implementation Plan	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Data Migration Strategy (per SOW clause 10.2.5)	In accordance with Approved Implementation Plan	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Service delivery documentation (per SOW clause 10.2.6)	By May 2024	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Security Incident Response Plan (per SOW clause 10.3.2)	By May 2024	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Detection Improvement Plans (per SOW clause 10.3.3)	By May 2024	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Continual Service Improvement Plan (per SOW clause 10.3.3)	By May 2024	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Release Plans (per SOW clause 10.4.6)	By May 2024	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Business Continuity Strategy (per SOW clause 10.4.6)	By May 2024	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Final DFR Business Continuity Plan (per SOW clause 10.4.6)	By May 2024	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y

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Deliverable	Delivery Date	Delivery Location	Approval Required (Y/N)
Crisis Management Plan (per SOW clause 10.4.6)	By May 2024	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
IT Service Continuity Plan (per SOW clause 10.4.6)	By May 2024	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Test Strategies, Test Plans, Test Scripts and Tooling (per SOW clause 10.4.6)	By May 2024	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y
Disaster Recovery Plan (per SOW clause 10.4.6)	By May 2024	DFR Headquarters, Fairbairn, Canberra ACT 2600 or Electronic Delivery (as appropriate)	Y

Notes on Table C-2:

- a. **Deliverables:** A brief description or title that identifies the other Deliverables.
- b. **Delivery Date:** Scheduled date(s) for the delivery of the Deliverables, in months after the Effective Date or relevant Milestone. Where applicable, refer to the location in the Contract or the relevant Approved data item where this information can be found.
- c. **Delivery Location:** Location(s) for the delivery of the Deliverables. Where applicable, refer to the location in the Contract or the relevant Approved data item where this information can be found.
- d. **Approval Required:** Identify whether or not the Deliverable is subject to Approval – yes or no (Y/N).

ATTACHMENT C

2. SCHEDULE OF MILESTONE CRITERIA – ENTRY AND EXIT

2.1 Annex A to this Attachment C and Table C-3 (below) set out the entry and exit Milestone criteria for the Milestones specified in Table C-1, that will be used by the Commonwealth to validate whether:

- a. the Capability Partner may formally commence, and legitimately make claims in relation to, achievement of work on elements comprising a given Milestone; and
- b. a given Milestone has been achieved.

ANNEX A TO ATTACHMENT C

FACILITY MILESTONES

- 1.1 This Annex A consists of the following Schedules:
- a. Schedule 1 (Facilities Milestones); and
 - b. Schedule 2 (Facilities Milestone Criteria).

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ANNEX B TO ATTACHMENT C

Table B-1: Milestone Schedule

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ANNEX B TO ATTACHMENT C

Milestone #	Milestone Descriptor	Entry Criteria	Exit Criteria	Evidence Points	Proposed Timing for Commonwealth Acceptance	
Milestone 1	Project Initiation	s47G				s47E(d)
Milestone 2	Analyse and Design					


ANNEX B TO ATTACHMENT C

Milestone 3	Build	[Redacted Content]	s47E(d)
Milestone 4	Deploy, Test (lower test environment)		

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Milestone 5	Operational Readiness (inc. training)	 s47G s47E(d)
Milestone 6	Go Live	

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ANNEX B TO ATTACHMENT C

Milestone 7	Project Closure	s47G [REDACTED] s47E(d)
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ATTACHMENT P

PERFORMANCE ASSESSMENT AND OTHER PERFORMANCE MEASURES

PERFORMANCE ASSESSMENT AND OTHER PERFORMANCE MEASURES 1

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1 Introduction 26

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ATTACHMENT P

1 OVERVIEW OF PERFORMANCE ASSESSMENT**1.1 Scope**

1.1.1 This Attachment P defines the performance assessment process, which is used to measure and assess the Capability Partner's performance against the Key Result Areas required by the Commonwealth.

1.2 Performance Assessment and Performance Management

1.2.1 This clause 1.2 provides an overview of the performance assessment process within this Attachment P, a key element of the performance management framework for the Contract.

1.2.2 The Capability Partner's performance and the health of the ADF Recruiting System are assessed, in accordance with this Attachment P, using:

- a. Key Performance Indicators (KPIs); and
- b. Other Performance Measures (OPMs) including:
 - (i) Strategic Performance Measures (SPMs); and
 - (ii) System Health Indicators (SHIs).

1.2.3 KPIs are Performance Measures that affect the Capability Partner's entitlement to Performance Payments calculated under Annex D to Attachment B.

1.2.4 KPIs and SPMs (with the exception of SPM-01) are Performance Measures that are used by the Commonwealth to assess whether to award a Term extension.

1.2.5 SHIs are Performance Measures that are used by the Commonwealth to validate KPIs or measure the health of the ADF Recruiting System.

1.2.6 Within this Attachment P:

- a. clause 2 describes the key features of the performance assessment process, including the KPIs, the assessment methodology, the nature of related calculations, and the management of instances of missing data;
- b. Annex A specifies the KPIs against which the Capability Partner's performance will be assessed. Annex A contains the methodology used to determine the Achieved Performance, the Adjusted Performance Score (APS) and the Performance Band for each KPI;
- c. Annex B describes the interim performance assessment processes that applies to KPIs as the performance management framework is progressively implemented during the Performance Implementation Period (PIP). Related changes to the Performance Payment calculations are described in Annex D to Attachment B;
- d. Annex C specifies the SPMs that are used in the Contract. Annex C contains the methodology applied to the measurement of performance against each SPM; and
- e. Annex D specifies the SHIs that are used in the Contract.

