**TERMS AND CONDITIONS OF THE CONTRACT- this Contract is subject to the following Terms and Conditions:**

# GENERAL CONDITONS

DEFCON 23 (Edn 08/09) - Special Jigs, Tooling and Test Equipment

DEFCON 68 (Edn 02/17) - Supply of Hazard Data for Articles, Materials and Substances

DEFCON 76 (Edn 12/06) - Contractor's Personnel at Government

DEFCON 82 (Edn 11/16) - Special Procedures for Initial Spares

DEFCON 117 (Edn 10/13) - Supply of Information for NATO Codification Purposes.

DEFCON 501 (Edn 05/17) - Definitions and Interpretations

DEFCON 503 (Edn 12/14) – Formal Amendments to Contract

DEFCON 514 (Edn 08/15) – Material Breach

DEFCON 515 (Edn 02/17) - Bankruptcy and Insolvency

DEFCON 516 (Edn 04/12) – Equality

DEFCON 518 (Edn 02/17) – Transfer

DEFCON 520 (Edn 02/17) - Corrupt Gifts and Payments of Commission

DEFCON 526 (Edn 08/02) – Notices

DEFCON 527 (Edn 09/97) – Waiver

DEFCON 528 (Edn 07/17) - Import and Export Licences

(The Contractor's attention is drawn to clause 1 of DEFCON 528 requiring notification of overseas expenditure. In this connection, the Contractor shall, within one month of acceptance of the Contract, notify the Contracts Branch of details of any overseas sub-contract or order he has placed, or intends to place, in aid of the contract. Details to be provided are: Contract No; Country in which sub-contract placed/to be placed; Name, Division and full postal address of sub-contractor; Value of sub-contract as applicable to main contract; Date placed/to be placed. If no overseas orders are to be placed, the Contractor shall advise the Contracts Branch to this effect in the same timescale)

DEFCON 529 (Edn 09/97) - Law (English)

DEFCON 530 (Edn 12/14) - Dispute Resolution (English Law)

DEFCON 531 (Edn 11/14) - Disclosure of Information

DEFCON 532A (Edn 06/10) - Protection of Personal Data (Where Personal Data is not being processed on behalf of the Authority)

DEFCON 537 (Edn 06/02) - Rights of Third Parties

DEFCON 538 (Edn 06/02) – Severability

DEFCON 539 (Edn 08/13) – Transparency

DEFCON 550 (Edn 02/14) - Child Labour and Employment Law

DEFCON 566 (Edn 10/16) - Change of Control of Contractor

DEFCON 620 (Edn 05/17) – Contract Change Control Procedure

DEFCON 601 (Edn 04/14) - Redundant Materiel

DEFCON646 (Edn.10/98) - Law and Jurisdiction (Foreign Suppliers)

DEFCON 647 (Edn 09/13) – Financial Management Information

DEFCON 656B (Edn 08/16) - Termination for Convenience – £5m and Over

DEFCON 658 (Edn 04/17) – Cyber

DEFCON 660 (Edn 12/15) - Official-Sensitive Security Requirements

DEFCON 670 (Edn 02/17) Tax Compliance

## DURATION OF CONTRACT

* + 1. The Contract shall commence on the date the DEFFORM 10 acceptance is signed (CA) and shall remain in force for five years until, CA+ 60 Months.

## CONTRACTOR’S RESPONSIBILITIES

* + 1. The Contractor shall carry out all work under the Contract in accordance with the Statement of Work at Annex A to the Contract.

## PLACE OF MANUFACTURE

* + 1. Any change in the Contractor's or major Sub-Contractor's place(s) of manufacture during the currency of the Contract shall be promptly notified to the Authority’s Commercial Officer, with a copy to the Authority’s Project Manager, detailed in Boxes 1 and 2 respectively of the Appendix to Contract (DEFFORM 111).

## APPOINTMENT OF PRIME CONTRACTOR AND PLACING OF SUB-CONTRACTS

* + 1. For the purposes of this Contract and the work to be performed thereunder the Contractor shall be designated as the Prime Contractor, and shall accordingly be responsible to the Authority, subject to the provisions of the Contract, for the timely, economic and proper execution of the Contract as described in the Schedule of Requirements.
    2. The Contractor's responsibilities shall apply equally to work carried out by Sub-Contractors in respect of the requirements of the Contract.
    3. The Contractor shall ensure that the terms and conditions of this Contract are reflected in all Sub-Contracts, at whatever level, to the extent necessary to enable the Contractor to fully meet his obligations to the Authority under the Contract.
    4. The Contractor shall furnish the Authority with a copy of any Sub-Contract if required.

