**Schedule 2 to**

**DSACOMDD/5061**



**DE&S**

**Contract Number: DSACOMDD/5061**

**Description:**

**The Collection & Disposal of Batteries in Great Britain**

**Terms and Conditions**

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**2 GENERAL CONDITIONS**

DEFCON68 (Edn.02/16) - Supply of Data for Hazardous Articles, Materials and Substances

DEFCON501 (Edn.11/17) - Definitions and Interpretations

DEFCON503 (Edn.12/14) - Formal Amendments To Contract

DEFCON515 (Edn.10/04) - Bankruptcy and Insolvency

DEFCON516 (Edn.04/12) - Equality

DEFCON518 (Edn.11/12) - Transfer

DEFCON520 (Edn.08/15) - Corrupt Gifts and Payments of Commission

DEFCON526 (Edn.08/02) - Notices

DEFCON527 (Edn.09/97) – Waiver

DEFCON528 (Edn.07/17) - Import and Export Licences

The Contractor's attention is drawn to Condition 1 of DEFCON 528 requiring notification of overseas expenditure. In this connection, the Contractor shall, within one month of acceptance of the Contract, notify the Contracts Branch of details of any overseas sub-contract or order he has placed, or intends to place, in aid of the contract. Details to be provided are: Contract No; Country in which sub-contract placed/to be placed; Name, Division and full postal address of sub-contractor; Value of sub-contract as applicable to main contract; Date placed/to be placed. If no overseas orders are to be placed, the Contractor shall advise the Contracts Branch to this effect in the same timescale.

DEFCON529 (Edn.09/97) - Law (English)

DEFCON530 (Edn.12/14) – Dispute Resolution (English Law)

DEFCON531 (Edn.11/14) – Disclosure of Information

DEFCON532A (Edn.06/10) - Protection Of Personal Data (Where Personal Data is not being processed on behalf of the Authority)

DEFCON537 (Edn.06/02) - Rights of Third Parties

DEFCON538 (Edn.06/02) - Severability

DEFCON539 (Edn.08/13) - Transparency

DEFCON550 (Edn.02/14) - Child Labour and Employment Law

DEFCON566 (Edn.03/18) - Change of Control of Contractor

DEFCON620 (Edn.05/17) - Contract Change Control Procedure

DEFCON630 (Edn.02/18) – Contracts

DEFCON658 (Edn.10/17) - Cyber

DEFCON670 (Edn.07/14) - Tax Compliance

**2.1. Sustainable Procurement - Legislative Requirements**

2.1.1. The Contractor shall take all reasonable steps to procure the observance of the economic, social and environmental legislation related to the subject matter or the execution of the contract by any servants, employees or agents of the Contractor and any sub-contractors engaged in the performance of the Contract.

2.1.2. If the Contractor becomes aware of any prosecution or proceedings, for criminal breaches of the economic, social and environmental legislation related to the subject matter or the execution of the Contract, against the Contractor, any servants, employees or agents of the Contractor and any subcontractors engaged in performance of the Contract, the Contractor shall immediately notify the Authority at the address specified in the Contract.

2.1.3. Any convictions during the period of the Contract for criminal breaches of the economic, social and environmental legislation related to the subject matter or the execution of the Contract by the Contractor or any of the Contractor’s directors/partners or senior management who have powers of representation, decision or control, shall be regarded as a material breach of this Contract.

**2.2. Sustainable Procurement - Best Practice**

The Contractor is encouraged to bring to the attention of the Authority any measures which might promote sustainable procurement from a social, economic and environmental point of view.

**2.3. Definition of Waste**

2.3.1. For the purposes of this Contract, Waste shall be defined as all items listed in Annex B to Schedule 1.

**2.4. Title to Waste**

2.4.1. For items which are within the scope of the contract and are for disposal or destruction with no residual value, then Title will pass to the Contractor on collection.

2.4.2 For items which have a residual value and will be recycled or sold, then Title will pass to the Contractor just prior to sale.

2.4.3 For items which are outside the scope of the contract, then the Contractor must revert to the Authority (following the GRIEF process detailed in condition 3.9), and Title will remain with the Authority until a decision is made and the Contractor is advised if they can dispose of or sell the item or whether it has to be returned to the Authority.

