



# Attachment G – Pricing

## People Panel – Phase 2: Labour Hire Services

### Note to Respondents:

1. The Respondent must provide a response to pricing in the 360 Tender System as outlined in the tables below.
2. The Respondent must not alter the below tables or provide alternative pricing structures as part of the response.
3. The Respondent should submit Fees in whole Australian dollars, i.e. no decimal point or cents.

### Labour Hire Fees

1. The Fee for each Labour Hire Worker provided under an Order under any Head Agreement arising out of this RFT will be determined as follows:

#### **Contract Price x Hours Worked**

where:

**Agreed Hourly Rate** is the hourly amount agreed in the relevant Order which is calculated as: Agreed Base Salary plus Employment On-costs (both as determined by reference to the applicable APS equivalent classification of the Labour Hire Worker, as described in the relevant Order, and the Service Category under which the Labour Hire Worker has been engaged).

- (a) To clarify, the Agreed Hourly Rate will not be fixed in any Head Agreement arising out of this RFT and is not requested for pricing in this RFT. The Agreed Hourly Rate will be based on the APS equivalent classification requested in an RFQ and in consideration of the requesting Entity's pay scale for a commensurate APS classification.

**Agreed Base Salary** is the hourly amount (before tax, but excluding any compulsory superannuation contribution required by Law which is treated as an Employment Oncost) paid by the Respondent to the Labour Hire Worker plus casual loading (where casual loading is required to be paid to the Labour Hire Worker under an industrial award or an enterprise agreement), as specified in the relevant Order.

- (a) To clarify, the Agreed Base Salary is not fixed in a Head Agreement arising out of this RFT and is not requested for pricing in this RFT.

**Contract Price** is an hourly amount calculated by Agreed Hourly Rate plus Gross Profit Margin for the relevant Labour Hire Worker

**Employment Oncosts** means statutory employment on-costs including:

- (i) The cost of worker's compensation insurance required by Law;

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- (ii) payroll tax as payable under any applicable State or Territory Law (excluding any penalty charge arising as a result of a failure to pay state payroll tax in accordance with any applicable State or Territory Law);
- (iii) compulsory superannuation contributions as payable under any Commonwealth Law (excluding any superannuation guarantee charge or any other similar penalty charge arising as a result of a failure to pay superannuation in accordance with Commonwealth law); and
- (iv) other statutory charges applicable for that Labour Hire Worker required by Law and agreed by the Entity in an Order,

that would be payable by the Respondent in respect of the Labour Hire Worker as required by Law assuming the Labour Hire Workers works the number of hours per day and number of days per week for the period specified in the Order and expressed as an hourly amount.

- (a) To clarify, the Employment Oncosts are not fixed in a Head Agreement arising out of this RFT and is not requested for pricing in this RFT.
- (b) The intention for Employment Oncosts is that the Respondent be charged these costs as a pass-through to the Entity. Therefore, the maximum hourly amount for Employment Oncosts will be specified in an Order, but if the actual Employment Oncosts required to be paid for a Labour Hire Worker are less than the amounts specified for Employment Oncosts in an Order (for example, due to the Labour Hire Worker working less hours than stated in the Order), then the Respondent must, as soon as practicable, reimburse the Entity for the difference if the Entity has already paid the higher amount.

**Gross Profit Margin** is the Referred Gross Profit Margin or the Non-Referred Gross Profit Margin as applicable for the relevant Labour Hire Worker as set out by the Respondent in Table 1. This table must be completed for the purposes of this RFT and any Head Agreement arising out of this RFT.

- (a) To clarify, Referred means a Labour Hire Worker has been Referred by an Entity to the Respondent.
- (b) Non-Referred means a Labour Hire Worker has not been Referred by an Entity to the Respondent.

