



CONTENTS

1.	PURPOSE.....	2
2.	BACKGROUND TO THE CONTRACTING AUTHORITY.....	2
3.	BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT	2
4.	DEFINITIONS.....	2
5.	SCOPE OF REQUIREMENT.....	3
6.	THE REQUIREMENT.....	3
7.	KEY MILESTONES	4
8.	AUTHORITY'S RESPONSIBILITIES.....	5
9.	REPORTING.....	5
10.	VOLUMES.....	5
11.	CONTINUOUS IMPROVEMENT	5
12.	SUSTAINABILITY	5
13.	QUALITY.....	5
14.	PRICE.....	6
15.	STAFF AND CUSTOMER SERVICE.....	6
16.	SERVICE LEVELS AND PERFORMANCE	6
17.	SECURITY REQUIREMENTS.....	7
18.	INTELLECTUAL PROPERTY RIGHTS (IPR)	7
19.	PAYMENT.....	7
20.	DURATION	7
21.	ADDITIONAL INFORMATION.....	8
22.	LOCATION.....	9

OFFICIAL



1. PURPOSE

- 1.1 To create wider markets and marketing opportunities for Navy News (NN) through a Commercial Contract covering the wholesaler and retailer distribution of Navy News in the UK and Channel Islands. The Contractor will manage the distribution of issues of NN from the printers to members of public who purchase copies ‘over the counter’.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1 The Ministry of Defence is the Central Government Department responsible for the three UK Armed Forces; the British Army, the Royal Navy and the Royal Air Force. The Ministry of Defence supports and manages the activity of the Armed Forces and seeks to advocate for them within the civilian public.
- 2.2 Navy News is the official publication of the Royal Navy, Sea Cadet Corps and Royal Naval Association. It is a key conduit for disseminating the activities of the Royal Navy to the general public. In addition it is a prime method of internal communication for the Naval Service.

3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 3.1 NN is published 12 times a year, on a monthly basis. The newspaper reports on the activities of the three organisations mentioned in paragraph 2.2, and other matters of interest to the Naval Service and is on sale to the general public. It features news articles, features and correspondents’ contributions.
- 3.2 NN has two main external routes to market. The first is through subscriptions (copies sold directly to readers for set periods of time, posted directly to their home addresses). The second is by ‘over-the-counter’ sales through shops and other outlets, for which copies have to be distributed across the country and sales data gathered. This latter option is the subject of this distribution contract requirement.
- 3.3 Ongoing market pressures and the availability of free content on the internet have combined to create a declining market for publications, with a subsequent impact on retailers. The periodicals industry has undergone major changes, and faces further such changes in the future, which will in all likelihood further affect the Authority’s existing discount agreements with wholesalers and retailers. Using an external distribution agency protects the Authority from changes and the impact on staff and their time renegotiating existing arrangements.
- 3.4 Without a distribution contract, sales and availability of NN would be severely reduced, losing revenue (which helps cover production costs) and limiting the influence of the publication on the public perception of the RN.

4. DEFINITIONS

Expression or Acronym	Definition
NN	means Navy News.
RN	means Royal Navy.
MOD	means Ministry of Defence.



DEFCON	Means Defence Condition – an MoD specific Contract Term.
--------	--

5. SCOPE OF REQUIREMENT

- 5.1 The requirement is to manage the distribution and supply of Navy News for the retail market in the UK and Channel Islands.
- 5.2 The Contract requirement concerns the receipt of agreed numbers of copies of Navy News every month from the printing contractors, which are then transported to wholesalers and retailers for sale to members of the public. Reports on sales, returns and the management of outlets – including seeking new outlets – are all in scope.
- 5.2.1 A schedule of printing dates, with key dates for distribution, will be provided by NN on an annual basis. Our distributor will make available detailed data regarding sales and distribution figures broken down by, inter alia, geographical areas;
- 5.3 Editorial functions (including design, writing, sourcing of features and imagery), and advertising are out of scope.

6. THE REQUIREMENT

- 6.1 The Supplier will be required to take on and continue all current Navy News distribution activity. This distribution activity includes;
- 6.1.1 Receive NN from the printing contractors and manage the supply and resupply of editions to wholesalers and retailers in line with both the agreed on-sale date as detailed at Annex A (subject to change on issue of Contract to successful bidder, but normally the first of the month) and with sales orders. As of June 2017, Navy News is available through 2,675 outlets nationwide.
- 6.1.2 Specify to the NN Lead Contact, currently NN Business Manager Lisa Taw, the number of issues to order from the printers for the retail network by the date detailed in Annex A.
- 6.1.2.1 Orders will normally be placed with the NN Lead Contact by the 15th of the month before the edition date (i.e by June 15 for the July edition) but that specific date will be agreed depending on print schedule at Annex A.
- 6.1.3 Manage the professional marketing and promotion of NN to wholesalers and retailers with approval from the NN Lead Contact. An example of this activity would be to increase supply to a particular area to coincide with a major military event such as an Air Show or Armed Forces Day event or a commemoration of a significant anniversary, contacting local retailers to offer, inter alia, a special promotion through supply of material such as flyers or posters or similar
- 6.1.3.1 This promotional activity will be funded by the percentage of sales takings withheld by the Supplier.

