



**James Smith**

**Head Office Commercial**

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Email: james.smith868@mod.gov.uk

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Your Reference:

Our Reference: 706210450

FAO: All tenderers

Date: 6 Jan 23

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Dear Sir/Madam,

Invitation To: Tender Reference Number: 706210450- CR-Foreign Currency Exchange Services

1. You are invited to tender for CR-Foreign Currency Exchange Services in competition in accordance with the attached documentation.
2. The requirement is for CR-Foreign Currency Exchange Services two-year contract March 23- March 25
3. The anticipated date for the contract award decision is 1 March 23, please note that this is an indicative date and may change.
4. You must submit your Tender to the Defence Sourcing Portal by 3 Feb 23 10:00.

Yours faithfully

James Smith

***James Smith (signed electronically)***

Senior Commercial Officer

Head Office Commercial

**Requirements - Please see attached Statement of Requirement (SOR) Annex B to DEFFORM 47.**

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## Terms and Conditions

### DEFFORM 47

#### Contents

DEFFORM 47  
(EDN 11/22)

This Invitation to Tender sets out the requirements that Tenderers must meet to submit a valid Tender. It also contains the draft Contract, further related documents and forms and sets out the Authority's position with respect to the competition.

This invitation consists of the following documentation: see explanatory note 2

- DEFFORM 47 – Invitation To 706210450. The DEFFORM 47 sets out the key requirements that Tenderers must meet to submit a valid Tender. It also sets out the conditions relating to this competition. For ease it is broken into:
  - Section A – Introduction Page 3
  - Section B – Key Tendering Activities Page 8
  - Section C – Instructions on Preparing Tenders Page 10
  - Section D – Tender Evaluation Page 11
  - Section E – Instructions on Submitting Tenders Page 12
  - Section F – Conditions of Tendering Page 14
  - DEFFORM 47 Annex A – Tender Submission Document (Offer) Page A1
    - Appendix 1 to DEFFORM 47 Annex A (Offer) – Information on Mandatory Declarations
- Contract Documents (As per the contents table in the Terms and Conditions)
  - Terms & Conditions which includes the Schedule of Requirements and any additional Schedules, Annexes and/or Appendices
- DEFFORM 111 – Appendix to Contract - Addresses and Other Information
- DEFFORM 539A – Tenderer's Sensitive Information (or SC1B Schedule 4 or SC2 Schedule 5)
- Any other relevant documentation:
  - Annex B Statement of Requirement (SOR)
  - Annex C Pricing Strategy
  - Annex D Tender Technical Evaluation Matrix (TTEM)

## Section A - Introduction

DEFFORM 47

(Edn 11/22)

### DEFFORM 47 Definitions

In this ITT the following words and expressions shall have the meanings given to them below:

- A1. "The Authority" means the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, acting as part of the Crown.
- A2. "Compliance Regime" is a legally enforceable set of rules, procedures, physical barriers and controls that, together, act to prevent the flow of sensitive or protected information to parties to whom it may give an unfair advantage.
- A3. "Conditions of Tendering" means the conditions set out in this DEFFORM 47 that govern the competition.
- A4. A "Consortium Arrangement" means two or more economic operators who have come together specifically for the purpose of bidding for this Contract and who establish a consortium agreement or special purpose vehicle to contract with the Authority.
- A5. "Contract" means a Contract entered into between the successful Tenderer or consortium members and the Authority, should the Authority award a Contract as a result of this competition.
- A6. "Contract Terms & Conditions" means the attached conditions including any schedules, annexes and appendices that will govern the Contract entered into between the successful Tenderer and the Authority, should the Authority award a Contract as a result of this competition.
- A7. "Contractor Deliverables" means the works, goods and/or the services, including packaging (and Certificate(s) of Conformity and supplied in accordance with any Quality Assurance (QA) requirements if specified) which the Contractor is required to provide under the Contract.
- A8. "Cyber Security Model" means the model defined in DEFCON 658.
- A9. "Defence Sourcing Portal" means the electronic platform in which Tenders are submitted to the Authority.
- A10. "Government Furnished Information" means information or data issued or made available to the Tenderer in connection with the Contract by or on behalf of the Authority.
- A11. "ITT Documentation" means this ITT and any information in any medium or form (for example drawings, handbooks, manuals, instructions, specifications and notes of pre-tender clarification meetings), issued to you, or to which you have been granted access by the Authority, for the purposes of responding to this ITT
- A12. "ITT Material" means any other material (including patterns and samples), equipment or software, in any medium or form issued to you, or to which you have been granted access, by the Authority for the purposes of responding to this ITT.
- A13. "Schedule of Requirements" (Section 1 in Terms and Conditions, Schedule 2 in Standardised Contracting Template 1B (SC1B) or Schedule 2 in Standardised Contracting Template 2 (SC2)) means that part of the Contract which identifies, either directly or by reference, the Contractor Deliverables to be supplied or carried out, the quantities involved and the price or pricing terms in relation to each Contractor Deliverable.
- A14. The "Statement of Requirement" means that part of the Contract which details the technical requirements and acceptance criteria of the Contractor Deliverables.
- A15. A 'Sub-Contractor' means any party engaged or intended to be engaged by the Contractor at any level of sub-contracting to provide Contractor Deliverables for the purpose of performing this Contract.
- A16. A "Sub-Contracting Arrangement" means a group of economic operators who have

come together specifically for the purpose of bidding for this Contract, where one of their number will be the party to the Contract with the Authority, the remaining members of that group being Sub-Contractors to the lead economic operator.

A17. A "Tender" is the offer that you are making to the Authority.

A18. "Tenderer" means the economic operator submitting a response to this Invitation to Tender. Where "you" is used this means an action on you the Tenderer.

A19. A "Third Party" is any person (including a natural person, corporate or unincorporated body (whether or not having separate legal personality)), other than the Authority, the Tenderer or their respective employees.

## **Purpose**

A20. The purpose of this ITT is to invite you to submit a Tender, in accordance with the instructions set out in this ITT, to propose a solution and best price to meet the Authority's requirement. This documentation explains and sets out the:

- a. timetable for the next stages of the procurement.
- b. instructions, conditions and processes that governs this competition.
- c. information you must include in your Tender and the required format.
- d. administrative arrangements for the receipt and evaluation of Tenders.
- e. criteria and methodology for the evaluation of Tenders; and
- f. Contract Terms & Conditions

A21. The sections in this ITT and associated documents are structured in line with a generic tendering process and do not indicate importance / precedence.

A22. This Requirement was published on Contracts Finder (Publication Date: 7 October 2022) under the following reference MODFX071022.

A23. This procurement is In accordance with Public Contracts Regulations 2015.

A24. This ITT has either been issued to all potential Tenderers that expressed an interest or has been issued to all potential Tenders chosen during the Tender selection stage listed on page 2 of this DEFFORM 47.

A25. Tenderers can be found on the Contract Bidders Notice as advertised on the DSP

A26 Funding has been approved.

## **ITT Documentation and ITT Material**

A27. ITT Documentation, ITT Material and any Intellectual Property Rights (IPR) in them shall remain the property of the Authority or other Third-Party owners and is released solely for the purposes of enabling you to submit a Tender. You must:

- a. take responsibility for the safe custody of the ITT Documentation and ITT Material and for all loss and damage sustained to it while in your care.
- b. not copy or disclose the ITT Documentation or any part of it to anyone other than the bid team  
involved in preparing your Tender, and not use it except for the purpose of responding to this ITT.
- c. seek written approval from the Authority if you need to provide access to any ITT Documentation or ITT Material to any Third Party.
- d. abide by any reasonable conditions imposed by the Authority in giving its approval under sub-paragraph A27.c, which at a minimum will require you to ensure any disclosure to a Third Party is made by you in confidence. Alternatively, due to IPR

issues for example, the disclosure may be made, in confidence, directly by the Authority.

- e. accept that any further disclosure of ITT Documentation or ITT Material (or use beyond the original purpose), or further use of ITT Documentation or ITT Material, without the Authority's written approval may make you liable for a claim for breach of confidence and / or infringement of IPR, a remedy which may involve a claim for compensation.
- f. inform the named Commercial Officer if you decide not to submit a Tender.
- g. immediately confirm destruction of (or in the case of software, that it is beyond use) all ITT Documentation, ITT Material and derived information of an unmarked nature, should you decide not to respond to this ITT, or you are notified by the Authority that your Tender has been unsuccessful; and
- h. consult the named Commercial Officer to agree the appropriate destruction process if you are in receipt of ITT Documentation and ITT Material marked 'OFFICIAL-SENSITIVE' or 'SECRET'.

