



C17CSAE Team

Contract Number: C17CSAE/706048451

For:

Large Boat Aerial Delivery (LBAD)

**Between the Secretary of State for Defence of the
United Kingdom of Great Britain and Northern
Ireland**

And

Team Name and address:

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Contents

Contents	3
LBAD Schedule of Requirements	6
General Conditions	13
1. Defence Conditions (DEFCONs)	13
2. Contract Duration	15
3. Precedence of Documents	16
4. Discrepancies in Documentation	16
5. Entire Agreement	16
6. Assignment	17
7. Contract Options	17
8. Force Majeure	20
9. System Rectification Plan Process	20
10. Step In Rights	22
11. Termination	24
12. Consequences of Termination or Expiry	26
13. Exit Requirements	26
14. Supply Chain Data	27
15. Social Value	28
16. Performance Management	28
17. Liquidated Damages	28
18. Placing of Subcontracts	30
19. Contractor's Sensitive Information	31
20. Government Furnished Assets (GFA)	31
21. Limitations On Liability	33
22. Change in Law	37
23. Assumptions	38
Scope of Contractor Deliverables	40
24. Articles	40
25. Services	43
26. Summary of Contractor Deliverables	44
27. Emergent Work Authorisation	46
28. Delivery	47
29. Military Airworthiness Authority (MAA) Regulations	49
30. Safety and Airworthiness	50
31. Quality Assurance	50

32.	Environmental Standards.....	51
33.	Marking of Articles.....	51
34.	Packaging and Labelling.....	52
35.	Warranty.....	53
Pricing.....		55
36.	Pricing.....	55
Payment.....		56
37.	Payment.....	56
Intellectual Property.....		56
38.	IPR DEFCON Application.....	56
39.	Subcontracts.....	57
40.	Sharing of Information.....	57
Import and Export Licences.....		57
41.	Import / Export Licence Application.....	57
42.	International Traffic in Arms Regulations.....	57
Acceptance Criteria.....		57
43.	Schedule of Requirement Acceptance.....	58
Contract Management and Administration.....		59
44.	Meetings and Minutes.....	59
45.	Progress Management and Access.....	60
46.	Publicity and Communications with the Media.....	60
47.	Points of Contact.....	60
Signatories.....		62

Schedules to Contract

Schedule 1	Definitions and Abbreviations.
Schedule 2	Statement of Requirement.
Schedule 3	System Requirements Document (SRD).
Schedule 4	Top Level T and E Plan.
Schedule 5	Pricing and Payment.
Schedule 6	Task Authorisation Form.
Schedule 7	Contractor Deliverable Documents.
Schedule 8	Regulatory Articles (RA) Matrix.
Schedule 9	Performance Management.

Schedule 10	Assumptions.
Schedule 11	Spares Pricing List.
Schedule 12	Acceptance Plan.
Schedule 13	Exit Management.
Schedule 14	Authority Obligations (GFA)
Schedule 15	List of Authorised Demanders.
Schedule 16	DEFFORM 711.
Schedule 17	DEFFORM 177.
Schedule 18	TUPE Provisions (Exit Only).
Schedule 19	Sensitive Information.
Schedule 20	DEFFORM 565.
Schedule 21	[Bank Guarantee.]
	[DRAFTING NOTE TO TENDERERS: Schedule 21 to be included if the Preferred Tenderer is required to provide a Parent Company or Bank Guarantee]
Schedule 22	Required Insurances.

LBAD Schedule of Requirements

The Contractor shall provide the following Contractor Deliverables in accordance with the Annexes of this Schedule, these Terms and Conditions of Contract, and the Contractor Delivery Plan							
Item Number	Part No. (where applicable)	Specification	Consignee Address Code (full address is detailed in DEFFORM 96)	Packaging Requirements inc. PPQ and DofQ (as detailed in DEFFORM 96)	Delivery Date	Total Qty (iaw Schedule 2 (Statement of Requirement))	Price (£) Ex VAT
							Total inc. Packaging (and Delivery if specified in Schedule 3 (Contract Data Sheet)) All Prices iaw Schedule 5
1.1		Initial Provision Spares package 1 to enable Tranche 1 Flight Trials Delivery in accordance with Item 1.1 of the Statement of Requirements (Schedule 2).			iaw Contractor Delivery Plan at Schedule 7, DID1	iaw Item 1.1 of Schedule 2.	£[Tenderer to Populate] (FIRM) All Prices iaw Schedule 5
1.2		Support and Test Equipment 1 Delivery in accordance with Item 1.2 of the Statement of Requirements (Schedule 2).			iaw Contractor Delivery Plan at Schedule 7, DID1	iaw Item 1.2 of Schedule 2.	£[Tenderer to Populate] (FIRM) All Prices iaw Schedule 5
1.3		Tranche 1 Delivery in accordance with Item 1.3 of the Statement of Requirements (Schedule 2)			iaw Contractor Delivery Plan at Schedule 7, DID1	iaw Item 1.3 of Schedule 2.	£[Tenderer to Populate] (FIRM) All Prices iaw Schedule 5
1.4		Air Drop Payload Covers 1 Delivery in accordance with Item 1.4 of the Statement of Requirements (Schedule 2).			iaw Contractor Delivery Plan at Schedule 7, DID1	iaw Item 1.4 of Schedule 2.	£[Tenderer to Populate] (FIRM) All Prices iaw Schedule 5
1.5		Option 1a (see Condition 7) Spares Package 2 Delivery in accordance with Item 1.5 of the Statement of Requirements (Schedule 2).			iaw Contractor Delivery Plan at Schedule 7, DID1	iaw Item 1.5 of Schedule 2.	£[Tenderer to Populate] (Option Firm Price) All Prices iaw Schedule 5

The Contractor shall provide the following Contractor Deliverables in accordance with the Annexes of this Schedule, these Terms and Conditions of Contract, and the Contractor Delivery Plan							
Item Number	Part No. (where applicable)	Specification	Consignee Address Code (full address is detailed in DEFFORM 96)	Packaging Requirements inc. PPQ and DofQ (as detailed in DEFFORM 96)	Delivery Date	Total Qty (iaw Schedule 2 (Statement of Requirement))	Price (£) Ex VAT
							Total inc. Packaging (and Delivery if specified in Schedule 3 (Contract Data Sheet)) All Prices iaw Schedule 5
1.6		Option 1b (see Condition 7) Tranche 2 Delivery in accordance with Item 1.6 of the Statement of Requirements (Schedule 2).			iaw Contractor Delivery Plan at Schedule 7, DID1	iaw Item 1.6 of Schedule 2.	£[Tenderer to Populate] (Option Firm Price) All Prices iaw Schedule 5
1.7		Option 1c (see Condition 7) Air Drop Payload Covers 2 Delivery in accordance with Item 1.7 of the Statement of Requirements (Schedule 2).			iaw Contractor Delivery Plan at Schedule 7, DID1	iaw Item 1.7 of Schedule 2.	£[Tenderer to Populate] (Option Firm Price) All Prices iaw Schedule 5
1.8		Option 1d (see Condition 7) Support and Test Equipment 2 Delivery in accordance with Item 1.8 of the Statement of Requirements (Schedule 2).			iaw Contractor Delivery Plan at Schedule 7, DID1	iaw Item 1.8 of Schedule 2.	£[Tenderer to Populate] (Option Firm Price) All Prices iaw Schedule 5
1.9		Option 2 (see Condition 7) Tranche 3 Delivery in accordance with Item 1.9 of the Statement of Requirements (Schedule 2).			iaw Contractor Delivery Plan at Schedule 7, DID1	iaw Item 1.9 of Schedule 2.	£[Tenderer to Populate] (Option Firm Price) All Prices iaw Schedule 5
1.10		Option 3 (see Condition 7) Tranche 4 Delivery in accordance with Item 1.10 of the Statement of Requirements (Schedule 2).			iaw Contractor Delivery Plan at Schedule 7, DID1	iaw Item 1.10 of Schedule 2.	£[Tenderer to Populate] (Option Fixed Price) All Prices iaw Schedule 5

The Contractor shall provide the following Contractor Deliverables in accordance with the Annexes of this Schedule, these Terms and Conditions of Contract, and the Contractor Delivery Plan							
Item Number	Part No. (where applicable)	Specification	Consignee Address Code (full address is detailed in DEFFORM 96)	Packaging Requirements inc. PPQ and DofQ (as detailed in DEFFORM 96)	Delivery Date	Total Qty (iaw Schedule 2 (Statement of Requirement))	Price (£) Ex VAT
							Total inc. Packaging (and Delivery if specified in Schedule 3 (Contract Data Sheet)) All Prices iaw Schedule 5
1.11		Option 4 (see Condition 7) Tranche 5 Delivery in accordance with Item 1.11 of the Statement of Requirements (Schedule 2).			iaw Contractor Delivery Plan at Schedule 7, DID1	iaw Item 1.11 of Schedule 2.	£[Tenderer to Populate] (Option Fixed Price) All Prices iaw Schedule 5
1.12		Option 5 (see Condition 7) Parachute Sets Delivery in accordance with Item 1.12 of the Statement of Requirements (Schedule 2).			Contractor to provide Leadtime	iaw Item 1.12 of Schedule 2.	£[Tenderer to Populate] (Option Firm Price) All Prices iaw Schedule 5
1.13		Option 6 (see Condition 7) Parachute Sets. Delivery in accordance with Item 1.13 of the Statement of Requirements (Schedule 2).			Contractor to provide Leadtime	iaw Item 1.13 of Schedule 2.	£[Tenderer to Populate] (Option Firm Price) All Prices iaw Schedule 5
1.14		Option 7 (see Condition 7) Platform Delivery Delivery in accordance with Item 1.14 of the Statement of Requirements (Schedule 2).			Contractor to provide Leadtime	iaw Item 1.14 of Schedule 2.	£[Tenderer to Populate] (Option Firm Price) All Prices iaw Schedule 5
1.15		Option 8 (see Condition 7) Ancillary Set Delivery Delivery in accordance with Item 1.15 of the Statement of Requirements (Schedule 2).			Contractor to provide Leadtime	iaw Item 1.15 of Schedule 2.	£[Tenderer to Populate] (Option Firm Price) All Prices iaw Schedule 5

The Contractor shall provide the following Contractor Deliverables in accordance with the Annexes of this Schedule, these Terms and Conditions of Contract, and the Contractor Delivery Plan							
Item Number	Part No. (where applicable)	Specification	Consignee Address Code (full address is detailed in DEFFORM 96)	Packaging Requirements inc. PPQ and DofQ (as detailed in DEFFORM 96)	Delivery Date	Total Qty (iaw Schedule 2 (Statement of Requirement))	Price (£) Ex VAT
							Total inc. Packaging (and Delivery if specified in Schedule 3 (Contract Data Sheet)) All Prices iaw Schedule 5
2		Flight Trial Support The Contractor shall provide Flight Trial Support in accordance with Section 2 of Schedule 2 (Statement of Requirement).			In accordance with Section 2 of Schedule 2 (Statement of Requirement).	75 hours ad-hoc remote advice plus 1 contractor rep for 4 days (Frequency TBC) on-site support	£[Tenderer to Populate] (FIRM) All Prices iaw Schedule 5
3		Supporting Documentation / Services Requirements The Contractor shall provide the Contractor Deliverables and Services as detailed within Sections 3, 5 and 6 of Schedule 2 (Statement of Requirement) of the Contract.			In accordance with Section 3,5 and 6 of Schedule 2 (Statement of Requirement).	iaw Statement of Requirement (Schedule 2) Sections 3, 5 & 6.	£[Tenderer to Populate] (FIRM) All Prices iaw Schedule 5
4		Technical Services The Contractor shall provide the Contractor Deliverables and Services as detailed within Section 4 of Schedule 2 (Statement of Requirement) of the Contract as follows:					
4.1		Technical Queries Service in accordance with Section 4, Item 4.1, of Schedule 2 (Statement of Requirement).			In accordance with Schedule 2 (Statement of Requirement).	iaw Statement of Requirement	£[Tenderer to Populate] (Limit of Liability) All Prices iaw Schedule 5

The Contractor shall provide the following Contractor Deliverables in accordance with the Annexes of this Schedule, these Terms and Conditions of Contract, and the Contractor Delivery Plan							
Item Number	Part No. (where applicable)	Specification	Consignee Address Code (full address is detailed in DEFFORM 96)	Packaging Requirements inc. PPQ and DofQ (as detailed in DEFFORM 96)	Delivery Date	Total Qty (iaw Schedule 2 (Statement of Requirement))	Price (£) Ex VAT
							Total inc. Packaging (and Delivery if specified in Schedule 3 (Contract Data Sheet)) All Prices iaw Schedule 5
4.2		Fault Investigation Service in accordance with Section 4, Item 4.2, of Schedule 2 (Statement of Requirement).			In accordance with Schedule 2 (Statement of Requirement).	iaw Statement of Requirement	£[Tenderer to Populate] (Limit of Liability) All Prices iaw Schedule 5
4.3		Quality Occurrence Reports Service in accordance with Section 4, Item 4.3, of Schedule 2 (Statement of Requirement).			In accordance with Schedule 2 (Statement of Requirement).	iaw Statement of Requirement	£[Tenderer to Populate] (Limit of Liability) All Prices iaw Schedule 5
4.4		Repair and Maintenance Service in accordance with Section 4, Item 4.4, of Schedule 2 (Statement of Requirement).			As detailed within the duly authorised Additional Work Authorisation Form	iaw Statement of Requirement	Firm Prices to be agreed in accordance with Schedule 5.
5		Emergent Work Authorisation.			iaw Additional Work Authorisation Form	N/A	Firm Prices to be agreed in accordance with Schedule 5.
6		Contract Extension Options (To be exercised in accordance with Condition 7 (Contract Options) of the Contract)					
6.1		Option 9 (see Condition 7) Three (3) Year Contract Extension.			iaw 7.1 to Statement of Requirement		£[Tenderer to Populate] (Option Fixed Price) All Prices iaw Schedule 5

