

## ANNEX B

### BASIS OF PAYMENT

### SCHEDULE A

#### Joint Terminal Attack Controller Virtual Training System (JTAC VTS) Acquisition Pricing

1. In consideration of the Contractor satisfactorily completing all of its obligations under this contract, the Contractor will be paid the following firm prices, applicable taxes excluded.
2. **Acquisition Pricing**
  - 2.1 General – Shipment terms are Delivered Duty Paid (DDP), customs duties are included and Goods and Services Tax (GST) or Harmonized Sales Tax (HST), if applicable, is extra. In the event of a discrepancy between the unit and extended unit prices, the unit prices will apply.
  - 2.2 Currency- All prices provided in Schedule A, Joint Terminal Attack Controller Virtual Training System (JTAC VTS) Acquisition Pricing, are provided in the following currency: ***To be entered by Canada.***

**Table 1- Joint Terminal Attack Controller Virtual Training System (JTAC VTS) Acquisition Requirements Pricing**

Item Number	Description	Quantity	Unit of Issue	Firm Unit Price	Extended Unit Price
1	<b><u>Joint Terminal Attack Controller Virtual Training System (JTAC VTS) Static</u></b> One (1) Static Joint Terminal Attack Controller Virtual Training Systems as defined in Annex A Acquisition Statement of Work and appendices	1	Each	\$	\$
2	<b><u>Project Management, System Engineering, Configuration Management, Integrated Logistic Support, Environmental Management (not including Training)</u></b> Generate, deliver and execute all aspects of Project Management, Systems Engineering, Configuration Management, Integrated Logistics Support, Environmental Management, Conduct Meetings and Provide Minutes in accordance with Annex A Acquisition Statement of Work and appendices	1	Lot	\$	\$
3	<b><u>Manuals, Publications, Contract Data Requirements List and Data Item Descriptions</u></b> Provide Publications, provide Operator, Maintenance, Vendor, Instruments, Decals, Data Plates and Warnings Manuals, provide Contract Data Requirements List and Data Item Deliverables as defined in Annex A Acquisition Statement of Work and appendices.	1	Lot	\$	\$
4	<b><u>Installation</u></b>	1	Lot	\$	\$

Item Number	Description	Quantity	Unit of Issue	Firm Unit Price	Extended Unit Price
	Delivery and Installation of JTAC VTS to the delivery locations in accordance with Annex A Acquisition Statement of Work				
5	<b><u>Training</u></b> Generate Train-the-Trainer Training Package and provide initial training in accordance with Annex A Acquisition Statement of Work and appendices.	1	Lot	\$	\$

#### 4. Optional Acquisition

The Government of Canada reserves the right to purchase up to three additional Static Joint Terminal Attack Controller Virtual Training System (JTAC VTS) in accordance with the price outlined in table 2 for delivery to any of the following locations:

- i. 5 CDSB Gagetown
- ii. 2 CDSB Valcartier
- iii. 3 CDSB Shilo
- iv. 4 CDSB Petawawa

Options will be exercised within two (2) years after contract award, with delivery to be completed within six (6) months after exercising the options.

**Table 2- Joint Terminal Attack Controller Virtual Training System (JTAC VTS) Optional Acquisition Requirements Pricing**

Item Number	Description	Quantity	Unit of Issue	Firm Unit Price	Extended Unit Price
1	<b><u>Joint Terminal Attack Controller Virtual Training System (JTAC VTS) Static</u></b> Four (4) Static Joint Terminal Attack Controller Virtual Training Systems as defined in Annex A Acquisition Statement of Work and appendices	4	Each	\$	\$
2	<b><u>Joint Terminal Attack Controller Virtual Training System (JTAC VTS) Portable</u></b> Six (6) Portable Joint Terminal Attack Controller Virtual Training Systems as defined in Annex A Acquisition Statement of Work and appendices	6	Each	\$	\$
3	<b><u>Manuals and Publications</u></b> Provide Publications, provide Operator, Maintenance, Vendor, Instruments, Decals, Data Plates and Warnings Manuals as defined in Annex A Acquisition Statement of Work and appendices.	1	Lot	\$	\$

