



Ministry of Defence

Delivery Team

Contract Number:

703723450

Description:

Provision of a Fleet Helicopter Support Unit
(FHSU)

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

Team Name and address:

Defence Equipment and Support
MoD Abbey Wood,



Email Address:



Telephone Number:



And

Contractor Name and Address

Email Address:

Telephone Number:

Schedules TO CONTRACT

<u>Schedule</u>	<u>Title</u>
Schedule 1	Statement of Requirements (SOR)
Schedule 2	MRP Compliance Matrix
Schedule 3	Air System Test & Acceptance Criteria
Schedule 4	Dependencies, Assumptions, and Exclusions
Schedule 5	FHSU Government Furnished Assets (GFA) Register
Schedule 6	DEFFORM 539A Contractors Commercially Sensitive Information Form
Schedule 7	DEFFORM 177 Design Rights & Patents (Subcontractors Agreement)
Schedule 8	FHSU Tasking Process
Schedule 9	Bank Guarantee [If Applicable]
Schedule 10	Security Aspects Letter
Schedule 11	Payment Plan
Schedule 12	Task Authorisation Form
Schedule 13	Rates
Schedule 14	Performance Measurement and Incentivisation
Schedule 15	Variation of Price
Schedule 16	Insurance Annex
Schedule 17	TUPE
Schedule 18	DEFFORM 528 Import and Export Controls
Schedule 19	Overfly, Under fly, Contract Value, TAF and Amendment Record
Schedule 20	Data Item Descriptions
Schedule 21	DEFFORM 111 <i>Appendix - Addresses and Other Information</i>
Schedule 22	Definitions and Abbreviations
Schedule 23	Cyber Implementation Plan
Schedule 24	NOT USED
Schedule 25	Limitation of Liabilities
Schedule 26	NOT USED
Schedule 27	DEFFORM 139 SME Spend Data
Schedule 28	Exit Plan (Placeholder for Contractor to Provide)
Schedule 29	Supply Chain Resilience and Risk Awareness Mapping Template
Schedule 30	Transition Management Plan

1. SCHEDULE OF REQUIREMENTS

Name and Address of Contractor TBC	MINISTRY OF DEFENCE Schedule of Requirements (SOR)	Provision of a Fleet Helicopter Support Unit Contract Number: 703723450
Issued With: ITN	On: TBC	Previous Contract No: HICC/0187

Requirements:

Item No	Description	£ (ex-VAT)
Pricing Period 1		
1	Transition Period: Activities to carry out the transition to service in accordance with the Statement of Requirements at Schedule 1 to the Contract, Transition Management Plan at Schedule 30 to the Contract and Air System Test & Acceptance Criteria at Schedule 3 to the Contract, for the period from the date of the Contract to satisfactory achievement of all entry and exit criteria of Schedule 3 to the Contract.	£ (Firm Price)
2	2.1 Initial Service Period: Provision of a Fleet Helicopter Support Unit, in accordance with the Statement of Requirements at Schedule 1 to the Contract and Key Performance Indicators at Schedule 14 to the Contract during Contract Year 1.	£ (Monthly (Firm Price))
	2.2 Initial Service Period: Provision of a Fleet Helicopter Support Unit, in accordance with the Statement of Requirements at Schedule 1 to the Contract and Key Performance Indicators at Schedule 14 to the Contract during Contract Year 2.	£ (Monthly (Firm Price))
	2.3 Initial Service Period: Provision of a Fleet Helicopter Support Unit, in accordance with the Statement of Requirements at Schedule 1 to the Contract and Key Performance Indicators at Schedule 14 to the Contract during Contract Year 3.	£ (Monthly (Firm Price))
Pricing Period 2		

3	3.1	Contract Year 4 Service Delivery: Provision of a Fleet Helicopter Support Unit in accordance with the Statement of Requirements at Schedule 1 to the Contract and Key Performance Indicators at Schedule 14 to the Contract for a period of 1 year from the end of Contract Year 3.	£ [as per Contract Year 1] (Monthly (Fixed Price)) To be varied in accordance with Clause 16
	3.2	Contract Year 5: Provision of a Fleet Helicopter Support Unit in accordance with the Statement of Requirements at Schedule 1 to the Contract and Key Performance Indicators at Schedule 14 to the Contract for a period of 1 year from the end of Contract Year 4.	£ [as per Contract Year 1] (Monthly (Fixed Price)) To be varied in accordance with Clause 16
	3.3	Contract Year 6 (note that in accordance with Schedule 11 Payment Plan, Schedule of Requirements 3.3 may consist of fewer than 12 months or not occur at all): Provision of a Fleet Helicopter Support Unit in accordance with the Statement of Requirements at Schedule 1 to the Contract and Key Performance Indicators at Schedule 14 to the Contract for a period of up to 1 year from the end of Contract Year 5.	£ [as per Contract Year 1] (Monthly (Fixed Price)) To be varied in accordance with Clause 16
	3.4	Contract Year 7 (note that in accordance with Schedule 11 Payment Plan Schedule of Requirements 3.4 may consist of fewer than 12 months or not occur at all): Provision of a Fleet Helicopter Support Unit in accordance with the Statement of Requirements at Schedule 1 to the Contract and Key Performance Indicators at Schedule 14 to the Contract for a period of up to 1 year from the end of Contract Year 6.	£ [as per Contract Year 1] (Monthly (Fixed Price)) To be varied in accordance with Clause 16
	3.5	Contract Year 8 (note that in accordance with Schedule 11 Payment Plan Schedule of Requirements 3.5 may consist of fewer than 12 months or not occur at all): Provision of a Fleet Helicopter Support Unit in accordance with the Statement of Requirements at Schedule 1 to the Contract and Key Performance Indicators at Schedule 14 to the Contract for a period of up to 1 year from the end of Contract Year 7.	£ [as per Contract Year 1] (Monthly (Fixed Price)) To be varied in accordance with Clause 16
Additional Tasking			
4		Provision of Additional Tasking for the Fleet Helicopter Support Unit in accordance with Clause 15 and authorised using Schedule 12 (Tasking Authorisation Form) to the Contract.	Priced separately utilising the firm rates at Schedule 13 to the Contract
Option Year – Exercised in accordance with Clause 19			
5		Option Year 1: Provision of a Fleet Helicopter Support Unit in accordance with the Statement of Requirement at Schedule 1 to the Contract and the Key Performance Indicators at Schedule 14 to the Contract for a period of 1 year.	£ [as per Contract Year 1] (Monthly (Fixed Price)) To be varied in accordance with Clause 16

6	Option Year 2: Provision of a Fleet Helicopter Support Unit in accordance with the Statement of Requirement at Schedule 1 to the Contract and the Key Performance Indicators at Schedule 14 to the Contract for a period of 1 year.	£ [as per Contract Year 1] (Monthly (Fixed Price)) To be varied in accordance with Clause 16
7	Option Year 3: Provision of a Fleet Helicopter Support Unit in accordance with the Statement of Requirement at Schedule 1 to the Contract and the Key Performance Indicators at Schedule 14 to the Contract for a period of 1 year.	£ [as per Contract Year 1] (Monthly (Fixed Price)) To be varied in accordance with Clause 16
8	Option Year 4: Provision of a Fleet Helicopter Support Unit in accordance with the Statement of Requirement at Schedule 1 to the Contract and the Key Performance Indicators at Schedule 14 to the Contract for a period of 1 year.	£ [as per Contract Year 1] (Monthly (Fixed Price)) To be varied in accordance with Clause 16
9	Option Year 5: Provision of a Fleet Helicopter Support Unit in accordance with the Statement of Requirement at Schedule 1 to the Contract and the Key Performance Indicators at Schedule 14 to the Contract for a period of 1 year.	£ [as per Contract Year 1] (Monthly (Fixed Price)) To be varied in accordance with Clause 16

2. DEFENCE CONDITIONS

The Following DEFCONs in the list below shall be considered as part of the Contract, and the Contractor and the Authority shall ensure that they comply with the requirements therein. Copies of these DEFCONs are available from the Authority on request.