The Contractor shall provide the following Contractor Deliverables in accordance with the Annexes of this Schedule, these Terms and Conditions of Contract, and the Contractor Delivery Plan							
Item Number	Part No. (where applicable)	Specification	Consignee Address Code (full address is detailed in DEFFORM 96)	Packaging Requirements inc. PPQ and DofQ (as detailed in DEFFORM 96)	Delivery Date	Total Qty (iaw Schedule 2 (Statement of Requirement))	Price (£) Ex VAT
							Total inc. Packaging (and Delivery if specified in Schedule 3 (Contract Data Sheet)) All Prices iaw Schedule 5
6.2		Option 10 (see Condition 7) Three (3) Year Contract Extension.			iaw 7.2 to Statement of Requirement		£[Tenderer to Populate] (Option Fixed Price) All Prices iaw Schedule 5
7		Delivery of additional Spares in accordance with Condition 24.13 to 24.15 of the Contract, together with a duly completed Certificate of Conformity in accordance with DEFCON 627.			As specified in Schedule 11.	As specified in Purchase Order	Firm Prices to be agreed in accordance with Schedule 5 (Pricing and Payment)
8		Warranty Options (To be exercised in accordance with Condition 7 (Contract Options) of the Contract)					
8.1(a)		Option 11 Parts & Labour Warranty in accordance with Condition 35 (Warranty) of the Contract for a period of one (1) year; or				In accordance with Condition 35 (Warranty) of the Contract	£[Tenderer to Populate] Firm Price
8.1(b)		Option 12 Parts & Labour Warranty in accordance with Condition 35 (Warranty) of the Contract for a period of two (2) years.				In accordance with Condition 35 (Warranty) of the Contract	£[Tenderer to Populate] Firm Price
8.2(a)		Option 13 Design Warranty in accordance with Condition 35 (Warranty) of the Contract for a period of two (2) years; or				In accordance with Condition 35 (Warranty) of the Contract	£[Tenderer to Populate] Firm Price

The Contractor shall provide the following Contractor Deliverables in accordance with the Annexes of this Schedule, these Terms and Conditions of Contract, and the Contractor Delivery Plan							
Item Number	Part No. (where applicable)	Specification	Consignee Address Code (full address is detailed in DEFFORM 96)	Packaging Requirements inc. PPQ and DofQ (as detailed in DEFFORM 96)	Delivery Date	Total Qty (iaw Schedule 2 (Statement of Requirement))	Price (£) Ex VAT
							Total inc. Packaging (and Delivery if specified in Schedule 3 (Contract Data Sheet)) All Prices iaw Schedule 5
8.2(b)		<u>Option 14</u> Design Warranty in accordance with Condition 35 (Warranty) of the Contract for a period of three (3) years.				In accordance with Condition 35 (Warranty) of the Contract	£[Tenderer to Populate] Firm Price

General Conditions

1. Defence Conditions (DEFCONs)

1.1. The Defence Conditions (DEFCONs) listed in the table below shall apply to the Contract:

DEFCON No.	Edition	Description
5J	18/11/16	Unique Identifiers
14	06/21	Inventions and Designs Crown Rights and Ownership of Patents and Registered Designs
21	06/21	Retention of Records
23	06/21	Special Jigs, Tooling and Test Equipment
68	10/22	Supply of Data for Hazardous Substances, Mixtures and Articles
82	06/21	Special Procedure for Initial Spares
90	06/21	Copyright
113	02/17	Diversions Orders
117	07/21	Supply of Information for NATO Codification and Defence Inventory Introduction
129	02/22	Packaging (For Articles Other Than Munitions)
129J	18/11/16	The Use of Electronic Business Delivery Form
130	11/21	Packaging for Explosives
501	10/21	Definitions and Interpretations
503	06/22	Formal Amendments to Contract
507	07/22	Delivery
513	04/22	Value Added Tax (VAT) and Other Taxes
514	08/15	Material Breach
515	06/21	Bankruptcy and Insolvency
516	04/12	Equality
518	02/17	Transfer
520	08/21	Corrupt Gifts and Payments of Commission
522	11/21	Payment and Recovery of Sums Due
524	12/21	Rejection
524A	02/20	Counterfeit Material
525	10/98	Acceptance
526	08/02	Notices
527	09/97	Waiver

DEFCON No.	Edition	Description
528	07/21	Import and Export Licences
529	09/97	Law (English)
530	12/14	Dispute Resolution (English Law)
531	09/21	Disclosure of Information
532A	05/22	Protection of Personal Data (Where Personal Data is not being processed on behalf of the Authority)
534	06/21	Subcontracting and Prompt Payment
537	10/21	Rights of Third Parties
538	06/02	Severability
539	01/22	Transparency
540	05/23	Conflict of Interest
550	02/14	Child Labour and Employment Law
565	07/23	Supply Chain Resilience and Risk Awareness
566	10/20	Change of Control of Contractor
595	03/19	Automatic Test Equipment Data Requirements
601	04/19	Redundant Material
602C	04/23	Quality Assurance (With Deliverable Quality Plan and QA information)
603	10/04	Aircraft Integration and Clearance Procedure
604	06/14	Progress Reports
605	06/14	Financial Reports
606	07/21	Change and Configuration Control Procedure
608	07/21	Access and Facilities to be Provided by the Contractor
609	07/21	Contractor's Records
612	06/21	Loss Of or Damage to the Articles
620	06/22	Contract Change Control Procedure
621B	10/04	Transport (If the Authority is Responsible for Transport)
624	08/22	Use of Asbestos
625	06/21	Co-Operation on Expiry of Contract
627	11/21	Quality Assurance – Requirement for a Certificate of Conformity
632	05/17	Defect Investigation and Liability
642	07/21	Progress Meetings
644	07/18	Marking of Articles
646	10/98	Law and Jurisdiction (Foreign Suppliers)

DEFCON No.	Edition	Description
647	05/21	Financial Management Information
649	12/21	Vesting
656B	08/16	Termination for Convenience
658	10/22	Cyber
659A	09/21	Security Measures
660	12/15	Official Sensitive Security Requirements
670	02/17	Tax Compliance
671	10/22	Plastic Packaging Tax
675	03/21	Advertising Subcontracts (Defence and Security Public Contracts Regulations 2011 only)
678	09/19	SME Spend Data Collection
684	01/04	Limitation Upon Claims in Respect of Aviation Products
691	03/15	Timber and Wood – Derived Products
694	07/21	Accounting for Property of the Authority
707	04/22	Rights in Technical Data

2. Contract Duration

2.1. This Contract shall come into force on the Effective Date and unless:

2.1.1. extended in accordance with Condition 2.2 (Contract Extension Option); or

2.1.2. terminated at an earlier date by operation of Law or in accordance with Condition 11.2 or DEFCON 656B (Termination for Convenience),

shall terminate automatically without notice on the Original Expiry Date.

2.2. The Authority may, by giving the Contractor not less than three (3) months' written notice prior to the Original Expiry Date, or three (3) months' written notice prior to the Expiry Date, extend this Contract by activating a Contract Extension Option provided that:

2.2.1. [unless the Authority requires otherwise, the Contractor procures a reciprocal extension to the expiry date of the Parent Company [Bank] Guarantee so that the Bank Guarantee is co-terminus with this Contract.]
[DRAFTING NOTE TO TENDERERS: to be included if the Preferred Tenderer is required to provide a Parent Company or Bank Guarantee]

2.3. If the Authority serves a written notice in accordance with Condition 2.2 above, the Contractor shall continue to provide the Contractor Deliverables for the period stated in the notice(s) on the terms and conditions of this Contract.

Condition Notice [DRAFTING NOTE TO TENDERERS: to be included if the Preferred Tenderer is required to provide a Parent Company or Bank Guarantee]

- 2.4. The Parties acknowledge that on the date of this Contract the Contractor has delivered to the Authority an original, duly executed Parent Company [Bank] Guarantee in the form set out in Schedule 21 (*Parent Company [Bank] Guarantee*) together with a certified copy of the board minutes under which the Parent Company [Bank] Guarantee is executed [and a legal opinion (confirming that the Parent Company [Bank] Guarantee is validly executed and enforceable)].

3. Precedence of Documents

- 3.1. Without prejudice to DEFCON 501, in the event of a contradiction between any parts of this Contract, the order of precedence shall be as stated in Condition 3.2.
- 3.2. If there is any inconsistency between the provisions of the main body of this Contract and the Schedules, or between any of the Schedules, the conflict shall be resolved according to the following order of priority:
- 3.2.1. the main body of this Contract (including the Schedule of Requirements set out at the beginning of this Contract), Schedule 1 (Definitions and Abbreviations), and Schedule 19 (Sensitive Information);
 - 3.2.2. the Schedules;
 - 3.2.3. any other associated document pertinent to this Contract.
- 3.3. Should the Contractor or the Authority become aware of any conflicts or inconsistencies between any contractual documentation the Party shall immediately notify the other Party accordingly.
- 3.4. Conflict, or apparent conflict, between any documents shall be notified to the Authority for determination of how such conflict or apparent conflict shall be resolved. Resolution of such conflict is to be resolved jointly between the Authority and the Contractor and, upon resolution, the Parties shall confirm in writing, and make an amendment to the Contract if appropriate.

4. Discrepancies in Documentation

- 4.1. Each Party shall notify the other in writing forthwith upon becoming aware of any discrepancy, inconsistency, divergence or anomaly between or within any of the documents referred to in Condition 3.2 above.
- 4.2. The notice issued pursuant to Condition 4.1 shall set out in precise detail any discrepancy, inconsistency; divergence or anomaly between or within the documents referred to in Condition 3.2 and propose any amendments that may be required to such documents to resolve such discrepancy, inconsistency, divergence or anomaly.
- 4.3. The Parties shall seek to agree such amendments to resolve such discrepancy, inconsistency, divergence or anomaly as soon as reasonably practicable. Where the Authority and the Contractor fail to do so within ten (10) Business Days of notice and either Party considers that the discrepancy, inconsistency, divergence or anomaly to be material to its rights and obligations under this Contract, then the matter will be referred to the Dispute Resolution Procedure in accordance with DEFCON 530.

5. Entire Agreement

- 5.1. This Contract together with any authorised additional work constitutes the entire agreement between the Parties relating to the subject matter of the Contract. The Contract supersedes, and neither Party has relied upon, any prior negotiations, representations and undertakings, whether written or oral, except that this Condition shall not exclude liability in respect of any fraudulent misrepresentation.

6. Assignment

- 6.1. Neither Party shall be entitled to assign the Contract (or any part thereof) without the prior written consent of the other Party.

7. Contract Options

- 7.1. The Contractor shall complete all work under the Contract in accordance with the Terms and Conditions of the Contract.
- 7.2. In consideration of the Authority agreeing to enter into this Contract, the Contractor hereby grants to the Authority the right to exercise the following irrevocable discretionary Options;

Options

7.2.1. Option 1

- 7.2.1.1. Option 1 shall comprise of Schedule of Requirement Item numbers 1.5 (Option 1a), 1.6 (option 1b), 1.7 (Option 1c), and 1.8 and (Option 1d).
- 7.2.1.2. Option 1 shall be entirely at the discretion of the Authority, conditional on successful completion of Flight Trial 1.
- 7.2.1.3. Subject to the Authority exercising its right to elect to terminate this Contract pursuant to Condition 9.3, the Authority shall exercise this Option 1.

7.2.2. Option 2

- 7.2.2.1. Option 2 shall comprise of Schedule of Requirement Item 1.9 only.
- 7.2.2.2. Option 2 shall be entirely at the discretion of the Authority, conditional on successful completion of Flight Trial 2 and a successful Final Design Acceptance Review.
- 7.2.2.3. Subject to the Authority exercising its right to elect to terminate this Contract pursuant to Condition 9.3, the Authority shall exercise this Option 2.

7.2.3. Option 3

- 7.2.3.1. Option 3 shall comprise of Schedule of Requirement Item 1.10 only.
- 7.2.3.2. Option 3 shall be entirely at the discretion of the Authority.

7.2.4. Option 4

7.2.4.1. Option 4 shall comprise of Schedule of Requirement Item 1.11 only.

7.2.4.2. Option 4 shall be entirely at the discretion of the Authority.

7.2.5. Additional Articles

7.2.6. Option 5

7.2.6.1. Option 5 shall comprise of Schedule of Requirement Item 1.12 only.

7.2.6.2. Option 5 shall be entirely at the discretion of the Authority.

7.2.7. Option 6

7.2.7.1. Option 6 shall comprise of Schedule of Requirement Item 1.13 only.

7.2.7.2. Option 6 shall be entirely at the discretion of the Authority.

7.2.8. Option 7

7.2.8.1. Option 7 shall comprise of Schedule of Requirement Item 1.14 only.

7.2.8.2. Option 7 shall be entirely at the discretion of the Authority.

7.2.9. Option 8

7.2.9.1. Option 8 shall comprise of Schedule of Requirement Item 1.15 only.

7.2.9.2. Option 8 shall be entirely at the discretion of the Authority.

7.3. **Contract Extension Options**

7.4. In consideration of the award of this Contract the Contractor hereby grants the Authority the following irrevocable Contract Extension Option(s):

7.4.1. Option 9 (Schedule of Requirements Item 7.1);

7.4.2. Option 10 (Schedule of Requirements Item 7.2),

7.5. The provisions of Condition 16 (Performance Management) shall apply in relation to the exercise of Option 9 and/or Option 10.

7.6. **Warranty Options**

7.7. In consideration of the award of this Contract the Contractor hereby grants the Authority the following irrevocable Warranty Option(s):

7.7.1. Option 11 - Schedule of Requirements Item 8.1(a) or Option 12 - Schedule of Requirements Item 8.1(b); and

- 7.7.2. Option 13 - Schedule of Requirements Item 8.2(a) or Option 14 - Schedule of Requirements Item 8.2(a).
- 7.8. The Authority may elect which one of the Warranty Options it wishes to exercise at Conditions 7.7.1 and 7.7.2. The Authority shall issue a notice to the Contractor by the Commercial Officer at Box 1 of the DEFFORM 111 (Appendix 1), such notice confirming that the Authority is exercising the relevant identified Warranty Option (an "Option Notice"), and such Option Notice shall be issued by the Authority together with the Authority's confirmation of the outcome of the Final Design Acceptance Review (Item 6.6 (FDAR) of Section 6 of Schedule 2 (Statement of Requirement) of Contract).
- 7.9. If the Authority elects to exercise one or more of the Options, the Authority shall issue a notice to the Contractor by the Commercial Officer at Box 1 of the DEFFORM 111 (Appendix 1) (such notice confirming that the Authority is considering exercising the relevant identified Option (an "Option Notice"), and such Option Notice may be issued by the Authority either prior to the Expiry Date or after the Original Expiry Date.
- 7.10. The terms (including the scope of the Contractor Deliverables) which the Parties intend shall govern each Option are those set out within this Contract and the Parties agree that where an Option is exercised by the Authority in accordance with this Condition 7 (Contract Options), the following provisions in Conditions 7.1111 to 7.14 (inclusive) shall apply.
- 7.11. Within ten (10) Business Days (or such other period as the Parties may agree) from the date of receipt of the Option Notice from the Authority in accordance with Condition 7.9, the Contractor shall notify the Authority's Representative (together with all supporting detail as is deemed necessary by the Authority):
- 7.11.1. the details of any proposed Subcontractors (as applicable) to carry out any elements of the works, Articles and/or Services relating to the Contractor Deliverables which would be the subject of the relevant Option; and
- 7.11.2. of any other information which the Contractor considers is relevant relating to the relevant Option.
- 7.12. In the event of any Dispute in relation to any Option which is the subject of an Option Notice, either Party shall be entitled to refer the matter for resolution in accordance with DEFCON 530 (Dispute Resolution Procedure).
- 7.13. Following the agreement (including agreement to the terms of any Option as set out in this Contract at the Effective Date, without amendment) or determination of the Option Price in accordance with Schedule 5, then:
- 7.13.1. the Parties shall proceed as if the agreed (or determined) terms of the relevant Option were confirmed by the Authority in accordance with the Change Procedure and the Parties shall enter into any documents required to give effect to the relevant Option and commence the implementation of the relevant Option as set out in the Change Procedure; and;
- 7.13.2. the rights and obligations of the Parties in respect of the relevant Option, shall take effect from the date specified in the documents referred to in Condition 7.9 above, (when such documents have been duly executed by the Parties and consequently the Option then becomes an Exercised Option) and shall form rights and obligations under this Contract.

