

ANNEX B

INTELLIGENCE, SURVEILLANCE, TARGET ACQUISITION, AND RECONNAISSANCE

(ISTAR) SUSTAINMENT SERVICES

BASIS OF PAYMENT

1. DEFINITIONS

- 1.1. **Fixed Hourly Rate** means a fixed hourly labour rate to be charged for each hour worked and prorated for any period less than an hour in fifteen minutes increments.
- 1.2. **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 Goods and Services Tax and the Harmonized Sales Tax.
- 1.3. **Markup** is defined as the difference between the Contractor's laid-down cost for a product and its resale price to Canada, Goods and Services Tax and/or the Harmonized Sales Tax excluded. Mark-up includes applicable purchasing expense, internal handling and general and administrative expenses and profit.
- 1.4. **Fixed 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.
- 1.5. **Ceiling Price** is a method of pricing in which the maximum amount of money to be paid to the Contractor for the prescribed work as established in the contract. When a ceiling price is used in a contract, the Contractor is not entitled to additional compensation. A ceiling price is used when the level of effort or quantity can be realistically estimated, and there is full agreement between the parties as to what constitutes the prescribed work.
- 1.6. **Limitation of Expenditure Price** is a maximum amount of money that may be paid to a Contractor for certain prescribed work. A limitation of expenditure is normally used in service requirements where the level of effort cannot be accurately estimated at the outset. If needed, the contracting authority may amend the contract to provide additional funds or request the Contractor to complete the work to the extent that the allocated funding permits.
- 1.7. **Level of Effort** is defined as the total number of hours allocated to either expend on a task or complete a task that may include one or multiple labour categories.
- 1.8. **General and Administrative Expenses** are defined as the estimated general and administrative expenses are a percentage of material, labour and overhead costs.
- 1.9. **Fully Loaded Labour Rate** is defined as a rate that includes General and Administration expenses, overheads and profit, however, it excludes applicable taxes.
- 1.10. **Material**, including raw materials, parts and equipment, purchased or manufactured by the Contractor specifically for the Contract.
- 1.11. **Consumer Price Index (CPI)** represents changes in prices as experienced by Canadian consumers. It measures price change by comparing, through time, the cost of a fixed basket of goods and services. The CPI is published by Statistics Canada.

2. GENERAL

This missing pricing information shall be incorporated at the contract award stage in accordance with the winning price proposal selected for a contract award.

In consideration of the Contractor satisfactorily completing all of its obligations under the Contract, the Contractor will be paid as per the following paragraphs.

3. LABOUR CATEGORIES DEFINITIONS

- 3.1 **Junior Co-Op Student** is defined as a contractor's personnel who is pursuing a college certification or a bachelor's degree from an accredited college or university in a relevant field at the time that they perform the work.
- 3.2 **Senior Co-Op Student** is defined as a contractor's personnel who is pursuing a master's degree from an accredited college or university in a relevant field at the time that they perform the work.
- 3.3 **Junior Personnel** is defined as a contractor's personnel who must have a college or university certificate, diploma or degree in the specified field without needing any relevant experience in the specified field. For all Engineering and Architect categories a Junior Personnel resource must also have a bachelor's degree in Science, Technology, Engineering or Mathematics (STEM).
- 3.4 **Intermediate Personnel** is defined as a contractor's personnel who must have a minimum five (5) years of relevant experience in the specified field within the last ten (10) years. For all Engineering and Architect categories an Intermediate Personnel resource must also have a bachelor's degree in STEM.
- 3.5 **Senior Personnel** is defined as a contractor's personnel who must have a minimum ten (10) years of relevant experience in the specified field. For all Engineering and Architect categories a Senior Personnel resource must also have a bachelor's degree in STEM.
- 3.6 **Certified TEMPEST Professional I** is defined as a contractor's personnel who has successfully completed the government-administered exam and received the Certification as a TEMPEST Professional Level I.
- 3.7 **Certified TEMPEST Professional II** is defined as a contractor's personnel who has successfully completed the government-administered exam and received the Certification as a TEMPEST Professional Level II.

4. CORE WORK

- 4.1 Upon satisfactorily delivering the Core Management Work and the Core Engineering Management Work, the Contractor will be paid the Fixed Monthly Fee in accordance with Table 1 below. The Contractor is responsible for all travel costs pertaining to Core Work.