A28. Some or all of the ITT Documentation and ITT Material may be subject to one or more confidentiality agreements made between you and either the Authority or a Third Party, for example a confidentiality agreement established in the form of DEFFORM 94. The obligations contained in any such agreement will be in addition to, and not derogate from, your obligations under paragraph A27 above.

### **Tender Expenses**

A29. You will bear all costs associated with preparing and submitting your Tender. The Authority will not be liable for the costs of any Tender, work or effort incurred by you participating in this tender process, including where the tender process is terminated or amended by the Authority, where the Authority decides not to award a Contract or where you withdraw from the tender process either directly or indirectly as costs under any other Contract with the Authority.

### **Consortia and Sub-Contracting Arrangements**

A30. The Authority requires all Tenderers to identify whether any and/or which Consortium Arrangements or Sub-Contracting Arrangements will apply in the case of their Tender, and in particular specify the Consortium Arrangement or Sub-Contracting Arrangement entity or both and their workshare. In the case of a Sub-Contracting Arrangement, the Authority requires all Tenderers to identify the entity that will be the party to the Contract with the Authority.

### **Material Change of Control**

A31. You must inform the Authority in writing as soon as you become aware of:

- a. any material changes to any of the information, representations or other matters of fact communicated to the Authority as part of your PQQ response or in connection with the submission of your PQQ response.
- b. any material adverse change in your circumstances which may affect the truth, completeness or accuracy of any information provided as part of your PQQ response or in connection with the submission of your PQQ response or in your financial health or that of any Consortium Arrangement member or Sub-Contracting Arrangement member; or
- c. any material changes to your financial health or that of a party to the Consortium Arrangement or Sub-Contracting Arrangement; and
- d. any material changes to the makeup of the Consortium Arrangement or Sub-Contracting Arrangement, including:

- i. the form of legal arrangement by which the Consortium Arrangement or Sub-Contracting Arrangement will be structured.
- ii. the identity of Consortium Arrangement or Sub-Contracting Arrangement.
- iii. the intended division or allocation of work or responsibilities within or between the Consortium Arrangement or Sub-Contracting Arrangement; and
- iv. any change of control of any Consortium Arrangement or Sub-Contracting Arrangement.

A32. If a change described in paragraph A31 occurs, the Authority may reassess you against the PQQ selection criteria. The Authority reserves the right to require you to submit an updated/amended PQQ response (or parts thereof) to reflect the revised circumstances so that the Authority can make a further assessment by applying the published selection criteria to the new information provided. The outcome of this further assessment may affect your suitability to proceed with the procurement.

A33. In relation to a change described in paragraph A31, as far as is reasonably practicable, you must discuss any such proposed changes with the Authority before they occur and you must additionally highlight any changes from your PQQ response relating to any change in the Consortium Arrangement or Sub-Contracting Arrangement or any change relating to conflicts of interest following a change, directly or indirectly in your ownership or control or of any Consortium Arrangement or Sub-Contracting Arrangement

A34. The Authority reserves the right, at its sole discretion to disqualify any Tenderer who makes any material change to any aspects of its responses to the PQQ if:

- a. it fails to re-submit to the Authority the updated relevant section of its PQQ response providing details of such change in accordance with paragraph A33 as soon as is reasonably practicable and in any event no later than 10 business days following request from the Authority: or
- b. having notified the Authority of such change, the Authority considers that the effect of the change is such that on the basis of the evaluation undertaken by the Authority for the purpose of selecting potential providers to participate in the procurement, the Tenderer would not have pre-qualified.

## **Contract Terms & Conditions**

A35. The Contract Terms & Conditions include all attachments listed in the contents of the Terms & Conditions, such as the Schedule of Requirements, any additional Schedules, Annexes and/or Appendices. The full text of Defence Conditions (DEFCONs) and Defence Forms (DEFFORMS) are available electronically via the [Knowledge in Defence \(KiD\) website](#).

A36. The Contract Terms & Conditions are attached.

## **Other Information**

### **A37. The Armed Forces Covenant**

- a. The Armed Forces Covenant is a promise from the nation to those who serve, or who have served, and their families, to ensure that they are treated fairly and are not disadvantaged in their day to day lives, as a result of their service.
- b. The Covenant is based on two principles:
  - i. That the Armed Forces community would not face disadvantages when compared to other citizens in the provision of public and commercial services; and
  - ii. That special consideration is appropriate in some cases, especially for those who have given most, such as the injured and the bereaved.

The Authority encourages all Tenderers, and their suppliers, to sign the Armed Forces Covenant, declaring their support for the Armed Forces community by displaying the values and behaviours set out therein.



c. [The Armed Forces Covenant](#) provides guidance on the various ways you can demonstrate your support through your Covenant pledges and how by engaging with the Covenant and Armed Forces, such as employing Reservists, a company or organisation can also see real benefits in their business.

d. If you wish to register your support you can provide a point of contact for your company on this issue to the Armed Forces Covenant Team at the address below, so that the Authority can alert you to any events or initiatives in which you may wish to participate. The Covenant Team can also provide any information you require in addition to that included on the website.

Email address: [employerrelations@rfca.mod.uk](mailto:employerrelations@rfca.mod.uk)

Address: Defence Relationship Management  
Ministry of Defence  
Holderness House  
51-61 Clifton Street  
London  
EC2A 4EY

e. Paragraph A37 a to d above are not a condition of working with the Authority now or in the future, nor will this issue form any part of the Tender evaluation, Contract award procedure or any resulting Contract. However, the Authority very much hopes you will want to provide your support.

A38. Not used.

## Section B - Key Tendering Activities

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(Edn 11/22)

The key dates for this procurement are currently anticipated to be as follows:

Stage	Date and Time	Initiated By	Submit to:
Invitation to Tenderers' Conference	N/A	The Authority	All Tenderers
Date for Confirmation of attendance at Tenderers' Conference	N/A	Tenderers	
Final date for Clarification Questions / Requests for additional information	13 Jan 23	Tenderers	Defence Sourcing Portal
The Authority issues Final Clarification Answers	20 Jan 23	The Authority	All Tenderers
Tender Return	3 Feb 23	Tenderers	Defence Sourcing Portal
Tender Evaluation	February	The Authority	N/A
Anticipated Contract award decision	March	The Authority	N/A

### Notes

#### Tenderers Conference

B1. A Tenderers Conference is not being held.

#### Clarification Questions

B2. The Authority will automatically copy clarification questions and answers to all Tenderers, removing the names of those who have raised the clarification questions. If you wish the Authority to treat the clarification as confidential and not issue the response to all Tenderers, you must state this when submitting the clarification question and provide justification. If in the opinion of the Authority, the clarification is not confidential, the Authority will inform the Tenderer, who will have an opportunity to withdraw the question. If the clarification question is not withdrawn, the response will be issued to all Tenderers.

#### Tender Return

B3. The Authority may, in its own absolute discretion extend the deadline for receipt of tenders and in such circumstances the Authority will notify all Tenderers of any change.

## **Negotiations**

B4. Negotiations do not apply to this tender process.

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## **Section C - Instructions on Preparing Tenders**

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(Edn 11/22)

### **Construction of Tenders**

C1. Your Tender must be written in English, using Arial font size 11. Prices must be in GBP ex VAT. Prices must be as detailed in the Pricing Schedule Annex C to DEFFORM 47.

C2. To assist the Authority's evaluation, you must set out your Tender response in accordance with Section D (Tender Evaluation).

### **Validity**

C3. Your Tender must be valid and open for acceptance for 60 from the Tender return date. In addition, the winning Tender must be open for acceptance for a further thirty (30) calendar days once the Authority announces its decision to award the Contract. In the event that legal proceedings challenging the award of the Contract are instituted, before entry into Contract, you must hold your Tender open for acceptance during this period, and for up to fourteen (14) calendar days after any legal proceedings have concluded.

## Section D - Tender Evaluation

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D1. a) Tender Evaluation Criteria is as follows:

b) The Technical Evaluation is 60%, 50% shall address the quality of the information provided by each bidder in how they meet the deliverables as detailed in this ITT, and 10% for Social Values – see Annex D to Defform 47.

c) The Pricing Evaluation (40%) shall address the information provided by each bidder in their completed Pricing Schedule.

D2. Contract Award Criteria – The contract will be awarded using the MEAT process in accordance with the criteria at D1.a) to c).

Commercial = Pass/Fail

Technical = 60%

Pricing = 40% (Any tenderer that submits bid in excess of the stated budget may be assessed as non-compliant).

D3. Negotiations do not apply to this tender process.

### Compliance Check

D4. The Authority will complete a mandatory evaluation to make sure that Tenderers have answered all questions and have completed the Price Schedule in line with the Authority's instructions. All Tenderers passing the mandatory evaluation will be progressed to the Price and Technical Evaluation process.

