



12 - BUILDING SPECIFICATION



MAIN GROUP 0

GENERAL



Rev.	Description of changes	Date	Sign.
	REDACTED FOI ACT SECTION 41		
	[REDACTED]	[REDACTED]	[REDACTED]
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SCHEDULES TO CONTRACT**TECHNICAL****SCHEDULE T4 – Spares**

Spares

At milestone 13 “Vessel Delivery” and “Interim Acceptance”, the vessel is to be furnished by the Contractor with all necessary spares in accordance with the Lloyd’s Register requirement for long range spares.

All other spares and stores will be purchased by the Council directly from the suppliers of the ship’s systems.

The Contractor is to assist the Council in the preparation of the spares inventory by informing the Council of model, type, manufacturer and the supplier of equipment included or proposed to be included into the first outfit of the vessel. The Contractor should also assist the Council as requested during the build period to obtain priced lists of recommended spares from manufacturers and or suppliers.

SCHEDULES TO CONTRACT

TECHNICAL

SCHEDULE T5– Training

Training

All training will be purchased by the Council directly from the suppliers of the ship’s systems or other companies proficient in providing training.

The Contractor is to assist the Council in the preparation training requirements. The Contractor will be required by the Council to provide a list of the proposed training courses offered by the suppliers of the ship’s systems in the following areas.

Supplier training would be expected on the maintenance of major systems at their factory or training facility. See table below.

Ship Equipment – Maintenance	Number of training courses required (people to be trained)
Main power plant	TO BE AGREED
Electrical Switchboard	
Power management system	
Main propulsion system (Azimuth Units)	
Thrusters	
Cranes	
Scientific Winches	
Overside Handling Equipment	
Integrated Bridge System	
Dynamic Positioning System	
Alarm and Monitoring System (SCADA)	
Fire Detection Systems	
Planned Maintenance System	
Waste Management System	
HVAC Main Items	
Acoustic Instrumentation	
USBL Deployment Systems and Acquisition Hardware	
Communications Equipment	
Ballast Management	

Operational training (Operation)

This is training which NERC will require to ensure that Officers & Crew or other NERC staff are competent in operational aspects of systems. See table below.

Ship Equipment – Operation	Number of training courses required (people to be trained)
Cranes	TO BE AGREED
Scientific Winches	
Overside Handling Equipment	
Swath Bathymetry Data Processing	
Acoustics System Operation	
USBL System	
DP Operation	
Wheelhouse Operation	
Main and auxiliary propulsion control and monitoring systems	

In addition to the above training, the Contractor will need to make provision for familiarisation and handover training in all areas.

The Council will have members of its marine crew and engineering staff in the shipyard during the outfitting and trials phases of the project. Council's staff will require access to the ship to facilitate familiarisation of the ship's systems during these periods in preparation for hand-over and operation. The Contractor should cooperate with the purpose of this activity.

NPRV STATEMENT OF MANAGEMENT REQUIREMENTS



FOREWORD

This Statement of Management Requirements (SMR) defines the requirements for the management framework through which the interface between the COUNCIL and the Contractor is managed during the design, build, test and acceptance of the new ship. It also defines the requirements placed on the Contractor which define how the Contractor will manage and control the work covering the design, procurement of equipment, build, outfitting and acceptance of the ship.

The SMR is based on the principle of a transparent and manageable interface that contributes to the governance of the overall project.

It forms a key part of the Contract with the Contractor. The SMR is supplemented by separate additional documents to provide the overall Contract documentation as shown in the Contract framework.

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1. INTRODUCTION

This document contains:

- The purpose of the Statement of Management Requirements (section 2)
- General Requirements (section 3)
- Requirements for Management Plans (section 4)
- The Project Programme / Plan Requirements(section 5)
- The Management of Deliverables (section 6)
- Assurance, Review and Reporting Requirements (section 7).

Note that all mandatory requirements relating to the delivery of the Contract are shown as **bold** in the text and prefixed by **Mn**, where n is a sequential number.

2. THE PURPOSE OF THE STATEMENT OF MANAGEMENT REQUIREMENTS

2.1 PURPOSE

The purpose of the Statement of Management Requirements is:

- To define the management interface between COUNCIL and the Contractor during the project to supply the new ship. This covers the interface between:
 - COUNCIL Project Manager and the Contractor.
 - COUNCIL Technical Advisers and the Contractor.
 - Other COUNCIL staff, sub-contractors and advisers.
- To set down the requirements of the Contractor's management approach.

2.2 USE OF CONTRACTOR'S EXISTING WORKING PRACTICE

It is COUNCIL's intention that its requirements expressed in this SMR are delivered in a cost effective and efficient way by the Contractor. In satisfying the management requirements, COUNCIL anticipates that the Contractor will need to implement very little change over its normal working practices.

Consequently, COUNCIL encourages the Contractor to apply management approaches that match both the COUNCIL requirements and the style and nature of the normal management practices within the Contractor's organisation. This means that COUNCIL will consider alternative ways of achieving the same end result where it is shown that these can deliver a well managed project.

2.3 GUIDANCE TO THE CONTRACTOR

To set the scene for managing the project, the remainder of this section 2.3 gives the background (covering the overall Contract requirements) and an overview of the specific management requirements to deliver the Contract. The Contractor is encouraged to apply his own ideas on how best to satisfy the management requirements, particularly with regard to effectiveness and efficiency of the processes used within his own organisation.

Background

The SMR should be read in conjunction with the Statement of Requirements. The following summary has been extracted from the SOR to provide the context for bidders to respond to this SMR...

"...The SOR provides an 'Output Specification' for the Contract.

COUNCIL requires the Contractor to provide a ship that is:

- ***Complete and ready for sea in every respect***
- ***As described in the SOR***
- ***Capable of providing a cost-effective, safe, flexible, and reliable platform appropriate to the next 30 years of marine science.***

The Contractor shall carry all the risks associated with the delivery of the ship, covering the areas of design, equipment and system procurement,

build, test, commission, acceptance and handover. COUNCIL requires the Contractor to apply the appropriate best practice techniques and approach to satisfy the requirements.”

Overview of the Management Requirements

COUNCIL requires the Contractor to apply his ability and experience to manage the project well. The Contractor shall satisfy the following requirements:

M1 The Contractor shall apply a comprehensive management approach and proven management techniques to manage and control the project in all areas, including:

- **Project Management**
- **Customer Management**
- **Commercial Management (Procurement, etc)**
- **Technical Management (System Engineering, Design, etc)**
- **Production Management (Build, Construction and Outfitting)**
- **Quality Control Management of all activities**
- **Testing, Commissioning and Handover.**

These are critical requirements. **The Contractor shall describe clearly in his management plans:**

M2 How he intends to satisfy these requirements

M3 How he intends to demonstrate and give visibility to COUNCIL that he is complying with these requirements through the course of the project.

The Contractor shall satisfy the COUNCIL requirements for:

M4 A project that is well managed with comprehensive:

- **Clear accountabilities, roles and responsibilities established for the key management positions.**
- **Integrated strategies for design, procure, build and test in place and with well-defined stages and control points.**
- **Management plans in place that are understood, applied and followed throughout the Contractor’s project team (including the Contractor’s sub-contractors and suppliers)**
- **Realistic project plans and schedules in place that take account of the actual sequence of work, the resources engaged in the work and milestones that are consistent with the declared project control points.**
- **Cost control.**
- **Risk management.**
- **Issue management.**
- **Scope change management.**
- **Configuration management.**
- **Document management.**

- **Effective measurement regimes, reviews and progress reporting mechanisms in place..**
- M5 A project where the Contractor shall apply best practice methods and techniques, including but not limited to:**
- **System Engineering – focused on delivering COUNCIL’s requirements and meeting the required acceptance criteria**
 - **Design – ensuring, in particular, that the design addresses:**
 - **The need for minimum whole life costs - minimising operating costs and maintenance costs.**
 - **The sea-keeping and powering/manoeuvring performance capabilities of the ship**
 - **Affordability issues, with the flexibility for COUNCIL to vary the scope of supply on the basis of ‘make provision to fit’ rather than fit, leaving COUNCIL an option to add equipment at a later date.**
 - **Future flexibility to accommodate different types and ranges of scientific equipment.**
 - **Serviceability, including access for maintenance and repair and equipment removal routes.**
 - **Procurement – using best practice approaches with suppliers.**
 - **Build, Construction and Outfit – meeting the COUNCIL’s quality standards within cost budget.**
 - **Test and Commissioning.**
- M6 A Contractor that is prepared to share information with COUNCIL in the interests of meeting the contractual commitments:**
- **To work collaboratively to seek joint solutions to problems.**
 - **To act on COUNCIL’s concerns.**
 - **To provide COUNCIL with an understanding of progress and issues**
 - **To provide quantitative information on project risks and uncertainties**
 - **To address COUNCIL’s needs for assurance such that the Contractor imparts confidence that the ship will be delivered on time and within budget and that it meets the requirements.**

2.4 SCHEDULE OF SMR CONTRACT DELIVERABLES

The following deliverables are required as part of the Contract:

- **Management plans that describe the management approach that addresses the requirements in section 2.3 and described in more detail in the remaining sections of this document. The first issue of the management plans is required within one calendar month of the Contract award**
- **An integrated programme plan for the Contract covering levels 0 and 1 as described in Schedule M3 – Delivery Time Plan Requirements. This information is required before Contract award. The Contractor shall update**

and re-issue to Council the Level 0 and Level 1 Plans within five days before each Project Review, showing the current status of progress with the Contract.

- A breakdown, in the form of a spreadsheet, of resource types and numbers (planned and actual) shown over the timeframe of the overall programme and a description of whether these are in-house or sub-contracted resources – provided by the Contractor five days before each Project Review
- A list of proposed design sub-contractors, named individuals in the sub-contractors' teams, their roles and responsibilities and the planned start and finish dates of the sub-contractors' involvements – provided by the Contractor when requested by Council from time to time during the course of the Contract
- A list of other proposed sub-contractors, their areas of responsibility and the planned start and finish dates of their involvement – provided by the Contractor when requested by Council from time to time during the course of the Contract
- A list of proposed Project Reviews, their contents and timing/frequency (refer to section 7.2). The first issue is required two weeks after Contract award.
- A list of proposed Technical Reviews, their contents and timing/frequency (refer to section 7.2). The first issue is required two weeks after Contract award.

3. GENERAL REQUIREMENTS

The following general requirements shall apply:

Communications & Instruction

M7 The Contractor shall direct all formal communications through the COUNCIL's Project Manager.

M8 The COUNCIL's Technical Advisers have no authority to provide instruction, advice or guidance to the Contractor or the Contractor's staff. COUNCIL's Technical Advisers act on behalf of COUNCIL to review, observe and report on the Contractor's activities, information, documentation, etc in order to provide advice and guidance only to COUNCIL's Project Manager

- Other COUNCIL representatives shall have no authority to advise, guide or instruct the Contractor unless granted such authority by the COUNCIL's Project Manager in writing to the Contractor

M9 The Contractor shall act solely on the instruction of the COUNCIL's Project Manager or his formally delegated representative.

M10 The Contractor shall maintain a log and copies of all written communications (letters, minutes of meetings, e-mails, documents, drawings, specifications, etc) between the Contractor and the COUNCIL's Project Manager or his formally delegated representatives.

- The COUNCIL's Project Manager will maintain a similar log and records of communications

M11 All written communications shall be in the English language.

M12 If English is not the first language of the Contractor's staff or his sub-contractors, then he shall supply a fluent English speaker, if required by COUNCIL, to support liaison with the COUNCIL representatives at the locations where this applies.

M13 A fluent English speaker shall be obliged to attend all scheduled and ad hoc meetings and events, if required by COUNCIL, and shall facilitate the full involvement of COUNCIL representatives in them.

M14 A fluent English speaker shall translate written material when requested.

Project Governance

- The Contractor's Project Director will be invited to become a member of the COUNCIL Project Board. The Project Board provides the overall governance of the project and is responsible for making key decisions on behalf of the COUNCIL. The COUNCIL Project Manager reports to the Project Board. The Project Board hold between six to eight meetings per year.

Access to staff

M15 The Contractor shall provide to the COUNCIL's Project Manager, his formally delegated representatives, the COUNCIL's Technical Advisers, COUNCIL's sub-contractors and other COUNCIL representatives all reasonable access to all areas, offices, shipyards, resources, sub-contractors, facilities, meetings that are engaged on or related to the project

Facilities

M16 The Contractor shall provide suitable office, office facilities (telephone, fax, internet access, kitchen, toilet) and parking for the COUNCIL Project Manager and Technical Advisers to conduct their duties at the locations where the Contractor's project work takes place

Meetings

- Meetings will be of four types: regular Project Reviews (see M31 and M59); regular Technical Reviews (see M60); events leading to acceptance of the ship; and ad hoc. The regular reviews and acceptance events will be pre-planned. Ad hoc meetings can be called either by the Contractor or by the COUNCIL Project Manager or delegated representatives

M17 The Contractor shall publish calendars of meetings, project, technical reviews and events leading to acceptance of the delivered ship. These shall be updated monthly with a rolling six month forward timeframe. They shall be agreed with the COUNCIL's Project Manager. They shall be based on meetings held in normal daytime working hours and the Contractor shall give five working days notice of any changes

M18 Where the Contractor calls ad hoc meetings with COUNCIL representatives, then he shall give adequate notice (5 working days) to enable the most appropriate COUNCIL representatives to attend

M19a Where COUNCIL representatives are required to witness tests or events controlled by the Contractor, then the Contractor shall provide adequate notice (5 working days) of the specific date, timing, location and access arrangements to enable the COUNCIL representatives to attend. Failure to comply with this requirement will mean that the tests and/or events will need to be repeated at the Contractor's cost, including the costs of the COUNCIL representatives time and the costs of any preparation work required to set up the conditions of the tests or the events unless otherwise agreed with the COUNCIL. Failure of the tests and/or events themselves will mean that the tests and/or events will need to be repeated at the Contractor's cost, including the costs of any preparation work required to set up the conditions of the tests or the events unless otherwise agreed with the COUNCIL.

4. REQUIREMENTS FOR MANAGEMENT PLANS

M19b The Contractor shall provide the COUNCIL Project Manager the following management plans within one month of the Contract start date:

- **Project Management Plan, covering:**
 - Risk Management.
 - Issue Management.
 - Change Management.
 - Review and Reporting.
- **Quality Plan.**
- **Design and Engineering Management Plan.**
- **Document and Drawing Management Plan.**
- **Commercial Management Plan (including procurement).**
- **Production Management Plan.**
- **Test Management Plan.**

Each of the management plans above shall contain a definition of:

- **Scope and objectives of the management approach**
- **Management processes.**
- **Roles and responsibilities.**
- **Systems, tools, techniques and control mechanisms.**
- **Records and databases.**
- **Formal Contract deliverables.**
- **Training and Implementation.**

M20 The Contractor shall take action to ensure that his project team and resources comply with the management plans.