**2.5. Warranty**

2.5.1 The Authority gives no warranty whatsoever whether express or implied as regards the description, state, quality or condition of the Waste, or its fitness or suitability for any particular disposal route. All implied statutory or common law terms, conditions and warranties as to the Waste are excluded to the fullest extent permitted by law.

* + 1. It shall be for the Contractor to satisfy itself that the Waste is as described on the Task and to determine the appropriate disposal route, in accordance with current UK and EU legislation.
    2. The Contractor shall warrant for itself and its subcontractors that it and they are fully competent to handle, store and sell the Waste and to keep, test and dispose of all waste produced by it or them in the performance of the contract. Furthermore the Contractor shall indemnify, and keep the Authority indemnified, against any failure by it or its sub-contractors to carry out its and their obligations.

**2.6. Transfer Regulations**

2.6.1 The Contractor shall comply with the Conditions relating to employee transfer arrangements detailed at Schedule 4 to the Contract.

**2.7. Definitions**

2.7.1 In addition to the provisions of DEFCON 501, unless stated otherwise in an individual document, the words and expression listed at Annex A to Schedule 2 to the Contract shall have the meanings respectively assigned to them.

# 2.8 Interpretation & Precedence

2.8.1 Further to DEFCON 501, in the event of any internal conflict in any document or any conflict between documents with the same order of precedence, the Authority shall be entitled to give directions as to which part of the relevant document or which document (as the case may be) shall take precedence over which other part or which other document (as the case may be). The Authority’s directions in the matter, after consultation and agreement with the Contractor, shall be final and the Contractor shall agree that the Contract shall be construed accordingly.

2.8.2 For the purposes of this Contract, the order of precedence described in Clause d. of DEFCON 501 shall be interpreted as follows:

1. Annexes, Reference Documents and Standards called up within the text of special conditions of Contract shall have the same or equal precedence to a special condition of contract.
2. The Schedule of Requirements shall take precedence over any Proposal or any documentation supplied by the Contractor unless otherwise agreed in writing.

## **2.9 Commercial Risk**

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

- particular risks and their impact; or

- risk reduction measures, contingency plans and remedial actions

shall not in any way limit or exclude the Contractor's obligations under this Contract and shall be entirely without prejudice to the Authority's rights, privileges and powers under this Contract. Where any risks identified as a result of any risk assessment questionnaire and risk assessment generally are agreed by the parties to be those of the Authority, these shall be subject to being accepted expressly and unequivocally by the Authority.

**3 SPECIFICATIONS, PLANS, ETC**

DEFCON129J (Edn.18/11/16) - The Use Of The Electronic Business Delivery Form

DEFCON502 (Edn.05/17) - Specifications Changes

DEFCON602B (Edn.12/06) - Quality Assurance (Without Deliverable Quality Plan)

DEFCON608 (Edn.10/14) - Access and Facilities to be Provided by the Contractor

**3.1 Independent Safety Auditors, Advisors and Assessors**

3.1.1 The Contractor shall provide access to records, including sub-contractor records, for contract purposes; to enable the MOD appointed Independent Safety Auditor to carry out safety audits and other assessment activities to meet MOD safety requirements.

**3.2 Environmental Management Standards**

3.2.1The Contractor shall ensure that all activities under this Contract shall comply with certified environmental management standards based on a UKAS accredited ISO 14001 or equivalent.

**3.3. Duty of Care Audit**

3.3.1 In addition to the provisions of DEFCON 608, the Authority shall have the right to undertake Duty of Care audits, relating to Health & Safety and Environmental management issues. Prior to each visit, the Authority will provide the Contractor with two questionnaires. The audit itself will then comprise of a review of all documentation relating to Safety, Health, and Environmental (SH&E) management and legislative compliance, and physical assessment of the site and work practices to ensure their compliance with the Contractor’s SH&E Management Systems. The first audit will occur within 3 months of contract award and further audits will be carried out annually for the duration of the contract. After each audit, the Authority shall produce a report, which shall be copied to the Contractor. The Contract shall act upon the recommendations within the audit report within the timescales detailed in the report.