Failure to accept the Authority's terms and conditions detailed in the Framework and the specific MOD conditions will result in your tender being assessed as Non-compliant and you will therefore be discounted from the competition.

### Technical Evaluation Process

D5. Tenders technical proposals will be evaluated using a two-step process, comprising of:

- Independent evaluation; and
- A Group consensus.

D6. During the independent evaluation process, each evaluator will separately (i.e. without conferring with other evaluators) scrutinise the quality of answers given by Tenderers in their Tender. Each evaluator will then allocate a mark for the technical evaluation question response in accordance with the marking scheme.

D7. The individual evaluators will then have a group consensus meeting to agree the final scores for each technical evaluation question response. During the group consensus meeting, evaluators will discuss their independent marks for each question, and where there the

evaluators are not in agreement, the evaluators and the consensus meeting chair will discuss the merits of the question response until they reach a consensus regarding the marks that should be attributed to each Tenderer's answer to the questions.

#### Clarification Questions

D8. If the Authority wishes to clarify any areas of your tender, clarification questions will be submitted to the relevant tenderer through the Defence Sourcing Portal (DSP).

#### Mandatory Criteria – Pass/Fail

D9. Tenderers are required to complete and return the DEFFORM 47 Annex A (Offer) (See section F). Failure to meet this Mandatory Criteria will result in your Tender being discounted.

#### Cyber Risk Assessment

D10. The Cyber Risk Profile is **Very Low**, SAQ will need to be completed as part of your tender [SAQ Form](#).

For the purpose of this tender you are required to provide a copy of your current Cyber Security Accreditation certificate (See table below).

#### Format of Tender Response

D11. Tenderers are required to submit their Tender Response as follows:

Signed Tender Submission Document (Offer) – Annex A to DEFFORM 47 – To be uploaded to Commercial Envelope of the DSP.
All Tenderers should provide a list of any <b>Assumptions</b> they have made with regards to the requirement, and these should be clearly visible and included in the Priced and Non-Priced copies of your tender submission – To be uploaded to both Commercial and Technical Envelopes of the DSP.
Technical proposal to include proposals on how they will meet each of the Milestones detailed in the SOR, In addition, Tenderers should ensure that they respond to each of the questions contained in the attached Tender Technical Evaluation Matrix (TTEM). To be uploaded to Technical Envelope of the DSP.
Completed Pricing Schedule Annex C to DEFFORM 47 - To be uploaded to the Commercial Envelope of the DSP.
Current Cyber Accreditation Certificate. Please note that the requirement has been assessed as Very Low. The Risk Assessment Reference is <b>RAR-633846515</b> . Tenderers are required to complete the Suppliers Assurance Questionnaire on the Supplier Cyber Protection Service and submit this as part of their Tender response, together with a Cyber Security Implementation Plan as appropriate. - To be uploaded to the Commercial Envelope of the DSP.

## Section E - Instructions on Submitting Tenders

**DEFFORM 47**  
**(Edn11/22)**

### Submission of your Tender

E1. Your Tender and any ITT Documentation must be submitted electronically via the Defence Sourcing Portal (DSP) by 3 Feb 23. The Authority reserves the right to reject any Tender received after the stated date and time. Hard copy, paper or delivered digital Tenders (e.g., email, DVD) at OFFICIAL SENSITIVE classification are no longer required and will not be accepted by the Authority. Tenderers are required to submit an electronic online Tender response to 706210450.

E2. Your priced Tender and priced ITT Documentation must only be submitted to the commercial envelope of the DSP ITT. You must ensure that there are no prices present in the technical or qualification (if applicable) envelopes of the DSP ITT. The Authority has the right to request, at its discretion, that any pricing information found in the technical or qualification (if applicable) envelopes is redacted in accordance with paragraph E3.

E3. The Authority may, in its own absolute discretion allow the Tenderer to rectify any irregularities identified in the Tender by the Authority or provide clarification after the Tender return date. For example, this may include, but is not limited to, redacting pricing information in the unpriced copy of the tender, rectifying, or providing clarification in relation to a corrupt or blank document. Tenderers will be provided with instructions via the DSP on how they can correct such irregularities which must be completed by the deadline set. The Authority will cross reference the amended Tender with the original Tender submitted to the DSP before the Tender return date to ensure that no other amendments, other than in relation to the specific irregularity/clarification communicated by the Authority, have been made. Should Tenderers make additional amendments to the Tender other than those relating to the specific irregularity/clarification communicated to the Tenderer by the Authority, this will result in a non-compliant bid.

E4. The DSP is accredited to OFFICIAL SENSITIVE. Material that is protectively marked above this classification must not be uploaded to the DSP. Please contact [james.smith868@mod.gov.uk](mailto:james.smith868@mod.gov.uk) if you have a requirement to submit documents above OFFICIAL SENSITIVE

E5. You must not upload any ITAR or Export Controlled information as part of your Tender or ITT documentation into the DSP. You must contact [james.smith868@mod.gov.uk](mailto:james.smith868@mod.gov.uk) to discuss any exchange of ITAR or Export Controlled information. You must ensure that you have the relevant permissions to transfer information to the Authority.

E6. You must ensure that your DEFFORM 47 Annex A is signed, scanned and uploaded to DSP with your Tender as a PDF (it must be a scanned original). The remainder of your Tender must be compatible with MS Word and other MS Office applications.

E7 Not used

E8 Not used

### Samples

E9. Where samples are required for evaluation purposes you must be prepared to submit them without charge. You should clearly label samples with the following particulars:

- a. your name and address.
- b. the Tender Reference Number and due date for return of the Tender; and
- c. the Description and Item Number as shown in the Schedule of Requirements.

E10. You should send any samples to the named Commercial Officer before the Tender return date.

E11. The Authority may retain all samples for twelve (12) months from the Tender return date. After this period, the Authority will destroy the samples unless you specifically state you require their return. The Authority may keep samples associated with a successful Tender indefinitely.

E12. Samples that are consumed will not be returned.

## **Section F - Conditions of Tendering**

DEFFORM 47  
(Edn 11/22)

F1. The issue of ITT Documentation or ITT Material is not a commitment by the Authority to place a Contract as a result of this competition or at a later stage. Neither does the issue of this ITT or subsequent Tender submission create any implied Contract between the Authority and any Tenderer and any such implied Contract is expressly excluded.

F2. The Authority reserves the right, but is not obliged to:

- a. vary the terms of this ITT in accordance with applicable law.
- b. seek clarification or additional documents in respect of a Tenderer's submission during the Tender evaluation where necessary for the purpose of carrying out a fair

evaluation. Tenderers are asked to respond to such requests promptly.

- c. visit your site.
- d. disqualify any Tenderer that submits a non-compliant Tender in accordance with the instructions or conditions of this ITT.
- e. disqualify any Tenderer that is guilty of misrepresentation in relation to its Tender, expression of interest, the dynamic PQQ or the tender process.
- f. re-assess your suitability to remain in the competition, for example where there is a material change in the information submitted in and relating to the PQQ response, see paragraphs A31 to A34.
- g. withdraw this ITT at any time or choose not to award any Contract as a result of this tender process, or re-invite Tenders on the same or any alternative basis.
- h. re-issue this ITT on a single source basis, in the event that this procurement does not result in a 'competitive process' as defined in the Single Source Contract Regulations 2014, making such adjustments as would be required by the application of the Defence Reform Act 2014 and/or the Single Source Contract Regulations 2014.
- i. choose not to award any Contract as a result of the current tender process.
- j. where it is considered appropriate, ask for an explanation of the costs or price proposed in the Tender where the Tender appears to be abnormally low.

F3. The Contract will be effective when both parties sign the Contract. The Contract will be issued by the Authority via a DEFFORM 8, to the address you provide, on or before the end of the validity period specified in paragraph C3.

### **Conforming to the Law**

F4. You must comply with all applicable UK legislation and any equivalent legislation in a third state.

F5. Your attention is drawn to legislation relating to the canvassing of a public official, collusive behaviour and bribery. If you act in breach of this legislation your Tender may be disqualified from this procurement. Disqualification will be without prejudice to any civil remedy available to the Authority or any criminal liability that your conduct may attract.

### **Bid Rigging and Other Illegal Practices**

F6. You must report any bid rigging, fraud, bribery, corruption, or any other dishonest irregularity in connection to this tendering exercise to:

Defence Regulatory Reporting Cell Hotline

0800 161 3665 (UK) or

+44 1371 85 4881 (Overseas)



## Conflicts of Interest

F7. Any attempt by Tenderers or their advisors to influence the contract award process in any way may result in the Tenderer being disqualified. Specifically, Tenderers shall not directly or indirectly at any time:

- devise or amend the content of their Tender in accordance with any agreement or arrangement with any other person, other than in good faith with a person who is a proposed partner, supplier, consortium member or provider of finance.