M21 The Contractor shall provide evidence prior to Contract payment stages and from time to time throughout the course of the project, as requested by the COUNCIL Project Manager, that his project team and resources are following the processes and approaches described in his management plans.

M22 The Contractor shall be permitted to modify his management plans on condition that, in totality, the management approach and systems will permit the project team to work more effectively and / or efficiently in delivering the project whilst maintaining an appropriate level of management control. The COUNCIL Project Manager shall be informed of any changes to the Contractor's management plans prior to their implementation and they shall be subject to the Acceptance Review Process (section 7.2).

5. THE PROJECT PROGRAMME / PLAN REQUIREMENTS

The Contractor shall develop and maintain suitable plans and schedules for the work. These programmes, plans, schedules shall:

M23 Be based on a hierarchical work breakdown structure (WBS) that matches how the work will be undertaken by the Contractor's resources

- **Be hierarchical, with:**
 - **M24 Level 0 showing (on a single A3 or A2 sheet) the milestones and the major top level activities and events during the design, procurement, build, outfit, test, acceptance, completion during guarantee period and final handover stages of the Contract. The Level 0 plan shall include major procured items, high risk items, high value items, long lead items. Each milestone shall be uniquely numbered. (Schedule M4 defines the requirements).**
 - **M25 Level 1 showing the full range of detailed Contractor activities consistent with the Level 0 plan and including all dependencies on any COUNCIL supplied equipment and / or information and / or decisions and all appropriate events associated with the Statutory Approval and Classification bodies. Subsequent levels according to the Contractor's requirements**

M26 Be fully integrated plans (capable of being exported into Microsoft Project), showing complete consistency between the design, procurement, build, outfit, test and acceptance elements of the plan, and including the work of major suppliers and sub-contractors

M27 Be resourced plans.

M28 Be baselined, according to the current agreed position between COUNCIL and the Contractor.

M29 Be updated by the Contractor on a regular (at least monthly) basis to show the current status of the work and submitted to COUNCIL as part of the monthly project reports (see M59 below).

M30 Be made available to the COUNCIL Project Manager.

M31 Be reviewed by the Contractor and the COUNCIL Project Manager at the monthly Project Reviews.

M32 For major systems and equipment and major sub-contracted work, the Contractor shall ensure that the supplier or sub-contractor produces adequate plans / schedules to manage the work and to provide visibility of progress to the Contractor and the COUNCIL Project Manager. The Contractor shall make available such plans to the Council Project Manager on request and incorporate these plans into the overall Contractor's plans

M33 Where progress fails to keep abreast of the planned timescales to an extent that the agreed delivery date is put at risk, then the Contractor shall produce recovery plans to bring the work back on programme. The Contractor shall present such recovery plans to the COUNCIL's Project Manager on request for review (as described in section 7.2).

If in the opinion of the COUNCIL, planning or progress is at any time unsatisfactory for reasons within the Contractor's control, the Contractor will be required to take remedial action. This requirement in no way relieves the Contractor of any liabilities under the Contract, including that for completion in all respects of the Contract work by the Contract Acceptance date.

6. THE MANAGEMENT OF DELIVERABLES

Acceptance of Contract Deliverables

M34 With each deliverable offered to COUNCIL, the Contractor shall present to the COUNCIL's Project Manager or delegated representative, the full audit trail of acceptance evidence, in accordance with the acceptance process within the SOR and the acceptance requirements contained in Schedule M1.

The COUNCIL anticipates that acceptance of deliverables will be progressive. Once a deliverable has been accepted by the COUNCIL, then the Contractor can assume that any subsequent deliverables that include a deliverable already accepted need only present the incremental acceptance evidence for the elements still to be accepted.

Changes to Contract Deliverables

M35 The Contractor shall inform the COUNCIL's Project Manager of any proposed changes and their impact on the Contract deliverables (time, cost, performance, risks, etc) for review prior to implementation.

M36 Where changes or updates mean that deliverables already accepted are affected, then the Contractor shall update the acceptance evidence accordingly and present it again to the COUNCIL's Project Manager or delegated representative unless otherwise agreed by the COUNCIL.

Configuration Status of Contract Deliverables

M37 The Contractor shall maintain accurate records of the configuration status of deliverables and the associated acceptance evidence. The Contractor shall provide full visibility of such information to the COUNCIL's Project Manager or delegated representative on request.

M38 The Contractor shall update the configuration of a Contract deliverable when any changes are implemented that affect it. The Contractor shall inform the COUNCIL's Project Manager of any change in configuration.

7. ASSURANCE, REVIEW AND REPORTING REQUIREMENTS

7.1 ASSURANCE

During the course of the project, the COUNCIL requires assurance from the Contractor that the work is proceeding to plan, and that its requirements will be satisfied.

Part of this assurance is provided by the Technical Advisers' teams who observe and review the Contractor's activities and report back to the COUNCIL's Project Manager. In addition, **M39 COUNCIL requires the Contractor to measure his own performance and the progress of the project and to provide regular monthly reports to the COUNCIL Project Manager.**

The COUNCIL's intention is to minimise the need for the Contractor to undertake additional work in providing the assurance information. The expectation is that COUNCIL shall receive copies of the Contractor's routine information that the Contractor produces to apply his own day-to-day management control. **COUNCIL and the Contractor agree the detailed performance and progress metrics that shall be used as the basis for providing assurance are as follows:**

M40 Progress and achievement against plan (milestone performance).

M41 Cost of any agreed variations (up or down).

M42 Trends in rework and predictions for the future.

M43 Trends in scope / requirement change and predictions for the future

M44 Trends in the Contractor's management of risk, that the Contractor is mitigating risks and that the risk exposure of the project reduces as the contract progresses.

M45 Trends in the Contractor's management of issues, that the issues log is being addressed to the satisfaction of the COUNCIL.

M46 Procurement status

Copies of orders to be submitted

The Contractor's procurement plan must contain a reference to all major/critical purchase orders. The Contractor's procurement plan shall be made available to the Council's Technical Advisers. The Contractor shall provide details (excluding commercial information) of any order for materials, fittings or equipment upon request by the Technical Adviser.

M47 Trends in supplier / sub-contractor performance and predictions for the future

M48 Trends in key technical parameters values for lightship weight, propulsion power, sea-keeping, URN profile, electrical load schedule and power balances and predictions for the future

M49 Trends in the whole-life cost estimates for the ship (covering acquisition costs, operating costs, maintenance costs) and predictions for the future.

M50 In addition, on the request of the COUNCIL's Project Manager, the Contractor shall provide reports that give details of the status of progress with high risk and long lead items.

7.2 REVIEW AND REPORTING

7.2.1 Acceptance Review Process

Where the Contractor is to supply information, drawings, calculations, purchase orders for main equipment and machinery, manuals, etc to the COUNCIL representatives for review as part of the acceptance process within the Contract:

- **M51 The Contractor shall publish a calendar of acceptance review requirements within one month of Contract award describing the deliverable documentation which need to be reviewed by the COUNCIL (e.g. drawings, documents, calculations, etc) and when the information will be available to the COUNCIL representatives**
- **M52 Requirement removed**
- **M53 The calendar shall be updated monthly with a rolling six month forward timeframe and agreed with the COUNCIL's Project manager**
- **M54 The Contractor shall supply the information and material according to the timescales in the published calendar**
- **M55 Where appropriate, in parallel with the submission to COUNCIL, the Contractor shall obtain the necessary Statutory and Classification approvals for the information and materials presented. This includes any certificates by Classification and Statutory Approval bodies for equipment and / or systems from prospective suppliers. Failure to provide appropriate evidence that the information and materials have been submitted by the Contractor for Statutory and Classification approval may mean that COUNCIL will not proceed with the review process and the Contractor shall accept responsibility for any consequence of delay in the acceptance process within the Contract**
- Within the allowable time (maximum of 21 calendar days), the COUNCIL representatives will review the information and feedback comments to the Contractor that relate to whether the COUNCIL requirements are expected to be achieved. Where the Contractor believes that it would be beneficial to have a shorter period for review, it will indicate this clearly and the COUNCIL will make reasonable efforts to accommodate this. In circumstances where the COUNCIL representatives are awaiting sight of the responses of the Statutory and Classification bodies, then the COUNCIL response may be delayed until after this information is available. COUNCIL will classify the response according to:
 - A **negative** response, indicating that COUNCIL believes that the Contractor is following a course of action that means he is unlikely to meet the COUNCIL requirement
 - A **positive** response, indicating that COUNCIL believes that the Contractor is following a course of action that is consistent with him meeting the COUNCIL requirement. (COUNCIL will not withhold a positive response if the Contractor presents a clear, comprehensive and acceptable explanation of how he intends to satisfy the COUNCIL requirements.)

Note that the responsibilities for meeting the COUNCIL requirements and addressing the associated risks lie solely with the Contractor, whether or not COUNCIL issues a *negative* or *positive* response

- **M56 If COUNCIL issues a negative response, then the Contractor shall take appropriate action and respond to COUNCIL's comments by indicating how he intends to satisfy the COUNCIL requirement**
- The process of review and negative response will continue until a positive response is issued by COUNCIL
- **M57 Requirement removed.**

7.2.2 Project and Technical Reviews and Events

Project and technical reviews shall take place at least every month between COUNCIL representatives and the Contractor throughout the duration of the project. In addition:

- Ad hoc reviews may be called by the COUNCIL representatives or by the Contractor to discuss project issues
- Ad hoc events may take place that the COUNCIL representatives and / or the Contractor will wish to witness
- The Contractor may hold project and technical reviews and / or events that COUNCIL representatives would attend occasionally but not every time

M58 For all scheduled monthly project and technical reviews, the Contractor shall publish a list of review dates with a rolling forward horizon of six months. The Contractor shall give COUNCIL a minimum period of five working days for rescheduling reviews.

M59 For Project Reviews - Reports of Progress

Up to date monthly reports of progress with items identified on the Contractor's Level 0 plan and other long lead items requested by Council shall be furnished by the Contractor to the Council's Project Manager three working days before the Project Reviews. These reports shall include the status of milestones that are planned for the following six months. The Contractor shall also report delivery progress of all critical path items being supplied by its sub-contractors.

For Project Reviews, the Contractor shall present and report to COUNCIL on a monthly basis, unless notified differently by the Council, the current status of:

- **Programme:**
 - **The progress against the Contractor's current baselined plan, showing 'time now' line, work completed and work behind schedule**
 - **The current status of each uniquely numbered milestone in the Level 0 plan (ref M40 above).**
 - **The current status of the agreed quality metrics as follows:**

- (Ref M41 above) The current status of the cost of agreed variations shall be reported. This will define a table showing for each variation: the unique identifier; the brief description; the agreed cost (up or down); the date of agreement to proceed; the actual date completed (if in the past) or the forecast date of completion (if in the future); any comments relating to the variation.
- (Ref M42 and M43 above) The current status of rework and scope changes shall be undertaken by the Contractor on request by the Council using a mutually agreed format.
- (Ref M44 above) The Contractor shall provide to the Council the Contractor's view of the project risks.
- (Ref M45 above) The Contractor shall report to the Council the total number of issues in the Contractor's issues register, the number of new issues added since the previous report, the percentage of the total that remain open and the percentage of open issues that are late (i.e. beyond the required closure date).
- (Ref M46 and M47 above) The current status of procurement and the performance of suppliers and sub-contractors shall be undertaken by the Contractor on request by Council using a mutually agreed format.
- (Ref M48 above) The Contractor shall report to Council in graphical form (format to be agreed) the predicted and actual growth in the following parameters:
 - lightship weight
 - propulsion power

The Contractor shall also provide schedules of actual and predicted values (format to be agreed) for the following parameters:

 - sea-keeping
 - electrical load
 - power balances
 - URN.
 - Stabiliser performance
 - HVAC performance
 - Internal noise and vibration
 - Intact and Damage Stability
 - ambient temperatures for machinery and equipment spaces

- **Corrective actions (if these are needed)**

The Council may from time to time reduce the above reporting requirements, and/or may re-instate them, according to the level of assurance that it requires from the Contractor.

- **Issues that the Contractor is facing and how he is addressing them, including Environmental, Health and Safety issues.**
 - **Risks that the Contractor is facing and how he is addressing them.**
 - **Outstanding scope changes.**

- **Statutory and Classifications approval for the ship.**
- **Design/Drawing programme and the drawing/document review status, highlighting future priority areas where a fast turn-around of COUNCIL reviews would benefit the project and design areas where there are concerns.**
- **Purchase orders as requested (without cost information) that the Contractor has placed, and provide a rolling six month programme and intended supplier name of the future major/critical purchase orders that he intends to place and areas of concern.**
- **Factory acceptance tests.**
- **Build and outfitting.**
- **Testing and acceptance.**
- **Requests for assistance, requests for information, recommendations and requests for decisions.**

COUNCIL will raise issues as necessary with the Contractor related both to the above and as below;

- **Concerns**
- **Safety issues**
- **Management Issues**
- **Communication issues**

Issues shall be resolved where possible between the parties as they arise. Where this is not possible, then issues will be escalated up to the next level for resolution according to the following approach:

- **Issues resolved at the level they arise, otherwise**
- **Issues referred to the Technical Review for resolution, otherwise**
- **Issues referred to the Project Review for resolution, otherwise**
- **Issues referred to the Project Board for resolution, otherwise**
- **Issues resolved through the Contract dispute procedures.**

M60 For Technical Reviews, the Contractor shall present and report to COUNCIL the current status of the design progression at agreed points in the project lifecycle based upon the agreed Project Plan including but not limited to the following:

- **Post Contract review – covering changes necessary to the tender design, drawings, calculations, etc in accordance with the agreed Contract Design Specification**
- **Power generation, Propulsion, Dynamic positioning and Manoeuvring review including URN issues**
- **Scientific Winch System review.**
- **Overside Handling Systems and Craneage review.**
- **Keel/Hull mounted sensor review (including flowline modelling).**
- **Model test (speed, power, manoeuvring, seakeeping) review.**

- **Principal design drawings, calculations, stability and deadweight review.**
- **System design reviews.**
- **Procurement planning reviews for long lead items.**
- **Procurement planning reviews for general / other items.**
- **Detail design reviews (prior to release for production).**
- **Ship trials proposals review.**
- **As-built drawings, documents and manuals reviews.**
- **Spare parts and tools provision review.**

COUNCIL would need to take due recognition of any reports, comments and approvals of the classification and statutory bodies and **the Contractor shall provide full access to these materials.**

The Contractor must demonstrate to COUNCIL at the technical reviews what controls are in place to understand and control the risks. The reviews shall look at achievement to date and in support of this; the Contractor shall use pre-defined criteria to show that sufficient progress has been made with the design development to warrant holding the review.