**Referred** has the meaning given in the draft Head Agreement.

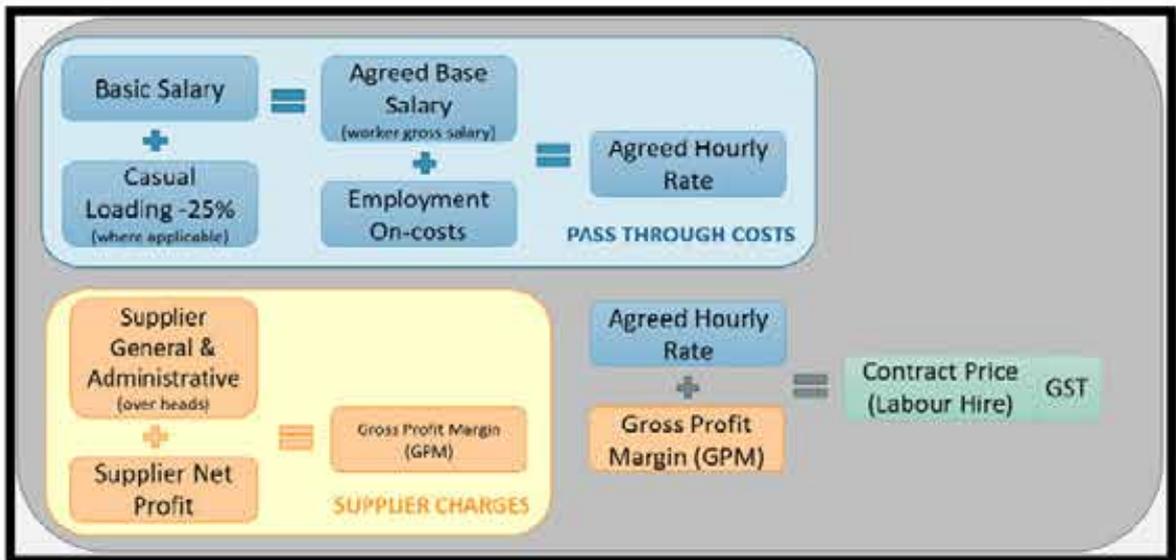
Table 1 – Gross Profit Margin

<b>Gross Profit Margin Rate Card for all Service Categories (exclusive of GST)</b>		
<b>APS equivalent classification</b>	<b>Non-Referred Gross Profit Margin</b>	<b>Referred Gross Profit Margin</b>
Level 1	\$(Insert) per hour	\$(Insert) per hour
Level 2	\$(Insert) per hour	\$(Insert) per hour
Level 3	\$(Insert) per hour	\$(Insert) per hour
Level 4	\$(Insert) per hour	\$(Insert) per hour
Level 5	\$(Insert) per hour	\$(Insert) per hour
Level 6	\$(Insert) per hour	\$(Insert) per hour
Executive Level 1	\$(Insert) per hour	\$(Insert) per hour
Executive Level 2	\$(Insert) per hour	\$(Insert) per hour
SES	\$(Insert) per hour	\$(Insert) per hour

**Note to Respondents:**

1. The Commonwealth has separated each of the APS equivalent classifications based on industry feedback. It is anticipated that there is consistency of pricing across levels. i.e. the effort required to source and manage an APS level 1 versus an APS level 6.
  2. Dependent on the value for money outcome successful Respondents may not be approved for all APS equivalent classifications. i.e. if the value for money is not determined for SES levels then a successful Respondent may not be approved for providing services at the SES level.
2. To clarify, Diagram 1 below details the structure of the pricing model that will apply under a Head Agreement arising out of this RFT and any subsequent resulting Contracts.

Diagram 1: Pricing Model



**Conversion Fee**

3. In certain circumstances an Entity may offer a Labour Hire Worker an opportunity to become a direct employee of the Entity. Conversion occurs where a Labour Hire Worker who is engaged by the Respondent for the purpose of the Respondent providing Labour Hire Services to an Entity under an Order accepts an offer of employment by the Entity.
4. If Conversion occurs in respect of a Labour Hire Worker, the Respondent may be eligible for a Conversion Fee in respect of Conversion a Labour Hire Worker which will be calculated in accordance with the formula in Schedule 3 of the Draft Head Agreement. No specific pricing response is needed for this Fee because it is calculated by reference to the Non-Referred Service Fee.

**Introduction Fee**

5. Where a Respondent facilitates an introduction between the Entity who has a Contract with the Respondent and an APS employee from another entity, and the APS employee subsequently moves to the Entity as a result of the operation of section 26 of the Public Service Act 1999, the Respondent will be entitled to an Introduction Fee.
6. A once off Introduction Fee described in Table 2 is payable for an Introduction depending on the APS equivalent classification of the employee by the Entity to which the employee has moved. This table must be completed for the purposes of this RFT and any Head Agreement arising out of this RFT

Table 2 – Introduction Fee

Introduction Fee Pricing Table (Inclusive of GST)	
APS equivalent classification	Introduction Fee (Fixed price)
Level 1	\$(Insert)
Level 2	\$(Insert)
Level 3	\$(Insert)
Level 4	\$(Insert)
Level 5	\$(Insert)
Level 6	\$(Insert)
EL1	\$(Insert)
EL2	\$(Insert)
SES	\$(Insert)

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**Note to Respondents:**

1. The Commonwealth has separated each of the APS equivalent classifications based on industry feedback. It is anticipated that there is consistency of pricing across levels. i.e. the effort required to source and manage an APS level 1 versus an APS level 6.
2. Dependent on the value for money outcome successful Respondents may not be approved for all APS equivalent classifications. i.e. if the value for money is not determined for SES levels then a successful Respondent may not be approved for providing services at the SES level.

**Placement Fee**

7. If a Respondent facilitates the sourcing of a candidate who an Entity considers for a non-ongoing APS position of employment, and the candidate is subsequently employed by the Entity for that non-ongoing APS position of employment (Placement), the Respondent will be entitled to a Placement Fee.
8. A once off Placement Fee described in Table 3 is payable for a Placement depending on the APS classification of the position with the Entity by which the candidate has been employed. This table must be completed for the purposes of this RFT and any Head Agreement arising out of this RFT

**Table 3 – Direct Placement Fee**

<b>Placement Fee Pricing Table (Inclusive of GST)</b>	
<b>APS equivalent classification</b>	<b>Direct Placement Fee (Fixed Price)</b>
Level 1	\$(Insert)
Level 2	\$(Insert)
Level 3	\$(Insert)
Level 4	\$(Insert)
Level 5	\$(Insert)
Level 6	\$(Insert)
EL1	\$(Insert)
EL2	\$(Insert)
SES	\$(Insert)

**Note to Respondents:**

1. The Commonwealth has separated each of the APS equivalent classifications based on industry feedback. It is anticipated that there is consistency of pricing across levels. i.e. the effort required to source and manage an APS level 1 versus an APS level 3.
2. Dependent on the value for money outcome successful Respondents may not be approved for all APS equivalent classifications. i.e. if the value for money is not recommended in SES levels then a successful Respondent may not be approved for providing services at the SES level.

**Order Value Discounts**

9. The applicable Order Value Discount in Table 4 will apply to all new Orders placed under a Head Agreement arising out of this RFT on and from the date that the Order Value meets the relevant Order Value Threshold.

**Table 4 – Order Value Discounts**

<b>Order Value Discount Table</b>	
<b>Order Value Threshold</b>	<b>Discount applied to Referred and Non-Referred Gross Profit Margin</b>
\$(Insert)	[Insert]