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**LSBU15/0063**

**Contract in Support of the Light  
Protected Personnel Vehicles**

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**Schedule of Terms and Conditions of the Contract (Index)**

Schedule of Requirements

Conditions of the Contract

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|  |   |   |
|--|---|---|
| Name and Address of Contractor:<br>Amethyst Group<br>Lodge Road<br>Staplehurst<br>Kent<br>TN12 0QW | <b>MINISTRY OF DEFENCE</b><br><b>Schedule of Requirement</b><br><b>For</b><br>Supply of Light Protected Personnel Vehicle (LPPV) Spares | Contract Number:<br>LSBU15/0063<br><br>Issued on: 1 <sup>st</sup> July 2015 |
|--|---|---|

**Table I Articles Required**

| Item No | MOD stock reference<br>NATO stock reference<br>Stores reference number<br>Or Catalogue number | Specification number<br>Drawing number<br>Part number | DESCRIPTION | Quantity (each unless otherwise stated) | Price £        |
|---------|---|---|-------------|---|----------------|
| 1       | Supply of Articles in accordance with the schedule provided at Annex A.                       |   |             | As per Annex A                          | As per Annex A |

**Table II Packaging requirements**

| Item No | Packaging specifications/special markings etc  | Quantity | Adjustment* £ | Quantity | Adjustment* £ | Quantity | Adjustment* £ |
|---------|--|----------|---------------|----------|---------------|----------|---------------|
| 1       | As stated at Annex A and on individual Orders and in accordance with DEFCON 129 (Edn 10/13). |          |               |          |               |          |               |

**Table III Delivery of Articles**

**NOTE: \*to price per**

**quantity shown in Table I**

| Item No | Start   | Rate | Finish | CONDITIONS OF CONTRACT:<br>This contract is subject to the Conditions of Contract attached. |
|---------|---|------|--------|---|
| 1       | As stated on individual Orders and in accordance with delivery lead times detailed at Annex A – Condition 9 refers. |      |        |   |

**CONDITIONS OF CONTRACT**

**1. DEFCONs**

The following Defence Conditions (DEFCONS), Defence Forms (DEFFORMS) and Ministry of Defence Forms (MOD Forms) shall apply:

|   |  |
|---|--|
| DEFCON 5J (Edn 07/08)   | Unique Order Identifiers                                     |
| DEFCON 23 (Edn 08/09)   | Special Jigs, Tooling and Test Equipment                     |
| DEFCON 68 (Edn 11/14)   | Supply of Hazard Data for Articles, Materials and Substances |
| DEFCON 113 (Edn 10/04)  | Diversion Orders   |
| DEFCON 117 (Edn 10/13)<br>Purposes  | Supply of Information for NATO Codification                  |
| DEFCON 129 (Edn 03/14)  | Packaging (For Articles Other Than Munitions)                |
| DEFCON 129J (Edn 07/08)   | The Use of Electronic Business Delivery Form                 |
| DEFCON 501 (Edn 12/14)  | Definitions and Interpretations                              |
| DEFCON 502 (Edn 06/14)  | Specifications Changes                                       |
| DEFCON 503 (Edn 12/14)  | Formal Amendments to Contract                                |
| <b>Note:</b> DEFCON 620 is not a Condition of this Contract and consequently the Authority Notice of Change referred to at Clause 2a of this DEFCON shall not form part of the written agreement. |  |
| DEFCON 507 (Edn 10/98)  | Delivery   |
| DEFCON 509 (Edn 09/97)  | Recovery of Sums Due   |
| DEFCON 513 (Edn 06/10)  | Value Added Tax  |
| DEFCON 515 (Edn 10/04)  | Bankruptcy and Insolvency                                    |
| DEFCON 516 (Edn 04/12)  | Equality   |
| DEFCON 518 (Edn 11/12)  | Transfer   |
| DEFCON 520 (Edn 07/11)  | Corrupt Gifts and Payments of Commission                     |
| DEFCON 521 (Edn 04/12)  | Sub-Contracting to Supported Businesses                      |
| DEFCON 522 (Edn 07/99)  | Payment  |

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|                         |   |
|-------------------------|---|
| DEFCON 522J (Edn 05/03) | Payment Under P2P   |
| DEFCON 523 (Edn 03/99)  | Payment of Bills Using the Bankers Automated Clearing Service (BACS) System                         |
| DEFCON 524 (Edn 10/98)  | Rejections  |
| DEFCON 525 (Edn 10/98)  | Acceptance  |
| DEFCON 526 (Edn 08/02)  | Notices   |
| DEFCON 527 (Edn 09/97)  | Waiver  |
| DEFCON 528 (Edn 05/12)  | Overseas Expenditure, Import and Export Licenses  |
| DEFCON 529 (Edn 09/97)  | Law (English)   |
| DEFCON 530 (Edn 12/14)  | Dispute Resolution (English Law)  |
| DEFCON 531 (Edn 11/14)  | Disclosure of Information   |
| DEFCON 532A (Edn 06/10) | Protection of Personal Data (Where Personal Data is Not Being Processed on Behalf of the Authority) |
| DEFCON 534 (Edn 06/97)  | Prompt Payment  |
| DEFCON 537 (Edn 06/02)  | Rights of Third Parties   |
| DEFCON 538 (Edn 06/02)  | Severability  |
| DEFCON 539 (Edn 08/13)  | Transparency  |
| DEFCON 550 (Edn 02/14)  | Child Labour and Employment Law   |
| DEFCON 566 (Edn 07/14)  | Change of Control of Contractor   |
| DEFCON 601 (Edn 04/14)  | Redundant Materiel  |
| DEFCON 602A (Edn 12/06) | Deliverable Quality Plan  |
| DEFCON 606 (Edn 06/14)  | Change and Configuration Control Procedure  |
| DEFCON 608 (Edn 10/14)  | Access and Facilities to be Provided by the Contractor  |
| DEFCON 609 (Edn 06/14)  | Contractor's Records  |
| DEFCON 610B (Edn 12/02) | Enabling Contracts - Duration Period  |
| DEFCON 612 (Edn 10/98)  | Loss of or Damage to the Articles   |

