

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

- Neither parties can assign or transfer this agreement to other parties without written agreement;
- Both parties will maintain confidentiality at all times;
- This MOU is valid as of the date of signing and will continue until terminated
- 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;
- Fidens Arbor reserves the right to refuse to submit a RFQTS, RFQ or submission to a client if Fidens Arbor believes that the response:
 - inadequately addresses the criteria;
 - is not competitive;
 - is late.
- Fidens Arbor is in many cases restricted by pre-qualified rates, CM's acknowledge that they are restricted to these rates where applicable;
- All rates should be inclusive of GST, unless otherwise specified;
- 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.

Fidens Arbor expects that;

- 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);
- 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) ;
- Any extraneous costs associated with responses and proposals to clients will be the
- responsibility of the CM;
- 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;
- In representing Fidens Arbor, CM personnel are expected to act professionally in
- accordance with any client Code of Conduct values at all times;
- The CM will submit timesheets as required by the client and to Fidens Arbor;
- 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;
- 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;
- 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;
- 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;
- 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;
- The CM will submit regular tax invoices, as directed;
- 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;
- 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;
- The CM shall only use suitably qualified personnel at the requisite skill level;
- The CM will ensure that personnel are aware of their work health and safety obligations;
- The CM will provide Fidens Arbor with copies of all deliverables;
- Fidens Arbor will be kept abreast of all issues pertaining to the Task;
- 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

- Fidens Arbor shall provide advice regarding variations to any clients agreements;
- 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;
- 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;
- Fidens Arbor will contact the CM within 2 working days in the case of incorrectly rendered invoices;
- 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;
- Fidens Arbor will provide prompt and meaningful assistance if any issues/problems arise with the task;
- Where the CM is utilising Fidens Abror insurances, Fidens Arbor will maintain a current insurances at all times;
- Fidens Arbor shall act fairly and impartially to all CM's.
- 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)

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

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Industry Networking

Insurances

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Payroll Management

Public Liability Insurance

Professional Indemnity Insurance

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Questions and Answers

S

Security Clearances

U

Uniforms

Uniform Allowances

W

Workers Compensation Insurance

Appendix B –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 and negotiating rate and fee increases on your behalf.

Accountant – Fidens Arbor retains a qualified 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 decades and can 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 stationery at no charge.

C

Cash Advance Services – Get paid regularly regardless of when the client pays. 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.

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 to 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 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 qualified accountants team 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
- Annual payment summaries
- 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.

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.
- Cost to be paid by the individual member and may be tax deductible and available to include in a payroll managed salary sacrifice arrangement.