OFFICIAL



- 6.1.4 Issue invoices and credit notes to retailers, and provide the Authority with a percentage of the Retail Cover Price 30 days after the off-sale date.
- 6.1.5 Provide detailed monthly reports as set out in section 9 of this document.
- 6.1.6 To alert the NN Lead Contact as to areas of concern or development as soon as they become apparent, including, but not limited to,
 - 6.1.6.1 A dip/peak in sales figures;
 - 6.1.6.2 Retailers not receiving NN editions as scheduled;
 - 6.1.6.3 Distribution problems.
- 6.1.7 To be able to act on short notice to ensure availability of additional copies of NN in specified areas in line with RN events nationally, including, but not limited to, recruitment initiatives, RN Presentation Team events, ship visit etc.
- 6.1.8 To assist in the smooth transition of NN distribution from the current arrangement to any future arrangement, to meet the NN on sale dates as detailed at Annex A.
- 6.1.9 To provide a dedicated Account Manager five days a week as a point of contact for NN staff for all queries and feedback, and to provide a contact number, to be printed in the newspaper and made available online, for members of the public and retailers who have queries or difficulties sourcing NN.

7. KEY MILESTONES

- 7.1 Each month's distribution dates as specified on the annual print schedule (receive copies from printers' premises, delivery to wholesalers and retailers) are key milestones.
- 7.2 The Potential Provider should note the following project milestones that the Authority will measure the quality of delivery against:

Milestone	Description	Timeframe
1	Transition and Implementation plan	Within week 1 of Contract Award
2	Clear project timeline of delivery dates	Within week 2 of Contract Award
3	Generation of monthly sales data	Ongoing
4	Increased capability to meet 'special' or unique events such as Armed Forces Day	Ongoing



8. AUTHORITY'S RESPONSIBILITIES

- 8.1 Editions are printed by a third party. The Authority will liaise with printers and distributors to reschedule distribution process in event of edition failing to print on time for any reason.

9. REPORTING

- 9.1 Data on distribution and sales of NN should be constantly maintained and up to date.
- 9.2 Reports should be provided to the Authority on a monthly basis and should include overall, regional and locals sales data broken down by;
- 9.2.1 Area;
 - 9.2.2 Location;
 - 9.2.3 Retailer;
 - 9.2.4 Wholesaler;
 - 9.2.5 Distribution;
 - 9.2.6 Sales;
 - 9.2.7 Fall/Raise against previous months.
- 9.3 These reports should be provided in an easily editable format i.e. Microsoft Excel or similar formats.

10. VOLUMES

- 10.1 Current monthly print run is circa 30,000 copies, of which around 10,000-11,000 (on current figures) are sent out via the distribution network which is the subject of this distribution contract requirement. The remainder are sent out via subscriptions or through internal RN channels, which are outside the scope of this contract.

11. CONTINUOUS IMPROVEMENT

- 11.1 The Supplier will be expected to monitor returns of unsold copies of NN to allow adjustments to the monthly print run, via the ordering mechanism specified in par 6.3 above, thereby minimising waste.

12. SUSTAINABILITY

- 12.1 See 11.1 (above).

13. QUALITY

- 13.1 To maintain current standards in terms of meeting the agreed distribution schedule as laid out in the distribution Contract (above)



14. PRICE

- 14.1 The Contractor shall pay to the Authority a sum based on the Retail Cover Price, currently £3.20 per month (but which is subject to periodic review and adjustment by the Authority). Payments are to be made to the Authority no later than 30 days after the Off-Sale date. The current payment level is 55 per cent of the cover price to the Authority for each newspaper sold.
- 14.2 Payment to the Authority is to be submitted via the BACS payment into the NN Public Sub Account (details to be provided on award).

15. STAFF AND CUSTOMER SERVICE

- 15.1 The Authority requires the Potential Provider to provide a sufficient level of resource throughout the duration of the NN Distribution Contract in order to consistently deliver a quality service to all Parties and to provide continuous improvement.
- 15.2 Potential Provider's staff assigned to the NN Distribution Contract shall have the relevant qualifications and experience to deliver the Contract.
- 15.3 The Potential Provider shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

16. SERVICE LEVELS AND PERFORMANCE

- 16.1 The Authority will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Delivery of copies of Navy News to designated destinations	Newspapers to be available for sale to the public by dates as specified in print schedule (Annex A)	100 %
2	Monthly Sales Reports	Provision of sales data relating to the previous months sales	100%
3	Quarterly Meetings	Supplier attendance at quarterly review meetings	100%
4	Increase in Sales	Seek to increase over-the-counter sales of NN from current levels over the course of the contract.	Increase of 5% by the end of the Contract
5	Return of Profit	Return any agreed balance of Retail Cover Price to Navy news	Within 30 days of 'off-sale' date.
7	Increase in distribution network	Seek to increase the network of shops, wholesalers and stockists that Navy News is currently sold to.	Increase of 5% by the end of the



			Contract
8	Account Management	Provision of a dedicated account manager that will acknowledge Navy News queries within 1 working day.	95%

16.2 Where the Authority identifies poor performance against the agreed KPIs, the Supplier shall be required to attend a performance review meeting. The performance review meeting shall be at an agreed time no later than 10 working days from the date of notification at the Authority’s premises.