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|                         |   |
|-------------------------|---|
| DEFCON 614 (Edn 09/03)  | Default   |
| DEFCON 615A (Edn 03/04) | Orders for Articles/Services Under Enabling Contracts       |
| DEFCON 616 (Edn 10/98)  | Competition/Alternative Sourcing                            |
| DEFCON 617 (Edn 12/02)  | Enabling Contracts – Estimated Quantities                   |
| DEFCON 618 (Edn 12/02)  | Enabling Contracts – Standing Offer                         |
| DEFCON 619A (Edn 09/97) | Customs Duty Drawback                                       |
| DEFCON 621B (Edn 10/04) | Transport (If the Contractor is Responsible for Transport)  |
| DEFCON 624 (Edn 11/13)  | Use Of Asbestos   |
| DEFCON 627 (Edn 12/10)  | Requirement for a Certificate of Conformity                 |
| DEFCON 632 (Edn 02/07)  | Third Party Intellectual Property – Rights And Restrictions |
| DEFCON 637 (Edn 08/99)  | Defect Investigation and Liability                          |
| DEFCON 644 (Edn 06/13)  | Marking of Articles   |
| DEFCON 646 (Edn 10/98)  | Law and Jurisdiction (Foreign Suppliers)                    |
| DEFCON 670 (Edn 07/14)  | Tax Compliance  |

## **2. QUALITY ASSURANCE**

2.1 The following Standards shall apply:

- a. AQAP 2120 Edition 3 Nov 2009
- b. Defence Standard 05-61 Part 1 Issue 5 dated 2 August 2010  
Quality Assurance Procedural Requirements - Concessions
- c. Defence Standard 05-61 Part 4 Issue 3 & Amendment 1  
Quality Assurance Procedural Requirements – Contractor Working Parties
- d. Defence Standard 05-57 Issue 5 dated 17 June 2005  
Configuration Management of Defence Material
- e. Defence Standard 00-56 Issue 5 Parts 1 dated 21 February 2014  
Safety Management Requirements for Defence Systems
- f. Defence Standard 05-135 Issue 1 dated 10 July 2014  
Avoidance of Counterfeit Materiel

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### **3. DURATION**

- 3.1 The duration of the Contract shall be a period of 3 years from date of Contract award. There is also an option to extend the Contract for a further year, subject to performance. The Authority shall advise the Contractor at least 3 months before the end of the Contract expiry date if it intends to take up the option.
- 3.2 After expiry of the Contract, only instructions covering reduction, cancellation, changes of part numbers and similar alterations to existing requirements shall be issued. New orders for additional Articles or increases to existing requirements shall not be issued or accepted after the above mentioned expiry date. If after expiry of the Contract, the Contractor receives any new orders, it should seek advice from the Procurement Branch as detailed in Box 1 of the DEFFORM 111 prior to acceptance of the order.
- 3.3 The Authority reserves the right to refuse payment of invoices for Articles which are delivered, if they have been ordered under the terms of this Contract after the expiry date of the Contract.

### **4. OPERATION OF CONTRACT**

- 4.1 The Contractor shall supply Articles listed at Annex A as may be ordered by DSG Land Supply. Orders from DSG Land Supply shall be transmitted electronically to the Contractor via Purchase 2 Payment (P2P) in accordance with clause 10.2.
- 4.2 On a periodic basis, and along with other economic operators who have been awarded a Contract to supply Light Protected Personnel Vehicle (LPPV) spares, the Contractor shall be issued with a Request for Quote (RFQ) for additional items and shall be required to supply a quotation for each line item by a given return date (which shall depend upon the priority of the requirement). The quotation shall represent a firm pricing offer for each line item to remain valid for the whole of the prevailing pricing year, making special note of the following:
- i. Appropriate price breaks (up to a maximum of 6) that take account of the Evaluation Quantity identified at column M. The Evaluation Quantity represents an indication of likely usage during the prevailing pricing year but is provided for evaluation purposes only and on a strictly without commitment basis;
  - ii. In conjunction with the price breaks offered, the Contractor shall confirm the Evaluation Price at column N, which shall be the price applicable to the Evaluation Quantity at column M. Where the Evaluation Price does not match the price breaks offered, the Authority reserves the right to consider the offer for that line item as non-compliant;
  - iii. In providing price breaks for each line item, the Contractor shall ensure that the prices represent a consistent offer across the range of quantity bands where each price is commensurate with the quantity band it relates to and the other prices offered for higher and lower quantity bands;
  - iv. Where the Authority reasonably considers that an offer for a particular line item has been skewed to supply an artificially low price for the Evaluation

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Quantity then the Authority reserves the right to consider the offer for that line item as non-compliant.