**3.4. Essential Licences**

3.4.1 To meet the Authority’s compliance obligations the Contractor shall possess all necessary licences and environmental permits to enable collection, transportation, storage and disposal of the Waste arising under the Contract. If any of the standards listed change during the period of the contract then the Contractor must provide evidence of meeting the new standard. The Contractor shall ensure full compliance with all relevant and extant European Union, United Kingdom Health & Safety regulations and legislation. The Contractor shall possess the following licences and operate the processes listed below for the duration of the Contract:

(a) UKAS (or equivalent) accredited certification to ISO 9001:2008 or ISO 9001:2015 (after 31 January 2018);

(b) UKAS (or equivalent) accredited certification to ISO 14001:2004 or ISO 14001:2015 (after 28 February 2018);

(c) Environmental Permits that relate to the collection, transportation and storage pending disposal of Waste within the scope of this contract, in accordance with COSHH regulations;

(d) Licences for any Authorised Approved Test Facilities (AATF) proposed to be utilised for the processing prior to disposal of Waste Electronic and Electrical Equipment (WEEE).

(e) Health & Safety Management – the Contractor must maintain as a minimum an appropriate and documented Organisational Health & Safety Management System.

**3.5. Plans and Reports**

3.5.1 The Contractor shall submit the Plans and Reports listed in Item 2b of the Schedule of Requirements at Schedule 1 to the Contract in the timescales specified against each report.

3.5.2 If the plans or reports presented by the Contractor are not in the format described in Annex F to Schedule 2 to the Contract, the Authority may reject the report or plan. Where the plan or report is the subject of a Key Performance Indicator detailed in Condition 7.3 below the Authority will levy the relevant service credit. In all cases the Contractor shall make good any defects in the plan or report within 5 business days of such rejection.

3.5.3 Failure to submit or to resubmit a plan or report that is not in the format detailed in Annex F to Schedule 2 to the Contract or in the case of rejection of a report or plan within the timescale detailed in sub Condition 3.5.1 above may constitute a “material breach” as described in DEFCON 514 and the Authority reserves the right to terminate the contract in accordance with DEFCON 514.

**3.6. Audit Requirements**

3.6.1 The Contractor shall maintain an item based accounting system for surplus or waste / contaminated Waste declared to the Contractor by the Authority under the Contract. Detailed records are to be maintained of all purchasers of Waste. Such records shall include the disposal route used, and details of any material sent to landfill and shall as a minimum contain the information shown in the templates at Annex F to Schedule 2 to the Contract. The accounting system shall be subject to the approval of, and subsequent audit by, UK MoD’s Defence Internal Audit Asset Accounting Centre (DIA AAC). Such facilities shall also be extended to the National Audit Office on request.

* 1. **Routine Tasks (Item 1a on the Schedule of Requirements)**

3.7.1 A Routine Task shall be defined as a quantity of Waste within the scope of the contract, which has a firm price for all elements of the Task detailed in the relevant Pricing Matrix at Annex A to Schedule 1.

1. A formal Task Letter will be issued for each Task. The formal Task Letter will be signed electronically and sent to the Contractor with a copy of the declaration received from the unit by email.
2. An electronically signed Task is the Contractor’s only authority to proceed with the requirement therein.
3. Only the Authorised Demanders can place Tasks for the disposal of Waste (including Tasks issued by Other Government Departments).
4. The Authority will use all reasonable endeavours to ensure the accuracy of the details supplied. Each Task will contain as a minimum;
5. Demanding Authority detail;
6. Unique Task Number;
7. Collection address;
8. Full description of the items or product to be collected;
9. Denomination of Quantity (D of Q) and Quantity;
10. Condition; and
11. Point of contact at the unit to arrange access to the site to collect the Waste.
12. The Contractor will acknowledge receipt of all Tasks from the Authority within 24 hours; confirming their acceptance of the task and that they will proceed to perform the work in accordance with the terms and conditions of contract and the price specified in Annex A to Schedule 1(the Pricing Matrix) to the Contract. Alternatively if in their view the task is not within the contract the Contractor should immediately advise the Authority giving an explanation of why they believe the task is outside the scope of the contract and await further instruction from the Authority.
13. The Authority shall allow the Contractor reasonable access to units for the purposes of collecting Waste specified in a task at times agreed between the Parties.
14. Further to DEFCON 608, the Authority shall be entitled at any time prior to the sale, to inspect any Waste being processed or stored by the Contractor, although no such inspection or lack of inspection shall affect any of the Contractor’s obligations under the Contract.
15. The Authority may cancel or vary any Task.