DEFCON 005J (Edn. 11/16) - Unique Identifiers

DEFCON 14 (Edn 11/22) - Inventions and Designs Crown Rights and Ownership of Patents and Registered Designs

DEFCON 68 (Edn 10/22) - Supply of Data For Hazardous Articles, Materials And Substances

DEFCON 76 Edition 11/22 - Contractor's Personnel at Government Establishments

DEFCON 90 (Edn 06/21) - Copyright

Note in DEFCON 90 the nations prescribed in 4c of DF 90 are all NATO, EU nations, Australia and New Zealand.

DEFCON 127 (Edn 08/21) - Price Fixing Condition for Contracts of Lesser Value

DEFCON 129J (Edn. 11/16) - The Use of The Electronic Business Delivery Form

DEFCON 501 (Edn. 10/21) - Definitions And Interpretations

DEFCON 503 (Edn. 06/22) - Formal Amendments To Contract

DEFCON 507 (Edn. 07/21) – Delivery

DEFCON 513 (Edn. 04/22) - VAT and other Taxes

DEFCON 514 (Edn. 08/15) - Material Breach

DEFCON 515 (Edn. 06/21) - Bankruptcy and Insolvency

DEFCON 516 (Edn. 04/12) - Equality

DEFCON 518 (Edn. 02/17) - Transfer

DEFCON 520 (Edn. 10/23) - Corrupt Gifts and Payments of Commission

DEFCON 522 (Edn. 11/21) - Payment and Recovery of Sums Due

DEFCON 526 (Edn. 08/02) - Notices

DEFCON 527 (Edn. 09/97) - Waiver

DEFCON 528 (Edn. 10/23) - Import and Export Licences

Note see Schedule 18 for DEFORM 528 template for use in conjunction with DEFCON 528

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

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

DEFCON 531 (Edn. 09/21) - Disclosure of Information

Note: DEFFORM 139 template at Schedule 6

DEFCON 532B (Edn. 12/22) - Protection Of Personal Data (Where Personal Data is being processed On behalf of the Authority)

DEFCON 534 (Edn. 06/21) - Subcontracting and Prompt Payment

DEFCON 537 (Edn. 12/21) - Rights of Third Parties

DEFCON 538 (Edn. 06/02) - Severability

DEFCON 539 (Edn 01/22) - Transparency

NOTE: The Contractor's Commercially Sensitive Information is detailed at Schedule 6

DEFCON 540 (Edn 05/23) – Conflicts of Interest

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

DEFCON 565 (Edn 07/23) - Supply Chain Resilience and Risk Awareness

Note the DEFFORM 565 is provided at Schedule 29 to the Contract

DEFCON 566 (Edn. 10/20) - Change of Control of Contractor

DEFCON 601 (Edn 04/14) - Redundant Material

DEFCON 602A (Edn 04/23) - Quality Assurance (With Deliverable Quality Plan)

DEFCON 604 (Edn 06/14) - Progress Reports

DEFCON 606 (Edn 07/21) - Change and Configuration Control Procedure

DEFCON 608 (Edn. 07/21) - Access and Facilities to be Provided by the Contractor

DEFCON 609 (Edn. 07/21) - Contractor's Records

DEFCON 611 (Edn 12/22) - Issued Property

Note: Def Stan 05-099 'Managing Government Furnished Equipment in Industry' shall also apply

DEFCON 620 (Edn. 06/22) - Contract Change Control Procedure

DEFCON 624 (Edn 08/22) - Use Of Asbestos

DEFCON 625 (Edn 06/21) - Co-Operation on Expiry of Contract

DEFCON 627 (Edn 11/21) - Quality Assurance - Requirement for a Certificate of Conformity

DEFCON 632 (Edn. 11/21) - Third Party Intellectual Property - Rights and Restrictions

DEFCON 642 (Edn 07/21) - Progress Meetings

DEFCON 643 (Edn 12/21) - Price Fixing (Non-qualifying contracts)

DEFCON 647 (Edn 03/24) – Earned Value Management

Note that Earned Value Level 4 is required. See Clause 42 below and Schedule 20 to the Contract

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

DEFCON 658 (Edn 10/22) - Cyber

Note: See Clause 27

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

Note see Schedule 10 for the Security Aspects Letter that applies to this Contract

DEFCON 670 (Edn 02/17) - Tax Compliance

DEFCON 671 (Edn 10/22) – Plastic Packaging Tax

DEFCON 675 (Edn. 03/21) - Advertising Subcontracts (Defence and Security Public Contracts Regulations 2011 only)

DEFCON 678 (Edn. 09/19) - SME Spend Data Collection

Note: DEFFORM 139 template at Schedule 6

DEFCON 694 (Edn 07/21) - Accounting For Property of the Authority

DEFCON 707 (Edn 10/23) - Rights in Technical Data.

NOTE: DEFCON 707 shall only apply to those Additional Tasks where it is selected on the Task Administration Form

Section 3 Narrative Conditions

1. Duration And Scope

- 1.1. The Contract shall be effective from signature of this Contract by both parties and shall expire on the Expiry Date unless it is terminated earlier in accordance with the provisions of this Contract or the Service Delivery Period is extended by the Authority exercising any Option to extend provided for in Clause 19 to the Contract. The Services required under Schedule of Requirements Item Nos. 2, 3 and 4 shall commence on the In Service Date and shall continue until the Expiry Date; note that Schedule of Requirements Items 2 and 3 shall be delivered consecutively rather than simultaneously. The scope of work to be carried out under the Contract is defined within Schedule 1 (Statement of Requirement) to the Contract and the deliverables that the Contractor shall supply to the Authority are set out under Schedule 24.
- 1.2. The assumptions, dependencies and exclusions that apply to the Contract are set out at Schedule 4 to the Contract.
- 1.3. The expiry or termination of this Contract shall not affect the continuance in force of any provision of this Contract which is expressly or by implication intended to continue in force on or after such expiry or termination, including, but not exclusively, any indemnification provisions, limits of liability, confidentiality provisions and Intellectual Property Rights (IPR).
- 1.4. The definitions and interpretations of this Contract are as set out in DEFCON 501 and Schedule 22.

