

SCHEDULE C: GOVERNANCE AND CONTRACT MANAGEMENT

**SCHEDULE C**

**GOVERNANCE AND CONTRACT MANAGEMENT**

**PART I - GOVERNANCE**

Joint governance is an essential element of the long term collaboration between the Authority and the Contractor. Governance is structured as set out in Table 1 below.

<b>Tier</b>	<b>Governance Body</b>	<b>Purpose</b>	<b>Key Obligations</b>	<b>Permanent Members</b>	<b>Chair</b>	<b>Frequency</b>
1.	Delivery Partner Performance Committee	Set the EDP Vision and monitor strategic delivery performance and progression through the transformation blueprint and provide strategic guidance to the EDP.	<ul style="list-style-type: none"> <li>- Own and promote the EDP Vision &amp; Mission statements and changes to these;</li> <li>- Set the strategic direction for EDP;</li> <li>- Oversee the strategic performance of the EDP Agreement;</li> <li>- Shape EDP culture and behaviors, setting the 'tone at the top' and promoting the EDP Vision;</li> <li>- Resolve any issues escalated by the Delivery Partner Steering Group</li> </ul>	Senior Leadership Group: Authority x 3 SLG Aurora Partners x 3 CEOs (+MD/EDP and other attendees)	Authority	Quarterly (extra-ordinary meetings called as required)
2.	Delivery Partner Steering Group	Ensure delivery of the transformation plan objectives: for delivery, quality, Value for Money and Provider Network.	<ul style="list-style-type: none"> <li>- Drive EDP performance against the KPIs and key contractual milestones;</li> <li>- Own the transformation plan to mature the contract through IOC, FOC and beyond;</li> <li>- Endorse any proposed amendments to KPIs;</li> <li>- Resolve or escalate any issues referred to it by the Hub Operations Board.</li> </ul>	Senior Management: Authority x 3 SLG Aurora Partners x 3 SROs and MD/EDP + leadership team as required	Joint Chair Authority and Aurora Partner(s)	Monthly until declaration of Initial Operating Capability then Quarterly (extra-ordinary meetings called as required)
3.	Hub Operations Board	Responsible and accountable for the day to day delivery of Engineering Services to the Authority	<ul style="list-style-type: none"> <li>- Manage EDP performance against the KPIs and key contractual milestones on a day to day basis;</li> <li>- Deliver the transformation plan to mature the contract through IOC, FOC and beyond;</li> <li>- Escalate any operational issues on an exception basis to the Delivery Partner Steering Group</li> </ul>	EDP Leadership Team + Authority and Aurora Partner representatives as required	Joint Chair Authority and Aurora Partner(s)	Weekly Operations meeting  Monthly performance meeting

**Table 1: EDP Governance**

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**PART II - CONTRACT MANAGEMENT CONSTRUCT**

**1. ENGINEERING HUB**

The Engineering Hub is key to the delivery of the EDP service and shall be staffed by sufficient personnel from the Authority, Contractor and Aurora Partner Sub-contractor personnel in order to deliver the Services required by the Authority. The provision of Contractor and Aurora Partner personnel into the Engineering Hub Service shall be contracted under an Approved Tasking Order.

**2. AUTHORITY FINANCIAL BASELINE REVIEW**

The Parties shall review at the Engineering Hub Operations Board, and report on a quarterly basis to the Delivery Partner Steering Group, the effectivity of the process for sharing Mode 2 and 3 Authority Financial Baselines. The Parties shall ensure that the process is optimised to incentivise the correct behaviours in the Contractor and Authority to maximise savings for the Authority.

**3. KEY PERSONNEL AND AUTHORITY PERSONNEL**

It is expected that the following roles will be defined as Contractor and Aurora Partner Key Personnel and Authority Personnel and will form part of the Engineering Hub. The roles and accountabilities are set out in Table 2 below:

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Role Area	Authority Personnel	Contractor Key Personnel (includes Aurora Partners)	Contractor Responsibilities
Management	Authority role to be confirmed by Commencement Date plus 6 Months	Aurora EDP Lead	<ul style="list-style-type: none"><li>• Overall responsibility for delivery of the EDP service to DE&amp;S</li><li>• Leadership of the Aurora EDP team and driving collaborative working with DE&amp;S</li><li>• Responsible and accountable for senior stakeholder engagement in DE&amp;S, Aurora partners and Provider Network</li><li>• Accountable for delivery of key performance indicators and measures of effectiveness to defined targets for both DE&amp;S and Aurora partner companies</li><li>• Developing future Engineering Services strategy to enable improved performance and savings</li></ul>
Programme	Authority role to be confirmed by Commencement Date plus 6 Months	Aurora Programme Lead	<ul style="list-style-type: none"><li>• Overall responsibility for the Programme function</li><li>• Resource and mobilise the Programme function</li><li>• Work with DE&amp;S to develop appropriate levels of long term planning across all Domains and the SDA</li><li>• Manage all EDP tasking, maintaining a coherent view of progress and identifying opportunities to transition delivery through to the highest possible Mode of Operation</li><li>• Ensure that the EDP requirements management process aligns to and integrates with the DE&amp;S end-to-end process and other Delivery Partner processes where required</li><li>• Support EDP transformation objectives through the implementation of a Mode 3 on-boarding plan that migrates Delivery Teams away from Mode 1 and 2</li><li>• Working with DE&amp;S to engage with FLCs to ensure that future equipment plans (CASPs) are aligned with those engineering services</li><li>• Manage all Mode 3 on-boarding activity and ensure a smooth transition to Service Delivery</li><li>• Work with Operating Centres and Delivery Teams to progress towards Mode 4 delivery where possible</li></ul>