- v. All prices must be entered to no more than 2 decimal places;
  - vi. Manufacturer's Part Number (where a drawing has not been provided) for each line item. The MPN must accurately reflect a valid reference to the NATO Stock Number as listed on ISIS. The Authority reserves the right to consider any bid where no MPN or an invalid MPN is provided as non-compliant;
  - vii. Lead time for each line item, to be provided in working days;
  - viii. Details of any suppliers (title and address) from whom the Tenderer intends to source the item or sub-contract aspects of the manufacturing process to;
  - ix. Tenderers must not, in any way, alter any of the information provided by the Authority on Annex A. The Authority reserves the right to consider any bid as non-compliant where any such information has been changed.
- 4.3 On lapse of the return date, the Authority shall compare the quotations received and shall award each line item to the economic operator who offers the 'lowest total cost' compliant quotation. The total cost shall be calculated as follows:

**Evaluation Price x [ Evaluation Quantity + Lead Time Quantity ]**

The Lead Time Quantity shall be calculated as follows:

[ Forecast of Quarterly Demand (FQD) x Lead Time ] / 3 (rounded up to the nearest whole number), where:

- FQD is as stated at column J of the RFQ;
  - Lead Time shall be the lead time (in working days) offered in the Contractor's quotation at column L of the RFQ converted into months. The conversion from working days to months shall be carried out by dividing the lead time in working days by 20.
- 4.4 If, by exception, the Contractor deems it necessary to impose a MOQ then he must provide adequate justification with his quotation. Should a quoted MOQ exceed the sum of the Firm Quantity and Lead Time Quantity then the MOQ shall be used in its place to calculate the total cost.
- 4.5 For any line items where only one bid has been received, the Authority reserves the right to request supplementary information from the Contractor in order to determine value for Defence in the absence of competition. The Contractor agrees to fully comply with any such requests.
- 4.6 Quotations received after the stated return date shall not receive consideration.
- 4.7 Any items to be awarded to the Contractor shall be added to Annex A. The Contractor shall note that the addition of items to Annex A does not, in itself,

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constitute an order. Individual Orders shall be issued in accordance with clause 10.2.

- 4.8 The award of line items to the Contractor does not in any way compromise any aspiration on the Authority's part to seek further competition for those items during the Contract term should circumstances prompt such action. The Authority shall, on a periodic basis, review the highest cost drivers to determine whether best value for Defence is best demonstrated by achieving more frequent competition.
- 4.9 The Authority shall monitor the Contractor's performance on a monthly basis with reference to the Key Performance Indicators referenced at Annex B and reserves the right to exclude the Contractor from the issue of RFQs as described at clause 4.2 in the event that any of the following occurs:
- a. The Contractor's delivery performance falls below 90% of order lines being delivered by the agreed delivery date;
  - b. The percentage of order lines delivered that are subject to a New Stores Reject (where it is agreed that the Contractor is liable) exceeds 1%;
  - c. The percentage of order lines delivered that are subject to Non Conformance Reports exceeds 1%;
  - d. The percentage of RFQs satisfied by the stated return date falls below 80%. For the purposes of this measure, a 'No Bid' shall be deemed to satisfy the RFQ provided it is submitted by the stated return date.
- 4.10 Notwithstanding the provisions of clause 4.8 (d), the Authority reserves the right to exclude the Contractor from the issue of RFQs should it, by consistently returning either 'No Bids' or non-compliant bids, fail to demonstrate that it is adequately engaging in the competitive process.
- 4.11 Where the Contractor returns a 'No Bid', it shall justify such action by annotating the line item with the relevant status code. Details of the available status codes shall be provided with the RFQ.
- 4.12 The Authority shall, on an annual basis, review all items awarded to the LPPV Contracts and shall conduct a competitive exercise for those line items where it is considered that best value for Defence is demonstrated by further market testing. Three months before the end of each of the Contract years, an RFQ containing those items identified for competition shall be issued to all the economic operators. The process for submitting bids and awarding items shall be as described at paragraphs 4.1 to 4.7. All line items awarded during the last quarter of each pricing year shall be excluded from the scope of the annual competition and shall, unless a later review determines that best Value for Defence is otherwise demonstrated, remain with the successful Contractor for the duration of the subsequent pricing year. For those items on Annex A that are not included in the RFQ, the Contractor shall submit pricing for the following year, no later than 2 months prior to the end of the prevailing pricing period, for the Authority's consideration.

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### 5. SPECIFICATION

- 5.1 It is the Contractor's responsibility to ensure that the Articles listed at Annex A are supplied to the latest drawing issue, where appropriate, or in accordance with an ISIS compliant manufacturer's part number.
- 5.2 Where Articles are of a trade pattern or design, no change in design dimensions or materials which varies from the approved design, drawings or sample may be introduced into the Articles supplied in satisfaction of an Order raised against this Contract unless such change is authorised by the Procurement Branch before supply is made.
- 5.3 Where appropriate, Articles supplied shall be to the Design Authority (DA) specification and strictly interchangeable with the representative parts fitted to the original main equipment. Should the Contractor desire to supply against any demand under this Contract Articles of a pattern later than but interchangeable with those demanded, he shall, prior to supplying the Articles, complete and submit a full technical evaluation of the alternate product, providing sufficient evidence with which the Authority may obtain customer approval. In order All articles/material purchased shall, wherever practicable, be subject to the same test criteria that was used by the Design Authority during the production phase.
- 5.4 The Authority's Alternative Product Process shall be used to approve and implement any alternative parts. A copy of this process shall be issued to the Contractor upon Contract award.
- 5.5 Articles which are normally painted when in use shall be painted in accordance with the Contractor's standard painting specification.
- 5.6 The Contractor shall, upon first delivery of each line item, forward a copy of the manufacturer's technical data sheet to the Procurement Branch.