- enter into any agreement or arrangement with any other person as to the form or content of any other Tender or offer to pay any sum of money or valuable consideration to any person to effect changes to the form or content of any other Tender.

- enter into any agreement or arrangement with any other person that has the effect of prohibiting or excluding that person from submitting a Tender.

- canvass the Authority or any employees or agents of the Authority in relation to this procurement; or

- attempt to obtain information from any of the employees or agents of the Authority or their advisors concerning another Tenderer or Tender.

F8. Where you have provided advice to the Authority in relation to this procurement procedure or otherwise have been or are involved in any way in the preparation or conduct of this procurement procedure or where any other actual or potential Conflict of Interest (COI) exists, arises or may arise or any situation arises that might give the perception of a COI at any point before the Contract award decision, you must notify the Authority immediately.

F9. Where an actual or potential COI exists or arises or any situation arises that might give the perception of a COI at any point before the Contract award decision, you must provide a proposed Compliance Regime within seven (7) calendar days of notifying the Authority of the actual, potential or perceived COI. The proposal must be of a standard which, in the Authority's sole opinion, appropriately manages the conflict, provides sufficient separation to prevent distortion of competition and provides full details listed at F9 A to G below. Where the Contract is awarded and the COI is still relevant post-Contract award decision, your proposed Compliance Regime will become part of the Contract Terms and Conditions. As a minimum, the Compliance Regime must include:

- a. the manner of operation and management.
- b. roles and responsibilities.
- c. standards for integrity and fair dealing.
- d. levels of access to and protection of competitors' sensitive information and Government Furnished Information.
- e. confidentiality and/or non-disclosure agreements (e.g., DEFFORM 702).
- f. the Authority's rights of audit; and
- g. physical and managerial separation.

F10. Tenderers are ultimately responsible for ensuring that no Conflicts of Interest exist between the Tenderer and their advisors, and the Authority and its advisors. Any Tenderer

who fails to comply with the requirements described at paragraphs F7 to F10 (including where the Authority does not deem the proposed Compliance Regime to be of a standard which appropriately manages the conflict) may be disqualified from the procurement at the discretion of the Authority.

### **Government Furnished Assets**

F11. Where the Authority provides Government Furnished Assets (GFA) in support of this competition, you must include details of the GFA in your Public Store Account and treat it in accordance with Def Stan 05-099. If unsuccessful in this competition, you must seek instructions for the GFA from the named Commercial Officer.

### **Standstill Period**

F12. The Standstill period does not apply.

### **Publicity Announcements**

F13. If you wish to make an announcement regarding this procurement, you must seek approval from the named Commercial Officer and Press Office and such permission will only be given at the sole discretion of the Authority. Requests must be made in writing to the named Commercial Officer and a copy of the draft announcement provided. This shall then be forwarded to the Press Office and their contact details will be provided for further follow up.

F14. Under no circumstances should you confirm to any Third Party the Authority's Contract award decision before the Authority's announcement of the award of Contract.

### **Sensitive Information**

F15. All Central Government Departments and their Executive Agencies and Non-Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-governmental role delivering overall Government policy on public procurement, including ensuring value for money, related aspects of good procurement practice and answering Freedom of Information requests.

F16. For these purposes, the Authority may share within Government any of the Tenderer's documentation/information (including any that the Tenderer considers to be confidential and/or commercially sensitive such as specific bid information) submitted by the Tenderer to the Authority during this procurement. Tenderers taking part in this competition must identify any Sensitive Information (as defined in DEFCON 539) in the DEFFORM 539A (or SC1B Schedule 4 or SC2 Schedule 5) and consent to these terms as part of the competition process. This allows the Authority to share information with other Government Departments while complying with our obligations to maintain confidentiality.

F17. Where required, the Authority will disclose on a confidential basis any information it receives from Tenderers during the tender process (including information identified by the Tenderer as Sensitive Information in accordance with the provisions of this ITT) to any Third Party engaged by the Authority for the specific purpose of evaluating or assisting the Authority in the evaluation of the Tenderer's Tender. In providing such information the Tenderer consents to such disclosure.

### **Reportable Requirements**

F18. Listed in the DEFFORM 47 Annex A (Offer) are the Mandatory Declarations. It is a Condition of Tendering that you complete and attach the returns listed in the Annex and, where you select yes, you attach the relevant information.

F19. Your Tender will be deemed non-compliant and excluded from the tender process if you fail to complete the Annex in full and attach relevant information where required.

**Specific Conditions of Tendering**

F20. N/A

## Ministry of Defence

**Tender Submission Document (Offer) – Ref Number 706210450**

**To the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (hereafter called “the Authority”)**

The undersigned Tenderer, having read the ITT Documentation, offers to supply the Contractor Deliverables at the stated price(s), in accordance with any referenced drawings and / or specifications, subject to the Conditions of Tendering. It is agreed that only the Contract Conditions or any amendments issued by the Authority shall apply.

<b>Applicable Law</b>				
I agree that any contract resulting from this competition shall be subject to English Law				Yes / No
<b>Total Value of Tender (excluding VAT)</b>				
<p>£ ..... .....</p> <p>WORDS ..... .....</p>				
<b>UK Value Added Tax</b>				
If registered for Value Added Tax purposes, please insert:				
a. Registration No .....				
b. Total amount of Value Added Tax payable on this Tender (at current rate(s)) £.....				
<b>Location of work (town / city) where contract will be performed by Prime:</b>				
Where items which are subject of your Tender are not supplied or provided by you, state location in town / city to be performed column (continue on another page if required)				
Tier 1 Sub-contractor Company Name	Town / city to be Performed	Contractor Deliverables	Estimated Value	SME Yes / No

<b>Mandatory Declarations</b> (further details are contained in Appendix 1 to DEFFORM 47 Annex A (Offer)):	<b>Tenderer's Declaration</b>
Are the Contractor Deliverables subject to Foreign Export Control and Security Restrictions? If the answer is Yes, please completed and attach DEFFORM 528.	Yes* / No
Have you completed and attached a DEFFORM 711 – Notification of Intellectual Property Rights (IPR) Restrictions?	Yes* / No
Have you obtained the foreign export approval necessary to secure IP user rights in the Contractor Deliverables for the Authority, including technical data, as determined in the Contract Terms & Conditions?	Yes* / No
Have you provided details of how you will comply with all regulations relating to the operation of the collection of custom import duties, including the proposed Customs procedure to be used and an estimate of duties to be incurred or suspended?	Yes / No
Have you completed a Supplier Assurance Questionnaire on the Supplier Cyber Protection Service?	Yes* / No / N/A
Have you completed Form 1686 for sub-contracts?	Yes / No
Have you completed the compliance matrix/ matrices?	Yes / No / Not Required
Are you a Small Medium Sized Enterprise (SME)?	Yes / No
Have you and your sub-contractors registered with the Prompt Payment Code with regards to SMEs?	Yes / No
Have you completed and attached Tenderer's Sensitive Information Form?	Yes / No
If you have not previously submitted a Statement Relating to Good Standing, within the last 12 months, or circumstances have changed have you attached a revised version?	Yes* / No / N/A
Do the Contractor Deliverables or any item provided in accordance with the Terms and Conditions of the Contract contain Asbestos, as defined by the control of Asbestos Regulations 2012?	Yes* / No
Have you completed and attached a DEFFORM 68 - Hazardous Articles, Deliverable's materials or substances statement?	Yes* / No
Do the Contractor Deliverables or any item provided in accordance with the Terms and Conditions of the Contract (including Packaging) use Substances that deplete the Ozone Layer, as defined in Regulation (EC) 1005/2009, as it applies in Great Britain as retained EU law, and as it applies in Northern Ireland directly	
Do the Contractor or any item provided in accordance with the Terms and Conditions of the Contract contain Asbestos, as defined by the control of Asbestos Regulations 2012?	Yes* / No
Where you have been informed that a Bank or Parent Company Guarantee is required, will you provide one during the standstill period, before Contract award, if you are identified as the winning Tenderer?	Yes / No / Not Required
Have you complied with the requirements of the Defence Safety Authority Regulatory Articles?	Yes / No / Not Required
Have you completed the additional Mandatory Requirements (as per paragraph F18) stated in this ITT?	Yes / No / Not Required
*If selecting Yes to any of the above questions, attach the information detailed in Appendix 1 to DEFFORM 47 Annex A (Offer).	