## PRECEDENCE

* + 1. Further to the provisions of DEFCON 501, in the event of any conflict arising between the Schedule of Requirements (DEFFORM 110) and the Contract then the Schedule of Requirements shall take precedence, followed by the Terms and Conditions of the Contract, followed by Annex A, followed by all remaining Annexes, each with equal precedence, followed by any reference documents called up under the Contract.

## AMENDMENTS TO CONTRACT

* + 1. Only the Commercial Officer detailed in the Appendix (DEFFORM 111 Box 1), or his authorised representative, is authorised to vary the terms and conditions of the Contract. Such variations shall only have effect if agreed in writing.
    2. Any technical or other proposal from the Contractor requiring an amendment to the Contract is to be submitted in writing to the Authority for consideration, together with cost and time-scale implications. Any such changes accepted by the Authority shall be notified to the Contractor by written amendment to the Contract, and shall not be effective until accepted in writing by the Contractor.
    3. Notwithstanding DEFCON 503, nothing said, done or written by any person nor anything omitted to be said, done or written by any person including, but without limitation, any servant or agent of the Authority shall in any way affect the rights of the Authority to modify, affect, reduce or extinguish the obligations and liabilities of the Contractor under the Contract, or be deemed to be a waiver of rights of the Authority, unless stated in writing and signed by the Commercial Branch named in the Appendix (DEFFORM 111) to this Contract.

## SUSTAINABLE PROCUREMENT

* + 1. It is the responsibility of both the MOD and the Contractor to ensure that the Project fully incorporates sustainable procurement through clear and specific requirements and specifications, whether directed by the MOD or that can be demonstrated by the Contractor, whereby both parties work together with particular reference to:
* Safety and Environmental Responsibility
* Sustainable Procurement
* Disposal of Waste
* Climate Change
* Social and Ethical Responsibility
* Fair Trade
* Corporate Social Responsibility
  + 1. A sustainable procurement plan is not required for the purposes of this Contract. The Contractor shall, however, ensure that the Contract is carried out in accordance with the social, economic and environmental requirements specified as may be required to be demonstrated in clause 2.7.1 above.
    2. Throughout the life of the Contract, the Contractor is encouraged to bring to the attention of the Authority any measures which might promote sustainable procurement from a social, economic and environmental point of view.
    3. The Contractor shall take all reasonable steps to procure the observance of the economic, social and environmental legislation related to the subject matter or the execution of the Contract by any servants, employees or agents of the Contractor and any Sub-Contractors engaged in the performance of the Contract.
    4. If the Contractor becomes aware of any prosecution or proceedings, for criminal breaches of the economic, social and environmental legislation related to the subject matter or the execution of the Contract, against the Contractor, any servants, employees or agents of the Contractor and any Sub-Contractors engaged in performance of the Contract, the Contractor shall immediately notify the Authority at the address specified in the Contract.
    5. Any convictions during the period of the Contract for criminal breaches of the economic, social and environmental legislation related to the subject matter or the execution of the Contract by the Contractor or any of the Contractor’s directors/partners or senior management who have powers of representation, decision or control, shall be regarded as a material breach of this Contract.

## EXPORT LICENCES

* + 1. In addition to the Contractor’s obligations under DEFCON 528, if, in the execution of the Contract, the Contractor needs to import material for which a foreign export licence is required, it shall be its responsibility to apply for and obtain such a licence in sufficient time so as to not adversely affect the delivery schedule recorded on the DEFFORM 110 or otherwise adversely affect the performance of the its obligations under the contract.

# SPECIFICATIONS, PLANS, ETC

DEFCON 129 (Edn 18/11/16) - Packaging (For Articles Other Than Munitions)

DEFCON 129J (Edn 18/11/16) – The Use of the Electronic Business Delivery Form

DEFCON 502 (Edn 05/17) - Specifications Changes

DEFCON 602B (Edn 12/06) - Quality Assurance (without Quality Plan)