SCHEDULES TO CONTRACT

MANAGEMENT

SCHEDULE M1 – TESTING AND ACCEPTANCE

Interpretation of the contents of Schedule M1

In principle, the Contractor and Council agree upon the contents of Schedule M1 as an exemplar of how the acceptance procedures will be established with respect to content and level of detail. The final detailed procedures will be developed based on the standard method used by the Contractor for similar vessels, but together with sub-contractors, suppliers and Owner Representatives.

The production drawings that are subject to **Statutory and/or Classification Approvals (SCA)** approval are only those needed for Class and Authority approval and not detail production drawings such as piping isometrics, cutting and nesting details.

Where the Council requires visibility of purchase orders, then this will be undertaken in accordance with the procedure set down in the Statement of Management Requirements.

Part 1 – Conditions for Testing and Trials

1. The Contractor shall at its own expense carry out all trials required by the SoR (as described in Part 3 hereto) or which may be necessary to test the Ship, machinery, electrical installation and equipment and the materials and work supplied or performed, and shall, subsequent to the trials and before the Vessel is accepted by the Council, make good all defects, if any, which may have developed before, during or after the trials.

It is the Contractor's responsibility to ensure that the Vessel is fully equipped and safe in every respect to go to sea, and complies with Classification Society, Registration Authority and all other statutory requirements prior to proceeding.

2. When the Acceptance Trials have been completed without the Council notifying the Contractor of any material failure to comply with the terms of this Contract or after the Contractor has remedied any such failure to the reasonable satisfaction of the Council, the Council shall forthwith sign and deliver to the Contractor the Interim Acceptance Form confirming that the Vessel complies with this Contract except as therein expressly stated.
3. Upon final delivery and after the guarantee period final dry dock completion, a Final Acceptance Form will be issued always provided that the Council has not notified the Contractor of any material failure to comply with the terms of this Contract at which time the Vessel shall be deemed to have been delivered to and accepted by the Council.

Part 2 - Conditions relating to Trials and to movements of the Vessel for other purposes under her own power.1. Place of Trials

Except as stated in the SOR the trials are to be made only at such places and over such courses as may be approved and required by Council, and agreed by the Contractor, such agreement not to be unreasonably withheld.

2. Regulations for the preparation for the carrying out of all Trialsa. Application (to be made in form in Part 4)

Before the Vessel leaves the Contractor's works for trials at sea, or for any other purpose, the Contractor shall complete and forward to the Council's Project Manager the Certificate of Seaworthiness (attached in Part 4 hereto). The form shall be amended as necessary when it is proposed to move the Vessel for purposes other than trials. The Contractor shall obtain the approval in writing of the Council's Project Manager before the Vessel leaves the Contractor's works for trials or other purpose, and the said form shall be forwarded in sufficient time before the proposed date of moving the Vessel to enable the Council to determine whether to grant or to refuse such approval.

b. Combustible Waste Materials and temporary works to be searched for and removed

Immediately before proceeding to sea the Contractor is to satisfy the appropriate Council representative appointed to the Vessel that he has made a strict search of the machinery spaces, to ensure that no planks, shores, staging or waste materials of any kind have been left where they could by any possibility become ignited, particularly in the vicinity of exhaust pipes. All temporary works and material shall be removed from the Vessel prior to it proceeding to sea.

3. Contractor to work main and auxiliary machinery as required

The Contractor is to work the main and also any auxiliary machinery which may be required for and during the trials, and on the passage to and/or from the place at which the trials are to be made, and at any other times, until the machinery shall have been accepted as satisfactory, or shall have been taken possession of by the Council under the provisions contained in the Contract.

4. Trials to be at the expense of the Contractor

All trials, including the machinery proving trial and the navigation of the Vessel and the working of the machinery during passage to and from the place of trial, and on all other occasions required under the Contract shall be conducted at the expense of the Contractor. The Contractor shall supply and place on board all fresh water and other consumable stores necessary for all trials, and for the passage to and from the place of trial.

On completion of the machinery trials the Contractor is to arrange at its own expense for the opening of main machinery for inspection of the main machinery, and of any other machinery if its performance during sea trials has been unsatisfactory. After all adjustments consequent upon this opening up have been made the Ship is to

undergo a machinery proving trial at sea of two hours duration at maximum continuous rating of main engines.

5. Fuels and Lubricating Oils

All fuels and lubricating oils will be supplied by the Contractor up to Interim Acceptance.

When the machinery is transferred to the Council the lubricating systems and storage tanks of the main and auxiliary machinery are to be left charged with oil to the normal working conditions. The oil with which the systems were charged before the commencement of the final trial will be accepted if considered satisfactory by the Council, but in the event of deterioration taking place during the trial which, in the opinion of the Council, would render it unfit for further service, the oil is to be removed and replaced by the Contractor with fresh oil; the cost of such fresh oil is not included in the Contract price but will be paid for separately. Lubricating Oil considered unfit for further service will on removal remain Council property and will be stored by the Contractor free of charge until disposal. Council will arrange disposal or otherwise within 21 days.

In certain circumstances, e.g. after abortive trials, where liability has been determined as falling on the Contractor, should the oil be considered unfit for further service the fresh oil required will be provided by the Contractor at no extra cost.

6. Consumable Stores

Any consumable stores required for navigation after the Vessel has been accepted by the Council which are not mentioned in the Contract as being required to be supplied by the Contractor shall be procured and placed on board by the Contractor. Reasonable prices shall be paid by the Council for the said stores, inclusive of all charges whatsoever.

7. Payments to Contractor for extra Trials

Should the Vessel be required by the Council to proceed under way for extra trials or for any other purpose not specified in the Contract, before the Vessel is handed over to the Council, or should the Vessel be detained under power or otherwise by the Council for any period in connection with the requirements of the Council, the Contractor shall retain charge of the Vessel and machinery and electrical installation and shall navigate the Vessel and work the machinery as required, and payment will be made by the Council to them for this service.

The necessary stores required for this service are to be supplied by the Contractor, but the cost will be defrayed by the Council. The price to be paid for the stores will be the net cost to the Contractor.

No payment will be made for the cost of keeping power, or for additional use of machinery which may be occasioned by stress of weather in connection with the Contract series of trials.

8. Records to be taken

On all sea trials, records of, for example, but not limited to, the horse power, revolutions, fuel consumption, temperatures, and any other necessary matter, are to be taken by the Contractor's staff, from the commencement to the end of the trial.

These records are to be taken at such regular intervals during all trials under way as may be directed by the Council. When the speed of the Vessel is being tested on a measured distance, records are to be taken once on each run. Any other records required by the Council's representatives attending the trial are to be taken.

9. Horse-power to be maintained

In order to constitute a satisfactory Contract trial the specified horse-power must be maintained continuously for the full time specified for the particular trial, and the relevant Contract conditions must be complied with, and at the conclusion of the trial the propulsion machinery in use for the trial must be in all respects ready and fit to continue to work at the power required for the particular trial, and the Vessel must be in all respects ready and fit to continue such trials.

10. Variation from mean horse-power

Should considerable variation from the mean horse-power occur during the trial, its duration, amount, and the causes which have produced it will be taken into consideration in respect of the satisfactory or otherwise completion of the trial. A repeat trial may be required if the Council so demands, all costs of which would be to the Contractor.

11. Stopping Engines during Trials

If it should be necessary temporarily to ease or stop the engines for any cause not connected with the machinery, the Parties shall decide whether or not the trials shall be vitiated thereby.

12. Accommodation etc, on board, for Council representatives and Classification Society Surveyors

During trials accommodation on board, including messing and bedding if necessary, are to be provided by the Contractor at its expense for Council representatives, Ship's Officers, Statutory Approvals and Classification Society surveyors as shall have been previously agreed with the Council's Project Manager.

13. Accommodation and Responsibility for Contractor's employees

a. During Trials

The Contractor will be responsible for its own employees and those of its sub-contractors throughout all trials, and will provide all necessary transport and accommodation, and meet all expenses, etc for them.

b. After Interim acceptance

The Council will at all times after Interim acceptance of the Vessel give reasonable facilities to the Contractor and sub-contractors to enable them to complete work on outstanding items.

If the Contractor's employees are embarked in accordance with the preceding paragraph they will, while on board, be subject to Council requirements, as interpreted by the master of the Ship.

If the number of men on board justifies the presence of a responsible official in order to properly manage and supervise their work, the Contractor must provide him/her.

14. Command

The Ship is to be commanded for all trials at sea up to acceptance by a Master to be appointed by the Contractor from a list of Masters approved by the Council. Similar arrangements are to be made whenever it becomes necessary for the Ship to be taken into open water for any other purpose, e.g. towing in open water for dry docking.

15. Handing over of Vessel

At the time of handing over the Vessel to the Council a form of acceptance, as defined in Part 4 hereto, is to be signed.

Part 3 Acceptance Test Requirements

1.0 INTRODUCTION

While it is recognised that under the Contract the Contractor is fully responsible for the ultimate compliance of the build process, the Council on its part is providing major stage payments and has substantial commitments to fulfil following delivery. The Council therefore at all times requires assurance that the outcome is most likely to be successful.

It is also particularly important for the Contractor to understand clearly the expectations of the Council and to agree the processes by which their success (or otherwise) in meeting the requirements (Acceptance) is to be judged.

The majority of procedures will revolve around quality assurance, classification and surveying authority issues, and pure specification (checklist type acceptances). There are however primary requirements which relate to performance at boundary conditions (e.g. environmental; sea states, water and air temperatures, and physical; water depths) which will not be achievable during harbour (**HAT**) or sea trials (**SAT**).

It is essential therefore that the Council and Contractor work together to develop procedures which allow clearly defined and justifiable measurements of the achievement (or otherwise) of such requirements as far as is reasonably practicable during **HAT** and **SAT** always recognising however that the final proving of systems such as scientific winches, swath bathymetry, air conditioning, cooling systems, can only occur during, for example, scientific trials in deep waters and of course during the guarantee period when other 'latent' type issues may arise.

This document shows the overall structure of the Acceptance Process to be adopted in the construction of the Vessel.

Until the final detailed design is fully developed and agreed with the Contractor it is not possible to precisely define individual acceptance procedures for all the various elements of the Vessel. However in order to assist the Contractor in the interpretation of the Council's expectations in this respect it is possible to provide a set of generic type procedures which will generally form the basis of the individual Assurance & Acceptance Processes.

The construction will be subject to the inspection and approval of the Classification Society (Lloyds Register of Shipping) and Statutory Authority (UK MCA). In parallel, and complementary to this process, the Council will provide a team of specialist representatives who will monitor the Classification and Surveying Authority activities and, in addition, provide direct inspection of all the elements of construction which do not fall under the remit of Class or SA. The following table provides an exemplar of how each requirement in the SoR will be tested. This table will require populating in full as part of the detailed design to cover all requirements in Sections 5,6,7 and 8 of the SoR.

		Methods of testing SoR requirement										
		Statutory / Classification Approval	Design Inspection	Model Testing	Factory Acceptance Test	Installation Inspection	Harbour Acceptance Test	Sea Acceptance Trails	Deep Water SAT	Noise Ranging	Ice Sea Trials	Audit
SoR Ref	Requirement	SCA	DI	Mo	FAT	II	HAT	SAT	DSAT	NR	IST	A
R5.1	Registration	√										√
R5.2	Classification	√										√
R5.3	National and International Regulations	√	√									√
Etc...												

Schedule M2

Safety



CAMMELL LAIRD

NERC CONTRACT

HEALTH & SAFETY CONTRACTUAL REQUIREMENTS

AS SET OUT IN DOCUMENT

NPRV 'STATEMENT OF MANAGEMENT REQUIREMENTS'

CONTENTS

1. Introduction.
2. Cammell Laird Site Familiarisation, Induction and Welcome Pack.
3. Health and Safety Policy.
4. Hazard Identification and Risk Assessment.
5. Permits to Work.
6. Structure, Responsibility and Accountability for Health and Safety Delivery and Performance.
7. Training, Awareness and Competence.
8. Emergency Preparedness and Response.
9. Accidents, Incidents, Non-conformances & Corrective and Preventive Action.
10. Evaluation of Compliance.

Appendices

The below are contained within the Occupational Health and Safety Management System which are held in all departments and electronically on the company intranet Management Systems 'HUB'.

1. Cammell Laird Welcome Pack.
2. Introduction to the Occupational Health and Safety Management System Document.
3. Health and Safety Policy Statement – Part 1 Section 01.
4. Hazard Identification, Risk Assessment and Risk Control Procedure – Part 1 Section 02.
5. Permit to Work – Part 2 Section 04
6. Structure, Responsibility and Accountability Procedure – Part 1 Section 06.
7. Training, Awareness and Competence Procedure – Part 1 Section 07.
8. Emergency Preparedness and Response Procedure - Part 1 Section 11.
9. Business Continuity / Crisis Management Plan – Part 4 Section 01.

10. Accidents, Incidents, Non-Conformances & Corrective and Preventative Action Procedure – Part 1 Section 13.

11. Evaluation of Compliance – Part 1 Section 17.

1.0 INTRODUCTION

Cammell Laird has robust management systems in place for control of all activities that take place on site. We are certified to ISO 9001:2008 Quality Management System Standard, ISO 14001:2004 Environmental Management System Standard and BS OHSAS 18001:2007 Occupational Health and Safety Management System Standard.

This document outlines the main features of the control systems for Occupational Safety & Health and includes the relevant procedures in the appendices section.

The elements of the full management system can be found in appendix 2 of this document and has been included to give an overview of how H&S is managed and controlled on the Cammell Laird site.

A specific HS&E Plan will be developed for the management and control of the health & safety elements of the NERC New Polar Research Vessel Programme. The plan will be developed in line with the project design phase and will be rolled out to all stakeholders before the project construction commences.

2.0 Site Familiarisation, Induction and Welcome Pack

- 2.1 On arrival to site all new employees, visitors, contractors and vendors must attend the Cammell Laird site induction. This induction includes information relating to site specific HSE along with important information relating to Human Resources process.
- 2.2 The above is a mandatory requirement for all personnel who will carry out any work on site or are to be regular visitors to the vessel as part of the management teams.
- 2.3 All visitors and other new arrivals onsite will be furnished with the Cammell Laird Welcome Pack. The Welcome Pack contains information for the site and includes site maps, specific site information and useful contact numbers for hospital, hotels, recreational facilities etc. This pack is included in Appendix 1.0 of this document.

3.0 Health and Safety Policy Statement

- 3.1 The Cammell Laird Health & Safety Policy Statement is contained in appendix 3.0 of this document. It sets out the company's intent to provide (as a minimum) the provisions set out in statute for the health, safety and welfare of employees and non-employees while at work on any of our projects.

4.0 Hazard Identification and Risk Assessment

- 4.1 All foreseeable hazards and their associated risks will be identified, assessed and controls for mitigating the risk implemented in line with current statutory provisions and the company's own management systems and procedures and industry best practice.