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Delivery	EDP Contract Lead	Aurora Service Delivery Lead	<ul style="list-style-type: none"><li>• Overall responsibility for the Service Delivery function</li><li>• Responsible and accountable for the delivery of Engineering Services to DE&amp;S</li><li>• Leadership of the EDP Service Delivery team and working collaboratively with DE&amp;S, Aurora partners and the Provider Network</li><li>• Accountable for meeting key performance indicators and measures of effectiveness for EDP service delivery</li><li>• Accountable for standing up the Aurora Provider Network and ensuring Aurora has access to any required Engineering Service Providers</li><li>• Respond to and manage change in the delivery of engineering services</li><li>• Provide delivery oversight, performance reporting and optimisation in the delivery of the engineering services portfolio to DE&amp;S</li></ul>
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**Table 2: Engineering Hub Roles**

2.2 Further Contractor, Aurora Partner and Authority roles are detailed in the Approved Tasking Order for the Engineering Hub Service.

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**4. CONTRACT MANAGEMENT MEETINGS**

4.1 In order to oversee the management of the Agreement, the Parties' representatives shall attend the meetings as detailed below, to be reviewed from time to time:

<b><i>Types of Meetings</i></b>	<b><i>Authority and Contractor's Representatives and Terms of Reference</i></b>	<b><i>Frequency</i></b>
Engineering Hub Operations Board Weekly Group	<ul style="list-style-type: none"><li>Contractor and Authority representatives in attendance to be confirmed by Commencement Date + 1 Month</li><li>Terms of reference to be agreed by the Parties by Commencement Date + 1 Month</li></ul>	Weekly
Contract Management Meeting	<ul style="list-style-type: none"><li>Contractor and Authority Commercial and Finance representatives to be confirmed by Commencement Date + 1 Month</li><li>Terms of reference to be agreed by the Parties by Commencement Date + 1 Month</li></ul>	Monthly
Migration Management Meeting	<ul style="list-style-type: none"><li>Contractor and Authority representatives to be confirmed by Commencement Date + 1 Month</li><li>Terms of reference to be agreed by the Parties by Commencement Date + 1 Month</li></ul>	Weekly until IOC, Monthly thereafter
Communications Management Meeting	<ul style="list-style-type: none"><li>Contractor and Authority representatives to be confirmed by Commencement Date + 1 Month</li><li>Terms of reference to be agreed by the Parties by Commencement Date + 1 Month</li></ul>	Monthly
Resourcing and Specific Tasks Meeting	<ul style="list-style-type: none"><li>Terms of reference as per Clause 7.1.1 to this Schedule C</li><li>Authority Demander and Contractor Service Delivery Lead</li></ul>	Monthly or more frequently as may be required

**5. SPECIFIC TASKS**

**5.1 Contractor Technical Assurance And Compliance**

- 5.1.1 All internal Contractor governance is traceable to the Contractor's corporate operating framework. Technical compliance with the Contractor's engineering and safety policy is assured through a regime of independent design review and technical assurance. Accordingly, all technical and engineering activity and processes are subject to governance mandates and therefore all Engineering Services will be managed in accordance with Schedule A (*Requirements*). Products & services will be approved in accordance with the Contractor's business lifecycle requirements before they are released.

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- 5.1.2 Technical assurance during the provision of the Engineering Services will be planned and applied through-life at a level that is proportionate to the risks involved and the significance of the Contractor's advice which will be determined in each Approved Tasking Order.
- 5.1.3 Where practicable and subject to the Security Aspects Letters (provided as required for each Approved Tasking Order) for that programme or other restrictions in security classifications and/or commercial considerations, (e.g. International Traffic in Arms Regulations (ITAR) which may determine at the commencement of the provision of Engineering Services) the Authority shall advise the Contractor of the intended purpose of the advice, opinion or recommendation.
- 5.1.4 Where the Authority seeks technical advice, opinion or recommendation from the Contractor in relation to provided current status information, the Authority respects that any advice, opinion or recommendation may be subject to Contractor technical governance and assurance review processes.
- 5.1.5 The Contractor shall have no liability should the Authority use Contractor Deliverables (which could be a Product or service) for any other purpose than that intended.
- 5.1.6 The Contractor shall utilise Contractor Design Approved Organisation Scheme (DAOS) approved staff as and when applicable to the provision of Engineering Services, in accordance with DAOS exposition.
- 5.1.7 In the instance that the Authority disagrees with the Contractor's decision to use or not to use DAOS approved staff, the matter or matters in questions shall be referred to the Engineering Hub Operations Board for resolution in accordance with Clause 66 (*Dispute Resolution Procedure*).

**5.2 Authority Technical Governance and Assurance**

- 5.2.1 In the instance that Authority support to the provision of Engineering Services is required, the Authority shall be solely responsible for providing technical and engineering governance of the work performed by its personnel, including but not limited to planning, controlling, reporting, technical review and safety.

**5.3 Export Licences and Technical Assistance Agreements**

- 5.3.1 Pursuant to Clause 35 (*UK Import and Export Licences*) of this Agreement, where it is necessary to comply with export requirements, the Contractor shall be responsible for obtaining any export licences and any delays in applying or obtaining any export licences shall be dealt with in accordance with Clause 35 (*UK Import and Export Licences*).
- 5.3.2 Where it is necessary to comply with International Traffic in Arms Regulations (ITAR), Export Administration Regulations (EAR) or other export controls, the Contractor requires an appropriate export licence and/or Technical Assistance Agreements (TAAs), to be in operation prior to the provision of Engineering Services. Where this does not exist and where:
  - (A) the Authority is the lead party in securing the export licence or TAA, the Contractor shall provide support to the Authority in securing the export licence;
  - (B) or the Contractor is the lead party in securing the export licence, the Authority shall provide support to the Contractor to securing the export licence or TAA.