1.2.7 In addition to this Attachment P, the following parts of the Contract contain components of the performance management framework:

- a. the COC, in particular clause 7, contains provisions for performance management;
- b. the COC, in particular clause 8, contains provisions for Performance Payments;
- c. Annex D to Attachment B details the method of calculation for Performance Payments; and

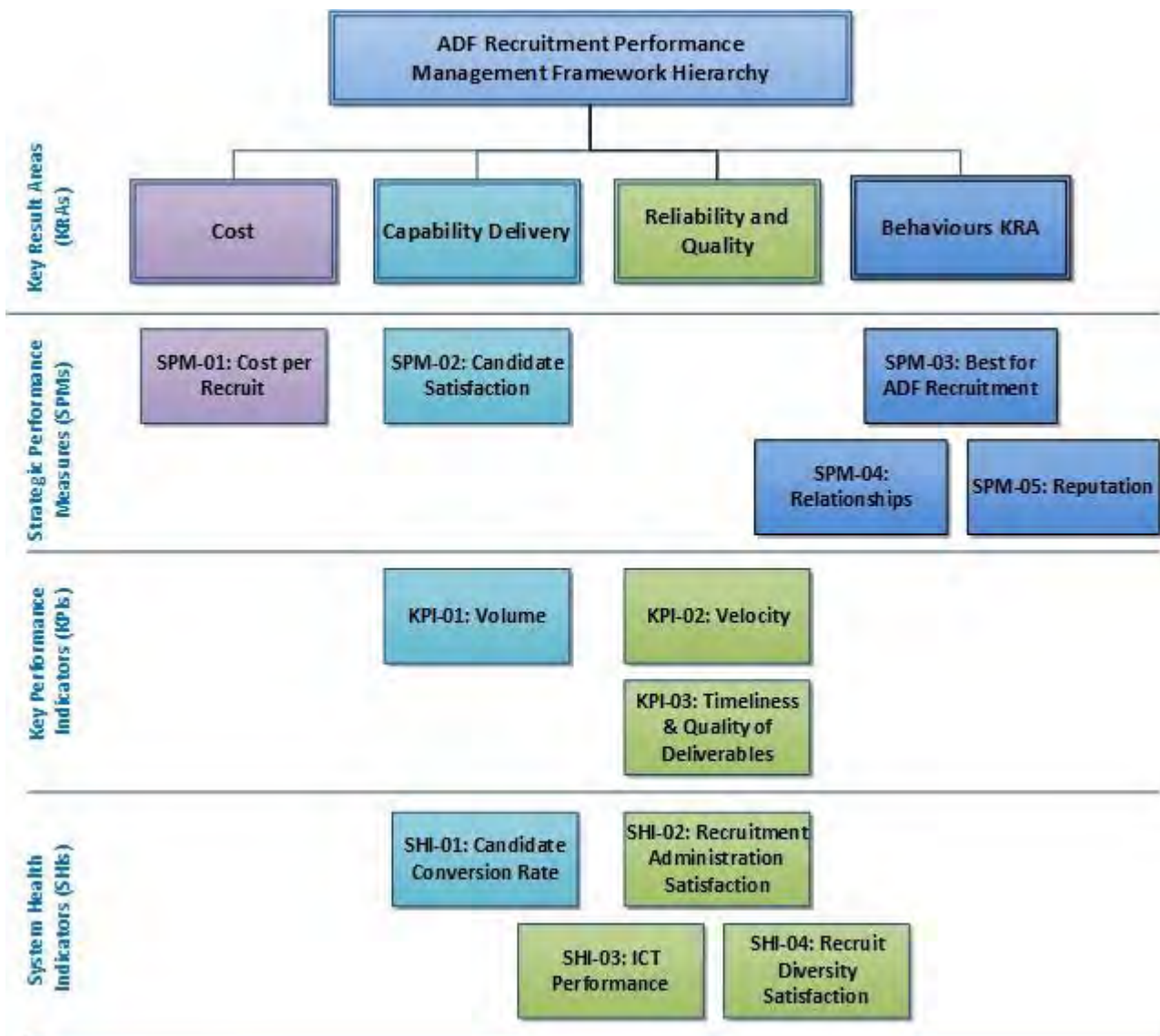
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- d. the 47E(d) and Attachment T to the COC contain the Commonwealth's and the Capability Partner's obligations to:
 - (i) participate in performance reviews (such as, Periodic Performance Reviews, Contract Performance Reviews and Performance Assessment Reviews) and provide the associated reports that contain information relevant to those reviews; and
 - (ii) undertake other performance measurement activities.

1.3 Performance Measurement Hierarchy

1.3.1 The relationship between the KPIs, SPMs and SHIs described in this Attachment P is illustrated in Figure P-1.

Figure P-1: ADF Recruitment Performance Management Framework Hierarchy



ATTACHMENT P

2 KEY FEATURES OF THE PERFORMANCE ASSESSMENT PROCESS**2.1 Key Result Area and KPIs**

2.1.1 The performance assessment process is designed to measure the extent to which the Capability Partner's performance has contributed to the achievement of the Key Result Area.

2.2 Review Periods

2.2.1 The Capability Partner's performance against each Performance Measure shall be measured for each Review Period.

2.2.2 The first Review Period for each Performance Measure shall begin on the Operative Date and continue for the duration specified for each Performance Measure, as set out in the relevant Annex to this Attachment P.

2.2.3 Each subsequent Review Period for each Performance Measure commences after the end of the previous Review Period and continues for the duration specified for each Performance Measure in the relevant Annex to this Attachment.

2.3 Capability Partner's Performance against KPIs and the Adjusted Performance Score

2.3.1 The Capability Partner's performance against each KPI for each Review Period shall be:

- a. determined using validated measurement data and the methodology set out in Annex A to this Attachment P for each KPI and in accordance with the Approved Performance Measurement Plan (PMP); and
- b. used to determine the APS and Performance Band for each KPI in accordance with Annex A to this Attachment P.

2.4 Performance Bands

2.4.1 The APS for the KPIs will fall into one of four Performance Bands depicted in Figure P-2 (as shown along the horizontal-axis).

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2.4.2 The formulae for the APS performance curve within each Performance Band is set out in Annex A to Attachment P for each KPI.

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- 2.4.3 The Performance Bands and performance curves shown in Figure P-2, used in relation to the calculation of an APS, are described as follows:
- a. **Performance Band A:** This band represents levels of performance that equals or exceeds the Required Performance Level for the respective KPIs. For Performance Band A the APS is set to 100%;
 - b. **Performance Band B:** This band represents levels of performance that are slightly less than the Required Performance Level set by the Commonwealth. This band allows for minor variations in results, which are considered to have a small, but tangible, impact on the value of the Services provided to the Commonwealth. The slope of the performance curve discourages performance that falls below the Required Performance Level;
 - c. **Performance Band C:** This band represents levels of performance that may be tolerable for a short term but unsatisfactory in the medium or longer term because of the diminished value of the Services. Performance in this band is strongly discouraged by the Commonwealth. When the Capability Partner's performance in respect of any KPIs is in this band, the slope of the performance curve will cause the APS to reduce rapidly. The Capability Partner may also incur other remedies under the Contract for performance results falling within this band; and
 - d. **Performance Band D:** This band represents levels of performance where the value of the Services delivered is considered to be negligible because the Commonwealth's ability to attain the required Key Result Areas are significantly affected. For performance in Performance Band D the APS is set to 0%. The Capability Partner may incur additional remedies under the Contract for performance results falling within this band.

