

MINISTRY OF DEFENCE CONTRACT

Defence Equipment and Support

701201373

30mm Gun Systems
12 Month
In-Service Support Contract.

Dated

1st July 2021

Contractor
MSI Defence Systems Ltd

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1. ABBREVIATIONS USED IN THIS DOCUMENT

REDACTED to reduce file size

DEFINITIONS and INTERPRETATIONS

In addition to the definitions detailed in DEFCON 501 (Edn. 11/17) the following definitions and abbreviations shall also apply to this Contract:

- a. Exceptional Task - Any specific package of work placed under SOR Item 2 which the Contractor is required to perform which falls outside of the Scope of this Contract.
- b. Government Furnished Assets - Shall include Government Furnished Equipment (GFE), Information (GFI) and Facilities (GFF).
- c. Technical Publications - Shall mean all documentation required to be delivered by the Contractor to the Authority in accordance with the Contract, including, but not limited to equipment support publications, handbooks, user guides, user manuals, repair and maintenance manuals, technical reports and drawings, as required under the Contract.
- d. Modifications - Shall mean any modification of the 30mm Gun Systems design specifications (and associated hardware and software) made by the Contractor at the request of the Authority to meet specific UK Government requirements.
- e. Authority Data – Shall mean any non-commercially or security sensitive Authority held Data, that is not in the Public Domain and which is deemed necessary for the effective performance of the Contract by the Contractor.

MONTREAL PROTOCOL SUBSTANCES

CFCs - Production of controlled CFCs has stopped.

CFC-11(trichlorofluoromethane)	CFC-211
CFC-12(dichlorodifluoromethane)	CFC-212
CFC-13	CFC-213
CFC-111	CFC-214
CFC-112	CFC-215
CFC-113 (trichlorotrifluoroethane)	CFC-216
CFC-114 (dichlorotetrafluoroethane)	CFC-217
CFC-115 (chloropentafluoroethane)	

The above substances are also used in blends: e.g.

CFC-500 (CFC-12/HFC-152a)

CFC-502 (CFC-115/HCFC-22).

Halons - Production of controlled Halons has stopped.

Halon-1211 (bromochlorodifluoromethane - BFC)

Halon-1301 (bromotrifluoromethane - BTM)

Halon-2402

HBFCs - Production has stopped.

CHBr ₂	C ₂ H ₂ F ₂ Br ₂	C ₃ HF ₄ Br ₃	C ₃ H ₃ F ₂ Br ₃
CHF ₂ Br	C ₂ H ₂ F ₃ Br	C ₃ HF ₅ Br ₂	C ₃ H ₃ F ₃ Br ₂
CH ₂ FBr	C ₂ H ₃ FBr ₂	C ₃ HF ₆ Br	C ₃ H ₃ F ₄ Br
	C ₂ H ₃ F ₂ Br	C ₃ H ₂ FBr ₅	C ₃ H ₄ FBr ₃
C ₂ HFBr ₄	C ₂ H ₄ FBr	C ₃ H ₂ F ₂ Br ₄	C ₃ H ₄ F ₂ Br ₂
C ₂ HF ₂ Br ₃		C ₃ H ₂ F ₃ Br ₃	C ₃ H ₄ F ₃ Br
C ₂ HF ₃ Br ₂	C ₃ HFBr ₆	C ₃ H ₂ F ₄ Br ₂	C ₃ H ₅ FBr ₂
C ₂ HF ₄ Br	C ₃ HF ₂ Br ₅	C ₃ H ₂ F ₅ Br	C ₃ H ₅ F ₂ Br
C ₂ H ₂ FBr ₃	C ₃ HF ₃ Br ₄	C ₃ H ₃ FBr ₄	C ₃ H ₆ FBr

HCFCs - Production to be run down and phased out by 2015.

Certain use controls apply.

HCFC-21	HCFC-141	HCFC-225ca	HCFC-243
HCFC-22	HCFC-141b	HCFC-225cb	HCFC-244
HCFC-31	HCFC-142	HCFC-226	HCFC-251
HCFC-121	HCFC-142b	HCFC-231	HCFC-252
HCFC-122	HCFC-151	HCFC-232	HCFC-253
HCFC-123	HCFC-221	HCFC-233	HCFC-261
HCFC-124	HCFC-222	HCFC-234	HCFC-262
HCFC-131	HCFC-223	HCFC-235	HCFC-271
HCFC-132	HCFC-224	HCFC-241	
HCFC-133	HCFC-225	HCFC-242	

CARBON TETRACHLORIDE (CCl₄) - Production has stopped.

1,1,1-TRICHLOROETHANE (C₂ H₃ Cl₃) - Production has stopped.

METHYL BROMIDE (CH₃Br) - Production limits apply.

1 SCHEDULE of REQUIREMENTS

Contractor: MSI Defence Systems Ltd Salhouse Road Norwich Norfolk NR7 9AY	MINISTRY OF DEFENCE Schedule of Requirements for 30mm Gun Systems 12 Month In-Service Support Contract	Contract No: 701201373 Dated: 1 st July 2021
SCHEDULE OF REQUIREMENTS		
ITEM No	DESCRIPTION	FIRM PRICE
1	To provide an In-Service Support Service for the 30mm Gun Systems in accordance with the Statement of Work at Annex A for the period 1 st July 2021 to 30 th June 2022 See also Contract Condition 4.2	[REDACTED]
1(a)	Option 1 To provide an In-Service Support Service for the 30mm Gun Systems in accordance with the Statement of Work at Annex A for the period 1 st July 2022 to 31 st December 2022 See also Contract Condition 4.2	[REDACTED]
1(b)	Option 2 To provide an In-Service Support Service for the 30mm Gun Systems in accordance with the Statement of Work at Annex A for the period 1 st January 2023 to 30 th June 2023 See also Contract Condition 4.2	[REDACTED]
2	To Undertake Exceptional Tasks (TAFS) as required by the IGMR DT, not covered by the activities in Item 1 above, using the TAF process at Condition 9.3 and the TAF approval form at Annex D. See also Contract Condition 4.3	Firm Prices to be determined on a case by case basis Defcon 127 Edn 12/14 applies
THIS CONTRACT IS SUBJECT TO THE ATTACHED CONDITIONS		

2 GENERAL CONDITIONS

2.1 DEFCONS

The following DEFCONS shall apply to the Contract:

DEFCON	Edn	Description
5J	18/11/16	Unique Order Identifiers
14	11/05	Inventions and Designs Crown Rights and Ownership of Patents and Registered Designs <i>(For the purposes of this Contract the address specified in Note (1) of DEFCON 14 shall be amended to read DIPR, Poplar 2a #2214, MOD Abbey Wood South, Bristol, BS34 8JH)</i>
15	02/98	Design Rights and Rights to Use Design Information <i>For application see CDR Annex Q</i>
16	10/04	Repair and Maintenance Information <i>For application see CDR Annex Q</i>
19	01/76	Free User, Maintenance and Supply of Drawings
21	10/04	Retention of Records <i>For application see CDR Annex Q</i>
23	08/09	Special Jigs, Tooling and Test Equipment
68	05/21	Supply of Hazard Data for Articles, Materials and Substances
76	12/06	Contractor's Personnel at Government Establishments
82	11/16	Special Procedures for Initial Spares
90	11/06	Copyright
91	11/06	Intellectual Property Rights In Software
113	02/17	Diversion Orders
117	10/13	Supply of Information for NATO Codification Purposes
127	12/14	Price Fixing Condition for Contracts of Lesser Value
129	07/19	Packaging (For Articles Other Than Munitions)
129J	18/11/16	The Use of the Electronic Business Delivery Form
501	11/17	Definitions and Interpretations
502	05/17	Specifications Changes
503	12/14	Amendments to Contract <i>For the purposes of Condition 1 of DEFCON 503 the Authority's duly authorised representative shall be the IPT Commercial Branch named at Box 1 of the Appendix to Contract.</i>