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**5.4 Engagement with Other Contributors**

- 5.4.1 Where practical or necessary in providing Engineering Services, the Contractor shall work with but not be limited to other Defence organisations, e.g. The Defence Science and Technology Laboratory (Dstl), NATO Eurofighter 2000 and Tornado Management Agency (NETMA), Organisation for Joint Armament Co-operation (OCCAR) and Foreign Governments (together “Other Contributors”) to exploit emerging and complimentary capabilities and non-personnel resource.
- 5.4.2 Where requested by the Contractor, the Authority will use best endeavours to provide support to the Contractor in order for the Contractor to interface with or gain access to information to and from the Other Contributors.

**6. SME PLAN/CHARTER**

- 6.1 The Contractor shall develop and maintain an SME Plan / Charter to ensure the fair, appropriate and transparent treatment of SMEs whilst providing value for money for the Authority.
- 6.2 The Contractor shall review and update the SME Plan / Charter each Contract year or as required from time to time.

**6.3 SME Ombudsman**

- 6.3.1 The Contractor shall appoint an SME ombudsman. The SME ombudsman shall be independent of the Contractor and will provide both SMEs and the Contractor with impartial advice.

**6.4 Provider Network Advisory Group**

- 6.4.1 The Contractor shall develop and maintain a fair and transparent process to elect proportionate SME representation to the Provider Network Advisory Group which will be refreshed each Contract Year (or sooner if required).

**6.5 Provider Network Tasking**

- 6.5.1 The Contractor shall develop and maintain a fair and transparent process to apportion tasks to the Provider Network.
- 6.5.2 This shall include, where appropriate, standard terms and conditions which enable SMEs to compete on fair and reasonable terms
- 6.5.3 The Authority may audit the Contractor (a maximum of once per Contract Year) against these processes and raise to the Delivery Partner Steering Group for resolution any non-compliance which the audit identifies.

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**6.6 Provider Network Reporting**

- 6.6.1 Provider Network reporting to be provided to the Authority Engineering Hub on a quarterly basis.
- 6.6.2 Total value of the Approved Tasking Orders under the Agreement in the reporting period.
- 6.6.3 Total number of Provider Network Subcontractors and SME Subcontractors on contract.
- 6.6.4 Total value of work Subcontracted to Provider Network in the reporting period.
  - (A) List of top 10 Provider Network Subcontractors by value.
  - (B) Value and top 10 Provider Network Subcontractors by Mode of Operation.
  - (C) Value and top 10 Provider Network Subcontractors by Mode by domain and specialism.
- 6.6.5 Total value of work Subcontracted to SMEs in the reporting period.
  - (A) List of top 5 SME Subcontractors by value.
  - (B) Broken down by Mode of Operation.
  - (C) Broken down by domain and specialism.
- 6.6.6 Number of competitions run in the reporting period.
  - (A) Number of Provider Network Subcontractors participating in competitions
  - (B) Number of SME Subcontractors participating in competitions
  - (C) Broken down by Mode of Operation.
  - (D) Broken down by domain and specialism.
- 6.6.7 If requested, pursuant to Clause 36, the Contractor shall provide a full list of all Subcontractors.
- 6.6.8 The Contractor shall measure the performance of all Contractor Related Parties against quality, cost and time aligned to the relevant Approved Task Order and relevant performance metrics.

**7. GENERAL MANAGEMENT**

**7.1 Demand Profiling Protocols**

- 7.1.1 Resourcing & Specific Tasks Meeting
  - (A) The Aurora Service Delivery Lead shall hold a strategic Resourcing and Specific Tasks Meeting with the EDP Contract Lead to discuss a monthly and three monthly rolling forecast of resourcing and specific task orders required across the Authority's Operating Centres for both Part A and Part B Services. The strategic Resourcing and Specific Tasks Meeting shall occur on a monthly basis or as frequently as the Parties consider necessary to manage a Surge Requirement.
  - (B) The Contractor shall share with the Authority a schedule detailing Part A (Resources and Specific Tasks) and Part B (Innovation) Services respectively in order to facilitate the strategic resourcing and specific tasking discussion pursuant to Paragraph 6.1.1(A).
- 7.1.2 Resourcing & Specific Tasks Planning



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- (A) The Contractor shall identify Key Personnel who shall manage the Tasks for Part A and Part B Innovation respectively.
- (B) The Key Personnel identified pursuant to Paragraph 6.1.2 (A) shall work closely with the Authority Demanders to develop, maintain and operate a Tasks management model. The Tasks management model will be used to manage allocation of resource to Approved Tasking Orders, the deployment dates, progress against the task requirement schedule or milestone and progress against completion of pre-deployment and mobilisation requirements.
- (C) A strategic resourcing decision between the Authority Demanders, and the Key Personnel identified pursuant to Paragraph 6.1.2 (A) shall be held weekly during the IOC Phase of the Agreement and in the event of a Surge requirement; and monthly in other periods for the Term of the Contract.