**Tenderer's Declaration of Compliance with Competition Law**

We certify that the offer made is intended to be genuinely competitive. No aspect of the price has been fixed or adjusted by any arrangement with any Third Party. Arrangement in this context includes any transaction, or agreement, private or open, or collusion, formal or informal, and whether or not legally binding. In particular:

- a. the offered price has not been divulged to any Third Party,
- b. no arrangement has been made with any Third Party that they should refrain from tendering,
- c. no arrangement with any Third Party has been made to the effect that we will refrain from bidding on a future occasion,
- d. no discussion with any Third Party has taken place concerning the details of either's proposed price, or
- e. no arrangement has been made with any Third Party otherwise to limit genuine competition.

We understand that any instances of illegal cartels or market sharing arrangements, or other anti-competitive practices, suspected by the Authority will be referred to the Competition and Markets Authority for investigation and may be subject to action under the Competition Act 1998 and the Enterprise Act 2002.

We understand that any misrepresentations may also be the subject of criminal investigation or used as the basis for civil action.

We agree that the Authority may share the Contractor's information / documentation (submitted to the Authority during this Procurement) more widely within Government for the purpose of ensuring effective cross-Government procurement processes, including value for money and related purposes. We certify that we have identified any sensitive material in the Tenderer's Sensitive Information Form (DEFFORM 539A).

**Dated this..... day of ..... Year .....**

**Signature: In the capacity of**

(Must be scanned original)  
Secretary etc.)

(State official position e.g. Director, Manager,

**Name:** (in BLOCK CAPITALS)

**duly authorised to sign this Tender for and on behalf of:**

(Tenderer's Name)

**Postal Address:**

**Telephone No:**

**Registered Company Number:**

**Dun And Bradstreet number:**

**Information on Mandatory Declarations**

**IPR Restrictions**

1. You must complete and attach DEFFORM 711 (Notification of Intellectual Property Rights (IPR) Restrictions) as part of your Tender. You must provide details of any information / technical data that is deliverable or delivered under the Contract where it is, or may be, subject to any IPR restrictions (or any other type of restriction which may include export restrictions) affecting the Authority's ability to use or disclose the Information / technical data in accordance with the conditions of any resulting Contract. You must also identify any Contractor Deliverables subject to IPR which have been funded exclusively or in part by private venture, foreign investment or otherwise than by the Authority.

2. In particular, you must identify:

a. any restriction on the provision of information to the Authority; any restriction on disclosure or the use of information by, or on behalf of, the Authority; any obligations to make payments in respect of IPR, and any Patent or Registered Design (or application for either) or other IPR (including unregistered Design Right) owned or controlled by you or a Third Party.

b. any allegation made against you, whether by claim or otherwise, of an infringement of Intellectual Property Rights (whether a Patent, Registered Design, unregistered Design Right, Copyright or otherwise) or of a breach of confidence, which relates to the performance of any resultant Contract or subsequent use by or for the Authority of any Contractor Deliverables.

c. the nature of any allegation referred to under sub-paragraph 2.b., including any obligation to make payments in respect of the Intellectual Property Right of any confidential information; and / or

d. any action you need to take, or the Authority is required to take to deal with the consequences of any allegation referred to under sub-paragraph 2.b.

3. You must provide the Authority with details of every restriction and obligation referred to in paragraphs 1 and 2. The Authority will not acknowledge any such restriction unless so notified using DEFFORM 711 or as otherwise agreed under any resultant Contract. You must also provide, on request, any information required for authorisation to be given under Section 2 of the Defence Contracts Act 1958.

4. You should refer to the DEFFORM 711 Explanatory Notes for further information on how to complete the form.

**Notification of Foreign Export Control Restrictions**

5. If, in the performance of the Contract, you need to import into the UK or export out of the UK anything not supplied by or on behalf of the Authority and for which a UK import or export licence is required, you will be responsible for applying for the licence. The Authority will provide you with all reasonable assistance in obtaining any necessary UK import or export licence.

6. In respect of any Contractor Deliverables, likely to be required for the performance of any resultant contract, you must provide the following information in your Tender:

Whether all or part of any Contractor Deliverables are or will be subject to:

- a. a non-UK export licence, authorisation or exemption; or
- b. any other related transfer control that restricts or will restrict end use, end user, re-transfer or disclosure.

You must complete DEFFORM 528 (or other mutually agreed alternative format) in respect of any Contractor Deliverables identified at paragraph 6 and return it as part of your Tender. If you have previously provided this information, you can provide details of the previous notification and confirm the validity.

7. You must use reasonable endeavours to obtain sufficient information from your potential supply chain to enable a full response to paragraph 6. If you are unable to obtain adequate information, you must state this in your Tender. If you become aware at any time during the competition that all or part of any proposed Contractor Deliverable is likely to become subject to a non-UK Government Control through a Government-to-Government sale only, you must inform the Authority immediately by updating your previously submitted DEFFORM 528 or completing a new DEFFORM 528.

8. This does not include any Intellectual Property specific restrictions mentioned in paragraph 2.

9. You must notify the named Commercial Officer immediately if you are unable for whatever reason to abide by any restriction of the type referred to in paragraph 6.

10. Should you propose the supply of Contractor Deliverables of US origin the export of which from the USA is subject to control under the US International Traffic in Arms Regulations (ITAR), you must include details on the DEFFORM 528. This will allow the Authority to make a decision whether the export can or cannot be made under the US-UK Defence Trade Co-operation Treaty. The Authority shall then convey its decision to the Tenderer. If the Authority decides that use of the Treaty for the export is permissible, it is your responsibility to make a final decision whether you want to use that route for the export concerned if you are awarded the contract.

### **Import Duty**

11. United Kingdom (UK) legislation permits the use of various procedures to suspend customs duties.

12. For the purpose of this competition, for any deliverables not yet imported into the UK, you are required to provide details of your plans to address customs compliance, including the Customs procedures to be applied (together with the procedure code) and the estimated Import Duty to be incurred and / or suspended [see explanatory note 41].



13. You should note that it is your responsibility to ensure compliance with all regulations relating to the operation of the accounting for import duties. This includes but is not limited to obtaining the appropriate His Majesty's Revenue & Customs (HMRC) authorisations.

## **Cyber Risk**

14. Cyber risk has been considered and in accordance with the Cyber Security Model resulted in a Cyber Risk Profile of Very Low. The Risk Assessment Reference is RAR-633846515. Tenderers are required to complete the Suppliers Assurance Questionnaire on the Supplier Cyber Protection Service and submit this as part of their Tender response, together with a Cyber Security Implementation Plan as appropriate.

## **Sub-contracts Form 1686**

15. [Form 1686](#) (also known as Appendix 5) is to be used in all circumstances where contractors wish to place a Sub-Contract at OFFICIAL-SENSITIVE with a contractor outside of the UK, or where the release of SECRET or above information is involved within the UK or overseas. The process will require submission of the single page document either directly to the MOD Project Team or, where specified, to the DE&S Security Advice Centre. Form 1686 and further guidance can be found in the Cabinet Office's [Contractual Process](#).

## **Small and Medium Enterprises**

16. The Authority is committed to supporting the Government's Small and Medium-sized Enterprise (SME) policy, and we want to encourage wider SME participation throughout our supply chain. Our goal is that 25% of the Authority's spending should be spent with SMEs by 2022; this applies to the money which the Authority spends directly with SMEs and through the supply chain. The Authority uses the European Commission definition of SME.

17. A key aspect of the Government's SME Policy is ensuring that its suppliers throughout the supply chain are paid promptly. All suppliers to the Authority and their sub-contractors are encouraged to make their own commitment and register with the [Prompt Payment Code](#).

18. Suppliers are also encouraged to work with the Authority to support the Authority's SME initiative, however this is not a condition of working with the Authority now or in the future, nor will this issue form any part of the Tender evaluation. Information on the Authority's purchasing arrangements, our commercial policies and our SME policy can be found at [Gov.UK](#) and the DSP.

19. The opportunity also exists for Tenderers to advertise any sub-contract valued at over £10,000 on the Defence Sourcing Portal and further details can be obtained directly from: <https://www.gov.uk/guidance/subcontract-advertising>. This process is managed by the Strategic Supplier Management team who can be contacted at: DefComrcISSM-Suppliers@mod.gov.uk.

## **Transparency, Freedom of Information and Environmental Information Regulations**

20. The Authority shall publish notification of the Contract and publish Contract documents where required following a request under the FOI Act except where publishing such information would hinder law enforcement; would otherwise be contrary to the public interest; would prejudice the legitimate commercial interest of any person or might prejudice fair competition between suppliers.

21. The Authority may publish the contents of any resultant Contract in line with government policy set out in the Government's [Transparency Principles](#) and in accordance with the provisions of either DEFCON 539, SC1B Conditions of Contract Clause 5 or SC2 Conditions of Contract Clause 12.