- 4.2 The procedure for carrying out company risk assessments can be found in appendix 4.0 of this document.

5.0 Permits to Work

- 5.1 All construction, tank entry, working in confined spaces etc. is controlled under the Cammell Laird Permit to Work System. The system is contained in Permit to Work Procedure which can be found in appendix 5.0 of this document.

6.0 Structure, Responsibility and Accountability

- 6.1 A project specific organisation chart will be developed that will define the various levels of authority throughout the project. The various disciplines as set out in this organogram will be in line with the current policy and procedure documented in Part 1 Section 06 of the Occupational Health and Safety Management System which can be found in appendix 6.0 of this document.

7.0 Training, Awareness and Competence

- 7.1 All personnel employed or contracted by Cammell Laird are suitably trained to carry out their tasks. Mandatory training is carried out for all Cammell Laird Employees by our own in-house NPORS trainers and where appropriate, external training providers. This training includes but is not limited to, Confined Space Entry, Working at Height, Manual Handling, FLT operator, MEWP operator etc. Training is identified and implemented as per Part 1 Section 07 which is attached as appendix 7.0 of this document.

8.0 Emergency Preparedness and Response

- 8.1 It is vitally important that all emergency situations identified by the risk assessment are planned for and robust procedures are in place to deal with emergencies. Appendix 8.0 contains Part 1 Section 11 Emergency Preparedness and Response with Business Continuity – Part 4 Section 01 being contained in appendix 9.0.

9.0 Accidents, Incidents, Non-Conformance and Corrective and Preventative Action

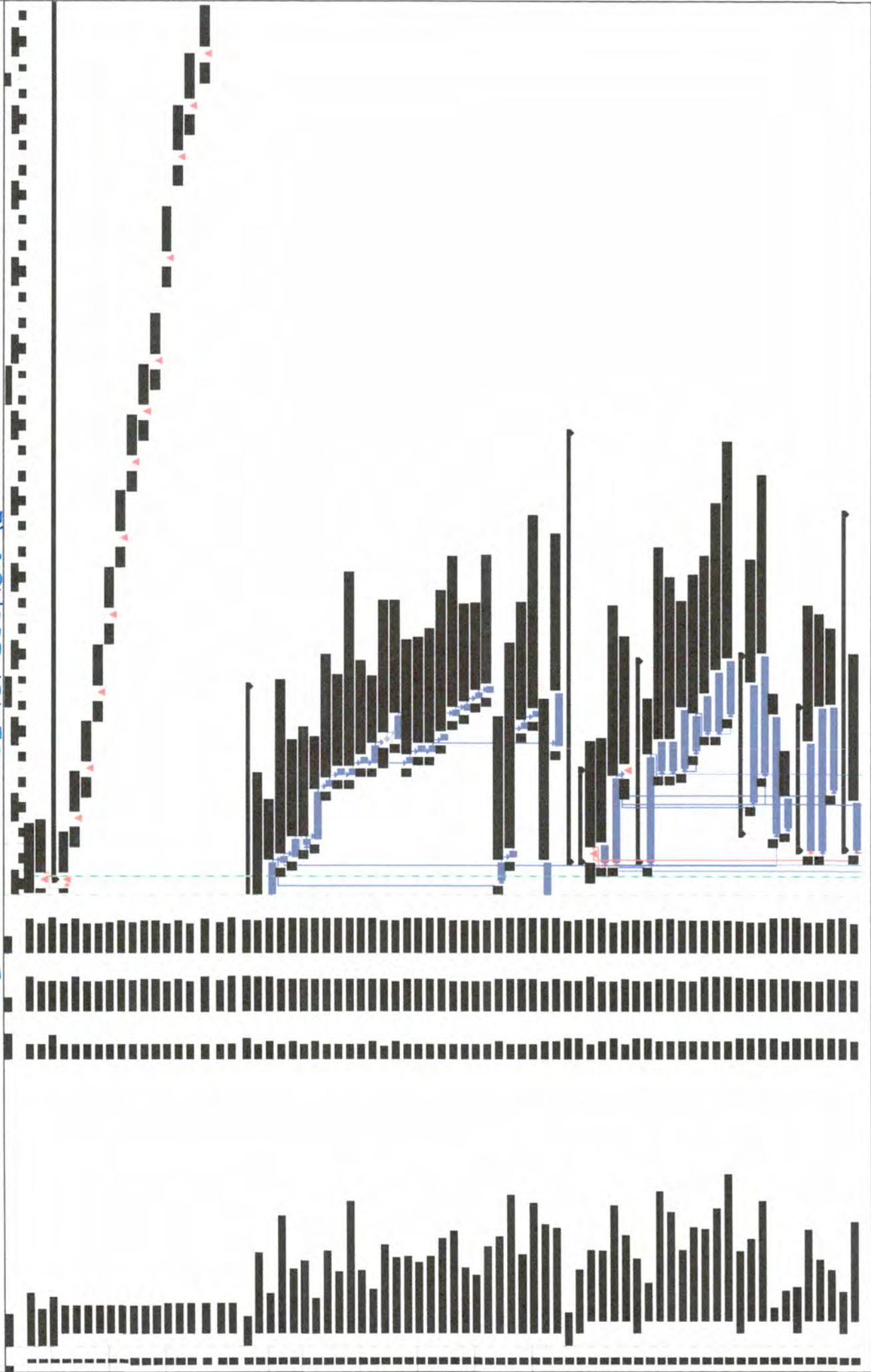
- 9.1 All accidents and incidents such as unsafe acts, unsafe conditions and near misses will be reported and recorded in line with the Cammell Laird Procedure Part 1 Section 13 which is included in this document in appendix 10.

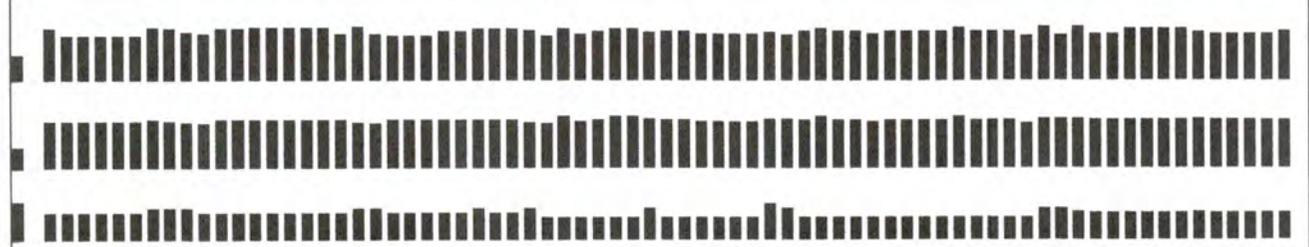
10.0 Evaluation of Compliance

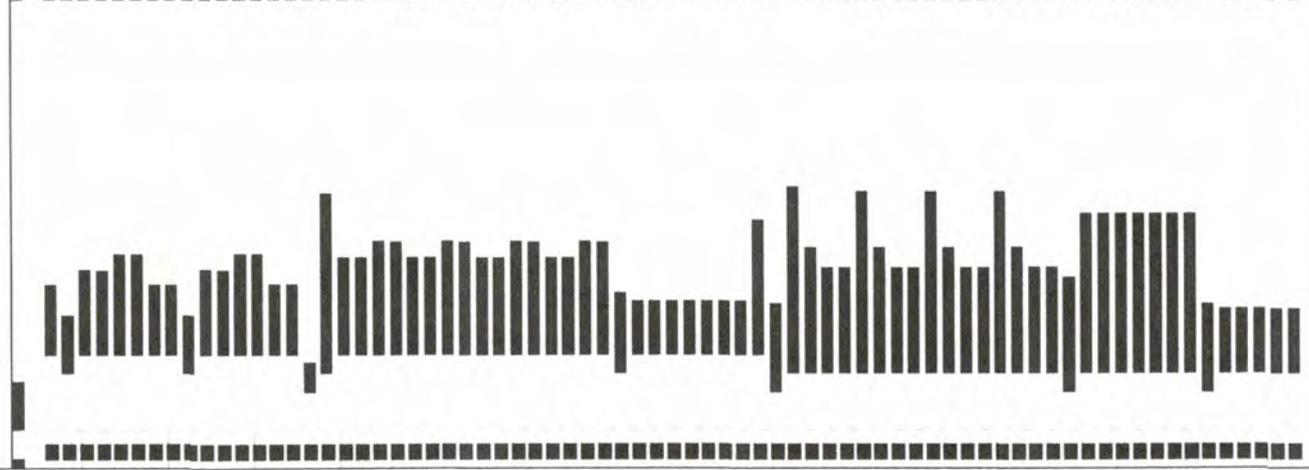
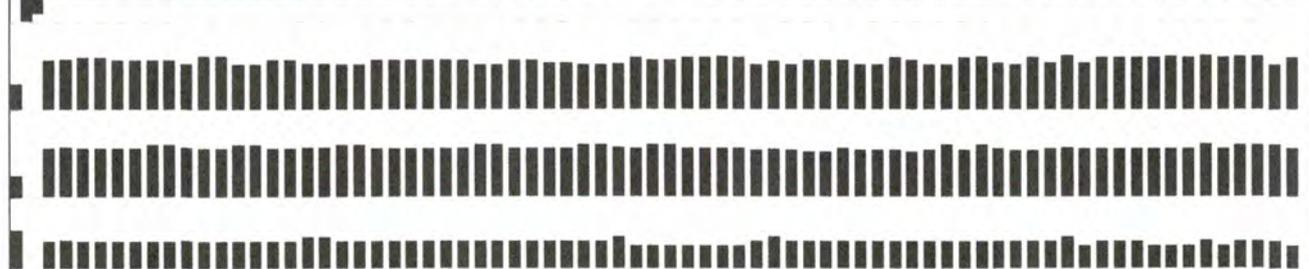
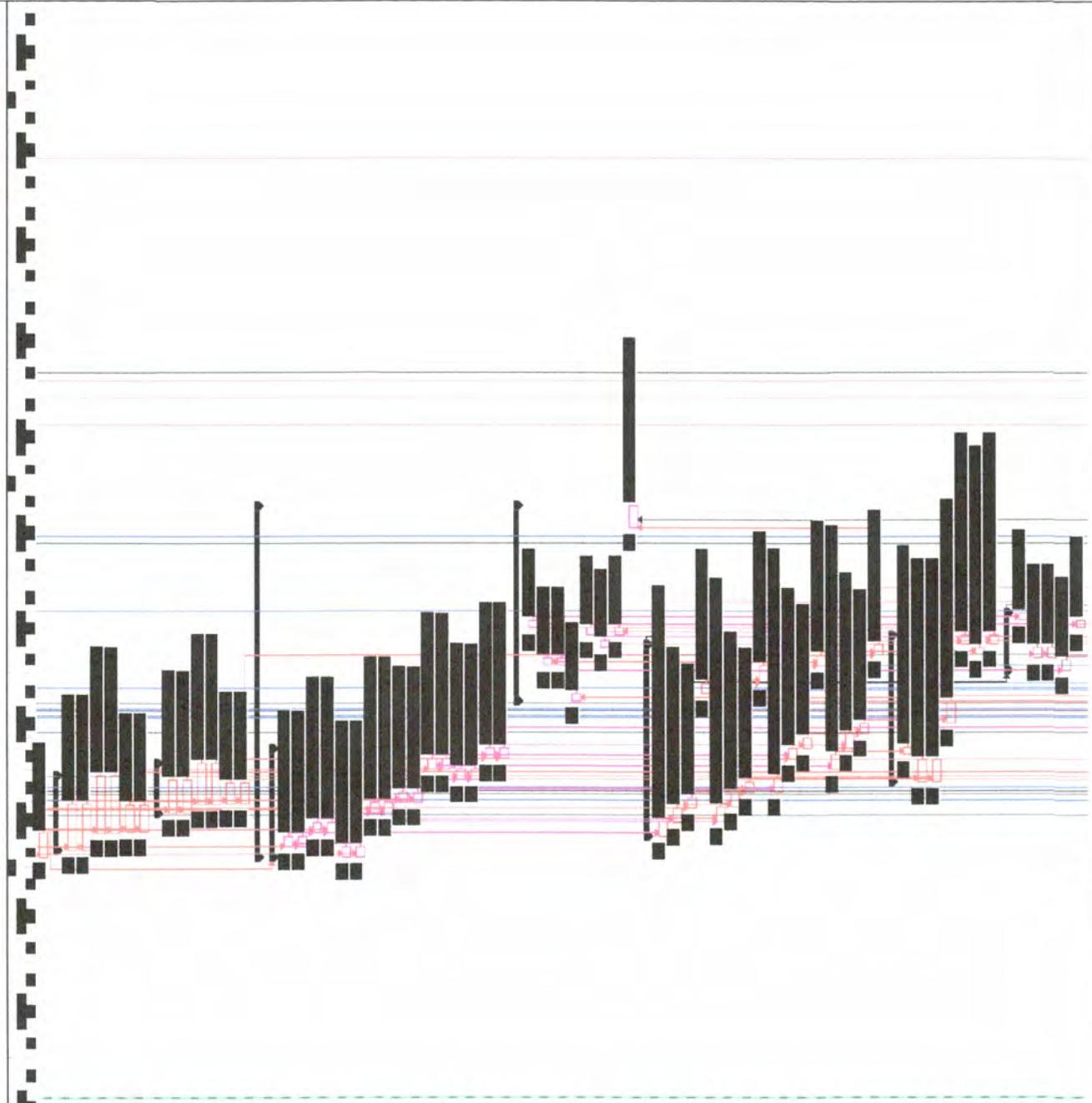
- 10.1 In order to ensure that all legal requirements, management system procedures, plans, records and review documents are compliant, a process has been developed to ensure compliance with our own, customer and statutory requirements are being met. The procedure as set out in Part 1 Section 17 can be found in appendix 11 of this document.