- 7.14. Following the exercise of any of the Options pursuant to this Condition 7 (Contract Options), any rights and obligations of the Parties existing under this Contract prior to the exercise of such Option shall continue to apply.

8. Force Majeure

- 8.1. The Contractor shall not be in breach of this Contract, nor liable for late or non-performance of any of its obligations under this Contract, if such delay or failure results from a "Force Majeure Event". For the purposes of this Contract a **Force Majeure Event** is defined as one of the following:

8.1.1. Acts of nature;

8.1.2. War;

8.1.3. Hostilities.

- 8.2. The Contractor shall immediately notify the Authority in writing on the occurrence of a Force Majeure Event, including details for the Force Majeure Event, its effect on the Contractor's obligations under this Contract and the actions proposed to mitigate its effect.

- 8.3. Subject to Clause 8.4 below, the contractor shall be entitled to an appropriate extension of time for performing such obligations provided always that the Contractor has used, to the satisfaction of the Authority, all reasonable endeavours, both to mitigate the effects of the Force Majeure Event, and to facilitate the continued performance of its obligations under this contract.

- 8.4. The maximum extension of time granted under this Clause shall be limited to Sixty (60) calendar days after which time the Authority may, on giving written notice to the Contractor, terminate this Contract, without seeking compensation from the Contractor, with immediate effect.

- 8.5. Where this Clause 8 applies, the Contractor shall only be entitled to be paid (subject to any other provision of this Contract affecting the level of such payment, including any reduction for sums that the Authority is entitled to deduct under or in connection with this Contract (whether arising under any term of this Contract or under any Legislation or of equity)) for any aspect of the Contractor Deliverables that it has, as at the Termination Date. Delivered to the Authority in accordance with this Contract and without prejudice to the foregoing the Authority may deduct from such payment any charges it has paid to the Contractor in advance in respect of Contractor Deliverables not provided as at the Termination Date.

9. System Rectification Plan Process

- 9.1. The Contractor shall ensure that the LBAD System achieves Acceptance pursuant to the Acceptance Plan (Schedule 12).

- 9.2. If the Contractor is unable to successfully achieve a pass for either or both of the Initial Design Acceptance Review or the Final Design Acceptance Review in accordance with the Acceptance Plan (Schedule 12), the Authority shall declare a 'Notifiable Default' which will require the Contractor to perform a Major Rectification via the System Rectification Plan Process. The Authority shall notify the Contractor of the Notifiable Default as soon as practicable but in any event within three (3) Business Days of becoming aware of the Notifiable Default, detailing the actual or anticipated effect of

the Notifiable Default and, unless the Notifiable Default also constitutes a System Rectification Plan Failure or other event which entitles the Authority to terminate this Contract pursuant to its terms, the Authority may not terminate this Contract on the grounds of the Notifiable Default without first following the System Rectification Plan Process.

9.3. Without prejudice to the Authority's other rights to terminate this Contract pursuant to its terms, the Authority reserves the right to elect to terminate this Contract on the occurrence of a System Rectification Plan Failure.

9.4. If:

9.4.1. the Authority notifies the Contractor pursuant to Condition 9.2 that a Notifiable Default has occurred; or

9.4.2. the Contractor notifies the Authority that it considers that a Notifiable Default has occurred (setting out sufficient detail so that it is reasonably clear what the Contractor has to rectify),

then the Contractor shall comply with the System Rectification Plan Process.

9.5. The System Rectification Plan Process shall be as set out in accordance with Conditions 9.6 – 9.12.

9.6. The Contractor shall submit a draft System Rectification Plan to the Authority for it to review as soon as possible and in any event within ten (10) Business Days (or such other period as may be agreed between the Parties) after the original notification pursuant to Condition 9.2 and/or Condition 9.4.2.

9.7. The draft System Rectification Plan shall set out:

9.7.1. full details of the Notifiable Default that has occurred, including a root cause analysis;

9.7.2. the actual or anticipated effect of the Notifiable Default;

9.7.3. the steps which the Contractor proposes to take to rectify the Notifiable Default (if applicable) and to prevent such Notifiable Default from recurring, including timescales for such steps and for the rectification of the Notifiable Default (where applicable).

9.8. The Contractor shall promptly provide to the Authority any further documentation that the Authority reasonably requires to assess the Contractor's root cause analysis. If the Parties do not agree on the root cause set out in the draft System Rectification Plan, either Party may refer the matter to be determined by an expert in accordance with DEFCON 530 (Dispute Resolution Procedure).

9.9. The Authority may reject the draft System Rectification Plan by notice to the Contractor if, in the reasonable opinion of the Authority, it considers that the draft System Rectification Plan is inadequate, for example because the draft System Rectification Plan:

9.9.1. is insufficiently detailed to be capable of proper evaluation;

9.9.2. will take too long to complete;

- 9.9.3. will not rectify the Notifiable Default;
 - 9.9.4. will not prevent reoccurrence of the Notifiable Default; and/or
 - 9.9.5. will rectify the Notifiable Default but in a manner which is unacceptable to the Authority.
- 9.10. The Authority shall notify the Contractor whether it consents to the draft System Rectification Plan as soon as reasonably practicable. If the Authority rejects the draft System Rectification Plan, the Authority shall give reasons for its decision and the Contractor shall take the reasons into account in the preparation of a revised System Rectification Plan. The Contractor shall submit the revised draft of the System Rectification Plan to the Authority for review within five (5) Business Days (or such other period as agreed between the Parties) of the Authority's notice rejecting the first draft.
- 9.11. If the Authority consents to the System Rectification Plan:
- 9.11.1. the Contractor shall immediately start work on the actions set out in the System Rectification Plan; and
 - 9.11.2. the Authority may no longer elect at its discretion to terminate this Contract on the grounds of the relevant Notifiable Default, save in the event of a System Rectification Plan Failure.
- 9.12. If:
- 9.12.1. the Contractor fails to comply with the System Rectification Plan Process;
 - 9.12.2. the Authority reasonably considers that there is insufficient time for the Contractor to comply with the System Rectification Plan Process; and/or
 - 9.12.3. the Authority reasonably considers that there is insufficient time for the Contractor to implement the System Rectification Plan successfully,
 - 9.12.4. then:
 - 9.12.5. the Authority may serve notice on the Contractor that it will be taking action pursuant to this Condition 9.12 and implement such arrangements as it reasonably considers necessary to mitigate the consequences of any delay or anticipated delay arising from or in consequence of the occurrence of the Notifiable Default;
 - 9.12.6. without prejudice to Condition **Error! Reference source not found.**, the Contractor shall pay, or allow the Authority to deduct from any sums that would otherwise be due to the Contractor, all the costs incurred by the Authority in implementing such arrangements.

10. Step In Rights

- 10.1. On the occurrence of a Step-In Trigger Event, the Authority may serve notice on the Supplier (a "Step-In Notice") that it will be taking action under this Clause 10 (*Step-in Rights*), either itself or with the assistance of a third party (provided that the Supplier

may require any third parties to comply with a confidentiality undertaking. The Step-In Notice shall set out the following:

- 10.1.1. the action the Authority wishes to take and in particular the Services that it wishes to control (the "Required Action");
 - 10.1.2. the Step-In Trigger Event that has occurred and whether the Authority believes that the Required Action is due to the Supplier's Default;
 - 10.1.3. the date on which it wishes to commence the Required Action;
 - 10.1.4. the time period which it believes will be necessary for the Required Action;
 - 10.1.5. whether the Authority will require access to the Supplier's premises and/or the Sites; and
 - 10.1.6. to the extent practicable, the impact that the Authority anticipates the Required Action will have on the Supplier's obligations to provide the Services during the period that the Required Action is being taken.
- 10.2. Following service of a Step-In Notice, the Authority shall:
- 10.2.1. take the Required Action set out in the Step-In Notice and any consequential additional action as it reasonably believes is necessary to achieve the Required Action;
 - 10.2.2. keep records of the Required Action taken and provide information about the Required Action to the Supplier;
 - 10.2.3. co-operate wherever reasonable with the Supplier in order to enable the Supplier to continue to provide the Services in relation to which the Authority is not assuming control; and
 - 10.2.4. act reasonably in mitigating the cost that the Supplier will incur as a result of the exercise of the Authority's rights under this Clause 10.
- 10.3. For so long as and to the extent that the Required Action is continuing, then:
- 10.3.1. the Supplier shall not be obliged to provide the Services to the extent that they are the subject of the Required Action;
 - 10.3.2. no Deductions shall be applicable in relation to Charges in respect of Services that are the subject of the Required Action and the provisions of Clause 10.4 shall apply to Deductions from Charges in respect of other Services; and
 - 10.3.3. the Authority shall pay to the Supplier the Charges after subtracting any applicable Deductions and the Authority's costs of taking the Required Action.
- 10.4. If the Supplier demonstrates to the reasonable satisfaction of the Authority that the Required Action has resulted in:
- 10.4.1. the degradation of any Services not subject to the Required Action; or

- 10.4.2. the non-Achievement of a Milestone in accordance with Schedule 5 Payment Plan,

beyond that which would have been the case had the Authority not taken the Required Action, then the Supplier shall be entitled to an agreed adjustment of the Charges.

- 10.5. Before ceasing to exercise its step in rights under this Clause 10 the Authority shall deliver a written notice to the Supplier (a "Step-Out Notice"), specifying:

- 10.5.1. the Required Action it has actually taken; and

- 10.5.2. the date on which the Authority plans to end the Required Action (the "Step-Out Date") subject to the Authority being satisfied with the Supplier's ability to resume the provision of the Services and the Supplier's plan developed in accordance with Clause 10.6.

- 10.6. The Supplier shall, following receipt of a Step-Out Notice and not less than 20 Working Days prior to the Step-Out Date, develop for the Authority's approval a draft plan (a "Step-Out Plan") relating to the resumption by the Supplier of the Services, including any action the Supplier proposes to take to ensure that the affected Services satisfy the requirements of this Contract.

- 10.7. If the Authority does not approve the draft Step-Out Plan, the Authority shall inform the Supplier of its reasons for not approving it. The Supplier shall then revise the draft Step-Out Plan taking those reasons into account and shall re-submit the revised plan to the Authority for the Authority's approval. The Authority shall not withhold or delay its approval of the draft Step-Out Plan unnecessarily.

- 10.8. The Supplier shall bear its own costs in connection with any step-in by the Authority under this Clause 10, provided that the Authority shall reimburse the Supplier's reasonable additional expenses incurred directly as a result of any step-in action taken by the Authority under:

- 10.8.1. limbs (c) or (d) of the definition of a Step-In Trigger Event; or

- 10.8.2. limbs (e) and (f) of the definition of a Step-in Trigger Event (insofar as the primary cause of the Authority serving the Step-In Notice is identified as not being the result of the Supplier's Default).

11. Termination

- 11.1. Termination by Default

- 11.2. Without prejudice to any other available remedy, the Authority may terminate the Contract (in whole or in part) for Material Breach in accordance with DEFCON 514 (Material Breach) which includes but is not limited to where any of the following events occur:

- 11.2.1. the Contractor fails to achieve Design Approved Organisation Scheme (DAOS) accreditation within twelve (12) months of the Effective Date;

- 11.2.2. the Contractor materially fails to comply with or be considered to be competent in any material respect under the MAA Approved Organisations Schemes, details of which are set out in the Military Regulatory Publications

- with which the Contractor is required to comply under Condition 30 (Safety and Airworthiness) and Schedule 8 (MRP Compliance);
- 11.2.3. the Contractor fails to meet one or more of the Milestones as set out in Schedule 5, the Payment Plan;
 - 11.2.4. the Contractor fails to provide a System Rectification Plan within the associated timeframe in accordance with Condition 9 (System Rectification Plan Process);
 - 11.2.5. the Contractor fails to carry out a System Rectification Plan as proposed and agreed with the Authority in accordance with Condition 9.10;
 - 11.2.6. a Persistent Breach occurs;
 - 11.2.7. the Authority has become aware that the Contractor should have been excluded under Regulation 23(1) of the Defence and Security Public Contracts Regulations 2011 from the procurement procedure leading to the award of this Contract or if the Authority becomes aware that the grounds for exclusion referred to in Regulation 23(1) of the Defence and Security Public Contracts Regulations 2011 occur after the Effective Date;
- 11.3. The provisions of this Condition 11 are without prejudice to the Authority's right to terminate this Contract pursuant to any of the DEFCONS listed in Condition 1 (Defence Conditions (DEFCONS)) or to any other right or remedy available to the Authority.
- 11.4. Where the Authority considers that the Contractor has committed a Material Breach of this Contract or any part thereof (including any part of the Services), the Authority shall be entitled to serve a written notice ("**Formal Warning Notice**") on the Contractor. A Formal Warning Notice shall include the following information (without limitation):
- 11.4.1. specifying that it is a Formal Warning Notice;
 - 11.4.2. that the Authority wishes to terminate the Contract for Material Breach;
 - 11.4.3. the nature of the Material Breach;
 - 11.4.4. that the Contract (or part of the Contract) shall terminate on the day falling 40 (forty) Business Days after the date of the notice (or such other period as the Authority may in its sole and absolute discretion specify).
- 11.5. For the avoidance of doubt and without prejudice to the Authority's rights under DEFCON 514 (Material Breach), in the event of termination for Material Breach the Contractor shall be entitled to payments only in respect of unpaid charges for the Contractor Deliverables that have been provided and accepted by the Authority, up until the date of termination, and charges that may be payable in respect of the Contractor Deliverables provided in accordance with Condition 13 (Exit Requirements). The Authority may deduct from such payments any charges it has paid to the Contractor in advance in respect of the Contractor Deliverables not provided as at the date of termination.
- 11.6. If the Authority terminates this Contract following the occurrence of a Force Majeure Event, the Contractor shall be entitled to payments only in respect of unpaid charges for the Services that have been received and accepted by the Authority up until the date of termination, and charges that may be payable in respect of Contractor

Deliverables provided in accordance with Condition 13 (Exit Requirements). The Authority may deduct from such payments any charges it has paid to the Contractor in advance in respect of the Services not provided as at the date of termination. Neither Party shall have any right to claim damages as a result of such termination.