Table 1 – Core Work

Core Work		
Fixed Monthly Fee		
Firm Period	Year 1	As per the bid
	Year 2	As per the bid
	Year 3	As per the bid
	Year 4	As per the bid
	Year 5	As per the bid
	Year 6	As per the bid
Option Period 1	Year 7	As per Consumer Price Index (CPI)
	Year 8	As per CPI
Option Period 2	Year 9	As per CPI
	Year 10	As per CPI
Option Period 3	Year 11	As per CPI
	Year 12	As per CPI
Optional Transition Period 1	First Six Months of Year 13	As per CPI
Optional Transition Period 2	Last Six Months of Year 13	As per CPI

5. ADDITIONAL WORK REQUIREMENTS

- 5.1 Payment for Additional Work Requirements will be made in accordance with the Progress Payment provisions of the Contract. Canada will make monthly payments for Additional Work Requirements as follows:
- 5.1.1 Labour charges for authorized Work must be based on Fixed Hourly Labour Rates, in accordance with Table 2 below, Goods and Services Tax or Harmonized Sales Tax extra as applicable.
- 5.1.2 The Contractor will be paid Mark-up charges on its Laid-down cost for authorized acquisition of material, rental and maintenance of the material. In other words, the Contractor will be paid for its cost reasonably and properly incurred in the performance of the Work plus a mark-up, in Table 3 below, Goods and Services Tax or Harmonized Sales Tax extra as applicable.
- The Contractor will be reimbursed for all transportation and Shipping costs without any allowance for profit and/or administrative overhead. Goods and Services Tax or Harmonized Sales Tax extra as applicable.
 - Shipping and Transportation charges must be shown as separate item on the Contractor's invoice.
 - Payment for material, rental and maintenance will be charged in the year in which the material, rental or maintenance was delivered.

5.1.3 The Contractor will be paid a Mark-up on its Laid-down Cost reasonably and properly incurred for authorized sub-contracted services, in accordance with Table 4. Goods and Services Tax or Harmonized Sales Tax, as applicable, are extra.

- a. Should the Contractor subcontract any of the Resource Categories that are covered by the BoP, the Contractor will be paid the Labour Rates in accordance with the Contract.

5.1.4 The Contractor will be reimbursed for 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, D and E of the [National Joint Council Travel Directive](#). All travel must have prior authorization of the Technical Authority.

Table 2 – Fixed Hourly Labour Rates

Contractor Supplied Personnel	Personnel Category	Fixed Hourly Labour Rates for the Personnel						
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Option & Transition Periods
A- Systems Engineer	1. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	2. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	3. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
B- Systems Technician	4. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	5. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	6. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI

C- Systems Architect	7. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	8. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	9. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
D- Hardware Engineer	10. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	11. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	12. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
E- Hardware Technician	13. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	14. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	15. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
F- Software Architect	16. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	17. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	18. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI

G- Software Engineer	19. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	20. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	21. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
H- Firmware Engineer	22. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	23. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	24. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
I- Software Developer	25. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	26. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	27. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
J- Firmware Developer	28. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	29. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	30. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI

K- Network Architect	31. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	32. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	33. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
L- Network Engineer	34. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	35. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	36. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
M- Radio Frequency Architect	37. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	38. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	39. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
N- Radio Frequency Engineer	40. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	41. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	42. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI

O- Radio Frequency Technician	43. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	44. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	45. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
P- Cybersecurity Engineer	46. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	47. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	48. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
Q- Cybersecurity Specialist	49. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	50. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	51. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
R- Cybersecurity Analyst	52. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	53. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	54. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI

S- Information Management Specialist	55. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	56. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	57. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
T- Information Management Analyst	58. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	59. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	60. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
U- Configuration Management Specialist	61. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	62. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	63. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
V- Configuration Management Analyst	64. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	65. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	66. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI

W- Database Manager	67. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	68. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
X- Test Engineer								
	69. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	70. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
Y- Test Technician	71. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	72. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	73. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
Z- Quality Management Analyst	74. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	75. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	76. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
AA- Integrated Logistics Support Manager	77. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	78. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI

BB- Integrated Logistics Support Technician	79. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	80. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	81. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
CC- Training Material Manager	82. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	83. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
DD- Training Material Developer	84. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	85. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	86. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
EE- Technical Draftsperson	87. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	88. Intermediate	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
	89. Senior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI
GG- Human Factors Specialist	90. Junior	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	As per the bid	CPI