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DEFCON	Edn	Description
507	10/18	Delivery
513	11/16	Value Added Tax
514	08/15	Material Breach
515	02/17	Bankruptcy & Insolvency
516	04/12	Equality
518	02/17	Transfer
520	05/18	Corrupt Gifts & Payments of Commission
522	11/17	Payment and Recovery of Sums Dues
524	02/20	Rejection
524A	02/20	Counterfeit Materiel
525	10/98	Acceptance
526	08/02	Notices
527	09/97	Waiver
528	07/17	Import and Export Licences
529	09/97	Law (English)
530	12/14	Dispute Resolution (English Law)
531	11/14	Disclosure of Information
532A	04/20	Protection of Personal Data (Where Personal Data is not being processed on behalf of the Authority)
534	06/17	Subcontracting and Prompt Payment
537	06/02	Rights of Third Parties.
538	06/02	Severability
539	08/13	Transparency
550	02/14	Child Labour and Employment Law
566	10/20	Change in Control of Contractor
601	04/14	Redundant Materiel
602B	12/06	Quality Assurance (Without Deliverable Quality Plan)

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DEFCON	Edn	Description
604	06/14	Progress Reports
605	06/14	Financial Reports
606	06/14	Change and Configuration Control Procedure
608	10/14	Access and Facilities to Be Provided By the Contractor
609	08/18	Contractor's Records
611	02/16	Issued Property
612	10/98	Loss of or Damage to the Articles
620	05/17	Contract Change Control Procedure
621A	06/97	Transport (if the Authority Is responsible for transport)
624	11/13	Use Of Asbestos
625	10/98	Co-Operation on Expiry of Contract
627	12/10	Requirement for a Certificate of Conformity
632	08/12	Third Party Intellectual Property - Rights and Restrictions
637	05/17	Defect Investigation and Liability
642	06/14	Progress Meetings
644	07/18	Marking of Articles
647	02/21	Financial Management Information
649	12/16	Vesting
656B	08/16	Termination for Convenience – £5m and Over
658	10/17	Cyber
659A	02/17	Security Measures
660	12/15	Official-Sensitive Security Requirements
670	02/17	Tax Compliance
675	03/21	Advertising Subcontracts (Defence and Security Public Contracts Regulations 2011 only)
678	09/19	SME Spend Data Collection
681	06/02	Decoupling Clause - Subcontracting With the Crown
687A	06/01	Provision of A Shared Data Environment Service ?

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DEFCON	Edn	Description
687B	06/01	Shared Data Environment System Transfer Arrangements ?
691	03/15	Timber and Wood- Derived Products
694	07/18	Accounting For Property of the Authority
697	07/13	Contractors On Deployed Operations -CONDO
800	12/14	Qualifying Defence Contract
801	12/14	Amendments to Qualifying Defence Contracts – Consolidated versions
802	12/14	QDC: Open Book on Sub-Contracts that are not Qualifying Sub-Contracts (QSC)
804	03/15	QDC: Confidentiality of Single Source Contract Regulations Information
Note:		In this Contract some referenced documents may themselves refer to other documents. Unless indicated specifically, the editions of these other documents are to be taken to mean the editions and all amendments current at the date of the acceptance of Contract.

2.2 ORDER OF PRECEDENCE

2.2.1 In the event of conflict or inconsistency between the Terms and Conditions of the Contract and any other reference documentation, the conflict shall be resolved according to the following descending order of precedence:

- a. DEFCON 537 Rights of Third Parties
- b. Narrative Conditions of Contract
- c. DEFCONS (Other than DEFCON 537)
- d. Schedule of Requirements (and Annexes incorporated by reference).

2.3 RESPONSIBILITIES OF THE CONTRACTOR

2.3.1 For the purposes of the Contract and the work to be performed thereunder, the Contractor is designated the Prime Contractor and Design Authority for the 30mm Gun Systems In-Service Support Contract.

2.3.1.1 The Contractor shall manage the Design Authority contributions from its sub-contractors.

2.3.1.2 The Contractor shall provide Certificates of Design within 3 days of the date of the Contract.

2.3.2 The Contractor shall be responsible for the timely, efficient and proper execution of the Contract as described in the Schedule of Requirements (SOR) and the Statement of Work at Annex A to this Contract for the period 1st July 2021 to 30th June 2022 and if the Options are taken up by the Authority from 1st July 2022 to 31st December 2022 and from 1st January 2023 to 30th June 2023.

- 2.3.3 The Contractor shall meet the requirements of this 30mm Gun Systems In-Service Support Contract, covering all of its systems and sub-systems and components unless specifically excluded.

2.4 SECURITY

- 2.4.1 For the purpose of DEFCON 659A the classified matter of the Contract is defined in the Security Aspects Letter [REDACTED] The Contractor shall confirm in writing to the APM that the definition of the classified matter has been brought to the attention of the person directly responsible for the security of the Contract, that the definition is understood and that measures can be/will be taken to safeguard the classified matter. It shall immediately refer any difficulties in these respects to the APM. Changes in the classification will be notified by the APM to whom enquiries about the classified matter should be addressed.
- 2.4.2 Submissions for approval under Condition (7) of DEFCON 659A are not required in respect of work to be carried out by Sub-Contractors at premises which are known to be security approved. In other cases the information required under DEFCON 659A(7) shall be submitted to the Directorate of MoD Security (MoD Sy (Pol) 2b) MoD Main Building, Whitehall, London SW1A 2HB.
- 2.4.3 Where the Contractor is provided with access to the Authority's information systems as detailed at Annex E of this Contract the Contractor shall enter into Confidentiality Agreements with the Authority, in the format set out at Annex V of this Contract.

2.5 RELATIONSHIP BETWEEN THE PARTIES

- 2.5.1 Both the Contractor and the Authority agree that the key to success of any contractual arrangement is dependent upon the creation and maintenance of a close working relationship between the parties. To this end, both parties agree to adhere to the partnering principles set out in the "Partnering Agreement" signed by both parties and attached at Annex J to this Contract.
- 2.5.2 Nothing in the Contract shall create, or be deemed to create, a partnership as defined in the Partnership Act (1890) between the Contractor and the Authority.

2.6 DURATION

- 2.6.1 This Contract shall commence on 1st July 2021 and continue until 30th June 2022. The Authority reserves the right to unilaterally extend this Contract by additional periods of 6 months at a time subject to providing the Contractor with [REDACTED] notice of its intention to do so.
- 2.6.2 All work authorised during this period(s) shall be completed under the Contract, but the Contractor is required to notify the Authority's Commercial Officer (ACO) as detailed in Box 1 of the Appendix to Contract of any work still outstanding at the end of the stated period.
- 2.6.3 In the event that the Contractor has procured long lead items for a period longer than the Contract period in order to achieve economies of scale and these items have not been paid for by the Authority at the point of termination, the Contractor shall offer these items to the Authority at a fair and reasonable price. See also Condition 8.6, Exit Strategy.
- 2.6.4 Soon after Contract placement there shall be a Contract Take On Meeting (CTOM) at a venue to be agreed between the parties and in order to ensure effective Contract Management there shall be Quarterly Progress Meetings (QPMs) throughout the duration of the Contract. The agenda of the QPMs is set out in the Statement of Work at Annex A paragraph 16(f) and shall include but not be limited to the following:

2.6.4.1 Post Design Services

2.6.4.2 Repair activity

- 2.6.4.3 Spares Activity
- 2.6.4.4 Inventory Management
- 2.6.4.5 Tasking activity
- 2.6.4.6 Status against Obsolescence Management
- 2.6.4.7 Performance Indicators.

- 2.6.5 The Contractor shall take the minutes of all meetings and circulate them within one week of the meetings.
- 2.6.6 The duration of the Contract is also subject to the provisions of Condition 8.6 Exit Strategy.

2.7 CONTRACTOR'S ON DEPLOYED OPERATIONS (CONDO)

- 2.7.1 Whilst it is envisaged that work under the Contract will be carried out within the United Kingdom (UK), the Contractor may need to deploy staff within a "Joint Operational Area" (JOA). There are two situations under which this requirement may arise. These are Contractor lead deployments and Authority requested deployments (See 2.7.4 and 2.7.5 respectively). In either situation the terms of DEFCON 697 shall be invoked without caveat.
- 2.7.2 The Contractor shall retain CONDO trained staff who will be ready to deploy to a Joint Operational Area" (JOA) throughout the duration of this Contract.
- 2.7.3 For any CONDO related activity the Contractor shall be entitled to request the Authority's agreement to either:

DEFCON 661 - War Risk Indemnity; or
DEFCON 661A - War Risk Indemnity - Alternative Version

to assist in management of the costs and implications of CONDO in doing so the Contractor must supply evidence to support the request.
- 2.7.4 If the Contractor assesses that it wishes to carry out a repair that will involve CONDO, then the Contractor shall inform the Authority who shall assist as requested. Any ship visits which are to take place under CONDO shall be contracted via the Exceptional Tasking Process at Item 2 of the Statement of Requirements.
- 2.7.5 Whilst the Contractor may assess that a ship visit it not necessary, there may be exceptional circumstances when the Authority will instruct the Contractor to attend. In this instance all associated fair and reasonable additional costs incurred by the Contractor (under CONDO terms) will be met by the Authority. These costs will be added to the Contract by way of the Tasking Process at SOR Item 2 to the Contract.