ANNEX A TO ATTACHMENT P

KEY PERFORMANCE INDICATORS

1 INTRODUCTION**1.1 Purpose**

1.1.1 This Annex A is used to define:

- a. the KPIs used in the performance assessment process; and
- b. the methodology for determining the APS and Performance Band for each KPI for each Review Period.

2 KPI INFORMATION**2.1 KPIs and traceability to Key Result Areas**

2.1.1 The KPIs and traceability to Key Result Areas are outlined in Table P-1:

- a. Key Result Area: Area of contractual outcome sought by the Commonwealth;
- b. KPI: The Performance Measure used to determine the extent to which the Capability Partner achieves a Key Result Area; and
- c. Review Period: The duration over which the performance against the KPI is measured and assessed. Refer to clause 2.2 of this Attachment P.

Table P-1: Key Result Areas and KPIs

Key Result Area	KPI	Review Period
(a)	(b)	(c)
Capability Delivery	KPI-01: Volume	3 months (Quarterly)
Reliability and Quality	KPI-02: Velocity	3 months (Quarterly)
	KPI-03: Timeliness and Quality of Deliverables	12 months (Annual)

ANNEX A TO ATTACHMENT P

3 KPI-01: VOLUME**3.1 KPI-01 Explanation**

3.1.1 KPI-01 (Volume) is a measure of the Capability Partner's achievement in delivering the required recruiting volumes for all position Categories (Category A, B, C and D) for the ADF within the Review Period.

3.1.2 For the purposes of KPI-01, the following definitions apply:

- a. **Target:** means a number of recruiting vacancies, as notified by the Commonwealth to the Capability Partner in relation to a particular role, at a particular intake, and for some roles as advised by the Commonwealth (mostly Army Reserve positions) in a particular region. For clarity, examples may include:
 - (i) ten electrical technicians for the June intake; and
 - (ii) two Army Reserve drivers for the Brisbane region for the August intake;
- b. **Category A (Cat-A)** positions are those that are higher priority to the Commonwealth and higher difficulty to attract;
- c. **Category B (Cat-B)** positions are those that are lower priority to the Commonwealth and higher difficulty to attract;
- d. **Category C (Cat-C)** positions are those that are higher priority to the Commonwealth and lower difficulty to attract;
- e. **Category D (Cat-D)** positions are those that are lower priority to the Commonwealth and lower difficulty to attract;
- f. **Minor Change:** means a Target increase by the lessor of 3 people, or 100%. For clarity using the examples from clause 3.1.2a, this means a maximum increase of:
 - (i) three electrical technicians for the June intake; and
 - (ii) two Army Reserve drivers for the Brisbane region for the August intake;
- g. **Significant Change:** means a Target increase that exceeds the limits defined for a Minor Change, but does not exceed the lessor of ten people, or 200%;
- h. **Very Significant Change:** means a Target increase that exceeds the limits defined for a Significant Change; and
- i. **Change Notice Period:** means a number of months' notice required to increase a Target as follows:
 - (i) Minor Change for a Target in Cat-C or Cat-D: 3 months;
 - (ii) Minor Change for a Target in Cat-A or Cat-B: 6 months;
 - (iii) Significant Change for a Target in Cat-C or Cat-D: 6 months;
 - (iv) Significant Change for a Target in Cat-A or Cat-B: 12 months; and
 - (v) Very Significant Change: 12 months.

3.1.3 For clarity, Candidates recruited as part of RFSU Activities are excluded from KPI-01 calculations.

3.2 Reporting of Achieved Performance and APS for KPI-01

3.2.1 The Capability Partner shall calculate and report the following:

- a. Achieved Performance for each Category in accordance with clause 3.3;
- b. APS for each Category in accordance with clause 3.4;
- c. APS for KPI-01 in accordance with clause 3.5; and
- d. the Performance Band for KPI-01 in accordance with clause 3.6.

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3.3 Calculating the Achieved Performance for Each Category for a Review Period

3.3.1 Subject to clause 3.3.2, the Capability Partner shall calculate individually the Achieved Performance for each Category in a Review Period, in accordance with Equation P-1.

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Equation P-1: Category Achieved Performance for Each Category for the Review Period

where:

of Category Successful Recruits means the number of Candidates who are Enlisted or Appointed for positions within the Category during the Review Period; and

Category Recruitment Target means the sum of all Targets for the Category.

3.3.2 If the Commonwealth fails to give the required Change Notice Period for a Target, then those additional positions required by that change will be excluded from the calculation of Category Recruitment Target for that Review Period. For clarity, if any of those additional positions have Candidates Enlisted or Appointed to them, then those positions would be included into the determination of *# of Category Successful Recruits*.

3.4 Calculating the APS for Each Category in a Review Period

3.4.1 The Capability Partner shall calculate individually the APS for each Category in a Review Period, in accordance with:

- a. clause 3.4.2 for Cat-A or Cat-B; and
- b. clause 3.4.4 for Cat-C or Cat-D.

3.4.2 The APS for Cat-A and Cat-B shall be calculated based on the relevant Achieved Performance in accordance with Table P-2.

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3.4.3 Figure P-3 illustrates the relationship between the Achieved Performance and the APS for Cat-A or Cat-B and the operation of the formulae in Table P-2.

ANNEX A TO ATTACHMENT P

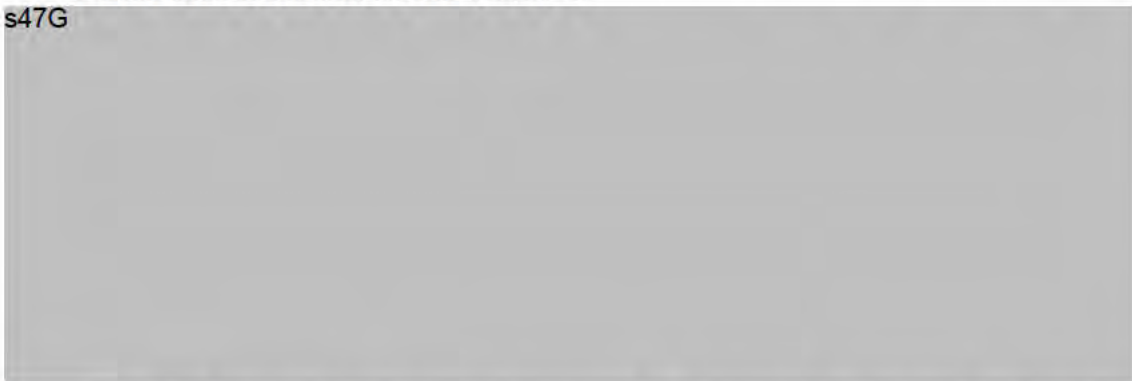
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3.4.4 The APS for Cat-C and Cat-D shall be calculated based on the relevant Achieved Performance in accordance with Table P-3.