22. Before publishing the Contract, the Authority will redact any information which is exempt from disclosure under the Freedom of Information Act 2000 ("the FOIA") or the Environmental Information Regulations 2004 ("the EIR").

23. You must complete the attached Tenderer's Sensitive Information Form (DEFFORM 539A, SC1B Schedule 4 or SC2 Schedule 5) explaining which parts of your Tender you consider to be Sensitive Information. This includes providing a named individual who can be contacted with regard to FOIA and EIR.

24. You should note that while your views will be taken into consideration, the ultimate decision whether to publish or disclose information lies with the Authority. You are advised to provide as much detail as possible on the form. It is highly unlikely that a Tender will be exempt from disclosure in its entirety. Should the Authority decide to publish or disclose information against your wishes, you will be given prior notification.

### **Electronic Purchasing**

25. Tenderers must note that use of the [Contracting, Purchasing and Finance \(CP&F\)](#) electronic procurement tool is a mandatory requirement for any resultant contract awarded following this Tender. By submitting this Tender, you agree to electronic payment. You may consult the service provider on connectivity options. Failure to accept electronic payment will result in your Tender being non-compliant and excluded from the tender process.

### **Change of Circumstances**

26. In accordance with paragraph A31, if your circumstances have changed, please select 'Yes' to the appropriate question on DEFFORM 47 Annex A and submit a Statement Relating to Good Standing with your Tender.

### **Asbestos, Hazardous Items and Depletion of the Ozone Layer**

27. The Authority is required to report any items that use asbestos, that are hazardous or where there is an impact on the Ozone. Where any Contractor Deliverables fall into one of these categories select 'Yes' to the appropriate question on DEFFORM 47 Annex A and provide further details in your Tender.

### **Defence Safety Authority (DSA) Requirements [see explanatory note 42]**

28. There are no DSA Requirements.

### **Bank or Parent Company Guarantee [see explanatory note 43]**

29. A Bank or Parent Company Guarantee is not required.

# DEFFORM 111

## DEFFORM 111

### Appendix - Addresses and Other Information

#### 1. Commercial Officer

Name: James Smith

Address: Kentigern House, 65 brown Street, Glasgow, G2 8EX

Email: james.smith868@mod.gov.uk ☎☎

#### 2. Project Manager, Equipment Support Manager or PT Leader (from whom technical information is available)

Name: Kirstie Smith

Address MOD Abbey Wood North, Bristol, BS34 8JH

Email: kirstie.smith361@mod.gov.uk

#### 3. Packaging Design Authority Organisation & point of contact:

(Where no address is shown please contact the Project Team in Box 2)

☎☎

#### 4. (a) Supply / Support Management Branch or Order Manager: N/A

Branch/Name:

☎☎

(b) U.I.N.

#### 5. Drawings/Specifications are available from Project Manager

#### 6. Intentionally Blank

#### 7. Quality Assurance Representative:

Commercial staff are reminded that all Quality Assurance requirements should be listed under the General Contract Conditions.

8. **AQAPS** and **DEF STANs** are available from UK Defence Standardization, for access to the documents and details of the helpdesk visit <http://dstan.uwh.diif.r.mil.uk/> [intranet] or <https://www.dstan.mod.uk/> [extranet, registration needed].

#### 9. Consignment Instructions The items are to be consigned as follows:

#### 10. Transport. The appropriate Ministry of Defence Transport Offices are:

**A. DSCOM**, DE&S, DSCOM, MoD Abbey Wood, Cedar 3c, Mail Point 3351, BRISTOL BS34 8JH

Air Freight Centre

IMPORTS ☎☎ 030 679 81113 / 81114 Fax 0117 913 8943

EXPORTS ☎☎ 030 679 81113 / 81114 Fax 0117 913 8943

Surface Freight Centre

IMPORTS ☎☎ 030 679 81129 / 81133 / 81138 Fax 0117 913 8946

EXPORTS ☎☎ 030 679 81129 / 81133 / 81138 Fax 0117 913 8946

**B. JSCS**

JSCS Helpdesk No. 01869 256052 (select option 2, then option 3)

JSCS Fax No. 01869 256837

[www.freightcollection.com](http://www.freightcollection.com)

**11. The Invoice Paying Authority**

Ministry of Defence, DBS Finance, Walker House, Exchange Flags Liverpool, L2 3YL

☎☎ 0151-242-2000 Fax: 0151-242-2809

**Website is:** <https://www.gov.uk/government/organisations/ministry-of-defence/about/procurement#invoice-processing>

**12. Forms and Documentation are available through \*:**

Ministry of Defence, Forms and Pubs Commodity Management PO Box 2, Building C16, C Site, Lower Arncott, Bicester, OX25 1LP (Tel. 01869 256197 Fax: 01869 256824)

**Applications via fax or email:** [Leidos-FormsPublications@teamleidos.mod.uk](mailto:Leidos-FormsPublications@teamleidos.mod.uk)

**\* NOTE**

1. Many **DEFCONs** and **DEFFORMs** can be obtained from the MOD Internet Site:

<https://www.kid.mod.uk/maincontent/business/commercial/index.htm>

2. If the required forms or documentation are not available on the MOD Internet site requests should be submitted through the Commercial Officer named in Section 1.

## **General Conditions**

### **Third Party IPR Authorisation**

#### **AUTHORISATION BY THE CROWN FOR USE OF THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS**

Notwithstanding any other provisions of the Contract and for the avoidance of doubt, award of the Contract by the Authority and placement of any contract task under it does not constitute an authorisation by the Crown under Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949. The Contractor acknowledges that any such authorisation by the Authority under its statutory powers must be expressly provided in writing, with reference to the acts authorised and the specific intellectual property involved.

## **General**

### **DEFCON 005J**

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

### **DEFCON 129J**

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

### **DEFCON 501**

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

### **DEFCON 502**

DEFCON 502 (Edn. 05/17) - Specifications Changes

### **DEFCON 503**

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

### **DEFCON 507**

DEFCON 507 (Edn. 07/21) – Deliver

### **DEFCON 513**

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

### **DEFCON 514**

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

### **DEFCON 515**

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

### **DEFCON 516**

DEFCON 516 (Edn. 04/12) – Equality

### **DEFCON 518**

DEFCON 518 (Edn. 02/17) – Transfer

### **DEFCON 520**

DEFCON 520 (Edn. 08/21) - Corrupt Gifts and Payments of Commission

### **DEFCON 522**

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

### **DEFCON 526**

DEFCON 526 (Edn. 08/02) – Notices

**DEFCON 527**

DEFCON 527 (Edn. 09/97) – Waiver

**DEFCON 528**

DEFCON 528 (Edn. 07/21) - Import and Export Licences

**DEFCON 531**

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

**DEFCON 532B**

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

**DEFCON 534**

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

**DEFCON 537**

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

**DEFCON 538**

DEFCON 538 (Edn. 06/02) – Severability

**DEFCON 550**

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

**DEFCON 566**

DEFCON 566 (Edn. 12/18) - Change of Control of Contractor

**DEFCON 608**

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

**DEFCON 609**

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

**DEFCON 620**

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

**DEFCON 632**

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

**DEFCON 658**

DEFCON 658 Cyber - Cyber risk resulted in a Cyber Risk Profile of Very Low. The Risk Assessment Reference is RAR-633846515.

**Invitation To: Tender Reference Number: 706210450- Foreign Currency Exchange  
Services**

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## **1. PURPOSE**

1.1 The Department currently purchases large quantities of foreign currency, for overseas exercises, winter sports and other operational uses when service personnel are deployed overseas.

1.2 The current foreign currency delivery service to UK Unit Cash Offices is currently paid through the MOD Bills Direct 2 system having never been competed as a requirement. The Bills Direct payment solution will be withdrawn after 31<sup>st</sup> March 2023 and it is considered necessary and appropriate to seek approval for an on-contract solution to supply foreign currency to UK military units within the UK.

1.3 It is estimated that this procurement exercise will lead to the provision of a foreign exchange and delivery service to process an estimated £140M in foreign currency requirements over a 2-year period, at a cost to the Department of £2.8M. The estimated value is based on an analysis of currency consumed in financial years 20-21 and 19-20. Based on the data available this ranges from £50M to £65M per annum. An upper limit for a 2-year contract is therefore recommended at £140M for the purposes of this business case which includes an element to mitigate exchange rate variances should the value of the GBP fall.

## **2. BACKGROUND TO THE AUTHORITY**

2.1 The business case was submitted to Head Office Finance in September 2021 and approved.

2.2 The Senior Responsible Officer for this project is the Financial Management Policy and Accounting (FMPA) Accountability and Treasury Manager (ATM) Deputy Head that reports to the Operational Finance Director's 2\* area.

