Ministry of Defence

Contract Number: 701478374

PROJECT SOCIETAS

SCHEDULE 7.2

CHANGE CONTROL PROCEDURE

1 GENERAL PRINCIPLES OF CHANGE CONTROL PROCEDURE

1.1 This Schedule sets out the procedure for dealing with contract change (CC). Contract changes shall be processed in accordance with DEFCON 620 (Contract Change Control Procedure) and DEFCON 503 (Formal Amendments to Contract) as supplemented by this Schedule 7.2.

1.2 Acceptance and rejection documentation of all proposed CC shall be in accordance with DEFCON 503 (Formal Amendments to Contract).

1.3 The Parties shall collaborate to undertake strategic and timely planning to maximise effective, efficient and economical delivery of the Contract Deliverables, and seek to minimise the extent to which changes are required. Where CC are required, the Parties shall seek to mitigate any adverse impacts or increase in the Contract Price as a result of CC.

1.4 The Contractor shall be entitled to seek an increase to the Contract Price only if it can demonstrate in the proposal that the CC requires additional resources and, in any event, any change to the Contract Price resulting from a CC (whether the change will cause an increase or a decrease in the Contract Price) will be strictly proportionate to the increase or decrease in the level of resources required for the provision of the Contractor Deliverables as amended by the CC.

2 TYPES OF CHANGE

2.1 The following categories of change are envisioned under the Contract:

2.1.1 Annual Change (AC) (in accordance with Condition 3 of this Schedule 7.2) resulting from the annual review of the SQEP, CIS SQEP and training requirements, and development of the Authority Annual Command Plan. The scheduling of AC shall be undertaken in accordance with paragraph 3 below (Annual Change).

2.1.2 In-year Change (in accordance with Condition 4 of this Schedule 7.2) for changes identified by the Parties outside of the annual review of the SQEP and training requirements; and

2.1.3 Changes that relate to specific tasks shall be undertaken in accordance with Schedule 7.3 (Over and Above Tasking).

3 ANNUAL CHANGE

3.1 When the Authority wishes to make changes through the Annual Change process, the Authority will provide the Contractor with a completed Part A Annual Change Form substantially in the format at **Annex 1** to this Schedule 7.2, detailing its expected SQEP, CIS SQEP and training requirements. The Annual Change Form shall be submitted to the Contractor no later than the last Business Day falling thirteen (13) months (end of February) prior to the commencement of the Authority Financial Year that the change is expected to be effective.

3.2 In response, two (2) months later, no later than the last Business Day of April, the Contractor shall respond via Part B completion of the Annex 1 Annual Change Form, submitting to the Authority:

3.2.1 A Contractor Change Proposal, priced in accordance with Condition 1.9 of Schedule 6.1 (Pricing and Payment), setting out how it will deliver the revised SQEP and training requirements; and

3.2.2 A draft Annual Change Report (ACR).

3.3 The Parties shall work together in good faith in order to provisionally agree the draft ACR no later than the last Business Day falling six (6) months (end of September) prior to the commencement of the Authority Financial Year in which the change is to be effective.

3.4 Following agreement of the ACR, the Contractor shall work with the Authority Commercial Branch to prepare the necessary amendments to the Contract which may include:

3.4.1 Amendments to the Contract Price and the provisions of Schedule 6.1 (Pricing and Payment); and

3.4.2 Amendments to the competencies and/or volume of the SQEP and training requirements provided in the Statement of Requirements.

3.5 The completed Part C (Annual Change Form) and associated formal amendment to implement the Annual Change shall be issued by the Authority Commercial Branch no later than the last Business Day falling four (4) months (end of November) prior to the commencement of the Authority Financial Year from which the change is to be effective, or other such mutually agreed time period in response to the Contractor's ACR.

3.6 Where the Authority has committed funding to support the Annual Change (no later than 30 September), the Contractor shall be responsible for delivering the revised requirements from the commencement of the following Authority Financial Year. In the event that the Authority has not committed funding to support the Annual Change by 30 September, the Parties shall agree the date from which the Contractor will be responsible for delivering the revised requirements no later than one (1) month following the date on which the Authority commits funding to support the Annual Change.

4 ANNUAL UPDATES TO THE SQEP DELIVERY PLAN

4.1 As part of the Annual Change process, the Parties shall review the SQEP Delivery Plan at Appendix 1 to Schedule 4.1 on an annual basis to ensure that it is aligned to meeting the Authority’s current and future requirements, and any changes made to the requirement through the Annual Change process.