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3.4.5 Figure P-4 illustrates the relationship between the Achieved Performance and the APS for Cat-C or Cat-D and the operation of the formulae in Table P-3.

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3.5 Calculating the APS for KPI-01 for a Review Period

3.5.1 The Capability Partner shall calculate the APS for KPI-01 for a Review Period, in accordance with Equation P-2.

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3.6 Determining the Performance Band for KPI-01 for a Review Period

3.6.1 The Capability Partner shall determine the Performance Band for KPI-01 for a Review Period in accordance with Table P-4.

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ANNEX A TO ATTACHMENT P

4 KPI-02: VELOCITY**4.1 KPI-02 Explanation**

4.1.1 KPI-02 (Velocity) is a measure of the Capability Partner's performance in the timely processing of Candidates through the Recruiting Process.

4.2 Reporting of Achieved Performance and APS for KPI-02

4.2.1 The Capability Partner shall calculate and report the following:

- a. Achieved Performance for KPI-02 in accordance with clause 4.3; and
- b. APS for KPI-02 in accordance with clause 4.4.

4.3 Calculating the Achieved Performance for KPI-02 for a Review Period

4.3.1 For the purposes of this KPI-02, a **Successful Candidate** is a Candidate that is sent a correctly rendered letter of offer during the Review Period.

4.3.2 The Capability Partner shall calculate the Processing Time for each Successful Candidate as follows:

- a. the Processing Time commences on the next Working Day after:
 - (i) a Candidate submits an application to the Capability Partner; or
 - (ii) if applicable, when the Candidate changes their application to a different Service or job type, excluding where the Candidate is an officer aviation Candidate who changes their application to another officer aviation job type;
- b. the Processing Time will be measured in full days, from receipt of an application until a correctly rendered letter of offer has been sent to the Successful Candidate, except that:
 - (i) if a Candidate is an indigenous Candidate and the Processing Time is greater than 100 days, the Processing Time for that Candidate is set at 100 days when calculating Achieved Performance in accordance with Equation P-3; or
 - (ii) if a non-indigenous Candidate is recruited to a Cat-C or Cat-D position and the Processing Time is less than 100 days, then the Processing Time for that Candidate is set at 100 days when calculating Achieved Performance in accordance with Equation P-3;
- c. the Processing Time finishes when a letter of offer is deemed to have been sent to a Successful Candidate, which is when it:
 - (i) is correctly rendered;
 - (ii) has left the Capability Partner's administrative system; and
 - (iii) has been sent to an address provided by the Successful Candidate;
- d. where the Commonwealth is required to complete an activity in the Recruiting Process and has exceeded the days assigned for that activity in accordance with the SOW, the Processing Time is reduced by the number of days the Commonwealth has exceeded the time period assigned for the activity; and
- e. if a Candidate requests in writing that their application be paused, the Processing Time is reduced by the number of days that the application is paused.

4.3.3 The Capability Partner shall calculate the Achieved Performance for KPI-02 for a Review Period as the average Processing Time for all Successful Candidates, in accordance with Equation P-3:

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4.3.4 For clarity, Candidates recruited as part of RFSU Activities are excluded from KPI-02 calculations.

4.4 Calculating the APS and Performance Band for KPI-02 for a Review Period

4.4.1 The Capability Partner's APS and the Performance Band for KPI-02 for a Review Period shall be calculated from the Achieved Performance in accordance with **Table P-5**.

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4.4.2 Figure P-5 illustrates the relationship between the Achieved Performance and the APS for KPI-02 and the operation of the formulae in **Table P-5**.

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ANNEX A TO ATTACHMENT P

5 KPI-03: TIMELINESS AND QUALITY OF DELIVERABLES**5.1 KPI-03 Explanation**

- 5.1.1 The aim of KPI-03 (Timeliness and Quality of Deliverables) is to measure the Capability Partner's performance in the timely provision of quality CDRL items, in accordance with Annex A to the SOW, during the Review Period.
- 5.1.2 The following data items are to be used in the measurement of KPI-03:
- a. CDRL Line DFR-100, DFR Strategic Plan;
 - b. CDRL Line DFR-750, Recruiting Plan;
 - c. CDRL Line DFR-1200, Marketing and Attraction Plan; and
 - d. CDRL Line DFR-2300:
 - (i) Contract Status Report; and
 - (ii) Performance Measurement Report.
- 5.1.3 For clarity, even if the Contract Status Report and Performance Measurement Report are delivered in one combined data item, they will be treated separately for the purpose of measuring KPI-03.
- 5.1.4 The following are key metric variables for measurement of KPI-03:
- a. **Applicable Data Items** are those data items identified in clause 5.1.2 and:
 - (i) are due for delivery during the Review Period; or
 - (ii) the Capability Partner has been notified by the Commonwealth that the data item has not been Approved during the Review Period, in accordance with clause 2.3 of the SOW; and
 - b. **Days Late** is the sum of days late for all Applicable Data Items.

5.2 Reporting of Achieved Performance and APS for KPI-03

- 5.2.1 The Capability Partner shall calculate and report the following:
- a. Achieved Performance for KPI-03 in accordance with clause 5.3; and
 - b. APS for KPI-03 in accordance with clause 5.4.

5.3 Calculating the Achieved Performance for KPI-03 for a Review Period

- 5.3.1 The Capability Partner shall calculate the Achieved Performance for KPI-03 for a Review Period in accordance with Equation P-4.

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where:

Deficient Delivery Points are a number of points incurred by the Capability Partner in accordance with clause 5.3.2.

- 5.3.2 Subject to clauses 5.3.3 and 5.3.4, **Deficient Delivery Points** shall be accumulated as follows:
- a. for Applicable Data Items due for delivery during the Review Period, ^{s47G} **Deficient Delivery Point** per Day Late; and
 - b. for each Applicable Data Item, that the Capability Partner has been notified has not been Approved by the Commonwealth during the Review Period, ^{s47G} **Deficient Delivery Points**.
- 5.3.3 If an Applicable Data Item has multiple scheduled deliveries, including deliveries required by the SOW, each individual delivery shall be considered separately for the purposes of calculating Deficient Delivery Points under clause 5.3.2.