2. Precedence

- 2.1. In the event of any conflict arising between the provisions of this Contract, the order of priority shall be as in DEFCON 501
- 2.2. For avoidance of doubt, the Authority shall not require performance of any activity from the Contractor that is contrary to the Release to Service issued by the Authority in respect of Regulatory Article 1300 of the Military Regulatory Publications.
- 2.3. Should the Contractor or the Authority become aware of any conflicts or inconsistencies between any contractual documentation that party shall immediately notify the other party accordingly.
- 2.4. Conflict, or apparent conflict, between any documents shall be notified to the Authority for assessment of how such conflict or apparent conflict shall be resolved. Such conflict is to be resolved jointly between the Authority and the Contractor and, upon resolution, the Parties shall confirm in writing, and make an amendment to the Contract in accordance with DEFCON 503 (*Formal Amendments to Contract*) if appropriate.
- 2.5. Disputes arising from inability of the Parties to agree on the solution to any conflict shall be resolved in accordance with DEFCON 530 (Dispute Resolution (English Law)).

3. Publicity And Communications with the Media

- 3.1. The Contractor shall not by itself, its Employees or agents (and shall ensure that its Sub-Contractors shall not):
 - 3.1.1. communicate with representatives of the press, television, radio or other communications media on any matter concerning the provision of the Contractor Deliverables or this Contract, make any press announcements or publicise this Contract or its contents in any way;
 - 3.1.2. use the Authority's name or brand in any promotion or marketing or announcement of orders;
 - 3.1.3. photograph or film in or upon any Authority Sites;
 - 3.1.4. erect or exhibit on any part of the Authority Sites any signs or trade boards; or
 - 3.1.5. exhibit or attach to any part of the Authority Sites any notice or advertisement,unless:
 - 3.1.6. the Authority has given its prior written consent; or
 - 3.1.7. as otherwise required to comply with Law, provided always that the Contractor shall, to the extent reasonably practicable, notify the Authority in advance (and provide the Authority with a copy) of the relevant communication, sign, notice or material.

- 3.2. Should the Contractor wish to release any publicity material or display hardware that arises from this Contract, the Contractor must seek the prior approval of the Authority. Publicity material includes open publication in the Contractor's publicity literature or website or through the media, displays at exhibitions in any country, lectures or symposia, scientific or technical papers, or any other occasion where members of the general public may have access to the information, even if organised or sponsored by the Authority or any other government department.
- 3.3. Each Party acknowledges to the other that nothing in this Contract either expressly or by implication constitutes an endorsement of any products or services of the other Party (including the Contractor Deliverables) and each Party agrees not to conduct itself in such a way as to imply or express any such approval or endorsement.

4. Placing Of Sub-Contracts

SMEs

- 4.1. The Contractor shall maximise the use of SMEs in the performance of the Contractor Deliverables, where doing so will not adversely affect cost, technical performance or programme timescales.
- 4.2. If the Contractor reasonably believes that the use of an SME would adversely affect cost, technical performance or programme timescales, the Contractor shall seek advice from the Authority and shall take such steps as may be required by the Authority.
- 4.3. The Contractor shall undertake activities which encourage SME involvement (either individually or collectively), including SME supplier days and advertising of possible requirements in the appropriate publications.

Sub-Contracts

- 4.4. The Contractor shall ensure that the terms and conditions of the Contract are reflected in all Subcontracts, at whatever level, to the extent necessary to enable the Contractor to fully meet his obligations to the Authority under the Contract.
- 4.5. The Contractor shall furnish the Authority's Commercial Officer and Authority's Project Manager, identified in Schedule 21 (DEFFORM 111 *Appendix - Addresses and Other Information*), with copies of, or relevant extracts from, Subcontracts and tenders, if requested by the Authority in writing.
- 4.5.1. The Contractor shall not place any subcontract or order involving the design or development of equipment required under this Contract without the prior written consent of the Authority.
- 4.5.2. Unless otherwise agreed, such consent will be conditional on the proposed subcontractor concluding a direct agreement with the Authority in the form set out in Schedule 7 to the Contract. Wherever possible the request for approval should be accompanied by two copies of the agreement signed by the subcontractor. If, in any case the Contractor is unable to comply with this condition he shall report the matter to DE&S Helicopters Operating Centre - Head of Commercial and await further instructions before placing the subcontract or order.

5. Exit Management

- 5.1. The Contractor shall deliver an outline Exit Plan to the Authority no later than 1 month following Contract Award at Schedule 28 (*Exit Plan*) and a full Exit Plan no later than 2 years following Contract Award. On receipt of the full Exit Plan the Authority shall assess this plan and shall either agree the plan or reject the plan on the basis that it does not meet the requirements set out for an Exit Plan in Contract. Should the Authority wish to agree the proposed Exit Plan then such agreement shall be made via an amendment to the Contract so that the agreed Exit Plan becomes a Schedule to the Contract (Schedule 28 *Exit Plan*). Any rejection made by the Authority shall be by written notice itemising the unacceptable aspects of the proposed Exit Plan. Once the Contractor receives this written rejection it shall correct and complete the Exit Plan, so that it fully complies with the Contract and resubmit this Exit Plan to the Authority within 30 calendar days.
- 5.2. The Contractor's proposed Exit Plan shall clearly set out how the Contractor shall complete the Service and deliver an orderly demobilisation transition of the Services from the Contractor to the Authority and/or a successor contract service provider if required. The activities within the Exit Plan are to be concluded within six (6) months after the end of the Contract.
- 5.3. The Parties agree that the matters which are likely to be required to be implemented on expiry or early termination of this Contract are set out in 8 (*Exit Plan*). The Parties have agreed that on the earlier to occur of:
 - 5.3.1. twelve (12) months before the Expiry Date; and
 - 5.3.2. ten (10) Working Days following receipt of a written notice from the Authority,
- 5.4. the Contractor shall review the Exit Plan in accordance with Good Industry Practice, having due regard to the status of the Contractor Deliverables and any other relevant factors at that time and issue to the Authority a proposed update and revision of the Exit Plan, giving full details of the rationale for any proposed changes.
- 5.5. The Contractor shall review and update the Exit Plan on an annual basis.
- 5.6. The Exit Plan shall include, but not be limited to, the following:
 - 5.6.1. A list, by reference to each part of the Services, of the staff resources and key personnel (if any) used to provide such services. Note also Clause 35 and Schedule 17 (TUPE).
 - 5.6.2. The management and governance approach and structure to be employed during either cessation and/or any transfer of the Services, identifying any posts to deliver the demobilisation and plans for communication with the Contractor's and the Authority's staff, suppliers and any service users to avoid any detrimental impact on the Authority's operations as a result of undertaking the transfer.
 - 5.6.3. A detailed programme of the transfer process for use in conjunction with the Authority and/or (as the case may be) a successor contract service provider in the event that the Services (or their equivalent or any part thereof) are to be

transferred to the Authority and/or (as the case may be) a successor contract service provider, including details of:

- 5.6.3.1. The means to be used to ensure an orderly and prompt transfer of responsibility for providing the relevant services to the successor contract services provider while maintaining continuing provision of the Services throughout the transfer process or until the cessation of the Services (or their equivalent or any part thereof);
 - 5.6.3.2. A detailed description of the cessation and/or any transfer processes, including a schedule of activities, together with the proposed timetable;
 - 5.6.3.3. The process for handing responsibility for any work in progress and/or ongoing liabilities to the successor contract service provider (where applicable);
 - 5.6.3.4. Documentation illustrating how the Services will transfer to a successor contract service provider and/or the Authority, including details of the processes, documentation, data transfer, systems migration, security and the segregation of the Authority's technology components from any technology components operated by the Contractor or its Sub-contractors (where applicable);
 - 5.6.3.5. The scope of the demobilisation services that are required for the benefit of the Authority and detail how such services will be provided. In addition, the Contractor is required to demonstrate that the Exit Plan delivers the optimum value for money which minimises both cost and risk to the Authority;
 - 5.6.3.6. Arrangements for the assignment or novation of contracts of the Contractor to the Authority or, if it so directs, the successor contract service provider;
 - 5.6.3.7. Identify within the Exit Plan how the transition of the Services from the Contractor to the Authority and/or successor contract service provider shall take place whilst ensuring that all contractual requirements are met in full;
 - 5.6.3.8. Identification of critical issues and risks for providing the demobilisation activities.
 - 5.6.3.9. Any other matter required for an exit plan set out under Schedule 1 to the Contract.
- 5.6.4. Rules and procedures which will be adopted by the Contractor to ensure that it does not make inappropriate use of, or gain an unfair advantage as a result of, any information gained by the Contractor during any process for the re-tender of the Services (or their equivalent or any part thereof).
- 5.7. Following receipt of the Exit Plan the Authority and Contractor will meet to review and agree both the Exit Plan and associated costs of implementation. The Contractor acknowledges that prior to any agreement of the Exit Plan further financial approvals may be required and the Contractor agrees that it shall not begin any execution work

related to the Exit Plan until the Authority confirms that financial approval has been given. Any work undertaken by the Contractor prior to such confirmation shall be undertaken at their own risk.

5.8. Within the Exit Plan the Contractor shall propose a milestone payment schedule, which shall be linked to key events defined in the Exit Plan. A key milestone to be included will be the successful completion of demobilisation.

5.9. During the transition out period, the Contractor shall, without prejudice to any other provisions in this Contract:

5.9.1. Provide such assistance, in accordance with such timetable as the Authority may reasonably require, for facilitating an efficient, effective and fair retender of the provision of the Services (or any part of them) such assistance to include effective co-operation with a gradual hand over from the Contractor to the Authority or a successor contract service provider in the three months prior to termination or expiry of this Contract;

5.9.2. Take all reasonable steps to ensure that, on the termination or expiry of this Contract: there is an efficient and seamless transfer of the Services (or any applicable part of them) to the Authority or a successor contract services provider; or at the request of the Authority, there is an orderly cessation of the Services (or any applicable part of them);

5.9.3. and implement and comply with the Exit Plan as and when required to do so by the Authority.

5.10. The Contractor shall not at any time knowingly or negligently do or omit to do anything which may adversely affect the ability of the Authority to ensure:

5.10.1. An orderly and prompt transfer of the Services (or any applicable part of them) to the Authority or a successor contract services provider; or

5.10.2. An orderly cessation of the Services in each case upon the termination or expiry of this Contract.

5.11. On the expiry or termination of this Contract (howsoever caused) or if earlier when required to do so in accordance with the Exit Plan from time to time in force, the Contractor shall deliver to the Authority (or as he directs) at such location or locations as the Authority may nominate for this purpose any documents and data (whether in hard copy or electronic format and where the latter in such format as the Authority may reasonably specify) in the possession or control of the Contractor and/or its sub-contractors which relate to this Contract, including (without limitation):

5.11.1. All stocks of any booklets, leaflets or information packs of the Authority which are held by or on behalf of the Contractor;

5.11.2. Any software provided by the Authority to the Contractor and/or any of its sub-contractors for use in connection with the Services;

5.11.3. Any data concerning any service users, and which is obtained by the Contractor during the delivery of the Services.

6. Quality Standards

6.1. Contractor shall comply with the following Standards:

Requirement/Standard	Full Name
BS EN 9100 (or AS version)	Quality Management Systems – Requirements for Aviation, space and Defence Organisations
BS EN 9110 (or AS version)	Quality Management Systems – Requirements for Aviation Maintenance Organisations
AQAP 2310 Edition B Version 2	NATO Quality Assurance Requirements for Aviation, Space, and Defence Suppliers
AQAP 2105 Edition C Version 1	NATO Requirements for Quality Plans
DEFCON 627	Quality Assurance – Requirement for a Certificate of Conformity
DEFCON 602A	Quality Assurance (With a Delivery Plan)
DEFSTAN 05-135 Issue 2	Avoidance of Counterfeit Materiel
DEFSTAN 05-061 Part 1 Issue 7	Requirements For Concessions
DEFSTAN 05-061 Part 4 issue 4	Requirements for Contractor Working Parties
DEFSTAN 05-061 Part 9 Issue 6	Requirements for Independent Inspection of Safety Critical Items
RA 4814	Occurrence Reporting MRP 145.A.60
RA 4815	Maintenance Procedures and safety and Quality Policy MRP 145.A.65

7. Military Airworthiness (MAA) Requirements

7.1. The Authority shall retain existing MOD Engineering Authority (EA) responsibilities for matters concerning Airworthiness. This does not absolve the Contractor from discharging his Airworthiness responsibilities as an EASA (or equivalent) approved organisation.

7.2. The Contractor shall comply with the following MAA Regulatory Publications ("MRP") issued by the Military Aviation Authority ("the Regulator"):

7.2.1. Overarching documents:

7.2.1.1. MAA01: MAA Regulatory Policy

7.2.1.2. MAA02: MAA Master Glossary

7.2.2. Regulatory Articles (RA):

7.2.2.1. See Schedule 2 to the Contract

7.3. The Contractor shall comply with the Regulations set out in the above RA by following:

7.3.1. the acceptable means of compliance ("AMC") prescribed therein;

7.3.2. where there is more than one AMC, an AMC or AMCs agreed by the Contractor with the Regulator;

Or

7.3.3. other alternative means as may be agreed by the Contractor with the Regulator.

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

7.5. The Authority shall retain the right to seek independent assurance and advice to support acceptance into service and Release-to-Service (RTS) clearance. The Contractor shall provide access to records, including sub-contractor records, for Contract purposes, to enable the MOD appointed Independent Safety Auditor (ISA) to carry out safety audits and other assessment activities to meet MOD safety requirements.

8. Obsolescence

8.1. Any configuration changes due to obsolescence shall be approved in accordance with the Configuration Management Plan defined in this Contract.

8.2. The Contractor shall provide the Authority with obsolescence status briefs, as part of the periodic programme reviews; see Serial 1.4.14 of Schedule 1 to the Contract (Statement of Requirements).