2.8 ASSIGNMENT

- 2.8.1 The rights and obligations of the Authority under the Contract shall not be assigned, novated or otherwise transferred (whether by virtue of any Legislation or any scheme pursuant to any Legislation or otherwise) other than in respect of the whole of the Contract, to any public body other than any person (being a single entity) having the legal capacity, power and authority to become a party to and to perform the obligations of the Authority under the Contract, namely:
 - 2.8.1.1 A Minister of the Crown pursuant to an Order under the Ministers of the Crown Act 1975; or

2.8.1.2 Any other public body whose obligations under the Contract are unconditionally and irrevocably guaranteed (in a form reasonably acceptable to the Contractor) by the Authority or a Minister of the Crown having the legal capacity, power and authority to perform the obligations under the guarantee and the obligations of the Authority under the Contract.

2.9 CHANGES IN SHAREHOLDERS

2.9.1 The Contractor shall inform the Authority, in accordance with DEFCON 566, of any change in the ownership of this Contractor. In the event that such change of ownership impacts on the management of this Contract this is to be notified to the Authority as soon as practicable and, in any event within [REDACTED] business days.

2.10 PLACE OF WORK

2.10.1 Any change in the Contractor's or major Sub-Contractors' places of work during the period of the Contract (where work under the Contract is being performed) shall be reported to the ACO.

3 SPECIFICATIONS PLANS etc.

3.1 DEFCONS

DEFCON	Edn.	Title
68	05/21	Supply of Hazardous Articles & Substances
82	11/16	Special Procedures for Initial Spares
117	10/13	Supply of Documentation for NATO Codification Purposes
129	07/19	Packaging <i>(for Articles other than Ammunition and Explosives)</i> .
502	05/17	Specification Changes
601	04/14	Redundant Materiel
602A	12/17	Quality Assurance (With Quality Plan)
606	06/14	Change and Configuration Procedure
608	10/14	Access and Facilities to be Provided by the Contractor
624	11/13	Use of Asbestos
644	07/18	Marking of Articles

3.2 SCOPE OF THE IN-SERVICE SUPPORT CONTRACT - ITEM 1

3.2.1 The Contractor shall be entirely responsible for the satisfactory performance of all services detailed in the Schedule of Requirements and in the Statement of Work at Annex A. It shall be the Contractor's responsibility to ensure and to demonstrate to the reasonable satisfaction of the Authority that all such services conform to the requirements specified in the Contract.

3.2.2 Should any part of the services supplied under the Contract fail to meet the requirements of the Contract, the Contractor shall remedy any shortcomings, at no additional cost to the Authority and shall demonstrate to the reasonable satisfaction of the Authority that the requirements of the Contract are met in full.

3.2.3 With the exception of a formal Contract Amendment issued by the ACO if the Authority formally or informally verifies or expresses reasonable satisfaction with any design, drawing or data or if the Authority at any stage gives any advice or makes any comment or suggestion relating to any design, drawing or data under this Contract, the Authority shall not thereby incur any liability and the Contractor shall remain solely responsible for any defects or deficiencies therein.

3.3 EXCLUSIONS FROM ITEM 1

3.3.1 The following are excluded from SOR Item 1 of this Contract:

- Operational Damage and Damage caused by hostile action.
- Ships Staff negligence found as a result of a formal Ship's investigation, which leads to loss or exceptional damage necessitating a requirement for a replacement unit. NB The

Contractor shall provide evidence of Ship Staff negligence and the Authority shall assist in any required investigation.

- 30mm KCB Cannon Ordnance support.
- Ship repairer defects, deficiencies and negligence, the costs of which are outside the liability of the IGMR IPT.

3.4 PROJECT MANAGEMENT

3.4.1 The Contractor shall carry out all necessary Project Management activities in order to meet the requirements of the Statement of Work at Annex A and shall share their Project Management Plan(s) with the APM.

3.5 RISK

3.5.1 Each party shall compile and manage their own risk registers and should any joint risks emerge, these shall be shared and discussed at the regular QPMs or at other times as agreed between the Authority and the Contractor.

3.5.2 Commercial Risk - The Contractor acknowledges that any risk assessment which has been, or may be undertaken in connection with this Contract, has been or will be, a project management function only. Such risk assessment does not affect the legal relationship between the Authority and the Contractor. The issuing of any risk assessment questionnaire and the process of risk assessment generally, including without limitation, the identification of (or failure to identify):

particular risks and their impact
or
risk reduction measures, contingency plans and remedial actions

shall not in any way limit or exclude the Contractor's obligations under this Contract and shall be entirely without prejudice to the Authority's rights, privileges and powers under this Contract. The risks identified as a result of any risk assessment questionnaire and risk assessment process generally, remain the risks of the Contractor and are not assumed by the Authority except to the extent that the Authority expressly and unequivocally accepts those risks under the Contract.

Any risk assessment questionnaire released was or will be issued by the Authority solely on this basis.

3.6 QUALITY MANAGEMENT & ASSURANCE

3.6.1 The Contractor is required to maintain and utilise a Quality Management System (QMS) which satisfies the requirements of Allied Quality Assurance Publications (AQAP) 2110 Edition D Version 1 and receives regular 1st and 3rd party audits.

3.6.2 The Contractor is not required to submit a deliverable quality plan to the Authority, in accordance with DEFCON 602B. This does not negate the Contractor's obligation to plan for quality under AQAP 2110 Ed D version 1.

3.6.3 When required by the Authority, the Contractor shall provide access to their premises and shall assist any Government Quality Assurance Representative (GQAR) with their activities in accordance with STANAG 4107 Edition 9 (nine) following the guidelines covered in AQAP 2070.

3.6.4 The Contractor shall follow the following procedures in order to provide Quality Assurance compliance:

3.6.4.1 The procedures for Concessions shall follow the requirements of Def Stan 05-061, part 1 issue 6 dated 31/03/2016.

3.6.4.2 The procedures for Contractor Working Parties shall follow the requirements of Def Stan 05-061, part 4 issue 3 dated 25/10/2002.

3.6.4.3 The procedures for Independent Inspection of Safety Critical Items shall follow the requirements of Def Stan 05-061, part 9 issue 5 dated 04/02/2016.

3.6.4.4 The Contractor shall fulfil the requirements of Def Stan 05-135: "Avoidance of Counterfeit Materiel" issue 1.

3.6.5 The Contractor's initial focal point for Quality within the Authority is the APM.

3.7 SECOND HAND MATERIAL

3.7.1 It shall be permissible for the Contractor to use components from items that are considered Beyond Economical Repair (BER) providing the item is Authority owned and its history of use (i.e. storage, previous repairs etc) is made known to the Authority. Authorisation by the Authority shall be obtained on a case by case basis.

3.7.2 If the Contractor supplies second-hand materials in breach of this Condition and evidence of such breach is made known to the Authority, the Authority's foreknowledge of, or lack of objection to, such material shall not constitute a waiver of that breach. Any required waiver (e.g. for use of items without a complete history) shall be agreed under the procedures specified in DEF STAN 05-61 Part 1 Issue 4 dated 31/03/2016, as called up in the Contract, covering Concessions and Production Permits.

3.8 MAINTENANCE

3.8.1 The Contractor shall ensure that all necessary facilities, plant, machinery, equipment, fixtures and fittings that the Contractor requires to perform the Contract are properly maintained, overhauled and modified as necessary throughout the duration of the Contract and thereafter into any extended period of duration as may be agreed between the Authority and the Contractor at no additional cost to the Authority.

3.8.2 The Authority shall not be liable in any way whatsoever for the maintenance, modification, degradation, loss or damage of any of the Contractor's facilities, plant, machinery, equipment, fixtures and fittings that the Contractor requires to perform the Contract.