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- 5.3.4 An Applicable Data Item, that is not delivered by the scheduled delivery date, will be subject to a calculation of Deficient Delivery Points under clause 5.3.2:
 - a. for the initial Review Period that the Applicable Data Item is due to be delivered;
 - b. for all subsequent Review Periods where the Applicable Data Item is not delivered; and
 - c. for the Review Period where the Applicable Data Item is finally delivered.
- 5.3.5 These Deficient Delivery Points will not reset at the end of a Review Period for an Applicable Data Item that has not been delivered.
- 5.3.6 If no Applicable Data Items are subject to calculation of Deficient Delivery Points under clause 5.3.2, the Achieved Performance for KPI-03 shall equal zero (0).

5.4 Calculating the APS and Performance Band for KPI-03 for a Review Period

- 5.4.1 The Capability Partner's APS and the Performance Band for KPI-03 for a Review Period shall be calculated from the Achieved Performance in accordance with Table P-6.

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- 5.4.2 **Figure P-6** illustrates the relationship between the Achieved Performance and the APS for KPI-03 and the operation of the formulae in Table P-6.

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ANNEX B TO ATTACHMENT P

PERFORMANCE IMPLEMENTATION PERIOD

1 INTRODUCTION**1.1 Purpose**

1.1.1 The purpose of this Annex B is to define the managed introduction of the performance assessment regime to the Contract through the changes applicable to KPIs during the Performance Implementation Period (PIP).

1.1.2 The duration and stages of the PIP are defined in Annex D to Attachment B.

1.2 Objectives

1.2.1 The Capability Partner acknowledges that the objectives of the PIP are to:

- a. validate the accuracy of the KPIs as appropriate measures of the extent to which the Capability Partner is contributing to the Key Result Areas;
- b. minimise the impact of any underperformance due to work conducted prior to OD through other contractual arrangements;
- c. confirm that the data collected and used to measure performance provides an accurate and statistically valid measure of that performance;
- d. verify the Capability Partner's processes for the measurement and reporting of KPIs;
- e. minimise the impact of unrepresentative performance discrepancies while newly established resources and processes are stabilising; and
- f. scale the KPIs and overall performance measurement regime consistent with the transition of the Services, as applicable.

1.2.2 The parties acknowledge that the PIP is not a period for trialling or changing the performance assessment process, individual KPIs or associated calculations; rather, the intent of the PIP is to refine measurement and recording processes and to overcome any initial instability in performance and related processes.

2 KPI-01: VOLUME**2.1 Overview of PIP Stages for KPI-01**

2.1.1 KPI-01 is measured from the first stage of the PIP. The KPI-01 performance levels increase over the three stages of the PIP.

2.2 PIP Changes to KPI-01

2.2.1 The Capability Partner's performance against KPI-01, during the PIP, shall be determined in accordance with Annex A except for the changes identified in this clause 2.2.

2.2.2 For PIP Stage 1 and PIP Stage 2, the APS for Cat-A and Cat-B shall be calculated based on the relevant Achieved Performance in accordance with Table P-7.

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- 2.2.3 For PIP Stage 1 and PIP Stage 2, the APS for Cat-C and Cat-D shall be calculated based on the relevant Achieved Performance in accordance with Table P-8.

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- 2.2.4 For PIP Stage 3, the APS for Cat-C and Cat-D shall be calculated based on the relevant Achieved Performance in accordance with Table P-9.

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3 KPI-02: VELOCITY

3.1 Overview of PIP Stages for KPI-02

- 3.1.1 KPI-02 is measured from the first stage of the PIP. The KPI-02 performance levels increase over the three stages of the PIP.

3.2 PIP Changes to KPI-02

- 3.2.1 The Capability Partner's performance against KPI-02 during the PIP, shall be determined in accordance with Annex A except for the changes identified in this clause 3.2.
- 3.2.2 For PIP Stage 1, the KPI-02 APS and Performance Band shall be calculated based on the Achieved Performance in accordance with Table P-10.

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- 3.2.3 For PIP Stage 2, the KPI-02 APS and Performance Band shall be calculated based on the Achieved Performance in accordance with Table P-11.

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- 3.2.4 For the two Review Periods in PIP Stage 3a, the KPI-02 APS and Performance Band shall be calculated based on the Achieved Performance in accordance with **Error! Not a valid bookmark self-reference..**

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- 3.2.5 For the two Review Periods in PIP Stage 3b, the KPI-02 APS and Performance Band shall be calculated based on the Achieved Performance in accordance with Annex A Table P-5.

4 KPI-03: TIMELINESS AND QUALITY OF DELIVERABLES

4.1 Overview of PIP Stages for KPI-03

- 4.1.1 There are no changes to KPI-03 during the PIP, other than the weighting as detailed in Annex D to Attachment B.

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ANNEX C TO ATTACHMENT P

STRATEGIC PERFORMANCE MEASURES

1 INTRODUCTION**1.1 Purpose**

1.1.1 The purpose of this Annex C is to define:

- a. the Strategic Performance Measures (SPMs) used in the performance assessment process; and
- b. the methodology applied to measurement of performance against each SPM.

1.2 Content

1.2.1 The following SPMs are described in Annex C to this Attachment P:

- a. SPM-01: Cost per Recruit;
- b. SPM-02: Candidate Satisfaction;
- c. SPM-03: Best for ADF Recruitment;
- d. SPM-04: Relationships; and
- e. SPM-05: Reputation.

1.2.2 The Review Period for all SPMs is annual.

ANNEX C TO ATTACHMENT P

PERFORMANCE MEASURE PROFILE	
Performance Measure No.:	SPM-01
Key Result Area:	Cost
Performance Measure Name:	Cost per Recruit
ALIGNMENT AND ACCOUNTABILITY	
Purpose (Outcome/Output/Process Measured)	
<p>1. SPM-01 is a measure of the Commonwealth’s average Contract expenditure per Enlisted or Appointed Candidate as benchmarked against previous Review Periods and other historical data.</p> <p>2. The purpose of this SPM is to ensure that the Commonwealth and the Capability Partner understand macro costs and understand the reasons for changes to those costs.</p> <p>3. This SPM is not explicitly linked to Term extension determinations.</p>	
BUSINESS RULES	
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ANNEX C TO ATTACHMENT P