5 IN-YEAR CHANGE

5.1 In-Year change shall be carried out in accordance with the processes detailed in DEFCON 620 (Contract Change Control Procedure). The following documentation shall be utilised to support the In-Year Contract Change process:

5.1.1 Either Party may issue a Change Request (CR) to the other Party at any time during the Contract term. This shall be initiated by issue of the notice substantially in the form of **Annex 2** to this Schedule 7.2 CR Form. Where the Annex 1 Part A is issued by the Authority Commercial Branch, this shall constitute the Authority Notice of Change (ANC), and where it is issued by the Contractor to the Authority Commercial Branch, this shall constitute a Contractor Change Proposal (CCP).

5.1.2 The Annex 2 Part B CCP in response to the ANC shall be suitably detailed as applicable against the following list, in order to provide the Authority with relevant information to support the Authority review;

(i) Details of the impact of the proposed CC on the Contractor Deliverables, and the Contractor's ability to meet its other obligations under this Contract;

(ii) Any variation to the terms of this Contract that will be required as a result of that impact, including but not limited to:

a. The Statement of Requirement at Schedule 2.1, the Key Performance Indicators and/or the Target Performance Levels at Schedule 2.2 (Performance and Collaboration);

b. The milestones, Mobilisation Plan and any other timetable previously agreed by the Parties;

c. Other services provided by third party Contractors to the Authority;

(iii) Details of the cost of implementing the proposed CC, including where applicable the ongoing costs required by the proposed CC when implemented, such as any increase or decrease in the Contract Price, any alteration in the resources and/or expenditure required by either Party and any alteration to the working practices of either Party;

(iv) A timetable for the implementation, together with any proposals for the testing of the CC;

(v) Details of how the proposed CC will ensure compliance with any applicable Change in Law;

(vi) Be calculated in accordance with the basis and assumptions set out in the Contractor's Financial Model at Appendix 1 to Schedule 6.1 (Pricing and Payment);

(vii) Include estimated volumes of each type of resource to be employed and the applicable charging rates;

(viii) Include full disclosure of any assumptions;

(ix) Include evidence of the cost of any assets required for the CC; and

(x) Include details of any new sub-contracts necessary to implement the CC.

5.2 A Contract Change Register (CCR), substantially in the form of **Annex 3** to this Schedule 7.2 shall be agreed between the Parties within six (6) weeks of the Effective Date of Contract and shall be used throughout the Contract term as a record of CCs. Each Annex 2 submitted shall include a unique CC number taken from the Annex 3 CCR. The CCR must be maintained by the Contractor to record the status of each Change Request and shall be provided by the Contractor to the Authority Project Manager and Authority Commercial Branch on request.

6 CHANGE IN LAW

6.1 The Contractor shall neither be relieved of its obligations to supply the Contractor Deliverables in accordance with the terms and conditions of this Contract nor be entitled to an increase in the Contract Price as the result of:

6.1.1 A General Change in Law; or

6.1.2 A Specific Change in Law where the effect of that Specific Change in Law on the Contractor Deliverables is reasonably foreseeable at the Effective Date of Contract.

6.2 If a Specific Change in Law occurs or will occur during the Contract term (other than as referred to in Clause 6.1.2) the Contractor shall:

6.2.1 Notify the Authority as soon as reasonably practicable of the likely effects of that change, including:

(i) Whether any CC is required to the Contractor Deliverables, the Contract Price and/or this Contract; and

(ii) Whether any relief from compliance with the Contractor's obligations is required, including any obligation to achieve a Milestone and/or to meet the required Target Performance Levels; and

6.2.2 Provide the Authority with evidence:

(i) That the Contractor has minimised any increase in costs or maximised any reduction in costs, including in respect of the costs of its Sub-contractors;

(ii) As to how the Specific Change in Law has affected the cost of providing the Contractor Deliverables; and

(iii) Demonstrating that any expenditure that has been avoided, for example which would have been required under the provisions of the Contract has been taken into account in amending the Contract Price.