2.3 Once the contract is let the management of the currency ordering and supply service will be carried out by the Defence Business Services (DBS) Civilian Personnel, Finance & Procurement (CPFP) team based at Walker House in Liverpool.

## **3. OVERVIEW OF REQUIREMENT**

3.1 There are three main elements of the requirement:

- 3.1.1 Provision of a currency exchange service to supply a specified value of an overseas currency for payment by MOD in GBP
- 3.1.2 Provision of a delivery service to deliver the currency securely to a UK military unit located in the United Kingdom
- 3.1.3 Provision of a foreign currency collection service to allow the return of unused foreign currency for reimbursement to MOD in GBP.

## **4. THE REQUIREMENT**

4.1 An ordering mechanism for MOD to follow, setting out the channel of communication in order for DBS staff to place orders, any technical implications that MOD need to be aware of due to security restrictions in MOD IT applications, the minimum notice period required prior to a currency delivery, customer support procedure and any restrictions in the currencies that can be supplied.

- 4.2 A secure delivery service that informs the recipient he/she needs to meet the currency delivery, details of the point at which accountability for the currency passes to the MOD, a feedback loop for the ordering organisation to state that the currency has been delivered, and any geographical restrictions in respect of the United Kingdom Delivery area.
- 4.3 A returns procedure that allows a request to be made for the collection of unused foreign currency, any minimum sterling value restricting collection and any restrictions on the currencies that can be returned.

## 5. SOCIAL VALUE

- 5.1 Social value is an essential criterion, it will be assessed using Theme 2 'Tackle Workforce Inequality' & Theme 4 'Equal opportunity' of the social value model, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/940826/Social-Value-Model-Edn-1.1-3-Dec-20.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940826/Social-Value-Model-Edn-1.1-3-Dec-20.pdf) framework, specifically:-
  - 5.2 Equal opportunity- Reduce the disability employment gap
  - 5.3 MAC 5.1: Demonstrate action to increase the representation of disabled people in the contract workforce.
  - 5.4 MAC 5.2: Support disabled people in developing new skills relevant to the contract, including through training schemes that result in recognised qualifications.  
Suggested reporting metrics are outlined below.
- Total percentage of full-time equivalent (FTE) disabled people employed under the contract, as a proportion of the total FTE contract workforce, by UK region.
- Number of full-time equivalent (FTE) disabled people employed under the contract, by UK region.
- Total percentage of disabled people on apprenticeship schemes (Level 2, 3, and 4+) under the contract, as a proportion of the all people on apprenticeship schemes (Level 2, 3, and 4+) within the contract workforce, by UK region.
- Number of disabled people on apprenticeship schemes (Level 2, 3, and 4+) under the contract, by UK region.
- Total percentage of disabled people on other training schemes (Level 2, 3, and 4+) under the contract, as a proportion of the all people on other training schemes (Level 2, 3, and 4+) within the contract workforce, by UK region.
- Number of disabled people on other training schemes (Level 2, 3, and 4+) under the contract, by UK region.
- 5.5 Tackle Workforce Inequality - Create new businesses, new jobs and new skills
- 5.6 MAC2.2: Create employment and training opportunities particularly for those who face barriers to employment and/or who are located in deprived areas, and for people in industries with known skills shortages or in high growth sectors.  
Suggested reporting metrics are outlined below.
- Number of apprenticeship opportunities (Level 2, 3, and 4+) created or retained under the contract, by UK region.
- Number of training opportunities (Level 2, 3, and 4+) created or retained under the contract, other than apprentices, by UK region.

## 6. AUTHORITY'S RESPONSIBILITIES

The Authority is responsible for providing the contractor with relevant and complete information in order to fulfil a service request. Details will include, currency required, value required, name and address of the recipient at the delivery location.

## 7. REPORTING

On request, the contractor may be asked to supply a statement of currency supplied or delivered to the various locations as advised by MOD.

## 8. CONTINUOUS IMPROVEMENT

8.1 The contractor will be expected to continually improve the way in which the required Services are delivered throughout the Contract duration. This should occur as a result of regular reviews of ways of working and lessons learned in discussion with DBS.

## 9. SUSTAINABILITY

9.1 There are no sustainability considerations for this requirement.

## 10. STAFF AND CUSTOMER SERVICE

10.1 Staff assigned to the Contract shall have the relevant subject matter expertise and/or qualification(s) to deliver the Contract.

10.2 Staff shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

## 11. SERVICE LEVELS AND PERFORMANCE

11.1 The Authority will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Delivery of Currency	<b>As required:</b>  Delivery in accordance with agreement made with MOD in timescales included in the Technical Evaluation Document.	100%
2	Collection of Currency	Collection of currency in accordance with agreement made with MOD in timescales included in the Technical Evaluation Document	100%

3	Customer Service and Performance improvement	All activities will meet SoR purpose and acceptance criteria agreed between the Authority and the provider.	100%
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## **12. SECURITY REQUIREMENTS**

- 12.1 The Ministry of Defence requires that its Potential Providers are Cyber Essentials plus Certified; accordingly, Potential Providers are to confirm in your response whether you already hold Cyber Essentials Certification.
- 12.2 In the event that a successful Potential Provider does not hold a Cyber Essentials plus Certification, confirmation will be sought from the Potential Provider that they will obtain the Cyber Essentials Certification prior to starting work. A cyber risk assessment shall be conducted in accordance with DEFCON 658.

## **13. PAYMENT**

- 13.1 Payment will only be made following satisfactory delivery of pre-agreed certified products and deliverables.
- 13.2 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs. All payment will be made through the Authorities electronic payment system, CP&F.
- 13.3 MOD's payment terms are in line with Government Prompt Payment Policy. The government commitment is to pay 90% of undisputed and valid invoices from SMEs within 5 days and 100% of all undisputed and valid invoices to be paid within 30 days.

## **14. BASE LOCATION**

- 14.1 All orders for delivery and collection will be originated from DBS Finance, 1<sup>ST</sup> Floor, Walker House, Exchange Flags, Liverpool, L2 3YL. Delivery and collection will need to be made to any military base located in the UK.

END

**Invitation To: Tender Reference Number: 706210450 – The Provision of Foreign Currency to Support Operational Deployments Overseas****Pricing Schedule for Currency Requirements**

Tenderers are required to complete the Pricing Schedule below, stating:

Part A) the indicative costs of the currency requested assuming an order date of 31 October for delivery as per the timescale stated in the technical specification document, to Station Headquarters, RAF High Wycombe, Bucks HP14 4UE.

Part B) the indicative sterling payment to be made to the MOD following a request to collect surplus currency from Station Headquarters, RAF High Wycombe, Bucks HP14 4UE.

Tenderers MUST provide a Firm Price for all of the currencies stated inclusive of Delivery Costs.

Reference	Currency Requirement	Delivery Date	Firm Price (£) (incl. VAT)
<b>Part A – Cost of Currency with an order date of 31 October 2022</b>			
1	100,000 US Dollars		
2	100,000 Euros		
3	100,000 Swedish Krona		
4	1,000,000 Kenyan Shilling		
5	1,000,000,000 Iraqi Dinar		
Reference	Currency Requirement	Collection Date	Firm Price (£) (incl. VAT)
<b>Part B – Return of Currency following a request date of 31 October 2022</b>			
1	50,000 US Dollars		
2	50,000 Euros		
3	500,000 Kenyan Shilling		
4	500,000,000 Iraqi Dinar		
5	5,000,000 Nepalese Rupee		

Please state in the Firm Price box whether you would be unwilling to deal in any of these currencies

**TENDER TECHNICAL EVALUATION MATRIX (TTEM)**

**Quality/ Service delivery marking criteria**

Technical questions will be scored using the following marking scheme;