PERFORMANCE MEASURE PROFILE	
Performance Measure No.:	SPM-02
Key Result Area:	Reliability and Quality
Performance Measure Name:	Candidate Satisfaction
ALIGNMENT AND ACCOUNTABILITY	
Linked To	Contract extension
Purpose (Outcome/Output/Process Measured)	
<ol style="list-style-type: none"> 1. This SPM represents, as satisfactory or unsatisfactory, the Capability Partner's performance in providing a high quality experience for Candidates. 2. The purpose of this SPM, is to continuously monitor the Capability Partner's delivery of an ADF Recruiting System that is Candidate focused and creates an experience that encourages Candidates to work for the ADF. It is anticipated that a positive Candidate experience leads to a reduction in the Candidate 'drop out' rate from the Recruiting Process. 	
BUSINESS RULES	
<ol style="list-style-type: none"> 1. SPM-02 shall be assessed by the Commonwealth as either: <ol style="list-style-type: none"> a. satisfactory; or b. unsatisfactory. 2. Assessment of SPM-02 shall be based on the overall level of satisfaction experienced by Candidates undertaking the Recruiting Process. This overall assessment should be based on the mode of data gathered from various Candidate survey results as required in the Approved PMP. The data gathered is to cover the entire Recruiting Process and must be able to be segmented by service type, unique programs such as RFSU Activities, location, gender, and age. 3. For the first two Review Periods, this SPM-02 will be assessed by the Commonwealth as Satisfactory if the measurement solution is maturing and a Candidate satisfaction benchmark is being established by the Capability Partner. 4. For the third and all subsequent Review Periods, this SPM will be assessed by a comparison between the benchmark Candidate satisfaction scores and the Candidate satisfaction scores for the Review Period. 	
PERFORMANCE TABLE	Assessment
Tolerance Green	Satisfactory
Tolerance Red	Unsatisfactory

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ANNEX C TO ATTACHMENT P

PERFORMANCE MEASURE PROFILE	
Performance Measure No.:	SPM-03
Key Result Area:	Behaviours
Performance Measure Name:	Best for ADF Recruitment
ALIGNMENT AND ACCOUNTABILITY	
Linked to:	Contract extension
Purpose (Outcome/Output/Process Measured)	
<ol style="list-style-type: none"> This SPM assesses the Capability Partner’s performance in demonstrating ‘Best for ADF Recruitment’ behaviours. The purpose of this SPM is to continuously monitor the Capability Partner’s performance in demonstrating ‘Best for ADF Recruitment’ behaviours cognisant of commercial imperatives and acknowledging that successful recruitment delivery requires an integrated ‘one team’ approach where the Capability Partner will adopt common tools, systems and procedures on a best for recruitment basis and display a willingness to share resources including staff, facilities and equipment where appropriate. 	
BUSINESS RULES	
<ol style="list-style-type: none"> SPM-03 shall be assessed by the Commonwealth using the performance attributes defined in the table below and aggregated using the performance table at the end of this SPM. For the purposes of this SPM-03, ‘Best for ADF Recruitment’ means that the Capability Partner, in making decisions, will balance the interests of all other parties with their own commercial interests resulting in decisions that are on the whole in the best interest of ADF recruitment. 	
Best for ADF Recruitment Performance Attributes	
The Capability Partner...	s47E(d)
displays a willingness to deliver what is required by the ADF cognisant of the Capability Partner’s commercial interest,	
adopts a holistic approach to Contract delivery considering all aspects of ADF recruitment and not just their own Contract boundary, roles and responsibilities;	
is responsive to the changing requirements of the ADF recruitment requirements and Australian demographic;	

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demonstrates behaviours that develop positive relationships with all stakeholders, and behaviours that protect and preserve the Commonwealth’s reputation,	s47E(d)
uses common tools, systems and procedures, and shares resources on a 'Best for ADF Recruitment' basis,	
meets the indigenous and gender diversity targets for Services, job types and entry points as set by Navy, Army and Air Force, (Note: this performance attribute will not be assessed during the PIP.)	
demonstrates a deep understanding of the Commonwealth's requirements, including presenting information and data in ways that enhance the usefulness of the information to the Commonwealth and improve the Commonwealth's decision making.	

3. In the event that more than one category applies in the performance table at the end of this SPM, the higher category will apply.

PERFORMANCE TABLE	Assessment
Tolerance Purple	At least 4 performance attributes ranked as superior and no single performance attribute ranked lower than good.
Tolerance Green	At least 4 performance attributes ranked as good or higher and no single performance attribute ranked lower than fair.
Tolerance Amber	All performance attributes ranked as fair or higher.
Tolerance Red	Any performance attributes ranked as poor.

ANNEX C TO ATTACHMENT P

PERFORMANCE MEASURE PROFILE	
Performance Measure No.:	SPM-04
Key Result Area:	Behaviours
Performance Measure Name:	Relationships
ALIGNMENT AND ACCOUNTABILITY	
Linked to:	Contract extension
Purpose (Outcome/Output/Process Measured)	
<ol style="list-style-type: none"> 1. This SPM assesses the Capability Partner’s performance in demonstrating positive working relationships. 2. The purpose of this SPM is to continuously monitor the Capability Partner’s performance in demonstrating positive working relationships with the Commonwealth, the Candidates, Subcontractors, and all other parties. 	
BUSINESS RULES	
<ol style="list-style-type: none"> 1. SPM-04 will be assessed by the Commonwealth using the Performance Attributes defined in the table below and aggregated using the Performance Table at the end of this SPM. 2. For the purposes of this SPM-04, positive working relationship behaviours include: <ol style="list-style-type: none"> a. being committed to resolving disputes and issues fairly and at the lowest possible level, and where issues arise, the Capability Partner focuses on fixing the problem and not the blame; b. acting as an industry leader and not escalating internal problems, or those with Subcontractors, to the Commonwealth, unless absolutely necessary; c. being committed to accurately informing the Commonwealth of material issues in a timely fashion; and d. key leaders within the Capability Partner’s organisation are actively involved, adopting positive relationship management at all levels of the organisation. 	
Relationships Performance Attributes	
The Capability Partner...	s47E(d)
proactively and collaboratively seeks to resolves issues and disputes early at the lowest possible level,	
resolves disputes reasonably and equitably and will only consider the legal and contractual remedies as a last resort,	
focuses on fixing the problem and approaches problem solving in a collaborative manner,	

ANNEX C TO ATTACHMENT P

provides prompt and accurate notification of material issues and risks (potential and current) and proposed appropriate mitigation strategies,	s47E(d)
displays a willingness to share critical information,	
provides valuable contributions to the Contract and other governance meetings,	
ensures Contract management and leadership team are active participants in the management and governance of the Contract and continually demonstrate collaborative and cooperative behaviours,	
has a common understanding of the ADF Recruitment strategic principles and Contract objectives, and relationship goals are effectively established throughout the organisation (shared vision),	

3. In the event that more than one category applies in the performance table at the end of this SPM, the higher category will apply.