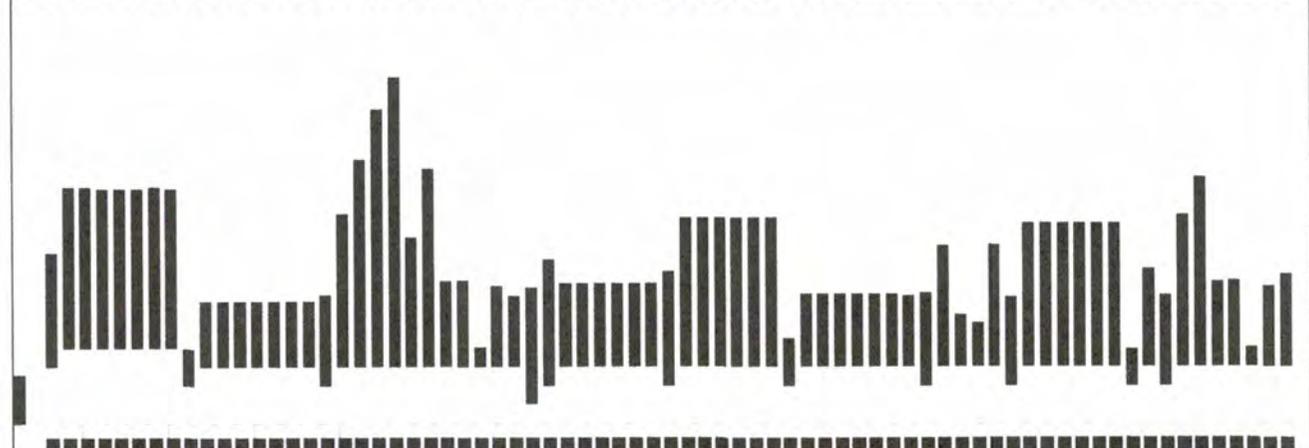
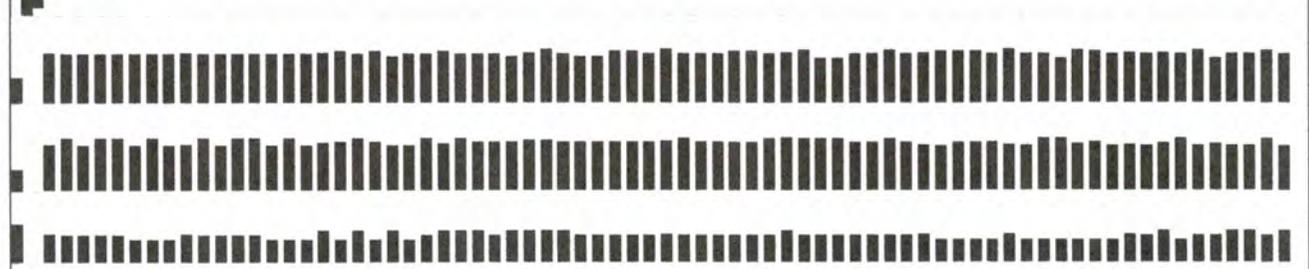
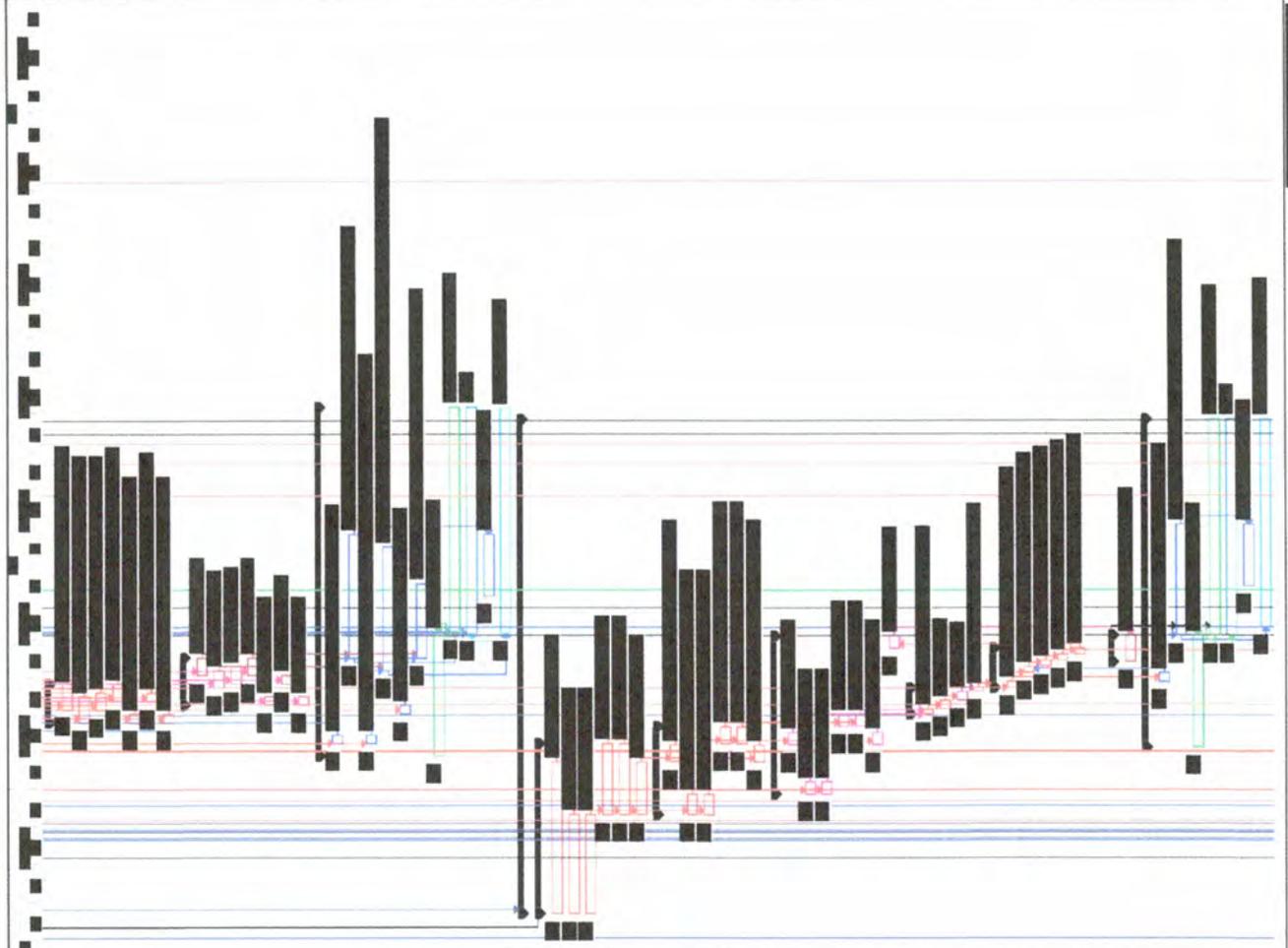


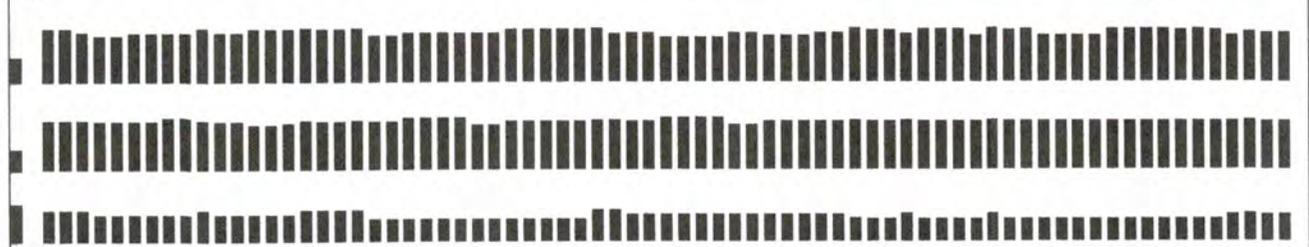
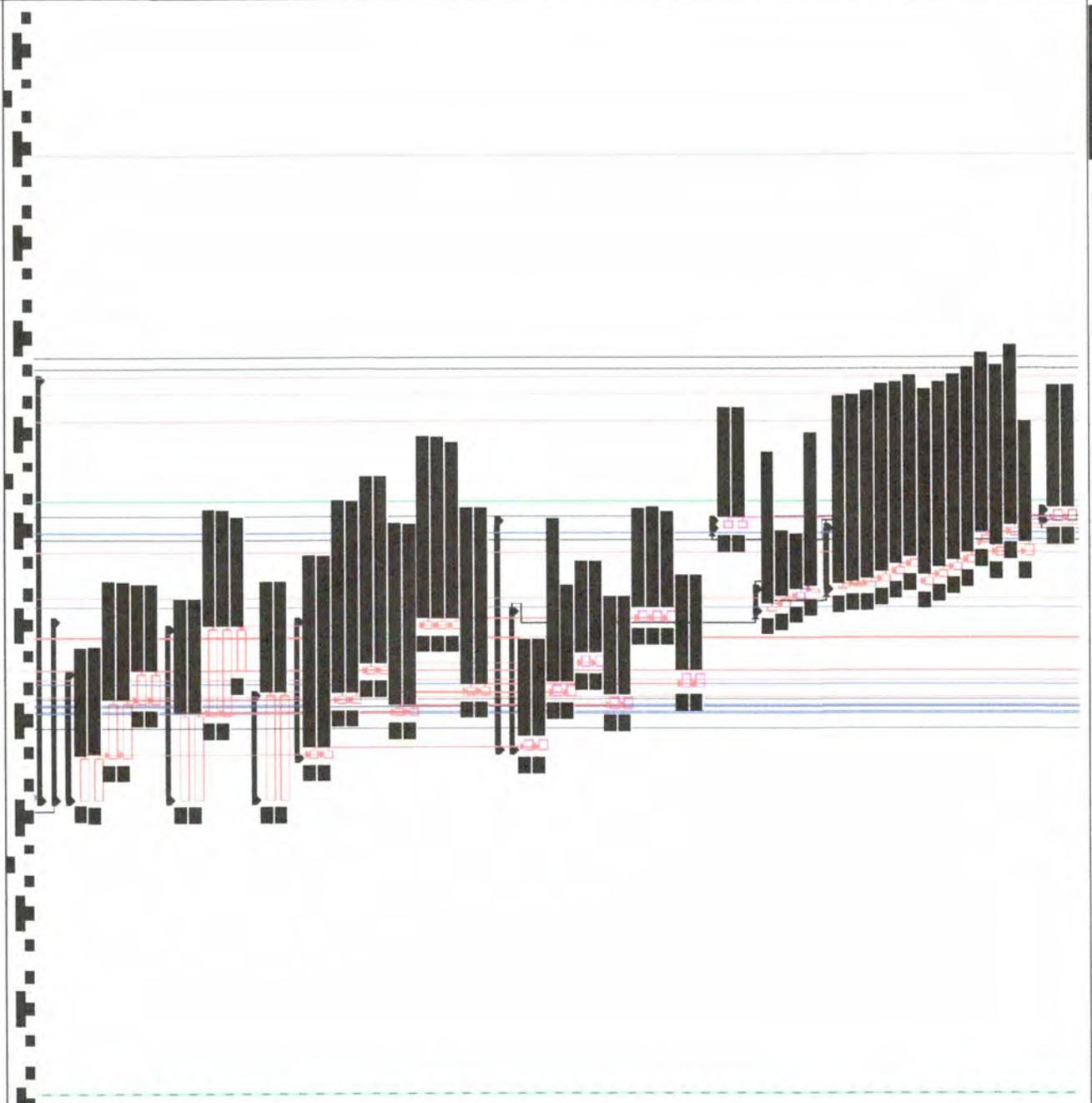
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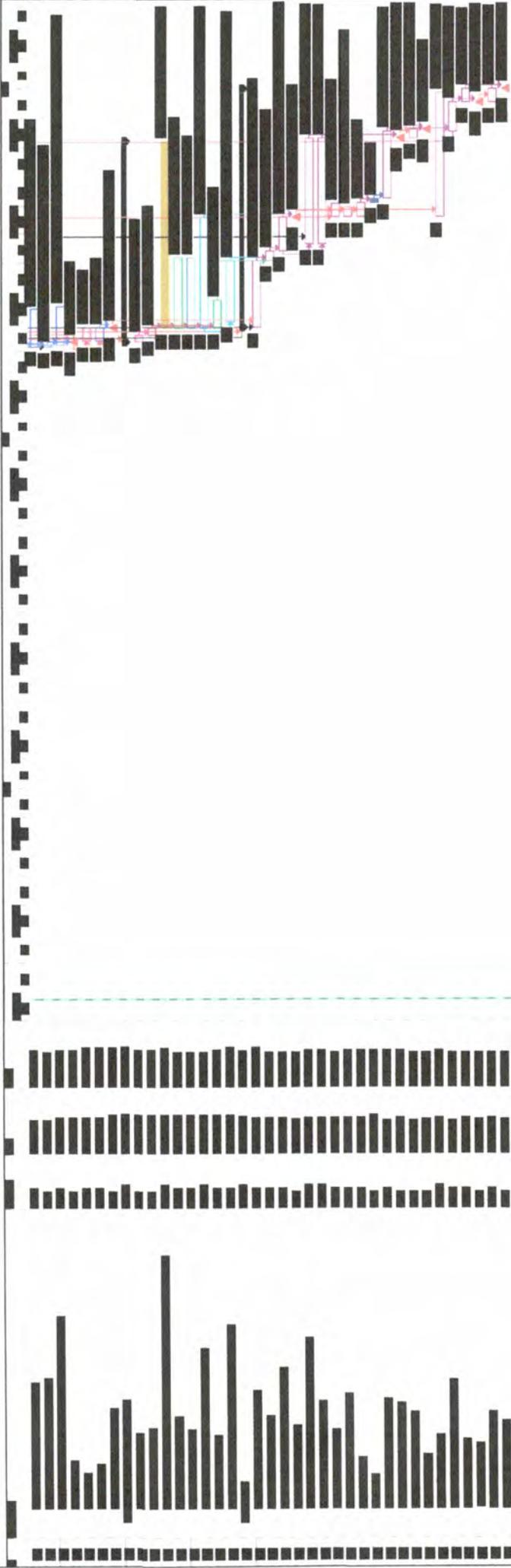
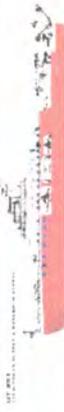












**General Terms and Conditions of Contract for Construction of a New Polar
Research Vessel**

DESIGN AND BUILD

INDEX TO GENERAL TERMS AND CONDITIONS OF CONTRACT FOR CONSTRUCTION OF A NEW POLAR RESEARCH VESSEL

1. Definitions
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4. Racial discrimination
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59. Confidentiality
60. Transparency
61. Freedom of Information
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1. Definitions

The definitions set out in Schedule C1 of General Terms and Conditions of Contract shall apply to these General Terms and Conditions of Contract.

2. Planning and Progress

If in the opinion of the Council planning or progress is at any time unsatisfactory for reasons within the Contractor's control, then the Contractor will be required to take remedial action. This requirement in no way relieves the Contractor of any liabilities under the Contract, including that for completion in all respects of the Contract work by the Contract Acceptance date.

