

SUB-CONSULTANCY
MEMORANDUM OF UNDERSTANDING (MOU)

Introduction

The intent of the Fidens Arbor Consortium is to offer a viable and competitive option to government and industry based on the collective knowledge, skills and experience of our consortium members (CM). All companies and individuals, within the consortium, undertake that the aim of the consortium is always to provide the optimal service to the customer. While we work collectively to meet our customers requirements, all members recognise and accept that the contractual agreement is between Fidens Arbor and our clients for meeting contractual obligations. Additionally, CM personnel and contractors although representing are only employees of Fidens Arbor where explicitly stated, otherwise remain employees and/or contractors of the CM.

This intent of this document is to identify Fidens Arbor's expectations of CM's and conversely, the reasonable expectations of Fidens Arbor's commitment to CM's.

General

1. Neither parties can assign or transfer this agreement to other parties without written agreement;
2. Both parties will maintain confidentiality at all times;
3. This MOU is valid as of the date of signing and will continue until terminated
4. This agreement may be terminated at any time, by either party with 2 weeks written notice, however, if a current contract is in place, obligations to the client must be completed;
5. Fidens Arbor reserves the right to refuse to submit a RFQTS, RFQ or submission to a client if Fidens Arbor believes that the response;
 - a. inadequately addresses the criteria;
 - b. is not competitive;
 - c. is late.
6. Fidens Arbor is in many cases restricted by pre-qualified rates, CM's acknowledge that they are restricted to these rates where applicable;
7. All rates should be inclusive of GST, unless otherwise specified;
8. Fidens Arbor will charge an administrative fee to the CM based on a percentage of the daily rate, negotiated from time-to-time depending on the circumstances that lead the CM to be in a position to perform the work on behalf of Fidens Arbor. As a general rules 7% is the typical an minimum fee charged where the CM assists in winning the work, with the fee increasing where Fidens Arbor has for example, developed and won the work and is reaching out for supplementary resources. Conversely the fee may be reduced by negotiation in unusual circumstances.

Fidens Arbor expects that;

9. All proposals and responses to clients and deliverables will be co-branded with the Fidens Arbor logo and that of the relevant CM (where applicable);
10. The CM will be responsible for completing all proposals and responses and additional documentation required as applicable (noting the variability outlined in item 8 above) ;
11. Any extraneous costs associated with responses and proposals to clients will be the responsibility of the CM;
12. By responding to a client RFQ or RFT the CM confirms that they have suitably qualified personnel available for the entire duration of the contract;
13. In representing Fidens Arbor, CM personnel are expected to act professionally in accordance with any client Code of Conduct values at all times;
14. The CM will submit timesheets as required by the client and to Fidens Arbor;
15. Where applicable The CM will maintain a current security clearance or can transfer their clearance through Fidens Arbor's chosen DISP member for sponsorship if required;

16. Unless engaged under a PAYG employee model discussed later The CM is responsible for maintaining current, professional indemnity (PI), workers compensation (WC) and public liability (PL) insurance; Fidens Arbor is not liable for any insurances unless the CM is utilising Fidens Arbor's insurances as expressly agreed for a given task;
17. The CM will fulfill their obligations in accordance with the quotation and complete, using reasonable skill, care and diligence to a satisfactory standard, all deliverables;
18. If the CM is not fulfilling any obligations in relation to the task, Fidens Arbor will give 2 weeks written notice to the CM. Failing satisfactory improvement, Fidens Arbor may terminate the agreement;
19. The CM should have a suitable continuity plan in place for each contract tendered. If CM personnel are unavailable and withdrawal from a contract unavoidable, the CM must provide Fidens Arbor with 2 weeks written notice;
20. The CM will submit regular tax invoices, as directed;
21. The CM will be liable to Fidens Arbor for negligent liability, loss or damage, rising from default of a Task for which the CM has legal liability (limited to the proportion of Fidens Arbor loss or damages) unless that loss or damage results from an act or omission of Fidens Arbor;
22. The CM confirms that, to the best of their knowledge there is no conflict of interest and if a conflict of interest should arise, agrees to advise Fidens Arbor at their earliest convenience;
23. The CM shall only use suitably qualified personnel at the requisite skill level;
24. The CM will ensure that personnel are aware of their work health and safety obligations;
25. The CM will provide Fidens Arbor with copies of all deliverables;
26. Fidens Arbor will be kept abreast of all issues pertaining to the Task;
27. Fidens Arbor will pass on any government taxes and charges associated with the provision of services including pay roll tax (if applicable) please note the ACT payroll tax legislation is complex and may apply to contractors and sub-contractors.

