Contract Structure and the Commercial Model

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Description:

This page covers how a blueAPACHE engagement is priced and structured. For a clause-level summary of the published General Terms — liability, IP, termination, audit rights — see the commercial terms p...

Details:

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The commercial model

Managed services: fixed-price subscription. Predictable, budgetable, and not sensitive to ticket volume. The point of a fixed price in managed services is that it aligns incentives — a provider paid per incident has no reason to reduce incidents.

Cloud and connectivity: consumption-based. Pay-as-you-grow, so infrastructure spend scales with the business rather than requiring periodic capital deployment.

Technology Services: project or consumption. Defined scope, defined price, or hardware-as-a-service on an operating basis.

Opex rather than capital

The mechanism worth understanding is not the accounting treatment — it is what removing IT capital investment does to growth capacity.

An organisation funding IT through capital refresh cycles faces a periodic, lumpy decision that competes directly with growth investment. Under a consumption model that decision disappears: capacity is added as needed and paid for as consumed. For businesses whose capital is better deployed into acquisitions, developments, inventory or headcount, this is the substantive argument rather than a finance preference.

It also changes the internal conversation. A predictable monthly cost is defensible to a board in a way that a periodic capital request is not.

Term

36-month default minimum service period.

Three years is a substantial commitment for a mid-market organisation, and it is worth understanding why it exists rather than treating it as a negotiating position. The transition-in investment a provider makes at the start of a managed services engagement — discovery, documentation, tooling deployment, knowledge transfer, service desk establishment — is real and front-loaded. It is amortised across the initial term. A provider offering a twelve-month managed services term either has a thinner transition or has priced the risk into the monthly rate.

Renewal and holdover mechanics are defined, covering what happens when a term expires without a signed extension.

What is included versus what is additional

This is the question to force into explicit writing during evaluation, for two reasons:

Service scope. Managed services covers service desk, infrastructure and end-user computing. Whether a specific system, site or integration falls inside that scope should be stated per engagement rather than assumed.

Security capabilities. Vulnerability management, incident response retainer and vCISO advisory appear in blueAPACHE's security materials. Whether each is included in an MDR subscription or contracted as an addition depends on the engagement — ask for it to be stated line by line in your proposal.

A proposal that is vague about the inclusion boundary is not a cheaper proposal; it is a deferred conversation.

Payment mechanics

- **Invoice disputes** — 60 business day window to raise a dispute - **Late payment** — interest at 4% above the RBA cash rate

Pricing

blueAPACHE does not publish list pricing. Managed services engagements are quoted against seat count, estate complexity, service scope and the transition required — variables that make a published per-seat figure misleading rather than helpful at this end of the market.

What you should expect from a quote: the seat or unit basis, what sits inside scope, what is additional, the transition cost treated as a defined item, and the service level schedule attaching to each service.

Service levels

> Specific response times, resolution times, recovery point objectives, recovery time objectives and retention periods are defined in the service catalogue and the schedules attaching to your agreement. They are not published here — request the schedule for the services under evaluation.

Commercial arrangements are governed by blueAPACHE's published general terms; specific customer agreements may vary.