### 6. NEW STORES REJECT (NSR)

- 6.1 If the Authority reasonably considers that any Article fails to comply in all material respects to the specification, a New Stores Reject (NSR) shall be raised by the Authority. Such rejection shall be reported to the Contractor in writing, who will manage it in accordance with clauses 6.2 and 6.3
- 6.2 Once notified in accordance with clause 6.1 the Contractor shall respond to the Procurement Branch within 5 Business Days of receipt detailing its offer of repair and/or replace at no cost to the Authority. The Procurement Branch shall respond to the Contractor's proposed remedy within 5 Business Days.
- 6.3 Once the remedy is agreed between the Authority and the Contractor, the parties shall agree a reasonable time period within which the NSR shall be fully resolved and the corrected Articles delivered, at the Contractor's cost, to the Authority's stated consignee.

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- 6.4 Performance in this area shall be measured in accordance with the Key Performance Indicators detailed at Annex B.

### **7. SHELF LIFE**

- 7.1 It shall be a requirement of the Contract that, where shelf life is a consideration, the Contractor shall declare to this effect and provide details against each Article to be recorded at Annex A. As a minimum, this shall be that the Article has '12 months shelf life'. In addition, the packaging of the Articles supplied must be marked with a date commensurate with the end of the useful life of the Article.

### **8. PRICES**

- 8.1 The prices payable under the Contract shall be the FIRM (non-revisable) Carriage Paid (CPT as defined by Incoterms 2010) prices detailed at Annex A. Prices shall remain firm for the duration of the prevailing pricing year.
- 8.2 The prices shall be inclusive of packaging (including packaging to military level standard where appropriate) and bar code labelling, and shall be exclusive of Value Added Tax (VAT), which shall be levied at the Standard Rate.
- 8.3 Prices for additional requirements shall be submitted in accordance with clause
- 8.4 The price payable shall be that which is effective at the date of Order.

### **9. DELIVERY REQUIREMENTS**

- 9.1 Delivery shall be made in accordance with the delivery lead-times stated at Annex A. Any amendments to the contracted delivery dates shall be formally agreed between the Contractor and the Authority. The Authority is willing to accept phased deliveries in order to meet priority requirements.
- 9.2 Delivery performance shall be measured in accordance with the Key Performance Indicators detailed at Annex B.
- 9.3 All deliveries to LCS Donnington must be made via the West Gate entrance.
- 9.4 In the event that the Contractor intends to deliver articles using Parcel Deliveries, the following criteria will apply:
- a. Maximum weight per article: 30KG  
Maximum length per item: 150CM  
Volumetric Calculation is: length x width x height (cm) / 4000  
  
Note: The maximum quantity of Parcels in any one delivery should not exceed Qty 5.
  - b. At the point of Parcel Delivery, the Authority reserves the right to:

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- i) Not accept a delivery/collection outside of the hours 08:00 to 16:00 (Monday to Thursday) and 08:00 to 15:30 (Friday);
- ii) Defer a delivery to the Authority Docks Area if there is a Health and Safety Concern;
- iii) Redirect the driver to an approved area for Offloading;
- iv) Offer the next available space within the Vehicle Delivery Service if the delivery does not meet the criteria detailed above.

LCS Donnington will not take responsibility for undelivered goods in the event that the Contractor chooses not to be re-directed.

9.5 Articles requiring delivery to LCS Donnington that fall outside the scope of Parcel Deliveries should be declared through the Logistics Commodities and Services Vehicle Manifest Booking Service, Building B5 FMW, MOD Donnington using the e-mail address [DESLCS-LS-FMWManifest@mod.uk](mailto:DESLCS-LS-FMWManifest@mod.uk) and complying with the following:

- a. The Contractors shall complete the Manifest Form at Annex C with the required information and submit 2 weeks in advance of the intended delivery being made.
- b. LCS & LSBU shall verify the information contained on the Manifest form and return to the Contractor within 24 Hours of receipt at which time confirmation of the delivery date, time and building location shall be notified. In the case of an early delivery which is more than 2 working weeks prior to the Contracted Delivery Date, the Authority reserves the right to reject the order or amend the quantity being delivered.
- c. Revisions to the submitted Manifest shall be accepted up to and including 48 Hours prior to the delivery being made. Note revisions should only be made for orders where the delivery has been requested by to be brought forward due to operational requirements.
- d. Contractors should proceed to deliver the articles on the date and time notified on the manifest and should ensure that a copy of the manifest accompanies the delivery.
- e. It is a condition of this Contract that in the event the Contractor does not adhere to the time of delivery notified by the Authority, the Authority shall not consider itself responsible for any subsequent claim by the Contractor, nor be held liable to meet any additional charges incurred by the Contractor through failure to deliver/collect on the due date at the appointed time.

9.6 For deliveries or collections from LCS Bicester contact must be made to their Traffic Branch, on Telephone Number 01869 257039 at least 48 hours before delivery is made. An appointment can then be made for the delivery/collection within the normal opening times of 08:00-12:30 (Monday to Friday AM), 13:00-15:00 (Monday to Thursday PM) and 13:00-14:00 (Friday PM).

9.7 In the event that the Contractor does not adhere to the time of delivery notified by the Authority, the Authority will not consider itself responsible for any

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subsequent claim by the Contractor, nor be held liable to meet any additional charges incurred by the Contractor through failure to deliver on the due date at the appointed time.