8.3. The Contractor shall be responsible for all costs associated with the mitigation of Obsolescence Concerns and the resolution of Obsolescence Issues. The costs for which the Contractor is responsible include, but are not limited to, the costs of investigating part availability, locating suitable part replacement, vendor interface, engineering and redesign efforts, testing and qualification requirements, documentation changes. The Contractor shall ensure that the Authority does not incur any additional costs due to obsolescence.

8.4. Obsolescence Concern means an identified future Obsolescence Issue. Obsolescence Issue means an item within a project which has been declared obsolescent. Obsolescence Resolution means a resolution type (as defined in the Defence Logistics Framework) which is required to be implemented. The Contractor shall be responsible for managing obsolescence over the entire period of the Contract and, notwithstanding any Obsolescence Issues or problems; the Contractor remains responsible for meeting all performance and other requirements of this contract.

8.5. The Contractor shall implement a proactive obsolescence management strategy in accordance with IEC 62402:2007 (Obsolescence Management – Application Guide). This shall include as a minimum:

- 8.5.1. the ongoing identification and review of Obsolescence Concerns and Obsolescence Issues over the period of the Contract;
 - 8.5.2. the identification of mitigation action for Obsolescence Concerns over the period of the Contract;
 - 8.5.3. the identification of resolution action for Obsolescence Issues.
- 8.6. This strategy shall include, but is not limited to, obsolescence of components, assemblies, sub-assemblies, piece parts, and material (hereafter referred to for purposes of this section only as "parts and/or material").

9. Insurance Requirements

- 9.1. Without prejudice to its liability to indemnify or otherwise be liable to the Authority under this Contract, the Contractor shall for the periods specified in Schedule 16 (Insurance) take out and maintain or procure the taking out and maintenance of the insurances as set out under this Clause 9 (Insurance Requirements) and Schedule 16 (Insurance) and any other insurances as may be required by Law, together the Required Insurances. The Contractor shall ensure that each of these Required Insurances are effective in each case not later than the date on which the relevant risk commences.
- 9.2. The Required Insurances shall be taken out and maintained with insurers who are of good financial standing and of good repute in the international insurance market.
- 9.3. Where specified in Schedule 16 (Insurance) the Contractor shall ensure that the relevant policy of insurance shall contain an indemnity to principals clause or additional insureds equivalent, under which the Authority shall be indemnified in respect of claims made against the Authority arising from death or bodily injury or third party property damage, and for which the Contractor is legally liable in respect of this Contract.
- 9.4. Where the minimum limit of indemnity required in relation to any of the Required Insurances is specified as being "in the aggregate" and there is a claim or claims which do not relate to this Contract are notified to the insurers which, given the nature of the allegations and/or the quantum claimed by the third party(ies), is likely to result in a claim or claims being paid by the insurers which could reduce the level of cover available below that minimum, the Contractor shall ensure that the insurance cover is reinstated to maintain at all times the minimum limit of indemnity specified for claims relating to this Contract.
- 9.5. The Contractor shall not take any action or fail to take any action or (insofar as is reasonably within its power) permit anything to occur in relation to it which would entitle any insurer to refuse to pay any claim under any of the Required Insurances.
- 9.6. The Authority may elect (but shall not be obliged) where notice has been provided to the Contractor to purchase any insurance which the Contractor is required to maintain pursuant to this Contract but has failed to maintain in full force and effect, and the Authority shall be entitled to recover the reasonable premium and other reasonable costs incurred in connection therewith as a debt due from the Contractor.

- 9.7. The Contractor shall from the date of this Contract and within fifteen (15) working days after the renewal of each of the Required Insurances, provide evidence, in a form satisfactory to the Authority, that the Required Insurances are in full force and effect and meet in full the requirements of this Clause 9 (Insurance Requirements) and Schedule 16 (Insurance). Receipt of such evidence by the Authority shall not in itself constitute acceptance by the Authority or relieve the Contractor of its liabilities and obligations under this Contract.
- 9.8. The Contractor shall notify the Authority in writing at least ten (10) days prior to the cancellation, suspension, termination or non-renewal of any of the Required Insurances. This Clause 9.8 shall not apply where the termination of any Required Insurances occurs purely as a result of a change of insurer in respect of any of the Required Insurances required to be taken out and maintained in accordance with this Clause 9 (Insurance Requirements) and Schedule 16 (Insurance).
- 9.9. The Contractor shall promptly notify to insurers any matter arising from, or in relation to, this Contract for which it may be entitled to claim under any of the Required Insurances. In the event that the Authority receives a claim relating to this Contract, the Contractor shall co-operate with the Authority and assist it in dealing with such claims including without limitation providing information and documentation in a timely manner.
- 9.10. Except where the Authority is the claimant party, the Contractor shall give the Authority notice within twenty (20) working days after any insurance claim in excess of [REDACTED] relating to this Contract on any of the Required Insurances or which, but for the application of the applicable policy excess, would be made on any of the Required Insurances and (if required by the Authority) full details of the incident giving rise to the claim.
- 9.11. Where any Required Insurance requires payment of a premium, the Contractor shall be liable for such premium.
- 9.12. Where any insurance referred to in this Clause 9 (Insurance Requirements) and Schedule 16 (Insurance) is subject to an excess or deductible below which the indemnity from insurers is excluded, the Contractor shall be liable for such excess or deductible which would otherwise be insured but for the excess or deductible. The Contractor shall not be entitled to recover from the Authority any sum paid by way of excess or deductible under the Insurances whether under the terms of this Contract or otherwise.

10. Aircraft And Equipment Substitution or Replacement

- 10.1. The Contractor shall only substitute the Aircraft that is being utilised by the Contractor to deliver the Services with an Aircraft of the same type and modification state. Before any such substitution is made the Contractor must first obtain written permission from the Authority's Project Manager as list at DEFFORM 111 to this Contract.

11. Additional Task Process

- 11.1. Any required activity not already covered by Schedule 1 (Statement of Requirement) shall be on a tasking basis and shall be authorised by means of a Task Authorisation Form (TAF) as per Schedule 12 (Task Authorisation Form) to the Contract.