<b>Marking scheme</b>	<b>Characteristic</b>
<b>100 - Excellent</b>	<p><b>Score 100: Excellent:</b> The response fully meets all requirements with detail provided minimising risks to delivery and that there are no implementation plans required to meet the requirements.</p> <p>The response is comprehensive and unambiguous, demonstrating a thorough understanding of the requirements and provides details of how the requirement will be met in full without additional support from the Contracting Authority, other than that outlined within the Statement of Requirements.</p> <p>The supplier meets or exceeds a threshold of 30 delivery locations in each of the 12 required regions and exceeds a total of 2000 delivery locations</p>
<b>70 - Good</b>	<p><b>Score 70: Good:</b> The response is acceptable and meets all the basic requirements. However, the response, is not sufficiently detailed to minimise risk and/or the proposed approach may require additional support (in addition to that outlined in the Statement of Requirements) from the Contracting Authority to meet its deliverables.</p> <p>Any implementation plans to meet a requirement demonstrates a thorough understanding of the relevant issues, provides well defined plan to achieve full compliance in an acceptable timescale with no assistance from the contracting authority.</p> <p>The supplier meets or exceeds a threshold of 30 delivery locations in each of the 12 required regions and a total of between 1500 and 1999 available delivery locations.</p>
<b>30 - Adequate</b>	<p><b>Score 30: Adequate:</b> The response has met some, but not all elements of the requirement, which poses risk that the proposal will not meet the deliverables required. The response does not demonstrate a full understanding of the requirement.</p> <p>Any implementation plans to meet a requirement demonstrate some understanding of the relevant issues. Plans provided may lack sufficient detail to ensure full compliance in an acceptable timescale or may require significant assistance from the contracting authority.</p> <p>The supplier meets or exceeds a threshold of 30 delivery locations in each of the 12 required regions and a total of between 1000 and 1499 available delivery locations.</p>

<p><b>0 - Inadequate</b></p>	<p><b>Score 0: Inadequate:</b> The response does not address or explain how the requirement will be fulfilled and fails to demonstrate the ability to meet the requirement.</p> <p>Any implementation plans to meet a requirement do not demonstrate an understanding of the relevant issues. Plans do not provide sufficient detail to indicate that full compliance will be achieved in an acceptable timescale, and/or they require significant levels of assistance from the contracting authority.</p> <p>The supplier has fewer than 30 delivery locations in any of the 12 required regions, or that the total number of delivery locations is fewer than 1000.</p>
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QUESTIONNAIRE 1.1 – Efficiency of Ordering Process				Weighting – 20%
<p><b>All Potential Providers MUST answer ALL the following questions</b></p> <p><b>Page Limit for the single attachment containing your responses to Questionnaires 1.1-1.3 is 20 pages. This is to include all annexes, certificates, and screenshots - failure to constrain responses to this limit may result in a tender being deemed non-compliant.</b></p>				
Question Number	Question	Minimum Acceptable Score	Maximum Available Score	Weighting %
1.1.1	<p>Please detail the mechanism for placing an order for the supply of currency, setting out the channels of communication (Telephone, Email, Online application) and any details regarding the data required.</p> <p>Note that MOD has a secure IT network protected by a firewall and there are constraints on the use of certain applications. If the ordering process is via an Online Application then please provide screenshots, the URL link and/or any hosting requirements</p>	30	100	30%
1.1.2	<p>Please state how many working days will elapse between the order and delivery date as an indicator of the minimum days notice MOD will need to provide to obtain the requested currency. Please state if there are any differing timescales for more exotic currencies.</p>	30	100	30%
1.1.3	<p>Please provide details of your customer support procedure should MOD have any queries once an order has been placed.</p>	30	100	20%
1.1.4	<p>Please state if there are any restrictions in the currencies that can be supplied</p>	30	100	20%



QUESTIONNAIRE 1.2 – SECURITY OF DELIVERY				Weighting – 15%
All Potential Providers MUST answer ALL the following questions				
Question Number	Question	Minimum Acceptable Score	Maximum Available Score	Weighting %
1.2.1	Please provide details of how the currency will be delivered to the unit.	30	100	20%
1.2.2	Please provide details of how the recipient of the currency (contact will be provided when order placed) will be contacted and informed that he/she needs to meet the delivery.	30	100	20%
1.2.3	Please provide details of the point at which accountability for the security of the currency transfers to the MOD.	30	100	20%
1.2.4	Please provide details of any feedback loop to the ordering organisation to provide confirmation that the currency has been delivered.	30	100	20%
1.2.5	Please specify what parts of the United Kingdom currency can be supplied to, specifically setting out any geographic restrictions	30	100	20%

QUESTIONNAIRE 1.3 – Returns Procedure				15%
	<b>All Potential Providers MUST answer ALL the following questions</b>			
Question Number	Question	Minimum Acceptable Score	Maximum Available Score	Weighting %
1.3.1	Please provide details of the process for surplus foreign currency to be collected from military units to be credited back to the MOD in Sterling	30	100	50%
1.3.2	Please state the minimum Sterling value of any currency returned	30	100	30%
1.3.3	Please state if there are any restrictions in the currencies that can be returned	30	100	20%

QUESTIONNAIRE 2.1 – SOCIAL VALUE				Weighting – 10%
<p><b>All Potential Providers MUST answer ALL the following questions</b></p> <p><b>Page Limit for the response to Questionnaire 2.5 is 2000 words. Any supporting certificates are not included within this word limit.</b></p>				
Question Number	Question	Minimum Acceptable Score	Maximum Available Score	Weighting %
2.1.1	<p>Policy Outcome: Create new businesses, new jobs and new skills</p> <p>MAC2.2: Create employment and training opportunities particularly for those who face barriers to employment and/or who are located in deprived areas, and for people in industries with known skills shortages or in high growth sectors.</p> <p>Using a maximum of 1000 characters describe the commitment your organisation will make to ensure that opportunities under the contract deliver the Policy Outcome and Award Criteria. Please include:</p> <ul style="list-style-type: none"> <li>• your 'Method Statement', stating how you will achieve this and how your commitment meets the Award Criteria, and</li> <li>• a timed project plan and process, including how you will implement your commitment and by when. Also, how you will monitor, measure and report on your commitments/the impact of your proposals. You should include but not be limited to: <ul style="list-style-type: none"> <li>◦ timed action plan</li> <li>◦ use of metrics</li> <li>◦ tools/processes used to gather data</li> <li>◦ reporting</li> <li>◦ feedback and improvement</li> <li>◦ transparency</li> </ul> </li> <li>• how you will influence staff, suppliers, customers and communities through the delivery of the contract to support the Policy Outcome, e.g. engagement, co-design/creation, training and education, partnering/collaborating, volunteering.</li> </ul>	10	100	50%
2.1.2	Policy Outcome: Reduce the disability employment gap	10	100	50%

	<p>MAC 5.1: Demonstrate action to increase the representation of disabled people in the contract workforce.</p> <p>MAC 5.2: Support disabled people in developing new skills relevant to the contract, including through training schemes that result in recognised qualifications.</p> <p>Using a maximum of 1000 characters describe the commitment your organisation will make to ensure that opportunities under the contract deliver the Policy Outcome and Award Criteria. Please include:</p> <ul style="list-style-type: none"> <li>● your ‘Method Statement’, stating how you will achieve this and how your commitment meets the Award Criteria, and</li> <li>● a timed project plan and process, including how you will implement your commitment and by when. Also, how you will monitor, measure and report on your commitments/the impact of your proposals. You should include but not be limited to: <ul style="list-style-type: none"> <li>○ timed action plan</li> <li>○ use of metrics</li> <li>○ tools/processes used to gather data</li> <li>○ reporting</li> <li>○ feedback and improvement</li> <li>○ transparency</li> </ul> </li> <li>● how you will influence staff, suppliers, customers and communities through the delivery of the contract to support the Policy Outcome, e.g. engagement, co-design/creation, training and education, partnering/collaborating, volunteering.</li> </ul>			
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## Currency Requirement

AED	UAE-Dirham
AUD	Australian Dollar
BAM	Bosnia and Herzegovina Convertible Mark
BGN	Bulgaria Lev
BND	Brunei Darussalam Dollar
BRL	Brazil Real
BWP	Botswana Pula
BZD	Belize Dollar
CAD	Canada Dollar
CHF	Switzerland Franc
CLP	Chile Peso
COP	Colombian Peso
CZK	Czech Republic Koruna
DKK	Denmark Krone
EGP	Egypt Pound
EUR	Euro
GEL	Georgian Lari
HRK	Croatia Cuna
HUF	Hungary Forint
ILS	Israel Shekel
INR	India Rupee
IQD	Iraqi Dinar
ISK	Iceland Krona
JOD	Jordanian Dinar
JPY	Japan Yen
KES	
KRW	Korea (South) Won
KWD	
MAD	
MYR	Malaysia Ringgit
NGN	Nigera Naira
NOK	Norway Krone
NPR	Nepal Rupee
NZD	New Zealand Dollar
OMR	Oman Rial
PEN	Peru Sol
PHP	Philippines Peso
PLN	Poland Zloty
QAR	Qatar Riyal
RON	Romania Leu
SAR	Saudi Arabia Riyal
SEK	Swedish Krona
SGD	Singapore Dollar
TND	Tunisian Dinar
TRY	Turkish Lira
USD	United States Dollars

UYU	Uruguay Peso
VND	Viet Nam Dong
XCD	East Caribbean Dollar
ZAR	South African Rand