**3.8 Extraordinary Tasks (Item 1b on the Schedule of Requirements)**

3.8.1 An extraordinary task shall be defined as:

(a) a type of Waste not already included in Annex A to Schedule 1 (the Pricing Matrix);

(b) Overseas Tasks, although the cost of disposal shall be in accordance with the relevant prices in the Pricing Matrix.

* + 1. Extraordinary Tasks are to be priced on a case by case basis using the rates contained in Annex A to Schedule 1(the Pricing Matrix) to the Contract, where available.

3.8.3 The Authority shall issue an Extraordinary Task using Part 1 of the form at Annex H to Schedule 2 to the Contract seeking a quotation for the work detailed in the Extraordinary Task. The Contractor shall respond by submitting a Task Quotation within 10 Business Days, using Part 2 of the form at Annex H to Schedule 2 to the Contract, and including:

1. A breakdown of costs for completing the work using the rates at Annex A to Schedule 1 (the Pricing Matrix) to the Contract and identifying any additional or different costs specific to the Extraordinary Task;
2. Sales Return, if appropriate;
3. Dependencies including the need for any Government Furnished Equipment (GFE) or other support from the Authority;
4. Any assumptions or exclusions;
5. Programme /Project Plan including completion dates and critical milestones; and
6. Any specific risks and proposed mitigation.
   * 1. The Authority will assess this quotation and written notification shall be given to the Contractor of the Authority’s decision, whether this is to proceed with the Task, or to cancel it, using Part 3 of the form at Annex H to Schedule 2. If the Contractor is authorised to proceed with the task then the Contractor shall contact the Unit/Establishment and, unless otherwise agreed, shall collect the Waste within 10 Business Days of the Authority’s acceptance of the quotation.

3.8.4 In accordance with DEFCON 630, the Authority reserves the right to negotiate the terms of these Extraordinary Tasks, or to seek competitive tenders for Extraordinary Task(s).

3.8.5 The Authority may request that the Contractor attends the site specified in an Extraordinary Task to undertake an on-site inspection at a mutually agreed time; which will normally be within 5 Business Days of receiving a Task to estimate the disposal method and manpower required to effect clearance of the Waste. While the Authority reserves the right to request these inspection visits it will not exercise that right unreasonably.

* 1. **Goods Received in Error and Discrepancies (Item 1c on the Schedule of Requirements)**

3.9.1 Where:

(a) Waste is received in error (see Annex C (Discrepancy & GRIEF Reports) to Schedule 2 to the Contract), and differs in volume or type from that specified in the Routine Tasks;

(b) additional costs are incurred by the Contractor in its handling, storage or delivery to an Authority-nominated location;

(c) Waste is recalled by the Authority and the Authority does not require the Contractor to undertake additional work in respect of the recall activity;

(d) Waste is subject to additional restrictions imposed by the Authority;

(e) additional costs are incurred by the Contractor due to a wasted journey if the reason for the wasted journey is caused by the Authority;

(f) there is other contamination of product (compared with the description on the Declaration);

the costs incurred by the Contractor as a direct consequence of such error, recall or restriction, shall be identified by the Contractor and submitted to the Authority within 10 Business Days on the forms contained at Annex C to Schedule 2 - Report of a Discrepancy or GRIEF (Goods Received in Error Form).

* + 1. Examples of evidence which may be required in support of any quotation may include:

(a) Photographic Evidence;

(b) Commercial Invoices;

1. Bills of Lading;

(d) Weighbridge Tickets.

3.9.3 The Authority will assess the quotation and written notification shall be given to the Contractor of the Authority’s decision whether this is to proceed with the task or cancel it using Part 3 of the Form at Annex H to Schedule 2 to the Contract.

3.9.4 All costs identified in conjunction with either a Goods Received in Error or Discrepanciesshall be separately accounted for by the Contractor and under no circumstances offset against the price payable to the Authority in accordance with Condition 4.3 to the Contract. The Contractor shall endeavour to minimise such costs as far as possible and provide evidence that it has taken steps to mitigate such costs.