- 11.2. When a new task or change to an existing task is proposed, the Scope of work for each task shall be specified upon Part A of the TAF. Where the task relates to any design work, or the generation of any other technical information, the RFQ form will include DEFCON 707 (*Rights in Technical Data*). The Form shall be completed and signed by the Authority's Project Manager and Authority's Commercial Officer as identified at Schedule 21 (*DEFFORM 111 Appendix - Addresses and Other Information*) and sent to the Contractor by the Authority's Commercial Officer. Each new task shall be allocated a unique serial number by the Authority.
- 11.3. The Contractor shall review the completed TAF Part A and (if required) ask for further clarification of the Authority's requirement within ten (10) business days of receipt of the TAF. The first point of contact for clarification and further details shall be the Authority's Commercial Officer identified in Schedule 21 (*DEFFORM 111 Appendix - Addresses and Other Information*).
- 11.4. The Contractor shall provide the Authority's Commercial Officer identified in Schedule 21 (*DEFFORM 111 Appendix - Addresses and Other Information*) with a Firm Price quotation for carrying out the task using Part B of the TAF. All prices shall show the breakdown of hours required to complete each activity utilising the agreed rates at Schedule 13 (Rates) to this Contract. The Contractor shall also provide the following details on submission of the TAF (Part B) to the Authority:
- 11.4.1. Timescales and estimated completion date of the Additional Task.
- 11.4.2. The validity period of the price.
- 11.4.3. Any subcontract/external resource required to undertake the Additional Task with evidence of costs.
- 11.4.4. Details of where the Additional Task is to take place.
- 11.4.5. Any temporary effects requested in respect of the KPI system at Schedule 14 to the Contract.
- 11.5. Approval to proceed with the work shall be confirmed by completion and signing of Part C of the TAF by the Authority's Commercial Officer returned to the Contractor.
- 11.6. Upon satisfactory completion of the Additional Task, the Contractor shall submit a signed Part d to the Authority's Project Manager identified in Schedule 21 (*DEFFORM 111 Appendix - Addresses and Other Information*) for countersignature. The Authority's Project Manager shall sign and return the signed Part D to the Contractor
- 11.7. The Contractor can then submit an invoice for payment on CP&F.
- 11.8. Once approved, each task shall be incorporated into Schedule 19 (Overfly, Underfly, TAF and Amendment Record) of the Contract by formal Contract Amendment quarterly.

12. Aircraft Tasking

- 12.1. NCHQ / FOST will be responsible for day-to-day scheduling of Tasking and this will be managed in accordance with the Tasking Process at Schedule 8 NCHQ / FOST will work closely with the Contractor to identify problems before they seriously affect

performance but will not assume responsibility for management of the Contractor's task.

12.2. The Contractor shall notify the Authority as soon as the Contractor becomes aware of any issues that may impact performance of the Contract. to the Authority's Commercial Officer and the Authority's representative identified in Schedule 21 (DEFFORM 111 Appendix - Addresses and Other Information).

12.3. The Contractor shall provide a plan to mitigate/resolve any issues identified, to minimise and or cause no impact to the delivery of the Contract.

13. Authority's Project Manager

13.1. The Authority's Project Manager identified in Schedule 21 (*DEFFORM 111 Appendix - Addresses and Other Information*) is responsible for all issues relating to the Contract including, but not limited to: proposed changes to the Contract; point of contact in the first instance for all airworthiness issues; authorisation of payment; management/performance issues.

14. Pricing Periods

14.1. The following periods apply to this Contract for the purposes of pricing:

14.1.1. Pricing Period 1 – Contract Award until end of Contract Year 3.

14.1.2. Pricing Period 2 – From the outset of Contract Year 4 to the Expiry Date. Variation of Price (in accordance with Clause 16 and Schedule 15 (Variation of Price) shall be applied in each Contract Year of Pricing Period 2.

15. Pricing Period 1: Firm Price

15.1. The prices stated for Schedule of Requirements Item Nos. 1 and 2 and the prices in Schedule 13 (Rates) for Pricing Period 1 to this Contract shall be FIRM priced and non-revisable in £ Sterling. Prices shall be net, after allowing for all cash and trade discounts. Prices shall include the cost of packing (where applicable) and shall be inclusive of all appropriate taxes (but excluding Value Added Tax). The price shall include the cost of compliance with all other terms and conditions of the Contract.

16. Pricing Period 2: Variation of Price

16.1. The prices stated for Schedule of Requirements Item Nos. 3 (including all sub-parts) and 4 and the prices in Schedule 13 (Rates) for Pricing Period 2 to this Contract (and any Option Year implemented by the Authority) shall be FIXED priced (so shall be adjusted in accordance with Schedule 15 to the Contract) and in £ Sterling. Prices shall be net, after allowing for all cash and trade discounts. Prices shall include the cost of packing and shall be inclusive of all appropriate taxes (but excluding Value Added Tax). The price shall include the cost of compliance with all other terms and conditions of the Contract.

17. Annual Flying Hours - Under-Fly and Over-Fly

17.1. The Annual Flying Task (AFT) for the Service is detailed within the Statement of Requirement at Schedule 1. The AFT shall be prorated if the Service is not delivered for the full Contract Year. Should the Authority not task those number of hours required to meet the AFT, the Authority has the right to:

17.1.1. Carry a maximum of 50 Flying Hours from one Contract Year to add it to the AFT of the next Contract Year, or;

17.1.2. Multiply the Underfly arising in the relevant Contract Year by the Underfly hourly rate at Table 4 of Schedule 13 (Rates). The resulting amount shall be received back by the Authority by either of the following options:

17.1.2.1. Payment of the amount, as calculated above, from the Contractor to the Authority, or;

17.1.2.2. The amount, as calculated above, shall be deducted from the monthly charge for Schedule of Requirements Item Nos. 2 or 3 (note that this may include Schedule of Requirements Item Nos. 5, 6, 7, 8 or 9 should the Authority exercise its rights to extend the Contract in accordance with Clause ?? of the Contract) as relevant.

17.1.2.3. Utilise a combination of 20.1.1 and 20.1.2.2 above to the maximum total of the Underfly in the relevant Contract Year.

17.2. The Authority's decision as to whether to carry over Underfly into a following Contract Year shall be made by the Authority after the end of each Contract Year, when the Flying Hours are known and agreed between the parties. Such decisions shall be recorded in Schedule 14 (Overfly, Underfly, TAF and Amendment Record) at the next amendment to Contract in accordance with Clause 32.

17.3. In the event that the Authority requires more Flying Hours in a Contract Year than permitted under the Annual Flying Task for that Contract Year the Authority will notify the Contractor accordingly. Additional Flying Hours shall be priced using the Overfly hourly rates at Table 4 of Schedule 13 (rates) and tasked under Schedule of Requirements Item No. 4 – Additional Tasks using the TAF at Schedule 12 and in accordance with Clause 15.

18. Pricing Of Schedule Of Requirements Item No. 4 –Additional Tasking

18.1. All tasks under Schedule of Requirements Item No. 4 shall be Firm priced on a case by case basis utilising the rates provided at Schedule 13 (Rates) to the Contract and in accordance with the Additional Tasking Process detailed at Clause 15.

19. Exercise Of Options

19.1. The Contractor hereby grants to the Authority in consideration of the award of this Contract an irrevocable right to extend the duration of the Contract by a period of up to five (5) years, in one (1) year instalments as per Schedule of Requirements Item Nos. 5, 6, 7, 8 and 9, known respectively as 'Option Year 1', 'Option Year 2', 'Option Year 3', 'Option Year 4' and 'Option Year 5'.

19.2. Further to Clause 19.1 above, all Option Periods shall be Fixed Priced, subject to Variation of Price (VOP) in accordance with Clause 22 and Schedule 15 (*Variation of Price*) to the Contract.

19.3. Should the Authority wish to exercise any Option Year, which shall be at its sole discretion, the Authority shall do so by written notice (this may be electronic or in physical form) to the Contractor no later than 6 (six) months prior to the expiry of the Contract. Following such an extension of the Contract duration the Authority shall issue an administrative Contract Amendment, in accordance with Clause 34 in order to record the extended duration of the Contract.