The Consortium Members expect that;

27. Fidens Arbor shall provide advice regarding variations to any clients agreements;
28. In the case of a successful bid, Fidens Arbor will manage all associated paperwork and provide the CM with a Task Note outlining all relevant details associated with the Task;
29. Fidens Arbor will forward correctly rendered tax invoice to client within 2 working days and will pay the CM within 5 working days of receipt of monies from client;
30. Fidens Arbor will contact the CM within 2 working days in the case of incorrectly rendered invoices;
31. If monies are not received from the client within 30 days, Fidens Arbor will take appropriate action to recover monies. Fidens Arbor will keep the CM advised of action;
32. Fidens Arbor will provide prompt and meaningful assistance if any issues/problems arise with the task;
33. Where the CM is utilising Fidens Arbor insurances, Fidens Arbor will maintain a current insurances at all times;
34. Fidens Arbor shall act fairly and impartially to all CM's.
35. Fidens Arbor shall make additional services available to CM's as required as per the terms and conditions outlined in Appendices A & B of the agreement (Services Catalogue)



The CM agrees to the above expectations; Fidens Arbor agrees to the above expectations;

We maintain our own:

Workers Compensation Insurance: YES / NO

Public Liability Insurance: YES / NO

Workers Compensation Insurance: YES / NO

Fidens Arbor Delegate

Signature

Date

Member Name

Company Name & ABN (If Applicable)

Signature

Date



Appendix A Services Catalogue

The following is a summary of some of the additional services we offer to members. These services are elaborated in Appendix B.

A

Advocacy
Accountant
Advice

B

Business Support
Business Cards
Business Collateral

C

Cash Advance Services
Customer networking

D

Defence Industry Networking

E

Email address

I

Industry Networking
Insurances

L

Language Support Services

P

Payroll Management
Public Liability Insurance
Professional Indemnity Insurance

Q

Questions and Answers

S

Security Clearances

U

Uniforms
Uniform Allowances

W

Workers Compensation Insurance

Appendix B – Elaboration of Services Available to Members

A

Advocacy – Fidens Arbor will advocate on your behalf where we determine that it is our best interests to do so, promoting you to current and potential clients.

Accountant – Fidens Arbor retains a qualified Certified Practising Accountant, and although we are not in the business of providing financial, taxation or accounting advice our accountant is happy to answer questions and provide general advice. Disclaimer: This is general advice only and is given and prepared without taking into account your objectives, financial situation or needs. Before acting on this advice you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs.

Advice – Fidens Arbor staff have been contracting to Government and Industry for a number of years and are in a position to provide general advice and mentoring to those involved in contracting or consulting.

B

Business Support – Support to your business can be arranged through Fidens Arbor on an ad hoc basis.

Business Cards – On request and following approval by Fidens Arbor members may obtain a set of Fidens Arbor branded business cards customised with their own contact details at no charge.

Business Collateral - On request and following approval by Fidens Arbor members may obtain a set of Fidens Arbor branded marketing merchandise and stationary at no charge.

C

Cash Advance Services – See payroll management

Customer networking – Fidens Arbor organises customer networking activities from time to time and will invite members to attend.

D

Defence Industry Networking – Fidens Arbor is invited to attend Defence Industry Networking events from time to time and will invite members to attend.

E

Email address – On request and on approval by Fidens Arbor members will be issued with a Fidens Arbor email address and instruction on how to access their emails at no charge.

I

Industry Networking - Fidens Arbor is invited to and organises Industry Networking events from time to time and will invite members to attend.

Insurances – Fidens Arbor maintains workers compensation, public liability and professional indemnity insurances relevant to the work we undertake and can extend these insurances to cover members as required. Additional fees may apply unless otherwise specified.

L

Language Support Services – Fidens Arbor can assist with some translation services for members looking to access foreign markets.

P

Payroll Management – See Appendix C – Payroll Management

Public Liability Insurance – See Insurances



Professional Indemnity Insurance – See Insurances

Q

Questions and Answers – See Advice

S

Security Clearances – Fidens Arbor can arrange to sponsor and maintain security clearances through our DISP partner. Please see Appendix D – Security Clearances.

U

Uniforms – On request and on approval by Fidens Arbor members can obtain branded uniforms.