16.3 The Supplier shall be required to provide a full incident report which describes the issues and identifies the causes. The Supplier will also be required to prepare a full and robust ‘Service Improvement Action Plan’ which sets out its proposals to remedy the service failure. The Service Improvement Plan shall be subject to amendment following the performance review meeting and agreed by both parties prior to implementation.

16.4 The Authority agrees to work with the Supplier to resolve service failure issues. However, it will remain the Supplier’s sole responsibility to resolve any service failure issues.

16.5 Where the Supplier fails to provide a Service Improvement Plan or fails to deliver the agreed Service Improvement Plan to the required standard, the Authority reserves the right to seek early termination of the contract in accordance with the procedures set out in Appendix C - Terms and Conditions.

17. SECURITY REQUIREMENTS

17.1 There are no specific of unique Security considerations at this time.

18. INTELLECTUAL PROPERTY RIGHTS (IPR)

18.1 The Authority retains all Intellectual Property Rights with regards to the Navy News publication itself.

19. PAYMENT

19.1 There is no direct payment to the Supplier from the Authority; instead, the contractor takes an agreed percentage (currently 45%) from the sale of each copy of NN. The remaining percentage (55%) is paid to the Authority.

19.2 Payment from the Supplier to the Authority will be made via BACS payment to the Navy News Public Sub Account. Details of this account will be provided to the winning Supplier upon appointment.

20. DURATION

20.1 The Contract shall be for one (1) year only with no options to extend. The Authority will seek to retender this requirement in 2018.



21. ADDITIONAL INFORMATION

21.1 The following DEFCONs will apply to this Contract – where there is any conflict between Terms in the Appendix C and the below DEFCONs, the DEFCONs will take precedence;

- 21.1.1 76 (Edn 12/06) Contractor's Personnel at Government Establishments
- 21.1.2 113 (Edn 02/17) Diversion Orders
- 21.1.3 501 (Edn 05/17) Definitions and Interpretations
- 21.1.4 502 (Edn 05/17) Specifications Changes
- 21.1.5 503 (Edn 12/14) Formal Amendments to Contract
- 21.1.6 507 (Edn 10/98) Delivery
- 21.1.7 513 (Edn 11/16) Value Added Tax
- 21.1.8 514 (Edn 08/15) Material Breach
- 21.1.9 515 (Edn 02/17) Bankruptcy and Insolvency
- 21.1.10 516 (Edn 04/12) Equality
- 21.1.11 518 (Edn 02/17) Transfer
- 21.1.12 520 (Edn 02/17) Corrupt Gifts and Payments of Commission
- 21.1.13 522 (Edn 18/11/16) Payment and Recovery of Sums Due
- 21.1.14 524 (Edn 10/98) Rejection
- 21.1.15 526 (Edn 08/02) Notices
- 21.1.16 527 (Edn 09/97) Waiver
- 21.1.17 529 (Edn 09/97) Law (English)
- 21.1.18 530 (Edn 12/14) Dispute Resolution (English Law)
- 21.1.19 531 (Edn 11/14) Disclosure of Information
- 21.1.20 532A (Edn 06/10) Protection of Personal Data (Where Personal Data is not being processed on behalf of the Authority)
- 21.1.21 534 (Edn 06/17) Subcontracting and Prompt Payment
- 21.1.22 537 (Edn 06/02) Rights of Third Parties

OFFICIAL



-
- 21.1.23 538 (Edn 06/02) Severability
 - 21.1.24 539 (Edn 08/13) Transparency
 - 21.1.25 550 (Edn 02/14) Child Labour and Employment Law
 - 21.1.26 566 (Edn 10/16) Change of Control of Contractor
 - 21.1.27 602B (Edn 12/06) Quality Assurance (without Quality Plan)
 - 21.1.28 604 (Edn 06/14) Progress Reports
 - 21.1.29 609 (Edn 06/14) Contractor's Records
 - 21.1.30 621B (Edn 10/04) Transport (If Contractor Is Responsible For Transport)
 - 21.1.31 625 (Edn 10/98) Co-operation on Expiry of Contract
 - 21.1.32 632 (Edn 08/12) Third Party Intellectual Property – Rights and Restrictions
 - 21.1.33 642 (Edn 06/14) Progress Meetings
 - 21.1.34 656A (Edn 08/16) Termination for Convenience – Under £5m

22. LOCATION

- 22.1 Each monthly edition will be delivered to the contractor's premises by the print contractor for onward distribution.
- 22.2 The successful Supplier may be expected to attend meetings, from time to time, at the offices of the Authority at;
 - 22.2.1 MP 1.4 Navy Command

Leach Building
HMS Excellent
Portsmouth
Hampshire
PO2 8BY