3. Corrupt Gifts

a. The Contractor shall not:-

(1) offer to give or agree to give to any person in the Council's service any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of this or any other contract for the Council's service or for showing or forbearing to show favour or disfavour to any person in relation to this or any other contract for the Council's service;

(2) enter into this or any other contract with the Council in connection with which commission has been paid or agreed to be paid by it or on its behalf or to its knowledge, unless before the contract is made particulars of any such commission and of the terms and conditions of any agreement for the payment thereof have been disclosed in writing to the Council.

b. Any breach of this Condition by the Contractor or by anyone employed by it or acting on its behalf (whether with or without the knowledge of the Contractor) or the commission of any offence by the Contractor or by anyone employed by him or acting on its behalf under the Bribery Act 2010, in relation to this or any other contract for the Council shall entitle the council to determine the Contract and recover from the Contractor the amount of any loss resulting from such determination and/or to recover from the Contractor the amount or value of any such gift, consideration or commission.

c. In any dispute, difference or question arising in respect of the interpretation of this Condition the right of the council to determine the Contract, or the amount or value of any such gift, consideration or commission shall be decided by the Council whose decision shall be final and conclusive.

4. Racial Discrimination

a. The Contractor shall not unlawfully discriminate within the meaning and scope of the provisions of the Race Relations Act 1976 or any statutory modification or re-enactment thereof relating to discrimination in employment.

- b. The Contractor shall take all reasonable steps to secure the observance of the provisions of Condition 4a. hereof by all servants, employees or agents of the Contractor and all subcontractors employed in the execution of the Contract.
- c. If the Contractor becomes aware of any prosecution or proceedings, brought under the legislation detailed in Condition 4 a., against the Contractor, all servants, employees or agents of the Contractor and all subcontractors employed in performance of the Contract, the Contractor shall immediately notify the Council at the address specified in the Contract. Any notification shall not breach any duty of confidentiality between the Contractor and any employee.
- d. Notification by the Contractor of any information shall not prejudice any rights of the Council or the Contractor under the Contract.

5. Fire and Watchman

5.1 Contractor's shop, shipyard, dock-side and on board, fire precautions must adequately cover:

- 5.1.1 access and action by the local Fire Authority to meet the National Fire Services Rules and Regulations in force in the country where the vessel is being constructed and/or fitted out;
- 5.1.2 appointment of firewatchers and fire fighters;
- 5.1.3 clearance of fire hazards;
- 5.1.4 availability of alarms, extinguishers and appliances;
- 5.1.5 training and exercising personnel and equipment including the Council's personnel.

6. Power of the Council to determine the Contract in certain cases

In any of the following events, that is to say:

- a. if the Contractor, being an individual, or where the Contractor is a firm, any partner in that firm, shall at any time become bankrupt or shall have an Administrator appointed in accordance with the Insolvency Act 1986 (England & Wales) or equivalent in the country of Contractor's incorporation, or shall have a receiving order or administration order made against him or her, or shall make any composition or arrangement with or for the benefit of its creditors, or shall make any conveyance or assignment for the benefit of its creditors, or shall purport to do so, or if in Scotland he shall become insolvent or notour bankrupt, or any application shall be made under any Bankruptcy Act for the time being in force for sequestration of its estate, or a trust deed shall be granted by it for behoof of its creditors or equivalent in the country of Contractor's incorporation ; or
- b. if the Contractor, being a company, shall pass resolution, or the Court shall make an order, that the company shall be wound up, or if a receiver or manager on behalf of a creditor shall be appointed or shall have an Administrator appointed in accordance with the Insolvency Act 1986 (England & Wales) or

equivalent in the country of Contractor's incorporation or if circumstances shall arise which entitle the Court or a creditor to appoint a receiver or manager or which entitle the court to make a winding-up order;

the Council may either by notice in writing summarily terminate the Contract without compensation to the Contractor or may, in the option of the Council, take the whole or any part of the Contract work into their own hands and the provisions of Condition 8 shall apply. Provided always that such termination shall not prejudice or affect any right of action or remedy which shall have accrued or shall accrue thereafter to either Party or in particular their rights and powers under General Conditions 7 to 9 inclusive of these Conditions.

7. In certain other cases Council may take over and complete the Contract

If the Contractor shall (a) fail in or unduly delay the performance of the Contract or any part thereof; or (b) commit any material breach of the Contract, then the Council may by notice in writing given under this Condition require the Contractor to proceed and to act in every way in connection with the work in a proper and reasonable manner and with reasonable despatch.

Such notice must specify the act or default on the part of the Contractor on which it is based. If the Contractor shall fail fully to comply with any such notice within 28 days after service thereof the Council may take the whole or any part of the Contract work into their own hands.

8. Work already performed

If the Council shall take over the work or determine the Contract under the provisions of Conditions 6 or 7 hereof, the parties shall appoint such person or persons as they may agree to make a survey and valuation of such work as shall have been executed and of such materials and fittings as shall have been bought or made towards the Contract. The amount of the agreed valuation, less any sum that may have been paid shall (subject, nevertheless, to the provisions of Condition 10 hereof) be credited to the Contractor. Provided, however, that if the amount of such agreed valuation shall be greater than the balance of the price which would have been payable under the Contract, if the work had been duly completed in accordance therewith after deduction from that price of such amount as represents the cost and profit to the Contractor of completing work in all respects in accordance with the Contract, then in such case the Contract Price (less the amount so agreed as aforesaid) shall for the purpose of this Condition be substituted for the amount of the agreed valuation. And provided also that if the total of the sums already paid to the Contractor under the Contract shall be greater than the sum to be credited to the Contractor under this Condition, then the Contractor shall on demand pay to the Council such sums as represents the amount of the difference. Less the additional cost to Council for transferring the work as estimated by the person making the valuation, less the fees of the person making the valuation.

The person or persons so appointed by the Parties shall have the right to call for an examination of primary records, documents, time sheets, wages books and costs books and any other information in the possession or power of the Contractor which may assist that person or persons to make a complete and just survey and valuation and the Contractor shall disclose and produce the same accordingly.

9. Contractor to assign benefit of Contracts to the Council

If the Council shall take over the work or determine the contract under the provisions of Conditions 6 or 7 hereof, the Contractor shall, if so required, assign to the Council or as they may direct, without further payment, the benefit of any contract or contracts which the Contractor may have entered into for the supply of any materials, articles or things, or for the execution of any of the work and the Council may pay or arrange for the payment to the parties entitled to receive the same the amount which the Contractor may have agreed to pay for the materials so delivered, and, if the price thereof has already been paid to the Contractor, charge the same against the Contractor.

10. Council may complete work

Subject to any rule of law, should the Council take over the work or determine the contract under the provisions of Conditions 6 or 7 hereof, the Council may hire any workmen or other persons in the employment of the Contractor, and with them, and/or any other workmen or persons appointed by the Council or other contractors employed by them, enter into the yard or dock, or other premises in which the Contract work or any part of it is being or has been executed, and either take away the said Vessel, machinery, electrical installation and articles, or employ workmen or contractors in the said yard or dock or other premises to finish the same upon the account of the Contractor, and for that purpose the Council by themselves or their contractors may bring in all proper materials and do all things necessary for completing or taking away the said Vessel, machinery, electrical installation and articles, and may also have the full and entire use of all the stages, standards, shores and articles appertaining to staging and shoring which shall have been put up round the said Vessel, or which may be found in or about the said premises, and may have the use of all plant and machinery and all things provided or used by the Contractor for the execution of the work included in the Contract (including at no charge to the Council adequate power and water supplies), and may complete and launch or float out of dock the said Vessel and complete the said machinery and electrical installation and articles, without any molestation from the Contractor and without making any allowance or compensation whatsoever for the use of the said yard or dock or other premises, or of the said stages, standards, shores, plant, machinery and things herein before mentioned.

Upon completion of the work required under the Specification the Council shall certify the amount of the expenses reasonably and properly incurred consequent and incidental to the default of the Contractor as aforesaid and in completing the work by other persons. In case the expense incurred by the Council as aforesaid shall exceed the sum which the Contractor would have been entitled to receive had it fulfilled all the Terms and Conditions of the Contract, then the Contractor shall on demand pay to the Council the amount of such excess.

11. Provisions where work is left unfinished by Contractor

Should any work be left by the Contractor in an unfinished state, then an officer or officers appointed by the Council shall prepare a detailed list of the work included in the Contract which has been so left unfinished by the Contractor. This list shall be furnished to the Contractor who shall state in writing whether or not it agrees to the correctness thereof. If the Contractor agrees to the correctness of the list so prepared, it shall without delay proceed to complete the work detailed in the list and if it does not immediately proceed or does not make progress satisfactory to the Council, the Council

may take the unfinished work in hand. The cost incurred by the Council in performing the said work shall be charged against the Contractor.

12. Break Condition

- (1) The Council shall (in addition to all or any other rights or powers possessed by them under the Contract) have power at their discretion to determine the Contract at any time by giving 90 days' notice in writing to the Contractor of their intention to do so and upon the expiration of the notice the Contract shall be determined without prejudice to the rights of the Parties accrued to the date of determination but subject to the operation of the provisions of the following sub-Conditions.
- (2)
 - (a) The Contractor shall upon receipt of the notice forthwith take all necessary steps (including the termination of sub-contracts and orders on the best available terms) to provide for and ensure the gradual reduction of the work under the Contract so far as the same has been determined by such notice, such reduction to start within 14 days of the receipt of the said notice and to continue at such appropriate rate of decrease of work as will result in all work being, and the same shall be, completely stopped not more than 10 weeks from receipt of the said notice.
 - (b) The Contractor shall if and so soon as they shall be so required by the Council (whose instructions in this behalf shall be given within the said period) break up, dismantle, remove and dispose of in such manner as the Council may at their discretion require all materials built into or collected or delivered for the Vessel and machinery or any part thereof on the premises of the Contractor.
- (3) In the event of such notice being given and of the Contractor having reasonably observed any directions given to them under sub-Condition (2) above.
 - (a) The Council shall indemnify the Contractor against all and any commitments, liabilities or expenditure which are reasonably and properly chargeable by the Contractor in connection with the Contract to the extent to which such commitments, liabilities or expenditure would otherwise represent an unavoidable loss by the Contractor by reason of the termination of the Contract.
 - (b) The Council shall pay to the Contractor a fair and reasonable price for work done and materials supplied in complying with sub-Condition (2) hereof, and shall take over from the Contractor at a fair and reasonable price all unused and undamaged materials, bought out components and articles in course of manufacture in the possession of the Contractor at the expiration of the said notice and properly provided by or supplied to the Contractor for the performance of the Contract and not disposed of, used or supplied in complying with sub-Condition (2) hereof. Provided always that such prices shall not include any profit to the Contractor on any sum of money payable by them to any sub-contractor whose contract prices in respect of any such work or materials, bought out components or articles in the course of manufacture were submitted with the tender for the construction of the Vessel.

- (4) If in any particular cases hardship to the Contractor should arise from the operation of this Condition it shall be open to the Contractor to refer the circumstances to the Council who shall make a reasonable allowance therefore.
- (5) The Council shall not in any case be liable to pay for the work done in connection with the construction of the Vessel or machinery up to the date when work thereon is stopped under sub-Condition (2)(a) hereof or the date when instructions are given under sub-Condition (2)(b) hereof whichever is the earlier, any sum which, when taken together with any sums previously paid or incurred by the Council under this Contract, shall exceed the total price of the Vessel or machinery payable under the Contract.
- (6) All disputes, differences or questions between the parties to the Contract with respect to any matter or thing arising out of, or relating to this Condition shall be referred to Arbitration in accordance with Condition 17.

13. Vessel and Machinery and Electrical Installation to vest in Council

- a. Subject to the following provisions of this Condition, title to so much of the Vessel and machinery and electrical installation as shall have from time to time been constructed, and everything belonging thereto, and all materials and other things whatsoever which the Contractor shall acquire or allocate for incorporation in the same (the part constructed Vessel and such machinery and electrical installation and all materials and other things being "Vested Components") shall, without prejudice to the right of the Council to reject the same or any part thereof in accordance with the Contract, vest in and become the absolute property of the Council free of any lien or encumbrance as from the time they are used in the construction of the Vessel and/or machinery and electrical installation begins or the materials or things are so acquired or allocated and shall thenceforth be in the possession of the Contractor for the sole purpose of completing the Vessel or machinery or electrical installation and shall not be within the ownership control or disposition of the Contractor.
- b. Neither the Contractor, nor a sub-contractor, nor any other person shall have a lien on the Vested Components which have vested in the Council under clause (a) of this condition for any sum due to the Contractor, sub-contractor or other person, and the Contractor shall take all such steps as may be reasonably necessary to ensure that the title of the Council and the exclusion of any such lien is brought to the notice of all sub-contractors and other persons dealing with the Vested Components.
- c. Without prejudice to the vesting of the Vested Components as aforesaid in accordance with the provisions of clause (a) of this condition, the Contractor shall secure that as from the time when the construction of the Vessel and machinery and electrical installation begins or as soon thereafter as is practicable and that as from the time when the Vested Components are so acquired, or allocated, such a mark shall be placed thereon or attached thereto where possible, or where this is not possible, such a notice shall be displayed and record made in the books of the Contractor as may be necessary for the purpose of ensuring that the Vested Components as aforesaid are readily identifiable as being the property of the Council, and if any direction is given by the Council to the Contractor as to the steps to be taken to ensure that the

Vested Components shall be readily identifiable as being the property of the Council, the Contractor shall comply with that direction.

- d. The provisions of this Condition are to be included in all sub-contracts placed by the Contractor.
- e. The Contractor undertakes to the Council it will:
 - (1) ensure that the Vested Components are protected and preserved from and against loss, deterioration and damage howsoever caused;
 - (2) indemnify the Council for any claims, loss or damage sustained by the Council arising out of or in connection with any claims, loss or damage to the Vested Components of whatsoever kind and howsoever caused during storage or delivery to the Council;
 - (3) deliver the Vested Components to the Council in accordance with the Contract;
 - (4) not release the Vested Components without providing prior written authority from the Council.

The Contractor undertakes to the Council that it will use all reasonable endeavours to ensure its the sub-contractors' compliance with condition.

14. Contractor not to assign the Contract without the consent of the Council

The Contractor shall not, without the consent in writing of the Council, assign or transfer the Contract, or any part, share, or interest therein, directly or indirectly, to any person or persons whomsoever, provided this Condition shall not prevent the Contractor sub-contracting any portion of the work in accordance with the provisions of the Contract provided that Condition 18 shall apply.

15. Insurance

The Contractor shall at all times after the making of the Contract insure and keep insured in the joint names of the Contractor and the Council (a) so much of the Vessel and machinery and electrical installation as shall have from time to time been constructed; (b) all materials, machinery, equipment, articles and things included in the Contract made or acquired for the purpose of being included in the Contract, whether before or after the same shall, under Condition 13 of these Conditions, become the property of the Council; (c) all articles of every kind delivered to the contractor by the Council to be fitted or placed permanently or temporarily on the Vessel, either at the Contractor's premises or at any place to which the Vessel may be moved for the purpose of fitting or for any other purpose or cause. Where the Main Machinery Contractor is a Sub-Contractor of the Contractors, the said Main Machinery Contractor shall be directed similarly to insure in the terms of this condition.