ANNEX 1: AUTHORITY ANNUAL CHANGE FORM: **PART A. AUTHORITY ANNUAL CHANGE REQUEST**			
Request Date: *(To be submitted in accordance with Condition 3.1 of this Schedule 7.2)*			
Contract Year *(e.g. 2, 3,4, 5 etc)*			
Contract Year Start:		Contract Year Finish:	
Authority Statement of Annual Change Requirement			
Annual Change to be detailed in full/ use Part A as a cover sheet for documentation and report setting out required changes			
Part A. Authority Authorisation of Annual Change Form			
Project Officer Annual Change Form issued by the Authority		Signed:	
		Dated:	
Commercial Officer Annual Change Form issued by the Authority		Signed:	
		Dated:	

ANNEX 1: AUTHORITY ANNUAL CHANGE FORM: PART B. CONTRACTOR'S PROPOSAL AND DRAFT ANNUAL CHANGE REPORT			
Response Date: *Response to be provided in accordance with the Condition 3.2 of this Schedule 7.2*			
Contract Year *(e.g. 2, 3,4, 5 etc)*			
Contract Year Start:		Contract Year Finish:	
In response to the work as described in Part A, the Contractor's proposal and draft Annual Change Report is submitted for MOD authorisation in accordance with Schedule 6.1 (Pricing and Payment). *Contractor's draft Annual Change Report to be provided here/ or attach this document as a cover sheet to the draft Annual Change Report (ACR).*			
Part B. Contractor Authorisation			
Contractor Authorisation Part B submitted on behalf of the Contractor		Signed:	
		Dated:	

ANNEX 1: AUTHORITY ANNUAL CHANGE FORM: **PART C: AUTHORITY AUTHORISATION OF ANNUAL CHANGE REPORT**		
The Authority shall issue a formal change to the Contract in accordance with DEFCONs 503 and 620 and Condition 3.5 of this Schedule 7.2.		
Commercial Officer Annual Change Amendment issued by the Authority	Signed:	
	Dated:	
Contract Amendment Number		
Purchase Order Details		

ANNEX 2

ANNEX 2 IN-YEAR CHANGE REQUEST FORM **PART A. CONTRACT CHANGE REQUEST INFORMATION**			
Unique Reference No: *(to be taken from Annex 2 Contract Change Register)*		Request Date:	
Title			
Proposed Start:		Proposed Finish (if applicable):	
PROPOSED CONTRACT CHANGE DETAILS			
Proposed change to be detailed in full:			
PART A. SIGNATURE OF PARTY PROPOSING CONTRACT CHANGE			
Authority/Contractor Project Officer (please delete Authority/Contractor as applicable)		Signed:	
		Dated:	
Authority/Contractor Commercial Officer (please delete Authority/Contractor as applicable)		Signed:	
		Dated:	

ANNEX 2 IN-YEAR CHANGE REQUEST FORM PART B. CONTRACTOR'S FIRM PRICE PROPOSAL	
In response to the work as described in Part A, the Contractor's Proposal is submitted for MOD authorisation in accordance with Schedule 7.2 paragraph 5.1.2. a. *Reference to Hours/ Rates* b. *Hours/ Days to complete requirement* c. *Sub-Contractor Costs* d. *T&S* e. *Other Costs as applicable (used to recover overhead costs not otherwise recovered through the activity-based hourly and daily rates)* f. *Profit Rate* g. *Risk as applicable (providing evidence/risk register)*	
Total Firm Price:	
Proposal Validity Date:	
Estimated Start Date:	
Estimated Completion Date:	
Comments/Assumptions:	

PART B. CONTRACTOR AUTHORISATION		
<u>Contractor Authorisation</u> Authorised on behalf of the Contractor	Signed:	
	Dated:	

ANNEX 2 IN-YEAR CHANGE REQUEST FORM PART C: AUTHORITY AUTHORISATION		
The Authority shall issue a formal change to the Contract iaw DEFCONs 503 and 620.		
Commercial Officer Contract Amendment issued by the Authority	Signed:	
	Dated:	
Contract Amendment Number		
Purchase Order Details		

ANNEX 3: Project SOCIETAS Contract Change Register

Unique Change Ref. No.	**Change Type** (e.g. Time, cost, quality changes)	**Date Raised**	**Status** (open/ complete/ rejected)	**Description of Change**	**Change Raised by** (Authority/Contractor/ name/ title/ team)	**Reason for change** (e.g. changing needs, savings initiative, issues with original contract provision etc.)	**Date Contractor Proposal Received**	**Date of Authority Response**	**Formal Contract Amendment Offer Date** (Authority Commercial Branch issue of DEFFORM 10B):	**Contractor Acceptance Date** (Signature of DEFFORM 10B)	**Contract Amendment Number**	**Change implementation date** (start of new/ amended provision by Contractor)
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