PERFORMANCE TABLE	Assessment
Tolerance Purple	At least 5 performance attributes assessed as superior and no single attribute assessed lower than good.
Tolerance Green	At least 5 performance attributes assessed as good or higher and no single attribute assessed lower than fair.
Tolerance Amber	All performance attributes assessed as fair or higher.
Tolerance Red	Any performance attribute assessed as poor.

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PERFORMANCE MEASURE PROFILE	
Performance Measure No.:	SPM-05
Key Result Area:	Behaviours
Performance Measure Name:	Reputation
ALIGNMENT AND ACCOUNTABILITY	
Linked to:	Contract extension
Purpose (Outcome/Output/Process Measured)	
<p>1. This SPM represents, as either satisfactory or unsatisfactory, the reputational impacts of the Capability Partner's delivery of the Services on the Department of Defence, the Australian Government, the Capability Partner, and all Subcontractors.</p> <p>2. The purpose of this SPM is to assess the Capability Partner's management of the Navy, Army and Air Force and associated public relations and communications, with the intent of developing and maintaining a positive reputation of the Commonwealth and related stakeholders.</p>	
BUSINESS RULES	
<p>1. SPM-05 will be assessed by the Commonwealth as either:</p> <ol style="list-style-type: none"> satisfactory; or unsatisfactory. <p>2. Assessment of SPM-05 shall be based on the Capability Partner's management and delivery of the Services and associated handling of public relations and communication, noting the Capability Partner's obligations as set out in clause 14.15 of the COC.</p> <p>3. The Commonwealth may consider the following when assessing SPM-05:</p> <ol style="list-style-type: none"> number and frequency of media articles which are favourable to ADF recruitment and root cause of those articles; number and frequency of media articles which are not favourable to ADF recruitment and root cause of those articles; any privacy breaches by the Capability Partner; s47E(d) [REDACTED] and [REDACTED]; issues raised in Parliament relevant to ADF recruitment and the nature of those issues. 	
PERFORMANCE TABLE	
Tolerance Green	Satisfactory
Tolerance Red	Unsatisfactory

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ANNEX D TO ATTACHMENT P**SYSTEM HEALTH INDICATORS****1 INTRODUCTION****1.1 Purpose**

- 1.1.1 The purpose of this Annex D is to define:
- a. the System Health Indicators (SHIs) used in the performance assessment process; and
 - b. the methodology applied to measurement of performance against each SHI.

1.2 Content

- 1.2.1 The following SHIs are described in Annex D to this Attachment P:
- a. SHI-01: Candidate Conversion Rate;
 - b. SHI-02: Recruitment Administration Satisfaction;
 - c. SHI-03: ICT Performance; and
 - d. SHI-04: Recruit Diversity Satisfaction.

- 1.2.2 The Review Period for all SHIs is quarterly.

1.3 Changes to System Health Indicators (SHIs)

- 1.3.1 The parties acknowledge and agree that the SHIs set out in this Attachment P provide the agreed set of SHIs for the Contract as at the Effective Date.
- 1.3.2 The parties further acknowledge and agree that the SHIs:
- a. may need to be varied over the Term to ensure that the Commonwealth is able to satisfy its information needs in relation to the recruitment program and the Contract, including to address emergent issues and to overcome problems of information asymmetry between the parties; and
 - b. must lead to the provision of relevant and timely information, but should not involve undue effort for the measurement of the SHIs.
- 1.3.3 Where either party identifies the need to change an SHI or to implement an additional or replacement SHI, the parties agree:
- a. to negotiate in good faith to define and establish the revised SHI requirements to satisfy the Commonwealth's information needs; and
 - b. that any revised SHI requirements will be documented in an update to the PMP to be Approved by the Commonwealth, rather than through a CCP.

ANNEX D TO ATTACHMENT P

PERFORMANCE MEASURE PROFILE	
Performance Measure No.:	SHI-01
Key Result Area:	Capability Delivery
Performance Measure Name:	Candidate Conversion Rate
ALIGNMENT AND ACCOUNTABILITY	
Purpose (Outcome/Output/Process Measured)	
<ol style="list-style-type: none"> 1. This SHI presents detailed Candidate conversion rate data across the Recruiting Process. 2. The purpose of this SHI, is to continuously monitor the Recruiting Process so that the Commonwealth and the Capability Partner understand how long each part of the process has taken for each Candidate, at what point Candidates are removed from the process, and for what reasons. 	
BUSINESS RULES	
<ol style="list-style-type: none"> 1. The Capability Partner will collect and present the data for this SHI. 2. Noting that there will be data collection and reporting limitations until the Capability Partner's solution is implemented, data shall be presented in a way that enables the parties to view: <ol style="list-style-type: none"> a. conversion ratios at different parts of the Recruiting Process; b. multi-year trends; c. filtered data for each point in the Recruiting Process or multiple points grouped together; d. filtered data for reason codes, as defined in the Approved PMP (e.g. withdrawal, failed medical, etc); e. observe Candidate in-year and multi-year trends by indigenous and gender; f. filtered data by Navy, Army and Air Force; g. filtered by unique programs such as RFSU Activities; and h. filtered data by job type. 3. The Commonwealth and the Capability Partner will use the data provided by this SHI to inform improvement programs. 	

ANNEX D TO ATTACHMENT P

PERFORMANCE MEASURE PROFILE	
Performance Measure No.:	SHI-02
Key Result Area:	Reliability and Quality
Performance Measure Name:	Recruitment Administration Satisfaction
ALIGNMENT AND ACCOUNTABILITY	
Purpose (Outcome/Output/Process Measured)	
<p>1. This SHI assesses the Capability Partner's performance in the timely provision of correctly rendered administrative items to Candidates, in accordance with the SOW and the Approved PMP, during the Review Period.</p> <p>2. The purpose of this SHI is to monitor the health of the Capability Partner's administrative services underpinning the entire ADF Recruitment System, specifically the accuracy and timeliness of administrative items that contribute to Candidate satisfaction and efficient time to recruit.</p>	
BUSINESS RULES	
<ol style="list-style-type: none"> 1. For the purposes of SHI-02, administrative items means, any item that is identified as an important or critical item under the functions. This will include all administrative items that are required for each Candidate throughout the Recruiting Process including items related to application, selection, screening and conversion. 2. For the purposes of SHI-02, an administrative item will be considered deficient in delivery if: <ol style="list-style-type: none"> a. it is not correctly rendered as discovered by the Capability Partner's quality system spot checks; and/or b. is scheduled for delivery during the Review Period in accordance with the SOW, but not delivered by the scheduled delivery date. 3. For the purposes of SHI-02, where an applicable administrative item has multiple scheduled deliveries, each individual delivery shall be considered separately. 4. The Capability Partner shall provide the Commonwealth a report on recruitment administration satisfaction at a minimum rate of once per quarter, in the form specified in the Approved PMP. 	

