

ANNEX C

BASIS OF PAYMENT

Deployable Private Branch Exchange (PBX)

Department of National Defence

Definitions

- a. **Hourly Rate** means a firm hourly rate to be charged for each hour worked and prorated for any period less than an hour.
- b. **Laid-Down Cost** is the cost incurred by a supplier to acquire a specific product or service for resale to the government. This includes the supplier's invoice price (less trade discounts), plus any applicable charges for incoming transportation, foreign exchange, customs duty and brokerage, but excludes the GST/HST.
- c. **Markup** includes applicable purchasing expenses, internal handling and general and administrative expenses plus profit.
- d. **Firm Price** is a method of pricing in which the total amount payable is a fixed lump sum or is an amount determinable in accordance with fixed unit prices. In such cases, both parties agree prior to the award of the contract as to the payable thereunder.

Note: This document will be finalized before the contract award.

1. General

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid as per the following paragraphs. All prices are in Canadian dollars.

2. Factory Acceptance Test

In consideration of the Contractor satisfactorily completing its obligations under the Contract, the Contractor will be paid a firm price of \$_____ (*the amount will be inserted at contract award*) after successfully demonstrated and Canada approved Factory Acceptance Testing results of the proposed equipment prior to shipping to DND. Customs duties are included and Applicable Taxes are extra.

3. Software, Firmware and Licenses

In consideration of the Contractor satisfactorily completing its obligations under the Contract, the Contractor will be paid a firm price of \$_____ (*the amount will be inserted at contract award*) for All Level of Effort (LOE) for the development of GUI and delivery of Software.

The Contractor will be paid a firm price of \$_____ (*the amount will be inserted at contract award*) for One Time Fee for All Perpetual Licences.

Customs duties and Shipping are included. Applicable Taxes are extra.

4. Firm Hardware Requirements

The Contractor will be paid the Total Firm Price, Delivered Duty Paid (DDP) in Canada, Incoterms 2010 for all Firm Hardware Requirements, as presented in the table below. Custom Duties are included and Applicable taxes are extra.

The pricing will be inserted at contract award

Site Number	CLIN	Description	Number of Sites	Quantity per Site	Firm Unit Price	Extended Price
Stationary Sites						
1 to 2	CLIN 1	Main IP PBX Equipment with TDM Capability	2	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>
	CLIN 2	Redundant IP PBX Equipment with TDM Capability	2	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>
3 to 5	CLIN 3	IP PBX Equipment with TDM Capability	3	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>
Deployable Sites						
6 to 12	CLIN 4	Deployable IP PBX Equipment with TDM Capabilities for Large Deployable Site	7	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>
13 to 24	CLIN 5	Deployable IP PBX Equipment with TDM Capabilities for Medium Deployable Site	12	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>
25 to 32	CLIN 6	Deployable IP PBX Equipment with TDM Capabilities for Small Deployable Site	8	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>
Total Price of Hardware – Firm Requirements						<i>As per the bid</i>

5. Optional Hardware Requirements

Should the option be exercised, the Contractor will be paid the Firm Price, Delivered Duty Paid (DDP) in Canada, Incoterms 2010 for all Optional Hardware Requirements, as presented in the table below. Custom Duties are included and Applicable taxes are extra.

The pricing will be inserted at contract award

CLIN	Description	Quantity per Site	Firm Unit Price
Stationary Sites			
CLIN 1	Main IP PBX Equipment with TDM Capability	<i>As per the bid</i>	<i>As per the bid</i>
CLIN 2	Redundant IP PBX Equipment with TDM Capability	<i>As per the bid</i>	<i>As per the bid</i>
CLIN 3	IP PBX Equipment with TDM Capability	<i>As per the bid</i>	<i>As per the bid</i>
Deployable Sites			
CLIN 4	Deployable IP PBX Equipment with TDM Capabilities for Large Deployable Site	<i>As per the bid</i>	<i>As per the bid</i>
CLIN 5	Deployable IP PBX Equipment with TDM Capabilities for Medium Deployable Site	<i>As per the bid</i>	<i>As per the bid</i>
CLIN 6	Deployable IP PBX Equipment with TDM Capabilities for Small Deployable Site	<i>As per the bid</i>	<i>As per the bid</i>
CLIN 7	Deployable IP PBX Equipment for Medium Deployable Site	<i>As per the bid</i>	<i>As per the bid</i>