DEFCON 606 (Edn 06/14) - Change and Configuration Control Procedure

DEFCON 608 (Edn 10/14) - Access and Facilities to Be Provided By the Contractor

DEFCON 609 (Edn 06/14) - Contractor's Records

DEFCON 624 (Edn 11/13) - Use Of Asbestos

DEFCON 627 (Edn 12/10) - Requirement for a Certificate of Conformity

DEFCON 637 (Edn 05/17) - Defect Investigation and Liability

DEFCON 644 (Edn 05/17) - Marking of Articles

## QUALITY ASSURANCE

* + 1. The Quality Assurance Authority shall be the Authority’s Project Manager named in Box 2 of the Appendix to Terms and Conditions to the Contract. Any reference to the Quality Assurance Representative in any document forming part of the Contract shall be read as referring to the Authority’s Project Manager named in Box 2 of the DEFORM 111 to the Contract.
    2. Quality Assurance (QA) surveillance may be conducted directly by the Authority at the Contractor’s or Sub-Contractor’s premises.
    3. Quality Assurance records are to be retained and be available for inspection by the Authority’s Project Manager or his authorised representative for a period of two years from the date of completion of the Contract in accordance with DEFCON 609.

## SAFETY & ENVIRONMENT

* + 1. The Contractor shall ensure that the Equipment/System is safe to operate and maintain, and that all relevant statutory requirements for the safety of the Equipment/System are met in full.
    2. In performing the Contract the Contractor shall comply with all his statutory duties and obligations relating to safety and shall be responsible for ensuring that none of the Specifications or other Contract requirements causes him to be in breach of any statutory duty or obligation relating to safety.
    3. If, after the Contract is made, it appears that any specification or other Contract condition agreed between the Contractor and the Authority may render the Contractor in breach of any statutory duty or obligation relating to safety, he shall immediately draw that fact to the attention of the Authority in writing.
    4. The Authority may, without prejudice to any of his rights that may have arisen under Clause 3.2.2 of this Condition, require the Contractor to vary each such specification or condition in a manner acceptable to the Authority and which will not render the Contractor in breach of any statutory duty or obligation relating to safety.
    5. Nothing in the Contract, or in any other document created or signed on behalf of the Authority in connection with it, shall constitute a written undertaking for the purposes of Section 6(8) of the Health and Safety at Work Act 1974 relieving the Contractor of any of his duties under Section 6 of that Act.
    6. The Authority shall be entitled to reject the Equipment if any relevant Statutory safety requirements, or any of the safety requirements set out in each Specification or elsewhere in the Contract, are not met in full.
    7. The Contractor shall perform all services and requirements such that safety integrity demonstrated in the Safety Case is maintained.

# PRICE

DEFCON 619A (Edn 09/97) – Customs Duty Drawback

## PRICING

* + 1. Prices shall not be exceeded unless the Authority has formally agreed to amend the Contract in accordance with Clause 2.6 of the Terms and Conditions of the Contract.
    2. Unless otherwise stated in the Pricing Annex D, the unit price shall be the FIRM price (non-revisable) of the Articles and shall include the cost of delivery where applicable by the Contractor to the address detailed in the Schedule of Requirements. Prices for the first three years will be FIRM and thereafter will be FIXED in line with the Variation of Price clause 5.
    3. Unless otherwise stated in the Schedule of Requirements, the price for Line Items 1, 2 and 7 (Supply of Staff Working Environment and Collective Accommodation – CUBITO, Supply of Field Hospital – NABBER, and Supply of Training for NABBER and CUBITO) shall be the firm price (non-revisable) of the Task and shall include the cost of delivery where applicable by the Contractor to the address detailed in the Schedule of Requirements.
    4. The Authority will not be bound to order any of the Services or Articles referred to in the Schedule of Requirements nor accept or pay for any Services other than those actually demanded.

## EXERCISE OF OPTIONS

* + 1. The option period detailed below is subject to FIXED pricing in line with the Variation of Price clause 5, should the option periods be exercised.
    2. In addition to the quantity detailed in the Schedule of Requirements, the Contractor hereby grants to the Authority the following irrevocable options to purchase additional years of supply as set out below, in accordance with the Terms and Conditions set out in this Contract or any such subsequent Contract or Contracts where such options are taken up, it being agreed that the Authority has no obligation to exercise such options.
       1. Up to an additional five years of In Service Support in accordance with the Statement of Work.
    3. The Authority shall have the right to exercise the options during the Contract, subject to the Authority exercising the option no later than three calendar months prior to the commencement period of the option or within such further period as corresponds to the aggregate of any period(s):
       1. of delay in the delivery programme whether constituting any breach of the Contract or;
       2. for the duration of which the Authority is prevented from exercising any such option by reason of any other breach of the Contract by the Contractor.
    4. The Authority shall have the right to exercise the options by notifying the Contractor in the form of a contract amendment. Only the Authority’s Commercial Officer or their authorised representative is authorised to exercise the options.

