

Variation #	Date	Annotation
1	28/04/2016	Update to clause 6
2	1/4/2018	Update to clause 2.1 and Table 2 due to an increase of disk capacity, and update the starting CPI index. Note: Tables 1 and 3 are now out of date, but retained as the original estimate.

## SCHEDULE 1 – version 1.2

### FEES

1. The **fees** (exclusive of GST) are:
  - 1.1. the monthly fee in paragraph 2.1; and
  - 1.2. the fees under this **agreement** that are to be calculated in accordance with the hourly rates in paragraph 3;  
less: any rebate(s) calculated in accordance with paragraphs 2.2, 6 and 7 of this schedule.
2. The monthly fee:
  - 2.1. The monthly fee is as follows (the "**Monthly Fee**"):
 

Monthly Fee			Starting Index
Infrastructure	From 1 May 2017 until 1 April 2018:	\$10,903.16	1000
	From 1 April 2018:	\$12,042.91	
Services		\$39,025.75	1000
System		\$2,212.33	No indexing
Additional requirements		\$570.00	No indexing

1/4/2018 – Clause 2.1 Infrastructure row and all starting indexes amended variation #2

**Table 1 – Estimated Infrastructure Service monthly fee from 1 July 2018**

Year 2 2018/19	Year 3 2019/20	Year 4 2020/21	Year 5 2021/22	Year 6 2022/23	Year 7 2023/24	Year 8 2024/25	Year 9 2025/26	Year 10 2026/27
\$11,097.08	\$11,291.00	\$11,485.00	\$11,678.92	\$11,872.83	\$12,066.83	\$12,260.75	\$12,454.67	\$12,648.67

2.2. To the extent it remains feasible to do so the **Provider** will use as much of the **Authority** owned **equipment** as possible until the commencement of the service provider agreement between the Gas Industry Company and Jade when the infrastructure is rationalised to support both the Gas Industry Company Limited and the **Authority's services**. This is expected to be 1 March 2018. While any **Authority** equipment is being used, the **Provider** will discount the infrastructure component of the monthly fee set out in clause 2.1. The amount of the discount will be calculated by multiplying the cost of the reduced **Infrastructure Services** items listed in Table 2 of this schedule by the rates for those items as set out in Table 4 of this schedule.

Example: Monthly rebate for using Authority owned DR and Test equipment	\$3,344.16	<i>The actual CPI index for March 2017, to be inserted after 1 April 2017</i>
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2.3. If the **agreement** is renewed in accordance with clause 4.2 of the **agreement** the System component of the **Monthly Fee** and the additional requirements component of the **Monthly Fee** will reduce to \$0 (zero) from 1 July 2024.

2.4. For the avoidance of doubt, the Services component of the **Monthly Fee** includes the **Provider's** management and preparation of the User Group, travel expenses of the **Provider's** personnel, venue and equipment hire, catering, name badges and stationery, but excludes travel and accommodation expenses (if any) for external speakers. The assumptions made about the User Group meeting are as follows:

- 2.4.1. Half day meeting of up to 100 users to be held in Wellington at a hotel or conference/meeting centre
- 2.4.2. Refreshments and light lunch (or drinks and nibbles after the meeting if held in the afternoon) will be provided by the **Provider**
- 2.4.3. The agenda will be confirmed with the **Authority** during the planning stages 3-4 months before the proposed date.

3. The hourly rates for unplanned chargeable work are as follows:

<b>Resource</b>	<b>Hourly Rate (excl GST)</b>	<b>Starting Index</b>
Project Management / Architect / Consultant / Designer	\$185	<i>The actual Labour Market Statistics – Wage inflation – All Sectors index for March 2017, to be inserted after 1 April 2017</i>
Development	\$160	
Auditor	Actual cost pass through	No indexing applies

It is expected that the **Provider** will agree to lower hourly rates for a major project, such as a major variation to the **System** under clause 7 of this **agreement**. Nothing in this schedule

prevents the parties agreeing on lower hourly rates for the above resources or different hourly rates for specialist contractors for a major project.

4. Annual indexing

4.1. On 1 July 2018 and thereafter on each subsequent 1 July (each an "**Indexing Date**"), each component of the **Monthly Fee** in clause 2.1 that has a Starting CPI Index, the hourly rates in clause 3, and the infrastructure additional components fees in Table 4 that have a Starting CPI Index, will increase according to the following formula:

$$\text{New fee} = \text{Current fee} \times (\text{Current Index} / \text{Last Index})$$

Where:

- New fee: the fee or hourly rate that will apply from 1 July in the relevant year
- Current fee: the applicable fee or rate that is specified in paragraphs 2 or 3 or Table 4 or that otherwise applies immediately before the relevant **Indexing Date**
- Current Index: the relevant index (as published by Statistics New Zealand) for the March immediately before the relevant **Indexing Date**
- Last Index: the relevant index, (as published by Statistics New Zealand) for the March 15 months before the relevant **Indexing Date**, or for any new fee added by variation, the Starting Index agreed in that variation,

provided that where the ratio of 'Current Index / Last Index' is less than 1 (one), the new fee will remain unchanged.

4.2. To avoid doubt, any new **fees** calculated under this paragraph 4 shall be agreed between the parties in writing and shall not require a more formal variation to this **agreement** to take effect.

5. **Infrastructure Services:** The infrastructure component of the **Monthly Fee** is for the provision of all **infrastructure services** required to provide the **services**, to the specifications in Table 2 below.