### **10. PAYMENT**

- 10.1 Claims for payment shall be submitted upon completion of work in accordance with DEFCON 522J
- 10.2 The Authority and the Contractor shall comply with the Electronic Transactions Agreement comprised in DEFFORM 30 (Edn 02/14). The sending by the Contractor of an "Acknowledgement of Receipt" Message is to be regarded as acceptance of the Purchase Order Message to which it refers, unless the Purchase Order Message itself constitutes acceptance in accordance with the terms and conditions of the Contract. Messages under DEFFORM 30 (Edn 02/14) received by the Contractor shall be regarded as having been authorised by the Authority.
- 10.3 Where an offer and acceptance has already taken place off-line to establish the Contract, the Authority shall issue a Purchase Order Message in order to establish Unique Order Identifiers for the Items on the Schedule of Requirements for the purpose of subsequent P2P transactions. The Contractor shall respond with an Acknowledgement Message. In these circumstances, Purchase Order Message serve only to convey to the Contractor the information necessary against which to supply an item, prepare a delivery label and to submit an Invoice Message; the Purchase Order Acknowledgement Message serves only to confirm receipt of a Purchase Order Message. No new contract is understood to be formed by this Purchase Order transaction. The Authority shall hold the Contractor harmless for any delay or failure by the Authority to issue a Purchase Order. However, any delay or failure to issue a Purchase Order shall not relieve the Contractor of his obligations under the Contract.

### **11. TRANSPARENCY**

- 11.1 For the purposes of this Condition the expressions:
- a. "Transparency Information" shall mean the content of this Contract in its entirety, including from time to time agreed changes to the Contract, and details of any payments made by the Authority to the Contractor under the Contract;
  - b. "Contractor Commercially Sensitive Information" shall mean the information listed in the Contractor Commercially Sensitive Information Annex to the Contract being information notified by the Contractor to the Authority which is acknowledged by the Authority as being commercially sensitive information.
- 11.2 Notwithstanding any other term of this Contract, including DEFCON 531 where applicable, the Contractor understands that the Authority may publish the Transparency Information to the general public. The Contractor shall assist and

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cooperate with the Authority to enable the Authority to publish the Transparency Information.

- 11.3 Before publishing the Transparency Information to the general public in accordance with clause 11.2 above, the Authority shall redact any information that would be exempt from disclosure if it was the subject of a request for information under the Freedom of Information Act 2000 ("the Act") or the Environmental Information Regulations 2004 ("the Regulations"), including the Contractor Commercially Sensitive Information.
- 11.4 The Authority may consult with the Contractor before redacting any information from the Transparency Information in accordance with clause 11.3 above. The Contractor acknowledges and accepts that its representations on redactions during consultation may not be determinative and that the decision whether to redact information is a matter in which the Authority shall exercise its own discretion, subject always to the provisions of the Act or the Regulations.
- 11.5 For the avoidance of doubt, nothing in this Condition shall affect the Contractor's rights at law.

## **12. MANAGEMENT OF NON CONFORMING DELIVERIES**

- 12.1 Articles shall be labelled, marked and packaged in accordance with the contract terms as per DEFCON 129 and the Quality Assurance requirements at Condition 2.
- 12.2 Where Articles do not conform to the requirements of clause 12.1, the Articles shall be quarantined by Logistic Commodities and Services (LCS) and a Non Conformance Report shall be raised detailing the reason for the Non Conformance and forwarded to the Authority for progression with the Contractor. It is advised that, if the Contractor is deemed to be liable, the Procurement Branch shall notify the Contractor with the details of the Non Conformance within 5 days of notification.
- 12.3 The Contractor shall then be required, within 5 days of notification, to either rectify the Articles in situ or shall arrange with the Procurement Branch for the collection of the Articles for rectification at the Contractor's premises, whichever is deemed the most appropriate, at no cost to the Crown. In the event that the Articles are collected for rectification, the Articles shall be rectified and delivered back to LCS within 10 days of collection.
- 12.4 In certain circumstances the Contractor accepts that due to their geographical location combined with the fact that the Articles may be required to satisfy urgent requirements the action proposed at clause 12.3 is not feasible. In these circumstances the Authority may take the decision to arrange rectification with LCS and for any subsequent manpower costs involved to be passed onto the Contractor. This is to be agreed on the understanding that the Contractor shall be advised of the costs prior to any rectification action taking place.
- 12.5 Notwithstanding the provisions of clause 12.4, should the non-conformance remain not rectified for more than 3 weeks beyond the 10 day period granted for rectification in clause 12.3, the Authority shall take the decision to arrange rectification with LCS and for any subsequent manpower costs involved to be passed onto the Contractor. The Contractor shall not be advised of the costs prior to any rectification action taking place.

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- 12.6 The level of non-conforming deliveries shall be measured in accordance with the Key Performance Indicators detailed at Annex B and any failure to meet the required level of performance shall be subject to the remedies contained therein.

### **13. KEY PERFORMANCE INDICATORS**

- 13.1 The Authority shall measure the performance of the Contractor with reference to the Key Performance Indicators detailed at Annex B and shall be entitled to claim a Payment Rebate in the event that the Contractor fails to meet the KPI Targets.

### **14. ORDER BOOK RECONCILIATION REPORT**

- 14.1 On a monthly basis, the Authority shall provide the Contractor with an Order Book Reconciliation Report. The report shall detail all orders that are considered open, confirming order number, Articles ordered, quantities and Confirmed Delivery Date. The Contractor shall respond within 5 business days of the date of issue of the report to confirm any anomalies in the orders listed, any orders considered open but not listed, details of orders that have since been dispatched, and, for those orders that remain outstanding, confirmation that the Confirmed Delivery Date shall be achieved.