- 11.7. In the event of a partial termination of the Contract, the Parties shall agree the effect of any Change necessitated as a result in accordance with the terms of DEFCON 620 (Contract Change Control Procedure), including the effect the partial termination may have on any other Contractor Deliverables, provided that the Contractor shall not be entitled to any increase in the Contract Price in respect of the Contractor Deliverables that have not been terminated if the partial termination arises in accordance with DEFCON 514 (Material Breach) or as a result of a Force Majeure Event.

12. Consequences of Termination or Expiry

- 12.1. The expiry or termination of this Contract, however arising, shall be without prejudice to the rights and duties of either Party accrued prior to termination or expiry. The Conditions that expressly or by implication have effect after termination or expiry shall continue to be enforceable even after termination or expiry. Upon expiry or termination of this Contract (in whole or in part), the Contractor shall:
- 12.1.1. repay at once to the Authority any moneys paid up to and including such date of termination other than moneys in respect of the Contractor Deliverables or part thereof properly performed in accordance with this Contract;
 - 12.1.2. cease all use of all the Authority's Intellectual Property, generated Intellectual Property, and any trademark and shall return or destroy as the Authority requires, all documents and materials (including those in electronic format) incorporating or referring to the same;
 - 12.1.3. return all GFA attained as part of the Contract or destroy or dispose of it in a secure manner (regardless of form and whether computerised or physical) and in accordance with any specific instructions issued by the Authority;
 - 12.1.4. plan for the orderly handover of the Contractor Deliverables to the Authority or its Replacement Contractor in accordance with Schedule 13 (Exit Management) including compliance by the Contractor with the provisions of this Condition 12 at no additional charge to the Authority or its Replacement Contractor; and
 - 12.1.5. provide such advice assistance and co-operation as the Authority may reasonably require at no additional cost to the Authority to enable the Authority to provide the Contractor Deliverables in-house or to procure their provision by a Replacement Contractor in accordance with Schedule 13 (Exit Management).
- 12.2. Unless otherwise expressly provided in the Contract, termination or expiry of the Contract shall be without prejudice to any rights, remedies or obligations accrued under this Contract prior to termination or expiry. Nothing in this Contract shall prejudice the right of either Party to recover any amount outstanding at such termination or expiry.

13. Exit Requirements

- 13.1. On expiry of the Contract, or if the Authority notifies the Contractor of its intention to terminate the Contract in accordance with the termination provisions of the Contract, the Contractor shall comply with Schedule 13 (Exit Management).
- 13.2. If the Contractor fails to comply with Schedule 13 (Exit Management), unless as a result of a direct act or omission of the Authority, the Authority may withhold any outstanding payments due under the Contract until full compliance with Schedule 13 (Exit Management) has been achieved.
- 13.3. The Contractor shall take no action at any time during the Contract Period or thereafter which is intended, directly or indirectly, to:
 - 13.3.1. prejudice;
 - 13.3.2. frustrate; and/or
 - 13.3.3. make it more difficult for the Authority to ensure,
 - 13.3.4. an efficient and orderly handover from the Contractor to the Authority or Replacement Contractor on the Expiry Date or date of termination of the Contract.

14. Supply Chain Data

- 14.1. Definitions
- 14.2. In this Condition '**Subcontractor**' means any subcontractor engaged by the Contractor or by any other subcontractor of the Contractor at any level of subcontracting to provide Contractor Deliverables wholly or substantially for the purpose of performing (or contributing to the performance of) the whole or any part of this Contract and '**Subcontract**' shall be interpreted accordingly.
- 14.3. Contractor Obligations
- 14.4. The Contractor shall provide a list in Microsoft Excel format of each Subcontract worth more than £1m. For each Subcontract, the list shall include, in so far as is reasonably practicable:
 - 14.4.1. the registered name of the Subcontractor;
 - 14.4.2. the company registration number and DUNS number;
 - 14.4.3. value, for all Subcontracts over £1m;
 - 14.4.4. a description of the goods or services provided;
 - 14.4.5. in respect of the DEFCONs that are included in this Contract and which require the Contractor to include equivalent terms in Subcontracts, confirmation, in respect of each such DEFCON, that such terms have been so included; and
 - 14.4.6. in respect of the DEFCONs that are included in this Contract and which require information to be provided by the Contractor to the Authority, such information may be provided by being included in this list unless it is

specifically stated in the DEFCON or elsewhere in this Contract that it should be provided separately, or through a specified tool, or online portal.

- 14.5. The information listed in Condition 14.4 above shall be provided within thirty (30) Business Days of the Effective Date and thereafter updated annually to reflect any changes to the accuracy of the information.

15. Social Value

- 15.1. During the Contract Period the Contractor shall deliver its social value obligations in accordance with DID 19 of Schedule 7 (Contractor Deliverables).
- 15.2. The social value obligations will be monitored as part of the overall Performance Management regime set out in Schedule 9 (Performance Management).

16. Performance Management

- 16.1. The performance of the Contractor shall be monitored throughout the Contract Period through the use of the Key Performance Indicators (KPIs), as set out in Schedule 9 Performance Management. Each KPI should be read in conjunction with Schedule 2 (Statement of Requirement) to ensure that the performance of the Contractor fully meets the requirements of this Contract.
- 16.2. In accordance with Schedule 9 Performance Management, and in preparation for the Contract Task Review Meeting the Contractor shall provide the relevant performance management information two (2) weeks before the meeting date.
- 16.3. Should the Contractor fail to comply with the following Contract requirements then the Contractor shall be considered to have failed all KPIs;
- 16.3.1. Holding DAOS accreditation within at least twelve (12) months after Contract Award;
- 16.3.2. compliance with the requirements of the MAA Regulatory Publications (MRP) in accordance within Schedule 8.
- 16.3.3. This shall not limit the Authority's rights to apply any other contractual remedies available.

17. Liquidated Damages

- 17.1. It is recognised by the Parties that if the Contractor fails to deliver Schedule of Requirement Item Nos. 1.1, 1.2, 1.3 and 1.4 on or before the date stated in the Contractor Delivery Plan, the Authority will suffer loss and damage.
- 17.2. Accordingly, for each day's delay, and without prejudice to the provisions of the Milestone within the Payment Plan, beginning from the day following the contracted delivery date and excluding bank holidays and weekends, the Contractor shall pay the Authority £13,600 per day of non-delivery up to a maximum of £272,000. These liabilities will accumulate in increments of £13,600 per day until such time as the Article is delivered. The Parties confirm that this sum represents a genuine pre-estimate of the Authority's direct losses.

- 17.3. The Authority shall take payment of any sums due under this Condition 17 by deducting the amount owed from the next payment Milestone (either/or a combination of SOR Item Nos. 1.1, 1.2, 1.3 and 1.4) in accordance with DEFCON 522.
- 17.4. The provisions of this Condition are without prejudice to any other rights of the Authority under the Contract, including but not limited to those under DEFCON 514 (Material Breach). Accordingly, if the Authority terminates the Contract, liquidated damages shall be payable under this Condition until the date of such termination.
- 17.5. Unless expressly (otherwise) stated by the Authority in writing, the provisions of DEFCON 527 (Waiver) shall apply to the Authority's right to recover liquidated damages under this Condition.

18. Placing of Subcontracts

- 18.1. For the purposes of this Contract and the work to be performed thereunder the Contractor shall be responsible to the Authority, subject to the provisions of the Contract, for the timely, economic and proper execution of this Contract as described in the Schedule of Requirements.
- 18.2. In the event that the Contractor elects to place a Subcontract in order to deliver its obligations under this Contract, the Contractor shall be responsible for the following:
 - 18.2.1. implementing competition at the subcontract level, including advertising subcontract opportunities;
 - 18.2.2. debriefing unsuccessful tenders for Subcontracts;
 - 18.2.3. ensuring the Authority are aware of any changes in the supply chain;
 - 18.2.4. managing the supply chain, including the pricing, placing and administration of suitable subcontracts noting Condition 18.1;
 - 18.2.5. ensuring that the terms and conditions of this Contract are reflected in all Subcontracts, at whatever level, to the extent necessary to enable the Contractor to fully meet its obligations to the Authority under this Contract.
 - 18.2.6. furnishing the Authority with a copy of any Subcontract if required.
- 18.3. Ineligible Suppliers - Russian and Belarusian Exclusion
- 18.4. The Contractor shall, and shall procure that its Subcontractors shall, notify the Authority in writing as soon as it becomes aware that:
 - 18.4.1. the Contractor Deliverables and/or services contain any Russian/Belarusian products and/or services; or
 - 18.4.2. that the Contractor or any part of the Contractor's supply chain is linked to entities who are constituted or organised under the law of Russia or Belarus, or under the control (full or partial) of a Russian/Belarusian person or entity. This shall not include companies:
 - 18.4.2.1. registered in the United Kingdom or in a country with which the United Kingdom has a relevant international agreement providing reciprocal rights of access in the relevant field of public procurement; and/or
 - 18.4.2.2. which have significant business operations in the United Kingdom or in a country with which the United Kingdom has a relevant international agreement providing reciprocal rights of access in the relevant field of public procurement.
- 18.5. The Contractor shall, and shall procure that its Subcontractors shall, include in such notification (or as soon as reasonably practicable following the notification) full details of the Russian products, services and/or entities and shall provide all reasonable assistance to the Authority to understand the nature, scope and impact of any such products, services and/or entities on the provision of the Contract Deliverables and/or services.

- 18.6. The Authority shall consider the notification and information provided by the Contractor and advise the Contractor in writing of any concerns the Authority may have and/or any action which the Authority will require the Contractor to take. The Contractor shall be required to submit a response to the concerns raised by the Authority, including any plans to mitigate those concerns, within ten (10) Business Days of receipt of the Authority's written concerns, for the Authority's consideration.
- 18.7. The Contractor shall include provisions equivalent to those set out in Conditions 18.4 to 18.6 (Russian and Belarusian Exclusion) in all relevant Subcontracts.

19. Contractor's Sensitive Information

- 19.1. All information belonging to the Contractor that has been acknowledged by the Authority as being commercially sensitive shall be listed in Schedule 19 (DEFFORM 539A ((Sensitive Information)) to the Contract.

20. Government Furnished Assets (GFA)

- 20.1. The scope and processes applicable to the provision of Government Furnished Assets (GFA), to the Contractor for the purposes of carrying out the requirements of the Contract, are to be undertaken as defined in DEFSTAN 05-099 Issue 4 Amendment 2 Managing Government Furnished Equipment (GFE).
- 20.2. Any GFE, Services, Facilities and Information (whether Government owned or non-government owned (including third party owned)) (together referred to as GFA supplied or to be supplied by the Authority to the Contractor under this Contract shall be recorded at Schedule 14 (GFA) to the Contract. DEFCON 611 shall apply to all Government Furnished Assets.
- 20.3. The GFA specific to this Contract is detailed in Schedule 14 (GFA).
- 20.4. Any GFA will be issued to the Contractor free of charge for the purpose specified in the Contract. Any such GFA will be made available for collection in the UK and the Authority shall not be responsible for the transportation of these items to the Contractors' premises, nor for their return.
- 20.5. Without prejudice to DEFCON 611 (Issued Property), the Authority does not give any warranty or undertaking as to the completeness, accuracy, or fitness for any purpose of any of the Authority provided information. Neither the Authority nor its agents or employees shall be liable to the Contractor in contract (save as expressly provided elsewhere in the Contract), tort, statute nor otherwise, as a result of any inaccuracy, omission, unfitness for any purpose, or inadequacy of any kind, in the Authority provided information.

Authority Performance Failures

- 20.6. If and to the extent that a GFA Failure is the direct cause of the Contractor's inability to provide the Contractor Deliverables or perform any of its other obligations under this Contract or of the degradation of the Contractor's performance against the KPI regime set out in Schedule 9 (Performance Management), then subject to Condition 20.7 (Authority Performance Failures) the Contractor is entitled, save where the GFA Failure has been caused by any act or omission of the Contractor or any Contractor Related Party under this Contract, to apply for relief from those of its obligations that it is unable to perform as a direct result of such GFA Failure. If such act or omission of the Contractor or any Contractor Related Party has contributed to the GFA Failure, the

Contractor's entitlement to relief shall be reduced by an amount proportional to such contribution to the GFA Failure.

20.7. To obtain relief pursuant to Condition 20.6 (Authority Performance Failures) the Contractor shall:

20.7.1. as soon as practicable, and in any event within twenty (20) Business Days after it became aware that the GFA Failure has adversely affected or is likely to adversely affect the ability of the Contractor to provide the Contractor Deliverables or to perform its obligations, give to the Authority a notice of its claim for relief from its obligations under this Contract;

20.7.2. as soon as practicable and in any event within ten (10) Business Days of service on the Authority of the notice referred to in Condition 20.7.1, notify the Authority of full details which are available in respect of the GFA Failure and the relief claimed;

20.7.3. comply with the provisions of these Conditions 20.6 to 20.11 (Authority Performance Failures), the reporting obligations set out in Appendix 1 to Schedule 2 (Statement of Requirement), Schedule 5 (Pricing and Payment) and the provisions of Schedule 9 (Performance Management);

20.7.4. demonstrate to the reasonable satisfaction of the Authority that:

20.7.4.1. the GFA Failure was the direct cause of the Contractor's inability to provide the Contractor Deliverables or perform any of its other obligations under this Contract or of the degradation of the Contractor's performance against the KPI regime set out in in Schedule 9 (Performance Management); and

20.7.4.2. the relief claimed could not reasonably be expected to be mitigated or recovered by the Contractor acting in accordance with Good Industry Practice, without incurring material expenditure; and

20.7.5. continue to perform its obligations under this Contract subject to the constraints of the GFA Failure.