Uniform Allowances – Payroll managed members who are required to wear a Fidens Arbor uniform are entitled to tax deduction associated with the cost of maintaining their uniforms.

W

Workers Compensation Insurance – See insurances.



Appendix C - Payroll Management Services

Members may elect to become payroll managed employees of Fidens Arbor, such that Fidens Arbor absorbs the costs of running a business on behalf of the member, and the member concentrates on the performance of professional services. This option is excellent for those members who want the freedom to develop their own professional careers, not to have to manage the insurances, administration and taxation involved in running their own business, but want access to higher rates of pay usually associated with contracting. If members wish to engage this service, a separate employment agreement will be generated.

Fidens Arbor Payroll Management employees submit a timesheet and a 'Pay Calc' which is a simple spreadsheet where you enter the number of hours worked, and your hourly rate plus any business expenses you have incurred. The 'Pay Calc' will automatically calculate how much PAYG to withhold, the superannuation payable to your preferred account and the amount to be paid into your bank account. We will manage all payments so all you need to do is perform the services, submit your time sheets and get paid.

Payroll Managed Employees have their account managed by a CPA qualified accountant and are eligible by default for the following BASIC benefits:

- Superannuation – including an easy ability to salary sacrifice additional payments
- No need to complete Business Activity Statements
- Minimal tax liability at the end of the financial year
- GST input tax credits on work related purchases
- Salary sacrificing arrangements (vehicle packages optional)
- Coverage under our Worker's compensation, Professional Identity and Public Liability Insurances
- Monthly pay slips
- Group certificates
- Company email, business cards, stationary and uniforms
- Payment in accordance with item 29 of this agreement (additional options are available)

The following optional extras are available to Payroll Managed Employees at additional costs:

- Cash advance payment option (we pay you on the 15th of each month regardless of when the clients pays)
- Vehicle salary sacrificing.

If you wish to include these options in your package additional fees and charges will apply.



Fees for Payroll Managed Employees:

Contract	Level of Service	Fee
Fidens Arbor is the prime contractor	BASIC	Free of charge
Fidens Arbor is the prime contractor	Vehicle Package	Contact Us
Fidens Arbor is the prime contractor	Cash advance	Contact Us
Another entity is the Prime Contractor	BASIC	Contact us
Another entity is the Prime Contractor	Vehicle Package	Contact us
Another entity is the Prime Contractor	Cash advance	Contact us



Appendix D – Security Clearances

Fidens Arbor maintains a relationship with an Industry Partner that is part of the Defence Industry Security Program (DISP). We call this Industry Partner a DISP or DISP member.

As such, we are able to assist Consortium Members CM's with Sponsoring of their security clearances. This service is not covered by administration fees and is payable individually.

In order to comply with Security rules dictated by the Australian Government Security Vetting Agency (AGSVA) and our DISPs non-Defence Organisation status, the following condition must be observed:

- All applicants must hold an Australian Citizenship at the time of submitting the application
- Applications for security clearance for non-Defence tasks will only be accepted for tasks that come from non-Defence panels.
- Individuals moving on from our company are advised to make prompt arrangements for transfer their security clearance to the other company's DISP (we can assist) Failure to do so will result in suspension of the clearance, as a result of a Cessation Request which DISPs are obliged to submit to AGSVA.

The Process:

1. Member to obtain a relevant SVA form
2. Member to pay amount for clearance into trust with Fidens Arbor
3. Completed form to be returned
4. submit the information online to the Clearance Processing Centre of AGSVA.
5. Once received AGSVA will generate a password. The member will be emailed with the first half of the password. For security reasons, the second part of the logon password will be emailed to DISP, who will then forward it to the member, which will enable them to log onto the E-Pack system.
6. Member to complete E-Pack. Processing of a security clearance can only begin once the AGSVA has received both the E-Pack (submitted electronically) and supporting documentation. If AGSVA has not received the completed E-Pack and supporting documentation within 28 days they will initiate the compliance process. This means that a minimum of three emails requesting the outstanding information will be sent to the member and DISP. *Please be aware that if the outstanding information is not provided the clearance process will be cancelled, or, if the Clearance Subject is undergoing a revalidation, their existing clearance will be cancelled.*
7. In case of further clarification required, for any information provided, AGSVA will directly contact the member.
8. AGSVA Processing Centre will inform the DISP and the member (via email), once approval has been granted.
9. Our DISP endeavors to keep track of clearances due for re-validation and notify AGSVA, however, it would be appreciated if the member could also prompt us, as the average clearance review timeframe is around 5 years or more.
10. **Please Note:** ALL Top Secret Clearances *REQUIRE* a Defence sponsor in addition to the DISPs.