3.9 OBSOLESCENCE MANAGEMENT MONITORING

3.9.1 The Contractor shall be responsible for the monitoring, identification and reporting of obsolescence issues in accordance with the requirements of the Statement of Work at Annex A of this Contract.

3.10 SAFETY & ENVIRONMENTAL PROTECTION

3.10.1 The Contractor shall carry out Safety & Environmental Protection activities under the Contract as detailed at the Statement of Work at Annex A to this Contract. The Contractor's own Safety & Environmental Management Plan shall ensure that the Authority's requirements are met.

3.10.2 The Contractor shall ensure that:

3.10.2.1 the Articles covered by this Contract are safe to operate and maintain;

3.10.2.2 the requirements stipulated in the Contract for the safety of the Articles are met;

3.10.2.3 in performing the Contract, comply with all his statutory duties and obligations relating to Safety & Environmental Protection, including, but not limited to, DEFSTAN 00-56 Part 1 Issue 7 dated 28/02/2017 and Part 2 Issue 5 dated 28/02/2017 (guidance on how to comply with Part 1) and DEFSTAN 00-51 and be responsible for ensuring that none of the specifications in the Contract causes the Contractor to be in breach of any statutory duty or obligation relating to Safety or Environmental Protection;

3.10.2.4 if after the Contract is made it appears that any specification agreed between the Contractor and the Authority may render the Contractor in breach of any statutory duty or obligation relating to safety:

3.10.2.4.1 the Contractor shall immediately draw that fact to the Authority's attention;

3.10.2.4.2 the Authority may, without prejudice to any other of its rights under the Contract, require the Contractor to vary each such specification at his own expense in a manner acceptable to the Authority and which will not render the Contractor in breach of any statutory duty or obligation relating to Safety or Environmental Protection;

3.10.2.4.3 nothing in the Contract or in any other document created or signed on behalf of the Authority shall constitute a written undertaking for the purposes of Section 6(8) of the Health and Safety Act 1974 and the Environmental Protection Act relieving the Contractor of any of his duties under Section 6 of that Act;

3.10.2.4.4 the Authority reserves the right to reject the Articles if any of the safety requirements are not met.

3.11 INDEPENDENT SAFETY AUDIT

3.11.1 In the event that the Authority requires an independent safety audit to be undertaken, then, the Contractor shall provide access to records, including Sub-Contractor records, for Contract purposes, to enable the Authority's appointed Independent Safety Auditor to carry out safety audits and other assessment activities to meet the Authority's safety requirements.

3.12 NOT USED

3.13 STANDARDS

3.13.1 The Contractor shall ensure that all work under the Contract is carried out in accordance with the Standards identified at Annex B to the Contract, or as stated elsewhere in this Contract.

3.14 DRAWINGS AND SPECIFICATIONS (PROPRIETARY ARTICLES)

3.14.1 The Contractor may make changes to the Articles to be supplied under the terms of the Contract and inform the Authority accordingly. However, component and unit interchangeability of parts and sub-units; and system performance, environmental and safety factors shall be maintained.

3.15 DRAWINGS AND SPECIFICATION (NON-PROPRIETARY ARTICLES)

3.15.1 Any minor part or parts not shown on the drawings or mentioned in the specifications but which are clearly necessary to the satisfactory completion of the work shall be deemed to be included in the Contract and no additional price will be allowed on account of such omission.

3.15.2 No addition to or correction of the drawings or specifications may be made without a full assessment of the effect of the change on the relevant safety case. The Contractor shall keep the Authority informed of any changes that may impact on safety, the Authority shall have the right to veto changes which have an adverse effect upon system safety, interchangeability etc.

3.15.3 When a suspected error is found on a drawing supplied by or on behalf of the Authority the Contractor is to complete the Annex to DEFSTAN 05-61 (Part 1) Issue 6 dated 31/03/2016. The completed Annex is to be submitted to the PQAO.

3.16 CONFIGURATION CONTROL MANAGEMENT

3.16.1 The Contractor shall run a Configuration Control Board (CCB) in accordance with DEFSTAN 05-57 Issue 7 dated 28/07/2018. The CCB shall be responsible for all changes that affect the functional baseline. The Contractor shall be responsible for Configuration Management of the equipment covered by this Contract throughout the duration of the Contract. Following termination of the Contract, Configuration Management shall come under the Authority's control.

3.16.2 Any change of NSN, Mod Strike update, item addition or item deletion to the Modification State listing shall constitute a change in Modification State.

3.17 MODIFICATIONS

3.17.1 The equipment shall be modified to the latest configuration approved Modification State at the time of repair, unless a different modification state is specifically called for in the Contract.

3.17.2 If the Contractor considers that further modification of the equipment is desirable, or where a change of material from which any of the components are manufactured or addition or correction of drawings or specifications are proposed, the Contractor shall proceed in accordance with the process defined in the Statement of Work at Annex A for Contract Item 1 of this Contract

- 3.17.3 A modification record shall be maintained, detailing the modifications incorporated.
- 3.17.4 Wherever a Deviation / Production Permit or Waiver / Concession is raised on Annex A to DEFSTAN 05-61 Part 1 Issue 6 dated 31/03/2016 to cover a major concession as specified in DEFSTAN 05-61 Part 1 Issue 6 dated 31/03/2016 particular attention should be given to the "costing" section in paragraph 12 thereof. In order not to delay the processing of such a concession, the costing should show clearly the difference between the agreed price in the Contract and the cost of the concession.
- 3.17.5 The Authority is under no obligation to approve a major concession and will not accept liability for any work done in anticipation of the approval of a concession. Concessions will normally only be granted where there are clear benefits to the Authority.

3.18 PLACES OF MANUFACTURE and REPAIR

- 3.18.1 The Contractor shall notify the Authority of their major manufacturers. These are identified at Annex I Appendix 1. Any change in the Contractor's or major sub-Contractors' places of manufacture during the currency of the Contract shall be notified to the ACO, with a copy to the APM.

3.19 SUPPORT MANAGEMENT INCLUDING INTERCHANGABILITY

- 3.19.1 Equipment Information Details and Interchangeability - The Contractor shall ensure that interchangeability is maintained for equipments, assemblies, sub-assemblies or components without the need for hand-fitting (scraping, filing etc) machining, drilling or reaming of holes or re-arranging of electrical connections/terminals.
- 3.19.2 Equipment Information Requirements – Equipment information, as appropriate to the size and complexity of the equipment involved, is to be provided sealed in a polythene envelope and packaged with the equipment. The following information is required:

3.19.2.1 Descriptive name of the equipment/component, the manufacturer's name, the type and serial number

3.19.2.2 The manufacturer's drawing number and, if applicable, part number, together with associated part/item list. These lists must be in sufficient detail to enable identification of the major assemblies and sub-assemblies relative to their issue and/or revision state

3.19.2.3 A detailed list of those major concessions reported on MOD Form 77 and approved by the Authority during manufacture. A copy of each MOD Form 77 is to be attached thereto, but where no concessions have been applied for, a statement to this effect on MOD Form 77 must be enclosed

NB. Other information that may be provided by the APM, in particular the NATO Stock No., Adref No or NS Catalogue No.

3.20 AUTHORITY DATA

- 3.20.1 For the duration of the Contract, the Authority shall make available to the Contractor such non-commercially or security sensitive Authority Data that is deemed necessary and relevant to the Contract.

4 PRICE

4.1 DEFCONS

DEFCON	Edn.	Title
127	12/14	Price Fixing Condition for Contracts of Lesser Value
605	06/14	Financial Reports
619A	09/97	Customs Duty Drawback
800	12/14	Qualifying Defence Contract
801	12/14	Amendments to Qualifying Defence Contracts – Consolidated Versions
802	12/14	QDC: Open book on sub-contracts that are non-qualifying sub-contracts
804	03/15	QDC: Confidentiality of Single Source Contract Regulations Information

4.1.2 The parties recognise that each has a legal obligation, under section 20 of the Defence Reform Act 2014, to be satisfied that the costs included in the contract price are Appropriate, Attributable and Reasonable (together ‘AAR’). The breakdown of these costs on which the Contract is based has been provided to the Authority pre-Contract award to allow an Allowable Cost Report (ACR) to be compiled. The agreed Allowable Costs and Profit Rate is stated at Annex L to this Contract. A Contract Pricing Statement (CPS) is required to be uploaded to DefCARS by the Contractor within months of Contract award.