Item Number	Description	Quantity	Unit of Issue	Firm Unit Price	Extended Unit Price
4	<b><u>Installation</u></b> Delivery and Installation of JTAC VTS to the delivery locations in accordance with Annex A Acquisition Statement of Work	1	Lot	\$	\$
5	<b><u>Training</u></b> Provide additional initial training in accordance with Annex A Statement of Work and appendices.	1	Lot	\$	\$

## 5. Additional Work Requests (AWRs) via Task Authorization

- 5.1** If and when requested by Canada, Additional Work Requests will only be authorized by the Procurement Authority (PA) on an “as and when requested basis”, utilizing a DND 626 Task Authorization form.
- 5.2** For all authorized Technical Investigation and Engineering Support (TIES) and Field Services Representatives (FSR), the Contractor personnel will be paid the latest relevant hourly rates for the actual direct hours worked during the periods below as specified in Table 3.

No premium for overtime rates will be considered.

**Table 3- Additional Work Request (AWR) Pricing Rates**

Labour Category	Firm Ceiling Hourly Rate		
	Year 1	Year 2	Year 3
Senior Engineer	\$	\$	\$
Junior Engineer	\$	\$	\$
Systems Engineer	\$	\$	\$
Software Engineer	\$	\$	\$
Field Services Representatives (FSR)	\$	\$	\$
Training Instructor	\$	\$	\$
Other <sup>1</sup>	\$	\$	\$

<sup>1</sup> Note 1:

Other category is for labour categories that are not captured above but are required to perform the tasks. Other category must be a function of the categories above and cannot exceed the rate of a Junior Engineer. Any additional Other labour categories proposed should not encompass functions included within the Statement of Work (SOW) that is captured as part of other contract line items within the basis of payment.

Should options be exercised the rates used will be from the completed installation date.

## 5.4 Travel and Living

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, and private vehicle allowances specified in Appendices B, C and D of the [National Joint Council Travel Directive](#), and with the other provisions of the directive referring to "travellers", rather than those referring to "employees". Canada will not pay the Contractor any incidental expense allowance for authorized travel.

All travel and living expenses must be authorized in advance by DND Procurement Authority, must be supported by receipts and are subject to government audits and verifications.

## 6. Firm Mark-up Rates

- 6.1** Mark-up on Materials for Additional Work Requests - the Contractor will be paid at the actual laid down cost plus applicable percentage as identified in Table 4.

**Laid-down cost:** 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 Sales Tax.

**Table 4- Material Mark-up**

Material	Year 1 Mark-up (%)	Year 2 Mark-up (%)	Year 3 Mark- up (%)
Material Mark-up rate			

## 7. Spare Parts

- 7.1** Spare parts pricing will be negotiated after contract award.
- 7.2** Once the initial spare parts list has been approved and accepted at the Initial Provisioning Conference, a formal purchase of the spares will be initiated through a Task Authorization process.

### 7.3 Price Certification Commercial Goods and/or Services

The Contractor certifies that the price proposed:

- a) is not in excess of the lowest price charged anyone else, including the Contractor's most favoured customer, for the like quality and quantity of the goods, services or both; and
- b) does not include an element of profit on the sale in excess of that normally obtained by the Contractor on the sale of goods, services or both of like quality and quantity.

### 7.4 Price Justification

The Contractor must provide, on Canada's request, one or more of the following price justification:

- a) Current published price list indicating the percentage discount available to Canada; Or a copy of paid invoices for the like quality and quantity of the goods, services or both sold to other customers, or
- b) a price breakdown showing the cost of direct labour, direct materials, purchased items, engineering and plant overheads, general and administrative overhead, transportation, etc., and profit; or
- c) any other supporting documentation as requested by Canada.