20.8. If and to the extent that the Contractor has complied with its obligations under these Conditions 20.6 to 20.11 (Authority Performance Failures), then:

20.8.1. the Authority shall not be entitled to exercise its rights arising as a result of the GFA Failure to terminate this Contract; and

20.8.2. the Authority shall give the Contractor such relief from its obligations as the Authority considers is reasonable for such a GFA Failure, in accordance with the procedures described in Schedule 5 (Pricing and Payment) and Schedule 9 (Performance Management) [provided always that where the Authority is able to assist to mitigate the GFA Failure (which may include requiring the Contractor to obtain a replacement for the relevant GFA or varying the Contractor Deliverable so as to reduce and/or eliminate the impact of the GFA Failure) and elects to do so by notice in writing to the Contractor, the Contractor shall accept such requirement or variation. In the event that the Contractor is required to obtain a replacement for the relevant GFA it shall be reimbursed any reasonable additional costs, reasonably

incurred (on the production of satisfactory evidence of such expenditure) in connection with the acquisition of such replacement GFA].

- 20.9. The Contractor shall notify the Authority if at any time it realises or becomes aware of any information relating to the GFA Failure, giving details of that information, to the extent that such information is new or renders information previously submitted materially inaccurate or misleading.
- 20.10. If the Parties cannot agree the extent of any relief from the Contractor's obligations under this Contract or the Authority disagrees that any GFA Failure has occurred (or as to its consequences), or that the Contractor is entitled to any relief under these Conditions 20.6 to 20.11 (Authority Performance Failures) the Parties shall resolve the matter in accordance with DEFCON 530 (Dispute Resolution Procedure).
- 20.11. The Contractor shall not be entitled to any common law or equitable rights (including rights to damages or to any other rights under contract, tort or otherwise) in relation to the occurrence or subsistence of any GFA Failure.

21. Limitations On Liability

21.1. Unlimited liabilities

21.2. Neither Party limits its liability for:

- 21.2.1. death or personal injury caused by its negligence, or that of its employees, agents or sub-contractors (as applicable);
- 21.2.2. fraud or fraudulent misrepresentation by it or its employees;
- 21.2.3. breach of any obligation as to title implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or
- 21.2.4. any liability to the extent it cannot be limited or excluded by law.

21.3. The financial caps on liability set out in Conditions 21.4 and 21.5 below shall not apply to the following:

- 21.3.1. for any indemnity given by the Contractor to the Authority under this Contract, including but not limited to:
 - 21.3.1.1. the Contractor's indemnity in relation to DEFCON 91 (Intellectual Property in Software) and DEFCON 632 (Third Party IP - Rights and Restrictions);
 - 21.3.1.2. the Contractor's indemnity in relation to **TUPE** at Schedule 18 (Transfer Regulations);
- 21.3.2. for any indemnity given by the Authority to the Contractor under this Contract, including but not limited to:
 - 21.3.2.1. the Authority's indemnity under DEFCON 514A (Failure of Performance under Research and Development Contracts);
 - 21.3.2.2. the Authority's indemnity in relation to **TUPE** under Schedule 18 (Transfer Regulations);

- 21.3.3. breach by the Contractor of DEFCON 532A and Data Protection Legislation; and
- 21.3.4. to the extent it arises as a result of a Default by either Party, any fine or penalty incurred by the other Party pursuant to Law and any costs incurred by such other Party in defending any proceedings which result in such fine or penalty.
- 21.3.5. Not Used.
- 21.4. Financial limits
- 21.5. Subject to Conditions 21.2 and 21.3 and to the maximum extent permitted by Law:
 - 21.5.1. throughout the Contract Period, the Contractor's total liability in respect of losses that are caused by Defaults of the Contractor shall in no event exceed:
 - 21.5.1.1. in respect of DEFCON 76 - Not Applicable:
 - 21.5.1.2. in respect of DEFCON 514 [£ pounds] (£[10,000,000]) in aggregate;
 - 21.5.1.3. in respect of DEFCON 611 - Not Applicable:
 - 21.5.1.4. in respect of DEFCON 612 [£ pounds] (£[10,000,000]) in aggregate;
 - 21.5.1.5. Residual Risks [£ pounds] (£12,000,000) in aggregate
 - 21.5.2. without limiting Condition 21.5.1 and subject always to Conditions 21.2, 21.3 and 21.5.3, the Contractor's total liability throughout the Contract Period in respect of all other liabilities (but excluding any Permanent Payment Retention or any Temporary Payment Withhold, paid or payable in accordance with Schedule 9 (Performance Management), whether in contract, in tort (including negligence), arising under warranty, under statute or otherwise under or in connection with this Contract shall be [£ pounds] (£[32,000,000]) in aggregate;
 - 21.5.3. on the exercise of any and, where more than one, each option period or agreed extension to the Contract Period, the limitation of the Contractor's total liability (in aggregate) set out in Conditions 21.5.1 and 21.5.2 above shall be fully replenished such that on and from each such exercise or extension of the Contract Period, the Authority shall be able to claim up to the full value of the limitation set out in Conditions 21.5.1 and 21.5.2 of this Contract.
- 21.6. Subject to Conditions 21.2, 21.3 and 21.7, and to the maximum extent permitted by Law the Authority's total liability (in aggregate) whether in contract, in tort (including negligence), under warranty, under statute or otherwise under or in connection with this Contract shall in respect of all liabilities (taken together) be limited to the Contract Price paid by the Authority in the relevant Contract Year in respect of any and all claims in that Contract Year.

- 21.7. Condition 21.6 shall not exclude or limit the Contractor's right under this Contract to claim for that part of the Contract Price due and payable by the Authority in respect of the relevant Contract Year.
- 21.8. Consequential loss
- 21.9. Subject to Conditions 21.2, 21.3 and 21.10, neither Party shall be liable to the other Party or to any third party, whether in contract (including under any warranty), in tort (including negligence), under statute or otherwise for or in respect of:
- 21.9.1. indirect loss or damage;
 - 21.9.2. special loss or damage;
 - 21.9.3. consequential loss or damage;
 - 21.9.4. loss of profits (whether direct or indirect);
 - 21.9.5. loss of turnover (whether direct or indirect);
 - 21.9.6. loss of business opportunities (whether direct or indirect); or
 - 21.9.7. damage to goodwill (whether direct or indirect),
 - 21.9.8. even if that Party was aware of the possibility of such loss or damage to the other Party.
- 21.10. The provisions of Condition 21.9 shall not restrict the Authority's ability to recover any of the following losses incurred by the Authority to the extent that they arise as a result of a Default by the Contractor:
- 21.10.1. any additional operational and administrative costs and expenses arising from the Contractor's Default, including any costs paid or payable by the Authority:
 - 21.10.1.1. to any Third Party;
 - 21.10.1.2. for putting in place workarounds for the Contractor Deliverables and other deliverables that are reliant on the Contractor Deliverables; and
 - 21.10.1.3. relating to time spent by or on behalf of the Authority in dealing with the consequences of the Default;
 - 21.10.2. any or all wasted expenditure and losses incurred by the Authority arising from the Contract's Default, including wasted management time;
 - 21.10.3. the additional cost of procuring and maintaining in place transitional assistance and replacement deliverables for the remainder of the Contract Period and any option period or agreed extension to the Contract Period (including legal and other consultants' fees, re-procurement project costs, other expenses associated with such exercise and any increase in the fees for the replacement services over and above the Contract Price that would have been payable for the relevant Contractor Deliverables);

- 21.10.4. any losses arising in connection with the loss, destruction, corruption, inaccuracy or degradation of Authority Data, or other data or software, including, to the extent the Authority Data, other data or software can be recovered or reconstituted, the fees, costs and expenses of reconstituting such Authority Data, data or software;
- 21.10.5. costs, expenses and charges arising from, or any damages, account of profits or other award made for, infringement of any Third Party Intellectual Property or breach of any obligations of confidence;
- 21.10.6. any additional costs incurred by the Authority in relation to the Authority's contracts with a third party (including any compensation or interest paid to a third party by the Authority) as a result of the Default (including the extension or replacement of such contracts);
- 21.10.7. any fine or penalty incurred by the Authority pursuant to Law and any costs incurred by the Authority in defending any proceedings which result in such fine or penalty; or
- 21.10.8. any savings, discounts or price reductions during the Contract Period and any option period or agreed extension to the Contract Period committed to by the Contractor pursuant to this Contract.

21.11. Invalidity

- 21.12. If any limitation or provision contained or expressly referred to in this Condition 21 is held to be invalid under any Law, it will be deemed to be omitted to that extent, and if any Party becomes liable for loss or damage to which that limitation or provision applied, that liability will be subject to the remaining limitations and provisions set out in this Condition 21.

21.13. Third Party claims or losses

- 21.14. Without prejudice to any other rights or remedies the Authority may have under this Contract (including but not limited to any indemnity claim under DEFCONs 91 and 632 or at Law), the Authority shall be entitled to make a claim under this Contract against the Contractor in respect of any losses incurred by the Authority which arise out of a claim made against the Authority by a Third Party under any contract with that Third Party provided that such Third Party claim:

- 21.14.1. arises naturally and ordinarily as a result of the Contractor's failure to provide the Contractor Deliverables or failure to perform any of its obligations under this Contract; and
- 21.14.2. is a type of claim or loss that would have been recoverable under this Contract if the third party were a party to this Contract (whether as the Authority or the Contractor), such claim to be construed as direct losses for the purpose of this Contract.

21.15. No double recovery

21.16. Neither Party shall be entitled to employ such rights and remedies available to it so as to seek to recover more than once in respect of the same loss, but the Authority shall be entitled to use (singly or together) such rights and remedies available to the Authority so as to recover the full extent of any recoverable losses suffered or incurred, including any remedies the Authority may have against any guarantor pursuant to any Parent Company [Bank] Guarantee.

22. Change in Law

22.1. The Contractor shall neither be relieved of its obligations to supply the Contractor Deliverables in accordance with the Contract nor be entitled to an increase in the Contract Price as a result of:

22.1.1. a General Change in Law; or

22.1.2. 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.

22.2. If a Specific Change in Law occurs or will occur during the Contract Period (other than as referred to in Condition 22.1.2), the Contractor shall:

22.2.1. notify the Authority as soon as is reasonably practicable of the likely effects of that Specific Change in Law, including:

22.2.1.1. whether a Change is required, including to the Contractor Deliverables, the Contract Price and/or any other part of this Contract; and

22.2.1.2. whether any relief from the Contractor's obligations is required;

22.2.2. provide the Authority with evidence:

22.2.2.1. that the Contractor has minimised any increase in costs or maximised any reduction in costs, including in respect of the costs of its Subcontractor(s);

22.2.2.2. as to how the Specific Change in Law has affected the cost of providing the Contractor Deliverables;

22.2.2.3. demonstrating that any expenditure that has been avoided has been taken into account in amending the Contract Price.

22.3. Any Change required as a result of a General Change in Law shall be made by the Authority to the Contract without the requirement to be made through the Change Procedure.

22.4. Any Contract Change to the Contract including for the avoidance of doubt, the Contract Price or relief from the Contractor's obligations resulting from a Specific Change in Law (other than as referred to in Condition 22.1.2) shall be implemented in accordance with the Change Procedure.

23. Assumptions

- 23.1. Schedule 10 sets out the contract assumptions, for new or amended assumptions shall be made by the Contractor to the Authority or vice-versa, discussed as part of the clarification process and Negotiation stage 5 Annex B Evaluation.

23A. Required Insurance

23A.1. Obligation to Maintain Insurances

- 23A.2. Without prejudice to its obligations to the Authority under this Contract, including its indemnity and liability obligations, the Contractor shall for the periods specified in this Condition 23A take out and maintain, or procure the taking out and maintenance of the insurances as set out in Schedule 22 (Required Insurance) of the Contract and any other insurances as may be required by applicable Law (together the "Insurances"). The Contractor shall ensure that each of the Insurances is effective no later than the date on which the relevant risk commences.

- 23A.3. The Insurances shall be maintained in accordance with Good Industry Practice and (so far as is reasonably practicable) on terms no less favourable than those generally available to a prudent contractor in respect of risks insured in the international insurance market from time to time.

- 23A.4. The Insurances shall be taken out and maintained with insurers who are:

23A.4.1 of good financial standing;

23A.4.2 appropriately regulated;

23A.4.3 regulated by the applicable regulatory body and is in good standing with that regulator; and

23A.4.4 except in the case of any Insurances provided by an Affiliate of the Contractor, of good repute in the international insurance market.

- 23A.5. The Contractor shall ensure that the public and products liability policy shall contain an indemnity to principals clause under which the Authority shall be indemnified in respect of claims made against the Authority in respect of death or bodily injury or third party property damage arising out of or in connection with the Contract and for which the Supplier is legally liable.

23A.6. General Obligations

- 23A.7. Without limiting the other provisions of this Contract, the Contractor shall:

23A.7.1 take or procure the taking of all reasonable risk management and risk control measures in relation to the Contractor Deliverables as it would be reasonable to expect of a prudent contractor acting in accordance with Good Industry Practice, including the investigation and reports of relevant claims to insurers;

23A.7.2 promptly notify the insurers in writing of any relevant material fact under any Insurances of which the Contractor is or becomes aware; and

- 23A.7.3 hold all policies in respect of the Insurances and cause any insurance broker effecting the Insurances to hold any insurance slips and other evidence of placing cover representing any of the Insurances to which it is a party.

23A.8. Failure to Insure

- 23A.9. The Contractor shall not take any action or fail to take any action or (insofar as is reasonably within its power) permit anything to occur in relation to it which would entitle any insurer to refuse to pay any claim under any of the Insurances.

- 23A.10. Where the Contractor has failed to purchase any of the Insurances or maintain any of the Insurances in full force and effect, the Authority may elect (but shall not be obliged) following written notice to the Contractor to purchase the relevant Insurances, and the Authority shall be entitled to recover the reasonable premium and other reasonable costs incurred in connection therewith as a debt due from the Contractor.

