



Ministry
of Defence



706125450 SRMLU Assessment Phase Charging Rates

ANNEX C

Pricing

1. The pricing of this Contract will be primarily based on the appropriate Labour and Overhead rates agreed with CAAS. At the time of placing this Contract the appropriate rates are still under discussion. In accordance with Condition 65, Provisional Pricing, until such time as these rates have been agreed and promulgated, it is not possible to Firm Price rates applied to this Contract. Accordingly, the Labour Rates detailed in table C-1 below are initially set as Provisional Rates.
2. In accordance with Condition 65. The Provisional costs which cannot be deemed as Allowable under AAR review relate only to those Labour Rates and Overhead costs as detailed in Tables C-1 and C-2 below.

Reconciliation

3. There will be one reconciliation point, following the Contract End Date and following the promulgation of the final Firm Labour Rates and Overhead costs which are applied to any cost applied to the Contract.
4. To support the reconciliation, at the end of the Contract the Contractor shall provide a statement of actual cost incurred, which shall include all labour output at agreed rates.

Incentive Adjustment

5. The Incentive Adjustment detailed in Table C-4 below is linked to the Performance Management structure detailed in Contract Annex D – Performance Management. Payments for the Incentive Adjustment detailed in Table C-4 will only be made on agreement of the delivery against the Key Performance Indicators in accordance with the process detailed in Contract Annex D.

Exceptional Tasking in accordance with Condition 51.

6. When Exceptional Tasking is agreed in accordance with the process defined in Condition 51, the Labour Rates applied to the returned Annex I Part 2 – Contractor's Quotation will be those detailed in Table C-1 below. The appropriate Labour rate for the Financial Year in which the labour output is to take place shall be applied to the pricing within the Annex I Part 2 – Contractor's Quotation.
7. Tier 2 Overhead percentage, in accordance with Table C-2, shall be applied to all Labour Rates prices provided in Table C-1 and any Non Labour content as appropriate.
8. Reconciliation of Labour Rates and Overhead costs for Exceptional Tasking will take place in accordance with Annex C clauses 3 and 4.
9. When an Exceptional Tasking is agreed in accordance with Condition 51. The Profit Rate applied to the Tasking will be priced in line with the Baseline Profit Rate and other profit rate adjustments applicable at the time of agreeing the TAF.

Provisional Contract Charging Rates

Tables C-1, C-2, C-3 and C-4 REDACTED due to Commercial Confidentiality