**7.2 Task Order Tracker**

- 7.2.1 The Contractor shall develop and maintain a Mobilisation Resource Tracker to progress Personnel in accordance with the pre-mobilisation and mobilisation requirements as set out in Schedule A (Requirements). The Contractor shall measure the required timescales for mobilisation against the relevant agreed Task Order and the KPIs.
- 7.2.2 The Contractor shall develop and maintain a Specific Task Order Tracker to progress Specific Tasks in accordance with the requirements as set out in Schedule A (Requirements). The Contractor shall measure the required timescales for progress against the relevant Agreed Tasking Order and the KPIs.
- 7.2.3 The Contractor shall share the Mobilisation Resource and Specific Task Order Trackers with the Authority Contract Lead at the strategic resourcing and specific task order meetings so as to provide the Authority with the visibility and transparency of the Contractor's progress against deliverables and milestones.

**7.3 Mobilisation and Demobilisation**

- 7.3.1 The Contractor shall procure, with the support of the Authority, the security clearance applications for all individuals deployed for the provision of the Services through the National Security Vetting Services (NSVS).
- 7.3.2 As required, the Authority shall arrange with the support of the Contractor, the appropriate IT accounts and site access badges for Engaged Personnel fulfilling an Approved Tasking Order for a resource for a specific assignment.
- 7.3.3 The Contractor shall arrange, in accordance with the Pre-mobilisation Checklist found at Appendix 3 to this Schedule C (Contract Management), the mandatory and pre-deployment trainings as set out in Appendix 3 (EDP Self-Support) of Schedule A (Requirements) for each Personnel deployed for the provision of the Services as part of the mobilisation process. The Contractor Delivery Team shall make sure each Personnel shall complete and sign a Pre-mobilisation Checklist. The Contractor shall, provide a copy of the completed and duly signed Pre-mobilisation Checklist of a Personnel to the Authority to confirm that the Contractor has properly carried out the mandatory and pre-deployment training.

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- 7.3.4 The Contractor will complete the demobilisation of Personnel, including the matters referred to in Paragraph 13 of Schedule A, within three (3) Business Days of expiry or termination of the relevant Task.

**7.4 Self-support System**

- 7.4.1 The Contractor shall establish a self-support system to support the Engaged Personnel being deployed to deliver the Services to the Authority.
- 7.4.2 The Contractor will ensure that all Engaged Personnel have a designated line manager within the Contractor and Aurora Partner Sub-contractors who will be responsible for all non-project specific support required to undertake the Approved Tasking Order.
- 7.4.3 In supporting the Engaged Personnel in the Service delivery, the self-support system shall enable the Personnel to gain access to the Contractor's best practice networks and reach back to the Contractor's subject matter experts to obtain knowledge and learning on industry practice.

**7.5 Quality and/or Performance Issues**

- 7.5.1 The Contractor shall acknowledge in writing by electronic mail any Quality and/or Performance Issues notified to it within one (1) Business Day of notification in accordance with Clause 13 of the Agreement.
- 7.5.2 The Contractor and the Authority Lead (or their delegate) shall meet and discuss the Quality and/or Performance Issue within two (2) Business Days (or such other period as the Parties agree) of notification of the Quality and/or Performance Issue.
- 7.5.3 The Contractor shall develop and agree with the Authority Lead (or their delegate), Task Order Manager/Lead and Delivery Team Lead a strategy that will address and resolve the Quality and/or Performance Issue within ten (10) Business Days of the initial notification (or such other period as the Parties agree) and shall record actions agreed, the date and time for resolution and Task Order Manager/Lead and Delivery Team Lead in a central register accessible to the Engineering Hub.
- 7.5.4 The Contractor shall:
- (A) monitor the Quality and/or Performance Issue;
  - (B) resolve the Quality and/or Performance Issue in accordance with the actions agreed pursuant to Paragraph 6.5.3 within ten (10) Business Days of the initial notification of a Quality and/or Performance Issue (or such other timescale agreed by the Authority pursuant to Paragraph 6.5.3; and
  - (C) promptly address and rectify any issues in resolving the Quality and/or Performance Issue or any further related Quality and/or Performance Issues.

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**PART III - REPORTING**

**8. FINANCIAL REPORTING**

**8.1 Financial Reporting Requirements**

- 8.1.1 The Contractor shall operate a financial data system which enables the Contractor to provide the Authority the financial data and present the financial data in the agreed format in accordance with Appendix 1 of this Schedule C.
- 8.1.2 The financial data system shall import and aggregate the timesheet and business expenses data from the Contractor and the Contractor Related Parties to generate the financial data as required by the Authority.

**9. CONTRACT MANAGEMENT REPORTING**

**Contract Management Reporting Standards**

- 9.1 On a monthly basis, the Contractor shall provide the Authority with a Monthly Contract Management Report, which shall include the following in order to report to the Authority across all service delivery by the Contractor:
  - 9.1.1 A summary of progress and achievement against Deliverables and Milestones relevant to all Approved Tasking Orders for all Modes of Delivery. This report will include:
  - 9.1.2 A summary of the Deliverables and Milestones that are at a risk of not being achieved.
  - 9.1.3 an update on progress against KPIs and PIs;