**4 Price**

**DEFCON 127(Edn.12/14) – Price Fixing for Contracts of Lesser Value** (Applicable to Contract Amendments and Extraordinary Tasks only)

**4.1 Prices for Item 1a of the Schedule of Requirements – Routine Tasks**

4.1.1 The price payable by the Authority to the Contractor shall be calculated using the applicable firm prices for each element of the Task as specified in Annex A to Schedule 1 (the Pricing Matrix);

4.1.2 The firm prices shown in Annex A to Schedule 1 (the Pricing Matrix) shall include:

1. Collection
2. Disposal
3. Duty of Care charges
4. Landfill Tax (where applicable)
5. Landfill Gate Charges (where applicable)
6. Processing of paperwork
7. Compliance with Legislation
8. Cost of containers
9. One hour on site unloading time

4.1.3 If an annual Duty of Care agreement is required, this will be completed by the Customer, but shall not attract a separate charge.

4.1.4 Should a Customer require a scheduled collection service, there will be no charge for setting up the collection.

**4.2 Prices for Item 1b of the Schedule of Requirements – Extraordinary Tasks**

4.2.1 Where the Contractor has been requested to provide a quotation to undertake an Extraordinary task as defined in condition 3.8 to the Contract he shall do so using the firm rates and prices specified in Annex A to Schedule 1 (the Pricing Matrix) to the Contract where they are applicable and supplemented by his proposal for other elements of the price quotation.

4.2.2 The Contractor shall provide a full breakdown of his proposal providing supporting evidence for any prices that are not covered by the rates and prices specified in Annex A to Schedule 1 (the Pricing Matrix).

4.2.3 Where the Contractor believes that an alternative pricing approach offers improved value for money he shall submit an initial proposal in writing to the Commercial Office detailed in DEFFORM 111 (the Appendix to Contract) for the consideration by the Authority within 5 Business Days of receiving the Extraordinary Task.

**4.3 Prices for Item 1c of the Schedule of Requirements - Goods Received in Error or Discrepancies**

4.3.1 When the Contractor experiences one or more of the events described in Condition 3.9.1 of the Contract and he has incurred and/or will incur additional costs, the Contractor shall provide a quotation on the form at Annex C to Schedule 2 (Discrepancy/Grief Report) of the Contract using the firm rates and prices specified in Annex A to Schedule 1 (Pricing Matrix) to the Contract where they are applicable and supplemented by his proposal for other elements of the price quotation.

4.3.2 The contractor shall provide a full breakdown of his quotation providing supporting evidence for any prices that are not covered by the rates and prices specified in Annex A to Schedule 1 (the Pricing Matrix).

**5 INTELLECTUAL PROPERTY RIGHTS**

DEFCON632 (Edn.08/12) - Third Party Intellectual Property - Rights and Restrictions

**6 LOANS**

DEFCON76 (Edn.12/06) - Contractor's Personnel at Government Establishments

DEFCON611 (Edn.02/16) - Issued Property

**7 DELIVERY/PERFORMANCE**

DEFCON5J (Edn.18/11/16) - Unique Identifiers

Where used in conjunction with contracts for services, Condition 2 of the DEFCON shall not apply.

DEFCON507 (Edn.10/98) – Delivery

DEFCON514 (Edn.08/15) - Material Breach

DEFCON612 (Edn.10/98) - Loss of or Damage to the Articles

DEFCON621B (Edn.10/04) - Transport (if the Contractor is responsible for transport).

DEFCON656A (Edn.08/16) - Termination for Convenience (Contracts under £5M).

**7.1. Supply Chain**

7.1.1 The Contractor shall be expected to be able to demonstrate at any time that a fully operative supply chain is in place which can meet the requirements of the Contract, and that all essential licences and permits are held in accordance with Condition 3.4 of the Contract.

**7.2. Collection**

* + 1. The Contractor shall comply fully with all relevant legislation regarding suitable transport, containers, handling and loading capability and health and safety and environmental legislation, including the provision of consignment notes for each collection undertaken at nil cost to the Authority.

7.2.2 Most Units generally accept collections between 09:00 – 16:000 hours Monday to Thursday, and 09:00 – 12:00 hours on Fridays. The Contractor shall contact the consignor to arrange a collection.

**7.3. Key Performance Indicators (KPIs)**

7.3.1 The Authority shall review the Contractor’s monthly performance against the contract Key Performance Indicators (KPIs) as stated below. The Contractor shall be professionally and contractually responsible for delivering all of the KPIs and shall provide a report of performance against each of the KPIs for review at the Quarterly Contract Review Meetings. Where KPIs are not fully met, the Contractor shall include information in the report detailing the cause(s) of failure.