6. Firm Training Courses

The Contractor will be paid the Firm Unit Price, Delivered Duty Paid (DDP) in Canada, Incoterms 2010 upon satisfactorily delivering each training course in accordance with the Contract, as presented in the table below. Custom Duties, Travel & Living Expenses are included and Applicable taxes are extra.

Training courses may be initiated in any of DND's facilities listed below and at anytime during the period of the Contract.

CLIN	Training Courses	Unit Price From Contract Award to 31st December 2021
CLIN A	Administrator and Maintainer Course (Firm Quantity: 2)	
1	DND Facility In National Capital Region	<i>As per the bid</i>
2	DND Facility at CFSJR Kingston	<i>As per the bid</i>
3	DND Facility in CFB Trenton	<i>As per the bid</i>
4	Contractor's Facility	<i>As per the bid</i>
CLIN B	Train the Trainer Training Course (Firm Quantity: 1)	
1	DND Facility In National Capital Region	<i>As per the bid</i>
2	DND Facility at CFSJR Kingston	<i>As per the bid</i>
3	DND Facility in CFB Trenton	<i>As per the bid</i>
4	Contractor's Facility	<i>As per the bid</i>

7. Hourly Labour Rates for Additional Work Requirements (AWRs)

The Contractor will be paid firm hourly rates as follows, for work performed in accordance with the Contract. Customs duties are included and Applicable Taxes are extra. The Contractor will be paid for the Work specified in the authorized task authorization, as listed in the table below.

Canada's liability to the Contractor under the authorized task authorization must not exceed the "Firm Price, limitation of expenditure" or "ceiling price" specified in the authorized task authorization. Custom duties are "included", and Applicable Taxes are extra.

No increase in the liability of Canada or in the price of the Work specified in the authorized task authorization resulting from any design changes, modifications or interpretations of the Work will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been authorized, in writing, by the Contracting Authority before their incorporation into the Work.

For any authorized Additional Work Requirements (AWRs) as defined in the task SOW, the Contractor shall be paid as agreed upon between the Contractor and the Contracting Authority in accordance with the Labour Rates defined below, and as per the agreed upon pricing method for the Additional Work Requirements.

The Contractor will be reimbursed for the direct expenses reasonably and properly incurred in the performance of the AWRs. These expenses will be paid at actual cost without mark-up, upon submission of an itemized statement supported by receipt vouchers.

Item Number	Labour Categories	Hourly Labour Rates for 2020	Hourly Labour Rates for 2021
1	Junior Technician	<i>As per the bid</i>	<i>As per the bid</i>
2	Senior Technician	<i>As per the bid</i>	<i>As per the bid</i>
3	Junior Engineer	<i>As per the bid</i>	<i>As per the bid</i>
4	Senior Engineer	<i>As per the bid</i>	<i>As per the bid</i>
5	Field Service Representative	<i>As per the bid</i>	<i>As per the bid</i>
6	Project Manager	<i>As per the bid</i>	<i>As per the bid</i>

8. Recommended Spare Parts – Optional

The Contractor will be paid Firm Unit Prices in accordance with its financial proposal. Customs duties are included and Applicable Taxes are extra.

9. Travel and Living Expenses for Additional Work Requirements (AWRs)

The Contractor will be reimbursed its authorized travel and living expenses reasonably and properly incurred in the performance of the Work, at cost, without any allowance for profit and/or administrative overhead, in accordance with the meal, private vehicle and incidental expenses provided in Appendices B, C and D of the Treasury Board Travel Directive: http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TBM_113/td-dv_e.asp, and with the other provisions of the directive referring to "travelers", rather than those referring to "employees".

All travel must have the prior authorization of the Procurement Authority.

All payments are subject to government audit.