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- 9.1.4 a profiled 'pipeline' forecast of any potential future Approved Tasking Orders that the Contractor has identified via engagement with the EDP Contract Lead;
- 9.1.5 A high-level summary of progress and achievement against Deliverables and Milestones relevant to all Approved Innovation Projects; and
- 9.1.6 A risk, issues and opportunities report detailing;
  - (A) the top 5 risks that might affect the future delivery of the Service;
  - (B) the top 5 issues that are affecting the delivery of the Service;
  - (C) potential opportunities
  - (D) proposed or revised mitigation measures for the risks / issues;
  - (E) a proposed plan to realise a potential opportunity; and
  - (F) the progress of the mitigation measures which have been agreed by the Authority for the risks and issues which have been identified in the preceding monthly progress reports but have not been resolved in the relevant month.
- 9.2 The Contractor shall maintain a register to log all risks, issues and opportunities identified during the Term of the Agreement. The Contractor shall update the register on a monthly basis by identifying the change in the month for each risk, issue or opportunity, assessing the impact of risks, issues and opportunities and ranking them in order of severity of their impact.
- 9.3 Any reporting specific to individual tasks shall be included in the requirements pursuant to the Approved Tasking Orders and Approved Innovation Projects. Such reporting will be sent to the Engineering Hub as well as the Delivery Teams and will include:
  - 9.3.1 an update on progress towards achieving the Deliverables and Milestones relevant to that Approved Tasking Order;
  - 9.3.2 a list of those Deliverables and Milestones relevant to that Approved Tasking Order that are at risk of not being achieved (with an explanation as to why that risk has arisen and a mitigation proposal);
  - 9.3.3 the Milestones and Deliverables agreed between the Parties at the outset of the Approved Tasking Order and the agreed fee associated with each of the Milestones and Deliverables; and
  - 9.3.4 the subtasks of the Milestones and the level of attainment against each of the subtasks.

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### SCHEDULE C CONTRACT MANAGEMENT: APPENDIX 1 FINANCIAL MANAGEMENT REPORTING

#### APPENDIX 1

#### FINANCIAL MANAGEMENT REPORTING REQUIREMENTS

1. The Contractor shall collate and report financial data to the Authority in accordance with this 0 (Financial Management Reporting Requirements).
2. **MODE 1 FINANCE REPORTING**
  - 2.1 The Contractor will provide a monthly report according to the timescales described in Schedule F (Payment);
  - 2.2 Performance of Mode 1 Tasks will be captured through PI reporting;
  - 2.3 The monthly report will support the invoice submitted to the Authority for payment;
  - 2.4 The monthly report provided to support the invoice will include the following;
    - 2.4.1 Task ID
    - 2.4.2 Name of individual
    - 2.4.3 Company name supplying the individual
    - 2.4.4 Agreed Task Limit of Liability (Manpower and T&S) excluding VAT
    - 2.4.5 Life To Date Invoiced excluding VAT
    - 2.4.6 Percentage Spend of Limit of Liability
    - 2.4.7 Identification of tasks approaching 85%
    - 2.4.8 In Month Hrs
    - 2.4.9 Hourly Rate
    - 2.4.10 Total manpower cost
    - 2.4.11 T&S Claimed (with additional detail to support as may be required)
    - 2.4.12 Total Cost
    - 2.4.13 Fee (£)
    - 2.4.14 Total invoice value excluding VAT
    - 2.4.15 VAT (£)
    - 2.4.16 Total invoice value including VAT
3. **MODES 2-4 FINANCE REPORTING**
  - 3.1 The Contractor will provide the detailed financial reporting requirements that are agreed pursuant to the terms of each Approved Tasking Order;
  - 3.2 Performance of Mode 2-4 Tasks will be captured through PI reporting;
  - 3.3 The Contractor will provide a Quarterly report that details the following for each Approved Tasking Order under Modes, 2, 3 & 4, the report will include the following:
    - 3.3.1 Task ID
    - 3.3.2 Name of the Approved Tasking Order
    - 3.3.3 Agreed Task Firm Price excluding VAT
    - 3.3.4 Life To Date Invoiced excluding VAT
    - 3.3.5 Life To Date Accrual excluding VAT
    - 3.3.6 Total Life To Date excluding VAT
    - 3.3.7 Percentage Complete
4. **INNOVATION FINANCE REPORTING**
  - 4.1 The Contractor will provide the detailed reporting requirements that are agreed pursuant to the terms of each Approved Innovation Project;
  - 4.2 The Contractor will provide a Quarterly report that details the following for each Approved Innovation Project:

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- 4.2.1 Task ID
- 4.2.2 Name of the Approved Innovation Project
- 4.2.3 Agreed Approved Innovation Project Firm Price excluding VAT
- 4.2.4 Life To Date Invoiced excluding VAT
- 4.2.5 Life To Date Accrual excluding VAT
- 4.2.6 Total Life To Date excluding VAT
- 4.2.7 Percentage Complete

#### 5. RECORDS

The Contractor shall at all times maintain and make available to the Authority, information, documents, records and other material in the possession of, or available to, the Contractor that relates to the Services, including information, documents, records and other material relating to the costs incurred by the Contractor in carrying out the Services and the compliance of the Contractor with Paragraphs 7.1 to 7.3 (inclusive) of Schedule A (Requirements). The Authority may examine these records for any purpose relating to the Services including to verify if a cost of the Contractor is an Allowable Costs; to verify any other matter relating to the Part A or Part B Fees; or to monitor the Contractor's performance of its obligations under this Agreement. The Contractor shall procure that the Aurora Partner Sub-Contractors keep all and any books of account relating to the Services in accordance with the UK Generally Accepted Accounting Principles and ensure that they show (where applicable) in detail:

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- 5.1.1 the Contractor's most up-to-date consolidated income statement and audited financial statements for each of the annual financial periods;
  - 5.1.2 timesheets and records of expenses of any employee of the Contractor that relates to the provision of the Services;
  - 5.1.3 a list of any person and details of the payroll of such person that carries out work relating to the Services;
  - 5.1.4 a copy of all invoices detailing any additional costs relating to an Approved Tasking Order and agreed by the Authority;
  - 5.1.5 the reasons as to why an estimated cost of the Contractor in providing the Services (including estimated Allowable Costs) may be different to the actual costs of the Contractor in providing the Services (including the actual Allowable Costs);
  - 5.1.6 a list of all Approved Tasking Orders, categorised by financial value and (if applicable) grade/level of the Member of the Engaged Personnel (identified by reference to the Engineering Function Role Profiles) required; and
  - 5.1.7 anything that may be reasonably required by the Authority pursuant to single SSRO legislative requirements.
6. The Contractor shall adhere to the following benefits tracking reporting regime.
- 6.1.1 For all Approved Innovation Projects, the Contractor shall identify real and achievable measures, and focus on delivery of those benefits as defined by the agreed measures, and shall exercise reasonable and commercially prudent endeavours to accelerate realisation of defined benefits where possible.
  - 6.1.2 The Contractor shall take steps and work with the Authority so that measurements are accurate, supported by relevant baseline data, and led by named individuals with accountability within the Contractor organisation for delivery of those benefits.
  - 6.1.3 Benefits realisation shall be aligned to the DE&S Benefits Tracking process.
  - 6.1.4 The Innovation Governance Committee will assess an investment's benefits against its cost and risks as part of the Part B Tasking Process.
  - 6.1.5 The Contractor shall operate a shared platform for information sharing with the Authority to support the automation of the benefits management process.
  - 6.1.6 The Contractor will manage each project and benefits based on the project timetables established in relation to the relevant Approved Tasking Order and shall carry out the following:
    - (A) The Contractor will track the relevant delivery team against their plans;
    - (B) The Contractor will deploy robust document management processes;
    - (C) The Contractor will establish succession plans for all key team members from the Contractor; and
    - (D) the Contractor will rotate staff through roles as necessary to reinvigorate activities at key stages including skills transfer.

**SCHEDULE C CONTRACT MANAGEMENT: APPENDIX 2 CONTINUOUS IMPROVEMENT PLAN**

**APPENDIX 2**

**CONTINUOUS IMPROVEMENT PLAN**

**1. INTRODUCTION**

- 1.1 This Continuous Improvement Plan details how the Contractor and Aurora Partner Sub-contractors will work with the Authority Engineering Hub and MOD Delivery Teams under the EDP Agreement to enable continuous improvement of delivery through Learning from Experience (“LFE”).
- 1.2 Contractor delivery teams and Authority Delivery Teams are required to work jointly to learn from both the positive and negative events experienced in the delivery of Services under the EDP Agreement. They are also required to record and share their lessons across the full portfolio of EDP Approved Tasking Orders so that the benefits of positive experiences are amplified and the known pitfalls can be avoided. These activities and the progression of rectification and amplification activities managed by the Contractor form the basis of a commitment to Continuous Improvement of EDP.

**2. FREQUENCY OF EVENTS**

- 2.1 All Authority Delivery Teams are encouraged to hold the following LFE events throughout the lifecycle of the Approved Tasking Order:
  - 2.1.1 “How can the tender and bidding process be improved?” Held within 30 Business Days of the acceptance of an Approved Tasking Order
  - 2.1.2 “How can the training and support to Approved Tasking Order mobilisation be improved?” Held within 30 Business Days of Approved Tasking Order commencement of delivery. (Points 2.1.1 and 2.1.2 may be combined in a single review).
  - 2.1.3 “How can the delivery experience be improved?” Held Annually in June. Pan-DE&S event to cover LFE from across all aspects of the EDP programme.
- 2.2 The Parties shall make reasonable endeavours to hold the above LFE events;
  - 2.2.1 For all Mode 3 Approved Tasking Orders;
  - 2.2.2 For all Mode 2 Approved Tasking Orders >£2M contract value; and
  - 2.2.3 on a 6-monthly basis to cover Authority-selected Mode 1 Approved Tasking Orders (conducted at the Engineering Hub level).

**3. PROCESS**

- 3.1 Stage 1 – Gathering

The method of gathering LFE points is a decision for the Authority Delivery Team and Contractor project team leads, however it is recommended that the QinetiQ LFE Good Practice Guide and the MOD LFE Good Practice Guide, be consulted.
- 3.2 Stage 2 – Capture
  - 3.2.1 The Parties should jointly complete the Aurora LFE online database.



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### **SCHEDULE C CONTRACT MANAGEMENT: APPENDIX 2 CONTINUOUS IMPROVEMENT PLAN**

- 3.2.2 Where the LFE point is pan-EDP or requires a change to the EDP guidance material or tools then the owner should be labelled 'Aurora', the Contractor part of the Engineering Hub will then ensure action is taken.
- 3.2.3 The Contractor may review multiple submissions across the portfolio and identify a trend, it is at this point that the Parties will be notified that an action has transferred to the Contractor for resolution and action data will be overwritten with an action that ensures a pan-EDP resolution plan.
- 3.2.4 The Authority acknowledges that some actions may require investment to resolve, and that such investments may be managed through the Innovation Process pursuant to Schedule Q.
- 4. **THE ROLE OF THE CONTRACTOR**
  - 4.1 The role of the Contractor part of the Engineering Hub within the context of LFE is to provide:
    - 4.1.1 An annual forum for cross platform LFE discussion.
    - 4.1.2 Communication of key EDP LFE points to the EDP stakeholder community via the website.
    - 4.1.3 Assurance that LFE capture is being conducted correctly.
    - 4.1.4 Assurance that LFE actions are being tracked to closure and the lessons are truly learned.
- 5. **THE ROLE OF THE ADT AND CONTRACTOR PROJECT TEAMS**
  - 5.1 The ADT and CDTs are both the primary producers and recipients of LFE and therefore have the greatest interest in the smooth running and output quality of the LFE process.
  - 5.2 The role of the ADT and CDTs is to:
    - 5.2.1 Agree the date, time and attendees of project specific LFE event capture sessions.
    - 5.2.2 Perform the LFE event in a fashion that allows all parties to contribute, promotes free discussion, and allows those not comfortable with public speaking to submit their input in an alternative medium.
    - 5.2.3 Follow the LFE process and complete log.
    - 5.2.4 Engage with the Engineering Hub.
    - 5.2.5 Close out actions in a timely manner.
- 6. **HOW THE ENGINEERING HUB INTERACTS WITH THE ADTS AND CONTRACTOR PROJECT TEAMS**
  - 6.1 The Engineering Hub relationship with the ADT and CDTs is that of a facilitator, the Engineering Hub can attend the LFE capture sessions to provide guidance and share LFE captured across the portfolio.