7.3.2 Failures against KPIs will be subject to the payment of Service Credits for each failure by the Contractor to the Authority in accordance with Condition 7.3.5 below. Should there be failures on the same KPI in consecutive quarters; the Authority may request a Recovery Plan. Where a Recovery Plan is requested, the Contractor shall provide for consideration by the Authority within 10 Business Days of the Authority’s request. Subsequent failure to adhere to any agreed recovery plan may be deemed to be a breach of contract under DEFCON 514.

7.3.3 Key Performance Indicators will take effect upon commencement of the Contract and remain extant throughout the duration of the Contract. For the first 2 months’ of the Contract the KPIs will be monitored but Service Credits will not be charged for any failure in performance. Enforcement of the payment of Service Credits against KPIs will commence from the assessment of performance in the 3rd month of the Contract onwards, effected by means of an invoice issued by the Authority for the Service Credit sums due.

7.3.4 In the event that the Authority and the Contractor do not agree the sentencing of performance against KPIs in the contract review meeting, the Contractor shall have the right to appeal against any Service Credit applied by submitting relevant evidence to the Authority for consideration within a further 7 Business Days. The Authority agrees to consider such evidence submitted within this time period within a further seven business days in order to reach a decision and proceed to issue an invoice for the Service Credit sums due.

7.3.5 The KPIs to be measured, including the application of Service Credits shall be as detailed below:

1. **KPI 1 – Standard Collection**
2. On receipt of Routine Task documentation, the Contractor shall agree a time and date for collection of declared products with the relevant point of contact. Unless otherwise agreed, such Collection and Removal of Waste from MoD and Non-MoD locations in the UK shall be completed within ten Business Days of receiving the authorised Task.
3. An incident shall be considered as a failure if the Contractor fails to respond to the Authority’s Collection requirements within ten business days or other agreed timescale.
4. The Service Level Target is 95% of collections on time. This will be measured monthly.
5. Failure to achieve the required Service Level in any calendar month shall attract a Service Credit of £1,000 for each failure against the target in each Lot.
6. **KPI 2 – Payment of Rebates (if applicable)**
   1. Payment to the Authority within 4 Business Days after the end of each fiscal quarter the Authority’s agreed percentage of sale receipts received in that calendar month.
   2. An incident shall be considered as a failure if the Contractor fails to submit the relevant payment of the percentage return of Sales Receipts within the agreed timescale or submits a lower inaccurate payment than that due.
   3. The Service Level Target is 95% of Sales Receipts paid on time. This will be measured quarterly.
7. **KPI 3 – Management Information Reports**
8. Provide accurate and complete Management Information reports in the format at Annex F and Annex G to Schedule 2 under Item 2b of the Schedule of Requirements, to be received by the 4th Business Day of each calendar month or as specified against the individual report
9. An incident shall be considered as a failure if the Contractor fails to submit any of the Management Information reports under Item 2b of the Schedule of Requirements within the stated timescales. Any report submitted which contains inaccuracy will be deemed not to have been submitted.
10. The Service Level Target is 95% of Management Information Reports received on time. This will be measured monthly.
11. **KPI 4 – GRIEF / Discrepancy Forms**
    1. Submit to the Authority all Goods Received in Error Forms (GRIEF) and Discrepancy Forms within 10 Business Days of erroneous receipt or discrepancies in receipt of the subject Waste).
    2. An incident shall be considered as a failure if the Contractor fails to submit a GRIEF or Discrepancy Form within the stated timescales.
    3. The Service Level Target is 95% of GRIEF/ Discrepancy Reports received on time. This will be measured monthly
12. **KPI 5 – Quotations for Extraordinary Tasks**
13. For all Extraordinary Tasks, submit quotations to the Authority within 21 Business Days (Lot 1) or 10 Business Days (Lots 2, 3 and 4) of receipt, or other timescale agreed by the Authority.
14. An incident shall be considered as a failure if the Contractor fails to submit a quotation within the Business Days specified above, or other agreed timescale.
15. The Service Level Target is 95% of quotations received on time. This will be measured monthly.