The insurances shall be with insurers approved by the Council and shall be on terms no less wide than the current Institute Clauses for Builders Risk including strikes etc risks and shall be against War Risks from time of launch on terms no less wide than the current Institute War Clauses - Builders Risk.

The Contractor shall provide a copy of the insurance policy endorsement to evidence that the above requirements have been put in place together with a copy of the receipt from their insurers to show that the premiums due have been paid from cutting of steel or REDACTED – FOI Act Section 43 whichever shall first occur until Interim Acceptance.

16. Injury to Persons: Loss of Property

- a. This Condition 16 applies to any personal injury or loss of property which occurs prior to the Contract Acceptance date which arises out of or in any way in connection with the execution or purported execution of the Contract.
- b. This Condition 16 also applies to any personal injury or loss of property which occurs prior to termination of the Guarantee Periods detailed in Condition 49 hereof and which arises out of or in any way in connection with the presence of the Contractor's employees, sub-contractors or agents on the Vessel in the execution or purported execution of the Contract.
- c. Subject to the following provisions of this Condition the Contractor shall:
 - (1) be responsible for and reinstate and make good to the satisfaction of the Council, or make compensation for any loss of property suffered by the Council to which this Condition applies.
 - (2) indemnify the Council and servants of the Council against all claims and proceedings made or brought against the Council or servants of the Council in respect of any personal injury or loss of property and against all costs and proceedings reasonably incurred in connection therewith;
 - (3) indemnify the Council against any payment by the Council in order to indemnify in whole or in part a servant of the Council against any such claims, proceedings, costs or expenses, and
 - (4) indemnify the council against any payment by the Council to a Council servant in respect of loss of property suffered by that servant of the Council and against any payment made under any Council provision in connection with any personal injury to which this Condition applies
- d. If the Contractor shows that any personal injury or loss of property was not caused nor contributed to by its neglect or default or by that of its servants, agents or sub-contractors, or by any circumstances within its or their control, he shall be under no liability under this Condition, and if he shows that the neglect or default of any other person (not being its servant, agent or sub-contractor) was in part responsible for any personal injury or loss of property to which this Condition applies, the Contractor's liability under this Condition shall not extend to the share in the responsibility attributable to the neglect or default of that person.
- e.
 - (1) The Council shall as soon as practicable notify the Contractor in writing of any claim or proceeding made or brought in respect of any personal injury or loss of property;

- (2) if the Contractor admits that he is liable wholly to indemnify the Council in respect of any such claim or proceeding, and the claim or proceeding is not an excepted claim, he, or, if he so desires, its insurers, shall be responsible subject to the condition imposed by the following sub-paragraph, for dealing with or settling that claim or proceeding;
 - (3) if in connection with any such claim or proceeding with which the Contractor or its insurers are dealing, any matter or issue shall arise which involves or may involve any privilege or special right of the Council (including any privilege or right in relation to the discovery or production of documents) the Contractor or its insurers shall before taking any action thereon, consult the legal adviser to the Council and act in relation thereto as may be reasonably required by the Council, and if either the Contractor or its insurers fail to comply with this sub-paragraph. sub-paragraph (2) shall cease to apply;
 - (4) for the purpose of this paragraph "an excepted claim" means a claim or proceeding in respect of a matter failing to be dealt with under a Council provision, or a claim or proceeding made or brought by or against a servant of the Council.
- f. Where any such claim or proceeding as is mentioned in sub-paragraph (2) or (3) or paragraph c, of this Condition is settled otherwise than by the Contractor or its insurers, it shall not be required to pay by way of indemnity any sum greater than that which would be reasonably payable in settlement having regard to the circumstances of the case and in particular to the damages which might be recoverable at law.
- g. In this condition:
- (1) the expression "loss of property" includes damage to property;
 - (2) the expression "personal injury" includes sickness and death;
 - (3) the expressions "servant of the Council" and "servants of the Council" includes persons who are servants of the Council at the time when a personal injury or loss of property to which this Condition applies occurs, notwithstanding that they cease to be such before any payment in respect of the personal injury or loss of property is made, and where they have ceased to be such by reason of their deaths, include their personal representatives; and
 - (4) the expression "Council provision" means any statute, warrant, order, scheme, regulations or conditions of service applicable to a servant of the Council making provision for continuance of pay or for payment of sick pay, or any allowance to or for the benefit of servants of the Council or their families, or dependents during or in respect of sickness, injury or disablement suffered by such servants.

17. Arbitration/Mediation

17.1 Any dispute between the parties affecting Classification in regard to the

construction of the vessel, her machinery and electrical installation, or in respect of material or workmanship thereof, or thereon, shall forthwith be referred to the Chief Surveyor or Chief Engineer Surveyor of the Classification Society referred to in the Contract (according to whether the question is one affecting the vessel or her machinery or her electrical installation) and his/her decision shall be final.

17.2 All other disputes arising between the parties to the Contract, except those as to which the decision of the Council is under the Contract to be final and conclusive, shall be dealt with as follows:

17.2.1 The Parties shall attempt in good faith to negotiate a settlement to any dispute between them arising out of or in connection with the Contract within 30 days of either Party notifying the other of the dispute such efforts shall involve the escalation of the dispute to the finance director or equivalent of each Party.

17.2.2 Nothing in this dispute resolution procedure shall prevent the Parties from seeking from any court of the competent jurisdiction an interim order restraining the other Party from doing any act or compelling the other party to do any act.

17.2.3 If the dispute cannot be resolved by the Parties pursuant to Condition 17.2.1 the dispute shall be referred to mediation pursuant to the procedure set out in sub-condition 17.2.5 unless (a) the Council considers that the dispute is not suitable for resolution by mediation; or (b) the Contractor does not agree to mediation.

17.2.4 The performance of the Contract shall not be suspended, cease or be delayed by the reference of a dispute to mediation and the Contractor (or employee, agent, supplier or sub-contractor) shall comply fully with the requirements of the Contract at all times.

17.2.5 The procedure for mediation and consequential provisions relating to mediation are as follows:

- (a) A neutral adviser or mediator ("the Mediator") shall be chosen by agreement between the Parties or, if they are unable to agree upon a Mediator within 14 days after a request by one Party to the other or if the Mediator agreed upon is unable or unwilling to act, either Party shall within 14 days from the date of the proposal to appoint a Mediator or within 14 days of notice to either Party that he is unable or unwilling to act, apply to the Centre for Effective Dispute Resolution ("CEDR") to appoint a Mediator.
- (b) The Parties shall within 14 days of the appointment of the Mediator meet with him in order to agree a programme for the exchange of all relevant information and the structure to be adopted for negotiations to be held. If considered appropriate, the Parties may at any stage seek assistance from CEDR to provide guidance on a suitable procedure.
- (c) Unless otherwise agreed, all negotiations connected with the dispute and any settlement agreement relating to it shall be

conducted in confidence and without prejudice to the rights of the Parties in any future proceedings.

- (d) If the Parties reach agreement on the resolution of the dispute, the agreement shall be reduced to writing and shall be binding on the Parties once it is signed by their duly authorised representatives.
- (e) Failing agreement, either of the Parties may invite the Mediator to provide a non-binding but informative opinion in writing. Such an opinion shall be provided on a without prejudice basis and shall not be used in evidence in any proceedings relating to the Contract without the prior written consent of both Parties.
- (f) If the Parties fail to reach agreement in the structured negotiations within 60 days of the Mediator being appointed, or such longer period as may be agreed by the Parties, then any dispute or difference between them may be referred to the Courts unless the dispute is referred to arbitration pursuant to the procedures set out in Condition 17.3.

17.3 Subject to Condition 17.2.2, the Parties shall not institute court proceedings until the procedures set out in Conditions 17.2.1 and 17.2.3 have been completed save that:

- (a) the Council may at any time before court proceedings are commenced, serve a notice on the Contractor requiring the dispute to be referred to and resolved by arbitration in accordance with the provisions of Condition 17.4.
- (b) if the Contractor intends to commence court proceedings, it shall serve written notice on the Council of its intentions and the Council shall have 21 days following receipt of such notice to serve a reply on the Contractor requiring the dispute to be referred to and resolved by arbitration in accordance with the provisions of Condition 17.4.
- (c) the Contractor may request by notice in writing to the Council that any dispute be referred and resolved by arbitration in accordance with the provisions of Condition 17.4, to which the Council may in its discretion consent as it sees fit.

17.4 In the event that any arbitration proceedings are commenced pursuant to Condition 17.3, the following provisions shall apply:

- (a) the arbitration shall be governed by the provisions of the Arbitration Act 1996;
- (b) the Council shall give a written notice of arbitration to the Contractor (“the Arbitration Notice”) stating:
 - (i) that the dispute is referred to arbitration; and
 - (ii) providing details of the issues to be resolved
- (c) the London Court of International Arbitration (“LCIA”) procedural rules in force at the date that the dispute was referred to arbitration in accordance with 17.4(b) shall be applied and are deemed to be incorporated by reference to this Contract and the decision of the arbitrator shall be binding on the Parties in the absence of any material failure to comply with such rules;

- (d) the tribunal shall consist of a sole arbitrator to be agreed by the Parties;
- (e) if the Parties fail to agree the appointment of the arbitrator within 10 (ten) days of the Arbitration Notice being issued by the Council under 17.4 (b) or if the person appointed is unable or unwilling to act, the arbitrator shall be appointed by the LCIA;
- (f) the arbitration proceedings shall take place in London and in the English language; and the arbitration proceedings shall be governed by, and interpretations made in accordance with, English law.

Neither party shall be entitled to suspend performance of the Contract merely by reason of the reference of a dispute to arbitration or mediation.

18. Contractor not to sub-let without consent of Council

- a. No part of the Contract is to be sub-let without the previous consent of the Council in writing which shall not be unreasonably withheld. The names of all companies, firms or persons proposed, and the work which it is proposed to sub-let to them, must be submitted to the Council, through the Technical Adviser for approval. Any such approval shall not exonerate the Contractor from its liability for the due execution of the whole of the work contracted to be performed, Copies of all orders placed with such companies, firms, or persons are to be furnished to the Technical Adviser.
- b. The Council has exemplar Suppliers as nominated within certain areas within the SoR to illustrate the standard of equipment which the Council expects to be supplied when it is not practicable to specify their requirements with particularity. In the selection of Suppliers by the Contractor in accordance with the following provisions the Contractor shall take account of the foregoing.

In respect of the equipment and services listed in Schedule C7 Subcontractors and Suppliers the Contractor will with the exception of those items expressly mentioned elsewhere carry out a competitive tender exercise and thereafter submit to the Council:-

- the name of the Supplier proposed by the Contractor.
- the detailed Specification received from the Supplier proposed by the Contractor.
- the effect if the Council does not accept the Supplier proposed by the Contractor on Contract Price, Contract Acceptance date or any of the parameters of the Vessel including those for which the Council has the right to liquidated damages or rejection of the Vessel.

The Council shall within 21 calendar days of receipt of the said information notify the Contractor whether or not it approved the Supplier proposed by the Contractor. If the Council fails to respond within the said 21 calendar days the Council shall be deemed to have approved the Supplier proposed by the Contractor. If the Council shall not approve the Supplier proposed by the Contractor the Council shall indicate which of the other Suppliers listed in the Schedule of Suppliers is to be used and shall be deemed to

have agreed to and accepted the effect on Contract Price, Contract Acceptance date or any of the parameters of the Vessel including those for which the Council has the right to liquidated damages or rejection of the Vessel resulting there from. Council will base any decision solely on whether its requirements are satisfied by the supplier. For purposes of clarity, the Contractor shall be solely responsible for all risks associated with choice of supplier, equipment and / or system.

The foregoing provisions shall apply to equipment and services not specifically listed in Schedule C7 Subcontractors and Suppliers the Contractor shall have unrestricted freedom to negotiate freely with and chose Suppliers of all such non listed equipment and services.

- c. Notwithstanding that a sub-contractor is a sub-contractor on the Council's list of exemplar Suppliers or selected by the Contractor in accordance with this Condition 18, the Contractor shall ensure the following conditions are contained within any contract between the Contractor and its sub-contractor:
 - i. Full details of the sub-contractors' and/or the sub-contractor's suppliers' place of manufacture of the equipment, plant, machinery etc which is the subject of the contract as between the sub-contractor and the Contractor, shall be included in the quotation provided by the sub-contractor to the Contractor;
 - ii. When a contract is placed as between the Contractor and sub-contractor, the country and place of origin of the supply of such equipment, plant, machinery etc which is the subject matter of such a contract shall not be changed by the sub-contractor without the prior written approval of the Contractor who shall, in turn, not agree to such change/s without the prior written approval of the Council
19. In case of assignment or sub-letting Contractor to secure the observance of the Conditions by sub-Contractors
- a. In every case in which the Contractor shall, with the consent of the Council, contract with any company, firm or person for the execution of any work or for the manufacture of any machinery or other articles or things which the Contractor is bound to perform for, or supply to, the Council, the Contract between the Contractor and the sub-contracting company, firm or person, as aforesaid shall contain a Condition binding such company, firm or person in all respects to observe, so far as the same be applicable, all the conditions incorporated in the Contract of the Contractor with the Council, and in particular a Condition permitting the Technical Adviser at all reasonable times to enter the premises of the company, firm, or person where the work is being performed, or the machinery or other articles or things are being manufactured, a Condition conferring on the Council similar rights of property to those conferred by Condition 13 of these General Conditions, and Conditions similar to Conditions 38, 14, and 18 inclusive of these General Conditions.
20. Lloyds Register of Shipping and Maritime and Coastguard Agency requirements

The Contractor is to be responsible for fulfilling the regulations and requirements of the Classification Society, Registration Authority and all other relevant statutory requirements either:

- a. in force at the date of Contract, or
- b. If not in force as of the date of this Contract, which are ratified and promulgated on or before the date of this Contract and which will be compulsory for the Vessel on or before the delivery of the Vessel

21. Use of Documents, Information etc

Except with the consent in writing of the Council the Contractor shall not make use of the contract or any specification, plan, drawing, pattern, sample or information issued or furnished by or on behalf of the Council in connection therewith otherwise than for the purpose of performing the Contract.