### **15. ORDERS FROM BABCOCKS DSG WORKSHOPS**

- 15.1 Orders for the supply of Articles listed at Annex A shall be issued to the Contractor by a DSG Workshop using a DSG Baan Purchase Order Form, an example of which is provided at Annex D. A DSG Baan Purchase Order shall constitute a requirement against the Contract provided that it bears a name, signature (the Purchase Order shall be issued by e-mail, which shall bear a digital signature), and telephone number in the approval box of a Demanding Officer, and a Purchase Order Number.
- 15.2 Within 5 working days of the date of issue of the DSG Baan Purchase Order, the Contractor shall confirm in writing that he is proceeding with the order. In the event that the Contractor is unable to accept the Purchase Order, or any particular Article of the Purchase Order, he shall notify the Demanding Officer within 5 working days of the date of issue of the DSG Baan Purchase Order, giving full details of the reasons for non-acceptance and/or those aspects of the order, which require amendment prior to acceptance.
- 15.3 Where the Contractor is unable to accept a Purchase Order on the basis of the Delivery Date(s) stated, he shall notify the Demanding Officer immediately by e-mail and propose a revised delivery schedule. DSG reserves the right to reject any such proposal.
- 15.4 In cases where a revised delivery schedule is found to be acceptable, the Demanding officer shall confirm acceptance by e-mail. In such cases, the delivery offer made by the Contractor with the acknowledgement of the Purchase Order shall become the contractual delivery date for that Purchase Order only.
- 15.5 Failure to deliver by the agreed date shall enable DSG (at its option) to be released from any obligation to accept and pay for the Articles and/or cancel all or part of the order without prejudice to any other rights or remedies under the Contract.

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15.6 All Articles should be packed to the standard stipulated on the DSG Baan Purchase Order and be delivered on a carriage paid basis to the address detailed on the Purchase Order.

15.7 Delivery shall normally be made to either the Business Stream 1 (BS1) or Business Stream 2 (BS2) Receipts and Issues Departments at the following address:

BS1  
DSG BS1 Trade Receipts  
Building C34  
MOD Donnington  
Telford  
Shropshire  
TF2 8JT

BS2  
DSG BS2 CPDC  
Building C34  
MOD Donnington  
Telford  
Shropshire  
TF2 8JT

Opening Times: 08:00 – 16:00 Monday to Thursday

15.8 Prior to delivery, the Contractor shall make contact with DSG workshop at [Donnington.GoodsInC34@dsg.mod.uk](mailto:Donnington.GoodsInC34@dsg.mod.uk) for BS1 and [BS2.DonnSupply@dsg.mod.uk](mailto:BS2.DonnSupply@dsg.mod.uk) for BS2 to arrange a delivery appointment within the normal opening times detailed above.

15.9 By exception, the Contractor shall be required to deliver direct to any other DSG Workshop location as detailed on the DSG Baan Purchase Order.

15.10 When delivering Articles to DSG Workshops, the Contractor is to include a Delivery Note that includes the following information:

'P' Number(s) of Articles being delivered  
Contract Number  
DSG Baan Purchase Order Number  
Quantity and Unit of Measure

15.11 In the event that the Contractor does not adhere to the time of delivery notified by DSG, DSG shall not be held responsible for any subsequent claim by the Contractor, nor be held liable to meet any additional charges incurred by the Contractor through failure to deliver on the due date at the appointed time.

15.12 Payment shall be made in accordance with the Late Payment of Commercial Debts Act, 1998, on satisfactory delivery of the Articles, consigned to the address detailed on each individual DSG Baan Purchase Order. The Contractor shall submit his Commercial Invoice, by either post or e-mail, bearing the DSG Baan Purchase Order Number and the Contract Number, to the following address:

DSG Finance Accounts Payable

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Sedgemoor Building  
Monxton Road  
Andover  
Hampshire  
SP11 8HT

E-mail: [accounts.payable@dsg.mod.uk](mailto:accounts.payable@dsg.mod.uk)

Once confirmation of receipt of the Article(s) has been received from the Demanding Officer payments will be made via either Cheque or a BACS Transaction.

### **16. CONTRACT NOVATION**

16.1 The Authority may notify the Contractor that agreement has been reached to transfer the business and assets, or substantially all of the business and assets, of the Authority to DSG Newco. The Contractor agrees that, if it is so notified by the Authority, then with effect from the Completion Date or other date as stipulated by the Authority at its sole discretion:

16.1.1 The Authority's rights, obligations and liabilities under this Contract will be automatically transferred to DSG Newco in place of the Authority without the need for any consent or action by the Contractor or the Authority;

16.1.2 DSG Newco will automatically become responsible for all future obligations (the "Assumed Obligations") owed by the Authority to the Contractor in respect of this Contract;

16.1.3 The Authority will be released automatically from the Assumed Obligations.

16.2 The Contractor further agrees at the request of the Authority to enter into any further agreement or document and take any formal steps which are necessary or desirable at the time to give effect to these provisions.

16.3 If this Contract is novated pursuant to Clause 16.1 above then DSG Newco shall only be able to assign, novate or otherwise dispose of its rights and obligations under this Contract or any part thereof with the prior written consent of the Contractor.