## LIMITS OF LIABILITY

## Where identified on the Schedule of Requirements, “Limit of Liability” means the maximum value of orders the Authority may demand against the respective Line Items of the Schedule of Requirements.

# VARIATION OF PRICE (VOP)

## Variation of Price will be applied to all prices from year four onwards including option years if taken. An example VOP clause can be found at Annex U.

## The prices stated in the Schedule of Requirements are FIXED at February 2018 (Contract Award) price levels.  The prices do not include provision beyond this date for increases or decreases in the market price of the Articles being purchased.  Any such variation shall be calculated in accordance with the following formula:

**V = P (a+b(Oi/O0)) + c (Ni/N0)) - P**

***Where:***

**V represents the variation of price**

**P represents the FIXED price as stated in the Schedule of Requirements (DEFFORM 110) or Contract Annex.**

**a represents the Non Variable Element (NVE) at 10% of P**

**b represents the Variable Element at 75% of P**

**c represents the Variable Element at 15% of P**

**a+b+c=1**

**O represents the index K3BI (CDID)**

**O0 represents the average OUTPUT Price Index figure for the base period 12 months prior to Contract Award.**

**Oi represents the average OUTPUT Price Index figure for the 12 month period prior to payment.**

**N represents the index K38B (CDID)**

**Ni represents the average OUTPUT Price Index figure for the 12 month period prior to payment.**

**N0 represents the average OUTPUT Price Index figure for the base period 12 months prior to Contract Award.**

## The Index referred to in Clause 5 above shall be taken from the following Tables:

* + 1. OUTPUT Price Index - e.g. ONS Publication MM22 Table 2 'Price Indices of UK OUTPUT: All Manufacturing and Selected Industries', or, Table 4 'Price Indices of Products Manufactured in the UK'.
    2. Indices published with a ‘B’ or ‘F’ marker, or a suppressed value, in the last 3 years are not valid for Variation of Price clauses and shall not be used. Where the price index has an ‘F’ marker or suppression applied to it during the term of the Contract, the Authority and the Contractor shall agree an appropriate replacement index or indices. The replacement index or indices shall cover, to the maximum extent possible, the same economic activities as the original index or indices.
    3. In the event that any material changes are made to the indices (e.g. a revised statistical base date) during the period of the contract and before final adjustment of the final contract price, then the re-basing methodology outlined by the Office for National Statistics (ONS, the series providers) to match the original index to the new series shall be applied.
    4. In the event the agreed index or indices cease to be published (e.g. because of a change in the Standard Industrial Classification) the Authority and the Contractor shall agree an appropriate replacement index or indices, which shall cover to the maximum extent possible the same economic activities as the original index or indices. The methodology outlined by the Office for National Statistics used for rebasing indices (as in Clause 4 above) shall then be applied.
    5. Notwithstanding the above, any extant index / indices agreed in the Contract shall continue to be used as long as it is / they are available and subject to ONS revisions policy.  Payments calculated using the extant index / indices during its / their currency shall not be amended retrospectively as a result of any change to the index or indices.
    6. The Contractor shall notify the Authority of any significant changes in the purchasing / manufacturing plan on the basis of which these provisions were drawn up and agreed, or of any other factor having a material bearing on the operation of these provisions such as to cause a significant divergence from their intended purpose, in order that both parties may consider whether any change in this provision would be appropriate.
    7. Prices shall be adjusted taking into account the effect of the above formula as soon as possible after publication of the relevant indices or at a later date if so agreed between the Authority and the Contractor.  Where an index value is subsequently amended, the Authority and the Contractor shall agree a fair and reasonable adjustment to the price, as necessary.
    8. Claims under this Condition shall be submitted to the Bill Paying Branch, certified to the effect that the “requirements of this Clause have been met.