22. Drawings. etc, to be the Property of the Council

- a. All drawings, patterns, (except such patterns as are used in the manufacture of machinery and equipment for the Vessel) and designs of arrangements and details of arrangement of any proportion of the Vessel, or of her machinery or of her electrical installation, which are furnished or created by the Contractor or its sub-contractors (" **Foreground IPR**") are to be the absolute property of the Council (except for drawings, patterns and designs and used in connection with the production of the Vessel which the Contractor holds copyright at the date hereof (**Background IPR**")) to deal with and make such use of as they may deem desirable, due consideration being given to patent rights, if any. Notice of the existence of any such Background IPR rights shall be given to the Council when the drawing or pattern is submitted. The Contractor grants the Council a non-exclusive, irrevocable, transferable, sub-licensable, royalty-free licence or sub-licence including, without limitation the right for the Council as licensee or sub-licensee to copy, modify, disclose and use, the relevant Background IPR in order for the Council or the Council's sub-licensee to receive and use the Foreground IPR and/or the benefit of this Contract and replace, substitute or follow-on works for substantially similar Vessels.
- b. Notwithstanding the provisions of Condition 22(a) the Council will consider granting to the Contractor a licence of the Foreground IPR on a basis to be agreed, to use all drawings, patterns and designs relating to the Contract which are or become the property of the Council for the purposes of the business of the Contractor.
- c. The Contractor shall on completion of the Contract request instructions from the Council for the disposal of patterns and templates of important structural castings and forgings. The Contractor will not be required to store them.
- d. On Interim Acceptance or earlier termination of the Contract the Contractor shall furnish to the Council five (5) copies of all drawings, documents, technical manuals and the like in the English language and in a format and media approved by the Council. This to include suitable electronic format wherever possible.
- e. The Contractor assigns, and shall procure that each sub-contractor of the Contractor creating or modifying Foreground IPR assigns, all present and future Foreground IPR to the Council with full title guarantee.

- f. The Contractor and any sub-contractor shall procure the waiver by its employees of any moral rights that they might have in the Foreground IPR.

23. Review of Drawings, Supervision and Inspection

Drawings

- 23.1 The review or commenting on by the Council on any drawing, pattern or plan prepared by the Contractor or its sub-Contractors, other than sub-Contractors nominated by the Council, or by the Contractor and other contractors where they have mutually agreed to share the preparation of such drawings, patterns or plans, shall not release the Contractor from any liability it may incur under the provisions of the Contract. This Condition shall apply to all sub-Contractors, including sub-Contractors appointed under the terms of Condition 18.
- 23.2 The Council shall review information, drawing, documents, purchase orders, etc presented by the Contractor in accordance with the conditions and timescales covered in the SMR. No review, approval or comment by the Council or any person or organisation employed by the Council shall relieve or lessen the obligations of the Contractor under this Contract.

Supervision and Inspection during Construction

- 23.3 The Council may, at its own expense (save to the extent provided in Condition 23.7) retain at the Shipyard up to six (6) persons as its authorised Representatives to oversee any element of the Vessel's construction but with no right or authority to give any instructions or notices to which the Contractor in connection with the Vessel. The Council shall nominate one of the Representatives from time to time to act as the Council's Representative for the purpose of giving and receiving formal communications to/from the Contractor for the purposes of this Contract ("the Council's Representative").
- 23.4 The Representatives shall, at all reasonable times until Delivery of the Vessel hereunder, have the right:
- (i) to inspect the Vessel, her machinery, outfit and equipment including all equipment intended for installation on or incorporation in the Vessel and all work in progress in connection with the construction of the Vessel, her machinery and equipment wherever such work is being done or such material is stored for the purpose of determining that the Vessel, her machinery and equipment are being constructed in accordance with the terms of this Contract including, without limitation, the SoR, Contract Drawings and Contract Specification;
 - (ii) to attend at all tests and trials of the Vessel, (including preliminary Contractor's tests and trials) her engines and all equipment; and
 - (iii) to take reasonable measurements of the Vessel, her components and paints for the purpose of determining that the Vessel is being constructed in accordance with the provisions of this Contract including, without limitation, the SoR, Contract Drawings and Contract Specification.

- 23.5 The Council's Representative shall, on behalf of the Council, be entitled to make decisions or give advice or suggestions to the Contractor on all problems arising during the course of or in connection with the construction of the Vessel with a view to co-operating with the Contractor in the construction process.
- 23.6 The Contractor shall grant free access for such purposes during working hours to the Vessel, her engines and equipment and to all relevant areas of the Shipyard, workshops, and stores of the Contractor (save and except areas which are controlled for purposes of national security or commercial confidentiality) and to any other place where work is being done or materials are being processed or stored in connection with the construction of the Vessel. The Contractor will obtain for the Council similar rights of access to subcontractors' premises as far as reasonably possible. All inspections will be at the Council's risk and expense.
- 23.7. The Contractor will make available for the Representatives appropriate office space for a maximum of six (6) persons at the Shipyard furnished with telephone, Wifi and other basic office facilities at the Contractor's cost and expense. All telecommunication charges and consumables shall be for account of the Council.
- 23.8 The Representatives shall at all times be deemed to be the employees of the Council and not the Contractor.
- 23.9 Each of the Representatives whose names, duties and extent of authority are to be made known to the Contractor in advance, shall observe all laws, rules and regulations prevailing at the Contractor's and any subcontractor's premises. They shall address all remarks exclusively to the Council's Representative who shall in turn address the remarks exclusively to the Contractor's duly appointed representative(s) whose name(s) shall be notified to the Council in writing as soon as possible after signature of this Contract ("the Contractor's Representative").
- 23.10 During construction of, and up to the Delivery of the Vessel, the Contractor shall give the Council's Representative reasonable advance notice of all tests and inspections in order to enable the Representatives to attend. Failure by any Representative to attend any such tests or inspections after reasonable advance notice and without proper cause shall be deemed to be a waiver of the right to be present.
- 23.11 In the event that any Representative discovers any construction or material which s/he believes does not or will not conform to the provisions of this Contract, the Council's Representative shall notify the Contractor promptly in writing specifying the nature and extent of such non-conformity. The Contractor shall thereupon take effective measures to correct satisfactorily such non-conformity within a reasonable time or shall notify the Council in writing of the extent to which the Contractor does not agree that corrective measures are required. In the event of any difference of opinion between the Parties, the Contractor or the Council may request resolution of the matter in accordance with applicable provisions of Condition 17.

24. Royalties, Patents etc

All royalties, licences, fees or similar expenses in respect of the supply or use for or in connection with this Contract of any invention, process, drawing model, plan or information shall be deemed to have been included in the Contract Price and the Contractor shall indemnify the Council from and against all claims, proceedings, damages, costs and expenses which may be made or brought against the Council or to which the Council may be put by reason of such supply or use.

Provided that where such supply or use has been necessary in order to comply with any instructions given by the Council under the Contract, any royalty, licence, fee or similar expense payable by the Contractor in respect of such supply or use and not provided for or reasonably contemplated by the Contract, shall be deemed to be an expense properly incurred by the Contractor in compliance with an instruction of the Council which does not relate to an alteration in or an addition to the Contract.

25. Plant and Machinery to be supplied, etc

- a. Unless otherwise agreed during the performance of the contract all labour, machinery and plant of every kind required in carrying out the work, including trials shall be supplied by the Contractor. Electric current for lighting and power including all necessary cables and fittings in connection therewith, also compressed air for pneumatic tools, testing purposes etc, shall be provided when required free of charge by the Contractor to other contractors appointed by the Council for work on the vessel, who are however, to provide their own flexible hoses to attach to the main supply leads in the Vessel.

No item of machinery supplied under the contract is to be used for any purpose other than as required by the Project Manager in accordance with Design Specifications, without prior Council approval in writing.

- b. All loading and unloading and safe storage of machinery, equipment, materials, stores, patterns and other gear is to be performed by and at the cost and risk of the Contractor.

26. Embarkation of Ship's Stores

The Contractor is to afford facilities for embarkation of ship's storeroom stocks before completion of the ship if required. Such stores will normally be taken by the ship's personnel or other representatives of the Council direct from the railway truck or other vehicle in which they reach the shipyard, to the appropriate storeroom in the ship. If however for any reason this cannot be done the Contractor is to remove the stores to its storage accommodation to be held for such reasonable time until they can be removed therefrom by the ship's personnel or other representative of the Council and placed in the ship's storerooms.

The Contractor is also, on request by the Project Manager, to provide all necessary assistance to Ship's Officers for getting the stores on board where this is beyond the capacity of the ship's personnel. The actual unpacking and stowage in place of such stores will be carried out by the ship's personnel.

During normal working hours of the shipyard the keys of the storerooms in which stores have been placed will be held by Ship's Officers but at the end of the working

day will be handed over by Ship's Officers to a responsible person deputed by the Contractor to receive them.

Detailed arrangements in connection with the foregoing are to be agreed mutually between the Contractor and Project Manager to meet the circumstances of the contract.

Whilst the stores are in the Contractor's storage accommodation (should this be necessary) or the keys of the ship's storerooms are in the Contractor's possession. The Contractor shall be responsible for the safe custody of the stores in the same manner as for stores and equipment issued by the Council for the purposes of the contract.

27. Laying of Keel, Launch and Handing Over

The following procedure shall apply:-

a. Laying of Keel

One calendar months' notice of the proposed laying of the first Keel plate (or the placing of the first prefabricated unit on the slipway) shall be given by the Contractor to the Council. The report is to include the number of the berth on which the keel (or unit) is laid. Subsequently the actual date is to be reported by letter to the Council immediately the event has taken place.

b. Launch

- (1) Not less than two calendar months' notice of the proposed date of launching of the vessel shall be given by the Contractor to the Council, for approval of the proposed date.
- (2) The Contractor shall arrange for a suitable launching ceremony the cost of which is to be included in the tendered price for the vessel. A lavish ceremony is not required but the arrangements made should be commensurate with the prestige of the vessel and the standing of the Council. The Contractor shall be responsible for inviting up to 100 guests to be nominated by the Council, for their transport to and from the Contractor's premises and the nearest mainline railway station or airport as the case may be and for entertaining the guests on the day of the launch. The Contractor will be at liberty to arrange local publicity in connection with the launching but national /international publicity will be mutually agreed.

28. Minor Fittings

All minor fittings of which the Contractor might reasonably have been expected to be aware at the time of tender, although not specified in particular in the Specification or Drawings, and which may be considered by the Council requisite for the proper completion of any part of the vessel and machinery and electrical installation shall be provided and fitted by the Contractor.

29. Equipment Supplied to the Contractor

The Contractor shall provide the necessary warehouse accommodation for and maintain in good condition. protected from the weather, all equipment, first fitting stores, and

other articles which may be supplied to them by the Council for fitting in place on board the vessel before she is handed over to the Council, and shall re-deliver the said articles to the Council in as good condition as that in which they were delivered to the Contractor.

The Contractor undertakes the due return of all Council property issued to it and will be responsible to the full market value for all loss thereof or damage thereto from whatever cause happening, fair wear and tear only excepted.

30. Carriage of Equipment to the Contractor's Premises

The cost of the packing and of the carriage to the Contractor's premises of all stores and equipment to be stowed and fitted, and of all other items which, under the provisions of the Specifications, are to be supplied to the Contractor by the Council will be borne by the Council.

31. Workmanship and Supervision

The Contractor shall execute and complete the whole of the work specified or referred to and comprised in the Design Specifications and documents and all work delineated on Plans, and Drawings in strict accordance with the said Plans, Drawings, Specifications and documents and in strict accordance also with these General Conditions and the performance thereof by the Contractor shall be a condition precedent to its right to receive any payment from the Council.

32. Vessel to be Built According to the Council's requirements as set out in the SoR/Liquidated and Ascertained Damages/Rights of Rejection of the Vessel

- a. The Vessel and her machinery and her electrical installation shall be constructed in a manner to meet the requirements as described in the SoR and the whole of the cabins, laboratories, store-rooms, magazines, etc, and other spaces and all fittings shall be completed by the Contractor so that the Vessel on delivery shall be complete in so far as the Design Specifications or agreed amendments thereto provide. The Vessel shall be dry docked and undocked from time to time as required by the Contractor's programme.
- b. Should the Contractor fail to deliver the Vessel in accordance with the SoR and/or the design specification, the provisions of Schedule C4 (Liquidated and Ascertained Damages/Rejection of the Vessel) shall apply.

33. Material Necessary for the Completion of the Vessel

The Contractor will provide, supply and properly fit in place all material necessary for the completion of the Vessel and her machinery and her electrical installation and pay for the said material except such things as are to be supplied by the Council or by other contractors appointed by them. The Contractor will also at its own expense properly secure in place all articles provided and forwarded to the Contractor's premises by or on behalf of the Council except such articles as are to be secured in place by other Contractors appointed by the Council and will pay for all labour, plant, machinery, freight, port services mentioned or referred to in the Design Specification or which may be necessary for the due performance of the work hereby contracted to be performed or which may from time to time be ordered by the Council in accordance with these conditions and will carry out all the trials mentioned in the Conditions and Design

Specification or which may in the opinion of the Council be necessary to test the Vessel machinery electrical installation and the materials and work supplied or performed and will execute and forward as directed by the Council all the drawings from time to time required by the Council including the drawings mentioned in the Design Specification.

The Contractor shall not be liable for the cost of repeat trials occasioned by faulty design of or defects in items supplied by the Council provided that such repeat trials are not due to negligence on the part of the Contractor in the fitting or in the care and efficient protection of such items.

34. Materials and Workmanship to be used

As a minimum all workmanship and materials are to be of the respective kinds described in the Design Specification or Builders Standards and must pass the tests detailed therein, or, where not so described, shall be of high quality commensurate with the general standards set in the Design Specification, Builders Standards as appropriate, suitable for their respective purposes, free from defects and to the reasonable satisfaction of the Council.

35. Arrangements for Testing

The Contractor at its own expense is, when required by the Design Specification, to provide samples of materials or fittings for test and to arrange for such tests to be carried out either in its own works or at a recognised testing establishment elsewhere and to make arrangements with suppliers for acceptance tests to be carried out. The Contractor shall provide free access to the Technical Advisers to witness events in the programme and inspect workmanship at suitable times before any work is carried out that would alter the condition of the item being witnessed. The Contractor shall give the Technical Adviser reasonable notice of such tests and events that Council requires to be witnessed. In addition the Technical Advisers may notify the Contractor of further events, tests, etc that he wishes to witness or inspect.

36. Copies of Orders to be Submitted

Immediately any orders for major materials, fittings or machinery are placed, copies of the orders (excluding prices), showing the particular purpose for which the materials or fittings are to be used, must be sent to the Technical Advisers. The Contractor will be required to advise the Technical Advisers if the items supplied differ other than in minor detail from those ordered. The copy order shall also indicate the order date and delivery schedule for the materials and fittings described therein.

37. Reports of Progress

Monthly reports of progress of hull, machinery and electrical work, and on all major sub-contractors and long-lead items and items identified by the Council prior to Contract signature, shall be furnished by the Contractor to the Council through the Project Manager in accordance with the requirements expressed in the SMR. These reports shall include a statement showing key milestones such as, but not limited to, the estimated or actual dates for laying of keel or commencement of erection, progress of steelwork, delivery of main engines, installation of main propulsion machinery, launching or first floating and completing the Vessel. The Contractor shall also report delivery progress of all current critical path items being supplied by its sub-contractors.