16.4 The Contractor shall disclose to DSG Newco such Confidential Information (which may include commercially sensitive information) as may be requested for the operation of the Contract. Where third-party consent is required before such Confidential Information can be disclosed, the Contractor shall use its best endeavours to obtain such consent. DSG Newco shall only use such Confidential Information for purposes relating to the performance of the Contract and for no other purposes.

16.5 The Authority reserves to itself the right at its sole discretion to appoint an agent to manage this Contract, and to give directions to the Contractor, on its behalf. In the event of such appointment, the Authority will notify the Contractor of the identity of the agent and of the scope of the agent's authority to so act.

16.6 In respect of clauses 16.1 - 16.6, the following definitions are provided:

(i) "Completion Date" means the day when Completion takes place;

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- (ii) "Completion" means completion of the transfer and acquisition of the business of the DSG Trading Fund;
- (iii) "DSG Newco" means DSG Land Equipment Support Limited (Company Number: 9329025) (or any successor)

**KEY PERFORMANCE INDICATORS**

1. For purposes of this Annex B:
  - a. "Contract Year" shall mean the 12 month period commencing from the date of Contract award and, thereafter, the subsequent 12 month period
  - b. "Payment Rebate" shall mean an amount due to the Authority from the Contractor as a result of a failure to meet the applicable KPI Target;
2. The Contractor shall deliver Articles ordered pursuant to this Contract and work with the Authority in order to meet the applicable KPI Target indicated in the tables below.
3. The Authority shall measure and provide the Contractor with a report detailing the Contractors performance against the KPIs in the preceding month and cumulatively from the beginning of the Contract Year to the end of the preceding month. The report shall be an agenda item for discussion at the quarterly meeting.
4. Within 30 days from the end of the Contract Year the Authority shall provide the Contractor with a report detailing the Contractors performance against the KPIs over the Contract Year ("Performance Report"). The report shall be discussed and agreed at the quarterly meeting.
5. Following agreement of the Performance Report the Authority shall be entitled to claim any Payment Rebate due. The Contractor shall credit any Payment Rebate claimed against invoices raised in the month following receipt of the Authority's claim.
6. The Payment Rebate for each KPI in the Contract Year shall be determined from the applicable percentage factor detailed in the Tables below that relates to the performance level achieved during the Contract Year against that KPI ("Percentage Factor"). The Percentage Factor shall be applied to the total price of Articles invoiced by the Contractor in the Contract Year to determine the amount of the Payment Rebate for the relevant KPI.
7. The amount of any Payment Rebate for all KPIs shall not exceed in aggregate an amount greater than 7% of the total price of Articles invoiced by the Contractor during the Contract Year.

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Annex B

| <b>KPI No 1</b>   | <b>Delivery Performance</b>   |   |   |               |
|-------------------|---|---|---|---------------|
| KPI Description   | The number of order lines completed by the agreed delivery date expressed as a percentage of the total number of order lines delivered in the period.<br><b>KPI TARGET:</b> More than or equal to 90% |   |   |               |
| Performance Level | More than or equal to 90%   | Less than 90% but more than or equal to 85% | Less than 85% but more than or equal to 80% | Less than 80% |
| Payment Rebate    | Nil   | 2%  | 3.5%  | 5%            |

| <b>KPI No 2</b>   | <b>New Stores Rejects</b>   |   |                               |              |
|-------------------|---|---|-------------------------------|--------------|
| KPI Description   | The number of New Stores Rejects raised (where it is agreed that the Contractor is liable) as a percentage of the total number of order lines delivered in the period.<br><b>KPI TARGET:</b> Less than or equal to 1% |   |                               |              |
| Performance Level | Less than or equal to 1%  | More than 1% but less than or equal to 2% | More than 2% but less than 3% | More than 3% |
| Payment Rebate    | Nil   | 0.5%                                      | 1.0%                          | 1.5%         |

| <b>KPI No 3</b>   | <b>Non Conforming Deliveries (NCDs)</b>  |                               |                               |              |
|-------------------|--|-------------------------------|-------------------------------|--------------|
| KPI Description   | The number of Non Conformance Reports issued by the Authority identifying NCDs expressed as a percentage of the total number of order lines delivered<br><b>KPI TARGET:</b> Less than or equal to 1% |                               |                               |              |
| Performance Level | Less than or equal to 1%   | More than 1% but less than 2% | More than 2% but less than 3% | More than 3% |
| Payment Rebate    | Nil  | 0.5%                          | 1.0%                          | 1.5%         |

| <b>KPI No 4</b> | <b>Response to Request for Quotations (RFQ)</b>  |  |  |  |
|-----------------|--|--|--|--|
| KPI Description | The number of RFQs satisfied by the stated return date expressed as a percentage of the total number of RFQs issued in the period.<br><b>KPI TARGET:</b> More than or equal to 80% |  |  |  |
| Payment Rebate  | There is no rebate attributed to this KPI. Performance shall be measured with reference to clause 4.9.   |  |  |  |



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Annex D

COMMERCIAL-CONTRACTS  
Purchase Order No:

**DSG** PLEASE PROCEED WITH THE SUPPLY  
OF GOODS/SERVICE AS DESCRIBED  
IN THIS ORDER

Page:  
Date:

**PURCHASE ORDER NUMBER MUST APPEAR ON ALL RELATED DOCUMENTS. FAILURE TO COMPLY MAY RESULT IN DELAYED PAYMENT.**

|                  |   |
|------------------|---|
| SHIP TO ADDRESS  | INVOICE TO ADDRESS<br>Accounts Payable - Babcock<br>Defence Support Group, Sedgenoor Building, Monxton Road,<br>Andover,<br>Hampshire, SP11 8HT, GB<br>Tel: 01264 383104<br>Fax: 01264 383410 |
| SUPPLIER ADDRESS | Authorised Signature -<br><br>Authorised by -<br>Contact -<br>Fax Number -<br>Email -   |

This Purchase Order is your formal approval to proceed with the supply of Goods or Services below and on the following continuation pages. Acknowledgement of receipt of order is required. Please sign and return a facsimile of this order using the box provided to the Authorised Signatory. Currency: GBP

| Line Item No | Item Description | Supplier Item No | Unit | Qty | Req Date | Unit Discount | Total (EX VAT) |
|--------------|------------------|------------------|------|-----|----------|---------------|----------------|
|--------------|------------------|------------------|------|-----|----------|---------------|----------------|

**SPECIAL INSTRUCTIONS:**

Terms of Delivery:  
Delivery to Address

Acknowledged by:  
Signed: ..... Date: .....  
In the capacity of: .....

Order Disc  
Total (Excl VAT)  
Total Value of Order GBP

**Terms and Conditions**  
This Purchase Order is subject to English law, Sale of Goods Act 1979, and Sale & Supply of Goods Act 1989 shall apply. This order shall be subject to DEFCON 531 Disclosure of Information, DEFCON 76 Contractors Personnel at Government Establishments and other terms and conditions as may be attached. Suppliers Terms and Conditions or Terms of Business shall not apply to this order. Terms and Conditions of Purchase and Quality Requirements for Suppliers can be viewed at www.dsg.mod.uk

VAT Registered: 8888 474 38

**Appendix - Addresses and Other Information**

**1. Commercial Officer**  
Mrs Elisabeth Wall, Senior Procurement Manager  
Babcock DSG, B15  
Donnington, Telford  
Shropshire  
TF2 8JT  
  
Email: [elisabeth.wall@dsg.mod.uk](mailto:elisabeth.wall@dsg.mod.uk)

**8. Public Accounting Authority**  
  
1. Returns under DEFCON 694 (or SC equivalent) should be sent to DBS Finance ADMT – Assets In Industry 1, Level 4 Piccadilly Gate, Store Street, Manchester, M1 2WD ☎ 44 (0) 161 233 5397  
  
2. For all other enquiries contact DES Fin FA-AMET Policy, Level 4 Piccadilly Gate, Store Street, Manchester, M1 2WD ☎ 44 (0) 161 233 5394

**2. Project Manager, Equipment Support Manager or PT Leader**  
(from whom technical information is available)  
Mr Allen Morgan, Head of Technical  
Babcock DSG, B15  
Donnington, Telford. TF2 8JT  
Email: [allen.morgan@dsg.mod.uk](mailto:allen.morgan@dsg.mod.uk)

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

**3. Packaging Design Authority**  
  
(Where no address is shown please contact the Project Team in Box 2)

**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)

**4. (a) Supply / Support Management Branch or Order Manager:**  
  
Tel No:  
  
(b) U.I.N.

**11. The Invoice Paying Authority (see Note 1)**  
Ministry of Defence ☎ 0151-242-2000  
DBS Finance  
Walker House, Exchange Flags Fax: 0151-242-2809  
Liverpool, L2 3YL Website Is:  
<https://www.gov.uk/government/organisations/ministry-of-defence/about/procurement#invoice-processing>

**5. Drawings/Specifications are available from**

**6. For contracts containing DEFCON 5, mauve Copies of MOD Form 640 are to be sent to**  
  
(where no address is shown the mauve copy should be destroyed)

**12. Forms and Documentation are available through\*:**  
Ministry of Defence, Forms and Pubs Commodity Management  
PO Box 2, Building C16, C Site  
Lower Arcott  
Bicester, OX25 1LP (Tel. 01869 256197 Fax: 01869 256824)  
Applications via fax or email: [DESLCCLS-OpFormsandPubs@mod.uk](mailto:DESLCCLS-OpFormsandPubs@mod.uk)

**7. Quality Assurance Representative:**  
  
Commercial staff are reminded that all Quality Assurance requirements should be listed under the General Contract Conditions.  
  
AQAPS and DEF STANs are available from UK Defence Standardization, for access to the documents and details of the helpdesk visit <http://dstan.uwh.dif.r.mil.uk/> [intranet] or <https://www.dstan.mod.uk/> [extranet, registration needed].

**NOTES**  
1. **Forms.** Hard copies, including MOD Form 640 are available from address in Box 12., All other invoicing forms e.g. AG Forms 169 and 173, are available from the website address shown at Box 11.  
  
2.\* Many DEFCONs and DEFFORMs can be obtained from the MOD Internet Site:  
<https://www.aof.mod.uk/aofcontent/tactical/toolkit/index.htm>

For Official Use Only Recoverable YES  NO   
Issue of Government Property YES  NO

Finance Branch PFS A  
RAC / LPC No / Project No GBA040

VAT Contractor - Country of Origin (delete those not applicable)  
 UK  Non-UK (non-EU Country)  Non-UK (EU Country)

Requisition No  
Project Management/ Production branch reference LSBU15/0063

If EU specify country:

Place of manufacture

Outside the scope Exempt Taxable Zero Rate Taxable - Standard Rate  Item Nos  Item Nos  Item Nos  Item Nos All

Place of packaging Contractor's Tel No

(where a contract is with a contractor whose place of business is not the UK, JSP 916 should be consulted)