4.1.3 Any amendment to the Contract Prices shall be subject to a revision of the Contract Pricing Statement, which shall record the agreement by the Authority of any price changes.

4.1.4 Without prejudice to any other right which the Authority may have, in the event that the Authority does not consider that the Contractor has complied with its obligation under this clause 4.1, or it is still not satisfied that the costs included in the contract price are AAR, it may refer the contract to the SSRO for a determination of allowable costs, pursuant to section 20 of the Defence Reform Act 2014.

4.1.5 The Contract Profit rate has been agreed in accordance with Annex L and shall prevail for the whole duration of the Contract including the Option periods at SOR Item 1(a) and Item 1(b).

4.2 Pricing for Schedule Item 1, 1(a) and 1(b) – In Service Support. The agreed prices for Item 1, 1(a) and 1(b) of the Contract are Firm Prices (not subject to variation). Item 1, 1(a) and 1(b) stage payments are detailed at Annex T to the Contract and the agreed prices include all aspects of the 30mm Gun In Service Support activities detailed in the Statement of Work at Annex A to this Contract and supporting documents except where specifically excluded. The agreed price shall also include provision for any ship / establishment visits required either by the Contractor's personnel or Sub-Contractor's personnel to any vessel or establishment either ashore, in port or at sea anywhere in the UK or in UK waters including all associated travel and subsistence costs during the period 1st July 2021 to 30th June 2023 (in the event that the Option periods are taken up). Support for the HMS Collingwood 30mm Gun Systems, (including for the avoidance of doubt, the DTM Fire Control Trainer) during this period is also included in the price for Item 1. Item 1(a) and Item 1(b). All visits overseas shall be covered by Item 2 Exceptional Tasking Process.

4.2.1 The six step calculations for the Contract Profit Rate are set out at Appendix 1 to Annex L.

4.3 Pricing for Schedule Item 2 – Exceptional Tasks: The agreed price for Item 2 of the Contract “Exceptional Tasks” shall be established on a task by task basis and the Contractor shall provide a price breakdown using the Tasking form at Annex D Appendix 1 to show the Labour hours, Labour Rates, Materials, Sub-Contract, Travel and Subsistence. The Contractor’s FIRM Rates at Annex D Appendix 2 shall be used to price any work (TAFs) carried out under Item 2 of this Contract.

4.3.1 For the purposes of calculating the in-year profit rate for Exceptional Tasks placed after the first year of the Contract, the 6-step profit calculation shall be adjusted to account for any change to the Baseline Profit Rate that applies to the year in which the Task is performed. The adjusted 6-step profit calculation taking into account the Baseline Profit Rate for the relevant year (announced on 15th March each year), and any other changes to the six steps of the process, affecting the Contract Profit Rate for Item 2 of the Contract, shall be recorded in an additional table in Annex L of the Contract prior to the subsequent Tasking Period and the Contract shall be amended accordingly.

4.4 URGENT REQUIREMENTS, TIME OF CRISIS, TRANSITION TO WAR AND WAR

4.4.1 The Contractor shall use all reasonable endeavours to continue to provide the Services during periods of urgent requirements, a security alert, in transition to war whilst any Force Majeure Event (as defined in condition 4.5.1) subsists and during any other emergency (whether or not involving hostilities) unless directed otherwise by the Authority.

4.4.2 If any of the circumstances referred to in sub-Condition, 4.4.1 above, arise and the Authority believes that such circumstances are likely to have an effect on the provision of the Services it shall forthwith notify the Contractor of that belief. In such circumstances, the Contractor shall supply such Services to the Authority as the Authority may reasonably request.

4.4.3 If the Authority declares that a period of tension, transition to war or any other emergency, in the Authority’s opinion is likely to occur then the Authority reserves the absolute right to take over any of the Services until such time as the Authority shall direct.

4.4.4 Without prejudice to sub-Condition 4.4.3 above, following service of notice by the Authority in accordance with sub-Condition 4.4.2 above, the Contractor shall discuss in good faith with the Authority any matters which the Authority, in its sole opinion, may consider relevant or appropriate to any proposals which the Authority may have for the reallocation of priorities for, or the reorganisation of, the Services and the Parties shall endeavour, as far as reasonably practicable, to reach agreement as a matter of urgency on such matters.

4.4.5 Notwithstanding any provision to the contrary in this Contract (but without prejudice to sub-Conditions 4.4.6 to 4.4.8 (inclusive) below), and notwithstanding that any of the measures described above may not have been taken, required to be taken, or have been completed, the Authority may, at any time and in its sole discretion, require the Contractor to use all reasonable endeavours to comply fully with any written instructions issued by the Authority including, without limitation, instructions issued in relation to all or any of the following matters:

- to accelerate to early completion, to suspend or to cease permanently any of the Services carried out or to be carried out by the Contractor;

- to carry out any changes whatsoever to the Services required by the Authority;
- to deploy its employees and any other assets or rights used in connection with this Contract or to use, or make available for use by the Authority or as directed by the Authority, such assets or rights in accordance with the Authority's directions.

4.4.6 The Authority shall indemnify the Contractor against any claim or action for losses by a third party against the Contractor arising out of any action which the Authority may require the Contractor to take pursuant to this Condition provided that the Contractor shall:

- promptly notify the Authority in writing of any such claim or action or threatened claim or action;
- act in accordance with the Authority's instructions regarding the manner in which such claim or action or threatened claim or action is to be dealt with or regarding the conduct of any legal proceedings;
- not compromise the Authority's position in any way whatever by making statements or admissions (other than in accordance with the Authority's instructions) and shall do nothing which could prejudice the defence of any such claim or action or threatened claim or action;
- use its reasonable endeavours to limit or exclude such liability to a third party (including liability for consequential loss).

4.4.7 To the extent that any work carried out by the Contractor pursuant to this Condition is not covered by express agreement between the Contractor and the Authority, the Authority shall pay to the Contractor a fair and reasonable price including profit.

4.4.8 The Authority shall reimburse the Contractor against all losses (including without limitation, all losses arising as a result of the loss of or damage to the Contractor's System) it has suffered or will suffer arising out of any action which the Authority may require the Contractor to take pursuant to this Condition. The Contractor shall be entitled from time to time to make claims for reimbursement under this Condition, notwithstanding that further claims for reimbursement may arise in the future.

4.4.9 The Contractor shall use its reasonable endeavours to mitigate any such losses it has suffered.

4.4.10 For the avoidance of doubt nothing in this Condition shall apply so as to reduce the Authority's or Contractor's obligations.

4.5 FORCE MAJEURE

4.5.1 The Contractor shall not be in breach of this Contract, nor liable for late or non-performance of any of its obligations under this Contract, if such delay or failure result from a "Force Majeure Event". For the purposes of this Contract a Force Majeure Event is defined as one of the following: a. acts of nature; b. war; c. hostilities; d. fire at any of the Contractor's premises or those of its suppliers except to the extent that the fire was caused by their own negligence.

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

4.5.3 Subject to Clause 4 below, the Contractor shall be entitled to an appropriate extension of time for performing such obligations provided always that the Contractor has used,

to the satisfaction of the Authority, all reasonable endeavours, both to mitigate the effects of the Force Majeure Event, and to facilitate the continued performance of its obligations under this Contract.

4.5.4 The maximum extension of time granted under this clause shall be limited to [REDACTED] after which time the Authority may, on giving written notice to the Contractor, terminate this Contract, without seeking compensation from the Contractor, with immediate effect.

4.6 COVID-19: EXTENSION OF TIME AND RELIEF FROM PERFORMANCE

4.6.1 The parties recognise that the continuance of the COVID-19 pandemic may have an adverse impact on the ability of the Contractor to perform its obligations under this Contract. The Contractor shall not therefore be in breach of its obligations under this Contract, nor liable for late or non-performance of any of its obligations under this Contract, if such delay or failure is a sole and direct result of the continuance of the COVID-19 pandemic.

4.6.2 The Contractor shall immediately notify the Authority in writing that the continuance of the COVID-19 pandemic has solely and directly resulted or is likely to solely and directly result in a delay or failure to perform its obligations under the Contract, which obligations are adversely impacted, and the actions proposed to mitigate such adverse impact.

4.6.3 Subject to clause 4.6.4 below, the Contractor shall be entitled to request an appropriate period of:

- a. additional time for performing; and/or
- b. relief from other contractual consequences, of late or non-performance of such obligations provided always that the Contractor has used, to the satisfaction of the Authority, all reasonable endeavours, both to mitigate the adverse impact of the continuance of the COVID-19 pandemic, and to facilitate the continued performance of its obligations under the Contract.