23A.11. Evidence of Insurances

- 23A.12 The Contractor shall upon the Effective Date and within 20 Working Days after the renewal or replacement of each of the Insurances, provide evidence, in a form satisfactory to the Authority, that the Insurances are in force and effect and meet in full the requirements of this Condition 23A. Receipt of such evidence by the Authority shall not in itself constitute acceptance by the Authority or relieve the Contractor of any of its liabilities and obligations under this Contract.

23A.13. Insurance for the Required Amount

- 23A.14. The Contractor shall ensure that any Insurances which are stated to have a minimum limit "in the aggregate" are maintained for the minimum limit of indemnity for the periods specified in this Condition 23A.

- 23A.15. Where the Contractor intends to claim under any of the Insurances for an amount or amounts that are significant in the opinion of the Authority for any matters that are not related to the Contractor Deliverables and/or the Contract, where such claim is likely to result in the level of cover available under any of the Insurances being reduced below the minimum limit of indemnity specified in this Condition 23A, the Contractor shall promptly notify the Authority and provide details of its proposed solution for maintaining the minimum limit of indemnity specified in this Condition 23A.

23A.16. Cancellation

- 23A.17. Subject to Paragraph 23A.21, the Contractor shall notify the Authority in writing at least 5 Working Days prior to the cancellation, suspension, termination or non-renewal of any of the Insurances.

- 23A.18. Without prejudice to the Contractor's obligations under Paragraph 23A.11, Paragraph 23A.20 shall not apply where the termination of any Insurances occurs purely as a result of a change of insurer in respect of any of the Insurances required to be taken out and maintained in accordance with this Condition 23A.

23A.19. Insurance Claims, Premiums and Deductibles

- 23A.20. The Contractor shall promptly notify to insurers any matter arising from, or in relation to, the Contractor Deliverables and/or this Contract for which it may be entitled to claim under any of the Insurances. In the event that the Authority receives a claim relating to or arising out of the Contractor Deliverables and/or this Contract, the Contractor shall co-operate with the Authority and assist it in dealing with such claims at its own expense including without limitation providing information and documentation in a timely manner.
- 23A.21. The Contractor shall maintain a register of all claims under the Insurances in connection with this Contract and shall allow the Authority to review such register at any time.
- 23A.22. Where any Insurance requires payment of a premium, the Contractor shall be liable for and shall promptly pay such premium.
- 23A.23. Where any Insurance is subject to an excess or deductible below which the indemnity from insurers is excluded, the Contractor shall be liable for such excess or deductible. The Contractor shall not be entitled to recover from the Authority any sum paid by way of excess or deductible under the Insurances whether under the terms of this Contract or otherwise.
- 23A.24. **Compulsory Insurances**
- 23A.25. The Contractor shall meet its insurance obligations under applicable Law in full, including, UK employers' liability insurance and motor third party liability insurance.
- 23A.26. **Insurance Claim Notification**
- 23A.27. Except where the Authority is the claimant party, the Contractor shall give the Authority notice within 20 Working Days after any insurance claim in excess of **£100,000** relating to or arising out of the provision of the Contractor Deliverables or this Contract on any of the Insurances or which, but for the application of the applicable policy excess, would be made on any of the Insurances and (if required by the Authority) full details of the incident giving rise to the claim.

Scope of Contractor Deliverables

24. Articles

- 24.1. The Contractor shall provide the Articles to the Authority in accordance with the Schedule of Requirements and shall allocate sufficient resource to the provision of the Contractor Deliverables to enable it to comply with this obligation.
- 24.2. The following provisions shall apply to Item(s) within the Schedule of Requirements:
- 24.3. Spares – Initial Package
- 24.3.1. The Contractor shall be responsible for providing Spares Initial Package in accordance with:
- 24.3.1.1. Schedule 2 (Statement of Requirement) Item 1.1;
- 24.3.1.2. Condition 28 (Delivery);
- 24.3.1.3. Condition 43 (Acceptance Criteria).

24.4. Support and Test Equipment

24.4.1. The Contractor shall be responsible for providing Support and Test Equipment in accordance with:

24.4.1.1. Schedule 2 (Statement of Requirement) Item 1.2;

24.4.1.2. Condition 28 (Delivery);

24.4.1.3. Condition 43 (Acceptance Criteria).

24.5. Tranche 1

24.5.1. The Contractor shall be responsible for providing Tranche 1 in accordance with:

24.5.1.1. Schedule 2 (Statement of Requirement) Item 1.3;

24.5.1.2. Schedule 3 - SRD; (Table 4);

24.5.1.3. Condition 28 (Delivery);

24.5.1.4. Condition 43 (Acceptance Criteria).

24.6. Air Drop Payload Covers (Tranche 1)

24.6.1. The Contractor shall be responsible for providing Air Drop Payload Covers (Tranche 1) in accordance with:

24.6.1.1. Schedule 2 (Statement of Requirement) Item 1.4;

24.6.1.2. Condition 28 (Delivery);

24.6.1.3. Condition 43 (Acceptance Criteria).

24.7. Spares – Package 2

24.7.1. The Contractor shall be responsible for providing Spares Package 2 in accordance with:

24.7.1.1. Schedule 2 (Statement of Requirement) Item 1.5;

24.7.1.2. Condition 28 (Delivery);

24.7.1.3. Condition 433 (Acceptance Criteria).

24.8. Tranche 2

24.8.1. The Contractor shall be responsible for providing Tranche 2 in accordance with:

24.8.1.1. Schedule 2 (Statement of Requirement) Item 1.6;

24.8.1.2. Schedule 3 - SRD; (Table 4);

24.8.1.3. Condition 28 (Delivery);

24.8.1.4. Condition 43 (Acceptance Criteria).

24.9. Air Drop Payload Covers (Tranche 2)

24.9.1. The Contractor shall be responsible for providing Air Drop Payload Covers (Tranche 2) in accordance with:

24.9.1.1. Schedule 2 (Statement of Requirement) Item 1.7;

24.9.1.2. Condition 28 (Delivery);

24.9.1.3. Condition 43 (Acceptance Criteria).

24.10. Tranche 3

24.10.1. The Contractor shall be responsible for providing Tranche 3 in accordance with:

24.10.1.1. Schedule 2 (Statement of Requirement) Item 1.9;

24.10.1.2. Schedule 3 - SRD; (Table 4);

24.10.1.3. Condition 2828 (Delivery);

24.10.1.4. Condition 43 (Acceptance Criteria).

24.11. Tranche 4

24.11.1. The Contractor shall be responsible for providing Tranche 4 in accordance with:

24.11.1.1. Schedule 2 (Statement of Requirement) Item 1.10;

24.11.1.2. Schedule 3 - SRD; (Table 4);

24.11.1.3. Condition 28 (Delivery);

24.11.1.4. Condition 43 (Acceptance Criteria).

24.12. Tranche 5

24.12.1. The Contractor shall be responsible for providing Tranche 5 in accordance with:

24.12.1.1. Schedule 2 (Statement of Requirement) Item 1.11;

24.12.1.2. Schedule 3 - SRD; (Table 4);

24.12.1.3. Condition 28 (Delivery);

24.12.1.4. Condition 43 (Acceptance Criteria).

Additional Spares

24.13. The Contractor shall deliver additional Spares under SOR Item No. 7 as the Authority may elect to order during the Contract period of performance. Such procurement orders for additional Spares shall be as specified by the Authority within a duly authorised CP&F Purchase Order.

24.14. The Contractor shall acknowledge receipt of an Authority additional Spares procurement order pursuant to Condition 24.13 within five Business Days.

24.15. The Contractor shall effect delivery of the additional Spares pursuant to Condition 24.13 within the delivery lead time(s) specified within Schedule 11 (Spares Price List) of the Contract.

24.16. In the event that any new Spare is identified that is not recorded within the Spares Price List, the Authority and the Contractor shall seek to agree a Firm Price for such Spare and when such Firm Price is agreed, it shall be included in the Spares Price List (Schedule 11) via an Amendment to Contract.

25. Services

25.1. The Contractor shall provide the Contractor Deliverables comprising the activities detailed within Section 4 of Schedule 2 (Statement of Requirement) and shall allocate sufficient resource to the provision of the Contractor Deliverables to enable it to comply with this obligation.

25.2. Timely supply of the Contractor Deliverables shall be of the essence of the Contract, including in relation to commencing the supply of the Contractor Deliverables within the time agreed or on a specified date within Schedule 2 (Statement of Requirement).

- 25.3. The Contractor shall at all times comply with the Quality Standards required under this Contract, and where applicable shall maintain accreditation with the relevant Quality Standards authorisation body and the standards specified in this Contract.

26. Summary of Contractor Deliverables

- 26.1. The Contractor shall complete all aspects of work listed in the Statement of Requirement (Schedule 2) which are to be delivered in accordance with the document provisions therein.

- 26.2. The Contractor Deliverables comprise the following:

26.3. Supporting Documentation - Contractor Deliverable Documents

- 26.3.1. The Contractor shall provide and update the Contractor Deliverable Documents in accordance with the requirements of Schedule 7 (Contractor Deliverable Documents) for the Authority's approval.

- 26.3.2. The Authority may reject a Contractor Deliverable Document which does not comply with the requirements of Schedule 7 (Contractor Deliverable Documents). In such cases, the Contractor shall resubmit until it is approved in writing by the Authority.

- 26.3.3. The submission by the Contractor and receipt by the Authority of any Contractor Deliverable or reports on the progress of the Contract shall not prejudice any rights or obligations of either Party under this Contract.

26.4. Obsolescence Management

- 26.4.1. The Contractor shall provide an Obsolescence management service in accordance with Schedule 2 (Statement of Requirement) Item 3.1.22.

26.5. Configuration Control Service

- 26.5.1. The Contractor shall provide a Configuration Control service in accordance with Schedule 2 (Statement of Requirement) Item 3.1.23.

26.6. Human Factors Integration Service

- 26.6.1. The Contractor shall provide a Human Factors Integration service in accordance with Schedule 2 (Statement of Requirement) Item 3.1.24.

26.7. Technical Publication Service

- 26.7.1. The Contractor shall provide a Technical Publication service in accordance with Schedule 2 (Statement of Requirement) Item 3.1.25.

26.8. Technical Services

26.8.1. Technical Queries (TQs)

- 26.8.1.1. The Contractor shall provide to the Authority Design Organisation advice and assistance to Technical Queries;

- 26.8.1.2. Technical Queries shall begin three (3) months after the Effective Date and shall be managed in accordance with Item 4.1 of the Schedule of Requirement
- 26.8.1.3. Routine Technical Queries shall be acted upon, and a response provided within five (5) Business Days;
- 26.8.1.4. Urgent Technical Queries shall be acted upon, and a response provided within forty-eight (48) hours;
- 26.8.1.5. Routine or Urgent Technical Queries are to take no longer than ten (10) hours to complete. Any Technical Query that is forecast to require more than ten (10) hours to complete, will require approval from the Authority through the Additional Work Authorisation tasking procedure;
- 26.8.1.6. The Contractor shall maintain a Technical Queries Register (**TQR**) in accordance with Schedule of Requirement Item 4.1.3;
- 26.8.1.7. A limit of liability shall be utilised for the purpose of TQ's. A quarterly summary of queries and utilisation shall be provided as part of KPI No: 2 at and reported at the Contract Tasking Review.
- 26.8.2. Fault Investigations
 - 26.8.2.1. The Fault Investigation service shall begin three (3) months after the Effective Date and shall be managed in accordance with Item 4.2 of the Statement of Requirement;
 - 26.8.2.2. The Contractor shall respond with Fault Investigation Reports (MOD Form 761) within fifteen (15) Business Days, unless otherwise agreed with the Authority;
 - 26.8.2.3. Fault Investigations are to take no longer than ten (10) hours to complete. Any Fault Investigation that is forecast to require more than ten (10) hours to complete, will require approval from the Authority through the Additional Work Authorisation tasking procedure.
 - 26.8.2.4. The Contractor shall maintain a Fault Investigation Register in accordance with SOR Item 4.2.2;
 - 26.8.2.5. A limit of liability shall be utilised for the purpose of Fault Investigations. A quarterly summary of queries and utilisation shall be provided as part of KPI 1 and reported at the Contract Tasking Review.
- 26.8.3. Maintenance and Repair
 - 26.8.3.1. The Maintenance and Repair service shall begin six (6) months after the Effective Date and shall be managed in accordance with Item 4.3 of the Statement of Requirement;
 - 26.8.3.2. The Contractor shall provide a maintenance and repair service in accordance with DEFSTAN 05-61 as requested by the

Authority via the Emergent Work Authorisation tasking procedure pursuant to Condition 7.

26.9. Reports and Meetings

26.10. Reports and meetings are to be delivered in accordance with Sections 5 and 6 respectively of Schedule 2 (Statement of Requirement).

27. Emergent Work Authorisation

27.1. Contractual authority for any additional work including but not limited to Maintenance and Repair Services and Minor Rectification, shall be raised in accordance with this Condition 7. The Authority shall have the right to raise an Emergent Work Request for any other work within the scope of the Contract for agreement with the Contractor.

27.2. All tasks shall be priced on a case-by-case basis using the agreed rates at Schedule 5 (Pricing and Payment). The Authority shall not be liable for any work undertaken by the Contractor without obtaining written authorisation of the Emergent Work Authorisation Form and accompanying approved Purchase Order (PO) from the Authority's Operations Manager and Commercial Officer.

27.3. Emergent Work Authorisation Forms (the "**Task Authorisation Form**") shall be raised and placed using the proforma at Schedule 6 in accordance with the following procedure: -

27.4. Part 1 – Request for Quotation

27.4.1. Shall be raised by an Authority representative as identified in DEFFORM 111 to the Contract or an Authorised Demander as identified in the Schedule 15 (List of Authorised Demanders). It shall be completed to show the task number, task title and details of the task requirement. It shall also record any telephone conversation/e-mails or other communication where the scope of work has been agreed between the Project Manager and Contractor. Each task will be given a unique identifying reference number by the Authority.

27.5. Part 2 – Quotation

27.5.1. The Contractor shall acknowledge receipt of Part 1 within three (3) Business Days and at the same time confirm whether any additional information is required by providing the full details needed in order to progress a comprehensive proposal or confirm that the Task Authorisation Form is sufficiently detailed for the purposes of submitting a Contractor proposal. Any required information shall be clarified by the Authority with an updated Task Authorisation Form. Following the acknowledgement of Part 1, the Contractor shall provide a Firm Price Quotation, by returning the completed Task Authorisation Form Part 2 (Firm Price Quotation) section to the originator of the Task Authorisation Form and the Authority's Commercial Officer within twenty (20) Business Days of receipt of the request (or other period as agreed with the Authority's Commercial Officer).