Description of Most Frequently Used Forms:

1. **SVA 001 – Security Clearance Request;** to be completed by:
 - a. First time applicants.
 - b. Applicants requiring an upgrade from a current level of active clearance.

2. **SVA 002 - Security Clearance Transfer Request**; to be completed for:
 - a. Adding/Removing existing clearance holder to/from DISP.
 - b. Reactivation of a previously held clearance.

3. **SVA 003 - Change of Circumstances Notification**; to be completed every time one or more of the following occurs:
 - a. Change of address or other contact details
 - b. Entering into or ceasing a marriage or domestic partnership
 - c. Relatives residing in foreign countries
 - d. Overseas travel
 - e. Residence in foreign country
 - f. Changes in citizenship or nationality
 - g. Non-routine communications with employees/ suspected employees of any foreign government
 - h. Changes in financial circumstances
 - i. Changes in health or medical circumstances
 - j. Involvement in criminal activity
 - k. Criminal Charges, warnings or convictions
 - l. Involvement with any individual, group, society or organisation that may be of security concern
 - m. Disciplinary procedures
 - n. Security incidents
 - o. Changes in religious or political beliefs
 - p. Any other changes in circumstances that may be of concern to Australian Government Security Vetting Agency.
 - There are no costs involved in processing form SVA 003.
 - Every member holding an active Security Clearance is responsible for requesting and subsequently submitting this form, prior to undertaking any international travel.

Security Clearance Details:

Time frames indicated below are an approximation only.

CLEARANCE	APPROX. PROCESSING TIME	CLEARANCE REVIEW TIMEFRAMES
Baseline	3 Month	15 years
Negative Vetting Level 1	6 months	10 years
Negative Vetting Level 2	Over 6 months	5 years
Top Secret Positive Vetting <i>Refer point 9 of 'The Process'</i>	Various by case	5 years (plus annual security appraisals)
Transferring Clearances	Active Clearance – 4 weeks	As above

Fees:

Since January 2015 AGSVA began charging industry for the costs associated with security

clearances in addition our chosen DISP member charges small administration fees associated with costs incurred for security clearances. Fidens Arbor does not charge Fees associated with security clearances. The new fee structure including DISP members processing fees and GST are set out below:

For New Clearances and Upgrades

Baseline Vetting - \$945.00
 Negative Vetting Level 1 - \$1,950.00
 Negative Vetting Level 2 - \$3,350.00
 Positive Vetting - \$11,170.00

For Revalidations & Re-evaluations

Baseline Vetting - \$710.00
 Negative Vetting Level 1 - \$1,090.00
 Negative Vetting Level 2 - \$1,580.00
 Positive Vetting - \$8,495.00

Transfers

Transfer of Current Security Clearance - \$440.00

Cancellations

Cancellation fees will apply once the electronic pack has been submitted for the clearance subject.

For clearances up to and including Negative Vetting Level 2, the cancellation fee is 50% of the clearance charge.

For *Positive Vetting* clearances, the cancellation fees are set at 80% of the charge according to the assessment stages completed. These are set out below:

Pack Received - \$485.00
 Clearance Checks Ordered - \$1,690.00
 Referee & Supervisor Interviews - \$2,535.00
 Psychological Assessment - \$5,425.00
 Vettee Interview & Case Assessment - \$6,995.00
 Final Report & Delegation - \$8,935.00

These fees will be subject to an annual adjustment. We will advise you as soon as these changes are made by AGSVA.

Payment

Unless Fidens Arbor expressly agrees to cover the cost of security clearances for members the following processes apply with regard to payments of clearances:

1. Upon receipt of a completed SVA form, but prior to submission of the form to our DISP member, the CM is to make payments in full to Fidens Arbor to be held in trust until completion or cancellation of the security clearance related request.
2. Fidens Arbor will provide the member with a receipt for the amount held in trust.
3. At the completion of the clearance process Fidens Arbor will make the payment to our DISP member.
4. If the clearance process is cancelled during the process Fidens Arbor will return funds to the CM minus any cancellation costs incurred by the DISP member.
5. Fidens Arbor will not charge or retain any fees associated with a security clearance for itself and will only hold fees for payment to our chosen DISP member.