# INTELLECTUAL PROPERTY RIGHTS

DEFCON 14 (Edn 11/05) - Inventions and Designs Crown Rights and Ownership of Patents and Registered Designs

DEFCON 15 (Edn 02/98) - Design Rights and Rights to Use Design Information

DEFCON 16 (Edn 10/04) - Repair and Maintenance Information (For application see Contract Data Requirements at Annex I)

DEFCON 21 (10/04) - Retention of Records (For application see Contract Data Requirements at Annex I)

DEFCON 90 (Edn 11/06) – Copyright

DEFCON 126 (Edn 11/06) - International Collaboration

DEFCON 632 (Edn 08/12) - Third Party Intellectual Property - Rights and Restrictions

6.1. PROCEDURE FOR MAKING DIRECT AGREEMENTS WITH SUB CONTRACTORS

6.1.1 The Contractor shall not place any Sub-Contract or order involving the design or development of equipment required under this contract without the prior approval of the Authority.

6.1.2 The Contractor shall not enter into any commitment in relation to the equipment’s specified at Annex R as may be amended from time-to-time, until the Sub-Contractor has entered into an agreement with the Authority in the form set out at Annex R. Wherever possible the request for approval should be accompanied by two copies of the agreement signed by the Sub-Contractor. If, in any case the Contractor is unable to comply with this condition he shall report the matter to the Authority and await further instructions before placing the Sub-Contract or order.

# DELIVERY

DEFCON 5J (Edn 18/11/16) - Unique Identifiers

DEFCON 113 (Edn 02/17) - Diversion Orders

DEFCON 507 (Edn 10/98) - Delivery

DEFCON 514 (Edn 08/15) – Material Breach

DEFCON 524 (Edn 10/98) – Rejection

DEFCON 525 (Edn 10/98) – Acceptance the Delivery and Acceptance topic should be consulted. (For the purposes of this condition the time period shall be sixty Business Days)

DEFCON 612 (Edn 10/98) - Loss Of or Damage to the Articles Prior to use the Limitation of a Contractors Liability and Indemnities topic should be consulted.

DEFCON 621B (Edn 10/04) - Transport (If Contractor Is Responsible For Transport)

## DELIVERY OF ARTICLES

* + 1. All Articles under the Contract shall be delivered to the address recorded in the Schedule of Requirements unless otherwise stated by the Authority in writing. The collection and delivery of Articles returned to the Contractor on the basis of any warranty claim against the Contractor shall be the responsibility of the Contractor.
    2. The Contractor shall be responsible for providing all necessary support and assistance to the receiving Depot in order to remedy any defects discovered during the Post Delivery Inspections conducted on all equipment by that Depot.

## ACCEPTANCE CRITERIA

* + 1. All Deliverables under this contract shall be accepted in accordance with the criterion set out in the SOW at Annex A to the Contract for the relevant deliverable.
    2. PARCEL DELIVERIES TO **REDACTED**

|  |  |
| --- | --- |
| A. Maximum weight per item | 25 KG |
| B. Maximum length per item | 80 CM |
| C. Maximum width per item | 80 CM |
| D. Maximum height per item | 40 CM |

* + - 1. At the point of **REDACTED** reserves the right to:
* Not accept a delivery/collection outside of the hours 8.00 to 16:00 (15:30 Friday only)
* Allow up to 5 parcels per supplier per day.
* Defer a delivery to our Docks area if there is a Health and Safety concern.
* Redirect the driver to an approved area/an alternative building for offloading.
* Offer the next available space within the Vehicle Delivery Service if the delivery does not meet the criteria of that above.
  + - 1. LS will not take responsibility for undelivered goods should the company choose not to be re-directed.
    1. PALLET DELIVERIES - **REDACTED** 
       1. Items requiring delivery to LS that fall outside of the above criteria, should be declared through our Logistics Commodities and Services Vehicle Booking Service (Booking Slots) situated in **REDACTED** using the Email address below. **REDACTED** quoting:

1. 13 digit NATO Stock Number (NSN) for deliveries of 10 NSNs or under (multiple pallet deliveries of a single NSN will not be accepted without it).
2. Type of Item (Description).
3. Requirement Change Form (RCF) Number as advised by Project Team.
4. Number of packages / pallets.
5. Any special type of Mechanical Handling aids required.
6. Any specialist information e.g. Urgent Operational Requirement / Valuable & Attractive.
7. Supplier / Carrier Details.
8. Contact Number in case of communication failure.
9. Preferable date and time for delivery.
10. A safety data sheet is needed for hazardous items.
    * 1. NCR Collection
         1. If the booking request is for a Non-Compliant Trade Receipt requiring collection from the Donnington site, the NCR number (NCR 0\*\*\*\*\*), NSN and any covering Documentation is required at the email stage.
         2. Should the email communication links be unavailable please contact:

REDACTED

# PAYMENTS/RECEIPTS

DEFCON 513 (Edn 11/16) - Value Added Tax

DEFCON 522 (Edn 18/11/16) - Payment and Recovery of Sums Dues

DEFCON 534 (Edn 06/17) – Subcontracting and Prompt Payment

## CONTRACTOR PERFORMANCE MEASUREMENT AND INCENTIVISATION

* + 1. Claims for payment are subject to an agreed incentivisation arrangement. The Contractor agrees to the delivery requirements specified in the the Schedule of Requirements (SOR) in accordance with the Key Performance Indicators (KPIs) at Annex E to the Contract. In the event that during any performance review period the Contractor fails to meet his obligations, the Authority is entitled to the retention of a calculated percentage of payment due to the Contractor in accordance with the process set out in Annex E. The retention figure represents the diminished value of the service received in the event of a failure against the KPIs.
    2. The Contractor’s performance under the Contract shall be monitored by means of a ‘performance dashboard’. The dashboard shall be populated by Key Performance Indicators (KPIs) against which the Contractor shall be assessed on the basis detailed in Annex E as either having met or not met his performance target.
    3. The aim of KPI measurement is to capture effectively the key outputs of the Contract and to provide the Authority with an objective and realistic measurement of the Contractor’s performance and to provide an incentivisation mechanism which encourages high performance and continuous improvement.
    4. The KPIs and PIs identified at Annex E to the Contract are jointly agreed between the Authority and the Contractor and are deemed to be SMART (Specific, Measurable, Achievable, Realistic and Timely) objectives against which performance can be assessed. The agreed KPIs and PIs shall be applicable for the duration of the Contract unless formally amended.
    5. The Contractor shall be responsible for raising the dashboard reports, detailing performance against all KPIs and submit this as part of the Quarterly Report. The Quarterly Report shall be submitted to the Authority’s Project Manager (as specified on the DEFFORM 111 - Appendix to the Contract) or his nominated representative and the Authority’s Commercial Manager (as specified on the DEFFORM 111 – Appendix to the Contract) or his nominated representative. Scores assessed by reference to the KPIs and PIs at Annex B to the Contract shall be allocated wholly by the Authority whose decision shall be final.
    6. The Authority shall be responsible for measuring the KPIs and evaluating performance against all KPIs on and on-going basis and following each delivery made. Payment for the Supply of the NABITO systems will not be made until any deductions have been made to reflect poor performance where it occurs. If the Contractor should score ‘Red’ for a KPI on 2 or more occasions in a rolling 12 month period the Authority may, by notice in writing to the Contractor, terminate the Contract with immediate effect in accordance with DEFCON 514, or set a new date for achievement of the KPI. Where it is considered appropriate, the Authority may require the Contractor to submit a recovery plan, which, if found acceptable to the Authority, will agree a new date for successful achievement of the respective KPI. If the recovery plan is not acceptable to the Authority, then the Authority reserves the right to terminate the Contract with immediate effect. A recovery plan may also be requested where the Contractor scores “Amber” against a KPI. Where a recovery plan is requested this will be provided to the Authority within 5 working days of request. In the event that the Authority accepts the Contractor’s recovery plan, the Contractor shall work to the recovery plan as if it were the date originally specified in the Contract deliverables. If the Contractor fails to meet the new date for achievement of the KPI identified in his recovery plan, then the Authority reserves the right to terminate the Contract with immediate effect.

# GAINSHARE

* + 1. The Authority and the Contractor shall during the period of Contract identify all possible areas for Gainshare. Gainshare is defined as working together to derive mutual advantage where there is a benefit to both the Authority and the Contractor.
    2. Any Gainshare proposal shall be raised using the Change Proposal form (Gainshare Agreement) at Annex G to the Contract.
    3. Any Gainshare identified shall be considered in line with the Framework Agreement at Annex L to the Contract.
    4. All savings achieved as a result of a Gainshare agreement shall be shared, in a ratio to be agreed between both parties, subject to the following:
       1. Any non-recurring costs incurred during investigation and subsequent implementation of any agreed Gainshare arrangement shall be offset against the agreed savings,
       2. Any non-recurring costs incurred by the Contractor during investigation of a proposed Gainshare which has been approved by the Authority during a quarterly Progress Meeting, but where it is later decided by the Authority not to proceed with the Gainshare, shall be allowed as a genuine charge to the Contract,
       3. Any non-recurring costs incurred by the Contractor during investigation of a proposed Gainshare which has been approved by the Authority during a quarterly Progress Meeting, but where it is later decided by mutual agreement not to proceed with the Gainshare, shall be shared in a ratio to be agreed between both parties.
    5. The Authority may at his discretion, request the Contractor to provide a quotation for non- recurring costs incurred.
    6. The Contractor shall not claim any profit when recovering non- recurring costs under a Gainshare proposal.