- 27.5.2. Part 2 of the Task Authorisation Form shall be completed and signed on behalf of the Contractor and submitted to the Authority. It shall include a Firm Price offer, supported by a breakdown using the agreed Labour Rates at Schedule 5 (Pricing and Payment) and shall also include; Labour Hours, Material, sub-contractor, Travel & Subsistence and Profit/Overhead costs. The original Task Authorisation Form together with the price breakdown should be returned to the original Authority demander for authorisation.
- 27.5.3. The Contractor shall supply a work breakdown structure and full cost breakdown with each quotation.

Part 3 – Authorisation to Proceed

- 27.5.4. The Authority shall complete Part 3 of the Task Authorisation Form upon acceptance of the quotation provided within Part 2. The Authority's authorisation and approval for the Contractor to proceed with a task will only be given by completion of Part 3 of the Authorisation Form, which must include an approved CP&F Purchase Order (PO) number. The Contractor shall acknowledge receipt of the approved Task Authorisation Form within seven (7) calendar days confirming that the Contractor is proceeding with the task.
- 27.5.5. Should the Contractor wish to raise any queries or discrepancies they should do so immediately by contacting the Authority demander.

27.6. Part 4 – Completion of the Task

- 27.6.1. Part 4 of the Task Authorisation Form, on completion of the task, shall be completed by the Contractor (Part 4a) which is to be forwarded to the Project Manager. When the Project Manager is content that the task is complete, they shall sign part 4b and return the Task Authorisation Form to the Contractor.
- 27.6.2. The Authority shall have the right to cancel an individual task by applying DEFCON 656B (Termination for Convenience – Over £5M).

28. Delivery

28.1. Articles

- 28.2. The Contractor shall provide the Articles detailed in DID1, Schedule 7 (Contractor Delivery Plan) by the dates stated therein.
- 28.3. The Contractor Deliverables shall be Delivered Duty Paid by the Contractor. The consignee shall be specified on the CP&F Purchase Order by the Authority at the point of order, to any of the delivery destinations below as specified:

Consignee	Consignee Address
RAF Brize Norton	R&D Logs Squadron, RAF Brize Norton, Carterton, Oxon, OX18 3LX.
Bicester Depot	MOD Bicester, Lower Arncliffe, Bicester, OX25 2LP.
Defence Fulfilment Centre (DFC), Donnington	Defence Fulfilment Centre, Hortonwood 50, Donnington, Telford, TF1 7AE (Please note, postcode for SatNav purposes is: TF1 7GZ).
MOD Donnington	West Gate, MOD Donnington, Telford, TF2 8JT.
Stirling Lines	Stirling Lines, Hereford, HR4 7DD
RNAS Culdrose	RNAS Culdrose HMS S/Hawk RAF Supply, Culdrose, Helston, Cornwall, TR12 7RH.
RAF Odiham	RAF Odiham, Odiham, Hook, Hants, RG29 1QT.

- 28.4. Deliveries to destinations other than those stated in 25.1.2 shall be treated in accordance with DEFCON 113 (Diversion Orders).
- 28.5. The Authority reserves the right to change, as a Diversion Order, any previously annotated delivery destination up to one (1) week before the scheduled delivery date. Requests for Diversion Orders must be made in writing from an Authorised Demander in Schedule 15 (List of Authorised Demanders).
- 28.6. If a Diversion Order incurs reasonable additional delivery and packaging costs these must be claimed as an Emergent Work Tasking subject to Authority agreement.
- 28.7. The Authority shall not be responsible for the cost of any transport, with all prices being provided as a Delivered Price. All transport should be carried out using DDP Incoterms.
- 28.8. The Contractor shall comply with the requirements set out in the Logistics Commodities Services Transformation Authority Managed Material Supplier Manual (Version 2 – LDOC/CMO/V2.0 dated 28 Jun 19) issued by the Authority and published on the Authority's Knowledge in Defence (KiD) system (as amended from time to time) (the "LCST Supplier Manual") in respect of all Contractor Deliverables which are:
- 28.8.1. supplied by the Contractor or any of its subcontractors under this Contract; and
- 28.8.2. which are to be delivered to depots which are managed and/or operated by Leidos Europe Ltd or its subcontractors pursuant to the Logistics Commodities and Services (Transformation) contract (Contract No. [LCST/0001]) ("LCS(T) Managed Depots")

- 28.9. If it becomes clear that the Contractor Deliverables will not be delivered within the specified timescales the Contractor shall immediately notify the Authority of the cause of delay together with a forecast delivery date.
- 28.10. Any changes to delivery dates must be communicated to and authorised by the Authority in writing. Variation to dates must be agreed by the Authority and may be considered an allowable mitigation if the claim submitted by the Contractor in accordance with Schedule 9 (Performance Management) to the Contract, is approved by the Authority.
- 28.11. Contractor Deliverable Documents
- 28.12. The Contractor shall deliver the Contractor Deliverable Documents in accordance with Schedule 7.
- 28.13. Any changes to delivery timescales must be communicated to and authorised by the Authority's Commercial Officer in writing. Variation to timescales must be agreed by the Authority and may be considered an allowable mitigation if the claim submitted by the Contractor in accordance with Schedule 9 (Performance Management) to the Contract, is approved by the Authority.
- 28.14. Maintenance and Repair Service
- 28.15. Any item returned after a period of repair work shall be subject to the obligations within this Condition 28.
- 28.16. Defence Standards
- 28.17. Defence Standards (DEFSTANs) shall be applicable to this Contract and shall be applied as illustrated throughout the contract documentation including any Schedules, appendices, or other Contract document and shall apply in accordance with the intent of these Schedules, appendices, or any other Contract document.

29. Military Airworthiness Authority (MAA) Regulations

- 29.1. MAA Regulatory Publications
- 29.2. The Contractor shall comply with the following MAA Regulatory Publications ("MRP") issued by the Military Aviation Authority ("the Regulator"):
- 29.2.1. Overarching Documents:
- 29.2.1.1. MAA01: MAA Regulatory Policy
- 29.2.1.2. MAA02: MAA Master Glossary
- 29.2.2. Regulatory Articles:
- 29.2.2.1. As listed in Schedule 8
- 29.2.3. MAA Manuals
- 29.2.3.1. MAM-P: Manual of Airworthiness Maintenance – Process
- 29.2.3.2. MAM-D: Manual of Airworthiness Maintenance - Documentation

29.3. The Contractor shall comply with the Regulations set out in the Regulatory Compliance Matrix by following:

- 29.3.1. the acceptable means of compliance (“**AMC**”) prescribed therein;
- 29.3.2. where there is more than one AMC, an AMC or AMCs agreed by the Contractor with the Regulator; or
- 29.3.3. other alternative means as may be agreed by the Contractor with the Regulator.

29.4. Complying with the MRP does not reduce or limit any statutory or legal obligation of the Contractor.

30. Safety and Airworthiness

30.1. Should the Contractor fail to hold DAOS accreditation or comply with the requirements of MAA Regulatory Publications (MRP) and Regulatory Articles (RA) then the Authority shall have the right to terminate the Contract, in part or in full, under DEFCON 514 Material Breach.

31. Quality Assurance

31.1. Contractors are required to hold and maintain a Quality Management System certification to ISO:9001 or suitable alternative, with the appropriate scope to deliver contract requirements, issued by a Nationally Accredited Certification Body.

31.2. The Contractor is required to ensure compliance with the following standards:

Requirement	Standard	Description
Quality Assurance	AQAP 2310	NATO Quality Management System Requirements for Aviation, Space and Defence Suppliers <i>CoC shall be provided iaw DEFCON 627.</i>
Quality Plan	AQAP 2105	A Deliverable Quality Plan is required iaw DEFCON 602A 04/23 and AQAP 2105 Edition C Version 1 Jan 2019 NATO Requirements For Quality Plans. Unless otherwise notified, the Deliverable Quality Plan shall be delivered to the Quality Assurance Representative as notified to the Contractor from time to time within three (3) months of Contract Award.

Requirement	Standard	Description
Concessions	DEF STAN 05-61	Concessions shall be managed iaw Def Stan. 05-061 Part 1, Issue 7 - Quality Assurance Procedural Requirements - Concessions.
Contractor Working Parties	DEF STAN 05-61 Part 4	Any contractor working parties shall be provided iaw Def Stan. 05-061 Part 4, Issue 4 - Quality Assurance Procedural Requirements - Contractor Working Parties.
Safety Critical Items	DEF STAN 05-61 Part 9	Quality Assurance Procedural Requirements - Independent Inspection Requirements for Safety Critical Items.
Counterfeit Material	DEF STAN 05-135	Processes and controls for the avoidance of counterfeit material shall be established and applied iaw Def Stan. 05-135, Issue 2 – Avoidance of Counterfeit Material.

31.3. For guidance on the application and interpretation of AQAPs the Contractor is to refer to the appropriate AQAP Standards Related Document (SRD).

31.4. Where Government Quality Assurance (GQA) is performed against this Contract it will be in accordance with AQAP 2070 Edition B Version 4.

32. Environmental Standards

32.1. The Contractor is required to comply with the following standards:

Requirement	Standard	Description
Environmental Management for Defence Systems	DEF STAN 00-051	This Standard is intended to ensure that Contractors have established a robust approach to environmental management within the scope of the contract and an associated Environmental Management System (EMS) is in place

33. Marking of Articles

33.1. The Contractor shall mark all Articles in accordance with the requirements of DEFCON 644.

34. Packaging and Labelling

- 34.1. The Contractor shall supply DEFFORM 129J with each Contractor Deliverable in accordance with the requirements of DEFCON 129J (The Use Of The Electronic Business Delivery Form). In addition, the Contractor shall include the following information on the DEFFORM 129J:
- 34.1.1. The Contractor's NATO Commercial and Government Entity (NCAGE);
 - 34.1.2. Any delivery tracking numbers if tracked delivery is used; and
 - 34.1.3. Where the Contractor Deliverables are elastomeric items or subject to a finite life or shelf life; the batch numbers, living details, date of manufacture, and expiry date.
- 34.2. The Contractor shall send a digital copy of each DEFFORM 129J to the Authority Supply Chain Management contact specified in (DEFFORM 111) on the same date as despatch.
- 34.3. The Contractor shall send a digital copy of each Certificate of Conformity to the Authority Supply Chain Management contact in specified in (DEFFORM 111) on the same date as despatch.
- 34.4. The Contractor shall supply Commercial Packaging meeting the standards and requirements of the LCST Supplier Manual. In addition, the following requirements apply:
- 34.4.1. The Contractor shall provide Packaging in accordance with DEFCON 129 (Packaging (For Articles Other Than Munitions)) and the packaging will be expected to survive handling in a frost-free dry warehouse environment.
- 34.5. The Contractor shall comply with the requirements set out for labels and barcodes in the LCST Supplier Manual. In addition, the following requirements apply:
- 34.5.1. the Contractor shall detail on the label for each Contractor Deliverable:
 - 34.5.1.1. the Manufacturer's Part Number (MPN)
 - 34.5.1.2. the Date of Manufacture (DOM)
- 34.6. Where the Contractor is to apply DEFSTAN 81-041 (Packaging of Defence Materiel), they shall provide the Authority's Project Managers, detailed within (DEFFORM 111), written notice of the Contractor's proposed DEFSTAN 81-041 compliant packaging and labelling. The Authority shall, within ten (10) Business Days of receipt of such notice, review and confirm the required packaging and labelling. Where the Authority does not provide confirmation or propose an alternative standard pursuant to this Condition, the Contractor's proposed packaging and labelling standard shall be deemed as accepted.

35. Warranty

35.1. The provisions of this Condition 35 shall only apply in the event the Authority exercises the Warranty Option(s) in accordance with Condition 7 (Contract Options) of the Contract.

35.2. Parts and Labour Coverage

35.2.1. The Contractor has used and will continue to use the degree of skill, care, diligence, best up-to-date practice and foresight in the performance of each of the Contractor Deliverables as specified within:

35.2.1.1. Section 1 (Equipment) of Schedule 2 (Statement of Requirement; and

35.2.1.2. Section 4.4 (Maintenance and Repair) of Schedule 2 (Statement of Requirement; and

35.2.1.3. Schedule of Requirements Item No. 7 (Additional Spares);

together the "Warranted Deliverables" that would reasonably be expected of a fully qualified and competent professional Contractor experienced in carrying out activities of a similar nature, scope, size, timescale and complexity to those comprised in the Contractor Deliverables.

35.2.2. The warranty provides full parts and labour coverage for workmanship or material failure of any part of the Warranted Deliverables.

35.2.3. In relation to any defects and/or other faults in any of the Warranted Deliverables which arise at any time during the [\[period of relevant option exercised by the Authority to be inserted here\]](#) period from point of delivery to the Authority due to any failure of the Contractor to comply with its obligations under this Contract, it shall:

35.2.3.1. remedy any such defects and/or other faults in the Warranted Deliverables as soon as reasonably practicable; and/or

35.2.3.2. indemnify the Authority for all costs incurred in carrying out any remedial work necessary to remedy such defects and/or other faults in the Warranted Deliverables; and

35.2.3.3. inform the Authority immediately if the Contractor becomes aware of any such defects and/or other faults in the Warranted Deliverables that may have an impact on the LBAD System.

35.2.4. In the event that the Contractor replaces any Warranted Deliverables or part thereof under the warranty set out above, such replaced Warranted Deliverables or part thereof shall be warranted against defects in parts, materials and workmanship for a further [\[period of relevant option exercised by the Authority to be inserted here\]](#) period from Acceptance by the Authority of the replacement Warranted Deliverables or part thereof.

35.2.5. In the event that Warranted Deliverables are repaired under the warranty they shall be warranted against defects in parts, materials and workmanship for the balance of the warranty life remaining, with the remainder of the

warranty commencing from the acceptance by the Authority of the repaired Warranted Deliverable or part thereof.