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SCHEDULE C CONTRACT MANAGEMENT: APPENDIX 3 PRE-MOBILISATION CHECKLIST

**APPENDIX 3**

**DE&S Engineering Delivery Partner – Pre-Mobilisation Checklist**

Member of Personnel Name:			
Role Profile / Level:			
Job Code:			
Task Order ID:		Date of Request	
Task Order Lead			
Operating Centre			

**Key Milestones:**

Engineering Function Role Profile	Conflict of Interest check complete	Security Clearance	Contractor Training	Authority Training	Functional Training	Task Order Standards	Confirmations	SQEP Complete

CV screened by Authority to Confirm it meets Engineering Function Role Profile		
Conflict of Interest check complete		
Security Clearance		
		Date Complete
Contractor required Mandatory Training	Examples:	
	Induction	
	Site Induction	
	Systems overview	
Authority required Mandatory Training	Basic Fire Awareness	
	Counter Fraud, Bribery and Corruption	
	Display screen equipment	
	Equality & Diversity Essentials	
	Unconscious Bias	
	Health & Safety	
	Business Continuity	
	Office Safety	
Authority Training Events Attended Post-Deployment	DE&S Corporate induction	
	DE&S site induction	
	General Security Threat Briefing	
Authority Required Training within 20 Days of commencing a Task	IT/IS induction	
	Defence Information Management Passport	
Functional pre-deployment Training	Introduction to the Engineering Function	

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SCHEDULE C CONTRACT MANAGEMENT: APPENDIX 3 PRE-MOBILISATION CHECKLIST

Individual Letter of Placement Agreement Signed and returned to EDP ADT Lead		
Task Order specified additional standards, including UK National only or Training		
Confirmation Contractor has notified the Authority of any reasonable adjustments (as per the Equality Act)		
Confirmation Contractor has provided Member of Personnel with	The details of their Task Order Lead or delegate and details of where/when to arrive	
	Access to the Self-Support System	
Confirmation Authority has provided Member of Personnel with	IT system access in accordance with the requirements of the Approved Tasking Order.	
Confirmation Contractor has provided the Task Order Lead with details of Member of Personnel	Full Name	
	Entity email address	
	Mobile phone number	
	Personal Unique ID (PUID)	
	Security Clearance	
	EDP Contractor Delivery Team Point of Contact	

Approved By:

Date:

Signed by Approver:

Signed by Member of  
Personnel:

SCHEDULE C CONTRACT MANAGEMENT: APPENDIX 4 CHANGE MANAGEMENT

APPENDIX 4

CHANGE MANAGEMENT PROCESS

It is in the nature of large, complex programmes that circumstances or needs will change and that commitments will need to be adjusted to accommodate this change. It is critically important that change to commitments is carefully managed, and the mechanisms EDP uses are described in this section.

Managing change to contracted Mode 2 and Mode 3 commitments

EDP mandates the use of Enterprise On-Line (EOL) for the delivery of services and change to output requirements must be performed using this system.

There are 3 different types of change that can be employed;

Type of Change	Description	Change to Contract
Absorbed Programme Change	A variation that results in neither a reduction nor increase in output type or volume, and one that can be accommodated by Aurora and the DE&S Delivery Team through absorption into the existing Programme Of Work (POW) to be delivered by Aurora	Will not result in a Change to the Contract Firm Price but may require modification to the 'Output Delivery Dates' in EOL
Traded Programme Change	A variation that alters the type of Output or Output volumes in the Programme of Work (POW) to be delivered by Aurora.	Will not result in a Change to the Contract Firm Price but may require modification to the 'Output Delivery Dates' and Volumes in EOL
Exceptional Programme Change	A variation that cannot be accommodated by a trade that alters the type of Output or Output volumes to be delivered by Aurora	Will have an associated impact on the Contract Firm Price and may require modification to specified 'Output Delivery Dates', volumes and types in EOL.

Absorbed and Traded changes are designed to allow change to be agile, flexible and efficient in order to maximise programme efficiency and minimise contract change and frictional costs, therefore commercial review and approval is not mandated for this type; The decision to undertake an Absorbed or Traded Programme Change may be made by Aurora and DE&S delivery teams.

Only after all opportunities for absorbed and traded changes have been exhausted should an exceptional change be considered. Exceptional Changes require DE&S Commercial approval and evidence that trades and absorbs are not possible must be evidenced.

Financial considerations

Absorbed and Traded Changes may be made that swap budgets between DE&S Delivery Teams within the same Operating Centre or across Operating Centres. It is DE&S' responsibility to ensure that this is carried out in line with DE&S finance processes, rules and obligations.