## SCHEDULE B

### Joint Terminal Attack Controller Virtual Training System (JTAC VTS)

#### Acquisition Milestone Payments

#### 1. Acquisition Requirements

- 1.1** Payment for the completion of Milestones for the JTAC VTS Acquisition contract will be a firm price based on the percentage of the overall contract value as detailed below in Schedule B; Table 1 - Acquisition Milestone Payment Schedule.
- 1.2** Individual numbered milestones will be paid to the Contractor based on their percentage of total contract value as defined in table 1- Acquisition Milestone Payment Schedule, upon satisfactory completion and acceptance by the DND Technical Authority.
- 1.3** The schedule of milestones payments which claims must be made on Schedule A, Joint Terminal Attack Controller Virtual Training System (JTAC VTS) Acquisition Pricing items N°1 through N°12, are as follows:

**Table 1 - Acquisition Milestone Payment Schedule**

Milestone Number	Milestone	Deliverable	Percentage of Total Contract Value	Milestone/Progress Value (populated at Contract Award)
1	Meetings	Kick-off Meeting  Completion of the Kick-off Meeting and approval of the final copy of Meeting Minutes in accordance with Annex A Acquisition SOW Article 3.9 and Article 3.9.2	5%	\$
		Systems Engineering Meeting  Completion of the Systems Engineering Meeting and approval of the final copy of Meeting Minutes in accordance with Annex A Acquisition SOW Article 3.9 and Article 3.9.3. Delivery and acceptance of the following CDRLs and DIDs (SE-101, SE-102, SE-103, SE-104, SE-107, SE-108, SE-109, ILS-201 and ILS-208) in accordance with Annex A Acquisition SOW and appendices.	10%	\$
2	Project Management Plan	Completion of the Project Management Plan in accordance with Annex A Acquisition SOW Article 3.2	10%	\$
3	Preliminary Design Review	Completion and acceptance of the Mandated System Review and Preliminary Design Review including required action plans and resolutions and final copy of Meeting Minutes in accordance with Annex A Acquisition SOW Article 4.2.5 and Article 4.3.1. Delivery and acceptance of the following CDRL and DID (SE-105)	5%	\$
4	Critical Design Review	Completion and acceptance of the Mandated System Review and Critical Design Review including required action plans and resolutions and final copy of Meeting Minutes in accordance with Annex A Acquisition SOW	5%	\$

Milestone Number	Milestone	Deliverable	Percentage of Total Contract Value	Milestone/Progress Value (populated at Contract Award)
		Article 4.2.5 and Article 4.3.2. Delivery and acceptance of the following CDRLs and DIDs (SE-106, SE-110 and SE-113)		
5	Integrated Logistics Support	Completion of Integrated Logistics Support Meeting and the Initial Provisioning Conference. Approval of the final copy of Meeting Minutes in accordance with Annex A Acquisition SOW Article 3.9, Article 3.9.4 and Article 3.9.5. Delivery and acceptance of CDRLs and DIDs (ILS-208, ILS-209)	5%	\$
6	Configuration Audits	Completion of the Functional Configuration Audit (FCA) and Physical Configuration Audit (PCA). Approval of test procedures, reports. Approval of the final copy of Meeting Minutes and all other FCA and PCA entry and exit requirements in accordance with Annex A Acquisition SOW Article 5.6.4 and Article 5.6.5	5%	\$
7	Test Readiness Review	Completion and approval of the Test Readiness Review including action items and plans successfully addressed and approved in accordance with Annex A Acquisition SOW Article 6.1.3. Delivery and acceptance of the following CDRLs and DIDs (SE-114, SE-115)	5%	\$
8	Acceptance Verification and Validation, Delivery and Installation	Completion of Acceptance Verification and Validation. Delivery and Installation of quantity 2 JTAC VTS to 5 CDSB Gagetown including approval of all test reports and Operator, Maintenance and Vendor Manuals in accordance with Annex A Acquisition SOW Article 6.2 and Article 10	15%	\$
9	Training Package	Completion and approval of Train-the-Trainer Training Package in accordance with Annex A Acquisition SOW and appendices.	5%	\$
10	Initial Training	Completion and approval of the Initial Training in accordance with Annex A Acquisition SOW and appendices.	5%	\$
11	Technical Publications	Completion and delivery of all Technical Publications Data in accordance with Annex A Acquisition SOW and appendices.	15%	\$
12	Hold back	Completion of the final review of the system to ensure all requirements have been met and all deliverables have been accepted in accordance with Annex A Acquisition SOW and appendices	10%	\$

## 2. JTAC VTS Optional Acquisition Requirements

Should items N°1, N°2, N°3, N°4, and N°5 of Schedule A, Article 4 Table 2 JTAC VTS Optional Acquisition Requirements be exercised, the schedule of milestones which claims must be made, are as follows:

*(To be negotiated if options are exercised)*