4.6.4 The maximum period of additional time and/or for which relief will be granted under this clause shall be limited to [REDACTED] after which the Authority may terminate the Contract on giving [REDACTED] notice in writing to the Contractor. On termination of the Contract, the Contractor shall be entitled to be paid an amount equal to any and all charges payable (but as yet unpaid) for Contractor Deliverables delivered up to the date of termination but shall otherwise have no claim against the Authority in relation to such termination.

5 INTELLECTUAL PROPERTY RIGHTS

5.1 DEFCONS

14	11/05	Inventions and Designs - Crown Rights and Ownership of Patents and Registered Designs <i>(For the purposes of this Contract the address specified in Note (1) of DEFCON 14 shall be amended to read DIPR, Poplar 2a #2214, MOD Abbey Wood South, Bristol, BS34 8JH</i>
15	02/98	Design Rights and Rights to Use Design Information <i>For application see CDR Annex Q.</i>
16	10/04	Repair and Maintenance Information <i>For application see CDR Annex Q.</i>
19	01/76	Free User, Maintenance and Supply of Drawings
21	10/04	Retention of Records <i>For application see CDR Annex Q.</i>
90	11/06	Copyright
91	11/06	Intellectual Property Rights in Software
632	08/12	Third Party Intellectual Property Rights – Commercial and Non-Commercial Articles and Services
687A	06/01	Provision of a Shared Data Environment Service
687B	06/01	Shared Data Environment Transfer Arrangements

5.1.2 In addition to the above DEFCONS related to Intellectual Property Rights, the following conditions shall also apply to work undertaken against this Contract:

5.1.3 Subject to the provisions of DEFCON 90 and ITAR Regulations, the Contractor shall ensure that the Authority has the right to copy, amend, extend or have copied, amended or extended any Technical Publication related to the 30mm Gun Systems to be supported under this Contract, to include, but not be limited to handbooks, user guides, repair & maintenance manuals etc, called for under the Contract or any part thereof including any such part when incorporated in any amended or extended version of such technical publication, and to circulate, use or have used said technical publication including any amended or extended version and any copies thereof for any United Kingdom Government purpose.

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

5.1.5 Wherever possible the request for approval should be accompanied by two copies of the agreement signed by the Sub-Contractor (See Clause 5.7 below). If, in any case the Contractor is unable to comply with this condition he shall report the matter to the nominated ACO and await further instructions before placing the Sub-Contract or order.

5.2 PROPRIETARY SOFTWARE

5.2.1 Contractor owned or third party proprietary commercial software deliverables the development of which has been funded by private venture monies outside of the Contract shall be procured using either:

(a) the Authority's standard DEFFORM 701 (Edn 04/06) head license agreement; or

(b) any standard inward proprietary software license that has already been agreed or that has already been agreed or that may be agreed in the future.

5.2.2 Any such agreement shall be agreed directly between the Authority and the software proprietor. If the Contractor is unable to comply with the provisions of (a) and (b) above the Contractor will consult the Authority so as to determine the best alternative approach to acquiring a license for the Authority.

5.3 DESIGN RIGHTS

5.3.1 In addition to the Authority's rights under DEFCON 16, the Authority shall retain free user rights over any re-design of components and/or assemblies, carried out by the Contractor under this Contract and the Contractor shall provide copies of any associated drawings and/or other documents to the Authority upon request.

5.4 DESIGN AUTHORITY

5.4.1 The Design Authority (DA) for the 30MM Gun System covered under this Contract is the Contractor, MSI Defence Systems Ltd. The Contractor shall act as co-ordinating DA for any sub-components where other DAs may be involved.

5.5 SAFETY CASE

5.5.1 The Contractor shall undertake all necessary safety assessments and produce and manage the safety case as a live document in order to satisfy the DGM IPT, DOSG, SID/DOAS, Platform IPTs and MCTA. The Contractor shall also provide such evidence to the APM as may be required to support the safety case by an independent audit process.

5.6 DISCONTINUATION OF SUPPLY

5.6.1 The Authority shall have the right to secure from the Contractor or from any authorised administrator, trustee, receiver or liquidator acting on behalf of the Contractor the delivery of a full technical data package (including all necessary technical design information and source code) in respect of any of the Private Venture articles within the Contractor's custody or control and supplied under the Contract, said technical data package to comprise all funded technical information and all additional technical information to such extent and depth necessary for the Authority to replicate and support (or to authorise a third party to undertake the same) the delivered equipment under the Contract, but this right shall apply only in the event of the Contractor:

(a) [REDACTED]

(b) [REDACTED]

(c) [REDACTED]

5.6.2 The Authority's rights of use to the information comprised within the technical data package shall be governed by DEFCON 19. Use under Condition 1(a) and (b) shall be without additional payment but use under Condition 1(c) shall be on fair and reasonable terms which if in dispute shall be resolved in accordance with DEFCON 530. The Authority may

exercise its rights of use under DEFCON 19 without having made a prior payment to the Contractor.

- 5.6.3 The Technical Data Pack (TDP) shall be assembled and maintained at the Contractor's premises as part of the Contract price. The Authority shall have full user rights to the TDP when delivered under the circumstances described at 5.6.1 above. The Contractor shall be reimbursed by the Authority for any reasonable cost of delivery incurred by the Contractor.
- 5.6.4 The obligation under sub-Condition 5.6.1 above, in so far as it applies to third party owned technical information, shall be discharged where the Contractor can demonstrate that it has used all reasonable endeavours to comply with the same.

5.7 PROCEDURE FOR MAKING DIRECT AGREEMENTS WITH SUB-CONTRACTORS

- 5.7.1 The Contractor shall not place any sub Contract or order involving the significant design or development of equipment required under the Contract without the prior approval of the Authority. This approval will not be unreasonably withheld.
- 5.7.2 The Contractor shall not enter into any commitment in relation to the equipments specified in the DEFFORM 177, as may be amended from time to time, until the Sub-Contractor has entered into an agreement with the Authority in the form set out at Annex H to the Contract. Wherever possible the request for approval shall be accompanied by 2 (two) copies of the agreement signed by the Sub-Contractor. If, in any case the Contractor is unable to comply with this condition he shall report the matter to the ACO and await further instructions before placing the Sub Contract or order.

5.8 COMMERCIAL EXPLOITATION LEVY

- 5.8.1 Any new equipment funded, developed, designed under the Contract shall be subject to a new Commercial Exploitation Agreement, in the form of the appropriate agreement as detailed in the Commercial Manager's Toolkit which is available on the internet via KID (Knowledge in Defence) at: aof.uwh.diif.r.mil.uk through the Defence Gateway <https://sts.defencegateway/mod.uk>
- 5.8.2 The Contractor shall not sell other than to the Authority any Articles delivered in accordance with the Contract and which involve the results of the design and/or development work carried out under the Contract without the prior approval of the Authority.

6 LOANS

6.1 DEFCONS

DEFCON	Edn.	Title
23	08/09	Special Jigs, Tooling and Test Equipment <i>For the purposes of the Contract, the reference(s) to "the Equipment Accounting Instructions" in this DEFCON 23 are amended to read "Interim DEFSTAN 05-99 Part 1 Issue 1 dated 14/07/2017 and Part 2 Issue 1 dated 14/07/2017".</i>
76	12/06	Contractor's Personnel at Government Establishments
611	02/16	Issued Property
694	07/18	Accounting for Property of the Authority

6.2 GOVERNMENT FURNISHED ASSETS (GFA)

6.2.1 The agreed list of GFA is detailed at Annex E to this Contract.

6.2.2 The Contractor shall be given visibility and access to stock held by the Authority. Government stock shall be made available to the Contractor to support the Fleet. The Contractor shall not issue any material owned by the Authority to a third party.

6.2.3 The Contractor shall not transfer inventory items to third parties.

6.2.4 Subject to the necessary Confidentiality Agreements set out at Annex V to this Contract, the Authority shall arrange access to the Contractor of certain computer based Systems and Outputs. These systems are detailed at Annex E to this Contract.

6.2.5 In addition to the requirements of DEFCON 611 the following shall apply:

6.2.5.1 The right of the Authority to reject Articles under the Contract shall in no way be prejudiced by or through the fact that the Articles in question may have been made from or include materiel supplied by the Authority.