**Table 2 - Infrastructure specification**

Server Specifications	Quantity	Operating System	vCPUs	Memory
Production Database Server	1	Windows Server	4	32GB
Disaster Recovery Database Server	1	Windows Server	4	32GB
UAT Database Server	1	Windows Server	2	16GB
Production Web Server	1	Windows Server	4	12GB
Disaster Recovery Web Server	1	Windows Server	4	12GB

UAT Web Server	1	Windows Server	2	8GB
<b>Disk and Network Specifications</b>				
Disk	15,110GB			
Backup	2,865GB			
Internet Usage	632GB / month			
WAN Usage	316GB / month			
Web Application Firewall and Ddos protection	Incapsula Enterprise 20 + 1 additional site			
<b>Software Specifications</b>				
Complete SFTP Server	Enterprise Distributed Technologies			
SFTP Client	WinSCP (GNU General Public Licence)			
Jade DirMon - directory monitoring	Jade Software			
Winrar	Winrar			
PkZip25	PKWARE			
OfficeScan Anti-Virus	Trend Micro			
SSL Certificate	Comodo			

1/4/2018 – Table 2 Disk and Backup rows amended variation #2

5.1. The ongoing **infrastructure services** costs will be charged at actual usage. For reference purposes the estimates are provided for years 2 (1/7/2017 to 30/6/2018) through 10 (1/7/2026 to 30/6/2027) are based on the estimated increasing disk and backup resource listed in Table 3:

**Table 3 - Estimated Infrastructure disk capacity**

	Year 1 2017/18	Year 2 18/19	Year 3 19/20	Year 4 20/21	Year 5 21/22	Year 6 22/23	Year 7 23/24	Year 8 24/25	Year 9 25/26	Year 10 26/27
(GB) Disk Allocation	11,505	12,146	12,786	13,426	14,066	14,706	15,347	15,987	16,627	17,267
(GB) Backup Allocation	2,069	2,182	2,295	2,408	2,521	2,634	2,747	2,860	2,973	3,086

5.2. The parties acknowledge that over the term of this **agreement** normal growth, functionality or usage changes may require the **infrastructure services** to increase beyond the specification in Table 3. Where such increases are necessary for the **Provider** to continue to provide the **services** any change in the specification and the **Monthly Fee** will be managed in accordance with clause 7 of the **agreement**. The **Monthly Fee** for any increase will not be higher than the fee for each infrastructure type in Table 4 below.

**Table 4 - Infrastructure additional components fee**

Description	Fee per unit per month	Starting Index
Server Base Charge (per server)	\$100.00	<i>The actual CPI index for March 2017, to be inserted after 1 April 2017</i>
Virtual CPU (per vCPU)	\$65.00	
Memory (per GB)	\$30.00	
Disk (per GB)	\$0.25	
Backup (per GB)	\$0.30	
Internet Bandwidth (per GB)	\$3.00	
WAN Bandwidth (per GB)	\$2.00	
Incapsula - Enterprise 20	\$825.00	
Incapsula – Additional sites	\$82.50	

5.3. The fee for each infrastructure type in Table 4 will be reviewed immediately prior to 1 July 2021 and 1 July 2024 to ensure each fee reflects market fees current at the time of the review. Any change to the fees in Table 4 will be managed in accordance with clause 7 of the **agreement**.

5.4. To avoid doubt, the **fees** cover all **infrastructure services** maintenance and support costs for the **System** (to the extent that those costs are required for the **Provider** to perform its obligations under this **agreement**). This clause is subject to clause 7 for any changed requirements.

6. **Additional Requirements:** The **Provider** has planned for the development and implementation of the agreed additional requirements to the **system** as specified in schedule G of the System Delivery Agreement dated 25 January 2017. The additional requirements component of the **Monthly Fee** in clause 2 is for the provision by the **Provider** for these enhancements. To the extent one or more of the additional requirements is not supplied by 3 December 2017 the **fees** will be reduced by a rebate calculated in accordance with clause 7 (Changes) of this **agreement**, but the reduction will be at least the cost assigned to the applicable additional requirement(s) detailed in schedule G.

12/9/2017 – Clause 6 amended variation #1

7. **Third party innovation rebate:** For any third party innovation (provided under section 22 of the **non-functional specification**) where the **Provider's** client(s) pays a fee to the **Provider**, the **Authority** shall be rebated a portion of that fee. The amount and timing of the rebate to the **Authority** shall be agreed on a case by case at the time each third party innovation agreement is agreed with the **Provider's** client. The underlying principle by which each case is to be agreed is that where the fee:

7.1. is a one off fee, whether paid as one lump sum or paid as a series of payments with a fixed end date, the **Authority** will be rebated between 15-25% of the gross revenue for developing and implementing the service.

7.2. is a subscription type of fee, the **Authority** will be rebated between 15-25% of the gross subscription revenue.

8. **Software maintenance and support costs:** To avoid doubt, the **fees** cover all third party software maintenance and support costs for the **System** (to the extent that those costs are required for the **Provider** to perform its obligations under this **agreement**). This clause is subject to clause 7 for any changed requirements.

9. **Use of Authority owned hardware:** The **Provider** may use the **Authority** owned hardware that it is using as at 30 April 2017 to provide disaster recovery and test services, to provide **infrastructure services**. The **Provider** may use the change management process in clause 7 of the **agreement** if the **Authority** owned hardware requires maintenance or capacity expansion. The **Authority** may choose at its sole discretion, to migrate to **Provider** owned **infrastructure services** instead of maintaining or upgrading its own hardware.