ANNEX D TO ATTACHMENT P

PERFORMANCE MEASURE PROFILE	
Performance Measure No.:	SHI-03
Key Result Area:	Reliability and Quality
Performance Measure Name:	ICT Performance
ALIGNMENT AND ACCOUNTABILITY	
Purpose (Outcome/Output/Process Measured)	
<p>1. This SHI measures the performance of all Capability Partner ICT Systems relevant to the provision of Services.</p> <p>2. The purpose of this SHI is to monitor the health of the Capability Partner's ICT Systems which underpin the entire ADF Recruiting System, specifically the availability and quality that contributes to the delivery of ADF Recruiting Services.</p> <p>3. The Commonwealth's intent is that this SHI provides a subset of the ongoing ICT system performance measurement undertaken by the Capability Partner (including its Subcontractors).</p>	
BUSINESS RULES	
<p>1. SHI-03 shall be assessed by the Capability Partner as either:</p> <ul style="list-style-type: none"> a. Superior = demonstrated positive performance trends and attitudes against all four areas defined below, and had no critical ICT downtime other than planned maintenance and upgrade; b. Good = demonstrated positive performance trends and attitudes against all four areas defined below and had minimal critical ICT downtime in addition to planned maintenance and upgrade downtime; c. Fair = demonstrated positive performance trend and attitudes towards three or more of the four areas defined below and had minimal critical ICT downtime in addition to planned maintenance and upgrade downtime; or d. Poor = demonstrated positive performance trends and attitudes towards less than three of the four areas defined below and/or had significant critical ICT downtime in addition to planned maintenance and upgrade downtime. <p>2. Assessment of this SHI shall be based on the Capability Partner ensuring the following four ICT outcomes:</p> <ul style="list-style-type: none"> a. Effective operation of all ICT Systems, including the Defence Force Recruiting Network (DFRN); b. Security and reliability of all ICT Systems, including maintaining all security accreditation, and proactive identification, implementation and monitoring of measures and controls to keep pace with the evolving cyber threat environment; c. Management and update of a comprehensive Information Technology Infrastructure Library (ITIL); and d. Confidentiality, Integrity, Availability, Privacy of Data used across the ADF Recruiting System. <p>3. The Capability Partner shall provide the Commonwealth a report on ICT performance at a minimum rate of once per quarter, however, individual performance attribute data shall be available live or near live to the Commonwealth.</p> <p>4. The following SHI-03 Performance Attributes table specifies a non-exclusive list of detailed performance attributes that will be measured and aggregated against the four key ICT outcomes defined in clause 2 of this SHI-03.</p>	

ANNEX D TO ATTACHMENT P

1 RESPONSE AND RESTORATION TARGETS:

1.1 The response and restoration targets set out in this section 1 apply to the measurement of PA-07 (Incident response (including Software Incidents and Cyber Incidents) and PA-08 (Incident resolution).

1.2 Severity Level 1:

a. Response time within s47G

b. Restoration time within s47G

1.3 Severity Level 2:

a. Response time within s47G

b. Restoration time within s47G

1.4 **Severity Level 3** – Restoration time within s47G

1.5 **Severity Level 4** – Restoration time within s47G

2 INCIDENT CATEGORISATION TARGETS:

2.1 **Severity Level 1** – Major: Critical business operation down. ICT System and/or ICT System functionalities are down impacting the Capability Partner's ability to meet its service level commitments;

2.2 **Severity Level 2** – High: Significant portion of business operation down. Partial ICT System and/or ICT System functionalities are down impacting the Capability Partner's ability to meet its service level commitments; or the incident is impacting the Capability Partner internally and could result in a flow-on effect to the Commonwealth;

2.3 **Severity Level 3** – Moderate: A unit or component failure which does not have impact on the Capability Partner's ability to meet its service level commitments. A small percentage of the Commonwealth is affected and/or the incident has limited visibility. The System may remain operational, however, in a degraded manner, and/or a tried and proven workaround is available; and

2.4 **Severity Level 4** – Minimal: A unit or component failure which does not have impact on the Capability Partner's ability to meet its service level commitments. Individual user(s) is/are affected. The ICT System remains operational to other users.

3 PROBLEM RESOLUTION TARGETS:

3.1 The problem resolution targets set out in this section 3 apply to the measurement of PA-09 (Problem management response) and PA-10 (Problem management resolution).

3.2 A upward trend (or target) to ensure recurring incidents are linked new or existing problem records (like a problem management response target).

3.3 A downward trend in the ratio of incidents that are linked to existing problem records – because root causes are known, work arounds effective, and problems are being resolved.

ANNEX D TO ATTACHMENT P

PERFORMANCE MEASURE PROFILE	
Performance Measure No.:	SHI-04
Key Result Area:	Reliability and Quality
Performance Measure Name:	Recruit Diversity Satisfaction
ALIGNMENT AND ACCOUNTABILITY	
Purpose (Outcome/Output/Process Measured)	
<ol style="list-style-type: none"> 1. This SHI measures the Capability Partner’s success in recruiting Candidates with diverse backgrounds, in line with Defence’s commitment to diversity and inclusion. 2. In accordance with the SOW, the Commonwealth seeks to attract, and ultimately Enlist or Appoint a more diverse ADF which provides a capability edge over the Commonwealth's adversaries, as it draws on different ideas to innovate and adapt to a rapidly evolving strategic environment. 3. The purpose of this SHI is to present data in a form that enables the Commonwealth to: <ol style="list-style-type: none"> a. understand the level of attraction and recruitment of diverse Candidates; b. observe Candidate in-year and multi-year trends by indigenous and gender; c. filter data by Navy, Army and Air Force; d. filter by unique programs such as RFSU Activities ;and e. filter data by job type. 4. The Commonwealth and the Capability Partner will use the data provided by this SHI to inform improvement programs. 	
BUSINESS RULES	
<ol style="list-style-type: none"> 1. The Approved PMP defines the SHI-04 business rules and reporting requirements. 	

ANNEX D TO ATTACHMENT P

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