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**SCHEDULE C CONTRACT MANAGEMENT: APPENDIX 4 CHANGE MANAGEMENT**

Although Traded Changes do not result in a Change to the Contract firm price, Aurora and DE&S Delivery Teams are required to track the cumulative value of all Changes in a Traded Change Control Tracker. This enables the Aurora and DE&S Delivery Teams to monitor the cumulative effect of trades and take joint action to ensure that there is no detrimental forecast financial impact to either party at the closure of the Contract.

In the event that Aurora is forecasting a lower or higher cumulative outturn to the Contract price as a result of Traded Change, with no foreseen trades or Exceptional Changes, then the outturn is returned to an equitable level. This is addressed on a case-by-case basis and in consultation with the DE&S Delivery Partner Hub.

**Contractor and Delivery Team obligations**

The step by step responsibilities for both DE&S and contractor delivery teams are detailed in the Traded {Link Out}, absorbed {Link Out} and Exceptional process flows {Link Out}. Below is a summary RACI for programme change responsibilities;

			Engineering Hub	DE&S				QinetiQ			
				Prog Mgr	Commercial	Desk Officer	Finance	Prog Mgr	Commercial	Desk Officer	Finance
<u>Key:</u> A = Accountable R = Responsible C = Consulted I = Informed C* = Mini Onboarding											
0	Ownership of change – pre initiation: Default population of POW or joint identification of change	Clarification	-	A / R	-	-	-	A / R	-	-	-
1	Initiate Release of Change	Absorbed	I	A	I	R	I	A	I	R	I
		Traded	I / C		I/C				I/C		
		Exceptional	C		C				C		
2	Other Party assesses and responds	Absorbed	I	A	I	R	I	A	I	R	I
		Traded	I		C		C		C		C
		Exceptional	C *		C		C		C		C
3	Receiving Party Responds	Absorbed	I	A	I	I	-	A	I	I	-
		Traded	I		R		I		R		I
		Exceptional	I		R		C		R		C
4	Confirmation and Acceptance	Absorbed	I	A	R	I	I	A	I	R	I
		Traded	I		R				C		
		Exceptional	I		R				R		
5	Internal Tools Updates: Programme Plan, Payment Plan, Annexes, POW, etc.	Absorbed	-	A	As requested by Prog. Manager			A	As requested by Prog. Manager		
		Traded									
		Exceptional									

In addition to the step by step processes referenced above, the following activities are encouraged to allow for maximum efficiency:

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**SCHEDULE C CONTRACT MANAGEMENT: APPENDIX 4 CHANGE MANAGEMENT**  
Contractor and DE&S Joint Responsibilities

The Aurora and DE&S Delivery Teams share joint responsibility for:

- Agreeing when a Change exists, rather than just creating a clarification to the extant Contract scope as more detail becomes available;
- Working collaboratively to agree the most suitable treatment for any Change (i.e. Absorbed, Traded or Exceptional);  
Expediting the Change in a timely manner that supports the needs of DE&S and end users;
- Maintaining control of the Contracted POW within Enterprise Online, such that one agreed and unambiguous version of the truth exists;
- Reporting on the status of Change in the monthly programme reports;
- Updating the invoicing plan to reflect any Changes to it impacting as a result of amendments to the delivery dates of outputs; and
- Updating the risk and issue registers with any new items arising caused by or impacted by Change.

Aurora Delivery Team Responsibilities

The Aurora delivery team holds responsibility for:

- Considering any proposed Changes against the project schedule baseline, assessing and deciding on the appropriate actions, agreeing the type of Change with stakeholders and updating applicable documentation following approval of each Change;
- Maintaining programme plan updates versus the original contracted baseline as Changes are agreed and formalised;
- Developing and releasing responses to Change requests in line with Aurora's governance processes; and  
Formally raising Changes as requested by Aurora team members or any other Contractor stakeholders.
- Ensuring that the POW post trade position is sufficient to deliver the remaining Critical and Orphan Enabling Outputs. Should this not be the case, the Contractor remains responsible for the delivery of the remaining Critical and Orphan Enabling Outputs at their cost

DE&S Delivery Team Responsibilities

The DE&S Delivery Teams hold responsibility for:

- Ensuring continuing alignment between DE&S', Aurora's and OEM Prime Contractors' schedules (as applicable);  
Providing Aurora with early visibility of likely programme Changes; and
- Formally raising Changes as requested by DE&S team members or any other DE&S stakeholders.

**Change process Timescales**

The Aurora and DE&S Delivery Teams should aim and commit to completing all Changes within the timescales outlined in the table below.

Group	Scale of Change & Examples
1	Simple Changes e.g.  Absorbed Change – delay in timescales Traded Change – attendance at one working group meeting traded for an additional attendance at a different working group

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SCHEDULE C CONTRACT MANAGEMENT: APPENDIX 4 CHANGE MANAGEMENT

	Exceptional – addition of attendance at an extra working group meeting in the UK
2	Intermediate Changes e.g.  Traded Change – trading a significant amount of dissimilar work within a service line Exceptional – addition of a significant new output package based on extant EOD outputs
3	Complex Changes e.g.  Absorbed Change – re-baselining POW following a major delay announcement in the platform procurement programme Traded Change – Complex set of high value trades impacting across two or more service lines Exceptional Change – high value exceptional Change or a Change necessitating the creation of a new Output

The Hub will be alerted to changes that take longer than the maximum 30 days to complete.  
If teams jointly agree that this is not practicable, e.g. because the requirement is not sufficiently developed then:

- The Change should be delayed until the DE&S DT understands better the support needs and timescales;
- In the case of Exceptional Changes a mini onboarding session should be considered which can be facilitated by the Engineering Hub service.