# EXIT STRATEGY

* + 1. In furtherance of DEFCON 514, the Authority shall not be liable for additional charge(s) other than those the Contract Conditions that apportion liability to the Authority in respect of the winding up of the Contract.
    2. Where appropriate, the Authority may require the Contractor to furnish a report covering work completed to the date of termination.

# LOANS

DEFCON 694 (Edn 03/16) - Accounting For Property of the Authority

DEFCON 611 (Edn 02/16) - Issued Property

# TASKING PROCEDURE

APPLICABLE TO ITEM 10 OF DEFFORM 110 THE SCHEDULE OF REQUIREMENTS.

## LIABILITY

12.1.1 No payment shall be due under the Contract for work undertaken on any Article/task if, as a result of examination, it is established that the necessity for the work is the liability of the Contractor. The Contractor shall not raise a claim form for any work for which he has accepted liability.

In cases where liability has not been determined the Contractor shall endorse the claim form “Liability to be determined”.

## PART A of the TASKING APPROVAL FORM

* + 1. The Task Approval Form at Annex J shall be used to authorise ad-hoc support activities under the Contract. The Authority’s Project Manager shall define the content of the work required and shall issue a Task Approval Form. The Task Approval Form shall identify the individual priority of the Task. The Contractor shall be advised by the Authority’s Project Manager of the Task Number to be used.

## PART B of the TASKING APPROVAL FORM

* + 1. The Contractor shall complete part 2 of the Task Approval Form giving details of how he will carry out the work specified in Part 1 and provide a firm price quotation for the task. The Contractor shall give a breakdown by labour grade, man-hours and any other costs, utilising the agreed rates at Annex C. Where the Contractors quote utilises cost data not included within the Contract, they shall furnish the Authority with quote data to allow for a value for Money assessment to be made. Part B shall be returned within 5 working days of receipt by the Contractor.

## PART B1 of the TASKING APPROVAL FORM

* + 1. The Contractor shall identify, in his task proposal, any work which he will be required to conduct away from his premises.
    2. The Contractor may claim accommodation of up to a maximum of £90 per night per person, on production of evidence of actual expenditure. Payment in excess of £90 will require the prior written approval of the Authority’s Project Manager or his nominated representative. Meals shall be up to a maximum of £20.00 per person (if not included in the overnight accommodation costs). Subsistence shall be variable (dependent upon UK or Overseas) up to a maximum of £10.00 per person.
    3. UK Car journeys using the Contractor’s own vehicle will be paid at a maximum of Twenty Six pence per mile. The Contractor shall produce a signed certificate detailing the number of miles travelled and confirming that the claim relates solely to travel in connection with the performance of the Contract. Claims relating to vehicle insurance are inadmissible. All rates quoted for Air Travel within the UK shall be at the most economical class.
    4. The Authority will only pay fees for Contractors personnel which it has accepted as assigned to a Project and as identified in the Tasking Form as part of the Contractors proposal (or any amendment thereof). All maximum values shall continue for the term of the Contract.
    5. For any quotation submitted, the Authority reserves the right to demand evidence of receipts against which any claim has been made and shall, if the total value of the receipts is found to be disproportionately lower than the claim submitted, invoice the Contractor by DAB1 the difference between estimates/rates listed at Annex C and Annex G and actuals.

## PART C of the TASKING APPROVAL FORM.

* + 1. Subject to approval and acceptance of the Part B of the Task Approval Form by the Authority, the Contractor shall proceed with the agreed work accordingly. A formal Contract Amendment shall be issued adding the task to Annex J3 to the Contract on completion of the task.
    2. If it is decided not to proceed with any specific task, the Authority shall so advise the Contractor in writing.

# EARNED VALUE MANAGMENT

## The Contractor shall develop, deliver and update as needed over the term of the contract, an Earned Value Management Plan (EVMP) in accordance with the requirements stated in the DEFFORM 110 Schedule of Requirements.