	91. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	92. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
HH- Technical Writer	93. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	94. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
II- Field Support Manager	95. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	96. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
JJ- Field Support Representative	97. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	98. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	99. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
KK- Manufacturing Engineer	100. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	101. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	102. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI

LL- Manufacturing Technician	103. Junior							
	104. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	105. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
MM- E3 Specialist	106. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	107. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	108. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
NN- TEMPEST Professional I	109. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	110. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	111. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>CPI</i>
OO- TEMPEST Professional II	112. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	113. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	114. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>CPI</i>
PP- Electronic Warfare Engineer	115. Junior	<i>As per</i>	<i>As per</i>	<i>As per</i>	<i>As per</i>	<i>As per</i>	<i>As per</i>	CPI

		<i>the bid</i>	<i>the bid</i>	<i>the bid</i>	<i>the bid</i>	<i>the bid</i>	<i>the bid</i>	
	116. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	117. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
QQ- Electronic Warfare Technician	118. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	119. Intermediate	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	120. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
RR- Co-op Student	121. Junior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI
	122. Senior	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	<i>As per the bid</i>	CPI

Table 3– Material Mark-up Percentage

Material Mark-up		
Item	Activity	Mark-up For Firm, Option and Transition Periods (Proposed Percentage)
1	Material	<i>As per the bid</i>

Table 4 – Services Mark-up Percentage

Services Mark-up		
Item	Activity	Mark-up For Firm, Option and Transition Periods (Proposed Percentage)
1	Services	<i>As per the bid</i>

6. ECONOMIC PRICE ADJUSTMENT FOR OPTION AND TRANSITION PERIODS

- 6.1 Adjusted Prices and Labour Rates for the Option Periods will be incorporated in this Basis of Payment prior to exercising the options. The Labour Rates and Prices for the period of contract shall provide the baseline for the Labour Rates and Prices for Option and Transition Periods.
- 6.2 The Labour Rates for Option Period 1 shall be calculated as follows: the average Labour Rate for the relevant personnel categories in Year 5 and Year 6 will be used as the baseline for escalation of Labour Rates. The Labour Rate will then be escalated or de-escalated by no more than a percentage equal to the increase or decrease, as applicable, in Canada's Consumer Price Index (CPI) for the one-year period ending two months prior to the date that Option Period 2 commences. The Contractor will continue to be paid using the current rates until the new rates have been agreed upon between the Contractor and Canada.
- 6.3 The Labour Rates for Option Period 2 shall be calculated as follows: the Option Period 1 Labour Rates for the relevant personnel categories will be used as the baseline for escalation of Labour Rates. The Labour Rates will then be escalated or de-escalated by no more than a percentage equal to the increase or decrease, as applicable, in Canada's Consumer Price Index (CPI) for the one-year period ending two months prior to the date that Option Period 2 commences. The Contractor will continue to be paid on the current rates until the new rates have been agreed upon between the Contractor and Canada.
- 6.4 The Labour Rates for Option Period 3 shall be calculated as follows: the Option Period 2 Labour Rates for the relevant personnel categories will be used as the baseline for escalation of Labour Rates. The Labour Rates will then be escalated or de-escalated by no more than a percentage equal to the increase or decrease, as applicable, in Canada's Consumer Price Index (CPI) for the one-year period ending two months prior to the date that Option Period 3 commences. The Contractor will continue to be paid on the current rates until the new rates have been agreed upon between the Contractor and Canada.
- 6.5 The Labour Rates for the Transition Periods 1 and 2 in Year 13 shall be calculated as follows: on the Option Period 3 Labour Rates for the relevant personnel categories will be used as the baseline for escalation of Labour Rates. The Labour Rates will then be escalated or de-escalated by no more than a percentage equal to the increase or decrease, as applicable, in Canada's Consumer Price Index (CPI), for the one-year

period ending two months prior to each Transition Period. The Contractor will continue to be paid on the current rates until the new rates have been agreed upon between the Contractor and Canada.

- 6.6 The Labour Rates for all Option Periods will be escalated or de-escalated once for each option period at the start of each two-year Option Period. The Contractor will continue to be paid on the current Labour Rates until the new rates have been finalized.
 - 6.7 The CPI to be used for Rates and Prices calculation will be the annual average for “All Items including major components and special aggregates, Canada – Not seasonally adjusted, which is published by Statistics Canada.
 - 6.8 Any outstanding payments due to escalation or de-escalation will be reconciled at the end of each option period.
-