19.4. The Authority shall not be obliged to exercise the options.

20. Claims for Payment

20.1. The claim for payment for Schedule of Requirements Item 1 shall be made following completion of all work required. All such work shall be deemed complete when all requirements of the Transition Management Plan at Schedule 30 to the Contract and all entry and exit criteria in Schedule 3 to the Contract (*Air System Test & Acceptance Criteria*) are agreed as completed by the Authority, and the Authority has accepted the commencement of the Services in accordance with Clauses 21 and 25. Payment shall occur in accordance with the Payment Plan set out in Schedule 11 (*Payment Plan*) to the Contract and the Key Performance Indicators at Schedule 14 to the Contract.

20.2. Claims for payment of Schedule of Requirements Items 2 and 3 shall be made monthly in arrears during the Service Delivery Period, in accordance with the acceptance criteria at Clause 22, Key Performance Indicators set out in Schedule 14 (*Performance Measurement and Incentivisation*) to the Contract and the Payment Plan set out in Schedule 11 (*Payment Plan*) to the Contract.

20.3. Claims for payment of Schedule of Requirements Items Item No. 4 shall be invoiced on completion of each task in accordance with the acceptance criteria at Clause 25 and the instructions set out within each individual TAF.

20.4. Payments for all Schedule of Requirements Item Nos. with the exception of Schedule of Requirements No. 4, may be reduced by the Authority in accordance with measured performance in accordance with Schedule 14 (*Performance Measurement and Incentivisation*).

21. Acceptance And Rejection for Schedule of Requirement Item 1

21.1. Within thirty (30) business days following completion of all Transition into Service Milestones the Authority shall assess the proposed elements of the Services in accordance with Schedule 3 to the Contract (*Air System Test & Acceptance Criteria*).

21.2. The Authority shall confirm acceptance in writing provided that all entry and exit criteria set out in Schedule 3 to the Contract (*Air System Test & Acceptance Criteria*) are agreed as being met in full.

21.3. Prior to acceptance by the Authority, the Authority may reject the proposed elements of the Services if they do not conform with the requirements of the Contract.

If such rejection occurs the Authority shall detail in writing why and agree a reasonable timeframe with the Contractor for rectification no longer than thirty (30) calendar days and further action may be taken by the Authority in accordance with those rights provided under Schedule 14.

22. Acceptance and Rejection for Schedule of Requirements Item Nos. 2 and 3 and Schedule of Requirements Item Nos. 5, 6, 7, 8 and 9 Should the Authority Exercise Its Right to Extend.

22.1. Within five (5) business days following receipt of the Monthly Progress Report detailing Contractor performance, in accordance with the Key Performance Indicators at Schedule 14 (Performance Measurement and Incentivisation), the Authority shall review the Contractor's performance.

22.2. Provided the Monthly Progress Report is in accordance with Schedule 14 (Performance Measurement and Incentivisation) and serial 10.1 of Schedule 1 (Statement of Requirement) and accurately reflects the Contractor's performance for that period, the Authority shall confirm the performance outcomes, communicate any acceptance and detail any deduction that shall be made to the Monthly Payment in accordance with Schedule 15 (Performance Measurement and Incentivisation).

22.3. If the Monthly Progress Report is rejected, the Contractor shall review and submit a revised Monthly Progress Report within five (5) business days. The Authority shall review the revised report in accordance with Clause 22.1 and 22.2.

23. Acceptance and Rejection for Schedule of Requirements Item No. 4

23.1. Acceptance and rejection shall occur on completion of each task in accordance with the instructions set out within each individual TAF.

24. Key Performance Indicators (KPIs)

24.1. The provision of the Services shall be measured against the Key Performance Indicators, the requirements to be measured and the impact of failure to achieve the requirements are set out in Schedule 14 (*Performance Measurement and Incentivisation*).

25. Transition Management Plan and Air System Test & Acceptance Criteria

25.1. Without limitation to any other requirement of the Contract, the Contractor shall deliver the transition into service activities required for Schedule of Requirements Item No. 1 in accordance with the Transition Management Plan at Schedule 30 to the Contract and the Air System Test & Acceptance Criteria at Schedule 3.

26. Unsatisfactory Performance

26.1. Any instances where, in the opinion of the Authority, the Contractor has failed to perform the whole or any part of the Services shall be managed through the processes set out in Paragraphs 34 and 35 of Schedule 14 (*Performance Measurement and Incentivisation*) and DEFCON 514 (Material Breach). This is without prejudice to the rights of the Authority to apply any other remedy provided for in the Contract or in law.

27. Cyber

- 27.1. The Authority has deemed that DEFCON 658 (*Cyber*) shall apply to this contract, and the obligations of the Annex to DEFCON 658 (*Cyber*). *Provisions to be Included in Relevant Sub-Contracts*) shall be flowed to relevant Sub-Contracts
- 27.2. The Authority has deemed that further to DEFCON 658 (*Cyber*) the Cyber Risk Profile of the Contract is Very Low, as defined in Def Stan 05-138.
- 27.3. DEFSTAN 05-139 - Cyber Security and Resilience of Products, Systems and Services applies to this Contract.
- 27.4. The Contractor's Cyber Implementation Plan is at Schedule 23.

28. Contract Meetings

Progress Meetings

- 28.1. Progress Meetings shall be held between the Authority and the Contractor in accordance with Schedule 1 (*Statement of Requirement*) and Schedule 28 Meetings.
- 28.2. The chair of the meetings shall be the Authority's Project Manager identified in Schedule 21 (*DEFFORM111 Appendix - Addresses and Other Information*) who will be accompanied by such other officers as they deem appropriate.
- 28.3. In addition to the Progress Meetings, the Authority's Project Manager, shall convene other meetings on an as required basis, subject to agreement with the Contractor, at either the Contractor's or the Authority's premises, to enable the Authority to monitor progress under the Contract.
- 28.4. The Contractor shall issue minutes to the Authority for approval no later than ten (10) business days following each scheduled meeting. The Authority will review and either request amendment or agree the minutes within a further ten (10) business days.
- 28.5. The Contractor shall issue and distribute the final agreed minutes no later than five (5) business days of agreement being reached with the Authority.
- 28.6. The Contractor shall issue and distribute the final agreed minutes no later than five (5) business days of agreement being reached with the Authority.

Other Meetings

- 28.7. The Contractor and the Authority shall attend such meetings and provide such required support to them as set out under Schedule 26 Contract Meetings.

29. Contractor's Personnel

- 29.1. Personnel employed under the Contract must have the appropriate security clearances, qualifications and competence and in all respects be acceptable to the

Authority. The Contractor is responsible for ensuring that the security clearances of each employee remain valid throughout the duration of the Contract.

- 29.2. The Contractor shall take all reasonable steps to avoid changes of personnel assigned to and accepted for work under the Contract. Except whenever changes are unavoidable or of a temporary nature caused by sickness etc, the Contractor shall give at least one month's notice to the Authority's Project Manager identified in Schedule 21 (*DEFFORM 111 Appendix - Addresses and Other Information*).