**8 PAYMENTS/RECEIPTS**

DEFCON513 (Edn.11/16) - Value Added Tax

DEFCON522 (Edn.11/17) – Payment and Recovery of Sums Due

DEFCON534 (Edn.06/17) – Subcontracting and Prompt Payment

* 1. **Payments by the Contractor to the Authority (Items 1a, 1b and 1c of the Contract)**

8.1.1 Where there is a Sales Return due, (whether this is for the Authority or for and Other Government Department), the Contractor shall pay the Authority the agreed Sales Return as shown at Annex A to Schedule 1 (the Pricing Matrix), plus VAT at the appropriate rate. The Contractor shall use the form at Annex E to Schedule 2 to advise the Authority of payments due.

* + 1. Such payments shall become due to the Authority within 4 Business Days after the end of each fiscal quarter and shall be based upon receipts becoming due to the Contractor from his Customers in the previous fiscal quarter.
    2. The payment made to the Authority shall be based on the quarterly Sales Report provided to the Authority within 4 Business Days of the end of the quarter. The first quarterly report will be due 3 months’ after the Operational Date of the Contract.The Authority will check and raise any issues within 10 Business Days.
    3. On receipt of each payment, a formal invoice shall be issued by DBS Finance Branch (see Box 11 of DEFFORM 111). Payments are to be made by BACS to the Authority’s nominated Bank Account. Any adjustments due further to Condition 8.1.3 above will be reconciled in future monthly invoices.
    4. In the event that the end purchaser fails to make payment to the Contractor the Authority will not be liable for any bad debts, it will be the Contractor’s responsibility to ensure that the Authority receive its full percentage share of revenue. Any late payments not received will be discussed at the Contract Review meetings.
  1. **Payments by the Authority to the Contractor under Items 1a, 1b and 1c of the Contract**
     1. Payments to the Contractor shall be effected in accordance with DEFCON 522. Annex D to Schedule 2 gives details of the payment methods to be used. Invoice messages shall be issued in accordance with DEFCON 129J.
  2. **Payments by Other Government Departments to the Contractor under Items 1a, 1b and 1c of the Contract**
     1. Payments to the Contractor by Other Government Departments (OGDs) shall be effected in accordance with the instructions issued separately by each OGD. The point of contact in the DSA for liaising with these OGDs and issuing the relevant instructions is DSA BD1 – Tel: 01869 256866 or email DES DSA-BD1 [DESDSA-BD1@mod.uk](mailto:DESDSA-BD1@mod.uk)

**9 CONTRACT ADMINISTRATION**

DEFCON604 (Edn.06/14) - Progress Reports

For the purposes of the Contract, the frequency of reports shall be monthly.

DEFCON609 (Edn.06/14) - Contractor's Records

DEFCON625 (Edn.10/98) – Co-operation on Expiry of Contract

DEFCON642 (Edn.06/14) - Progress Meetings

**9.1 Progress Meetings**

9.1.1 In addition to the requirements of DEFCON 642, the Contractor shall attend both formal and informal meetings as requested by the Authority, including quarterly Contract Review Meetings. The aim of these meetings will be to promote the efficient and effective operation of the contract. The meetings will review and discuss the performance against the KPIs and address any issues. The Authority shall be responsible for making a record of the discussions and decisions of the meeting and these shall be forwarded to the Contractor in draft form within 2 weeks of the meeting for comment prior to a final version being issued. Prior to every Contract Review Meeting, the Contractor will be required to provide all Plans and Reports listed in Item 2b of Schedule 1 to the Contract 5Business Days prior to the relevant meeting date.

* 1. **Strategy on Expiry of Contract**

9.2.1 The expiry of the Contract will not relieve the Contractor of any contractual obligations which have already been committed to contract. The Authority shall allow a maximum period of 6 months from the date of contract expiry (to be referred to as the Closure Period) to complete outstanding tasks within the Closure Period.

* + 1. Tasking and Outstanding Tasks. The Authority will not place any further Tasks against this Contract post the contract expiry date. However, the Contractor will provide a list of outstanding Tasks that have already been placed against the Contract. The Contractor should at this time ensure that the Waste, confirmed as collected, will be disposed of in accordance with the terms of the Contract. The Contractor should continue to track and account for any remaining Waste in accordance Condition 3.6 of these Terms and Conditions of Contract. At the end of the period allowed for Contract closure the Authority will arrange for the Asset Accounting Centre to audit and formally close the account.

9.2.3 Contract Closure Meeting. The Authority will arrange a post expiry meeting to confirm that all obligations in respect of the Contract have been met by both Parties and the Contract will be formally closed