35.3. Design Warranty

35.4. The Contractor warrants the LBAD System against failures or defects in design under the terms stated below:

- 35.4.1. Against failures or defects in design for a period of [\[period of relevant option exercised by the Authority to be inserted here\]](#) from successful achievement by the Contractor of Final Design Acceptance Review (Item 6.6 (FDAR) of Section 6 of Schedule 2 (Statement of Requirement) of Contract) and will undertake any re-design necessary to rectify such failures or defects;
- 35.4.2. In the event that the Contractor carries out a re-design in order to rectify a failure or defect under the warranty as set out at 35.4.1 such re-design shall be warranted against failures or defects in design for a further [\[period of relevant option exercised by the Authority to be inserted here\]](#) period from Acceptance by the Authority of the Warranted Deliverables incorporating the re-design and will undertake any re-design necessary to rectify such failures or defects;
- 35.4.3. The Contractor shall be responsible for completing any design investigation required for any design failure as sentenced by the Incident Sentencing Committee; and
- 35.4.4. In the event that the Contractor carries out a re-design in order to rectify a design defect, the Contractor shall be responsible for rectification of all Warranted Deliverables previously Accepted by the Authority under the Contract that are affected by the design defect.

35.5. Limitations and Exclusions

35.6. The warranties set out in Conditions 35.2 and 35.3 above shall not apply in respect of damage caused by:

- 35.6.1. Any use by the Authority, including storage, maintenance, configuration or installation of the Warranted Deliverable that is not undertaken in accordance with the instructions set out in the technical manuals provided by the Contractor under the Contract;
- 35.6.2. The Authority operating the Warranted Deliverable outside of the requirements as stated in the SRD (Schedule 3);
- 35.6.3. Any alteration, modification or attachments made to the Warranted Deliverable by the Authority without the Contractor's approval or not undertaken in accordance with the Contractor's documentation provided in accordance with the Contract;
- 35.6.4. GFA that is to be installed in the Warranted Deliverables where such GFA is installed in accordance with the GFA technical manuals or the GFA manufacturer's reasonable instructions and the Contractor has properly discharged his obligations pursuant to Condition 20 (Government Furnished Assets);

- 35.6.5. Accidental damage (other than that caused through fair wear and tear), misuse or neglect by the Authority; or
- 35.6.6. Damage caused by operation of the Articles outside the requirements set out in the Contract including those in the SRD (Schedule 3).
- 35.7. The Contractor shall not be liable under the Warranty for:
 - 35.7.1. Normal maintenance services, adjustments and the replacement of service items including but not limited to, oils, filters and lubricants made in connection with such services;
 - 35.7.2. Replacement or repairs to remedy fair wear and tear to any part or Warranted Deliverables; or
 - 35.7.3. Rectifications where no Contractor fault is found as determined by the Incident Sentencing Committee.
 - 35.7.4. If it is determined that any of the above reasons listed in this Clause 35.5 caused the alleged failure, the Contractor shall be reimbursed for the reasonable costs incurred in carrying out the procedures under Warranty.
- 35.8. **Pass Through Warranties**
- 35.9. The Contractor shall use reasonable endeavours to procure from its Sub-Contractors a warranty at no additional cost in any Contractor Deliverables or part of any Contractor Deliverables to be provided by such Sub-Contractors ('transferable warranties').
- 35.10. In circumstances where the Contractor's Sub-Contractors offer a transferable warranty at no additional cost in any Contractor Deliverables or part of any Contractor Deliverables, the Contractor shall pass the benefit of this to the Authority.
- 35.11. The Contractor shall provide the Authority's Commercial Officer with a list of transferable Warranties within 20 Business Days of Contract Award.
- 35.12. On or prior to Acceptance, the Contractor shall notify the Authority of any transferable warranties the benefit of which shall pass to the Authority.
- 35.13. For the avoidance of doubt, the provisions of Condition 35 (Warranty) shall take precedence in the event the terms of transferable warranties are offered on less favourable terms.

Pricing

36. Pricing

- 36.1. The Contract Prices for Schedule Of Requirements Items 1 to 8 shall be as stated within the Schedule Of Requirements and as defined within Schedule 5 (Pricing and Payment) of the Contract.

Payment

37. Payment

- 37.1. All payments to be made by the Authority to the Contractor under the Contract shall be subject to the provisions of this Condition 37 as well as Condition 16 (Performance Management) of this Contract.
- 37.2. The Contractor shall ensure that all claims for payment reflect the Contract Prices as detailed in the Schedule of Requirements and sub-detailed in Schedule 5 (Pricing and Payment). Any claim for payment that does not accord with this Condition shall not be regarded as valid claim for payment. Further, If the Authority considers that the Contractor has failed to perform any of its obligations under the Contract, the Authority may, wholly or in part, withhold any payment due under the Contract or recover from the Contractor any payment already made, or both. The making of any payment to the Contractor by the Authority shall in no way reduce the liability of the Contractor to carry out its obligations under the Contract.
- 37.3. Specific payment Conditions relating to Schedule of Requirements Items 1.1 to 1.15 shall be in accordance with Schedule 5 (Pricing and Payment).
- 37.4. Payment to the Contractor shall not be construed as acceptance by the Authority of the performance of the Contractor's obligations nor as a waiver of its rights and remedies under the Contract. The acceptance arrangements that shall apply to the services and deliverables to be provided by the Contractor under the Contract shall be as detailed in Condition 43 (Acceptance Criteria) of this Contract.
- 37.5. The Contractor shall submit claims for payment in accordance with DEFCON 522 (Payment and Recovery of Sums Due) and the Authority's Contracting, Purchasing and Finance (CP&F) electronic procurement tool.

Intellectual Property

38. IPR DEFCON Application

- 38.1. The following DEFCONs shall be applicable to the Contractor Deliverables:

DEFCON	Description	Applicable Contractor Deliverable
707	To obtain Limited Rights to technical data.	Technical data provided within DID 20 in accordance with Schedule 7 (Contractor Deliverables).

- 38.2. DEFCON 707 (Paragraph 4, Limited Rights) shall apply to all technical data concerned with the following:
- 38.2.1. Configuration;
- 38.2.2. Assembly repair;
- 38.2.3. Maintenance of Equipment (to include but not limited to the airdrop platform, parachutes, and ancillary equipment);

- 38.2.4. Applicable lifting policy information;
 - 38.2.5. Test data;
 - 38.2.6. The Authority has a requirement to develop training material, and to develop other elements not generated by the Contractor including but not limited to AP101B-8301-11C1 and DAP101P-0001-5A1.
- 38.3. Information purporting to Conditions 38.2.1 to 38.2.6 shall be marked in accordance with Clause 14a of DEFCON 707.

39. Subcontracts

- 39.1. The Contractor shall not place any Subcontract or order which may reasonably be expected to create any Intellectual Property required under the Contract without the prior written consent of the Authority.
- 39.2. Unless otherwise agreed, the Authority's consent referred to in Condition 39.1 will be conditional on the proposed Subcontractor concluding a direct agreement with the Authority in the form of DEFFORM 177 referred to within Schedule 16 (DEFFORM 177 (Design Rights Agreement)). Wherever possible the request for approval should be accompanied by two (2) copies of the agreement signed by the Subcontractor. If, in any case the Contractor is unable to comply with this Condition it shall report the matter to the Authority's Commercial Officer and await further instructions before placing the Subcontract or order.

40. Sharing of Information

- 40.1. The Authority may make Limited Rights Information available to Third Parties for the purposes of integration, safety case development, training and operations. The Contractor shall be given the opportunity to identify any commercial risk from such disclosure and the Authority and the Contractor shall work in good faith to minimise the risk through redaction or use restrictions.
- 40.2. No disclosure shall be made without first giving the Contractor the opportunity to enter into a direct confidentiality agreement with the intended recipient, substantially similar to DEFFORM 94.

Import and Export Licences

41. Import / Export Licence Application

- 41.1. If, in the performance of the Contract, the Contractor needs to import into the UK or export out of the UK anything not supplied by or on behalf of the Authority and for which a UK import or export licence is required, the responsibility for applying for the licence shall rest with the Contractor in accordance with DEFCON 528.

42. International Traffic in Arms Regulations

- 42.1. The Contractor shall use reasonable endeavours to identify whether any Contractor Deliverable is subject to: International Traffic in Arms Regulations (ITAR) in accordance with DEFCON 528.

Acceptance Criteria

43. Schedule of Requirement Acceptance

43.1. Without prejudice to Condition 288 (Delivery), the Articles shall be accepted as follows:

43.1.1. **Initial Provision - Spares Package** to enable Tranche 1 Flight Trials (Schedule of Requirements Item 1.1) shall be accepted in accordance with the following Contract documents:

43.1.1.1. Statement of Requirement (Schedule 2);

43.1.1.2. Acceptance Plan (Schedule 12).

43.1.2. **Support and Test Equipment (Schedule of Requirements Item 1.2)** shall be accepted in accordance with the following Contract documents:

43.1.2.1. Statement of Requirement (Schedule 2);

43.1.2.2. Acceptance Plan (Schedule 12).

43.1.3. **Tranche 1 (Schedule of Requirements Item Number 1.3)** shall be accepted in accordance with the following contract documents:

43.1.3.1. Statement of Requirement (Schedule 2);

43.1.3.2. Acceptance Plan (Schedule 12);

43.1.3.3. Top Level T & E Plan (Schedule 4);

43.1.3.4. Full compliance with Schedule 3 (System Requirement Document).

43.1.4. **Airdrop Payload Covers 1 (Schedule of Requirements Item Number 1.4)** shall be accepted in accordance with the following contract documents:

43.1.4.1. Statement of Requirement (Schedule 2);

43.1.4.2. Acceptance Plan (Schedule 12).

43.1.5. **Spares Package 2 (Schedule of Requirements Item Number 1.5)** shall be accepted in accordance with the following contract documents:

43.1.5.1. Statement of Requirement (Schedule 2);

43.1.5.2. Acceptance Plan (Schedule 12).

43.1.6. **Tranche 2 – (Schedule of Requirements Item Number 1.6)** shall be accepted in accordance with the following contract documents:

43.1.6.1. Statement of Requirement (Schedule 2);

43.1.6.2. Acceptance Plan (Schedule 12);

43.1.6.3. Top Level T & E Plan (Schedule 4);

43.1.6.4. Full Compliance with Schedule 3 (System Requirement Document).

- 43.1.7. **Airdrop Payload Covers 2 (Schedule of Requirements Item Number 1.7)** shall be accepted in accordance with the following contract documents:
 - 43.1.7.1. Statement of Requirement (Schedule 2);
 - 43.1.7.2. Acceptance Plan (Schedule 12).
- 43.1.8. **Support and Test Equipment 2 (Schedule of Requirements Item 1.8)** shall be accepted in accordance with the following Contract documents:
 - 43.1.8.1. Statement of Requirement (Schedule 2);
 - 43.1.8.2. Acceptance Plan (Schedule 12).
- 43.1.9. **Tranche 3 – (Schedule of Requirements Item Number 1.9)** shall be accepted in accordance with the following contract documents:
 - 43.1.9.1. Statement of Requirement (Schedule 2);
 - 43.1.9.2. Acceptance Plan (Schedule 12);
 - 43.1.9.3. Compliance with F100A.
- 43.1.10. **OPTION - Tranche 4 – (Schedule of Requirements Item Number 1.10)** shall be accepted in accordance with the following contract documents:
 - 43.1.10.1. Statement of Requirement (Schedule 2);
 - 43.1.10.2. Acceptance Plan (Schedule 12);
 - 43.1.10.3. Compliance with F100A.
- 43.1.11. **OPTION - Tranche 5 – (Schedule of Requirements Item Number 1.11)** shall be accepted in accordance with the following contract documents:
 - 43.1.11.1. Statement of Requirement (Schedule 2);
 - 43.1.11.2. Acceptance Plan (Schedule 12);
 - 43.1.11.3. Compliance with F100A.

Contract Management and Administration

44. Meetings and Minutes

- 44.1. The Contractor shall meet their obligations in accordance with the specific meetings stated in Section 5 and 6 of Schedule 2 (Statement of Requirement) to the Contract. In addition, the Authority or the Contractor reserves the right to call an extraordinary project meeting with the Parties to review and/or discuss a significant issue arising that cannot wait for the next scheduled meeting. Such meeting(s) may be held at either the Contractor's site or on the Authority's premises at no additional cost to the Authority and are expected to be only called in extreme circumstances. Any actions that arise

from such meetings will be agreed in accordance with the Emergent Work Authorisation process.

- 44.2. The Contractor shall attend with the appropriate level of representation as indicated in the specific meeting requirement.
- 44.3. Should the Contractor feel it is necessary to expand the meeting attendees for any reason, this shall be agreed with the Authority a minimum three (3) Business Days prior to the meeting taking place.
- 44.4. Minutes and secretariat services shall be taken and delivered where requested in accordance with Schedule 2 (Statement of Requirement).

45. Progress Management and Access

- 45.1. The Authority must be kept informed of, and have the appropriate access to the required infrastructure and/or facilities for its representatives to assess the progress of the work under this Contract. Accordingly, and notwithstanding the requirements for particular information detailed elsewhere in this Contract, the Contractor shall keep the Authority's Project Manager informed and, whenever the need arises, inform them as appropriate, and without delay, of any matter which has, or may have, a significant effect on the planned execution of the Contractor Deliverables or individual task.
- 45.2. The Contractor shall also provide the Authority's representatives with reasonable access to any relevant technical and/or commercial information following reasonable notice being provided by the Authority. The Contractor shall ensure that similar rights, requirements, and facilities are contractually secured in respect of its Subcontractors.

46. Publicity and Communications with the Media

- 46.1. The Contractor shall not, and shall ensure that any employee or Subcontractor shall not, communicate with the press, television, radio or any other media on any matter concerning this Contract unless the Authority has given its prior written consent.

47. Points of Contact

The Contractor

- 47.1. The Contractor shall provide the Authority with the following points of contact upon commencement of the Contract:
 - 47.1.1. a primary Commercial point of contact to manage the overall contract; and
 - 47.1.2. a primary Project Delivery point of contact to manage the delivery of Contractor Deliverables and
 - 47.1.3. a primary Technical point of contact to resolve open technical points that may arise during Ground Assessment and the duration of the overall contract.
- 47.2. The Contractor shall inform the Authority of any changes to the points of contact throughout the Contract Period.

The Authority

- 47.3. The Authority points of Contact can be found in DEFFORM 111.
- 47.4. A list of Authorised Demanders is included at Schedule 15.
- 47.5. The Contractor shall inform the Authority of any changes to the points of contact throughout the Contract Term.

Signatories

This Contract has been entered into:

SIGNED BY)
for and on behalf of)
THE SECRETARY OF STATE FOR DEFENCE)

[To be populated at Contract Award]

SIGNATURE

NAME

DATE.....

SIGNED BY)
for and on behalf of)
(Company Number:))

[To be populated at Contract Award]

SIGNATURE

NAME

DATE.....