30. Reports

- 30.1. In addition to DEFCON 604 (*Progress Reports*), all other reports required for this Contract are identified in the Statement of Requirement at Schedule 1 and the Key Performance Indicators set out in Schedule 14 (Performance Measurement and Incentivisation) to the Contract. The Contractor shall deliver the reports in accordance with the dates identified in the Statement of Requirement and to the satisfaction of the Authority's Project Manager identified in Schedule 21 (*DEFFORM 111 Appendix - Addresses and Other Information*). If the Authority requires any report to be amended, the Contractor shall incorporate the comments and resubmit the report to the Authority within five (5) business days of request for the Authority's approval.

31. Dispute Resolution

- 31.1. Should a dispute arise, the dispute shall be resolved in the following manner:

31.1.1. Stage 1 – In the first instance the Authority's and Contractor's Project Managers, and the Authority's and Contractor's Commercial Officers, shall resolve any disputes. If agreement is not reached, then the dispute shall be referred to the next formal meeting (Quarterly Progress Meeting or Annual Contract Review) for resolution. The Quarterly Progress Meeting or Annual Contract Review shall endeavour to resolve the dispute within thirty (30) calendar days or agree a reasonable timeframe in which the dispute is to be resolved.

31.1.2. Stage 2 - Should the dispute not have been resolved by the Quarterly Progress Meeting or Annual Contract Review deadline, the matter shall be referred to both Parties' senior project management hierarchy (this shall be Authority and Contractor equivalents with equal numbers of personnel representing each of the Parties). Should the dispute remain unresolved after a further thirty (30) calendar days (or such period as mutually agreed by the Parties); the provisions of Clause 31.2 below shall apply.

- 31.2. Notwithstanding the provisions of Clause 31.1, the Authority or the Contractor may resort to Arbitration in accordance with DEFCON 530 (*Dispute Resolution (English Law)*) following a period of sixty (60) calendar days for negotiations acting reasonably and in good faith.
- 31.3. The Authority and the Contractor shall continue to comply with, observe and perform all of their obligations in this Contract regardless of the nature of any dispute which arises and notwithstanding referral of any such dispute resolution under this

Clause 31 (*Dispute Resolution*) and shall give effect forthwith to any decision of the Arbitrator delivers.

32. Amendments To Contract

32.1. For the purposes of DEFCON 503 (*Formal Amendments to the Contract*) and DEFCON 620 (*Contract Change Control Procedure*), amendments to the Contract shall be serial numbered and issued only by the Authority's Commercial Officer identified in Schedule 21 (*DEFFORM 111 Appendix - Addresses and Other Information*).

32.2. Only the Authority's Commercial Officer identified in Schedule 21 (*DEFFORM 111 Appendix - Addresses and Other Information*), or their authorised representative, is authorised to vary the Terms & Conditions of the Contract. Such variations shall only be effective if agreed in writing.

33. NOT USED

34. Issued Property and Government Furnished Facilities

34.1. The requirements of DEFCON 611(*Issued Property*) and DEFCON 694 (*Accounting for Property of the Authority*) shall apply to all Authority owned property issued to the Contractor for the purposes of this Contract. The list of such assets is provided at Schedule 5 to the Contract (GFA Register).

35. Transfer Of Undertakings (Protection Of Employment) TUPE

35.1. The relevant requirements associated with TUPE matter are detailed at Schedule 17 to the Contract (TUPE).

36. Limitations On Liability

36.1. Limitations of liability relating to the Contract are set out at Schedule 25 to the Contract – Limitations of Liability

37. Transition into Service

37.1. The Contractor shall comply with the agreed Transition Management Plan at Schedule 30 to the Contract. The Service shall not commence, and no **payments** shall be made to the Contractor until all Transition into Service Milestones are completed and the Authority has agreed that all entry and exit criteria set out in Schedule 3 to the Contract (Air System Test & Acceptance Criteria) have been successfully completed in full.

38. Government Provided Information

38.1. The Authority does not give any warranty or undertaking as to the completeness, accuracy, or fitness for any purpose of any of the Authority provided information. Neither the Authority nor its agents or employees shall be liable to the

Contractor in contract (save as expressly provided elsewhere in the Contract), tort, statute nor otherwise, as a result of any inaccuracy, omission, unfitness for any purpose, or inadequacy of any kind, in the Authority provided information.

39. Russian And Belarusian Exclusion Condition for Inclusion in Contracts

39.1. The Contractor shall, and shall procure that their Sub-contractors shall, notify the Authority in writing as soon as they become aware that:

39.1.1. the Contract Deliverables and/or Services contain any Russian/Belarusian products and/or services; or

39.1.2. that the Contractor or any part of the Contractor's supply chain is linked to entities who are constituted or organised under the law of Russia or Belarus, or under the control (full or partial) of a Russian/Belarusian person or entity. Please note that this does not include companies:

39.1.2.1. registered in the UK or in a country with which the UK has a relevant international agreement providing reciprocal rights of access in the relevant field of public procurement;

39.1.2.1.1. and/or

39.1.2.2. which have significant business operations in the UK or in a country with which the UK has a relevant international agreement providing reciprocal rights of access in the relevant field of public procurement.

39.2. The Contractor shall, and shall procure that their Sub-contractors shall, include in such notification (or as soon as reasonably practicable following the notification) full details of the Russian products, services and/or entities and shall provide all reasonable assistance to the Authority to understand the nature, scope and impact of any such products, services and/or entities on the provision of the Contract Deliverables and/or Services.

39.3. The Authority shall consider the notification and information provided by the Contractor and advise the Contractor in writing of any concerns the Authority may have and/or any action which the Authority will require the Contractor to take. The Contractor shall be required to submit a response to the concerns raised by the Authority, including any plans to mitigate those concerns, within 14 business days of receipt of the Authority's written concerns, for the Authority's consideration.

39.4. The Contractor shall include provisions equivalent to those set out in this clause in all relevant Subcontracts.

40. Authorisation By the Crown for Use Of Third Party Intellectual Property Rights

40.1. Notwithstanding any other provisions of the Contract and for the avoidance of doubt, award of the Contract by the Authority and placement of any contract task under it does not constitute an authorisation by the Crown under Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949. The Contractor acknowledges that any such authorisation by the Authority under its

statutory powers must be expressly provided in writing, with reference to the acts authorised and the specific intellectual property involved.

41. Approvals

- 41.1. No approval or agreement given under this Contract shall be valid unless made in writing.

42. Earned Value Management

- 42.1. The Contractor shall provide the Project Control requirements for Earned Value Management provided in Schedule 1 (Statement of Requirements) and in accordance with Schedule 20 (Data Item Descriptions).
- 42.2. The Earned Value Management requirement is Level 4, with requirements for this level outlined at Schedule 20.

43. Bank Guarantee [if applicable]

- 43.1. The Contractor shall maintain a Bank Guarantee set out at Schedule 9 to the Contract .

Signed by)
.....)
[title]).....
for and on behalf of **THE SECRETARY**
OF
STATE FOR DEFENCE

Signature

.....

Name

Executed by [●] acting by [NAME OF)
DIRECTOR], a director and [NAME OF)
SECOND DIRECTOR/SECRETARY],).....
[a director OR its secretary]:

Director's signature

.....

[Director's signature OR Secretary's
signature]