6.2.5.2 The Contractor shall inform the appropriate ACO if Government property is not specified as issuable for the purpose is used by him in the manufacture of Articles under the Contract.

6.2.5.3 Articles to be subjected to investigation under the Contract will be issued to the Contractor on Contract Loan as and when they become available and will be forwarded, carriage paid, to the Contractor's works.

6.2.6 Where the Authority provides Government Furnished Assets (GFA) in support of this Contract, the Contractor must include details of the GFA in the Contractor's Public Store Account and treat it in accordance with Def Stan 05-099. Upon termination of this Contract, the Contractor must seek instructions for the return of GFA from the Authority.

6.3 SPARES PROCEDURE

- 6.3.1 The Authority shall have the ability to order spares from the items listed at Annex N to the Contract or in the case of RMC (Raw Materials and Consumables) Appendix 1 to Annex N.
- 6.3.2 To instigate an order, a Demand Order will be raised and issued to the Contractor using CP&F by the Authorised Demander (see Box 4 of DEFCON 111 Appendix to Contract).
- 6.3.3 The Contractor shall acknowledge receipt of the Demand Order and confirm the delivery forecast within five working days of the receipt of the order.
- 6.3.4 If Articles are not listed at Annex N, or at Appendix 1 to Annex N, the Authority shall issue a Request for Quotation (RFQ) with details of the requirement to the Contractor.
- 6.3.5 The Contractor's proposal shall be forwarded to the Authority's Commercial Officer (ACO) in the first instance (see Box 1 of DEFFORM 111, Appendix to Contract). The proposal shall include but not be limited to, a detailed breakdown of labour effort, materials and sub-contractor costs.
- 6.3.5.1 The Contractor shall respond to each RFQ within [REDACTED]. Acceptance of any proposal for the pricing of spares shall only be made in writing by the Authority's Commercial branch by way of a Contract Amendment.
- 6.3.6 Payment for spares shall be made on submission of Invoice by the Contractor upon successful delivery and acceptance (Receipt) by the Authority via CP&F.

6.4 ARTICLES CONSIDERED BEYOND ECONOMICAL REPAIR (BER)

- 6.4.1 An Article is deemed Beyond Economical Repair (BER) when the repair costs exceed [REDACTED] of the cost of a replacement.
- 6.4.2 If an Article is deemed BER, then the APM shall issue instructions to the Contractor to carry out the following:
- 6.4.2.1 Proceed with the repair in accordance with Condition 6.5 below; OR
- 6.4.2.2 Complete disposal of the Article as scrap or otherwise to the best advantage to the Crown; OR
- 6.4.2.3 Return the Article to the APM or other destination stipulated in the Contract as directed by the APM.

6.5 REPAIRS PROCEDURE

- 6.5.1 On receipt of an Article for repair the Contractor shall undertake a survey of the Article in question to determine the scope of the work and the cost associated with carrying out the repair. See Annex N Appendix 2 for Strip and Survey times.
- 6.5.1.1 The list of items identified as being suitable for repair is detailed at Appendix 2 to Annex N together with the agreed Strip and Survey Prices.
- 6.5.2 The Contractor shall produce a written survey report which shall include the serial number of the Article and shall state whether or not a repair is considered necessary or if the Article is considered Beyond Economical Repair (BER). See condition 6.4 above.

- 6.5.3 The Contractor's proposal shall then be forwarded to the Authority's Commercial Officer (ACO) in the first instance (see Box 1 of DEFFORM 111, Appendix to Contract). The proposal shall include a detailed price breakdown of the work to be carried out including but not limited to details of the labour hours and labour rates, materials, sub-contractor costs and timescales for completing the repair.
- 6.5.4 In the event that the Authority decides the repair will not proceed then it shall only pay the agreed Strip and Survey costs as detailed at Appendix 2 to Annex N.
- 6.5.5 The Contractor's proposal shall be subject to price agreement before commencement of the work. Acceptance of any repairs proposal shall only be made when the order to proceed with the repairs has been raised through CP&F.
- 6.5.6 On no account is equipment to be disposed of without written authorisation from the Authority's Inventory Manager. In the event that the Contractor disposes of equipment owned by the Authority without such written authorisation, the Contractor may be held liable for its replacement.
- 6.6 OBSOLESCENCE
- 6.6.1 In the event of obsolescence in the Articles listed at Annex N during the period of the Contract, the Contractor shall inform the Authority at the earliest opportunity to advise the impact and planned resolution and as a minimum obsolescence shall be reported at the Quarterly Progress Meetings (QPRs).
- 6.7 WARRANTY
- 6.7.1 The Contractor's Warranty on Spares and Repairs is [REDACTED]
- 6.7.2 Warranty for refurbished major units (gun mounts, gun systems or TDS's) is [REDACTED].

7 DELIVERY

7.1 DEFCONS

DEFCON	Edn.	Title
113	02/17	Diversion Orders
129	07/19	Packaging (For Articles other than Munitions)
129J	18/11/16	The Use of the Electronic Business Delivery Form
507	10/18	Delivery
524	02/20	Rejection
525	10/98	Acceptance
612	10/98	Loss of or Damage to the Articles
681	06/02	Decoupling Condition – Sub-Contracting with the Crown
621A	06/97	Transport (if the Authority is responsible for transport)

7.2 DELIVERY PROGRAMME

7.2.1 The Contractor shall meet the demands of the 30mm Gun Mounting Programme, as promulgated by the APM, by making available such Systems as may be required by the programme.

7.3 SHIP PROGRAMME

7.3.1 The Contractor shall acquaint themselves with the Ship Refit Programme and monitor any changes, which affect required delivery dates of these mountings and Cannons. The Contractor shall manage any variation and surges in the requirement as a result of changes to the Ship Refit Programme. The Contractor shall meet any revised dates as agreed with the Authority at no additional cost to the Authority.

7.4 PACKAGING AND CASE MARKINGS

7.4.1 The Articles supplied under the Contract are to be packaged by the Contractor in accordance with SPIS Packaging Regulations:

- Def Stan 81-41 Part 1 Issue 9 dated 14/12/2016
- Def Stan 81-41 Part 2 Issue 9 dated 14/01/2017
- Def Stan 81-41 Part 3 Issue 6 dated 12/06/2014
- Def Stan 81-41 Part 4 Issue 9 dated 01/08/2018
- Def Stan 81-41 Part 5 Issue 9 dated 14/08/2018
- Def Stan 81-41 Part 6 Issue 10 dated 14/02/2018

to ensure safe and secure transportation and storage.

7.4.2 The Contractor shall be responsible for any damage occurring to any Article as a result of inadequate packaging and shall be responsible for rectifying such damage at no cost to the Authority.

7.5 ACCEPTANCE

- 7.5.1 Item 1 - Final acceptance of the 30mm In Service Support Service provided by the Contractor under Item 1 of the Schedule of Requirements shall be upon completion of ALL elements of the service provision set out in the Statement of Work at Annex A to the Contract to the reasonable satisfaction of the APM.
- 7.5.2 Item 2 - Final acceptance of Specific Tasks undertaken under Item 2 of the Schedule of Requirements shall be upon completion to the reasonable satisfaction of the APM.

7.6 ISS PERFORMANCE MEASUREMENT & MONITORING

- 7.6.1 The Contractor's performance against the Statement of Work at Annex A shall be monitored Daily, recorded Monthly and reported Quarterly.
- 7.6.2 The Contractor is required to achieve all of the KPIs as set out at Annex C to this Contract.

8 PAYMENT ARRANGEMENTS

8.1 DEFCONS

DEFCON	Edn.	Title
5J	11/16	Unique Order Identifiers
513	11/16	Value Added Tax
522	11/17	Payment and Recovery of Sums Due
534	06/17	Subcontracting and Prompt Payment
649	12/16	Vesting

8.2 Item 1 Provision of In Service Support Service

8.2.1 Payments to the Contractor shall be made Monthly on account. However, the Contractor's performance shall be monitored monthly and adjusted monthly according to the Contractor's performance in the previous month. Please see Annex L Appendix 1 for details. All payments shall be made via the Contracting, Purchasing and Finance (CP&F) electronic procurement tool.

NB. Notwithstanding the Authority's rights under DEFCON 514, in the event that the Contractor is held in Default of Contract, then all payments made to the Contractor on account during the entire default period (commencing at the start of the Default event) shall be recoverable by the Authority.

8.2.2 Whenever under this Agreement any sum of money shall be recoverable from or payable by the Contractor, the same may be deducted from any sum then due, or which at any time thereafter may become due, to the Contractor under any contract with the Ministry or with any Department or Office of Her Majesty's Government.

8.2.3 The number and categories of OPDEFS applicable to the 30mm Gun Systems and Bushmaster Cannon, is recorded by Fleet on ODMS. It is agreed between the Authority and the Contractor that the ODMS data shall be the definitive data source for OPDEF records. In order to assess the Contractor's performance against the KPIs for payment purposes, the number of B2 and above OPDEF days shall be extracted from the ODMS Data. Each category of OPDEF days shall be aggregated separately over the year to give the total OPDEF days per category. In the event that there is a dispute in the ODMS data then Condition 9.5 Dispute Resolution shall apply.

Note 1: In the event that an OPDEF is re-categorised from B2 to C2 or vica-versa, then the data from ODMS shall determine the OPDEF Day calculation for payment purposes.

Note 2: In the event that an OPDEF is incorrectly categorised as a 30mm Gun related OPDEF, then the Contractor shall apply to the APM for sentencing of the relevant OPDEF days.

8.2.4 The total number of 30mm Gun Systems in Operational Service (including T45 Guns and shore establishments) during Fleet time in each month shall be aggregated over the year then divided by twelve to give an average number of Operational Systems per year.

8.3 ITEM 2 EXCEPTIONAL TASKS

8.3.1 Payment shall be made for Articles or Services supplied under Item 2 of the SOR upon satisfactory completion of each task. All tasks shall be processed using the tasking form at Annex D Appendix 1 to this Contract. Payments shall be made in arrears via CP&F.

8.4 EXIT STRATEGY

8.4.1 The Authority and the Contractor recognise the importance of timely planning to ensure that, following expiry or termination of this Contract, there is a seamless and effective transition to alternative Support arrangements.

8.4.2 The Contractor shall assist in the implementation of such alternative Support arrangements. The extent of such assistance and the terms applicable, are contained in the Exit Management Plan at Annex I to this Contract.

8.4.3 The APM or his authorised representative shall be responsible for overseeing the Exit Plan at Annex I to this Contract.

8.4.3 The Authority and the Contractor shall agree a timetable of actions necessary to either extend the Contract or transfer the Contract to the Authority's control under the following circumstances:

8.4.4 Exit under DEFCON 656B Termination for Convenience - For termination for the Authority's convenience under DEFCON 656B, the Authority shall give the Contractor at least [REDACTED] notice of its intention to unilaterally terminate the Contract.

8.4.5 Exit under DEFCON 514 Material Breach – The Authority reserves its right to invoke DEFCON 514 in the event of a breach by the Contractor. For termination of Contract for the Contractor's breach under DEFCON 514, the following procedures shall be followed.

8.4.5.1 Should the Articles or Services, or any portion thereof not be delivered or performed within the time specified in the Contract or should the Services or any portion thereof not be delivered to the required standard or not performed within the performance parameters defined in the Contract the Authority may without prejudice to any other rights and remedies have the right to terminate the Contract (in whole or in part) with immediate effect by giving written notice to the Contractor.

The Authority may offer the Contractor the option to either:

(a) remedy or procure the remedy of the breach or breaches or other circumstances constituting the default event within [REDACTED] of such notice (or such longer period as may be agreed with the Authority);

or

(b) put forward within [REDACTED] of such notice (or such longer period as may be agreed with the Authority) a reasonable programme for remedying of the breach or breaches or other circumstances constituting the breach event, the programme shall specify in detail the manner in which such breach, breaches or circumstances shall be remedied and the latest date by which it is proposed that the breach, breaches or circumstances shall be remedied.

(c) The Authority reserves the right to terminate this Contract by notice having immediate effect in the event that:

(d) the breach, breaches or other circumstances constituting a breach event is or are not remedied before the expiry of the period referred to above (or such other period as may have been agreed with the Authority),

or

(e) where the Contractor puts forward a programme intended to remedy the breach event and the programme has been accepted by the Authority as being reasonable, and the Contractor fails to implement or comply with the programme,

or

(f) the programme as put forward by the Contractor to remedy the breach event is rejected by the Authority as not being reasonable, and the Dispute Resolution Procedure does not find against that rejection:

- 8.4.5.2 For the avoidance of doubt, consistent failure to maintain the target level of Performance shall constitute a breach event.
- 8.4.5.3 Where the Authority has determined the Contractor having followed the above procedure then the terms of DEFCON 514 shall apply in full.

9 CONTRACT ADMINISTRATION

9.1 DEFCONS

DEFCON	Edn.	Title
604	06/14	Progress Reports
605	06/14	Financial Reports
609	08/18	Contractor's Records
620	05/17	Contract Change Control Procedure
625	10/98	Co-operation on Expiry of Contract
647	02/21	Financial Management Information
658	10/14	Cyber

9.2 AMENDMENTS TO CONTRACTS

9.2.1 In addition to the provisions of DEFCON 503 (Amendments to Contract), nothing said, done or written by any person, nor anything omitted to be said, done or written by any person, including, but without limitation, any servant or agent of the Authority, shall in any way affect the rights of the Authority, or modify, affect, reduce or extinguish the obligations and liabilities of the Contractor under the Contract, or be deemed to be a waiver of the rights of the Authority, unless stated in writing and signed by the ACO.

9.3 TASKING PROCESS

9.3.1 The Tasking process is set out at Annex D to this Contract.

9.3.2 Tasks under Item 2 shall be initiated by means of a Task Approval Form (TAF) a copy of which is attached at Annex D Appendix 1 to this Contract.

9.4 NOTIFICATION TO SUB-CONTRACTORS

9.4.1 The Contractor shall notify to Sub-Contractors the number of this Contract and this information must be passed down to each Sub-Contractor concerned in the execution of the Contract no matter how remote the stage of Sub-Contracting may be.

9.5 DISPUTE RESOLUTION

Pursuant to DEFCON 530, the following shall apply:

9.5.1 The Authority and the Contractor will attempt in good faith to resolve any dispute through negotiation between respective representatives of the Authority and the Contractor through the JMT (Joint Management Team), which attempts may include the use of any ADR (Alternative Dispute Resolution) procedures on which the Authority and the Contractor may agree.

- 9.5.2 Any dispute, which has not been settled by the JMT, may be referred upwards by either the Authority or the Contractor for settlement at a higher level. It is agreed that in order to prevent a dispute becoming a long running issue, a maximum of [REDACTED] shall be allowed for discussion before escalating the dispute to a higher level for resolution.
- 9.5.3 If the procedure laid down in this Condition fails to resolve the dispute then the provisions of DEFCON 530 shall apply.
- 9.5.4 Any Dispute that cannot be resolved between the Authority and the Contractor shall be settled by Arbitration in London, England by a single arbitrator to be appointed by agreement between the Authority and the Contractor in accordance with the Arbitration Act 1996 as amended for the time being in force.
- 9.6 TUPE (Transfer of Undertakings (Protection of Employment))
- 9.6.1 The Contractor shall comply with the terms and conditions of Annex G to the Contract.
- 9.7 REPORTING AND MEETING REQUIREMENTS
- 9.7.1 Reporting and meetings requirements are detailed in the Statement of Work at Annex A.
- 9.8 ACCESS
- 9.8.1 The Contractor shall arrange for representatives of the Authority to have reasonable access to the premises where the work under the Contract is being undertaken, and to technical information relevant to the Contract for the purposes of monitoring and overseeing progress of the work and to ensure consistency with the required delivery requirements.
- 9.8.2 Visits by the APM or his authorised representatives to Sub-Contractors in accordance with this Condition shall only be made after consultation with the Contractor. In the event of visits to Sub-Contractors' premises the Contractor shall be invited to be in attendance.
- 9.9 EARNED VALUE MANAGEMENT (EVM)
- 9.1 In EVM terms, this Contract falls into the category of an "Upkeep Spares Exclusive" arrangement. Even though the Contract is short term in nature, there is potential that the option periods may be taken up by the Authority. Therefore, for this Contract EVM level 5 applies.
- 9.2 Level 5 is defined as "Minimum EVM requirements".

Information on EVM can be found via <https://www.gov.uk/guidance/knowledge-in-defence-kid>